

FY 2018



ADOPTED BUDGET

CITY OF MOLALLA AND
MOLALLA URBAN RENEWAL AGENCY



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SECTION 1

PROPOSED
BUDGET
APPROPRIATION
ANALYSIS

Budget Committee

Citizen Members:

Rory Cramer
Robin Eberly
Erin Herrington
Mary Lynn Jacob
Mitch Jorgensen
Jody Newland
Stephanie Nice

Mayor:

Jimmy Thompson

City Council:

Glen Boreth
Leota Childress
Cindy Dragowsky
Elizabeth Klein
Delise Palumbo
Keith Swigart

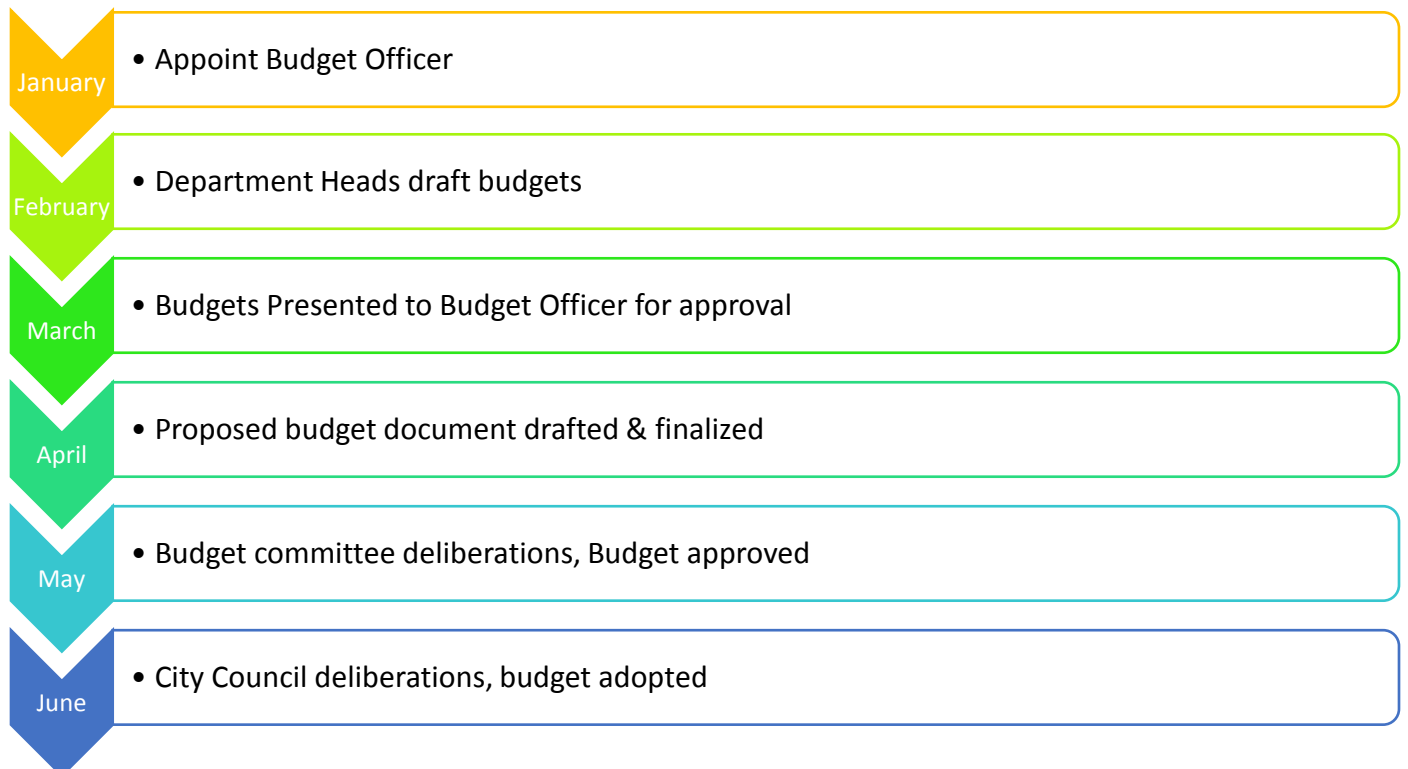
Staff:

Dan Huff, City Manager
Chaunee Seifried, Finance Director
Sadie Cramer, City Recorder
Rod Lucich, Chief of Police
Gerald Fisher, Public Works Director
Diana Hadley, Library Director

Budget Calendar

The process followed in the preparation of this budget complies with the Local Budget Law established by the State of Oregon (ORS Chapter 294). This process also applies to the Urban Renewal Agency's budget for 2017/18. The process and calendar of events leading up to the adoption of this budget are as follows.

- January 11, 2017 Appoint Dan Huff, City Manager as Budget Officer by Resolution (ORS.294.331)
- February 2017 Prepare budget worksheets.
- March 15, 2017 Budget 101 Presentation - *6:30pm @ the Molalla Adult Center*
- March 31, 2017 Department Heads submit final proposed budgets to Budget Officer
- Publish Notice of 1st Budget Meeting (ORS.291.401) to include Shared Revenue hearing and Public comment. Post on Website and only need one publishing.
- May 9, 2017 Budget Committee Meeting #1** *6:30pm @ the Molalla Adult Center*
- May 16, 2017 Budget Committee Meeting #2 (if needed)** *6:30pm @ the Molalla Adult Center*
Budget Committee approves and forwards to City Council (ORS.406)
- May 31, 2017 Publish Notice of Budget & LB Forms in Molalla Pioneer (ORS 294.421)
- June 14, 2017 A Budget Hearing before City Council (ORS 294.430)
- July 15, 2017 Submit tax certification document to County Assessor (ORS 294.555)



City Overview

The City of Molalla is a growing community where citizens, business, and city government work together to ensure the community retains its hometown identity, livability, and natural beauty. With an estimated population of 9960, Molalla's rich past is still reflected today in our commitment to our quality of life.

Location

Molalla is located within the Mt. Hood territory and located at the foothills of the Cascade Range, near the Mount Hood National Forest, 15 miles south of Oregon City, and 13 miles east of Interstate 5. The City of Molalla is surrounded by agriculture, ranches, and rural residential development.



City of Molalla Government

The City of Molalla is a full-service municipal corporation which operates under a council/manager form of government. The elected city council sets policies for city government, enacts ordinances, and hires, directs, and evaluates the city manager. In turn, the city manager is responsible for overall management and administration. The Molalla City Council meets the second and fourth Wednesday of each month at the Molalla Adult Center. The City Council consists of the Mayor and six councilors who act as the board of directors for the City of Molalla. Municipal services are provided by a staff of 46.7 full-time employees under the city manager. The city operates its own police department, municipal court, water, wastewater, storm water utilities, street operations, planning and engineering services, and the library.

History

Long before the first settlers began arriving, the area was populated by the Molalla Indian tribe. As settlers arrived, the community grew around the crossing of two Indian trails. Descendants of the Molalla tribe are now part of the Grande Ronde Confederate Tribes in western Oregon. Efforts of the City of Molalla and Molalla River School District in conjunction with tribal efforts hopefully will bring a Tribal presence back to the Molalla area. Seeking fertile soils, ample water and rich grasses, pioneers were attracted to the Willamette Valley. William Russell filed the first land claim in the area in 1840. In 1850, a post office was opened and the community started to grow. By 1856, the first schools were operating and the town had become a thriving timber, agricultural, and trade center. The year 1857 brought the first general store.

The year 1913 was a year of "firsts" for Molalla. It welcomed the first steam train, the first Molalla Buckeroo Rodeo, the first bank, the first locally published weekly newspaper, and the incorporation of the City. Over the years, lumber production became the community's largest commodity. At one point, five saw mills operated in Molalla. Timber remained the mainstay of the community's economy until the 1980s.

Budgeting in the City of Molalla

The City of Molalla prepares and adopts a budget in accordance with its city charter and ORS 294.305 through 294.565. The budget is presented in fund and department categories. Over-expenditures in any category are prohibited and unexpended budget appropriations lapse at the fiscal year's end.

Under the city's expenditure limitation, total expenditures cannot exceed the final appropriation once the budget is adopted. The budget can only be amended during the fiscal year through adoption of a supplemental budget. Supplemental budgets are adopted through the same process used for the regular budget, including the public hearings, and shall not extend beyond the end of the fiscal year during which they are submitted.

Supplemental budgets cannot be used to authorize a tax levy. Typically, the city has enough flexibility to carry out the programs prescribed in its adopted budget. During times when an adopted budget has no authority to make certain expenditures or when revenues are received for which the city had no prior knowledge, it is possible to use a supplemental budget in the current fiscal year.

City of Molalla Budget Committee

The Molalla Budget Committee consists of the city council plus an equal number of citizen members approved and appointed by the city council. State law, ORS 294.336, mandates a budget committee for all Oregon local governments.

Budgeting in the State of Oregon

Chapter 294.311 paragraph 5 of Oregon State Law defines a budget as:

A plan of financial operation embodying an estimate of expenditures for a given period or purpose and the proposed means of financing the estimated expenditures.

Local Budget Law

Local budget law for local government is set out in ORS 294.305 to 294.565. Chapter 294.321 defines the six major purposes of local budget law:

1. To establish standard procedures for preparation, presentation, administration, and appraisal of municipal corporations;
2. To provide a brief description of the programs of a municipal corporation and the fiscal policy which is to accomplish these programs;
3. To provide for estimation of revenues, expenditures and proposed taxes;
4. To provide specific methods for obtaining public views in the preparation of fiscal policy;
5. To provide for the control of revenues, and expenditures for the promotion of efficiency and economy in the expenditure of public funds;
6. To enable the public, taxpayers and investors to be apprised of the financial policies and administration of the municipal corporation in which they are interested.

Local governments in Oregon operate on a fiscal year which begins July 1st and ends the following June 30th. Budgeting requires local governments to evaluate plans and priorities with regard to the financial

resources available to meet those needs. In Oregon, a budget is necessary to justify the need for a given tax rate and amount of property taxes.

Basis of Accounting

All funds are budgeted using the modified accrual basis of accounting in accordance with budgetary accounting practices. Subsection 24 of ORS Chapter 294.311 defines the modified accrual basis of accounting as:

“...Under this basis of accounting, revenues and other financial resource increments, such as bond proceeds, are recognized when they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures in the current period.

(b) As used in this subsection, “available” means collectable in the current period or soon enough thereafter to be used to pay liabilities of the current period. Under this basis of accounting, expenditures are recognized when the fund liability is incurred except for:

(A) Inventories of material and supplies that may be considered expenditures either when purchased or when used; and

(B) Prepaid insurance and similar items that may be considered expenditures either when paid for or when consumed.

This means revenues are recognized when they become measurable and available. “Measurable” means the dollar value of the revenue is known. “Available” means it is collectible within the current period, or soon enough after the end of the current period, to pay off liabilities of the current period. Significant revenues are considered to be measurable and available under the modified accrual basis of accounting are property taxes and franchise fees. Expenditures are recognized when the liability is incurred, except for interest on general long-term obligations which is recorded when due.

Basis of Budgeting

All of the funds are budgeted using the modified accrual basis of accounting practices. In modified accrual, revenues are recognized when they become measurable and available. “Measurable” means that the dollar value of the revenue is known. “Available” means it is collectible within the current period, or soon enough after the end of the current period, to pay off liabilities of the current period. Significant revenues that are considered to be measurable and available under the modified accrual basis of accounting are property taxes, franchise fees, and assessment lien installments received within approximately 60 days of the end of the fiscal year. Expenditures are recognized when the liability is incurred, except for interest on general long-term obligations which is recorded when due.

Budgetary goals:



Budget Contingency Plan

The purpose of the Budget Contingency Plan is to establish a guideline and general approach to respond to adverse financial and economic conditions which could negatively impact the City of Molalla's fiscal health. The plan establishes a foundation of principles and goals upon which budgetary decisions will be based. The plan will create a proactive systematic response to adverse fiscal conditions, as opposed to reactionary decision-making that could have long-term negative impacts to the organization. While the plan is primarily focused on the General Fund, it also applies to all City funds as fiscal constraints are presented in these funds as well.

Principles & Goals

The guiding principles behind the plan include the continued ability to achieve the City's mission to protect and enhance our community's quality of life for present and future generations. It is achieved through careful planning, fiscal responsibility, and continuous improvement. In addition, the City will strive to continue providing a balance of services within its fiscal ability. The primary goals of the plan are as follows:

- Maintain a balanced budget—primarily the General Fund
- Preserve the City's core services
- Retain the City's organizational infrastructure and ensure that appropriate internal review functions remain in force

Plan Trigger

Implementation of this plan will be predicated on one or more of the "triggers" outlined below:

1. Any adverse fiscal circumstances as determined by the City Manager, such as:
 - Natural or human-made disasters
 - Large, unexpected costs
 - Economic downturns
2. Whenever there are two consecutive quarters of adverse fiscal results in the top four revenues. Adverse results may include actual declines in revenues and/or significant variances from projected revenues. The top four revenues include:
 - Property Tax
 - Utility User Fee
 - Franchise Fee
 - County Funds

Declines in revenues will be analyzed in conjunction with expenditure trends in order to consider the net impact to fund balance. To the extent expenditure savings offset declines in revenue, reduction measures will not be implemented.

KEY ELEMENTS

There are four key elements to this plan:

1. Utilize Reserve Funds

Depending on the type of fiscal constraint, it may be more prudent to utilize a portion of reserve funds, rather than affect the operations of the City. In the following example, reserve

funds would be utilized up to the level of availability:

- A. Natural or human made disasters—In the event Emergency Reserves are utilized, the City will strive to maintain the desired operating reserve.

2. Provide ongoing Monitoring of City’s Fiscal Health

In an effort to keep Council, employees, and the community apprised of the City’s fiscal situation, the Finance Director will provide ongoing analysis, reporting and monitoring on a quarterly basis or more frequently if the need arises. In addition, the Council will be presented with the City’s audited financial statements in accordance with generally accepted accounting principles on an annual basis.

3. Assess the Type of Fiscal Challenge

The type of duration of the fiscal impact will determine how best to respond to the situation. Different challenges call for different strategies.

- A. One-Time Events: One-time event that is not likely to continue indefinitely. “One-time” fixes are an appropriate response for “one-time” problems. Examples of “one-time” fixes include the use of inter-fund transfer or borrowing of funds, deferred funding, or replacement equipment for delays in capital projects.
- B. Ongoing Challenges: Ongoing downturn in revenues or ongoing increases in costs. In the case of ongoing challenges, “one-time” fixes will not be sustainable. A structural imbalance requires new ongoing revenues or ongoing expenditure reductions.

4. Identify Options

In the long-term, there are only two basic budget-balancing options:

- A. Increase Revenue
- B. Reduce Expenditure (and related service levels) in the short-term. Use of fund balances is an option, but it is not a viable long-term solution. An exception is the strategic use of fund balances that reduces future year operating costs or increases ongoing revenues.

General Strategy

Department Heads are responsible for crafting expenditure reduction options that:

1. Are realistic and ongoing
2. Reflect the least service impacts to the community
3. Are within the City’s ability to do independently – no speculative reductions contingent upon actions by others
4. Can be implemented within three months after adoption
5. Maintain essential facilities, infrastructure, and equipment at reasonable levels
6. Reflect participation from throughout the organization

Key Principles in Preparing Operating Expenditure Reduction Measures

1. Reduction measures will be based on service priorities
 - A. Reallocating existing staff resources, when possible, to provide flexibility in meeting service demands while mitigating the need for lay-offs.

2. Any service reductions will be balanced and ensure that highest priority services are retained
 - A. Focus will be on retaining core services and reducing services with the least impact on the community.
3. Preserve organizational infrastructure and ensure that appropriate and necessary internal review functions remain.
4. Ensuring the City's ability to respond to an economic rebound by maintaining core staffing levels across all functions.

Legislative Advocacy

Depending on the reason for the adverse circumstances (and especially if they are driven by state or federal budget actions), the City will work closely with its elected representatives and others (such as the League of Oregon Cities) in mitigating service (and related cost) reductions.

Employee Involvement

Department Heads will encourage employee participation and involvement in preparing expenditure reduction options. The City will strive to identify potential position reductions resulting from this plan as soon as practical before implementation in order to:

1. Communicate with affected employees regarding their employment outlook.
2. Allow affected employees a reasonable amount of time to make other plans.

There are downsides to this approach and many organizations consciously keep force reduction actions under wraps as long as possible because of them. However, the City believes treating employees with respect means informing them about City plans affecting them as soon as possible.

Finalize and Implement Action Plan

1. With advice from Department Heads, the City Manager is responsible for preparing the recommended action plan.
2. Council approval is required for implementation.
3. Finance will closely monitor results of the action plan in achieving its goal and will quickly report any significant deviations to the City Manager and Council.

City Council Goals for 2017/2018



1. Create a policy to provide a safe, livable community with a sense of pride and place.
2. Support City Staff in effective, efficient, and sustainable services while maintaining a healthy balanced budget.
3. Responsibly manage growth and economic development while maintaining effective relationships with local, state, and regional partners.
4. Complete a community visioning process for the Molalla Area.

2017/2018 Value Growth Estimate




BOB VROMAN
COUNTY ASSESSOR

DEPARTMENT OF ASSESSMENT AND TAXATION

DEVELOPMENT SERVICES BUILDING
150 BEAVERCREEK ROAD | OREGON CITY, OR 97045

MEMORANDUM

TO: CITY OF MOLALLA
HEATHER PENNI, FINANCE DIRECTOR

FROM:  Bob Vroman, County Assessor

DATE: April 18, 2017

SUBJECT: 2017-2018 Value Growth Estimates

To assist in budgeting, we have analyzed assessed value in your district to estimate value growth for 2017-2018. Assessed value grows with new construction and the statutory 3% maximum assessed value growth required by the Oregon tax system. In addition, we are providing your district's permanent rate and information on Measure 5 loss for the previous tax year 2016-2017.

| <u>2016-2017</u> <u>Assessed Value (AV)</u> | <u>2017-2018</u> <u>Estimated Growth in (AV)</u> |
|--|---|
| \$548,486,224 | 4.5 - 5% |

Permanent tax rate: \$5.3058 per \$1,000 of Assessed Value

2016-2017 loss due to exceeding Measure 5 limits was: \$ - 8.15

The predominate consolidated general government tax rate within your district is \$10.0293 per thousand dollars of assessed valuation. The Measure 5 limit test is calculated individually on every property, so depending on the relationship of Real Market Value (RMV) to Assessed Value (AV), some Measure 5 loss may occur.

Annexations will cause the growth estimate to vary, so please consider that in your final estimate.

The annual growth limit on unchanged properties is limited to three percent under Oregon's Property Tax System. However, we try to take a conservative approach due to possible assessed value reductions from appeals, unknown changes in State industrial and utility value, and to account for properties where RMV is or will fall below assessed value, i.e., business personal property accounts.

BV/dlm

P. 503.655.8671 | F. 503.655.8313 | WWW.CLACKAMAS.US

City Manager Budget Message



To: Budget Committee Members and Citizens of Molalla

From: Dan Huff, City Manager, Budget Officer

Date: May 9, 2017

RE: Presentation of FY 2017/2018 Proposed Budget for the City of Molalla

Honorable Jimmy Thompson
City Councilors
Budget Committee Members
Citizens of the City of Molalla

RE: 2017/2018 Budget Message

I am pleased to present the 2017/18 Budget for the City of Molalla. This document is the road map Council and Staff will use as we make policy and decisions for the City of Molalla. The 2016/2017 Fiscal Year presented a number of positive improvements within the community and we were able to move the community forward and take a few steps forward as a City organization. This Budget, although balanced, includes only minor increases and is more of a maintenance Budget. We have added some components in Police, Public Works and Administration that are sorely needed as we move toward a population of 10,000. Growing up is hard. There are hard choices and decisions that you all as decision makers have thankfully volunteered to make.

“Change is the law of life. And those who only look to the past or present are certain to miss the future.” JFK

Your role as the Budget Committee is to approve the total allocations within each fund. One thing to remember is that “not spending” can create as much damage as spending too much. It is important for the Budget Committee to consider that we have a participatory process established in our local government and the budget process is one of your opportunities to participate. Process does not work very well if participants do not weigh in when needed. Thank you again for being willing to sit as a budget committee member.

It is important to note that this budget is a positive budget even though we are stating that issues for the City are looming on the horizon. Our assessed value for the City has grown to over \$25,000,000 from last year. The reality is that our tax income will produce approximately \$200,000 in additional revenue to the General Fund. Our General Fund is the sole source of revenue for our Police Department. The Budget as presented has earmarked 2.6 million to Police with a General Fund projection of 2.9 million. We perform all other City functions using other sources of revenue.

A couple of other areas to note is the creation of two new departments within the General fund for Parks and Planning services. Historically we have housed Parks in the street fund and we are moving

Parks to a separate fund to be paid out of the General Fund. This is the right thing to do. Planning is a necessary service and we need to track costs for this service as a stand-alone program. What this process does create is an increase in transfers. You will notice on Page 21 that transfers are up for this proposed budget as compared to last year.

Other significant changes are the addition of two positions in the Police Department and one additional position in Public Works. Each of these proposals represent the minimum we can afford in order to meet demand. The Police Department is operating in not only a substandard facility but with a staffing level that was in place with 2,500 fewer people 10 years ago. Public Works, for example is funded through user fees, rates shared revenue, etc. We looked up two years ago and found ourselves in a rate deficient position in public works. The increase in our administrative component will address growth but rates have not kept up with maintenance and operations. Public Works is anticipating additional administrative functions and reporting requirements as we crack that 10,000 mark.

During the City's initial visioning session one word stood out during the discussion. Amazing. Let's make Molalla amazing. In order to do that we will need to pay for it. We wrestled with proposing a Budget that identified future needs for a plus 10,000 population and services that were paid for by rate or fee increases. We chose however, to present a balanced Budget that improves certain areas with smaller steps but basically keeps us where we are today.

We need to do better and we need to look beyond where we are today. We have performed many tasks and moved forward with a skeleton crew but more needs to be completed and we do not have the appropriate staff to perform the tasks. Our decisions (within the budget) to bolster Finance as well as the Administration staff person will help us contend with not only the important task of fiscal control but improve our provision of public information.

We have all been charged with fiduciary responsibility and managing public assets. We do that here with this Budget. We recognize that there are a number of potentially positive components heading our way in 2017/18 such as the Transportation System Plan, Development Code and a Visioning Project that will serve Molalla for years to come. I truly believe Molalla is on the cusp of great things and becoming that amazing place but we continue to have work to do.

As we have for some time we have continued to monitor spending with the budget proposal for the 2017/18 fiscal year. We continue to embrace the concept of doing as much as we can with the level of resources available and examine efficiencies as well as deficiencies. Again, this is not sustainable with current Staff levels or current revenues.

Public Works is an additional concern for us in that I believe we produce some of our best Economic Development by maintaining and managing our infrastructure. Again, we have addressed administrative needs with an operations supervisor and a part time administrative assistant but we have dialed down capital improvements and projects and may have to turn back certain projects that we desperately need. Our monitoring and management requirements go up as our population grows and we need revenue to match these needs. My suggestion is that we implement rate increases in wastewater and storm drainage and institute a parks fee as well as a street fee.

One of those hard items to swallow is that without increases to the Water, Sewer, and Storm water Fund user fees, the City will be delayed in our ability to perform needed operation and maintenance

activities and move ahead of deferred capital improvements. Operations and projects will reach a tipping point as the community moves past a population of 10,000 creating additional requirements related to permitting, testing, reporting, staff certification, and capital expenditures for upgrades in the water, sewer, and storm water systems.

Pavement condition index is in the low 60's for city owned and operated streets. The threshold for accelerated degradation of pavement begins at a score of 70. Without a street user fee or other sustainable funding source, the street system will continue to degrade increasing the cost of repair and rehabilitation. Projects related to transportation enhancement are essentially unfunded and have been since the adoption of the Transportation Master Plan in 2001. An update to the plan is underway and without a sustainable funding source to match with transportation system development charges, the City will continue to be unable to design and construct any of the capacity increasing and safety related projects that will serve the community as it grows.

We fully understand that the list of unmet needs is large and this Budget does not begin to tackle the need. But the budget is balanced and in compliance with Oregon Budget Law. We are in a position today that is not unlike other communities in that we are looking for ways to pay for our community improvements. Molalla continues to be in a good place.

"If you do not change direction, you may end up where you are heading." Lao Tzu

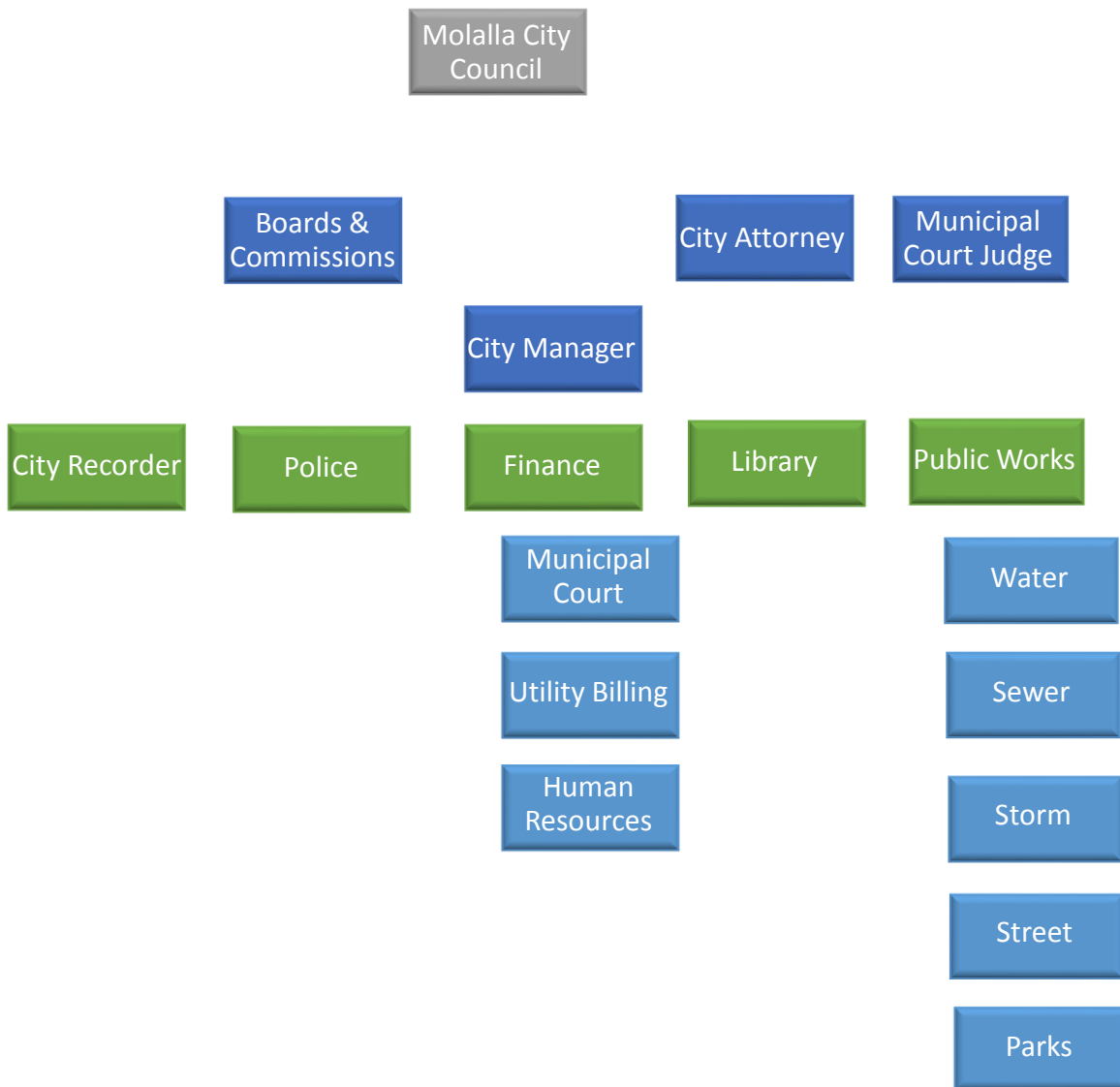
Again, we would like to thank and compliment everyone involved in the Budget Committee and the budget process for the 2017/2018 fiscal year. I would especially like to thank the many Staff members responsible for preparation of this proposed budget. Specifically, I would like to commend the Finance Department who worked hard at raising the bar and continuing to "grow up" our City.

Sincerely,



Dan Huff
City Manager, Budget Officer, and Urban Renewal Director
City of Molalla, Oregon

Organizational Chart



FINANCIAL ANALYSIS

The proposed budget for FY 2017/2018 for the City of Molalla has been prepared in accordance with Oregon budget law and generally accepted accounting principles. This is a lean budget with continued focus on expenditure reductions, building working capital and operating reserves, and focus on capital improvements to City infrastructure.

Fund Descriptions

The financial structure of the City is organized and operated on the basis of fund accounting. There are both federal and state requirements for local governments to budget by fund as a means of maintaining records for resources which are designated to carry out specific activities or meet particular objectives. Oregon Administrative Rules define a fund as “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 regulated activities and objectives.”

The City must prepare an itemized balanced budget for each fund. Each fund contains appropriations, which provide the local government with legal spending authority throughout the fiscal year. Throughout all funds, appropriations are established at the object classification level (personnel services, materials and services, capital outlay, debt service, transfers, operating contingency, reserves, and unappropriated ending fund balance).

Government Funds

Government funds house most of the City’s functions and include the General Fund, Special Revenue Funds, and Debt Service Funds.

- General Fund
 - Administration and Governance (City Council, City Manager’s Office, City Recorder’s Office, Finance).
 - Police Services (Patrol Services, Records and Evidence).
 - Municipal Court.
 - Parks.
 - Planning Services.
- Debt Service Fund - The City maintains a dedicated fund for repayment of long-term debt including voter approved general obligation bonds, special revenue bonds, and Clear Water State Revolving Fund (CWSRF) debt.
- Library.
- Streets Fund.
- Aquatic Center, PW Personnel Services, City Council Grants, (Inactive Funds).
- Special Revenue Funds - Specific Revenue/Projects Fund – The City collects (or has collected) dedicated revenues for the following: Police Restricted Revenue Fund, Utility Deposits, Capital Projects Fund, and Fleet Replacement Fund.
- SDC Fund – The City collects systems development charges for streets, water, sewer, storm water, and parks.

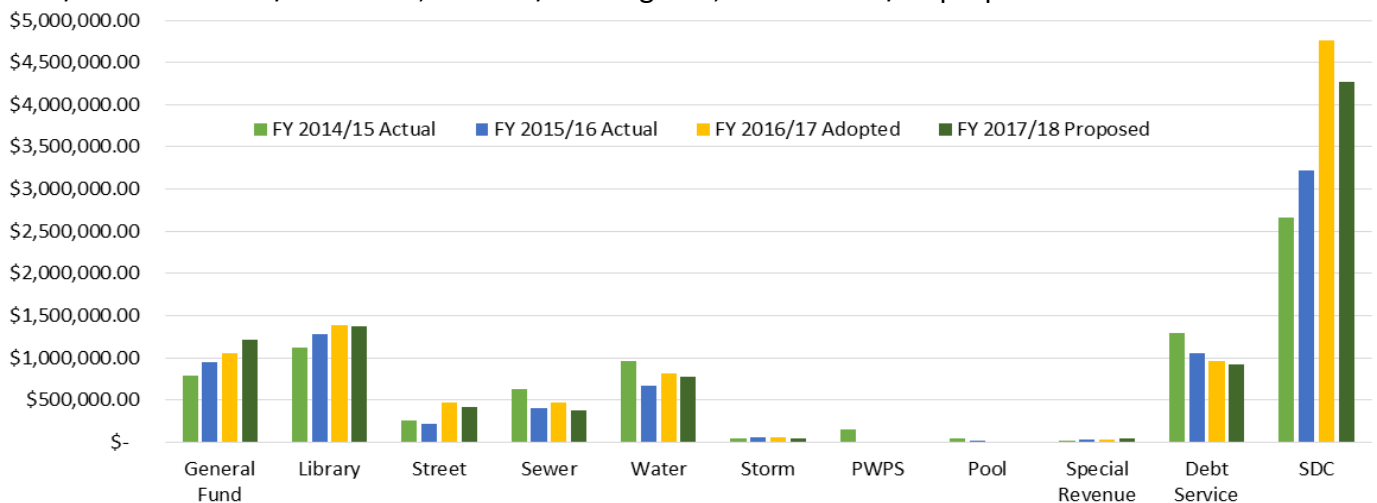
Proprietary Funds

Proprietary funds are used to account for the City's activities which are similar to those often found in the private sector and include enterprise funds.

- Water Fund - This fund accounts for operations and maintenance of the City's water treatment and distribution systems.
- Wastewater Fund - This fund accounts for operations and maintenance of the City's wastewater collection and treatment.
- Storm Water Fund - This fund accounts for maintenance of the City's storm water collection system.

Summary of Resources & Requirements

The graph below represents the beginning fund balances broken down by fund measured against FY 2014/15 and FY 2015/16 actuals, FY 2016/17 budgeted, and FY 2017/18 proposed.

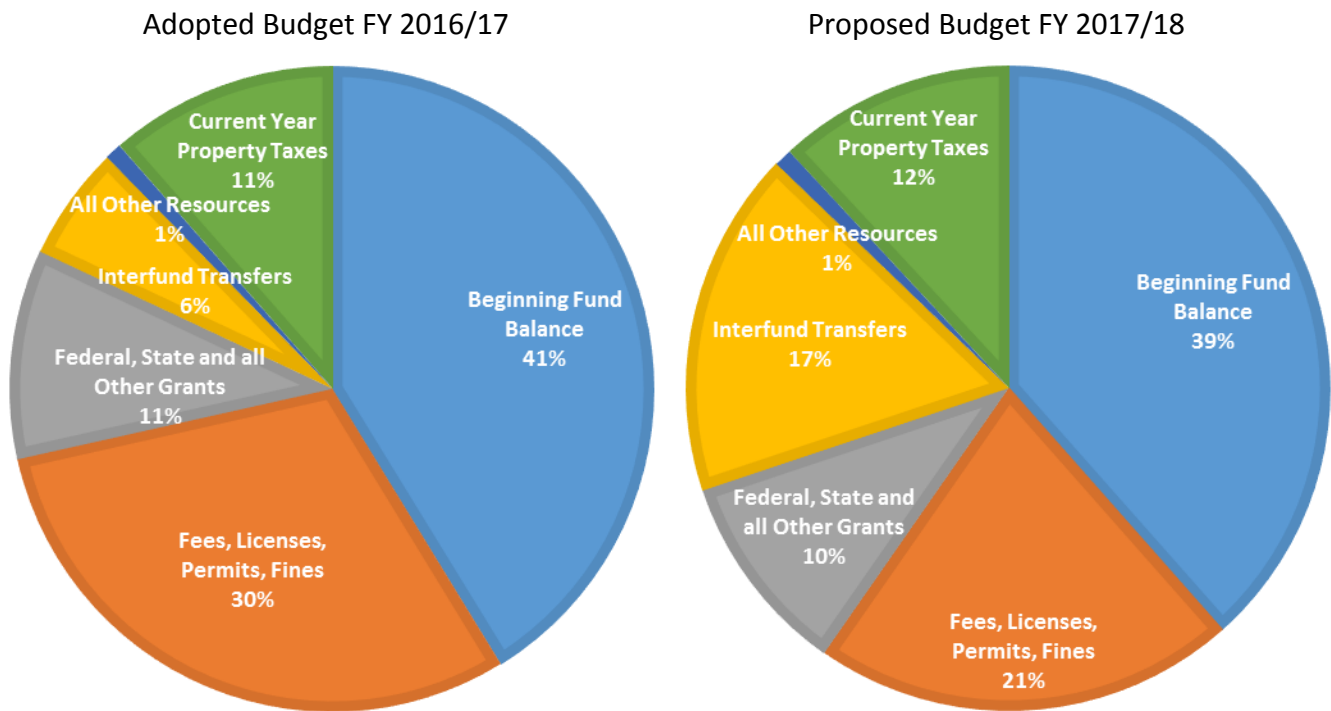


There are a couple changes regarding revenues this coming year. One is that our overall fund balance is down because we spent some on capital projects last year. We do not anticipate receiving as much in SDC revenue this year. Also, there are a lot of transfers in and out moving money from operating funds to the capital projects fund in order to accumulate for future projects.

Revenue analysis from an all fund perspective is demonstrated in the following table:

| FINANCIAL SUMMARY - RESOURCES | | | |
|--|-------------------------|-------------------------|-------------------------|
| TOTAL OF ALL FUNDS | Actual Amount | Adopted Budget | Proposed Budget |
| | 2015/2016 | This Year 2016/2017 | Next Year 2017/2018 |
| Beginning Fund Balance/Net Working Capital | \$ 7,878,671.76 | \$ 10,012,713.79 | \$ 9,434,964.50 |
| Fees, Licenses, Permits, Fines, Assessments & Service Charges | \$ 6,938,951.89 | \$ 7,356,416.19 | \$ 5,214,219.00 |
| Federal, State and all Other Grants, Allocations and Donations | \$ 1,546,158.14 | \$ 2,546,992.00 | \$ 2,494,100.00 |
| Interfund Transfers / Internal Service Reimbursements | \$ 953,271.56 | \$ 1,397,811.08 | \$ 4,254,902.00 |
| All Other Resources Except Current Year Property Taxes | \$ 275,024.09 | \$ 204,040.00 | \$ 219,540.00 |
| Current Year Property Taxes Estimated to be Received | \$ 2,720,392.23 | \$ 2,772,337.50 | \$ 2,917,300.00 |
| Total Resources | \$ 20,312,469.67 | \$ 24,290,310.56 | \$ 24,535,025.50 |

The pie graphs below represent the adopted budget FY 2016/17 in percentage comparison to the proposed budget FY 2017/18 for resources:

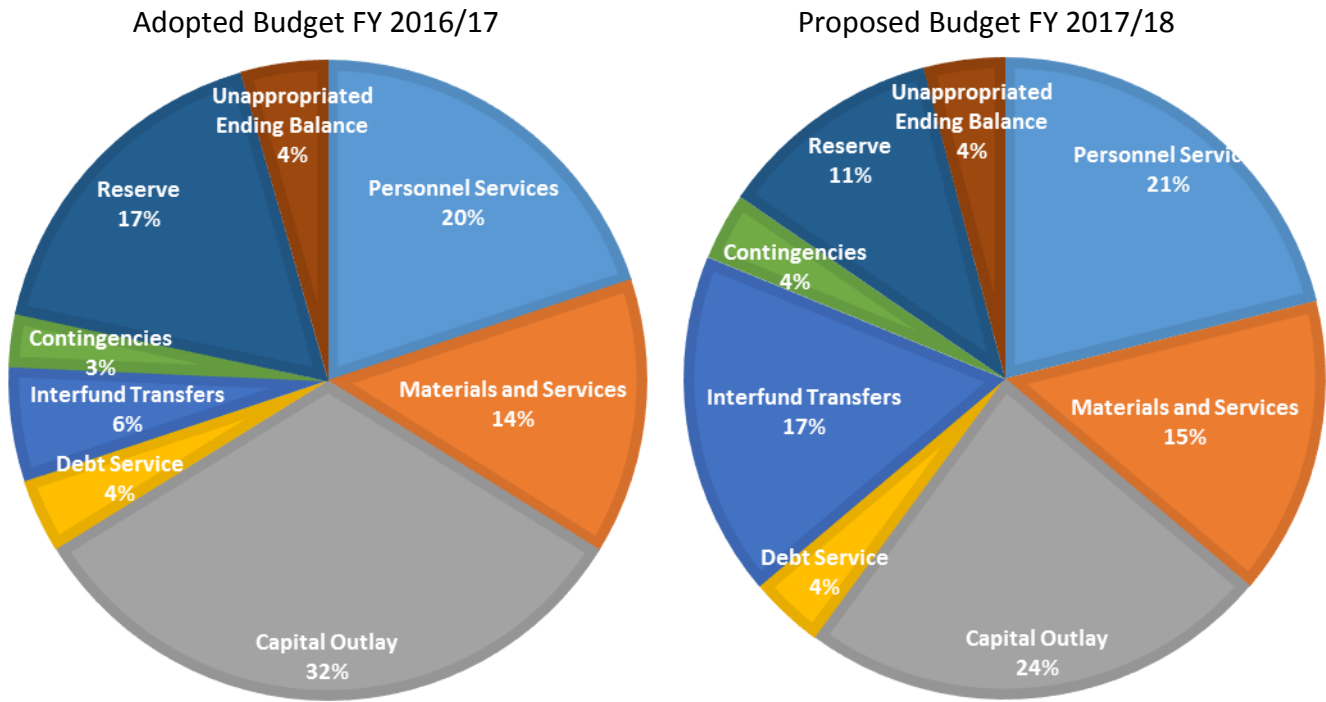


Measuring the revenue sources side by side with the percentage analysis shows sustainability and stability in our revenue streams. Large changes can be expected if and when the City begins to partner with other agencies to acquire grant funding.

Expenditure analysis from an all fund prospective is demonstrated in the following table:

| FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION | | | |
|---|-------------------------|-------------------------|-------------------------|
| TOTAL OF ALL FUNDS | Actual Amount | Adopted Budget | Proposed Budget |
| | 2015/2016 | This Year 2016/2017 | Next Year 2017/2018 |
| Personnel Services | \$ 4,000,142.21 | \$ 4,835,495.00 | \$ 5,176,531.00 |
| Materials and Services | \$ 2,907,268.17 | \$ 3,388,703.19 | \$ 3,698,372.00 |
| Capital Outlay | \$ 1,158,943.63 | \$ 7,853,091.37 | \$ 5,869,930.00 |
| Debt Service | \$ 907,190.50 | \$ 910,272.00 | \$ 919,853.50 |
| Interfund Transfers | \$ 1,298,271.56 | \$ 1,397,811.08 | \$ 4,254,902.00 |
| Contingencies | \$ - | \$ 650,582.46 | \$ 831,428.00 |
| Reserve | \$ - | \$ 4,182,567.00 | \$ 2,784,009.00 |
| Unappropriated Ending Balance Reserved for Future Expenditure | \$ - | \$ 1,071,788.46 | \$ 1,000,000.00 |
| Total Requirements | \$ 10,271,816.07 | \$ 24,290,310.56 | \$ 24,535,025.50 |

The pie graphs below represent the adopted budget FY 2016/17 in percentage comparison to the proposed budget FY 2017/18 for requirements:



Cost Allocation Plan

In fiscal year 2011/2012, the City of Molalla implemented a cost allocation plan. Simply put, cost allocation is a method to identify and distribute indirect administrative (central service) costs. Direct costs are assigned to a specific cost objective. Indirect costs are incurred for multiple cost objectives that are not assignable to a specific cost objective with effort disproportionate to the benefit received.

The following table shows the cost allocation distribution breakdown:

| Operations Fund | Budgets | % of Budget | Allocatable Amount | In Budget Allocation |
|-------------------------|------------------------|----------------|----------------------|----------------------|
| General Fund - OGM | \$ 962,540.00 | 11.85% | | |
| General Fund - Police | \$ 2,566,341.00 | 31.59% | | |
| General Fund - Court | \$ 206,725.00 | 2.54% | | |
| General Fund - Planning | \$ 114,470.00 | 1.41% | | |
| General Fund - Parks | \$ 186,227.00 | 2.29% | | |
| Library | \$ 957,001.00 | 11.78% | \$ 113,375.13 | \$ 84,701.00 |
| Street | \$ 742,609.00 | 9.14% | \$ 87,976.29 | \$ 64,664.00 |
| Water | \$ 959,965.00 | 11.82% | \$ 113,726.27 | \$ 96,744.00 |
| Sewer | \$ 1,268,494.00 | 15.61% | \$ 150,277.45 | \$ 113,884.00 |
| Storm | \$ 160,441.00 | 1.97% | \$ 19,007.32 | \$ 23,460.00 |
| | \$ 8,124,813.00 | 100.00% | \$ 484,362.46 | \$ 383,453.00 |

Budget adjustments were made for capital outlay, reserves, contingency, and unappropriated ending fund balances. In addition, the full cost allocation plan would have net general fund resources of \$484,362.46. Staff has reviewed the general fund needs as well as goals and needs of individual funds and determined 80% of the total allocatable amount is a more appropriate assessment. Note the "In Budget Allocation" column above reflects 75-80% of the allocatable amount. In other words, the City

is assessing the full cost allocation amount and returning 20% of that amount to each fund as an operational contribution. The revenues reflected in the general fund are calculated at a lower percentage. The revenue trends from FY 2011/12 to date reflect that we never spend the full allocation and therefore never see 100% of the projected revenue. The City wants to continue the trend of conservative revenue estimations. Not all costs incurred in the Office of Governance and Management (OGM) expenditures are allocatable to all funds. As a result, an adjustment to the general fund OGM has been made. In addition, projected allocations are maximum projections and would require 100% of OGM budget. This has not occurred in well over a decade. Actual contribution will be based on actual costs, not budgeted projections, and are assessed through the month end process.

Proposed transfers for FY 2017/18 are balanced and presented as follows:

| | | | | |
|-----------------------------------|-------------------|----|--------------|-----------------|
| DEBT SERVICE | | | | |
| Sewer Proprietary Transfer Out | 105-501-5-60-5600 | \$ | 316,350.00 | |
| Sewer Retirement Debt Transfer In | 420-421-3-90-4200 | | | \$ 316,350.00 |
| Sewer Proprietary Transfer Out | 105-501-5-60-5700 | \$ | 57,085.00 | |
| Sewer Proprietary Transfer Out | 540-541-5-60-1300 | \$ | 132,467.00 | |
| CWSRF Debt Transfer In | 520-521-3-90-4700 | | | \$ 132,467.00 |
| CWSRF Debt Transfer In | 520-521-3-90-4800 | | | \$ 57,085.00 |
| CAPITAL PROJECTS FUND | | | | |
| Street Transfer Out | 104-401-5-60-6200 | \$ | 137,000.00 | |
| Sewer Transfer Out | 105-501-5-60-6200 | \$ | 228,000.00 | |
| Water Transfer Out | 106-601-5-60-6200 | \$ | 672,800.00 | |
| Sewer SDC Transfer Out | 540-541-5-60-1300 | \$ | 283,000.00 | |
| Water SDC Transfer Out | 540-541-5-60-6200 | \$ | 855,200.00 | |
| Street SDC Transfer Out | 550-551-5-60-6200 | \$ | 330,000.00 | |
| Parks SDC Transfer Out | 560-561-5-60-5000 | \$ | 1,000,000.00 | |
| Storm SDC Transfer Out | 570-571-5-60-1200 | \$ | 15,000.00 | |
| Capital Projects Transfer In | 620-620-3-90-1040 | | | \$ 137,000.00 |
| Capital Projects Transfer In | 620-620-3-90-1050 | | | \$ 228,000.00 |
| Capital Projects Transfer In | 620-620-3-90-1060 | | | \$ 672,800.00 |
| Capital Projects Transfer In | 620-620-3-90-5400 | | | \$ 283,000.00 |
| Capital Projects Transfer In | 620-620-3-90-5500 | | | \$ 855,200.00 |
| Capital Projects Transfer In | 620-620-3-90-5600 | | | \$ 330,000.00 |
| Capital Projects Transfer In | 620-620-3-90-5700 | | | \$ 1,000,000.00 |
| Capital Projects Transfer In | 620-620-3-90-5800 | | | \$ 15,000.00 |
| FLEET REPLACEMENT FUND | | | | |
| Parks Transfer Out | 101-106-5-60-8000 | \$ | 1,000.00 | |
| Streets Transfer Out | 104-401-5-60-6500 | \$ | 100,000.00 | |
| Sewer Transfer Out | 105-501-5-60-6500 | \$ | 25,000.00 | |
| Water Transfer Out | 106-601-5-60-6500 | \$ | 102,000.00 | |
| Fleet Replacement Transfer In | 650-650-3-90-0104 | | | \$ 1,000.00 |
| Fleet Replacement Transfer In | 650-650-3-90-1040 | | | \$ 100,000.00 |
| Fleet Replacement Transfer In | 650-650-3-90-1050 | | | \$ 25,000.00 |
| Fleet Replacement Transfer In | 650-650-3-90-1060 | | | \$ 102,000.00 |
| TOTAL TRANSFERS | | \$ | 4,254,902.00 | \$ 4,254,902.00 |

Full City PROPOSED budget by City-Wide Appropriation Category



PROPOSED BUDGET – Below is the full city budget overview broken down by fund and appropriation category. The valuations in blue italics are the departmental breakdown of the overall total for the general fund.

| CITY WIDE SUMMARY | BFB | 16/17 Resources | Transfers In | Total Resources | Personnel Service | Materials & Services |
|---------------------------|------------------|------------------|-----------------|------------------|-------------------|----------------------|
| General Fund | \$ 1,215,874.00 | \$ 4,133,329.00 | | \$ 5,349,203.00 | \$ 3,003,710.00 | \$ 1,032,593.00 |
| <i>OGM</i> | | | | | \$ 644,540.00 | \$ 318,000.00 |
| <i>Police</i> | | | | | \$ 2,028,700.00 | \$ 537,641.00 |
| <i>Court</i> | | | | | \$ 118,900.00 | \$ 87,825.00 |
| <i>Planning</i> | | | | | \$ 85,270.00 | \$ 29,200.00 |
| <i>Parks</i> | | | | | \$ 126,300.00 | \$ 59,927.00 |
| | | | | | | |
| Library | \$ 1,377,883.00 | \$ 1,708,750.00 | \$ - | \$ 3,086,633.00 | \$ 587,800.00 | \$ 369,201.00 |
| Streets | \$ 413,124.00 | \$ 704,000.00 | \$ - | \$ 1,117,124.00 | \$ 307,000.00 | \$ 435,609.00 |
| Special Revenue | \$ 43,500.00 | \$ 35,850.00 | \$ - | \$ 79,350.00 | \$ - | \$ 79,350.00 |
| SDC's | \$ 4,265,119.00 | \$ 409,240.00 | \$ - | \$ 4,674,359.00 | \$ - | \$ 165,000.00 |
| | | | | | | |
| Debt Service | \$ 920,968.50 | \$ 30,300.00 | \$ 505,902.00 | \$ 1,457,170.50 | \$ - | \$ - |
| Capital Projects Fund | \$ - | \$ - | \$ 3,521,000.00 | \$ 3,521,000.00 | | |
| Fleet Replacement Fund | \$ - | \$ - | \$ 228,000.00 | \$ 228,000.00 | | |
| | | | | | | |
| Water | \$ 774,043.00 | \$ 1,560,000.00 | \$ - | \$ 2,334,043.00 | \$ 561,365.00 | \$ 566,650.00 |
| Sewer | \$ 380,021.00 | \$ 2,133,000.00 | \$ - | \$ 2,513,021.00 | \$ 588,575.00 | \$ 1,016,119.00 |
| Storm | \$ 43,632.00 | \$ 130,000.00 | \$ - | \$ 173,632.00 | \$ 128,081.00 | \$ 32,360.00 |
| | | | | | | |
| Proposed Budget 2017/2018 | \$ 9,434,164.50 | \$ 10,844,469.00 | \$ 4,254,902.00 | \$ 24,533,535.50 | \$ 5,176,531.00 | \$ 3,696,882.00 |
| Approved Budget 2016/2017 | \$ 10,012,713.79 | \$ 12,879,785.69 | \$ 1,397,811.08 | \$ 24,290,310.56 | \$ 4,835,495.00 | \$ 3,388,703.19 |
| % Change from Approved | -5.78% | -15.80% | 204.40% | 1.00% | 7.05% | 9.09% |

| Capital Outlay | Transfers Out | Debt Service | Contingency | Reserve | Total Requirements | UEFB |
|-----------------|-----------------|---------------|---------------|-----------------|--------------------|-----------------|
| \$ 86,900.00 | \$ 1,000.00 | \$ - | \$ 100,000.00 | \$ 125,000.00 | \$ 4,349,203.00 | \$ 1,000,000.00 |
| \$ 27,000.00 | | | | | | |
| \$ 55,000.00 | | | | | | |
| | | | | | | |
| \$ 4,900.00 | | | | | | |
| | | | | | | |
| \$ 2,054,632.00 | \$ - | \$ - | \$ 75,000.00 | | \$ 3,086,633.00 | \$ - |
| \$ 66,991.00 | \$ 237,000.00 | | \$ 70,524.00 | \$ - | \$ 1,117,124.00 | \$ - |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 79,350.00 | \$ - |
| \$ - | \$ 2,615,667.00 | \$ - | \$ - | \$ 1,893,692.00 | \$ 4,674,359.00 | \$ - |
| | | | | | | |
| \$ - | \$ - | \$ 919,853.50 | \$ - | \$ 537,317.00 | \$ 1,457,170.50 | \$ - |
| \$ 3,521,000.00 | | | | | \$ 3,521,000.00 | \$ - |
| \$ - | | | | \$ 228,000.00 | \$ 228,000.00 | \$ - |
| | | | | | | |
| \$ 65,729.00 | \$ 774,800.00 | \$ - | \$ 365,499.00 | \$ - | \$ 2,334,043.00 | \$ - |
| \$ 66,652.00 | \$ 626,435.00 | \$ - | \$ 215,240.00 | \$ - | \$ 2,513,021.00 | \$ - |
| \$ 8,026.00 | | \$ - | \$ 5,165.00 | \$ - | \$ 173,632.00 | \$ - |
| | | | | | | |
| \$ 5,869,930.00 | \$ 4,254,902.00 | \$ 919,853.50 | \$ 831,428.00 | \$ 2,784,009.00 | \$ 23,533,535.50 | \$ 1,000,000.00 |
| \$ 7,853,091.37 | \$ 1,397,811.08 | \$ 910,272.00 | \$ 650,582.46 | \$ 4,182,567.00 | \$ 23,218,522.10 | \$ 1,071,788.46 |
| -25.25% | 204.40% | 1.05% | 27.80% | -33.44% | 1.36% | -6.70% |

ADOPTED BUDGET – Below is the full city budget overview broken down by fund and appropriation category. The valuations in blue italics are the departmental breakdown of the overall total for the general fund.

| CITY WIDE SUMMARY | BFB | 16/17 Resources | Transfers In | Total Resources | Personnel Service | Materials & Services |
|---------------------------|------------------|------------------|-----------------|------------------|-------------------|----------------------|
| General Fund | \$ 1,215,874.00 | \$ 4,133,329.00 | | \$ 5,349,203.00 | \$ 3,003,710.00 | \$ 1,032,593.00 |
| <i>OGM</i> | | | | | \$ 644,540.00 | \$ 318,000.00 |
| <i>Police</i> | | | | | \$ 2,028,700.00 | \$ 537,641.00 |
| <i>Court</i> | | | | | \$ 118,900.00 | \$ 87,825.00 |
| <i>Planning</i> | | | | | \$ 85,270.00 | \$ 29,200.00 |
| <i>Parks</i> | | | | | \$ 126,300.00 | \$ 59,927.00 |
| | | | | | | |
| Library | \$ 1,377,883.00 | \$ 1,708,750.00 | \$ - | \$ 3,086,633.00 | \$ 587,800.00 | \$ 369,201.00 |
| Streets | \$ 413,124.00 | \$ 704,000.00 | \$ - | \$ 1,117,124.00 | \$ 307,000.00 | \$ 435,609.00 |
| Special Revenue | \$ 43,500.00 | \$ 35,850.00 | \$ - | \$ 79,350.00 | \$ - | \$ 79,350.00 |
| SDC's | \$ 4,265,119.00 | \$ 409,240.00 | \$ - | \$ 4,674,359.00 | \$ - | \$ 165,000.00 |
| | | | | | | |
| Debt Service | \$ 920,968.50 | \$ 30,300.00 | \$ 505,902.00 | \$ 1,457,170.50 | \$ - | \$ - |
| Capital Projects Fund | \$ - | \$ - | \$ 3,521,000.00 | \$ 3,521,000.00 | | |
| Fleet Replacement Fund | \$ - | \$ - | \$ 228,000.00 | \$ 228,000.00 | | |
| | | | | | | |
| Water | \$ 774,043.00 | \$ 1,560,000.00 | \$ - | \$ 2,334,043.00 | \$ 561,365.00 | \$ 566,650.00 |
| Sewer | \$ 380,021.00 | \$ 2,133,000.00 | \$ - | \$ 2,513,021.00 | \$ 588,575.00 | \$ 1,016,119.00 |
| Storm | \$ 43,632.00 | \$ 130,000.00 | \$ - | \$ 173,632.00 | \$ 128,081.00 | \$ 32,360.00 |
| | | | | | | |
| Adopted Budget 2017/2018 | \$ 9,434,164.50 | \$ 10,844,469.00 | \$ 4,254,902.00 | \$ 24,533,535.50 | \$ 5,176,531.00 | \$ 3,696,882.00 |
| Approved Budget 2016/2017 | \$ 10,012,713.79 | \$ 12,879,785.69 | \$ 1,397,811.08 | \$ 24,290,310.56 | \$ 4,835,495.00 | \$ 3,388,703.19 |
| % Change from Approved | -5.78% | -15.80% | 204.40% | 1.00% | 7.05% | 9.09% |

| Capital Outlay | Transfers Out | Debt Service | Contingency | Reserve | Total Requirements | UEFB |
|-----------------|-----------------|---------------|---------------|-----------------|--------------------|-----------------|
| \$ 86,900.00 | \$ 1,000.00 | \$ - | \$ 100,000.00 | \$ 125,000.00 | \$ 4,349,203.00 | \$ 1,000,000.00 |
| \$ 27,000.00 | | | | | | |
| \$ 55,000.00 | | | | | | |
| | | | | | | |
| | | | | | | |
| \$ 4,900.00 | | | | | | |
| | | | | | | |
| \$ 2,054,632.00 | \$ - | \$ - | \$ 75,000.00 | | \$ 3,086,633.00 | \$ - |
| \$ 66,991.00 | \$ 237,000.00 | | \$ 70,524.00 | \$ - | \$ 1,117,124.00 | \$ - |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 79,350.00 | \$ - |
| \$ - | \$ 2,615,667.00 | \$ - | \$ - | \$ 1,893,692.00 | \$ 4,674,359.00 | \$ - |
| | | | | | | |
| \$ - | \$ - | \$ 919,853.50 | \$ - | \$ 537,317.00 | \$ 1,457,170.50 | \$ - |
| \$ 3,521,000.00 | | | | | \$ 3,521,000.00 | \$ - |
| \$ - | | | | \$ 228,000.00 | \$ 228,000.00 | \$ - |
| | | | | | | |
| \$ 65,729.00 | \$ 774,800.00 | \$ - | \$ 365,499.00 | \$ - | \$ 2,334,043.00 | \$ - |
| \$ 66,652.00 | \$ 626,435.00 | \$ - | \$ 215,240.00 | \$ - | \$ 2,513,021.00 | \$ - |
| \$ 8,026.00 | | \$ - | \$ 5,165.00 | \$ - | \$ 173,632.00 | \$ - |
| | | | | | | |
| \$ 5,869,930.00 | \$ 4,254,902.00 | \$ 919,853.50 | \$ 831,428.00 | \$ 2,784,009.00 | \$ 23,533,535.50 | \$ 1,000,000.00 |
| \$ 7,853,091.37 | \$ 1,397,811.08 | \$ 910,272.00 | \$ 650,582.46 | \$ 4,182,567.00 | \$ 23,218,522.10 | \$ 1,071,788.46 |
| -25.25% | 204.40% | 1.05% | 27.80% | -33.44% | 1.36% | -6.70% |



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SECTION 2

FUND LINE ITEM DETAIL



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GENERAL FUND



General Fund

GENERAL FUND SUMMARY

The table below provides a full summary of activity in the general fund for both resources and requirements.

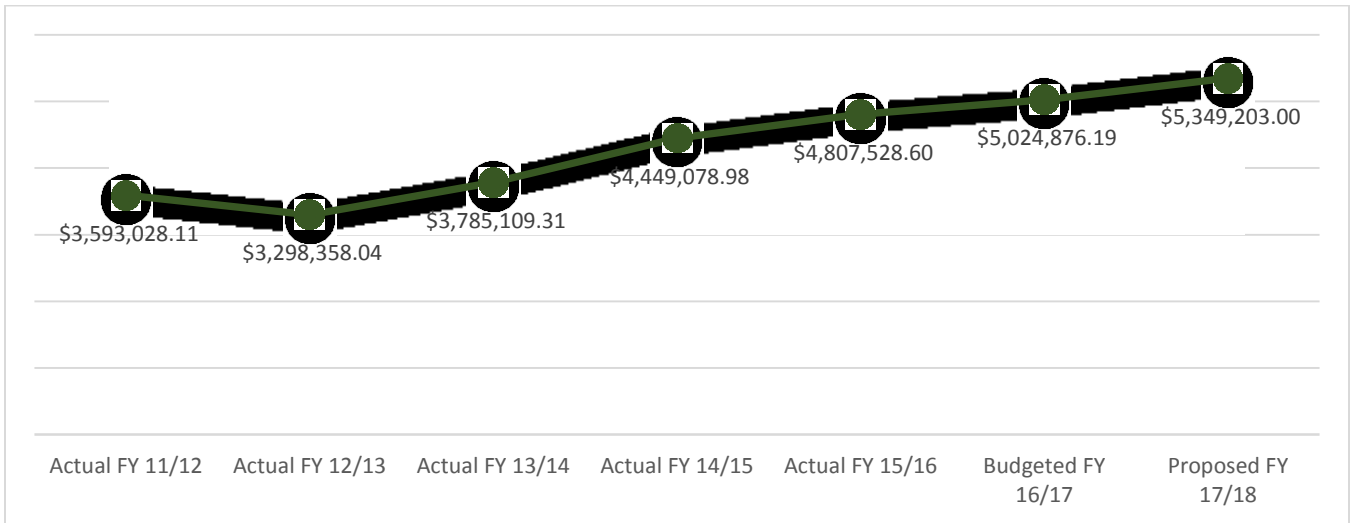
| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | GENERAL FUND SUMMARY RESOURCES | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 788,595.04 | \$ 951,559.68 | \$ 1,050,000.00 | <i>BFB</i> | \$ 1,215,874.00 | \$ 1,215,874.00 | \$ 1,215,874.00 |
| \$ 2,537,724.70 | \$ 2,654,666.73 | \$ 2,705,000.00 | <i>Property Tax</i> | \$ 2,887,000.00 | \$ 2,887,000.00 | \$ 2,887,000.00 |
| \$ 157,326.81 | \$ 152,085.06 | \$ 148,000.00 | <i>All Other Resources</i> | \$ 172,500.00 | \$ 172,500.00 | \$ 172,500.00 |
| \$ 159,621.62 | \$ 161,128.13 | \$ 192,750.00 | <i>Fed, State, Grant</i> | \$ 265,350.00 | \$ 265,350.00 | \$ 265,350.00 |
| \$ 805,810.81 | \$ 888,089.00 | \$ 929,126.19 | <i>Fees, Licenses, Permits</i> | \$ 808,479.00 | \$ 808,479.00 | \$ 808,479.00 |
| \$ 4,449,078.98 | \$ 4,807,528.60 | \$ 5,024,876.19 | TOTAL RESOURCES | \$ 5,349,203.00 | \$ 5,349,203.00 | \$ 5,349,203.00 |
| REQUIREMENTS | | | | | | |
| \$ 442,744.37 | \$ 511,371.06 | \$ 636,725.00 | <i>Personnel Service-OGM</i> | \$ 644,540.00 | \$ 644,540.00 | \$ 644,540.00 |
| \$ 1,604,913.83 | \$ 1,562,286.82 | \$ 1,857,250.00 | <i>Personnel Service-PD</i> | \$ 2,028,700.00 | \$ 2,028,700.00 | \$ 2,028,700.00 |
| \$ 136,663.59 | \$ 143,044.87 | \$ 147,450.00 | <i>Personnel Service-Court</i> | \$ 118,900.00 | \$ 118,900.00 | \$ 118,900.00 |
| \$ - | \$ - | \$ - | <i>Personnel Service-Planning</i> | \$ 85,270.00 | \$ 85,270.00 | \$ 85,270.00 |
| \$ - | \$ - | \$ - | <i>Personnel Service-Parks</i> | \$ 126,300.00 | \$ 126,300.00 | \$ 126,300.00 |
| \$ 295,148.76 | \$ 279,758.58 | \$ 317,750.00 | <i>Material & Services-OGM</i> | \$ 318,000.00 | \$ 318,000.00 | \$ 318,000.00 |
| \$ 365,068.98 | \$ 439,749.83 | \$ 509,500.00 | <i>Material & Services-PD</i> | \$ 537,641.00 | \$ 537,641.00 | \$ 537,641.00 |
| \$ 69,111.84 | \$ 71,078.03 | \$ 87,700.00 | <i>Material & Services-Court</i> | \$ 87,825.00 | \$ 87,825.00 | \$ 87,825.00 |
| \$ 30,790.61 | \$ - | \$ - | <i>Material & Services-Planning</i> | \$ 29,200.00 | \$ 29,200.00 | \$ 29,200.00 |
| \$ - | \$ - | \$ - | <i>Material & Services-Parks</i> | \$ 59,927.00 | \$ 59,927.00 | \$ 59,927.00 |
| \$ 12,130.82 | \$ 89,172.95 | \$ 400,000.00 | <i>Capital Improvement-OGM</i> | \$ 27,000.00 | \$ 27,000.00 | \$ 27,000.00 |
| \$ 53,446.50 | \$ 58,618.91 | \$ 55,000.00 | <i>Capital Improvement-PD</i> | \$ 55,000.00 | \$ 55,000.00 | \$ 55,000.00 |
| \$ - | \$ - | \$ - | <i>Capital Improvement-Parks</i> | \$ 4,900.00 | \$ 4,900.00 | \$ 4,900.00 |
| \$ 487,500.00 | \$ 545,000.00 | \$ 300,000.00 | <i>Transfers Out</i> | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| \$ - | \$ - | \$ 100,000.00 | <i>Contingency</i> | \$ 100,000.00 | \$ 100,000.00 | \$ 100,000.00 |
| \$ - | \$ - | \$ 200,000.00 | <i>Reserve</i> | \$ 125,000.00 | \$ 125,000.00 | \$ 125,000.00 |
| \$ 3,497,519.30 | \$ 3,700,081.05 | \$ 4,611,375.00 | TOTAL REQUIREMENTS | \$ 4,349,203.00 | \$ 4,349,203.00 | \$ 4,349,203.00 |
| | | \$ 413,501.19 | <i>UEFB</i> | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,000,000.00 |
| \$ 951,559.68 | \$ 1,107,447.55 | \$ (0.00) | NET RESOURCES OVER REQUIREMENTS | \$ - | \$ - | \$ - |

General Fund Resources (Revenues)

The following chart measures the overall resource growth for the general fund. The percentage change from audited FY 2011/12 to proposed FY 2017/18 is 48.8% with an average of 6.97% growth per year with all revenue sources measured. The most significant change reflected in the revenue growth is the beginning fund balance directive from City Council. The actual beginning fund balance for FY 2011/12 was \$-458,963.60. At that time, staff and Council set a goal that the beginning fund balance should be at minimum the operation needs for the general fund from July to November until property taxes are received. The proposed budget FY 2017/18 has realized the full measure of that directive and the unappropriated ending fund balance reflects the July-Nov requirement.

Growth rates for the property taxes are in-line with M5 and M50 limitations. Annexed properties and new construction resulted in a greater than 3% increase in FY 2015 and a marginal increase is

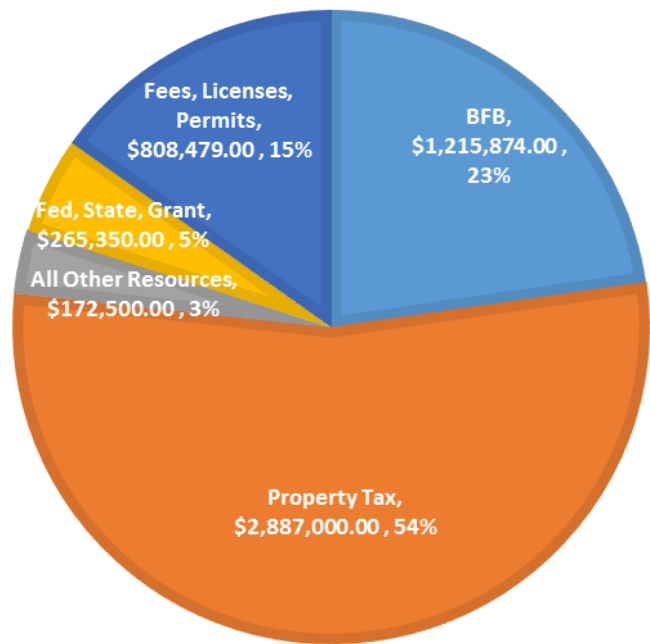
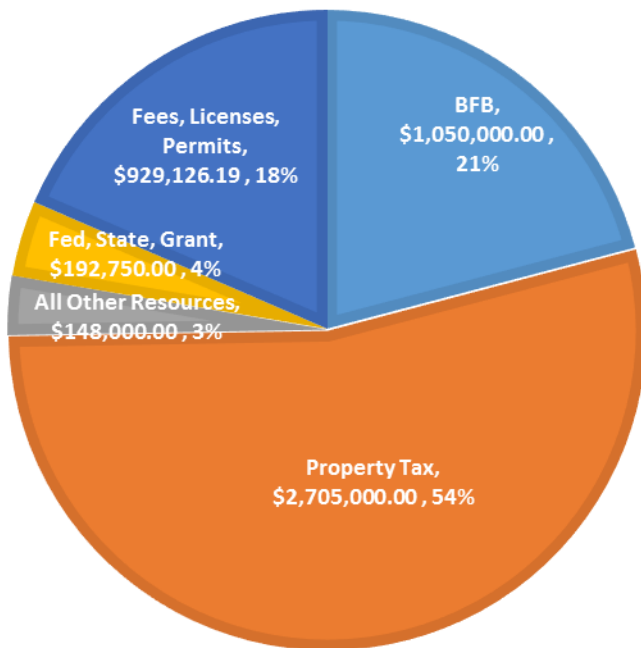
anticipated in FY 2018. These are not fiscally sustainable increases and the city of Molalla continues to estimate revenues under the M5 and M50 limitations.



The following pie charts compare resources from Adopted Budget FY 2016/17 to Proposed Budget FY 2017/18:

Adopted Budget FY 2016/2017

Proposed Budget FY 2017/2018



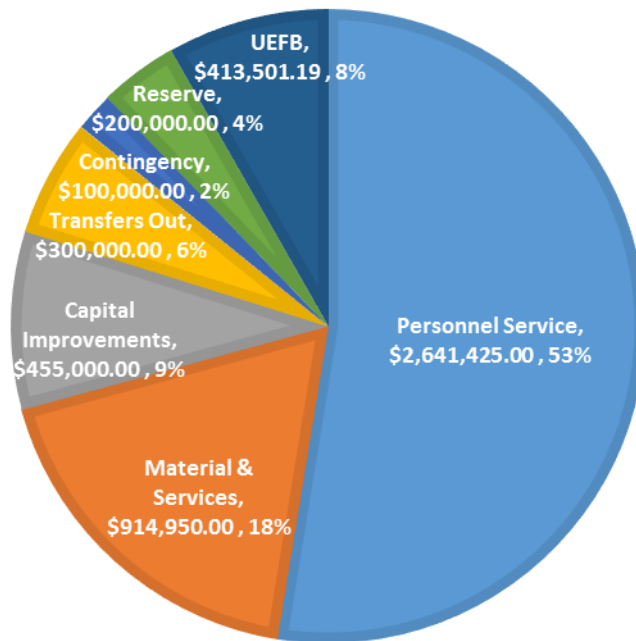
General Fund Requirements (Expenditures)

Expenditure analysis shows a consistent trend as to what is expected in the next few fiscal cycles. Although costs are expected to rise each year with the increase in costs of goods and services, we should not be experiencing the volatility experienced in the mid 00's. In FY 2012/2013, the City was grappling with a large general fund deficit. Carryover savings from layoffs and extreme service cut

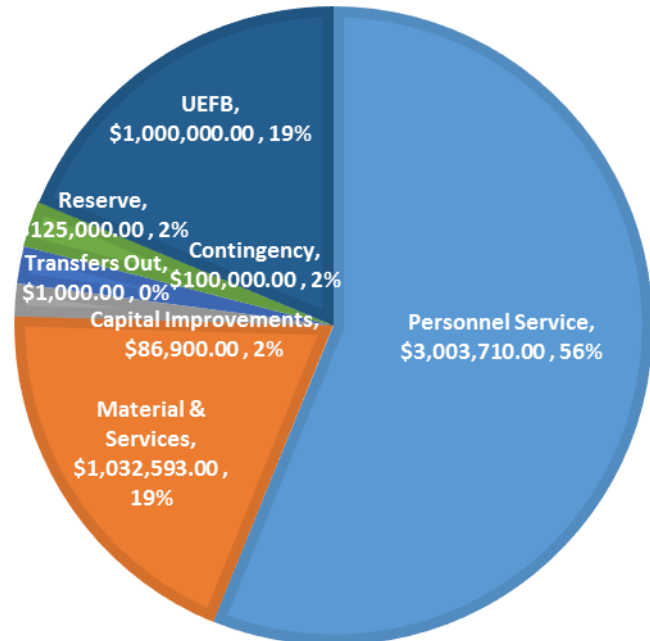
backs carried forward into FY 2013/2014. With stable leadership in place for FY 2014/2015, the City began to rebuild and prepare for the future of this community and add back much of what was lost while maintaining City Council goals with creation of unappropriated funds earmarked for the future. FY 2014/2015 presented the general fund with unexpected expenditures that slowed but did not eliminate the progress.

The following charts show the requirement sources for Proposed Budget FY 2017/18 as compared with the same categories for Adopted Budget FY 2016/17:

Adopted Budget FY 2016/2017



Proposed Budget FY 2017/2018



Significant changes to the requirements structure are contained in the FY 2017/18 budget. Firstly, we have moved the planning requirements from a line item in the Office of Governance and Management to a stand alone department in the general fund. This is to more clearly track the costs of the planning services to the community and allows management a more effective tool for operations. In addition, the parks fund, historically a division of the street fund, has been allocated as a stand alone department in the general fund. These changes have resulted in a full fund analysis of staffing and services to the community identifying what we are doing and does it meet the needs moving into the future.

In FY 2017/18 the City will maintain an unappropriated ending fund meeting the City Council directive to withhold enough funds from the current year operating budget to meet the needs of July – November in the next fiscal year.

Resources in the general fund cover requirements of the Office of Governance and Management (City Manager’s Office, City Recorder’s Office, and Finance), Police Services, Court, Planning, and Parks. Columns 1 and 2 are audited actual resources, Column 3 is the adopted budget for the current fiscal year, and Column 5 is the proposed resources for the next fiscal year. Column 4 is the general fund title. Columns 6 and 7 will be amended as we go through the budget process.

Line item detail for general fund resources (revenues):

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | GENERAL FUND REVENUE DETAIL Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 788,595.04 | \$ 951,559.68 | \$ 1,050,000.00 | BEGINNING FUND BALANCE | \$ 1,215,874.00 | \$ 1,215,874.00 | \$ 1,215,874.00 |
| \$ 2,537,724.70 | \$ 2,654,666.73 | \$ 2,705,000.00 | CURRENT PROPERTY TAXES | \$ 2,887,000.00 | \$ 2,887,000.00 | \$ 2,887,000.00 |
| \$ 49,625.48 | \$ 40,384.01 | \$ 50,000.00 | PRIOR PROPERTY TAXES | \$ 35,000.00 | \$ 35,000.00 | \$ 35,000.00 |
| \$ 37,033.17 | \$ 22,895.04 | \$ 40,000.00 | STATE REVENUE SHARING | \$ 85,000.00 | \$ 85,000.00 | \$ 85,000.00 |
| \$ - | \$ - | \$ - | MARIJUANA TAX | \$ 100.00 | \$ 100.00 | \$ 100.00 |
| \$ 111,335.48 | \$ 128,406.85 | \$ 140,000.00 | LIQUOR TAX | \$ 153,000.00 | \$ 153,000.00 | \$ 153,000.00 |
| \$ 11,252.97 | \$ 9,826.24 | \$ 12,750.00 | CIGARETTE TAX | \$ 12,750.00 | \$ 12,750.00 | \$ 12,750.00 |
| \$ 25,298.00 | \$ 25,937.50 | \$ 22,500.00 | BUSINESS LICENSES | \$ 24,000.00 | \$ 24,000.00 | \$ 24,000.00 |
| \$ 12,291.30 | \$ 8,277.22 | \$ 10,000.00 | LEINS | \$ - | \$ - | \$ - |
| \$ 12,964.00 | \$ 47,326.00 | \$ 69,948.00 | SDC ADMINISTRATION FEE | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 |
| \$ 53,720.85 | \$ 61,566.10 | \$ 52,000.00 | INTEREST | \$ 91,500.00 | \$ 91,500.00 | \$ 91,500.00 |
| \$ 51,985.48 | \$ 48,819.95 | \$ 45,000.00 | REFUNDS & REBATES | \$ 45,000.00 | \$ 45,000.00 | \$ 45,000.00 |
| \$ 1,575.00 | \$ 1,300.00 | \$ 1,000.00 | KEY DEPOSITS | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| \$ 380,053.57 | \$ 384,585.67 | \$ 415,528.19 | COST ALLOCATION PLAN | \$ 331,000.00 | \$ 331,000.00 | \$ 331,000.00 |
| \$ 43,253.60 | \$ 42,142.73 | \$ 42,250.00 | NW NATURAL GAS FRANCHISE | \$ 42,000.00 | \$ 42,000.00 | \$ 42,000.00 |
| \$ 12,321.29 | \$ 13,023.51 | \$ 11,000.00 | TELEPHONE FRANCHISE | \$ 13,479.00 | \$ 13,479.00 | \$ 13,479.00 |
| \$ 33,473.05 | \$ 32,701.85 | \$ 32,000.00 | TV FRANCHISE | \$ 32,000.00 | \$ 32,000.00 | \$ 32,000.00 |
| \$ 62,500.00 | \$ 62,500.00 | \$ 50,000.00 | PGE FRANCHISE | \$ 125,000.00 | \$ 125,000.00 | \$ 125,000.00 |
| \$ 1,870.00 | \$ 4,731.14 | \$ 3,000.00 | ALARM PERMITS | \$ 3,000.00 | \$ 3,000.00 | \$ 3,000.00 |
| \$ 15.00 | \$ - | \$ - | FINGERPRINTS | \$ - | \$ - | \$ - |
| \$ 1,500.00 | \$ 2,850.00 | \$ 2,000.00 | TOW FEES | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 |
| \$ 1,145.00 | \$ 1,701.89 | \$ 1,750.00 | POLICE REPORTS | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 |
| \$ 238.94 | \$ 8,096.55 | \$ 4,000.00 | PD REFUNDS & REBATES | \$ 4,000.00 | \$ 4,000.00 | \$ 4,000.00 |
| \$ 207,466.16 | \$ 214,091.86 | \$ 235,150.00 | POLICE FINES & BAILS | \$ 210,000.00 | \$ 210,000.00 | \$ 210,000.00 |
| \$ - | \$ - | \$ - | DUII POLICE GRANT | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 |
| \$ - | \$ - | \$ - | OT REIMBURSE | \$ 10,000.00 | \$ 10,000.00 | \$ 10,000.00 |
| \$ - | \$ - | \$ - | VEST GRANT | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| \$ 420.00 | \$ 15.00 | \$ - | COFFEE PAYROLL DEDUCTION | \$ - | \$ - | \$ - |
| \$ 11,420.90 | \$ 40,123.08 | \$ 30,000.00 | PLANNING FEES | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 |
| \$ 4,449,078.98 | \$ 4,807,528.60 | \$ 5,024,876.19 | Total General Fund Resources | \$ 5,349,203.00 | \$ 5,349,203.00 | \$ 5,349,203.00 |

Line item detail for the general fund transfers out, contingency, and reserves:

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | GENERAL FUND TRANSFERS Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 400,000.00 | \$ 200,000.00 | \$ - | TRANSFER TO SEWER FUND | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ 300,000.00 | TRANSFER TO STREET FUND | \$ - | \$ - | \$ - |
| \$ 87,500.00 | \$ 345,000.00 | \$ - | TRANSFER TO PARKS & REC | \$ - | \$ - | \$ - |
| \$ 487,500.00 | \$ 545,000.00 | \$ 300,000.00 | Total OGM Transfers | \$ - | \$ - | \$ - |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | GENERAL FUND CONTINGENCY/RESERVE Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ 100,000.00 | OPERATING CONTINGENCY | \$ 100,000.00 | \$ 100,000.00 | \$ 100,000.00 |
| \$ - | \$ - | \$ 200,000.00 | CONSTRUCTION RESERVE | \$ 125,000.00 | \$ 125,000.00 | \$ 125,000.00 |
| \$ - | \$ - | \$ 300,000.00 | Total OGM Contingency/Reserve | \$ 225,000.00 | \$ 225,000.00 | \$ 225,000.00 |

Line item detail of the Office of Governance and Management requirements:

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | GOVERNANCE & MANAGEMENT Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 2,183.46 | \$ (4,552.77) | \$ 55,725.00 | PERS | \$ 74,000.00 | \$ 74,000.00 | \$ 74,000.00 |
| \$ - | \$ - | \$ - | PERS UAL/RHIA | \$ - | \$ - | \$ - |
| \$ (729.54) | \$ (27.78) | \$ 1,000.00 | SAIF | \$ 1,200.00 | \$ 1,200.00 | \$ 1,200.00 |
| \$ 26,411.22 | \$ 31,026.29 | \$ 32,500.00 | FICA | \$ 37,400.00 | \$ 37,400.00 | \$ 37,400.00 |
| \$ 69,639.33 | \$ 79,354.51 | \$ 86,000.00 | INSURANCE | \$ 91,000.00 | \$ 91,000.00 | \$ 91,000.00 |
| \$ - | \$ - | \$ 5,000.00 | UNEMPLOYMENT LIABILITY | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 |
| \$ 98,693.52 | \$ 110,206.79 | \$ 110,000.00 | CITY MANAGER | \$ 120,000.00 | \$ 120,000.00 | \$ 120,000.00 |
| \$ - | \$ - | \$ - | EXEC ADMINISTRATIVE ASSISTANT | \$ 33,600.00 | \$ 33,600.00 | \$ 33,600.00 |
| \$ 43,153.74 | \$ 58,263.40 | \$ 62,500.00 | ECON. DEVELOPMENT/PLANNER | \$ - | \$ - | \$ - |
| \$ - | \$ 42,075.00 | \$ 55,000.00 | GIS MAPPING/CODE DEVELOPMENT | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ 26,000.00 | OFFICE SPECIALIST | \$ 11,000.00 | \$ 11,000.00 | \$ 11,000.00 |
| \$ 23,313.44 | \$ 14,080.61 | \$ 14,000.00 | ASSISTANT TO CITY RECORDER | \$ - | \$ - | \$ - |
| \$ 80,275.84 | \$ 86,960.08 | \$ 87,500.00 | FINANCE DIRECTOR | \$ 94,065.00 | \$ 94,065.00 | \$ 94,065.00 |
| \$ 76,490.08 | \$ 79,904.32 | \$ 87,500.00 | ASST CM / CITY RECORDER | \$ 91,875.00 | \$ 91,875.00 | \$ 91,875.00 |
| \$ 23,313.28 | \$ 14,080.61 | \$ 14,000.00 | SENIOR ACCOUNTANT | \$ 85,400.00 | \$ 85,400.00 | \$ 85,400.00 |
| \$ 442,744.37 | \$ 511,371.06 | \$ 636,725.00 | Total OGM Personnel Services | \$ 644,540.00 | \$ 644,540.00 | \$ 644,540.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | GOVERNANCE & MANAGEMENT Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 6,383.34 | \$ 6,361.47 | \$ 8,000.00 | POWER | \$ 6,500.00 | \$ 6,500.00 | \$ 6,500.00 |
| \$ 14,413.52 | \$ 17,782.07 | \$ 17,250.00 | PHONE | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 |
| \$ 28,632.36 | \$ 24,772.37 | \$ 30,000.00 | OPERATIONS & MAINTENANCE | \$ 30,000.00 | \$ 30,000.00 | \$ 30,000.00 |
| \$ 19,562.48 | \$ 4,000.73 | \$ 12,500.00 | BUILDING MAINTENANCE | \$ 10,000.00 | \$ 10,000.00 | \$ 10,000.00 |
| \$ 6,213.66 | \$ 10,033.68 | \$ 12,500.00 | TRAINING & CONF. TRAVEL | \$ 10,000.00 | \$ 10,000.00 | \$ 10,000.00 |
| \$ 8,718.83 | \$ 11,469.03 | \$ 12,500.00 | DUES & MEMBERSHIP | \$ 10,000.00 | \$ 10,000.00 | \$ 10,000.00 |
| \$ 10,310.92 | \$ 4,983.45 | \$ 7,000.00 | POSTAGE | \$ 7,000.00 | \$ 7,000.00 | \$ 7,000.00 |
| \$ 20,452.17 | \$ 20,940.55 | \$ 23,000.00 | PRINTING & PUBLICATIONS | \$ 23,000.00 | \$ 23,000.00 | \$ 23,000.00 |
| \$ 14,663.29 | \$ 49,624.43 | \$ 45,000.00 | PROFESSIONAL SERVICES | \$ 45,000.00 | \$ 45,000.00 | \$ 45,000.00 |
| \$ 11,397.77 | \$ 13,500.33 | \$ 16,500.00 | INSURANCE/LIABILITY/GEN | \$ 16,500.00 | \$ 16,500.00 | \$ 16,500.00 |
| \$ 1,350.00 | \$ 1,050.00 | \$ 1,000.00 | KEY DEPOSIT REFUNDS | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| \$ 8,491.23 | \$ 8,435.00 | \$ 9,000.00 | CUSTODIAN | \$ 12,000.00 | \$ 12,000.00 | \$ 12,000.00 |
| \$ 5,883.69 | \$ 8,921.77 | \$ 7,500.00 | CUSTODIAL SUPPLIES | \$ 7,000.00 | \$ 7,000.00 | \$ 7,000.00 |
| \$ 4,985.19 | \$ 11,892.04 | \$ 10,000.00 | OFFICE SUPPLIES | \$ 11,000.00 | \$ 11,000.00 | \$ 11,000.00 |
| \$ - | \$ 300.00 | \$ - | MOLALLA FIRE DEPT READER BOARD | \$ - | \$ - | \$ - |
| \$ 33,305.16 | \$ 9,677.68 | \$ 25,000.00 | CITY ATTORNEY | \$ 30,000.00 | \$ 30,000.00 | \$ 30,000.00 |
| \$ 65,812.83 | \$ 38,709.40 | \$ 40,000.00 | COMPUTER SERVICES | \$ 42,000.00 | \$ 42,000.00 | \$ 42,000.00 |
| \$ - | \$ - | \$ - | COMPUTER EQUIPMENT & SOFTWARE | \$ - | \$ - | \$ - |
| \$ 20,244.00 | \$ 24,500.00 | \$ 27,000.00 | AUDITS & BUDGETS | \$ 28,000.00 | \$ 28,000.00 | \$ 28,000.00 |
| \$ - | \$ - | \$ - | ANNEXATIONS & ELECTIONS | \$ - | \$ - | \$ - |
| \$ 4,375.00 | \$ 4,200.00 | \$ 5,000.00 | MEETINGS BROADCASTING | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 |
| \$ 8,600.00 | \$ 8,400.00 | \$ 9,000.00 | COUNCIL MEETINGS | \$ 9,000.00 | \$ 9,000.00 | \$ 9,000.00 |
| \$ (0.05) | \$ 69.67 | \$ - | CASH, OVER/SHORT | \$ - | \$ - | \$ - |
| \$ 1,353.37 | \$ 134.91 | \$ - | COFFEE & COFFEE SUPPLIES | \$ - | \$ - | \$ - |
| \$ 295,148.76 | \$ 279,758.58 | \$ 317,750.00 | Total OGM Materials & Services | \$ 318,000.00 | \$ 318,000.00 | \$ 318,000.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | GOVERNANCE & MANAGEMENT Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 12,130.82 | \$ 89,172.95 | \$ 400,000.00 | CAPITAL IMPROVEMENTS | \$ 27,000.00 | \$ 27,000.00 | \$ 27,000.00 |
| \$ 12,130.82 | \$ 89,172.95 | \$ 400,000.00 | Total OGM Capital Improvements | \$ 27,000.00 | \$ 27,000.00 | \$ 27,000.00 |

2017/18 POLICE DEPARTMENT BUDGET STATEMENT:

The 2017/18 budget cycle for the Molalla Police Department will be one of modest, but essential progress. As the demands of society have continued to grow in recent years, so too have the challenges facing law enforcement continued to evolve as we search for effective solutions to meet society's needs and better serve our community.

This coming fiscal year, we will continue with the second phase of our emergency radio replacement project. Last year, in anticipation of the passing of a Clackamas County radio system replacement bond, the Molalla Police Department limited other capital expenditures in order to reserve funds to purchase a large portion of replacement radios. This was done in an attempt to spread the impact of such a major upgrade over a two year period instead of all at once. To that end, we will complete phase two of this project out of our current budget cycle with the purchase of the bulk of the remaining radio equipment and thereby avoid this major expenditure in the 2017/18 budget. This will allow us to free up funds that might have been needed for equipment and direct them toward important personnel needs.

Another very positive accomplishment this year was making our last lease payment on some patrol vehicles and we own them outright now. This will allow us to bring in a second wave of vehicles in a continued effort to upgrade our aging fleet and thereby reduce the rising cost of repairs.

In an effort to continue improving service to our community, we are also budgeting for a lieutenant's position to provide some much needed administrative help for the Department. This position will help us to provide additional oversight and improve our overall capabilities and performance. For example, one of the challenges we have faced in recent years has been the need to provide targeted enforcement and intervention when dealing with drug houses and other chronic nuisances that crop up. These issues require manpower and organization of resources to deal with them properly and a lack of adequate personnel make addressing these issues difficult. A lieutenant to help in this capacity will be a great step in the right direction.

We will also be bringing back a much needed position in the front office to help us meet demands. We had to reduce some services in the past because we didn't have the manpower to cover them. This position will help us move forward and catch up on things we have neglected. Although optimally we could use a full-time position, at a minimum we need this part-time position in order to achieve some cross-training in certain essential functions unique to modern day public safety.

Finally, one of our disappointments in moving forward this next year was our plans to place a school resource officer (SRO) in our Molalla schools. In this day and age, it has become quite obvious that placing an officer in our schools has provided a very important relationship building component, as well as a significant deterrent to violence and other unlawful acts. It is also important to note that our schools are responsible for a significant number of calls for service for law enforcement, many of which are very time consuming and continue to tap our available resources. Therefore, we had been working on and had budgeted for a cost-sharing partnership with the school district to start up an SRO program. However, it appears the school district will not be able to participate at this time, so we cannot move ahead. Although disappointing, we do believe the SRO programs around the country have proven themselves to be very effective, in some cases life-saving and we plan to continue to work with the schools to make this program a reality.

Therefore, we are attempting to take reasonable steps within our means, to move the Molalla Police Department and our community in safe and productive direction and we are optimistic about the forecast for a bright future for our fair city.

Line item detail of the Police Services requirements:

| Actuals | Actuals | Budgeted | POLICE DEPARTMENT | Proposed | Approved | Adopted |
|------------------------|------------------------|------------------------|---------------------------------------|------------------------|------------------------|------------------------|
| FY 2014/2015 | FY 2015/2016 | FY 2016/2017 | Account Name | FY 2017/2018 | FY 2017/2018 | FY 2017/2018 |
| \$ 162,919.08 | \$ 189,514.50 | \$ 230,000.00 | PERS | \$ 235,000.00 | \$ 235,000.00 | \$ 235,000.00 |
| \$ 24,313.11 | \$ 23,676.57 | \$ 27,250.00 | SAIF | \$ 35,500.00 | \$ 35,500.00 | \$ 35,500.00 |
| \$ 85,877.26 | \$ 81,801.14 | \$ 97,500.00 | FICA | \$ 108,000.00 | \$ 108,000.00 | \$ 108,000.00 |
| \$ 204,961.55 | \$ 204,792.67 | \$ 220,000.00 | INSURANCE | \$ 248,000.00 | \$ 248,000.00 | \$ 248,000.00 |
| \$ - | \$ - | \$ 5,000.00 | UNEMPLOYMENT LIABILITY | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 |
| \$ 82,402.52 | \$ 88,733.20 | \$ 90,000.00 | POLICE CHIEF | \$ 100,000.00 | \$ 100,000.00 | \$ 100,000.00 |
| \$ - | \$ - | \$ - | LIEUTENANT | \$ 90,000.00 | \$ 90,000.00 | \$ 90,000.00 |
| \$ 218,239.27 | \$ 172,711.64 | \$ 250,000.00 | SERGEANTS | \$ 242,000.00 | \$ 242,000.00 | \$ 242,000.00 |
| \$ 544,011.63 | \$ 558,654.90 | \$ 650,000.00 | PATROL OFFICERS | \$ 636,500.00 | \$ 636,500.00 | \$ 636,500.00 |
| \$ 64,424.88 | \$ 43,163.24 | \$ 45,000.00 | POLICE CLERK | \$ 65,500.00 | \$ 65,500.00 | \$ 65,500.00 |
| \$ 16,807.75 | \$ 26,211.02 | \$ 26,500.00 | CERTIFICATE PAY | \$ 31,700.00 | \$ 31,700.00 | \$ 31,700.00 |
| \$ 29,414.30 | \$ 22,140.89 | \$ 21,000.00 | HOLIDAY BUYOUT | \$ 23,000.00 | \$ 23,000.00 | \$ 23,000.00 |
| \$ 103,596.66 | \$ 98,823.80 | \$ 125,000.00 | OVERTIME | \$ 135,000.00 | \$ 135,000.00 | \$ 135,000.00 |
| \$ 7,895.94 | \$ (2,924.63) | \$ 10,000.00 | BUCKEROO OVERTIME | \$ 17,500.00 | \$ 17,500.00 | \$ 17,500.00 |
| \$ 60,049.88 | \$ 54,987.88 | \$ 60,000.00 | PROPERTY OFFICER | \$ 56,000.00 | \$ 56,000.00 | \$ 56,000.00 |
| \$ 1,604,913.83 | \$ 1,562,286.82 | \$ 1,857,250.00 | Total Police Personnel Service | \$ 2,028,700.00 | \$ 2,028,700.00 | \$ 2,028,700.00 |

| Actuals | Actuals | Budgeted | POLICE DEPARTMENT | Proposed | Approved | Adopted |
|----------------------|----------------------|----------------------|--|----------------------|----------------------|----------------------|
| FY 2014/2015 | FY 2015/2016 | FY 2016/2017 | Account Name | FY 2017/2018 | FY 2017/2018 | FY 2017/2018 |
| \$ 6,010.38 | \$ 6,009.12 | \$ 7,500.00 | POWER | \$ 7,500.00 | \$ 7,500.00 | \$ 7,500.00 |
| \$ 23,164.85 | \$ 27,748.12 | \$ 29,500.00 | PHONE | \$ 29,500.00 | \$ 29,500.00 | \$ 29,500.00 |
| \$ 40,733.94 | \$ 27,595.79 | \$ 28,750.00 | CONNECTIVITY | \$ 30,000.00 | \$ 30,000.00 | \$ 30,000.00 |
| \$ 25,137.55 | \$ 8,032.08 | \$ 40,000.00 | OPERATIONS & MAINTENANCE | \$ 25,000.00 | \$ 25,000.00 | \$ 25,000.00 |
| \$ 10,348.47 | \$ 6,272.93 | \$ 10,000.00 | BUILDING MAINTENANCE | \$ 10,000.00 | \$ 10,000.00 | \$ 10,000.00 |
| \$ 5,584.54 | \$ 6,142.86 | \$ 12,000.00 | TRAINING & CONF. TRAVEL | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 |
| \$ 415.00 | \$ 350.00 | \$ 1,000.00 | DUES & MEMBERSHIP | \$ 1,500.00 | \$ 1,500.00 | \$ 1,500.00 |
| \$ 54.57 | \$ 50.14 | \$ 500.00 | POSTAGE | \$ - | \$ - | \$ - |
| \$ 1,950.00 | \$ 30,620.00 | \$ 17,750.00 | CONTRACTS & OBLIGATIONS | \$ 38,000.00 | \$ 38,000.00 | \$ 38,000.00 |
| \$ 920.50 | \$ 29,447.60 | \$ 10,000.00 | PROFESSIONAL SERVICES | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 |
| \$ 36,263.81 | \$ 40,159.45 | \$ 49,000.00 | INSURANCE/LIABILITY/GEN | \$ 61,641.00 | \$ 61,641.00 | \$ 61,641.00 |
| \$ 28,218.57 | \$ 20,429.04 | \$ 30,000.00 | VEHICLE FUEL | \$ 35,000.00 | \$ 35,000.00 | \$ 35,000.00 |
| \$ 23,540.26 | \$ 23,192.22 | \$ 30,000.00 | VEHICLE REPAIR | \$ 40,000.00 | \$ 40,000.00 | \$ 40,000.00 |
| \$ 7,878.20 | \$ 8,781.71 | \$ 12,000.00 | UNIFORMS | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 |
| \$ 9,178.73 | \$ 8,435.00 | \$ 9,000.00 | JANITOR | \$ 9,000.00 | \$ 9,000.00 | \$ 9,000.00 |
| \$ 10,675.27 | \$ 14,446.43 | \$ 15,000.00 | JANITOR SUPPLIES | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 |
| \$ 1,439.65 | \$ 441.27 | \$ - | OFFICE SUPPLIES | \$ - | \$ - | \$ - |
| \$ 558.25 | \$ 1,373.52 | \$ 4,000.00 | RADIO REPAIR | \$ - | \$ - | \$ - |
| \$ 83,769.00 | \$ 92,270.00 | \$ 95,000.00 | CENTRAL DISPATCH | \$ 99,500.00 | \$ 99,500.00 | \$ 99,500.00 |
| \$ (225.00) | \$ - | \$ 7,500.00 | SPECIAL INVESTIGATION | \$ 10,000.00 | \$ 10,000.00 | \$ 10,000.00 |
| \$ 6,135.40 | \$ 6,576.83 | \$ 8,500.00 | OFFICE MACHINES & MAINT | \$ 8,500.00 | \$ 8,500.00 | \$ 8,500.00 |
| \$ 4,815.46 | \$ 12,185.09 | \$ 12,500.00 | FIREARMS | \$ 12,500.00 | \$ 12,500.00 | \$ 12,500.00 |
| \$ 2,500.00 | \$ 2,500.00 | \$ - | JUVENILE DIVERSION PANEL FEE | \$ - | \$ - | \$ - |
| \$ - | \$ 8,638.30 | \$ 20,000.00 | COMPUTER REPAIR & UPGRADE | \$ 20,000.00 | \$ 20,000.00 | \$ 20,000.00 |
| \$ 35,687.11 | \$ 57,050.53 | \$ 60,000.00 | SUPPLIES / EQUIPMENT | \$ 40,000.00 | \$ 40,000.00 | \$ 40,000.00 |
| \$ 314.47 | \$ 1,001.80 | \$ - | CRIME SCENE INV SUPPLIES | \$ - | \$ - | \$ - |
| \$ 365,068.98 | \$ 439,749.83 | \$ 509,500.00 | Total Police Materials & Services | \$ 537,641.00 | \$ 537,641.00 | \$ 537,641.00 |

| Actuals | Actuals | Budgeted | POLICE DEPARTMENT | Proposed | Approved | Adopted |
|---------------------|---------------------|---------------------|--|---------------------|---------------------|---------------------|
| FY 2014/2015 | FY 2015/2016 | FY 2016/2017 | Account Name | FY 2017/2018 | FY 2017/2018 | FY 2017/2018 |
| \$ 53,446.50 | \$ 58,618.91 | \$ 55,000.00 | EMERGENCY VEHICLES | \$ 55,000.00 | \$ 55,000.00 | \$ 55,000.00 |
| \$ 53,446.50 | \$ 58,618.91 | \$ 55,000.00 | Total Police Capital Improvements | \$ 55,000.00 | \$ 55,000.00 | \$ 55,000.00 |

There were some changes to Court in FY 2017/18 to closer reflect the true costs of the court. We have added some new line items for material and service categories. We are also making changes to personnel services by reducing the cost of 1 FTE to a .75 FTE.

Line item detail of the Court requirements:

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | MUNICIPAL COURT Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--------------------------------------|--------------------------|--------------------------|-------------------------|
| \$ 6,856.97 | \$ 8,067.28 | \$ 8,700.00 | PERS | \$ 8,000.00 | \$ 8,000.00 | \$ 8,000.00 |
| \$ 195.76 | \$ 124.58 | \$ 250.00 | SAIF | \$ 250.00 | \$ 250.00 | \$ 250.00 |
| \$ 8,130.85 | \$ 8,485.45 | \$ 9,000.00 | FICA | \$ 7,000.00 | \$ 7,000.00 | \$ 7,000.00 |
| \$ 15,195.94 | \$ 15,448.42 | \$ 15,750.00 | INSURANCE | \$ 11,700.00 | \$ 11,700.00 | \$ 11,700.00 |
| \$ 20,400.00 | \$ 20,400.00 | \$ 21,250.00 | MUNICIPAL COURT JUDGE | \$ 21,250.00 | \$ 21,250.00 | \$ 21,250.00 |
| \$ 30,000.00 | \$ 30,000.00 | \$ 32,500.00 | PROSECUTING ATTORNEY | \$ 32,500.00 | \$ 32,500.00 | \$ 32,500.00 |
| \$ 52,517.62 | \$ 55,767.63 | \$ 55,000.00 | COURT CLERK | \$ 33,000.00 | \$ 33,000.00 | \$ 33,000.00 |
| \$ - | \$ - | \$ - | COURT BAILIFF | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 |
| \$ 3,366.45 | \$ 4,751.51 | \$ 5,000.00 | OVERTIME | \$ 200.00 | \$ 200.00 | \$ 200.00 |
| \$ 136,663.59 | \$ 143,044.87 | \$ 147,450.00 | Total Court Personnel Service | \$ 118,900.00 | \$ 118,900.00 | \$ 118,900.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | MUNICIPAL COURT Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ - | POWER | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| \$ - | \$ - | \$ - | PHONE | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| \$ 10,458.72 | \$ 10,197.48 | \$ 15,000.00 | OPERATIONS & MAINTENANCE | \$ 10,000.00 | \$ 10,000.00 | \$ 10,000.00 |
| \$ - | \$ - | \$ - | BUILDING MAINTENANCE | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| \$ 1,461.01 | \$ 1,471.81 | \$ 2,500.00 | TRAINING & CONF. TRAVEL | \$ 700.00 | \$ 700.00 | \$ 700.00 |
| \$ 150.00 | \$ 50.00 | \$ 200.00 | DUES & MEMBERSHIP | \$ 100.00 | \$ 100.00 | \$ 100.00 |
| \$ - | \$ - | \$ - | POSTAGE | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| \$ - | \$ 146.53 | \$ 500.00 | PRINTING & PUBLICATIONS | \$ 500.00 | \$ 500.00 | \$ 500.00 |
| \$ 7,090.00 | \$ 1,440.00 | \$ 1,500.00 | PROFESSIONAL SERVICES | \$ 1,500.00 | \$ 1,500.00 | \$ 1,500.00 |
| \$ 2,849.44 | \$ 2,856.55 | \$ 3,250.00 | INSURANCE/LIABILITY/GEN | \$ 3,675.00 | \$ 3,675.00 | \$ 3,675.00 |
| \$ - | \$ - | \$ - | JANITOR | \$ 2,500.00 | \$ 2,500.00 | \$ 2,500.00 |
| \$ - | \$ - | \$ - | JANITOR SUPPLIES | \$ 500.00 | \$ 500.00 | \$ 500.00 |
| \$ 108.88 | \$ - | \$ - | OFFICE SUPPLIES | \$ 100.00 | \$ 100.00 | \$ 100.00 |
| \$ 9,950.00 | \$ 13,250.00 | \$ 17,000.00 | COURT APPOINTED ATTORNEY | \$ 17,000.00 | \$ 17,000.00 | \$ 17,000.00 |
| \$ 2,928.00 | \$ 1,296.00 | \$ 1,750.00 | BAIL REFUND | \$ 1,750.00 | \$ 1,750.00 | \$ 1,750.00 |
| \$ 21,815.99 | \$ 26,064.70 | \$ 27,500.00 | CLACKAMAS COUNTY | \$ 27,000.00 | \$ 27,000.00 | \$ 27,000.00 |
| \$ 10,136.31 | \$ 11,264.13 | \$ 15,000.00 | OR DEPT OF REVENUE | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 |
| \$ 2,163.49 | \$ 3,040.83 | \$ 3,500.00 | VICTIM RESTITUTION | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 |
| \$ 69,111.84 | \$ 71,078.03 | \$ 87,700.00 | Total Court Material & Services | \$ 87,825.00 | \$ 87,825.00 | \$ 87,825.00 |

Planning Services have been moved from the general fund to its own department. Planning is mostly supported by the general fund at this point.

Line item detail of the Planning Service requirements:

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PLANNING DEPARTMENT Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ - | PERS | \$ 8,020.00 | \$ 8,020.00 | \$ 8,020.00 |
| \$ - | \$ - | \$ - | SAIF | \$ 350.00 | \$ 350.00 | \$ 350.00 |
| \$ - | \$ - | \$ - | FICA | \$ 4,400.00 | \$ 4,400.00 | \$ 4,400.00 |
| \$ - | \$ - | \$ - | INSURANCE | \$ 15,300.00 | \$ 15,300.00 | \$ 15,300.00 |
| \$ - | \$ - | \$ - | COMMUNITY PLANNER | \$ 57,200.00 | \$ 57,200.00 | \$ 57,200.00 |
| \$ - | \$ - | \$ - | Total Planning Personnel Service | \$ 85,270.00 | \$ 85,270.00 | \$ 85,270.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PLANNING DEPARTMENT Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ - | POWER | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| \$ - | \$ - | \$ - | PHONE | \$ 1,500.00 | \$ 1,500.00 | \$ 1,500.00 |
| \$ - | \$ - | \$ - | OPERATIONS & MAINTENANCE | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 |
| \$ - | \$ - | \$ - | BUILDING MAINTENANCE | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| \$ - | \$ - | \$ - | TRAINING & CONF. TRAVEL | \$ 500.00 | \$ 500.00 | \$ 500.00 |
| \$ - | \$ - | \$ - | DUES & MEMBERSHIP | \$ 300.00 | \$ 300.00 | \$ 300.00 |
| \$ - | \$ - | \$ - | POSTAGE | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| \$ 495.00 | \$ - | \$ - | PROFESSIONAL SERVICES | \$ 12,000.00 | \$ 12,000.00 | \$ 12,000.00 |
| \$ 30,295.61 | \$ - | \$ - | PROFESSIONAL SERVICE-GLASGOW | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | INSURANCE/LIABILITY/GEN | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| \$ - | \$ - | \$ - | CUSTODIAN | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| \$ - | \$ - | \$ - | OFFICE SUPPLIES | \$ 400.00 | \$ 400.00 | \$ 400.00 |
| \$ - | \$ - | \$ - | CITY ATTORNEY | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 |
| \$ - | \$ - | \$ - | COMPUTER SERVICES | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| \$ - | \$ - | \$ - | MEETINGS AND BOARDS | \$ 1,500.00 | \$ 1,500.00 | \$ 1,500.00 |
| \$ 30,790.61 | \$ - | \$ - | Total Planning Material & Services | \$ 29,200.00 | \$ 29,200.00 | \$ 29,200.00 |

The Parks Budget has been moved from the Street Fund to the General Fund in Fiscal Year 2017/18. The total budget for this fund is \$192,128. These costs reflect the reallocation of staff positions more in line with the time they expend within the Parks Fund. Since the operations of the parks system has been separated from the Street Fund, a more detailed list of Material and Services line items has been provided. Revenue for the fund comes from an allocation of State Shared Revenues and PGE Franchise Fees. Capital Improvement includes replacement of existing garbage cans at select locations and a transfer to Fleet Replacement for future equipment purchases.

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PARKS DEPARTMENT Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--------------------------------------|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ - | PERS | \$ 10,500.00 | \$ 10,500.00 | \$ 10,500.00 |
| \$ - | \$ - | \$ - | SAIF | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 |
| \$ - | \$ - | \$ - | FICA | \$ 5,500.00 | \$ 5,500.00 | \$ 5,500.00 |
| \$ - | \$ - | \$ - | INSURANCE | \$ 19,000.00 | \$ 19,000.00 | \$ 19,000.00 |
| \$ - | \$ - | \$ - | PW DIRECTOR | \$ 2,350.00 | \$ 2,350.00 | \$ 2,350.00 |
| \$ - | \$ - | \$ - | CREW-FOREMAN | \$ 1,750.00 | \$ 1,750.00 | \$ 1,750.00 |
| \$ - | \$ - | \$ - | PW OPERATIONS SUPERVISOR | \$ 6,200.00 | \$ 6,200.00 | \$ 6,200.00 |
| \$ - | \$ - | \$ - | CREW-PARKS | \$ 54,000.00 | \$ 54,000.00 | \$ 54,000.00 |
| \$ - | \$ - | \$ - | CREW-SEASONAL | \$ 20,000.00 | \$ 20,000.00 | \$ 20,000.00 |
| \$ - | \$ - | \$ - | OVERTIME | \$ 3,500.00 | \$ 3,500.00 | \$ 3,500.00 |
| \$ - | \$ - | \$ - | Total Parks Personnel Service | \$ 126,300.00 | \$ 126,300.00 | \$ 126,300.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PARKS DEPARTMENT Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ - | POWER | \$ 1,500.00 | \$ 1,500.00 | \$ 1,500.00 |
| \$ - | \$ - | \$ - | PHONE | \$ 2,525.00 | \$ 2,525.00 | \$ 2,525.00 |
| \$ - | \$ - | \$ - | NATURAL GAS | \$ 500.00 | \$ 500.00 | \$ 500.00 |
| \$ - | \$ - | \$ - | OPERATIONS & MAINTENANCE | \$ 23,450.00 | \$ 23,450.00 | \$ 23,450.00 |
| \$ - | \$ - | \$ - | BUILDING MAINTENANCE | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 |
| \$ - | \$ - | \$ - | TRAINING & CERTIFICATES | \$ 500.00 | \$ 500.00 | \$ 500.00 |
| \$ - | \$ - | \$ - | DUES & MEMBERSHIP | \$ 250.00 | \$ 250.00 | \$ 250.00 |
| \$ - | \$ - | \$ - | POSTAGE | \$ 50.00 | \$ 50.00 | \$ 50.00 |
| \$ - | \$ - | \$ - | COMPUTER NETWORK | \$ 3,352.00 | \$ 3,352.00 | \$ 3,352.00 |
| \$ - | \$ - | \$ - | PROFESSIONAL SERVICES | \$ 10,000.00 | \$ 10,000.00 | \$ 10,000.00 |
| \$ - | \$ - | \$ - | INSURANCE/LIABILITY/GEN | \$ 7,000.00 | \$ 7,000.00 | \$ 7,000.00 |
| \$ - | \$ - | \$ - | GAS & VEHICLE MAINTENANCE | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 |
| \$ - | \$ - | \$ - | VEHICLE REPAIR | \$ 1,500.00 | \$ 1,500.00 | \$ 1,500.00 |
| \$ - | \$ - | \$ - | UNIFORM & SAFETY GEAR | \$ 800.00 | \$ 800.00 | \$ 800.00 |
| \$ - | \$ - | \$ - | SMALL EQUIPMENT/TOOLS | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| \$ - | \$ - | \$ - | SIGNS | \$ 500.00 | \$ 500.00 | \$ 500.00 |
| \$ - | \$ - | \$ - | Total Parks Material & Services | \$ 59,927.00 | \$ 59,927.00 | \$ 59,927.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PARKS DEPARTMENT Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ - | CAPITAL IMPROVEMENTS | \$ 4,900.00 | \$ 4,900.00 | \$ 4,900.00 |
| \$ - | \$ - | \$ - | Total Parks Material & Services | \$ 4,900.00 | \$ 4,900.00 | \$ 4,900.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PARKS DEPARTMENT Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ - | TRANSFER TO FLEET REPLACEMENT | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| \$ - | \$ - | \$ - | Total Parks Material & Services | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |

Future Outlook

Without an operating fee for the Parks Fund, this fund and the expansion of the parks system will have a negative effect on the General Fund and restrict the abilities of the General Fund to fund needs in other areas. Line item detail of the Parks requirements:



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LIBRARY



Library

The Molalla Public Library was established on May 14, 1900, and is the oldest continuously operating library in Clackamas County. It is part of the Libraries in Clackamas County (LINCC) Library District, established in 2008. It allows patrons in our community to draw upon resources throughout the County as well as have our technical needs supported by the District Network office.

The mission of the Molalla Public Library is to serve the community by providing a wide range of library services and information technology resources and programs. In working toward fulfilling the mission statement, the Library's budget reflects our goal of providing services and activities to meet the needs of the community. The primary source of revenue for the Library is the Clackamas County Library District. The District is projecting a slight increase in revenue for FY 2017/2018.

The following is an overall fund summary for the Molalla Public Library:

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | LIBRARY FUND SUMMARY RESOURCES | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 1,122,563.61 | \$ 1,274,843.19 | \$ 1,390,000.00 | <i>BFB</i> | \$ 1,377,883.00 | \$ 1,377,883.00 | \$ 1,377,883.00 |
| \$ 2,070.81 | \$ 3,193.85 | \$ 2,500.00 | <i>All Other Resources</i> | \$ 2,500.00 | \$ 2,500.00 | \$ 2,500.00 |
| \$ 792,967.00 | \$ 808,468.00 | \$ 1,678,500.00 | <i>Fed, State, Grant</i> | \$ 1,688,750.00 | \$ 1,688,750.00 | \$ 1,688,750.00 |
| \$ 21,743.73 | \$ 21,124.28 | \$ 17,500.00 | <i>Fees, Licenses, Permits</i> | \$ 17,500.00 | \$ 17,500.00 | \$ 17,500.00 |
| \$ 1,939,345.15 | \$ 2,107,629.32 | \$ 3,088,500.00 | TOTAL RESOURCES | \$ 3,086,633.00 | \$ 3,086,633.00 | \$ 3,086,633.00 |
| REQUIREMENTS | | | | | | |
| \$ 388,083.02 | \$ 478,984.72 | \$ 567,600.00 | <i>Personnel Service</i> | \$ 587,800.00 | \$ 587,800.00 | \$ 587,800.00 |
| \$ 183,346.07 | \$ 155,907.80 | \$ 273,016.39 | <i>Material & Services</i> | \$ 369,201.00 | \$ 369,201.00 | \$ 369,201.00 |
| \$ 93,072.87 | \$ 76,245.19 | \$ 2,076,500.00 | <i>Capital Improvement</i> | \$ 2,054,632.00 | \$ 2,054,632.00 | \$ 2,054,632.00 |
| \$ - | \$ - | \$ 100,000.00 | <i>Contingency</i> | \$ 75,000.00 | \$ 75,000.00 | \$ 75,000.00 |
| \$ 664,501.96 | \$ 711,137.71 | \$ 3,017,116.39 | TOTAL REQUIREMENTS | \$ 3,086,633.00 | \$ 3,086,633.00 | \$ 3,086,633.00 |
| | | \$ 71,383.61 | <i>UEFB</i> | \$ - | \$ - | \$ - |
| \$ 1,274,843.19 | \$ 1,396,491.61 | \$ - | NET RESOURCES OVER REQUIREMENTS | \$ - | \$ - | \$ - |

The Molalla Public Library continually looks to the future to provide a wide range of programs, resources, and services. We are establishing a fund for future capital improvements to meet the needs of this growing community. As part of the Clackamas County Library District, we have to keep pace with other libraries in the County for certain technologies. Future needs also include regular computer upgrades and new technology to keep pace with library best practices and trends on county, state, national, and international levels. Still, we are projecting an ability to plan for the future and provide services without a significant increase in our overall budget.

While the Library District funds are distributed to each City, the Library District Capital Funds are held in reserve for Molalla at the County level to be used when a larger library is needed. We receive a grant from the State Library each year for our Summer Reading Program as well as other programs serving children. Copier income is received from those using the Library's copy machine to make copies and print out materials from our public computers. Miscellaneous and Donation revenue come from our ongoing used book sale and donations made to the library. Fine revenue fluctuates. We have seen a slight decrease in the past few years due to the very successful and popular Food for Fines program. Still, Fine revenue remains strong.

The following is a line item detail for resources (revenue) for the Molalla Public Library:

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | LIBRARY Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--------------------------------|--------------------------|--------------------------|-------------------------|
| \$ 1,122,563.61 | \$ 1,274,843.19 | \$ 1,390,000.00 | BEGINNING FUND BALANCE | \$ 1,377,883.00 | \$ 1,377,883.00 | \$ 1,377,883.00 |
| \$ 789,090.00 | \$ 804,652.00 | \$ 825,000.00 | COUNTY FUNDS | \$ 835,000.00 | \$ 835,000.00 | \$ 835,000.00 |
| \$ - | \$ - | \$ 850,000.00 | LIBRARY DISTRICT CAPITAL FUNDS | \$ 850,000.00 | \$ 850,000.00 | \$ 850,000.00 |
| \$ 3,877.00 | \$ 3,816.00 | \$ 3,500.00 | GRANTS | \$ 3,750.00 | \$ 3,750.00 | \$ 3,750.00 |
| \$ 2,525.58 | \$ 3,093.70 | \$ 2,500.00 | COPIER INCOME | \$ 2,500.00 | \$ 2,500.00 | \$ 2,500.00 |
| \$ 952.92 | \$ 2,023.69 | \$ 1,000.00 | MISC | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| \$ 19,218.15 | \$ 18,030.58 | \$ 15,000.00 | FINES | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 |
| \$ 1,117.89 | \$ 1,170.16 | \$ 1,500.00 | DONATIONS | \$ 1,500.00 | \$ 1,500.00 | \$ 1,500.00 |
| \$ 1,939,345.15 | \$ 2,107,629.32 | \$ 3,088,500.00 | Total Library Resources | \$ 3,086,633.00 | \$ 3,086,633.00 | \$ 3,086,633.00 |

The Library will seek to add a dedicated children’s librarian in the 2017/18 fiscal year. Having a person solely dedicated to children at the Library will allow us to increase our outreach to schools, day care centers, and present more early literacy programs. The slight increase shown in this line item primarily reflects a rise in PERS and insurance costs as well as accrued payroll liability which is used towards part time sick leave.

Prior year figures for these materials will remain in the Capital Improvement section for the next three years. Some line items show a slight increase reflecting inflation and needs of the community for more programs and other materials. The Cost Allocation line item transfers money from the Library to the City, providing the Library with legal, auditing, budgeting, and other accounting services including payroll and payroll quarterlies, City Council representation, and other city services. Providing these services through a cost allocation to the City saves the Library a substantial amount of money as opposed to these services being outsourced.

The Library sets aside money for computers and other capital improvements each year. The Capital Improvements - Projects line item allows for improvements to the Library as is warranted or deemed necessary by the City.

The following is a line item detail for requirements (expenditures) for the Molalla Public Library:

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | LIBRARY Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 34,016.99 | \$ 49,664.97 | \$ 55,000.00 | PERS | \$ 65,000.00 | \$ 65,000.00 | \$ 65,000.00 |
| \$ 406.51 | \$ 507.55 | \$ 1,000.00 | SAIF | \$ 4,300.00 | \$ 4,300.00 | \$ 4,300.00 |
| \$ 20,985.28 | \$ 25,136.09 | \$ 26,000.00 | FICA | \$ 26,000.00 | \$ 26,000.00 | \$ 26,000.00 |
| \$ 58,355.57 | \$ 75,102.44 | \$ 78,000.00 | INSURANCE | \$ 78,000.00 | \$ 78,000.00 | \$ 78,000.00 |
| \$ - | \$ - | \$ - | UNEMPLOYMENT LIABILITY | \$ 10,000.00 | \$ 10,000.00 | \$ 10,000.00 |
| \$ 60,262.00 | \$ 66,960.00 | \$ 68,500.00 | LIBRARY DIRECTOR | \$ 73,500.00 | \$ 73,500.00 | \$ 73,500.00 |
| \$ 22,764.00 | \$ 40,456.50 | \$ 46,350.00 | LIBRARIAN | \$ 47,500.00 | \$ 47,500.00 | \$ 47,500.00 |
| \$ 58,701.12 | \$ 60,022.77 | \$ 62,750.00 | ASST CITY LIBRARIAN | \$ 63,000.00 | \$ 63,000.00 | \$ 63,000.00 |
| \$ 35,209.78 | \$ 50,887.67 | \$ 80,000.00 | FULL TIME ASSISTANTS | \$ 80,500.00 | \$ 80,500.00 | \$ 80,500.00 |
| \$ 97,381.77 | \$ 110,246.73 | \$ 125,000.00 | PART TIME ASSISTANTS | \$ 115,000.00 | \$ 115,000.00 | \$ 115,000.00 |
| \$ - | \$ - | \$ 25,000.00 | ACCRUED PAYROLL LIABILITY | \$ 25,000.00 | \$ 25,000.00 | \$ 25,000.00 |
| \$ 388,083.02 | \$ 478,984.72 | \$ 567,600.00 | Total Library Personnel Service | \$ 587,800.00 | \$ 587,800.00 | \$ 587,800.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | LIBRARY Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 9,486.50 | \$ 10,290.30 | \$ 12,000.00 | POWER | \$ 12,500.00 | \$ 12,500.00 | \$ 12,500.00 |
| \$ 9,275.43 | \$ 8,758.64 | \$ 12,000.00 | PHONE | \$ 12,000.00 | \$ 12,000.00 | \$ 12,000.00 |
| \$ 1,725.55 | \$ 1,373.93 | \$ 2,500.00 | NW NATURAL GAS | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 |
| \$ 2,765.30 | \$ 1,577.18 | \$ 7,500.00 | OPERATIONS & MAINTENANCE | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 |
| \$ 12,397.84 | \$ 14,564.81 | \$ 17,500.00 | BUILDING MAINTENANCE | \$ 17,500.00 | \$ 17,500.00 | \$ 17,500.00 |
| \$ 1,579.04 | \$ 3,261.09 | \$ 4,500.00 | TRAINING & CONF. TRAVEL | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 |
| \$ - | \$ 99.00 | \$ 250.00 | DUES & MEMBERSHIP | \$ 250.00 | \$ 250.00 | \$ 250.00 |
| \$ 261.58 | \$ 333.79 | \$ 500.00 | POSTAGE | \$ 300.00 | \$ 300.00 | \$ 300.00 |
| \$ 1,050.00 | \$ - | \$ 50,000.00 | PROFESSIONAL SERVICES | \$ 50,000.00 | \$ 50,000.00 | \$ 50,000.00 |
| \$ 15,366.20 | \$ 5,870.11 | \$ 15,000.00 | INSURANCE/LIABILITY/GEN | \$ 8,400.00 | \$ 8,400.00 | \$ 8,400.00 |
| \$ - | \$ - | \$ - | BOOKS | \$ 65,000.00 | \$ 65,000.00 | \$ 65,000.00 |
| \$ - | \$ - | \$ - | E-PUBLICATIONS | \$ 9,000.00 | \$ 9,000.00 | \$ 9,000.00 |
| \$ - | \$ - | \$ - | READY TO READ MATERIAL | \$ 3,750.00 | \$ 3,750.00 | \$ 3,750.00 |
| \$ - | \$ - | \$ - | AUDIO-VISUAL MATERIAL | \$ 21,000.00 | \$ 21,000.00 | \$ 21,000.00 |
| \$ - | \$ - | \$ - | DATA BASES | \$ 11,000.00 | \$ 11,000.00 | \$ 11,000.00 |
| \$ 17.60 | \$ - | \$ - | MATERIALS, REBINDING | \$ - | \$ - | \$ - |
| \$ 9,378.84 | \$ 10,763.23 | \$ 12,500.00 | CUSTODIAN | \$ 12,500.00 | \$ 12,500.00 | \$ 12,500.00 |
| \$ 7,448.67 | \$ 12,119.42 | \$ 20,000.00 | OFFICE SUPPLIES | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 |
| \$ - | \$ 900.00 | \$ 1,200.00 | MOLALLA FIRE READER BOARD | \$ 1,200.00 | \$ 1,200.00 | \$ 1,200.00 |
| \$ 81,259.87 | \$ 70,945.12 | \$ 82,066.39 | COST ALLOCATION AGREEMENT | \$ 84,701.00 | \$ 84,701.00 | \$ 84,701.00 |
| \$ 605.39 | \$ 60.75 | \$ 5,000.00 | FURNITURE & FIXTURES | \$ 5,100.00 | \$ 5,100.00 | \$ 5,100.00 |
| \$ 6,856.61 | \$ 3,999.23 | \$ 7,500.00 | COPIER EXPENSES | \$ 6,000.00 | \$ 6,000.00 | \$ 6,000.00 |
| \$ 5,350.80 | \$ 5,910.32 | \$ 10,000.00 | PROGRAMS | \$ 12,000.00 | \$ 12,000.00 | \$ 12,000.00 |
| \$ 3,076.82 | \$ 2,782.33 | \$ 3,000.00 | PERIODICALS | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 |
| \$ 15,444.03 | \$ 2,298.55 | \$ 10,000.00 | EQUIPMENT | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 |
| \$ 183,346.07 | \$ 155,907.80 | \$ 273,016.39 | Total Library Material & Services | \$ 369,201.00 | \$ 369,201.00 | \$ 369,201.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | LIBRARY Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 28,069.11 | \$ 326.00 | \$ 75,000.00 | CAPITAL IMPROVEMENTS | \$ 25,000.00 | \$ 25,000.00 | \$ 25,000.00 |
| \$ - | \$ - | \$ 1,900,000.00 | CAPITAL PROJECT - CONSTRUCTION | \$ 2,029,632.00 | \$ 2,029,632.00 | \$ 2,029,632.00 |
| \$ 39,200.25 | \$ 51,878.97 | \$ 65,000.00 | BOOKS | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ 8,000.00 | E-PUBLICATIONS | \$ - | \$ - | \$ - |
| \$ 3,166.12 | \$ 2,434.26 | \$ 3,500.00 | READY TO READ MATERIAL | \$ - | \$ - | \$ - |
| \$ 14,271.77 | \$ 14,505.14 | \$ 15,000.00 | AUDIO-VISUAL MATERIAL | \$ - | \$ - | \$ - |
| \$ 6,927.70 | \$ 7,100.82 | \$ 10,000.00 | DATA BASES | \$ - | \$ - | \$ - |
| \$ 1,437.92 | \$ - | \$ - | MUSIC | \$ - | \$ - | \$ - |
| \$ 93,072.87 | \$ 76,245.19 | \$ 2,076,500.00 | Total Library Capital Improvements | \$ 2,054,632.00 | \$ 2,054,632.00 | \$ 2,054,632.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | LIBRARY Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ 100,000.00 | OPERATING CONTINGENCY | \$ 75,000.00 | \$ 75,000.00 | \$ 75,000.00 |
| \$ - | \$ - | \$ 100,000.00 | Total Library Contingency/Reserve | \$ 75,000.00 | \$ 75,000.00 | \$ 75,000.00 |

PUBLIC WORKS

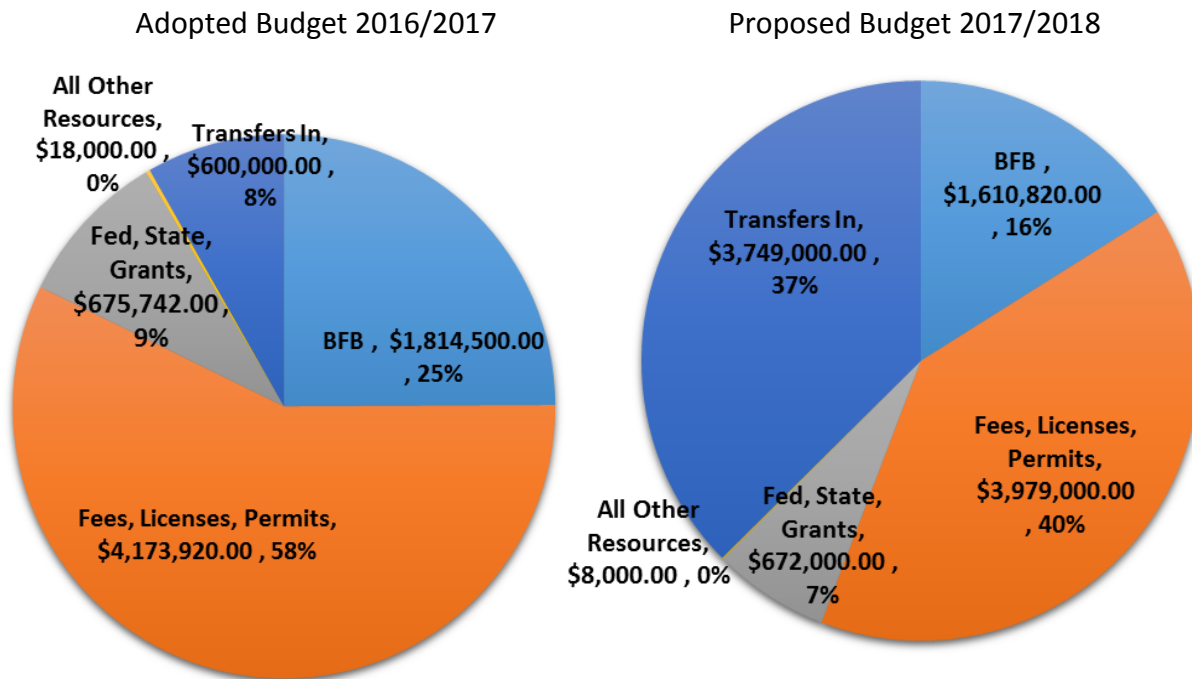


Public Works

Public Works Budget Summary: the Public Works Budget will consist of six (6) funds for the proposed fiscal year FY 2017/2018. They are the Street Fund, Sewer Fund, Storm Fund, Water Fund, and Capital Projects Fund. The public works department five different funds encompass three different fund types.

1. Governmental Funds
 - a. Street Fund
2. Special Revenue Funds
 - a. Capital Projects Fund
 - b. Fleet Replacement Fund
3. Proprietary Funds
 - a. Water Fund
 - b. Sewer Fund
 - c. Storm Fund

A resource comparison for the adopted supplemental budget for FY 2016/2017 and the proposed budget for FY 2017/2018 is presented in the pie charts below:



In accordance with MMC 12.04.200, a Capital Improvement Fund has been created for the delivery of street, sewer, water, stormwater, and parks capital projects. Revenues for these project are transfers from the enterprise funds, governmental funds, system development charge funds, and general fund.

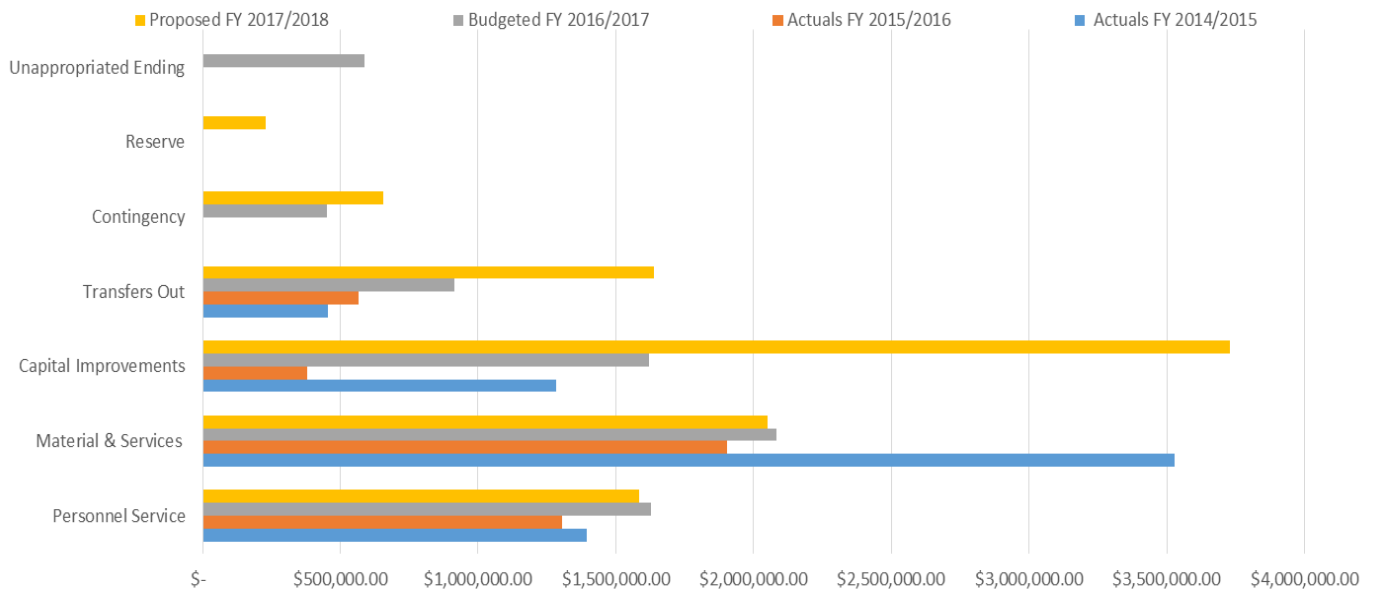
The total expenditures for the funds are as follows: Street Fund \$1,804,782, Sewer Fund \$2,513,021, Water Fund \$2,334,043, Stormwater Fund \$173,632, Capital Improvement Fund \$3,521,000, and Fleet Replacement \$0 with \$228,000 in reserves. Without increases to the Sewer and Stormwater funds, Public Works will need to cut several projects from its budget. Cleaning of the Aeration Basin at the Wastewater Treatment Plant (WWTP) will again be deferred and capacity within the basin will be further reduced. Installation of fencing to allow for a low cost option of utilizing goats to remove

vegetation at the WWTP will also be deferred. A Community Development Block Grant (CDBG) project to reconstruct Fenton Street will have to be returned to Clackamas County, which will make it difficult to receive future grant funding for low income area projects. The last project to be cut is replacement of the sewer system along Lola Avenue from Main Street (Hwy 211) to 5th Street. This project was selected to help in our efforts to control and remove infiltration and inflow as mandated by DEQ.

The table below provides a full summary of activity for all public works; both resources and requirements:

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - ALL FUND SUMMARY RESOURCES | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 255,885.67 | \$ 218,183.24 | \$ 475,000.00 | BFB - Street | \$ 413,124.00 | \$ 413,124.00 | \$ 413,124.00 |
| \$ 624,851.82 | \$ 403,415.04 | \$ 475,000.00 | BFB - Sewer | \$ 380,021.00 | \$ 380,021.00 | \$ 380,021.00 |
| \$ 958,691.60 | \$ 670,171.77 | \$ 810,000.00 | BFB - Water | \$ 774,043.00 | \$ 774,043.00 | \$ 774,043.00 |
| \$ 155,887.47 | \$ - | \$ - | BFB - PWPS | \$ - | \$ - | \$ - |
| \$ 41,477.89 | \$ 53,150.24 | \$ 54,500.00 | BFB - Storm | \$ 43,632.00 | \$ 43,632.00 | \$ 43,632.00 |
| \$ - | \$ - | \$ - | BFB - Capital Projects Fund | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | BFB - Fleet Replacement Fund | \$ - | \$ - | \$ - |
| \$ 3,321,116.67 | \$ 3,672,840.61 | \$ 4,173,920.00 | Fees, Licenses, Permits | \$ 3,979,000.00 | \$ 3,979,000.00 | \$ 3,979,000.00 |
| \$ 972,429.99 | \$ 576,562.01 | \$ 675,742.00 | Fed, State, Grants | \$ 540,000.00 | \$ 540,000.00 | \$ 540,000.00 |
| \$ 39,568.20 | \$ 72,131.96 | \$ 18,000.00 | All Other Resources | \$ 8,000.00 | \$ 8,000.00 | \$ 8,000.00 |
| \$ 1,638,834.70 | \$ 200,000.00 | \$ 600,000.00 | Transfers In | \$ 3,749,000.00 | \$ 3,749,000.00 | \$ 3,749,000.00 |
| \$ 8,008,744.01 | \$ 5,866,454.87 | \$ 7,282,162.00 | TOTAL PW's RESOURCES | \$ 9,886,820.00 | \$ 9,886,820.00 | \$ 9,886,820.00 |
| | | | REQUIREMENTS | | | |
| \$ - | \$ 263,866.05 | \$ 348,075.00 | Personnel Service - Street | \$ 307,000.00 | \$ 307,000.00 | \$ 307,000.00 |
| \$ 1.00 | \$ 457,591.74 | \$ 558,675.00 | Personnel Service - Sewer | \$ 588,575.00 | \$ 588,575.00 | \$ 588,575.00 |
| \$ - | \$ 528,680.45 | \$ 645,905.00 | Personnel Service - Water | \$ 561,365.00 | \$ 561,365.00 | \$ 561,365.00 |
| \$ 1,394,722.17 | \$ - | \$ - | Personnel Service - PWPS | \$ - | \$ - | \$ - |
| \$ - | \$ 54,316.50 | \$ 73,815.00 | Personnel Service - Storm | \$ 128,081.00 | \$ 128,081.00 | \$ 128,081.00 |
| \$ 541,848.75 | \$ 320,359.93 | \$ 418,001.54 | Material & Services - Street | \$ 435,609.00 | \$ 435,609.00 | \$ 435,609.00 |
| \$ 1,986,780.10 | \$ 1,128,892.50 | \$ 984,832.18 | Material & Services - Sewer Maintenance | \$ 679,919.00 | \$ 679,919.00 | \$ 679,919.00 |
| \$ - | \$ - | \$ - | Material & Services - Sewer Operations | \$ 336,200.00 | \$ 336,200.00 | \$ 336,200.00 |
| \$ 945,055.34 | \$ 421,837.25 | \$ 633,717.38 | Material & Services - Water Maintenance | \$ 398,600.00 | \$ 398,600.00 | \$ 398,600.00 |
| \$ - | \$ - | \$ - | Material & Services - Water Operations | \$ 168,050.00 | \$ 168,050.00 | \$ 168,050.00 |
| \$ 56,661.17 | \$ 34,340.87 | \$ 46,645.70 | Material & Services - Storm | \$ 32,360.00 | \$ 32,360.00 | \$ 32,360.00 |
| \$ 716,052.36 | \$ 69,226.56 | \$ 887,927.00 | Capital Improvements - Street | \$ 66,991.00 | \$ 66,991.00 | \$ 66,991.00 |
| \$ 59,514.68 | \$ 164,125.96 | \$ 333,427.00 | Capital Improvements - Sewer | \$ 66,652.00 | \$ 66,652.00 | \$ 66,652.00 |
| \$ 476,905.30 | \$ 128,756.31 | \$ 362,000.00 | Capital Improvements - Water | \$ 65,729.00 | \$ 65,729.00 | \$ 65,729.00 |
| \$ 31,545.85 | \$ 18,756.95 | \$ 37,000.00 | Capital Improvements - Storm | \$ 8,026.00 | \$ 8,026.00 | \$ 8,026.00 |
| \$ - | \$ - | \$ - | Capital Projects Fund | \$ 3,521,000.00 | \$ 3,521,000.00 | \$ 3,521,000.00 |
| \$ 454,738.00 | \$ 565,928.56 | \$ 914,655.08 | Transfers Out | \$ 1,638,235.00 | \$ 1,638,235.00 | \$ 1,638,235.00 |
| \$ - | \$ - | \$ 450,582.46 | Contingency | \$ 656,428.00 | \$ 656,428.00 | \$ 656,428.00 |
| \$ - | \$ - | \$ - | Fleet Replacement Reserve | \$ 228,000.00 | \$ 228,000.00 | \$ 228,000.00 |
| \$ 6,663,824.72 | \$ 4,156,679.63 | \$ 6,695,258.34 | TOTAL PW's REQUIREMENTS | \$ 9,886,820.00 | \$ 9,886,820.00 | \$ 9,886,820.00 |
| | | \$ 176,000.00 | UEFB - Street | \$ - | \$ - | \$ - |
| | | \$ 116,094.82 | UEFB - Sewer | \$ - | \$ - | \$ - |
| | | \$ 274,272.54 | UEFB - Water | \$ - | \$ - | \$ - |
| | | \$ 20,536.30 | UEFB - Storm | \$ - | \$ - | \$ - |
| \$ 1,344,919.29 | \$ 1,709,775.24 | \$ 0.00 | NET RESOURCES OVER REQUIREMENTS | \$ - | \$ - | \$ - |

A four year comparison including two fiscal years with audited actuals and two fiscal years of budgeted projections, will directly reflect our City Council directive of infrastructure improvements through capital projects. The total requirements are presented in the following graph:



The goal of this budget is to balance expenditures with revenues while maintaining at least 10% in operating contingency. The amount of capital improvement needed over the next 5-year timeframe exceeds what is currently provided for within this budget. In order to perform the work needed in this year’s capital improvement plan, the Sewer and Stormwater Funds would need an increase in monthly user fees. It is also anticipated that future increases would be required in the water, sewer, and stormwater once the Rate Study is completed. No additional maintenance for City streets is possible without additional funding, such as a street maintenance/utility fee. No capacity increasing projects for City streets is possible without additional funding, such as a street capital improvement fee.

STREET FUND

The Street Fund has dropped three (3) funding income sources for the FY 2017/18. The funding sources were State Revenue Share dedicated to Parks by prior City Council directive and transfers from the Water Fund and Sewer Fund for the Shops Facility Improvements project. Parks revenue and expenses have been moved to the General Fund and the Shops Facility Improvements project has been moved to the Capital Improvement Fund. Public Works expects State gas tax revenues to remain flat and PGE Franchise Fee revenues to drop due to the transfer of Parks to the General Fund and a commitment by prior City Council to utilize a portion of the PGE Franchise Fees to fund Parks operations. The beginning fund balance is estimated to increase by approximately 3.7% due to a reduction in expenditures resulting from close monitoring of expenses by Public Works staff.

Personnel Service expenses have decreased while adding an Operations Supervisor position and 40% of an Administrative Assistant due to the transfer of Parks to the General Fund and reallocation of staff positions more in line with the time they expend within the enterprise funds. A wage increase has

been included for some Public Works positions. The wage increases are based on contract required and merit based increases.

Materials & Services expenses have increased to better represent the actual operating expenditures. Insurance and general liability was increased due to increases in insurance rates and the balance of savings in other areas was transferred into Sidewalk and Street Repair. New line items have been added for Legal & Recording Fees and Permits. Signage and Striping was increased to pay for roadway striping by Clackamas County and to begin improvements to crosswalks, stop bars, and parking delineation downtown. Other line items adjustments have been made to better match existing expenditures.

Capital Improvements includes the final payment for the vector truck and purchase of the water tanker truck approved in FY 2016/17. Delivery is anticipated in July or August of 2017.

Transfers include two-thirds of the Street Fund share of a street sweeper replacement to the Fleet Replacement Fund and a transfer to the Capital Improvement Fund for the Shops Facility Improvement project. Contingency line item has been set at 10% of fund revenue.

SEWER FUND

The Sewer Fund anticipates Monthly User Fee to remain flat for FY 2017/18 due to less than anticipated revenues from FY 2016/17. Public Works is currently working on a Rate Study and anticipates the completion of the study by the end of June. Known improvements for the first year of the study shows a need to raise Monthly User Fees to pay for needed projects in FY 2017/18. This budget does not include those increases and the projects have been removed pending an approved increase by the Budget Committee and City Council. The beginning fund balance dropped from FY 2016/17 due to unanticipated equipment replacement costs and unanticipated project requirements mandated by DEQ.

Personnel Service expenses have increased due to the addition of an Operations Supervisor position and 40% of an Administrative Assistant along with reallocation of staff positions more in line with the time they expend within the enterprise funds. A wage increase has been included for some Public Works positions. The wage increases are based on contract required and merit based increases.

The Materials & Services category has now been separated into two distinct categories, Maintenance and Operations, to better track the costs of the sewer collection system (Maintenance) and WWTP and effluent system (Operations). Even with close monitoring of expenses by Public Works staff, operating costs have increased by 3.2% since FY 2016/17 which is in line with both inflation and increases in chemical and material costs. Additional line items were added to separate lift station maintenance costs for deferred maintenance needs and addition of Legal & Recording Fees and Permits to the Maintenance section. Permits for the WWTP were added to the Operation section to track WWTP permits separate from collection system permits. Other line items adjustments have been made to better match existing expenditures.

Capital Improvements includes the final payment for the vactor truck and purchase of the water tanker truck approved in FY 2016/17. Delivery is anticipated in July or August of 2017.

Transfers include principle and interest payments for the Sewer Debt Service Fund and interest and administrative fees for the Sewer CWSRF Fund. The Sewer Debt Service Fund will expire in FY 2024/25 and the CWSRF Fund will expire in FY 2027/28. A transfer to the Fleet Replacement Fund has been included for future equipment replacements and a transfer to the Capital Improvement Fund for the Shops Facility Improvement project and WWTP projects. No collection system improvements are included as part of this budget. Contingency line item has been set at 10% of user fees.

WATER FUND

The Water Fund anticipates Monthly User Fee to remain flat for FY 2017/18 due to less than anticipated revenues from FY 2016/17. Public Works is currently working on a Rate Study and anticipates the completion of the study by the end of June. Known improvements for the first year of the study can be paid for with existing funding budgeted in FY 2017/18. The beginning fund balance dropped from FY 2016/17 due to lower than anticipated revenues from the Monthly User Fees.

Personnel Service expenses have decreased while adding an Operations Supervisor position and 40% of an Administrative Assistant due to the reallocation of staff positions more in line with the time they expend within the enterprise funds. A wage increase has been included for some Public Works positions. The wage increases are based on contract required and merit based increases.

The Materials & Services category has now been separated into two distinct categories, Maintenance and Operations, to better track the costs of the water distribution system (Maintenance) and Water Treatment Plant (WTP), storage, and raw water intake (Operations). Operating costs have been reduced by 10% since FY 2016/17 due to lower than anticipated operating expenses and close monitoring of expenses by Public Works staff. Additional line items were added for Legal & Recording Fees and Permits to the Maintenance section. Permits and Water Reservoir Maintenance was added for the WTP to the Operation section to track ongoing cleaning, inspection, and maintenance costs. Other line items adjustments have been made to better match existing expenditures.

Capital Improvements includes the final payment for the vactor truck and purchase of the water tanker truck approved in FY 2016/17. Delivery is anticipated in July or August of 2017.

Transfers include all portions of the Water Fund requirements for future fleet equipment need to the Fleet Replacement Fund a transfer to the Capital Improvement Fund for the Shops Facility Improvement project, distribution system projects, and WTP projects. Contingency line item has been set at 24% of user fees.

STORMWATER FUND

The Stormwater Fund anticipates Monthly User Fee to remain flat for FY 2017/18 due to less than anticipated revenues from FY 2016/17. Public Works is currently working on a Rate Study and

anticipates the completion of the study by the end of June. Known improvements for the first year of the study shows a need to raise Monthly User Fees to pay for needed projects in FY 2017/18. Additionally, there is a need to raise fees to cover operations and maintenance costs due to lack of revenue to support most of the Materials and Services line items. This budget does not include those increases and the projects have been removed pending an approved increase by the Budget Committee and City Council. The beginning fund balance dropped from FY 2016/17 due to lower than anticipated revenues from the Monthly User Fees.

Personnel Service expenses have increased due to the addition of an Operations Supervisor position and 40% of an Administrative Assistant along with reallocation of staff positions more in line with the time they expend within the enterprise funds. A wage increase has been included for some Public Works positions. The wage increases are based on contract required and merit based increases.

Materials & Services expenses have increased to better represent the actual operating expenditures. Line items for Building Maintenance, Training & Certificates, Dues & Memberships, Postage, Computer Network, Legal & Recording Fees and Permits were added to allocate a fair share of the expenses to the Stormwater Fund.

Capital Improvements includes the final payment for the vector truck.

Transfers to the Capital Improvement Fund and Fleet Replacement Fund have been eliminated due to lack of funding. Funding for Capital Improvement Fund was related to the CDBG project and the sweeper replacement in the Fleet Replacement Fund.

CAPITAL PROJECT FUND

The Capital Project Fund for FY 2017/18 is made up of a combination of existing projects that began in FY 2016/17 and new projects beginning in FY 2017/18. The following is a list of those projects with a brief explanation of their purpose:

Street Projects

- Shops Facility Improvements – This project will replace existing water, sewer and stormwater systems at the Maintenance Facility, construct a fleet building to house the vector truck and street sweeper, provide security improvements and lighting to existing structures, and plan for future facility expansion and construction of a debris decant facility.
- Transportation Master Plan – This project is partially funded with a Transportation Growth Management (TGM) grant through ODOT. The master plan will develop a system wide, multimodal plan that will provide for a functioning transportation system over 20+ year planning horizon.
- OR 211 Pedestrian-Bicycle Improvements – This project is partially funded with a Multimodal Transportation Enhance Program (MTEP) grant to provide a pedestrian and bicycle connection from the Safeway Shopping Center to east of Ona Way on the north side of Highway 211.

Sewer Projects

- Shops Facility Improvements – See Street Projects above.
- Wastewater Facility and System Master Plan - This project will develop a system wide, facility and collection system plan that will provide for a functioning sewage treatment system over 20+ year planning horizon.
- WWTP Headworks – This project will rebuild the existing headworks, add a secondary headworks, make improvements to the headworks gates, and provide a gate lift system.
- WWTP Transfer Pump – This project will purchase and install a new sewer transfer pump used to transfer wastewater from the aeration basin to Lagoon #1.
- WWTP Monitoring Wells – This project will design and construct groundwater monitoring wells at the WWTP only after the results of a new lagoon leak test are determined to be inconclusive or show a loss in the lagoons exceeding DEQ requirements.

Water Projects

- Shops Facility Improvements – See Street Projects above.
- 2017 Waterline Improvements – This project will replace and upsize existing waterlines on Metzler Avenue, 3rd Street, 4th Street, and Faurie Avenue.
- Lola Avenue Waterline Improvements – This project will replace and upsize existing waterlines on Lola Avenue from 5th Street to Main Street (Hwy 211).
- WTP New Trident 1400 GPM Filter – The project will design and construct a new 2 MGD water treatment plant filtration unit bringing the plant treatment capacity to 4 MGD.
- WTP Sodium Hypochlorite & Controls Upgrade – This project will upgrade the chemical delivery system for the treatment plant and supervisory control and data acquisition (SCADA) to better control the water treatment process, replace aging equipment, and reduce maintenance costs.
- WTP New Transfer Pump – This project will purchase and install a new transfer pump and allow for two rebuilt transfer pumps to be stored as backup pumps in case one of the transfer pump fails. This project improves the City's system redundancy.
- WTP Security Fencing Upgrade – This project will complete the security fencing upgrades from prior years and install a security gate at the WTP entrance.

Stormwater Projects

- WWTP Storm Drainage Improvements – This project will address stormwater runoff scour and erosion issues on facility site.

Park Projects

- Clark Park Sidewalk – This project will construct sidewalks along the north side of Shirley Street from Cole Avenue to the east end of the park property and make improvements to the south parking area.
- Park Acquisition – This project will allow the City to acquire land for a future park. No specific location has been determined at this time.

The Capital Improvement Plan is in an update process with needed fee adjustments. All FY 2017/18 have been disclosed in the line item details.

| PROJECT TASKS | 2017/18 ESTIMATE (\$) | | 2018/19 ESTIMATE (\$) | | 2019/2020 ESTIMATE (\$) | | TOTAL COST |
|--|---|------------------|-----------------------|------------|-------------------------|------------|------------------|
| | Rates/Other | SDC | Rates/Other | SDC | Rates/Other | SDC | |
| | Capital Improvement Expenditures | | | | | | |
| Street Maintenance Program (Yearly Funding TBD) | | | | | | | \$0 |
| Shops Facility Improvements \$411K (Shared Cost) | \$137,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$137,000 |
| Fenton Street Reconstruction - CDBG Grant \$165K (Shared Cost, 20% City Match) | | | | | | | \$0 |
| Transportation System Master Plan Update - TGM Grant \$150K (12% City Match) | \$0 | \$60,000 | \$0 | \$0 | \$0 | \$0 | \$60,000 |
| OR 211 Ped/Bike Improvements (OR 213-Ona) - TGM Grant \$1.947M (13.51% City Match) | \$0 | \$270,000 | \$0 | \$0 | \$0 | \$0 | \$270,000 |
| Signal at OR 213 and Toliver Road \$496K | \$0 | \$0 | | | | | \$0 |
| Signal at OR 213 and Meadow Dr \$225K | \$0 | \$0 | | | | | \$0 |
| Realign Mathias Rd and Freyrer Park Rd \$150K | \$0 | \$0 | | | | | \$0 |
| Pedestrian Median at OR 211 and Grange Ave \$30K | \$0 | \$0 | | | | | \$0 |
| Intersection Improvements at OR 211 and Vaughn Rd \$150K | \$0 | \$0 | | | | | \$0 |
| Reconstruct May Ave (5th-6th) \$113K | \$0 | \$0 | | | | | \$0 |
| Reconstruct Section St (Molalla-Hart) \$150K | \$0 | \$0 | | | | | \$0 |
| Reconstruct Heintz St (Cole-Grange) \$315K | \$0 | \$0 | | | | | \$0 |
| Reconstruct S. Cole \$210K | \$0 | \$0 | | | | | \$0 |
| Reconstruct Shirley St (Molalla-Cole) \$556K | \$0 | \$0 | | | | | \$0 |
| Bike and Pedestrian Improvements \$25K/YR | \$0 | \$0 | | | | | \$0 |
| OR 213 Bike Lanes \$455K | \$0 | \$0 | | | | | \$0 |
| Subtotal | \$137,000 | \$330,000 | \$0 | \$0 | \$0 | \$0 | \$467,000 |
| Vehicle/Equipment Purchase | | | | | | | |
| Vector Truck - Shared Cost (Final Payment) | \$24,077 | \$0 | \$0 | \$0 | \$0 | \$0 | \$24,077 |
| 2500 Gal Water Truck - Shared Cost \$126K | \$42,914 | \$0 | \$0 | \$0 | \$0 | \$0 | \$42,914 |
| Street Sweeper - Shared Cost \$300K | \$0 | \$0 | | | | | \$0 |
| Other Vehicle Equipment Purchases | \$0 | \$0 | | | | | \$0 |
| Subtotal | \$66,991 | \$0 | \$0 | \$0 | \$0 | \$0 | \$66,991 |

| PROJECT TASKS | 2017/18 ESTIMATE (\$) | | 2018/19 ESTIMATE (\$) | | 2019/2020 ESTIMATE (\$) | | TOTAL COST |
|--|---|------------------|-----------------------|------------|-------------------------|------------|------------------|
| | Rates/Other | SDC | Rates/Other | SDC | Rates/Other | SDC | |
| | Capital Improvement Expenditures | | | | | | |
| Shops Facility Improvements \$411K (Shared Cost) | \$137,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$137,000 |
| Fenton Street Reconstruction - CDBG Grant \$165K (Shared Cost, 20% City Match) | | | | | | | \$0 |
| Lola Ave (5th-Main) Sewer Replacement \$362K | | | | | | | \$0 |
| Wastewater Facility & System Master Plan \$150K | \$0 | \$150,000 | \$0 | \$0 | \$0 | \$0 | \$150,000 |
| WWTP - Rebuild & Add New Headworks Screen \$121K | \$80,000 | \$41,000 | \$0 | \$0 | \$0 | \$0 | \$121,000 |
| WWTP - Headworks Gantry Crane \$3K | \$0 | \$3,000 | \$0 | \$0 | \$0 | \$0 | \$3,000 |
| WWTP - New Transfer Pump \$50K | \$50,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$50,000 |
| WWTP - Monitoring Wells \$50K | \$0 | \$50,000 | \$0 | \$0 | \$0 | \$0 | \$50,000 |
| WWTP Fencing Project \$16K | | | | | | | \$0 |
| WWTP Aeration Basin Cleaning \$50K | | | | | | | \$0 |
| WWTP New Aerobic Digester \$911K | \$0 | \$0 | | | | | \$0 |
| WWTP Reline Aeration Basin \$760.5K | \$0 | \$0 | | | | | \$0 |
| WWTP Grit Removal Improvements \$1.112M | \$0 | \$0 | | | | | \$0 |
| WWTP Sodium Hypochlorite Improvements \$306.8K | \$0 | \$0 | | | | | \$0 |
| WWTP Lagoon Dike Restoration \$709.9K | \$0 | \$0 | | | | | \$0 |
| Collection System Replacement and Rehabilitation \$450K/YR Est. | \$0 | \$0 | | | | | \$0 |
| Subtotal | \$267,000 | \$244,000 | \$0 | \$0 | \$0 | \$0 | \$511,000 |
| Vehicle/Equipment Purchase | | | | | | | |
| Vector Truck - Shared Cost (Final Payment) | \$25,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$25,000 |
| 2500 Gal Water Truck - Shared Cost \$126K | \$41,652 | \$0 | \$0 | \$0 | \$0 | \$0 | \$41,652 |
| Other Vehicle Equipment Purchases | \$0 | \$0 | | | | | \$0 |
| Subtotal | \$66,652 | \$0 | \$0 | \$0 | \$0 | \$0 | \$66,652 |

| PROJECT TASKS | 2017/18 ESTIMATE (\$) | | 2018/19 ESTIMATE (\$) | | 2019/2020 ESTIMATE (\$) | | TOTAL COST |
|--|---|------------------|-----------------------|--------------------|-------------------------|------------|--------------------|
| | Rates/Other | SDC | Rates/Other | SDC | Rates/Other | SDC | |
| | Capital Improvement Expenditures | | | | | | |
| Metzler, 3rd, 4th, Faurie Waterline Replacement \$349K | \$177,000 | \$172,000 | \$0 | \$0 | \$0 | \$0 | \$349,000 |
| Lola Ave (5th-Main) Waterline Replacement \$318K | \$80,000 | \$238,000 | \$0 | \$0 | \$0 | \$0 | \$318,000 |
| Shops Facility Improvements \$411K (Shared Cost) | \$137,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$137,000 |
| Fenton Street Reconstruction - CDBG Grant \$165K (Shared Cost, 20% City Match) | | | | | | | \$0 |
| WTP New Trident 1400 GPM Filter Plant \$1.785M | \$0 | \$445,200 | \$0 | \$1,339,856 | \$0 | \$0 | \$1,785,056 |
| WTP Sodium Hypochlorite & Controls Upgrade \$243.8K | \$243,800 | \$0 | \$0 | \$0 | \$0 | \$0 | \$243,800 |
| WTP Security Fencing \$35K | \$35,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$35,000 |
| WTP Raw Water Intake Improvements \$727.2K | \$0 | \$0 | | | | | \$0 |
| WTP ACH Feed System Improvements \$118.6K | \$0 | \$0 | | | | | \$0 |
| New 16" Transmission Main \$498K | \$0 | \$0 | | | | | \$0 |
| Debra St Waterline \$15K | \$0 | \$0 | | | | | \$0 |
| North E-W Grid \$722K | \$0 | \$0 | | | | | \$0 |
| Big Meadow E-W Gnd \$554K | \$0 | \$0 | | | | | \$0 |
| School N-S Grid \$529K | \$0 | \$0 | | | | | \$0 |
| Molalla Ave (Miller-N Grid) \$152K | \$0 | \$0 | | | | | \$0 |
| Big Meadow to N Grid \$176K | \$0 | \$0 | | | | | \$0 |
| Water Service Upgrades \$70K/YR | \$0 | \$0 | | | | | \$0 |
| Annual System Replacements \$640K/YR | \$0 | \$0 | | | | | \$0 |
| Water System Master Plan Update \$250K | \$0 | \$0 | \$0 | \$250,000 | \$0 | \$0 | \$250,000 |
| Reservoir Exterior Wall Repairs \$90K | \$0 | \$0 | | | | | \$0 |
| WTP Security Improvements \$100K | \$0 | \$0 | | | | | \$0 |
| WTP Energy Efficient Lighting \$60K | \$0 | \$0 | | | | | \$0 |
| WTP Backup Effluent Pump Filter #1 \$15K | \$0 | \$0 | | | | | \$0 |
| WTP Backwash Pump Rebuilds \$10K | \$0 | \$0 | | | | | \$0 |
| WTP 100HP Raw Water Pum Rebuilds \$10K | \$0 | \$0 | | | | | \$0 |
| WTP 75HP Raw Water Pum Rebuilds \$8K | \$0 | \$0 | | | | | \$0 |
| WTP Control System and SCADA Upgrades \$100K | \$0 | \$0 | | | | | \$0 |
| WTP Clean & Inspect Reservoirs \$25K | \$0 | \$0 | | | | | \$0 |
| 2MG Reservoir NW Quadrant \$5M | \$0 | \$0 | | | | | \$0 |
| Subtotal | \$672,800 | \$855,200 | \$0 | \$1,589,856 | \$0 | \$0 | \$3,117,856 |
| Vehicle/Equipment Purchase | | | | | | | |
| Vector Truck - Shared Cost (Final Payment) | \$24,077 | \$0 | \$0 | \$0 | \$0 | \$0 | \$24,077 |
| Other Vehicle Equipment Purchases | \$0 | \$0 | | | | | \$0 |
| Subtotal | \$24,077 | \$0 | \$0 | \$0 | \$0 | \$0 | \$24,077 |

| | | 2017/18 ESTIMATE (\$) | | 2018/19 ESTIMATE (\$) | | 2019/2020 ESTIMATE (\$) | | TOTAL COST | |
|-------|--|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|------------|------------|------------------|
| | | Rates/Other | SDC | Rates/Other | SDC | Rates/Other | SDC | | |
| STORM | Capital Improvement Expenditures | | | | | | | | |
| | Fenton Street Reconstruction - CDBG Grant \$165K (Shared Cost, 20% City Match) | | Pending Rate Increase | | | | | \$0 | |
| | 2nd St/Railway Storm Improvements \$1.724M | | Pending Rate Increase | | | | | \$0 | |
| | Detention Pond at Mathias Rd & Creamery Creek \$136K | | Pending Rate Increase | | | | | \$0 | |
| | May St Storm Improvements \$41K | | Pending Rate Increase | | | | | \$0 | |
| | Heintz St Storm Improvements \$276K | | Pending Rate Increase | | | | | \$0 | |
| | Video Inspect Creamery Cr Pipe \$15K | | Pending Rate Increase | | | | | \$0 | |
| | Riparian Corridor Protection \$176K | | Pending Rate Increase | | | | | \$0 | |
| | Stormwater Yearly System Replacements \$4.172M | | Pending Rate Increase | | | | | \$0 | |
| | Stormwater Design Standards \$35K | | Pending Rate Increase | | | | | \$0 | |
| | Stormwater System Master Plan Update \$250K | | \$0 | \$0 | \$0 | \$250,000 | \$0 | \$0 | \$250,000 |
| | Subtotal | | \$0 | \$0 | \$0 | \$250,000 | \$0 | \$0 | \$250,000 |
| | Vehicle/Equipment Purchase | | | | | | | | |
| | 2500 Gal Water Truck - Shared Cost \$126K | | \$41,652 | \$0 | \$0 | \$0 | \$0 | \$0 | \$41,652 |
| | Street Sweeper - Shared Cost \$300K | | \$0 | \$0 | Pending Rate Increase | | \$0 | | |
| | Other Vehicle Equipment Purchases | | \$0 | \$0 | Pending Rate Increase | | \$0 | | |
| | Subtotal | | \$41,652 | \$0 | \$0 | \$0 | \$0 | \$0 | \$41,652 |

| | | 2017/18 ESTIMATE (\$) | | 2018/19 ESTIMATE (\$) | | 2019/2020 ESTIMATE (\$) | | TOTAL COST | |
|-----------------------------------|---|-----------------------|------------|-------------------------------|------------|-------------------------|------------|------------------|--------------------|
| | | Rates/Other | SDC | Rates/Other | SDC | Rates/Other | SDC | | |
| PARKS | PROJECT TASKS | | | | | | | | |
| | Clark Park Sidewalk Improvements \$100K | | \$0 | \$100,000 | \$0 | \$0 | \$0 | \$0 | \$100,000 |
| | New Park Land Acquisition \$1M | | \$0 | \$1,000,000 | \$0 | \$0 | \$0 | \$0 | \$1,000,000 |
| | Parks System Master Plan Update \$150K | | \$0 | \$0 | \$0 | \$0 | \$0 | \$150,000 | \$150,000 |
| | Subtotal | | \$0 | \$1,100,000 | \$0 | \$0 | \$0 | \$150,000 | \$1,250,000 |
| | Vehicle/Equipment Purchase | | | | | | | | |
| Other Vehicle Equipment Purchases | | \$0 | \$0 | Pending New Parks Utility Fee | | \$0 | | | |
| Subtotal | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |

| | | 2017/18 ESTIMATE (\$) | | 2018/19 ESTIMATE (\$) | | 2019/2020 ESTIMATE (\$) | | TOTAL COST |
|---------------------------------------|--|-----------------------|--------------------|-----------------------|--------------------|-------------------------|------------------|--------------------|
| | | Rates/Other | SDC | Rates/Other | SDC | Rates/Other | SDC | |
| Capital Improvement Plan Total | | \$1,276,172 | \$2,529,200 | \$0 | \$1,839,856 | \$0 | \$150,000 | \$5,795,228 |
| Capital Improvement Plan Total | | \$3,805,372 | | \$1,839,856 | | \$150,000 | | \$5,795,228 |

FLEET REPLACEMENT FUND

This fund is for purchase of replacement vehicles and equipment. Funds will be transferred each year from enterprise funds, governmental funds, and the Park Fund for future purchases. The intent is to set aside funding each year for a cash replacement of vehicles and equipment in an effort to avoid administrative and interests fees associated with financing vehicles and equipment.

FUTURE OUTLOOK

Without increases to the Water, Sewer, and Stormwater Fund user fees, the City will not be able to perform needed operation and maintenance activities and deferred capital improvements. These operations and projects will reach a tipping point as the community rapidly approaches a population of 10,000 creating additional requirements related to permitting, testing, reporting, staff certification, and capital expenditures for upgrades in the water, sewer, and stormwater systems. The pavement condition index is in the low 60's for city owned and operated streets. The threshold for accelerated degradation of pavement begins at a score of 70. Without a street user fee or other sustainable funding source, the street system will continue to degrade increasing the cost of repair and rehabilitation. Projects related to transportation enhancement are essentially unfunded and have been since the adoption of the Transportation Master Plan in 2001. An update to the plan is underway and without a sustainable funding source to match with transportation system development charges, the City will continue to be unable to design and construct any of the capacity increasing and safety related project that will serve the community as it grows.

Gerald Fisher, PE
Public Works Director

STREET FUND SUMMARY

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - STREET SUMMARY RESOURCES | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 255,885.67 | \$ 218,183.24 | \$ 475,000.00 | BFB | \$ 413,124.00 | \$ 413,124.00 | \$ 413,124.00 |
| \$ 972,429.99 | \$ 576,562.01 | \$ 675,742.00 | Fed, State, Grant | \$ 540,000.00 | \$ 540,000.00 | \$ 540,000.00 |
| \$ 218,800.43 | \$ 220,265.69 | \$ 220,000.00 | Fees, Licenses, Permits | \$ 163,000.00 | \$ 163,000.00 | \$ 163,000.00 |
| \$ - | \$ - | \$ 600,000.00 | Transfers In | \$ - | \$ - | \$ - |
| \$ 28,968.26 | \$ 36,593.35 | \$ 10,000.00 | All Other Resources | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| \$ 1,476,084.35 | \$ 1,051,604.29 | \$ 1,980,742.00 | TOTAL RESOURCES | \$ 1,117,124.00 | \$ 1,117,124.00 | \$ 1,117,124.00 |
| REQUIREMENTS | | | | | | |
| \$ - | \$ 263,866.05 | \$ 348,075.00 | Personnel Service | \$ 307,000.00 | \$ 307,000.00 | \$ 307,000.00 |
| \$ 541,848.75 | \$ 320,359.93 | \$ 418,001.54 | Material & Services | \$ 435,609.00 | \$ 435,609.00 | \$ 435,609.00 |
| \$ 716,052.36 | \$ 69,226.56 | \$ 887,927.00 | Capital Improvements | \$ 66,991.00 | \$ 66,991.00 | \$ 66,991.00 |
| \$ - | \$ - | \$ - | Transfers Out | \$ 237,000.00 | \$ 237,000.00 | \$ 237,000.00 |
| \$ - | \$ - | \$ 150,738.46 | Contingency | \$ 70,524.00 | \$ 70,524.00 | \$ 70,524.00 |
| \$ 1,257,901.11 | \$ 653,452.54 | \$ 1,804,742.00 | TOTAL REQUIREMENTS | \$ 1,117,124.00 | \$ 1,117,124.00 | \$ 1,117,124.00 |
| \$ - | \$ - | \$ 176,000.00 | UEFB | \$ - | \$ - | \$ - |
| \$ 218,183.24 | \$ 398,151.75 | \$ - | NET RESOURCES OVER REQUIREMENTS | \$ - | \$ - | \$ - |

STREET FUND LINE ITEM DETAIL

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - STREET FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 255,885.67 | \$ 218,183.24 | \$ 475,000.00 | BEGINNING FUND BALANCE | \$ 413,124.00 | \$ 413,124.00 | \$ 413,124.00 |
| \$ 481,147.12 | \$ 526,423.47 | \$ 540,000.00 | STATE GAS TAX | \$ 540,000.00 | \$ 540,000.00 | \$ 540,000.00 |
| \$ 218,800.43 | \$ 220,265.69 | \$ 220,000.00 | PGE FRANCHISE FEE | \$ 154,000.00 | \$ 154,000.00 | \$ 154,000.00 |
| \$ - | \$ - | \$ 80,742.00 | CDBG | \$ - | \$ - | \$ - |
| \$ 451,282.87 | \$ 8,325.98 | \$ 10,000.00 | STP ALLOCATION | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | PERMITS | \$ 9,000.00 | \$ 9,000.00 | \$ 9,000.00 |
| \$ 28,968.26 | \$ 36,593.35 | \$ 10,000.00 | MISCELLANEOUS | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| \$ 40,000.00 | \$ 41,812.56 | \$ 45,000.00 | STATE REVENUE SHARE | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ 300,000.00 | TRANSFER IN FROM GENERAL FUND | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ 150,000.00 | TRANSFER IN FROM WATER FUND | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ 150,000.00 | TRANSFER IN FROM SEWER FUND | \$ - | \$ - | \$ - |
| \$ 1,476,084.35 | \$ 1,051,604.29 | \$ 1,980,742.00 | Total Street Resources | \$ 1,117,124.00 | \$ 1,117,124.00 | \$ 1,117,124.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - STREET FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ - | \$ 22,524.11 | \$ 25,000.00 | PERS | \$ 31,500.00 | \$ 31,500.00 | \$ 31,500.00 |
| \$ - | \$ 6,713.06 | \$ 6,400.00 | SAIF | \$ 12,500.00 | \$ 12,500.00 | \$ 12,500.00 |
| \$ - | \$ 13,714.10 | \$ 14,500.00 | FICA | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 |
| \$ - | \$ 40,035.48 | \$ 42,000.00 | INSURANCE | \$ 47,000.00 | \$ 47,000.00 | \$ 47,000.00 |
| \$ - | \$ 1,874.09 | \$ 2,500.00 | UNEMPLOYMENT LIABILITY | \$ - | \$ - | \$ - |
| \$ - | \$ 27,180.37 | \$ 25,500.00 | PW DIRECTOR | \$ 27,800.00 | \$ 27,800.00 | \$ 27,800.00 |
| \$ - | \$ - | \$ 21,675.00 | CITY ENGINEER | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | SENIOR ENGINEERING TECH | \$ 20,700.00 | \$ 20,700.00 | \$ 20,700.00 |
| \$ - | \$ - | \$ - | PW OPERATIONS SUPERVISOR | \$ 15,500.00 | \$ 15,500.00 | \$ 15,500.00 |
| \$ - | \$ 4,207.50 | \$ - | GIS MAPPING TECHNICIAN | \$ - | \$ - | \$ - |
| \$ - | \$ 18,581.46 | \$ 18,500.00 | CREW - FOREMAN | \$ 17,400.00 | \$ 17,400.00 | \$ 17,400.00 |
| \$ - | \$ 50,838.02 | \$ 60,000.00 | CREW - STREETS | \$ 80,500.00 | \$ 80,500.00 | \$ 80,500.00 |
| \$ - | \$ 50,897.12 | \$ 55,000.00 | CREW - PARKS | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ 12,000.00 | CODE ENFORCEMENT | \$ - | \$ - | \$ - |
| \$ - | \$ 13,260.00 | \$ 20,000.00 | CREW - SEASONAL | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | GIS MAPPING/CODE DEVELOPMENT | \$ 17,200.00 | \$ 17,200.00 | \$ 17,200.00 |
| \$ - | \$ 14,040.74 | \$ 10,000.00 | OVERTIME | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 |
| \$ - | \$ - | \$ - | EXEC ADMINISTRATIVE ASSISTANT | \$ 6,900.00 | \$ 6,900.00 | \$ 6,900.00 |
| \$ - | \$ - | \$ 35,000.00 | ACCRUED PAYROLL LIABILITY | \$ - | \$ - | \$ - |
| \$ - | \$ 263,866.05 | \$ 348,075.00 | Total Street Personnel Service | \$ 307,000.00 | \$ 307,000.00 | \$ 307,000.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - STREET FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 73,199.00 | \$ 72,794.39 | \$ 91,250.00 | POWER | \$ 84,000.00 | \$ 84,000.00 | \$ 84,000.00 |
| \$ 7,558.22 | \$ 6,285.76 | \$ 8,500.00 | PHONE | \$ 7,500.00 | \$ 7,500.00 | \$ 7,500.00 |
| \$ 2,045.73 | \$ 1,801.50 | \$ 2,500.00 | NATURAL GAS | \$ 2,200.00 | \$ 2,200.00 | \$ 2,200.00 |
| \$ 21,745.91 | \$ 27,961.79 | \$ 25,000.00 | O&M | \$ 11,030.00 | \$ 11,030.00 | \$ 11,030.00 |
| \$ 23,121.28 | \$ 20,794.23 | \$ 30,900.00 | O&M (PARKS) | \$ - | \$ - | \$ - |
| \$ 3,669.19 | \$ 2,553.64 | \$ 5,000.00 | BUILDING MAINTENANCE | \$ 7,500.00 | \$ 7,500.00 | \$ 7,500.00 |
| \$ - | \$ 1,785.02 | \$ 2,500.00 | TRAINING & CONF. TRAVEL | \$ 2,475.00 | \$ 2,475.00 | \$ 2,475.00 |
| \$ 120.00 | \$ 59.67 | \$ 120.00 | DUES & MEMBERSHIP | \$ 1,075.00 | \$ 1,075.00 | \$ 1,075.00 |
| \$ - | \$ 6.96 | \$ 100.00 | POSTAGE | \$ 200.00 | \$ 200.00 | \$ 200.00 |
| \$ 9,882.68 | \$ 5,342.40 | \$ 12,650.00 | COMPUTER NETWORK | \$ 11,220.00 | \$ 11,220.00 | \$ 11,220.00 |
| \$ 12,841.00 | \$ 29,018.41 | \$ 20,000.00 | PROFESSIONAL SERVICES | \$ 14,150.00 | \$ 14,150.00 | \$ 14,150.00 |
| \$ - | \$ - | \$ - | LEGAL & RECORDING | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 |
| \$ 17,717.81 | \$ 20,731.67 | \$ 25,760.00 | INSURANCE/LIABILITY/GEN | \$ 39,600.00 | \$ 39,600.00 | \$ 39,600.00 |
| \$ 11,209.35 | \$ 9,823.57 | \$ 15,000.00 | VEHICLE FUEL | \$ 9,000.00 | \$ 9,000.00 | \$ 9,000.00 |
| \$ 1,219.11 | \$ 1,053.56 | \$ 2,500.00 | VEHICLE FUEL (PARKS) | \$ - | \$ - | \$ - |
| \$ 6,310.33 | \$ 2,258.86 | \$ 7,500.00 | VEHICLE REPAIR | \$ 29,500.00 | \$ 29,500.00 | \$ 29,500.00 |
| \$ 1,073.44 | \$ 3,831.27 | \$ 2,500.00 | VEHICLE REPAIR (PARKS) | \$ - | \$ - | \$ - |
| \$ 7,142.39 | \$ 4,649.81 | \$ 5,000.00 | UNIFORMS & SAFETY GEAR | \$ 3,795.00 | \$ 3,795.00 | \$ 3,795.00 |
| \$ - | \$ - | \$ 1,000.00 | UNIFORMS & SAFETY GEAR (PARKS) | \$ - | \$ - | \$ - |
| \$ 60,535.88 | \$ 68,233.23 | \$ 70,221.54 | COST ALLOCATION AGREEMENT | \$ 64,664.00 | \$ 64,664.00 | \$ 64,664.00 |
| \$ 192,889.97 | \$ - | \$ - | PW PERSONNEL SERVICE AGREEMENT | \$ - | \$ - | \$ - |
| \$ 69,623.84 | \$ 17,530.82 | \$ 75,000.00 | SIDEWALK / STREET REPAIRS | \$ 103,500.00 | \$ 103,500.00 | \$ 103,500.00 |
| \$ 14,064.95 | \$ 20,597.42 | \$ 10,000.00 | SMALL EQUIPMENT / TOOLS | \$ 2,700.00 | \$ 2,700.00 | \$ 2,700.00 |
| \$ - | \$ - | \$ - | PERMITS | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| \$ 5,878.67 | \$ 3,245.95 | \$ 5,000.00 | SIGNAGE & STRIPING | \$ 35,500.00 | \$ 35,500.00 | \$ 35,500.00 |
| \$ 541,848.75 | \$ 320,359.93 | \$ 418,001.54 | Total Street Material & Services | \$ 435,609.00 | \$ 435,609.00 | \$ 435,609.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - STREET FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 716,052.36 | \$ 69,226.56 | \$ 887,927.00 | CAPITAL IMPROVEMENTS | \$ 66,991.00 | \$ 66,991.00 | \$ 66,991.00 |
| \$ 716,052.36 | \$ 69,226.56 | \$ 887,927.00 | Total Street Capital | \$ 66,991.00 | \$ 66,991.00 | \$ 66,991.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - STREET FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ - | TRANSFER TO CAPITAL PROJECT F | \$ 137,000.00 | \$ 137,000.00 | \$ 137,000.00 |
| \$ - | \$ - | \$ - | TRANSFER TO FLEET REPLACE FUND | \$ 100,000.00 | \$ 100,000.00 | \$ 100,000.00 |
| \$ - | \$ - | \$ - | Total Street Transfers | \$ 237,000.00 | \$ 237,000.00 | \$ 237,000.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - STREET FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ 150,738.46 | OPERATING CONTINGENCY | \$ 70,524.00 | \$ 70,524.00 | \$ 70,524.00 |
| \$ - | \$ - | \$ 150,738.46 | Total Street Contingency Reserve | \$ 70,524.00 | \$ 70,524.00 | \$ 70,524.00 |

SEWER FUND SUMMARY

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - SEWER SUMMARY RESOURCES | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 624,851.82 | \$ 403,415.04 | \$ 475,000.00 | BFB | \$ 380,021.00 | \$ 380,021.00 | \$ 380,021.00 |
| \$ 1,624,714.28 | \$ 1,891,277.17 | \$ 2,171,920.00 | Fees, Licenses, Permits | \$ 2,106,000.00 | \$ 2,106,000.00 | \$ 2,106,000.00 |
| \$ 400,000.00 | \$ 200,000.00 | \$ - | Transfers In | \$ - | \$ - | \$ - |
| \$ 4,881.72 | \$ 27,971.68 | \$ 5,000.00 | All Other Resources | \$ 27,000.00 | \$ 27,000.00 | \$ 27,000.00 |
| \$ 2,654,447.82 | \$ 2,522,663.89 | \$ 2,651,920.00 | TOTAL RESOURCES | \$ 2,513,021.00 | \$ 2,513,021.00 | \$ 2,513,021.00 |
| REQUIREMENTS | | | | | | |
| \$ 1.00 | \$ 457,591.74 | \$ 558,675.00 | Personnel Service | \$ 588,575.00 | \$ 588,575.00 | \$ 588,575.00 |
| \$ 1,986,780.10 | \$ 1,128,892.50 | \$ 984,832.18 | Material & Services - Maintenance | \$ 679,919.00 | \$ 679,919.00 | \$ 679,919.00 |
| \$ - | \$ - | \$ - | Material & Services - Operations | \$ 336,200.00 | \$ 336,200.00 | \$ 336,200.00 |
| \$ 59,514.68 | \$ 164,125.96 | \$ 333,427.00 | Capital Improvements | \$ 66,652.00 | \$ 66,652.00 | \$ 66,652.00 |
| \$ 204,738.00 | \$ 315,928.56 | \$ 465,550.00 | Transfers Out | \$ 626,435.00 | \$ 626,435.00 | \$ 626,435.00 |
| \$ - | \$ - | \$ 193,341.00 | Contingency | \$ 215,240.00 | \$ 215,240.00 | \$ 215,240.00 |
| \$ 2,251,033.78 | \$ 2,066,538.76 | \$ 2,535,825.18 | TOTAL REQUIREMENTS | \$ 2,513,021.00 | \$ 2,513,021.00 | \$ 2,513,021.00 |
| \$ - | \$ - | \$ 116,094.82 | UEFB | \$ - | \$ - | \$ - |
| \$ 403,414.04 | \$ 456,125.13 | \$ 0.00 | NET RESOURCES OVER REQUIREMENTS | \$ - | \$ - | \$ - |

SEWER FUND LINE ITEM DETAIL

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - SEWER FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 624,851.82 | \$ 403,415.04 | \$ 475,000.00 | BEGINNING FUND BALANCE | \$ 380,021.00 | \$ 380,021.00 | \$ 380,021.00 |
| \$ 4,881.72 | \$ 27,971.68 | \$ 5,000.00 | MISCELLANEOUS | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 |
| \$ - | \$ - | \$ - | WASTEWATER DECREE ALLOCATION | \$ 25,000.00 | \$ 25,000.00 | \$ 25,000.00 |
| \$ 400,000.00 | \$ 200,000.00 | \$ - | TRANSFER FROM GENERAL FUND | \$ - | \$ - | \$ - |
| \$ 1,600,714.28 | \$ 1,855,877.17 | \$ 2,161,920.00 | MONTHLY USER FEE | \$ 2,100,000.00 | \$ 2,100,000.00 | \$ 2,100,000.00 |
| \$ 24,000.00 | \$ 35,400.00 | \$ 10,000.00 | SERVICE CONNECTIONS | \$ 6,000.00 | \$ 6,000.00 | \$ 6,000.00 |
| \$ 2,654,447.82 | \$ 2,522,663.89 | \$ 2,651,920.00 | Total Sewer Resources | \$ 2,513,021.00 | \$ 2,513,021.00 | \$ 2,513,021.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - SEWER FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ - | \$ 40,841.94 | \$ 42,000.00 | PERS | \$ 56,525.00 | \$ 56,525.00 | \$ 56,525.00 |
| \$ - | \$ 7,013.76 | \$ 8,500.00 | SAIF | \$ 12,350.00 | \$ 12,350.00 | \$ 12,350.00 |
| \$ - | \$ 23,391.45 | \$ 26,000.00 | FICA | \$ 27,650.00 | \$ 27,650.00 | \$ 27,650.00 |
| \$ - | \$ 68,138.51 | \$ 80,000.00 | INSURANCE | \$ 92,250.00 | \$ 92,250.00 | \$ 92,250.00 |
| \$ - | \$ 12,740.25 | \$ 10,000.00 | UNEMPLOYMENT LIABILITY | \$ - | \$ - | \$ - |
| \$ - | \$ 27,180.37 | \$ 25,500.00 | PW DIRECTOR | \$ 28,000.00 | \$ 28,000.00 | \$ 28,000.00 |
| \$ - | \$ - | \$ 21,675.00 | CITY ENGINEER | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | SENIOR ENGINEERING TECH | \$ 20,700.00 | \$ 20,700.00 | \$ 20,700.00 |
| \$ 1.00 | \$ - | \$ - | PW OPERATIONS SUPERVISOR | \$ 15,500.00 | \$ 15,500.00 | \$ 15,500.00 |
| \$ - | \$ 62,679.50 | \$ 71,000.00 | PLANT OPERATOR | \$ 72,000.00 | \$ 72,000.00 | \$ 72,000.00 |
| \$ - | \$ 70,842.60 | \$ 65,000.00 | ASST. PLANT OPERATOR | \$ 67,000.00 | \$ 67,000.00 | \$ 67,000.00 |
| \$ - | \$ - | \$ 12,000.00 | CODE ENFORCEMENT | \$ - | \$ - | \$ - |
| \$ - | \$ 20,811.28 | \$ 23,500.00 | CREW - FOREMAN | \$ 20,850.00 | \$ 20,850.00 | \$ 20,850.00 |
| \$ - | \$ 4,207.50 | \$ - | GIS MAPPING TECHNICIAN | \$ 17,200.00 | \$ 17,200.00 | \$ 17,200.00 |
| \$ - | \$ 70,028.17 | \$ 79,000.00 | CREW - SEWER | \$ 95,200.00 | \$ 95,200.00 | \$ 95,200.00 |
| \$ - | \$ 21,500.38 | \$ 20,000.00 | CREW - SEASONAL | \$ 20,000.00 | \$ 20,000.00 | \$ 20,000.00 |
| \$ - | \$ 16,330.61 | \$ 29,500.00 | UTILITY BILLING CLERK | \$ 21,600.00 | \$ 21,600.00 | \$ 21,600.00 |
| \$ - | \$ - | \$ - | EXEC ADMINISTRATIVE ASSISTANT | \$ 6,750.00 | \$ 6,750.00 | \$ 6,750.00 |
| \$ - | \$ 11,885.42 | \$ 20,000.00 | OVERTIME | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 |
| \$ - | \$ - | \$ 25,000.00 | ACCRUED PAYROLL LIABILITY | \$ - | \$ - | \$ - |
| \$ 1.00 | \$ 457,591.74 | \$ 558,675.00 | Total Sewer Personnel Service | \$ 588,575.00 | \$ 588,575.00 | \$ 588,575.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - SEWER FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ 193,341.00 | CONTINGENCY | \$ 215,240.00 | \$ 215,240.00 | \$ 215,240.00 |
| \$ - | \$ - | \$ 193,341.00 | Total Sewer Contingency/Reserve | \$ 215,240.00 | \$ 215,240.00 | \$ 215,240.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - SEWER FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 140,307.38 | \$ 149,224.51 | \$ 164,800.00 | POWER | \$ 160,000.00 | \$ 160,000.00 | \$ 160,000.00 |
| \$ 7,491.00 | \$ 8,330.52 | \$ 9,500.00 | PHONE | \$ 9,500.00 | \$ 9,500.00 | \$ 9,500.00 |
| \$ 1,668.05 | \$ 1,764.09 | \$ 2,000.00 | NATURAL GAS | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 |
| \$ 94,692.62 | \$ 116,917.47 | \$ 80,000.00 | OPERATIONS & MAINTENANCE | \$ 23,485.00 | \$ 23,485.00 | \$ 23,485.00 |
| \$ 16,542.66 | \$ 27,881.12 | \$ 15,000.00 | BUILDING MAINTENANCE | \$ 7,500.00 | \$ 7,500.00 | \$ 7,500.00 |
| \$ - | \$ 1,039.72 | \$ 2,000.00 | TRANING & CONF. TRAVEL | \$ 2,725.00 | \$ 2,725.00 | \$ 2,725.00 |
| \$ 2,775.50 | \$ 3,365.67 | \$ 2,000.00 | DUES & MEMBERSHIP | \$ 1,660.00 | \$ 1,660.00 | \$ 1,660.00 |
| \$ 6,419.08 | \$ 5,785.92 | \$ 6,000.00 | POSTAGE | \$ 7,000.00 | \$ 7,000.00 | \$ 7,000.00 |
| \$ - | \$ - | \$ 5,000.00 | COMPUTER HARDWARE & SOFTWARE | \$ - | \$ - | \$ - |
| \$ 6,656.42 | \$ 6,352.53 | \$ 8,200.00 | COMPUTER NETWORK | \$ 13,920.00 | \$ 13,920.00 | \$ 13,920.00 |
| \$ 699,742.90 | \$ 346,339.68 | \$ 200,000.00 | PROFESSIONAL SERVICES | \$ 52,650.00 | \$ 52,650.00 | \$ 52,650.00 |
| \$ - | \$ - | \$ - | LEGAL & RECORDING | \$ 100,000.00 | \$ 100,000.00 | \$ 100,000.00 |
| \$ 18,717.81 | \$ 23,448.95 | \$ 28,000.00 | INSURANCE/LIABILITY/GEN | \$ 39,600.00 | \$ 39,600.00 | \$ 39,600.00 |
| \$ 9,135.88 | \$ 1,378.88 | \$ 11,000.00 | VEHICLE FUEL | \$ 2,500.00 | \$ 2,500.00 | \$ 2,500.00 |
| \$ 8,551.41 | \$ 4,110.65 | \$ 4,000.00 | VEHICLE REPAIR | \$ 21,000.00 | \$ 21,000.00 | \$ 21,000.00 |
| \$ 9,788.98 | \$ 11,295.57 | \$ 11,000.00 | IRRIGATION FUEL | \$ - | \$ - | \$ - |
| \$ 7,198.64 | \$ 4,544.90 | \$ 4,500.00 | UNIFORMS & SAFETY GEAR | \$ 3,795.00 | \$ 3,795.00 | \$ 3,795.00 |
| \$ 84,000.00 | \$ - | \$ - | LITIGATION PAYOUT | \$ - | \$ - | \$ - |
| \$ 109,005.49 | \$ 130,413.78 | \$ 116,832.18 | COST ALLOCATION AGREEMENT | \$ 113,884.00 | \$ 113,884.00 | \$ 113,884.00 |
| \$ 499,049.13 | \$ - | \$ - | PW PERSONNEL SERVICE AGREEMENT | \$ - | \$ - | \$ - |
| \$ 44,270.26 | \$ 45,487.50 | \$ 50,000.00 | BIOSOLIDS REMOVAL | \$ - | \$ - | \$ - |
| \$ 1,257.00 | \$ 10,340.00 | \$ 10,000.00 | EFFLUENT MONITORING | \$ - | \$ - | \$ - |
| \$ 43,991.80 | \$ 56,064.53 | \$ 75,000.00 | INFLOW & INFILTRATION | \$ 75,000.00 | \$ 75,000.00 | \$ 75,000.00 |
| \$ 175,518.09 | \$ 174,806.51 | \$ 180,000.00 | CHLORINE & CHEMICALS | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | SEWER LINE REPAIR | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 |
| \$ - | \$ - | \$ - | NEW WATER CONNECTIONS | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 |
| \$ - | \$ - | \$ - | PERMITS | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| \$ - | \$ - | \$ - | SMALL EQUIP/TOOLS | \$ 2,700.00 | \$ 2,700.00 | \$ 2,700.00 |
| \$ - | \$ - | \$ - | LIFT STATION MAINT | \$ 20,000.00 | \$ 20,000.00 | \$ 20,000.00 |
| \$ 1,986,780.10 | \$ 1,128,892.50 | \$ 984,832.18 | Total Sewer Maint. Material & Services | \$ 679,919.00 | \$ 679,919.00 | \$ 679,919.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - SEWER FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ - | OPERATIONS & MAINTENANCE | \$ 70,000.00 | \$ 70,000.00 | \$ 70,000.00 |
| \$ - | \$ - | \$ - | BUILDING MAINTENANCE | \$ 10,000.00 | \$ 10,000.00 | \$ 10,000.00 |
| \$ - | \$ - | \$ - | TRANING & CONF. TRAVEL | \$ 700.00 | \$ 700.00 | \$ 700.00 |
| \$ - | \$ - | \$ - | DUES & MEMBERSHIP | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| \$ - | \$ - | \$ - | VEHICLE FUEL | \$ 2,500.00 | \$ 2,500.00 | \$ 2,500.00 |
| \$ - | \$ - | \$ - | VEHICLE REPAIR | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 |
| \$ - | \$ - | \$ - | IRRIGATION FUEL | \$ 11,000.00 | \$ 11,000.00 | \$ 11,000.00 |
| \$ - | \$ - | \$ - | UNIFORMS & SAFETY GEAR | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 |
| \$ - | \$ - | \$ - | BIOSOLIDS REMOVAL | \$ 40,000.00 | \$ 40,000.00 | \$ 40,000.00 |
| \$ - | \$ - | \$ - | EFFLUENT MONITORING | \$ 8,000.00 | \$ 8,000.00 | \$ 8,000.00 |
| \$ - | \$ - | \$ - | CHLORINE & CHEMICALS | \$ 180,000.00 | \$ 180,000.00 | \$ 180,000.00 |
| \$ - | \$ - | \$ - | PERMITS | \$ 9,000.00 | \$ 9,000.00 | \$ 9,000.00 |
| \$ - | \$ - | \$ - | Total Sewer Operation Material & Service | \$ 336,200.00 | \$ 336,200.00 | \$ 336,200.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - SEWER FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 59,514.68 | \$ 164,125.96 | \$ 333,427.00 | CAPITAL IMPROVEMENTS | \$ 66,652.00 | \$ 66,652.00 | \$ 66,652.00 |
| \$ 59,514.68 | \$ 164,125.96 | \$ 333,427.00 | Total Sewer Capital Improvement | \$ 66,652.00 | \$ 66,652.00 | \$ 66,652.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - SEWER FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 174,000.00 | \$ 315,928.56 | \$ 315,550.00 | TRANSFER TO SEWER DEBT | \$ 316,350.00 | \$ 316,350.00 | \$ 316,350.00 |
| \$ - | \$ - | \$ 150,000.00 | TRANSFER TO SHOP CAP. PROJECT | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | TRANSFER TO CAPITAL PROJECT F | \$ 228,000.00 | \$ 228,000.00 | \$ 228,000.00 |
| \$ - | \$ - | \$ - | TRANSFER TO FLEET REPLACE FUND | \$ 25,000.00 | \$ 25,000.00 | \$ 25,000.00 |
| \$ 30,738.00 | \$ - | \$ - | TRANSFER TO CWSRF | \$ 57,085.00 | \$ 57,085.00 | \$ 57,085.00 |
| \$ 204,738.00 | \$ 315,928.56 | \$ 465,550.00 | Total Sewer Transfers Out | \$ 626,435.00 | \$ 626,435.00 | \$ 626,435.00 |

WATER FUND SUMMARY

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - WATER SUMMARY Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 958,691.60 | \$ 670,171.77 | \$ 810,000.00 | BFB | \$ 774,043.00 | \$ 774,043.00 | \$ 774,043.00 |
| \$ 1,380,765.09 | \$ 1,455,790.56 | \$ 1,652,000.00 | Fees, Licenses, Permits | \$ 1,555,000.00 | \$ 1,555,000.00 | \$ 1,555,000.00 |
| \$ 2,675.72 | \$ 7,566.93 | \$ 3,000.00 | All Other Resources | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 |
| \$ 2,342,132.41 | \$ 2,133,529.26 | \$ 2,465,000.00 | TOTAL RESOURCES | \$ 2,334,043.00 | \$ 2,334,043.00 | \$ 2,334,043.00 |
| REQUIREMENTS | | | | | | |
| \$ - | \$ 528,680.45 | \$ 645,905.00 | Personnel Service | \$ 561,365.00 | \$ 561,365.00 | \$ 561,365.00 |
| \$ 945,055.34 | \$ 421,837.25 | \$ 633,717.38 | Material & Services-Maintenance | \$ 398,600.00 | \$ 398,600.00 | \$ 398,600.00 |
| \$ - | \$ - | \$ - | Material & Services-Operations | \$ 168,050.00 | \$ 168,050.00 | \$ 168,050.00 |
| \$ 476,905.30 | \$ 128,756.31 | \$ 362,000.00 | Capital Improvements | \$ 65,729.00 | \$ 65,729.00 | \$ 65,729.00 |
| \$ 250,000.00 | \$ 250,000.00 | \$ 449,105.08 | Transfers Out | \$ 774,800.00 | \$ 774,800.00 | \$ 774,800.00 |
| \$ - | \$ - | \$ 100,000.00 | Contingency | \$ 365,499.00 | \$ 365,499.00 | \$ 365,499.00 |
| \$ 1,671,960.64 | \$ 1,329,274.01 | \$ 2,190,727.46 | TOTAL REQUIREMENTS | \$ 2,334,043.00 | \$ 2,334,043.00 | \$ 2,334,043.00 |
| \$ - | \$ - | \$ 274,272.54 | UEFB | \$ - | \$ - | \$ - |
| \$ 670,171.77 | \$ 804,255.25 | \$ - | NET RESOURCES OVER REQUIREMENTS | \$ - | \$ - | \$ - |

WATER FUND LINE ITEM DETAIL

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - WATER FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 958,691.60 | \$ 670,171.77 | \$ 810,000.00 | BEGINNING FUND BALANCE | \$ 774,043.00 | \$ 774,043.00 | \$ 774,043.00 |
| \$ 2,675.72 | \$ 7,566.93 | \$ 3,000.00 | MISCELLANEOUS | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 |
| \$ 1,357,365.09 | \$ 1,420,990.56 | \$ 1,625,000.00 | MONTHLY USER FEE | \$ 1,550,000.00 | \$ 1,550,000.00 | \$ 1,550,000.00 |
| \$ 23,400.00 | \$ 34,800.00 | \$ 27,000.00 | SERVICE CONNECTIONS | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 |
| \$ 2,342,132.41 | \$ 2,133,529.26 | \$ 2,465,000.00 | Total Water Resources | \$ 2,334,043.00 | \$ 2,334,043.00 | \$ 2,334,043.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - WATER FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ - | \$ 54,853.34 | \$ 65,000.00 | PERS | \$ 55,025.00 | \$ 55,025.00 | \$ 55,025.00 |
| \$ - | \$ 7,130.47 | \$ 8,240.00 | SAIF | \$ 11,340.00 | \$ 11,340.00 | \$ 11,340.00 |
| \$ - | \$ 26,768.38 | \$ 28,840.00 | FICA | \$ 27,650.00 | \$ 27,650.00 | \$ 27,650.00 |
| \$ - | \$ 83,036.69 | \$ 85,050.00 | INSURANCE | \$ 92,250.00 | \$ 92,250.00 | \$ 92,250.00 |
| \$ - | \$ 7,364.09 | \$ 15,450.00 | UNEMPLOYMENT LIABILITY | \$ - | \$ - | \$ - |
| \$ - | \$ 27,180.37 | \$ 27,810.00 | PW DIRECTOR | \$ 27,800.00 | \$ 27,800.00 | \$ 27,800.00 |
| \$ - | \$ - | \$ 21,675.00 | CITY ENGINEER | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | SENIOR ENGINEERING TECH | \$ 20,700.00 | \$ 20,700.00 | \$ 20,700.00 |
| \$ - | \$ - | \$ - | PW OPERATIONS SUPERVISOR | \$ 15,500.00 | \$ 15,500.00 | \$ 15,500.00 |
| \$ - | \$ 83,484.49 | \$ 85,490.00 | PLANT OPERATOR | \$ 72,400.00 | \$ 72,400.00 | \$ 72,400.00 |
| \$ - | \$ 60,171.56 | \$ 65,000.00 | ASST. PLANT OPERATOR | \$ 62,000.00 | \$ 62,000.00 | \$ 62,000.00 |
| \$ - | \$ 29,730.05 | \$ 30,900.00 | CREW - FOREMAN | \$ 20,900.00 | \$ 20,900.00 | \$ 20,900.00 |
| \$ - | \$ 5,183.75 | \$ 10,000.00 | CREW - SEASONAL | \$ - | \$ - | \$ - |
| \$ - | \$ 119,804.35 | \$ 122,000.00 | CREW - WATER | \$ 95,200.00 | \$ 95,200.00 | \$ 95,200.00 |
| \$ - | \$ 4,207.50 | \$ - | GIS MAPPING TECHNICIAN | \$ 17,200.00 | \$ 17,200.00 | \$ 17,200.00 |
| \$ - | \$ - | \$ 12,000.00 | CODE ENFORCEMENT | \$ - | \$ - | \$ - |
| \$ - | \$ 16,379.05 | \$ 28,450.00 | UTILITY BILLING CLERK | \$ 21,600.00 | \$ 21,600.00 | \$ 21,600.00 |
| \$ - | \$ 3,386.36 | \$ 10,000.00 | OVERTIME | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 |
| \$ - | \$ - | \$ - | EXEC ADMINISTRATIVE ASSISTANT | \$ 6,800.00 | \$ 6,800.00 | \$ 6,800.00 |
| \$ - | \$ - | \$ 30,000.00 | ACCRUED PAYROLL LIABILITY | \$ - | \$ - | \$ - |
| \$ - | \$ 528,680.45 | \$ 645,905.00 | Total Water Personnel Service | \$ 561,365.00 | \$ 561,365.00 | \$ 561,365.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - WATER FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 54,542.92 | \$ 63,560.75 | \$ 62,250.00 | POWER | \$ 66,000.00 | \$ 66,000.00 | \$ 66,000.00 |
| \$ 5,892.74 | \$ 6,700.23 | \$ 6,000.00 | PHONE | \$ 7,500.00 | \$ 7,500.00 | \$ 7,500.00 |
| \$ 52,203.80 | \$ 58,053.91 | \$ 60,000.00 | OPERATIONS & MAINTENANCE | \$ 23,485.00 | \$ 23,485.00 | \$ 23,485.00 |
| \$ 48,275.86 | \$ 12,651.10 | \$ 40,000.00 | BUILDING MAINTENANCE | \$ 7,500.00 | \$ 7,500.00 | \$ 7,500.00 |
| \$ - | \$ 2,332.78 | \$ 5,000.00 | TRANING & CONF. TRAVEL | \$ 2,800.00 | \$ 2,800.00 | \$ 2,800.00 |
| \$ 1,579.30 | \$ 1,488.87 | \$ 1,000.00 | DUES & MEMBERSHIP | \$ 2,765.00 | \$ 2,765.00 | \$ 2,765.00 |
| \$ 7,400.46 | \$ 5,678.70 | \$ 10,000.00 | POSTAGE | \$ 8,300.00 | \$ 8,300.00 | \$ 8,300.00 |
| \$ 15,739.15 | \$ 6,155.39 | \$ 12,665.00 | COMPUTER NETWORK | \$ 11,396.00 | \$ 11,396.00 | \$ 11,396.00 |
| \$ 41,670.79 | \$ 47,410.31 | \$ 115,000.00 | PROFESSIONAL SERVICES | \$ 17,200.00 | \$ 17,200.00 | \$ 17,200.00 |
| \$ - | \$ - | \$ - | LEGAL & RECORDING | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 |
| \$ 18,717.80 | \$ 22,731.67 | \$ 27,140.00 | INSURANCE/LIABILITY/GEN | \$ 40,800.00 | \$ 40,800.00 | \$ 40,800.00 |
| \$ 8,818.18 | \$ 11,509.16 | \$ 12,000.00 | VEHICLE FUEL | \$ 8,000.00 | \$ 8,000.00 | \$ 8,000.00 |
| \$ 977.32 | \$ 1,453.19 | \$ 2,000.00 | VEHICLE REPAIR | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 |
| \$ 2,865.05 | \$ 1,906.41 | \$ 2,000.00 | UNIFORMS & SAFETY GEAR | \$ 3,910.00 | \$ 3,910.00 | \$ 3,910.00 |
| \$ 96,530.18 | \$ 91,371.69 | \$ 136,162.38 | COST ALLOCATION AGREEMENT | \$ 96,744.00 | \$ 96,744.00 | \$ 96,744.00 |
| \$ 509,993.81 | \$ - | \$ - | PW PERSONNEL SERVICE AGREEMENT | \$ - | \$ - | \$ - |
| \$ 31,027.70 | \$ 23,169.16 | \$ 35,000.00 | CHLORINE & CHEMICALS | \$ 500.00 | \$ 500.00 | \$ 500.00 |
| \$ 7,207.67 | \$ 18,366.60 | \$ 50,000.00 | WATER LINE REPAIR | \$ 30,000.00 | \$ 30,000.00 | \$ 30,000.00 |
| \$ - | \$ - | \$ - | PERMITS | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| \$ - | \$ - | \$ - | SMALL EQUIP/TOOLS | \$ 3,700.00 | \$ 3,700.00 | \$ 3,700.00 |
| \$ - | \$ 1,788.89 | \$ 7,500.00 | NEW WATER CONNECTIONS | \$ 10,000.00 | \$ 10,000.00 | \$ 10,000.00 |
| \$ 41,612.61 | \$ 45,508.44 | \$ 50,000.00 | NEW WATER METERS | \$ 50,000.00 | \$ 50,000.00 | \$ 50,000.00 |
| \$ - | \$ - | \$ - | LICENSE FEE | \$ - | \$ - | \$ - |
| \$ 945,055.34 | \$ 421,837.25 | \$ 633,717.38 | Total Water Material & Services | \$ 398,600.00 | \$ 398,600.00 | \$ 398,600.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - WATER FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ - | OPERATIONS & MAINTENANCE | \$ 86,400.00 | \$ 86,400.00 | \$ 86,400.00 |
| \$ - | \$ - | \$ - | BUILDING MAINTENANCE | \$ 7,100.00 | \$ 7,100.00 | \$ 7,100.00 |
| \$ - | \$ - | \$ - | TRANING & CONF. TRAVEL | \$ 2,900.00 | \$ 2,900.00 | \$ 2,900.00 |
| \$ - | \$ - | \$ - | DUES & MEMBERSHIP | \$ 600.00 | \$ 600.00 | \$ 600.00 |
| \$ - | \$ - | \$ - | VEHICLE FUEL | \$ 4,000.00 | \$ 4,000.00 | \$ 4,000.00 |
| \$ - | \$ - | \$ - | VEHICLE REPAIR | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 |
| \$ - | \$ - | \$ - | UNIFORMS & SAFETY GEAR | \$ 3,450.00 | \$ 3,450.00 | \$ 3,450.00 |
| \$ - | \$ - | \$ - | CHLORINE & CHEMICALS | \$ 39,100.00 | \$ 39,100.00 | \$ 39,100.00 |
| \$ - | \$ - | \$ - | PERMITS | \$ 2,500.00 | \$ 2,500.00 | \$ 2,500.00 |
| \$ - | \$ - | \$ - | WATER RESERVOIR MAINTENANCE | \$ 20,000.00 | \$ 20,000.00 | \$ 20,000.00 |
| \$ - | \$ - | \$ - | Total Water Material & Services | \$ 168,050.00 | \$ 168,050.00 | \$ 168,050.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - WATER FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 476,905.30 | \$ 128,756.31 | \$ 362,000.00 | CAPITAL IMPROVEMENTS | \$ 65,729.00 | \$ 65,729.00 | \$ 65,729.00 |
| \$ 476,905.30 | \$ 128,756.31 | \$ 362,000.00 | Total Water Capital Improvements | \$ 65,729.00 | \$ 65,729.00 | \$ 65,729.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - WATER FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ - | TRANSFER TO CAPITAL PROJECT F | \$ 672,800.00 | \$ 672,800.00 | \$ 672,800.00 |
| \$ - | \$ - | \$ - | TRANSFER TO FLEET REPLACE FUND | \$ 102,000.00 | \$ 102,000.00 | \$ 102,000.00 |
| \$ - | \$ - | \$ 150,000.00 | TRANSFER TO SHOP CAP. PROJECT | \$ - | \$ - | \$ - |
| \$ 250,000.00 | \$ 250,000.00 | \$ 299,105.08 | TRANSFER TO WATER EXPANSI | \$ - | \$ - | \$ - |
| \$ 250,000.00 | \$ 250,000.00 | \$ 449,105.08 | Total Water Transfers Out | \$ 774,800.00 | \$ 774,800.00 | \$ 774,800.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - WATER FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ 100,000.00 | OPERATING CONTINGENCY | \$ 365,499.00 | \$ 365,499.00 | \$ 365,499.00 |
| \$ - | \$ - | \$ 100,000.00 | Total Water Contingency/Reserve | \$ 365,499.00 | \$ 365,499.00 | \$ 365,499.00 |

STORMWATER FUND SUMMARY

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - STORM SUMMARY RESOURCES | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 41,477.89 | \$ 53,150.24 | \$ 54,500.00 | BFB | \$ 43,632.00 | \$ 43,632.00 | \$ 43,632.00 |
| \$ 96,836.87 | \$ 105,507.19 | \$ 130,000.00 | Fees, Licenses, Permits | \$ 130,000.00 | \$ 130,000.00 | \$ 130,000.00 |
| \$ 3,042.50 | \$ - | \$ - | All Other Resources | \$ - | \$ - | \$ - |
| \$ 141,357.26 | \$ 158,657.43 | \$ 184,500.00 | TOTAL RESOURCES | \$ 173,632.00 | \$ 173,632.00 | \$ 173,632.00 |
| REQUIREMENTS | | | | | | |
| \$ - | \$ 54,316.50 | \$ 73,815.00 | Personnel Service | \$ 128,081.00 | \$ 128,081.00 | \$ 128,081.00 |
| \$ 56,661.17 | \$ 34,340.87 | \$ 46,645.70 | Material & Services | \$ 32,360.00 | \$ 32,360.00 | \$ 32,360.00 |
| \$ 31,545.85 | \$ 18,756.95 | \$ 37,000.00 | Capital Improvements | \$ 8,026.00 | \$ 8,026.00 | \$ 8,026.00 |
| \$ - | \$ - | \$ 6,503.00 | Contingency | \$ 5,165.00 | \$ 5,165.00 | \$ 5,165.00 |
| \$ 88,207.02 | \$ 107,414.32 | \$ 163,963.70 | TOTAL REQUIREMENTS | \$ 173,632.00 | \$ 173,632.00 | \$ 173,632.00 |
| \$ - | \$ - | \$ 121.96 | UEFB | \$ - | \$ - | \$ - |
| \$ 53,150.24 | \$ 51,243.11 | \$ 20,414.34 | NET RESOURCES OVER REQUIREMENTS | \$ - | \$ - | \$ - |

STORMWATER FUND LINE ITEM DETAIL

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - STORM FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 41,477.89 | \$ 53,150.24 | \$ 54,500.00 | BEGINNING FUND BALANCE | \$ 43,632.00 | \$ 43,632.00 | \$ 43,632.00 |
| \$ 3,042.50 | \$ - | \$ - | MISCELLANEOUS | \$ - | \$ - | \$ - |
| \$ 96,836.87 | \$ 105,507.19 | \$ 130,000.00 | MONTHLY USER FEE | \$ 130,000.00 | \$ 130,000.00 | \$ 130,000.00 |
| \$ 141,357.26 | \$ 158,657.43 | \$ 184,500.00 | Total Storm Resources | \$ 173,632.00 | \$ 173,632.00 | \$ 173,632.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - STORM FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ - | \$ 5,048.55 | \$ 6,990.00 | PERS | \$ 13,500.00 | \$ 13,500.00 | \$ 13,500.00 |
| \$ - | \$ 1,353.22 | \$ 1,450.00 | SAIF | \$ 2,500.00 | \$ 2,500.00 | \$ 2,500.00 |
| \$ - | \$ 2,745.90 | \$ 2,890.00 | FICA | \$ 6,000.00 | \$ 6,000.00 | \$ 6,000.00 |
| \$ - | \$ 8,705.67 | \$ 9,450.00 | INSURANCE | \$ 20,700.00 | \$ 20,700.00 | \$ 20,700.00 |
| \$ - | \$ 624.68 | \$ - | UNEMPLOYMENT LIABILITY | \$ - | \$ - | \$ - |
| \$ - | \$ 9,060.13 | \$ 9,270.00 | PW DIRECTOR | \$ 7,000.00 | \$ 7,000.00 | \$ 7,000.00 |
| \$ - | \$ - | \$ 7,225.00 | CITY ENGINEER | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | SENIOR ENGINEERING TECH | \$ 6,900.00 | \$ 6,900.00 | \$ 6,900.00 |
| \$ - | \$ - | \$ - | PW OPERATIONS SUPERVISOR | \$ 9,300.00 | \$ 9,300.00 | \$ 9,300.00 |
| \$ - | \$ - | \$ 3,800.00 | CODE ENFORCEMENT | \$ - | \$ - | \$ - |
| \$ - | \$ 5,202.73 | \$ 5,670.00 | CREW - FOREMAN | \$ 8,700.00 | \$ 8,700.00 | \$ 8,700.00 |
| \$ - | \$ 19,892.70 | \$ 19,570.00 | CREW - STORM | \$ 40,500.00 | \$ 40,500.00 | \$ 40,500.00 |
| \$ - | \$ 1,402.50 | \$ - | GIS MAPPING TECHNICIAN | \$ 5,731.00 | \$ 5,731.00 | \$ 5,731.00 |
| \$ - | \$ 280.42 | \$ - | OVERTIME | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 |
| \$ - | \$ - | \$ - | EXEC ADMINISTRATIVE ASSISTANT | \$ 2,250.00 | \$ 2,250.00 | \$ 2,250.00 |
| \$ - | \$ - | \$ 7,500.00 | ACCRUED PAYROLL LIABILITY | \$ - | \$ - | \$ - |
| \$ - | \$ 54,316.50 | \$ 73,815.00 | Total Storm Personnel Service | \$ 128,081.00 | \$ 128,081.00 | \$ 128,081.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - STORM FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 7,104.51 | \$ 3,970.29 | \$ 9,000.00 | OPERATIONS & MAINTENANCE | \$ 1,500.00 | \$ 1,500.00 | \$ 1,500.00 |
| \$ - | \$ 9,321.41 | \$ 5,000.00 | PROFESSIONAL SERVICES | \$ - | \$ - | \$ - |
| \$ 5,905.93 | \$ 7,410.57 | \$ 8,400.00 | INSURANCE/LIABILITY/GEN | \$ - | \$ - | \$ - |
| \$ - | \$ 887.62 | \$ 2,500.00 | VEHICLE FUEL | \$ 500.00 | \$ 500.00 | \$ 500.00 |
| \$ - | \$ 217.51 | \$ 1,000.00 | VEHICLE REPAIR | \$ 500.00 | \$ 500.00 | \$ 500.00 |
| \$ - | \$ - | \$ 500.00 | UNIFORMS & SAFETY GEAR | \$ - | \$ - | \$ - |
| \$ 6,748.94 | \$ 9,311.81 | \$ 10,245.70 | COST ALLOCATION AGREEMENT | \$ 23,460.00 | \$ 23,460.00 | \$ 23,460.00 |
| \$ 36,901.79 | \$ - | \$ - | PW PERSONNEL SERVICE AGREEMENT | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | PERMITS | \$ 500.00 | \$ 500.00 | \$ 500.00 |
| \$ - | \$ - | \$ - | SMALL EQUIP/TOOLS | \$ 900.00 | \$ 900.00 | \$ 900.00 |
| \$ - | \$ 3,221.66 | \$ 10,000.00 | STORM DRAINS | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 |
| \$ 56,661.17 | \$ 34,340.87 | \$ 46,645.70 | Total Material & Services | \$ 32,360.00 | \$ 32,360.00 | \$ 32,360.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - STORM FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 31,545.85 | \$ 18,756.95 | \$ 37,000.00 | CAPITAL IMPROVEMENTS | \$ 8,026.00 | \$ 8,026.00 | \$ 8,026.00 |
| \$ 31,545.85 | \$ 18,756.95 | \$ 37,000.00 | Total Storm Capital Improvements | \$ 8,026.00 | \$ 8,026.00 | \$ 8,026.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - STORM FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ 6,503.00 | CONTINGENCY | \$ 5,165.00 | \$ 5,165.00 | \$ 5,165.00 |
| \$ - | \$ - | \$ 6,503.00 | Total Storm Contingency/Reserve | \$ 5,165.00 | \$ 5,165.00 | \$ 5,165.00 |

PW'S PERSONNEL SERVICE FUND SUMMARY

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - PWPS SUMMARY Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 155,887.47 | \$ - | \$ - | BFB | \$ - | \$ - | \$ - |
| \$ 1,238,834.70 | \$ - | \$ - | Transfers In | \$ - | \$ - | \$ - |
| \$ 1,394,722.17 | \$ - | \$ - | TOTAL RESOURCES | \$ - | \$ - | \$ - |
| REQUIREMENTS | | | | | | |
| \$ 1,394,722.17 | \$ - | \$ - | Personnel Service | \$ - | \$ - | \$ - |
| \$ 1,394,722.17 | \$ - | \$ - | TOTAL REQUIREMENTS | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | UEFB | \$ - | \$ - | \$ - |
| \$ (0.00) | \$ - | \$ - | NET RESOURCES OVER REQUIREMENTS | \$ - | \$ - | \$ - |

PW'S PERSONNEL SERVICE FUND LINE ITEM DETAIL

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - PWPS FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 155,887.47 | \$ - | \$ - | BEGINNING FUND BALANCE | \$ - | \$ - | \$ - |
| \$ 192,889.97 | \$ - | \$ - | STREET FUND | \$ - | \$ - | \$ - |
| \$ 499,049.13 | \$ - | \$ - | SEWER FUND | \$ - | \$ - | \$ - |
| \$ 509,993.81 | \$ - | \$ - | WATER FUND | \$ - | \$ - | \$ - |
| \$ 36,901.79 | \$ - | \$ - | STORM FUND | \$ - | \$ - | \$ - |
| \$ 1,394,722.17 | \$ - | \$ - | Total PWPS Resources | \$ - | \$ - | \$ - |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PUBLIC WORKS - PWPS FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 112,409.98 | \$ - | \$ - | PERS | \$ - | \$ - | \$ - |
| \$ 25,677.35 | \$ - | \$ - | SAIF | \$ - | \$ - | \$ - |
| \$ 71,664.71 | \$ - | \$ - | FICA | \$ - | \$ - | \$ - |
| \$ 216,065.95 | \$ - | \$ - | INSURANCE | \$ - | \$ - | \$ - |
| \$ 22,518.72 | \$ - | \$ - | UNEMPLOYMENT LIABILITY | \$ - | \$ - | \$ - |
| \$ 77,688.51 | \$ - | \$ - | PUBLIC WORKS DIRECTOR | \$ - | \$ - | \$ - |
| \$ 46,178.86 | \$ - | \$ - | OPERATIONS DIVISION SUPERVISOR | \$ - | \$ - | \$ - |
| \$ 62,568.76 | \$ - | \$ - | WATER PLANT OPERATOR | \$ - | \$ - | \$ - |
| \$ 70,450.41 | \$ - | \$ - | ASST WATER PLANT OPERATOR | \$ - | \$ - | \$ - |
| \$ 55,443.21 | \$ - | \$ - | WWTP OPERATOR | \$ - | \$ - | \$ - |
| \$ 83,807.93 | \$ - | \$ - | ASST WWTP OPERATOR | \$ - | \$ - | \$ - |
| \$ 322,129.57 | \$ - | \$ - | CREW | \$ - | \$ - | \$ - |
| \$ 26,919.34 | \$ - | \$ - | CODE ENFORCEMENT | \$ - | \$ - | \$ - |
| \$ 51,810.62 | \$ - | \$ - | UTILITY BILLING CLERK | \$ - | \$ - | \$ - |
| \$ 56,241.60 | \$ - | \$ - | GIS MAPPING TECH | \$ - | \$ - | \$ - |
| \$ 62,464.57 | \$ - | \$ - | OVERTIME | \$ - | \$ - | \$ - |
| \$ 19,541.91 | \$ - | \$ - | CERTIFICATE PAY | \$ - | \$ - | \$ - |
| \$ 1,757.98 | \$ - | \$ - | LONGEVITY | \$ - | \$ - | \$ - |
| \$ 9,382.19 | \$ - | \$ - | TRAINING & CERTIFICATES | \$ - | \$ - | \$ - |
| \$ 1,394,722.17 | \$ - | \$ - | Total PWPS Personnel Service | \$ - | \$ - | \$ - |

CAPITAL PROJECTS FUND LINE ITEM DETAIL

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | CAPITAL PROJECTS FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---------------------------------------|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ - | BEGINNING FUND BALANCE | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | TRANSFER FROM STREETS | \$ 137,000.00 | \$ 137,000.00 | \$ 137,000.00 |
| \$ - | \$ - | \$ - | TRANSFER FROM SEWER | \$ 228,000.00 | \$ 228,000.00 | \$ 228,000.00 |
| \$ - | \$ - | \$ - | TRANSFER FROM WATER | \$ 672,800.00 | \$ 672,800.00 | \$ 672,800.00 |
| \$ - | \$ - | \$ - | TRANSFER FROM STORMWATER | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | TRANSFER FROM SEWER SDC | \$ 283,000.00 | \$ 283,000.00 | \$ 283,000.00 |
| \$ - | \$ - | \$ - | TRANSFER FROM WATER SDC | \$ 855,200.00 | \$ 855,200.00 | \$ 855,200.00 |
| \$ - | \$ - | \$ - | TRANSFER FROM STREET SDC | \$ 330,000.00 | \$ 330,000.00 | \$ 330,000.00 |
| \$ - | \$ - | \$ - | TRANSFER FROM PARKS SDC | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,000,000.00 |
| \$ - | \$ - | \$ - | TRANSFER FROM STORM SDC | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 |
| \$ - | \$ - | \$ - | Capital Projects Resources | \$ 3,521,000.00 | \$ 3,521,000.00 | \$ 3,521,000.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | CAPITAL PROJECTS REQUIREMENTS Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ - | PARK CAPITAL PROJECTS | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,000,000.00 |
| \$ - | \$ - | \$ - | STREET CAPITAL PROJECTS | \$ 467,000.00 | \$ 467,000.00 | \$ 467,000.00 |
| \$ - | \$ - | \$ - | SEWER CAPITAL PROJECTS | \$ 511,000.00 | \$ 511,000.00 | \$ 511,000.00 |
| \$ - | \$ - | \$ - | WATER CAPITAL PROJECTS | \$ 1,528,000.00 | \$ 1,528,000.00 | \$ 1,528,000.00 |
| \$ - | \$ - | \$ - | STORM WATER CAPITAL PROJECTS | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 |
| \$ - | \$ - | \$ - | Total Capital Projects Improvements | \$ 3,521,000.00 | \$ 3,521,000.00 | \$ 3,521,000.00 |

FLEET REPLACEMENT FUND LINE ITEM DETAIL

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | FLEET REPLACEMENT FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ - | BEGINNING FUND BALANCE | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | TRANSFER FROM GENERAL FUND | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | TRANSFER FROM GF PARKS | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| \$ - | \$ - | \$ - | TRANSFER FROM STREETS | \$ 100,000.00 | \$ 100,000.00 | \$ 100,000.00 |
| \$ - | \$ - | \$ - | TRANSFER FROM SEWER | \$ 25,000.00 | \$ 25,000.00 | \$ 25,000.00 |
| \$ - | \$ - | \$ - | TRANSFER FROM WATER | \$ 102,000.00 | \$ 102,000.00 | \$ 102,000.00 |
| \$ - | \$ - | \$ - | Fleet Replacement Resources | \$ 228,000.00 | \$ 228,000.00 | \$ 228,000.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | FLEET REPLACEMENT REQUIREMENTS Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ - | ADMIN FLEET REPLACEMENT | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | PARKS FLEET REPLACEMENT | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | STREETS FLEET REPLACEMENT | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | SEWER FLEET REPLACEMENT | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | WATER FLEET REPLACEMENT | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | Total Fleet Replacement Requirements | \$ - | \$ - | \$ - |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | FLEET REPLACEMENT RESERVE Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ - | RESERVE | \$ 228,000.00 | \$ 228,000.00 | \$ 228,000.00 |
| \$ - | \$ - | \$ - | Total Fleet Replacement Reserve | \$ 228,000.00 | \$ 228,000.00 | \$ 228,000.00 |



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DEBT SERVICE



Debt Service

The City of Molalla maintains four (4) debt service funds:

- Sewer Debt Retirement (Bond)
- Water Debt Retirement (Bond)
- Water General Obligation Debt
- Clean Water State Revolving Fund (CWSRF)

The debt service summary for the four debts listed above is as follows:

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | ALL DEBT SERVICE RESOURCES | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 1,291,426.36 | \$ 1,057,820.36 | \$ 964,976.42 | <i>BFB</i> | \$ 920,968.50 | \$ 920,968.50 | \$ 920,968.50 |
| \$ 63,738.50 | \$ 65,725.50 | \$ 67,337.50 | <i>Property Taxes</i> | \$ 30,300.00 | \$ 30,300.00 | \$ 30,300.00 |
| \$ 607,414.00 | \$ 753,271.56 | \$ 797,811.08 | <i>Transfers In</i> | \$ 505,902.00 | \$ 505,902.00 | \$ 505,902.00 |
| \$ 1,962,578.86 | \$ 1,876,817.42 | \$ 1,830,125.00 | Total All Debt Service Resources | \$ 1,457,170.50 | \$ 1,457,170.50 | \$ 1,457,170.50 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | REQUIREMENTS | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 904,758.50 | \$ 907,190.50 | \$ 910,272.00 | <i>Debt Service</i> | \$ 919,853.50 | \$ 919,853.50 | \$ 919,853.50 |
| \$ - | \$ - | \$ 919,853.00 | <i>Reserve</i> | \$ 537,317.00 | \$ 537,317.00 | \$ 537,317.00 |
| \$ 904,758.50 | \$ 907,190.50 | \$ 1,830,125.00 | Total All Debt Service Requirements | \$ 1,457,170.50 | \$ 1,457,170.50 | \$ 1,457,170.50 |
| \$ 1,057,820.36 | \$ 969,626.92 | \$ - | NET RESOURCES OVER REQUIREMENTS | \$ - | \$ - | \$ - |

Changes to the debt service will be seen in FY 2017/2018 and 2018/2019 as some of the debts are coming to maturity. In FY 2014/2015, the City of Molalla provided a full faith in credit obligations to the Molalla Urban Renewal Agency to bond the tax increment revenue for two large capital projects (Heintz Street extension, Molalla Ave from Heintz to 2nd). The debt service will be reflected in the Urban Renewal Agency section and the agency will be remitting the debt service payment. It is important to note that the City of Molalla is fully responsible for this debt obligation should the Agency default.

SEWER DEBT RETIREMENT

In 2010, the City of Molalla refinanced the 1995 and 2000 Sewer Revenue Bonds into one bond at a lesser interest rate. The 2010 loan amount was \$3,545,000 and it is to be paid in full in 2025. Two requirements of the bond exist which affect the budget. First, the City must always keep in reserve the next fiscal year's principal and interest payment. Second, the City is to create a rate stabilization line item and the balance may be zero. Those funds must be expended before any rate changes are implemented. Those funds carry no criteria for expenditure and can be used at the City's discretion for sewer related operations and projects. The budget is reflecting a reduction in the rate stabilization amount as the sewer proprietary fund now funds both the sewer revenue debt retirement and the CWSRF loan. CWSRF is historically and correctly funded through Sewer SDC's. As we move through the next three to five fiscal cycles, it will be important to begin a re-build of the rate stabilization fund. Steps toward that goal are not attainable in FY 2016/2017. We should look to the future for repair of that specific line item.

Issue Date – 05/25/2010 (Refinanced)
 Final Maturity – 03/01/2025
 Initial Loan Amount - \$3,545,000.00
 Interest Rate – 3.0% FY 10-17, 4% FY 18-25
 Remitted from – Sewer Proprietary

The following table shows the debt service repayment schedule for the 2010 Sewer Revenue Bonds:

| Fiscal Year | Principal | Interest | Reserve | Total Debt Service |
|--------------|-----------------------|----------------------|--------------|------------------------|
| 2017-2018 | \$ 230,000.00 | \$ 84,800.00 | \$315,600.00 | \$ 314,800.00 |
| 2018-2019 | \$ 240,000.00 | \$ 75,600.00 | \$316,000.00 | \$ 315,600.00 |
| 2019-2020 | \$ 250,000.00 | \$ 66,000.00 | \$316,000.00 | \$ 316,000.00 |
| 2020-2021 | \$ 260,000.00 | \$ 56,000.00 | \$315,600.00 | \$ 316,000.00 |
| 2021-2022 | \$ 270,000.00 | \$ 45,600.00 | \$314,800.00 | \$ 315,600.00 |
| 2022-2023 | \$ 280,000.00 | \$ 34,800.00 | \$313,600.00 | \$ 314,800.00 |
| 2023-2024 | \$ 290,000.00 | \$ 23,600.00 | \$312,000.00 | \$ 313,600.00 |
| 2024-2025 | \$ 300,000.00 | \$ 12,000.00 | \$ - | \$ 312,000.00 |
| TOTAL | \$2,120,000.00 | \$ 398,400.00 | | \$ 2,518,400.00 |

The following is the Sewer Debt Retirement budget:

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | SEWER RETIREMENT DEBT Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 459,221.44 | \$ 318,021.44 | \$ 315,800.00 | BEGINNING FUND BALANCE | \$ 314,050.00 | \$ 314,050.00 | \$ 314,050.00 |
| \$ 174,000.00 | \$ 315,928.56 | \$ 315,550.00 | TRANSFER FROM SEWER FUND | \$ 316,350.00 | \$ 316,350.00 | \$ 316,350.00 |
| \$ 633,221.44 | \$ 633,950.00 | \$ 631,350.00 | Total Sewer Retirement Resources | \$ 630,400.00 | \$ 630,400.00 | \$ 630,400.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | SEWER RETIREMENT DEBT Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 105,200.00 | \$ 98,900.00 | \$ 91,550.00 | 2010 SEWER REV BOND - INTEREST | \$ 84,800.00 | \$ 84,800.00 | \$ 84,800.00 |
| \$ 210,000.00 | \$ 220,000.00 | \$ 225,000.00 | 2010 SEWER REV BOND - PRINCIPA | \$ 230,000.00 | \$ 230,000.00 | \$ 230,000.00 |
| \$ 315,200.00 | \$ 318,900.00 | \$ 316,550.00 | Total Sewer Retirement Debt Service | \$ 314,800.00 | \$ 314,800.00 | \$ 314,800.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | SEWER RETIREMENT DEBT Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---------------------------------------|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ 314,800.00 | 2010 SEWER REV BOND - RESERVE | \$ 315,600.00 | \$ 315,600.00 | \$ 315,600.00 |
| \$ - | \$ - | \$ 314,800.00 | Total Sewer Retirement Reserve | \$ 315,600.00 | \$ 315,600.00 | \$ 315,600.00 |

The revenue source for the Sewer Debt Retirement is the Sewer Proprietary Fund and that revenue sources is primarily utility bills.

WATER DEBT RETIREMENT

In 2010, the City of Molalla refinanced the 1992 and 1997 Water Revenue Bonds into one bond at a lesser interest rate. The 2010 loan amount was \$2,475,000. It is to be paid in full in 2017. Two requirements of the bond exist which affect the budget. First, the City must always keep in reserve the next fiscal year's principal and interest payment. Second, the City is to create a rate stabilization line item. Those funds must be expended before any rate changes are implemented. Those funds carry no criteria for expenditure and can be used at the City's discretion for water related operations and projects. The need to re-establish the rate stabilization fund is not an issue as this debt is at the sunset of the debt and the sunset will be reached before any useable amount could be established.

Issue Date – 03/17/2010 (Refinanced)
 Final Maturity – 08/01/2017
 Initial Loan Amount - \$2,475,000.00
 Interest Rate – 3.0%
 Remitted from – Water Proprietary

The following table shows the debt service repayment schedule for the 2010 Water Revenue Bonds:

| Fiscal Year | Principal | Interest | Reserve | Total Debt Service |
|--------------|----------------------|---------------------|---------|----------------------|
| 2017-2018 | \$ 340,000.00 | \$ 10,200.00 | \$0.00 | \$ 350,200.00 |
| TOTAL | \$ 340,000.00 | \$ 10,200.00 | | \$ 350,200.00 |

The following is the Water Debt Retirement budget:

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | WATER RETIREMENT DEBT Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 569,419.92 | \$ 485,294.92 | \$ 396,044.92 | BEGINNING FUND BALANCE | \$ 354,849.00 | \$ 354,849.00 | \$ 354,849.00 |
| \$ 250,000.00 | \$ 250,000.00 | \$ 299,105.08 | TRANSFER FROM WATER FUND | \$ - | \$ - | \$ - |
| \$ 819,419.92 | \$ 735,294.92 | \$ 695,150.00 | Total Water Retirement Resources | \$ 354,849.00 | \$ 354,849.00 | \$ 354,849.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | WATER RETIREMENT DEBT Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 34,125.00 | \$ 24,600.00 | \$ 19,950.00 | 2010 REVENUE BOND - INTEREST | \$ 10,200.00 | \$ 10,200.00 | \$ 10,200.00 |
| \$ 300,000.00 | \$ 310,000.00 | \$ 325,000.00 | 2010 REVENUE BOND - PRINCIPAL | \$ 340,000.00 | \$ 340,000.00 | \$ 340,000.00 |
| \$ 334,125.00 | \$ 334,600.00 | \$ 344,950.00 | Total Water Retirement Debt Service | \$ 350,200.00 | \$ 350,200.00 | \$ 350,200.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | WATER RETIREMENT DEBT Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---------------------------------------|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ 350,200.00 | 2010 REVENUE BOND - RESERVE | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | RATE STABILIZATION | \$ 4,649.00 | \$ 4,649.00 | \$ 4,649.00 |
| \$ - | \$ - | \$ 350,200.00 | Total Water Retirement Reserve | \$ 4,649.00 | \$ 4,649.00 | \$ 4,649.00 |

The revenue source for the Water Debt Retirement is the Water Proprietary Fund and that revenue source is primarily utility bills.

WATER GENERAL OBLIGATION BOND

This bond was refinanced in partnership with the Water Debt Retirement bond as noted above.

Issue Date – 03/17/2010 (Refinanced)
 Final Maturity – 06/01/2018
 Initial Loan Amount - \$505,000.00
 Interest Rate – 2.0-3.5% Variable
 Remitted from – Property Taxes

The following table shows the debt service repayment schedule for the 2010 GO Water Bonds:

| Fiscal Year | Principal | Interest | Reserve | Total Debt Service |
|--------------|---------------------|--------------------|--------------|---------------------|
| 2017-2018 | \$ 65,000.00 | \$ 3,163.00 | \$ 31,050.00 | \$ 68,163.00 |
| 2018-2019 | \$ 30,000.00 | \$ 1,050.00 | | \$ 31,050.00 |
| TOTAL | \$ 95,000.00 | \$ 4,213.00 | | \$ 99,213.00 |

The following is the General Obligation Debt budget:

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | WATER GENERAL OBLIGATION DEBT Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 69,625.00 | \$ 66,526.00 | \$ 65,788.50 | BEGINNING FUND BALANCE | \$ 68,913.50 | \$ 68,913.50 | \$ 68,913.50 |
| \$ 63,738.50 | \$ 65,725.50 | \$ 67,337.50 | CURRENT PROPERTY TAXES | \$ 30,300.00 | \$ 30,300.00 | \$ 30,300.00 |
| \$ 133,363.50 | \$ 132,251.50 | \$ 133,126.00 | Total GO Debt Resources | \$ 99,213.50 | \$ 99,213.50 | \$ 99,213.50 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | WATER GENERAL OBLIGATION DEBT Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 6,837.50 | \$ 5,712.50 | \$ 4,963.00 | 2010 GO WATER BOND INTEREST | \$ 3,163.50 | \$ 3,163.50 | \$ 3,163.50 |
| \$ 60,000.00 | \$ 60,000.00 | \$ 60,000.00 | 2010 GO WATER BOND PRINCIPAL | \$ 65,000.00 | \$ 65,000.00 | \$ 65,000.00 |
| \$ 66,837.50 | \$ 65,712.50 | \$ 64,963.00 | Total GO Debt Service | \$ 68,163.50 | \$ 68,163.50 | \$ 68,163.50 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | WATER GENERAL OBLIGATION DEBT Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ 68,163.00 | 2010 GO WATER BOND RESERVE | \$ 31,050.00 | \$ 31,050.00 | \$ 31,050.00 |
| \$ - | \$ - | \$ 68,163.00 | Total GO Debt Reserve | \$ 31,050.00 | \$ 31,050.00 | \$ 31,050.00 |

The revenue source for the General Obligation Debt is Property Tax.

CWSRF

CWSRF (Clean Water State Revolving Fund) was used for capacity improvements at the waste water treatment plant. This is a 20 year loan that began in 2008. The loan may be re-paid using sewer SDC's or revenues from sewer proprietary. Original loan amount was \$2,670,000 with a final payment due 01/10/2028. The loan also maintains a next fiscal year principal and interest reserve requirement.

Issue Date – 08/01/2008

Final Maturity – 01/10/2028

Initial Loan Amount - \$2,670,000.00

Interest Rate – 2.8%

Remitted from – Sewer Proprietary / Sewer SDC

The following table shows the debt service repayment schedule for the Clean Water State Revolving Fund:

| Fiscal Year | Principal | Interest | Admin Fee | Reserve | Total Debt Service |
|--------------|-----------------------|---------------------|--------------------|---------------|-----------------------|
| 2017-2018 | \$ 132,467.00 | \$ 46,147.00 | \$ 8,076.00 | \$ 186,018.00 | \$ 186,690.00 |
| 2018-2019 | \$ 136,203.00 | \$ 42,411.00 | \$ 7,404.00 | \$ 185,328.00 | \$ 186,018.00 |
| 2019-2020 | \$ 140,043.00 | \$ 38,571.00 | \$ 6,714.00 | \$ 184,618.00 | \$ 185,328.00 |
| 2020-2021 | \$ 143,991.00 | \$ 34,623.00 | \$ 6,004.00 | \$ 183,888.00 | \$ 184,318.00 |
| 2021-2022 | \$ 148,051.00 | \$ 30,563.00 | \$ 5,274.00 | \$ 183,137.00 | \$ 183,888.00 |
| 2022-2023 | \$ 152,226.00 | \$ 26,388.00 | \$ 4,523.00 | \$ 182,365.00 | \$ 182,137.00 |
| 2023-2024 | \$ 156,518.00 | \$ 22,096.00 | \$ 3,751.00 | \$ 181,572.00 | \$ 182,365.00 |
| 2024-2025 | \$ 160,931.00 | \$ 17,683.00 | \$ 2,958.00 | \$ 180,756.00 | \$ 181,572.00 |
| 2025-2026 | \$ 165,469.00 | \$ 13,145.00 | \$ 2,142.00 | \$ 179,917.00 | \$ 180,756.00 |
| 2026-2027 | \$ 170,135.00 | \$ 8,479.00 | \$ 1,303.00 | \$ 179,063.00 | \$ 179,917.00 |
| 2027-2028 | \$ 174,941.00 | \$ 3,682.00 | \$ 440.00 | \$ 0.00 | \$ 179,063.00 |
| Total | \$1,680,975.00 | \$283,788.00 | \$48,589.00 | | \$2,012,052.00 |

The following is the CWSRF Debt budget:

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | CWSRF DEBT Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|------------------------------|--------------------------|--------------------------|-------------------------|
| \$ 193,160.00 | \$ 187,978.00 | \$ 187,343.00 | BEGINNING FUND BALANCE | \$ 183,156.00 | \$ 183,156.00 | \$ 183,156.00 |
| \$ 152,676.00 | \$ 187,343.00 | \$ 183,156.00 | TRANSFER FROM SEWER SDC FUND | \$ 132,467.00 | \$ 132,467.00 | \$ 132,467.00 |
| \$ 30,738.00 | \$ - | \$ - | TRANSFER FROM SEWER | \$ 57,085.00 | \$ 57,085.00 | \$ 57,085.00 |
| \$ 376,574.00 | \$ 375,321.00 | \$ 370,499.00 | Total CWSRF Resources | \$ 372,708.00 | \$ 372,708.00 | \$ 372,708.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | CWSRF DEBT Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---------------------------------|--------------------------|--------------------------|-------------------------|
| \$ 9,982.00 | \$ 9,364.00 | \$ 8,729.00 | CWSRF - ADMIN FEE | \$ 8,076.00 | \$ 8,076.00 | \$ 8,076.00 |
| \$ 56,749.00 | \$ 53,313.00 | \$ 49,779.00 | CWSRF - INTEREST | \$ 46,147.00 | \$ 46,147.00 | \$ 46,147.00 |
| \$ 121,865.00 | \$ 125,301.00 | \$ 125,301.00 | CWSRF - PRINCIPAL | \$ 132,467.00 | \$ 132,467.00 | \$ 132,467.00 |
| \$ 188,596.00 | \$ 187,978.00 | \$ 183,809.00 | Total CWSRF Debt Service | \$ 186,690.00 | \$ 186,690.00 | \$ 186,690.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | CWSRF DEBT Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|----------------------------|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ 186,690.00 | CWSRF - RESERVE | \$ 186,018.00 | \$ 186,018.00 | \$ 186,018.00 |
| \$ - | \$ - | \$ 186,690.00 | Total CWSRF Reserve | \$ 186,018.00 | \$ 186,018.00 | \$ 186,018.00 |

The revenue source for the CWSRF can come from Sewer SDC as the project completed met the Sewer SDC methodology requirements for system expansion or the Sewer Proprietary. The 2017/2018 reflects the principal payment from the Sewer SDC and the interest and administrative fee payment from the proprietary fund.

SYSTEM DEVELOPMENT CHARGES



System Development Charges

In November 2013, the City of Molalla examined the City's five public utility Capital Improvement Plans (CIP) and to update the System Development Charge (SDC) methodologies to maintain compliance with state statutes. These Capital Improvement Plans are based on the Master Plans for each area of the municipal infrastructure as supplemented by an inventory of projects identified by City staff subsequent to adopting the plans.

The City of Molalla's System Development Charges are divided into five areas of infrastructure in compliance with the requirements of the Oregon Revised Statutes, to include:

1. Water supply, treatment, distribution, and storage system;
2. Wastewater collection, treatment, and disposal;
3. Storm water and flood control systems;
4. Transportation systems;
5. Parks and recreation facilities.

SDC METHODOLOGY OVERVIEW

Oregon Revised Statutes 223.297 through 223.314 provide the statutory basis for application of System Development Charges. This statute is intended to provide a uniform framework for development of equitable funding to support orderly growth.

Based on the statutes, SDCs are composed of:

- Reimbursement Fees to address the value of existing improvements,
- Improvement Fees to address the cost of needed future improvements, or
- Combination of both Reimbursement and Improvement Fees.

The City's updated methodologies identify current "replacement value" for all existing improvements to establish the basis of the Reimbursement Fee. The basis for the Improvement Fee is the "estimated cost" of improvements not yet constructed, but needed, to serve future populations.

Existing improvements typically have surplus capacity for future users as well as deficiencies in serving the existing users. Similarly, projects on the Capital Improvement Plan listing are required to provide capacity for future users. They also frequently resolve deficiencies in service to the existing users. To account for the available capacity in the City's infrastructure and the concurrent need to undertake capital improvements to resolve deficiencies, the Molalla SDC Methodologies include a combination of both Reimbursement Fees and Improvement Fees.

To assure an equitable allocation of costs between existing and future users, the value of all existing facilities and the estimated cost of all future improvements are allocated to all users, current and future equally, based on their proportionate use of the available capacity. This methodology avoids double charging for capacity and is also independent of current population. With this approach there is no need to identify percentage of remaining capacity to serve future users, nor to estimate future population growth. This allocation is dependent only upon the ultimate capacity of the facility and the value or cost of the facility.

Although all SDCs are primarily related to population, the rate of population growth has no impact on calculation of the fee. The fee is based on funding needed for improvements to support growth, independent of when that population growth is realized. In periods of high growth, SDC revenues will accrue more quickly to allow construction of needed improvements earlier to support the accelerated growth. In periods of low growth, revenues will accrue more slowly, but the need for infrastructure improvements to support this growth is also protracted.

SDCs are typically collected with the issuance of building permits. As a result, the unit of measure for allocating SDC costs is defined in various unique forms for each utility, but is generally based on the impact of one single family residential unit which is adopted to be one Equivalent Dwelling Unit (EDU).

SDC ADMINISTRATION REQUIREMENTS

Per ORS 223.311, System Development Charge revenues must be deposited in dedicated accounts for each utility and an annual accounting prepared identifying amounts collected for each utility, amounts spent on each qualified project, and the annual cost of complying with these requirements.

The statute mandates that Reimbursement fees may be expended on any capital improvements or associated debt service within the subject infrastructure. Improvement Fees may only be spent on projects included in the Capital Improvement Plan for each infrastructure, including associated debt service. Accordingly, it is important to account for reimbursement and improvement fees separately.

LOOKING FORWARD INTO 2017/2018

Several projects have been identified for FY 2017/18 that will utilize system development charge fees for increasing system capacity. The following is a list of those projects:

Sewer SDC

Wastewater Facility and System Plan Update, WWTP New Headworks, WWTP New Headworks Lift Gate System, and WWTP New Monitoring Wells.

Water SDC

Lola Avenue (5th to Main) Waterline Replacement, 3rd Street (Lola to Berkeley) Waterline Replacement, 4th Street (Metzler to Hart) Waterline Replacement, Metzler Avenue (7th to Main) Waterline Replacement, Faurie Avenue (Francis to Miller) Waterline Replacement, and WTP New 1400 GPM Trident Filtration Plant.

Street SDC

Transportation System Plan Update and OR 211 Pedestrian & Bicycle Improvements (213 to Ona Way)

Parks SDC

Clark Park Sidewalk Improvements and Future Park Land Acquisition

Stormwater SDC

WWTP Storm Drainage Improvements.

With the plan approvals for Bear Creek Subdivision during FY 2106/17 and Twin Meadow Subdivision during the first quarter of FY 2017/18, we anticipate construction of these two subdivisions during the year with construction of approximately 20 new homes by the end of the fiscal year. No new projects for commercial or industrial developments are anticipated at this time during FY 2017/18. Full SDC Budget Summary of SDC (Water, Sewer, Street, Storm, and Parks):

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | ALL SYSTEM DEVELOPMENT CHARGES RESOURCES | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 2,660,002.31 | \$ 3,214,627.45 | \$ 4,761,237.37 | BFB | \$ 4,265,119.00 | \$ 4,265,119.00 | \$ 4,265,119.00 |
| \$ 844,846.00 | \$ 2,356,898.00 | \$ 2,235,870.00 | Fees, Licenses, Permits | \$ 409,240.00 | \$ 409,240.00 | \$ 409,240.00 |
| \$ 3,504,848.31 | \$ 5,571,525.45 | \$ 6,997,107.37 | Total All SDC Resources | \$ 4,674,359.00 | \$ 4,674,359.00 | \$ 4,674,359.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | REQUIREMENTS | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ - | \$ 7,170.20 | \$ 50,000.00 | Material & Services | \$ 165,000.00 | \$ 165,000.00 | \$ 165,000.00 |
| \$ 137,544.86 | \$ 554,040.80 | \$ 3,701,237.37 | Capital Improvements | \$ - | \$ - | \$ - |
| \$ 152,676.00 | \$ 187,343.00 | \$ 183,156.00 | Transfers Out | \$ 2,615,667.00 | \$ 2,615,667.00 | \$ 2,615,667.00 |
| \$ - | \$ - | \$ 3,062,714.00 | Reserve | \$ 1,893,692.00 | \$ 1,893,692.00 | \$ 1,893,692.00 |
| \$ 290,220.86 | \$ 748,554.00 | \$ 6,997,107.37 | Total All SDC Requirements | \$ 4,674,359.00 | \$ 4,674,359.00 | \$ 4,674,359.00 |
| \$ 3,214,627.45 | \$ 4,822,971.45 | \$ - | NET RESOURCES OVER REQUIREMENTS | \$ - | \$ - | \$ - |

The following section will present the individual SDC funds in a line item detail format to identify the breakdown with which staff will function and maintain compliance within each appropriation.

WATER SDC LINE ITEM DETAIL

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | WATER SYSTEM DEVELOPMENT CHARGES Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 1,366,646.83 | \$ 1,501,546.83 | \$ 2,000,000.00 | BEGINNING FUND BALANCE | \$ 1,784,004.00 | \$ 1,784,004.00 | \$ 1,784,004.00 |
| \$ 91,200.00 | \$ 378,000.00 | \$ 310,000.00 | WATER SDC - REIMBURSEMENT FEE | \$ 12,380.00 | \$ 12,380.00 | \$ 12,380.00 |
| \$ 43,700.00 | \$ 181,055.00 | \$ 160,750.00 | WATER SDC - IMPROVMENT FEE | \$ 62,480.00 | \$ 62,480.00 | \$ 62,480.00 |
| \$ 1,501,546.83 | \$ 2,060,601.83 | \$ 2,470,750.00 | Total Water SDC Resources | \$ 1,858,864.00 | \$ 1,858,864.00 | \$ 1,858,864.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | WATER SYSTEM DEVELOPMENT CHARGES Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ - | \$ 5,105.20 | \$ 10,000.00 | PROFESSIONAL SERVICES | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 |
| \$ - | \$ 5,105.20 | \$ 10,000.00 | Total Water SDC Material & Services | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | WATER SYSTEM DEVELOPMENT CHARGES Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ - | \$ 65,905.00 | \$ 1,350,000.00 | CAPITAL IMPROVEMENTS | \$ - | \$ - | \$ - |
| \$ - | \$ 65,905.00 | \$ 1,350,000.00 | Total Water SDC Capital Imp | \$ - | \$ - | \$ - |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | WATER SYSTEM DEVELOPMENT CHARGES Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ - | TRANSFER TO CAPITAL PROJECT F | \$ 855,200.00 | \$ 855,200.00 | \$ 855,200.00 |
| \$ - | \$ - | \$ - | Total Water SDC Transfers Out | \$ 855,200.00 | \$ 855,200.00 | \$ 855,200.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | WATER SYSTEM DEVELOPMENT CHARGES Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ 1,110,750.00 | RESERVE - IMPROVEMENT SDC | \$ 986,284.00 | \$ 986,284.00 | \$ 986,284.00 |
| \$ - | \$ - | \$ - | RESERVE - REIMBURSEMENT SDC | \$ 12,380.00 | \$ 12,380.00 | \$ 12,380.00 |
| \$ - | \$ - | \$ 1,110,750.00 | Total Water SDC Reserve | \$ 998,664.00 | \$ 998,664.00 | \$ 998,664.00 |

SEWER SDC LINE ITEM DETAIL

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | SEWER SYSTEM DEVELOPMENT CHARGES Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 210,310.00 | \$ 238,034.00 | \$ 775,000.00 | BEGINNING FUND BALANCE | \$ 711,701.00 | \$ 711,701.00 | \$ 711,701.00 |
| \$ 137,120.00 | \$ 610,184.00 | \$ 450,000.00 | SEWER SDC - REIMBURSEMENT FEE | \$ 3,960.00 | \$ 3,960.00 | \$ 3,960.00 |
| \$ 43,280.00 | \$ 192,596.00 | \$ 213,610.00 | SEWER SDC - IMPROVEMENT FEE | \$ 90,040.00 | \$ 90,040.00 | \$ 90,040.00 |
| \$ 390,710.00 | \$ 1,040,814.00 | \$ 1,438,610.00 | Total Sewer SDC Resources | \$ 805,701.00 | \$ 805,701.00 | \$ 805,701.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | SEWER SYSTEM DEVELOPMENT CHARGES Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ - | \$ 2,065.00 | \$ 10,000.00 | PROFESSIONAL SERVICES | \$ 155,000.00 | \$ 155,000.00 | \$ 155,000.00 |
| \$ - | \$ 2,065.00 | \$ 10,000.00 | Total Sewer SDC Material & Services | \$ 155,000.00 | \$ 155,000.00 | \$ 155,000.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | SEWER SYSTEM DEVELOPMENT CHARGES Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ 650,000.00 | CAPITAL IMPROVEMENTS | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ 650,000.00 | Total Sewer SDC Capital Improvements | \$ - | \$ - | \$ - |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | SEWER SYSTEM DEVELOPMENT CHARGES Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 152,676.00 | \$ 187,343.00 | \$ 183,156.00 | TRANSFER TO SEWER CWSRF FUND | \$ 132,467.00 | \$ 132,467.00 | \$ 132,467.00 |
| \$ - | \$ - | \$ - | TRANSFER TO CAPITAL PROJECTS | \$ 283,000.00 | \$ 283,000.00 | \$ 283,000.00 |
| \$ 152,676.00 | \$ 187,343.00 | \$ 183,156.00 | Total Sewer SDC Transfers Out | \$ 415,467.00 | \$ 415,467.00 | \$ 415,467.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | SEWER SYSTEM DEVELOPMENT CHARGES Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ 595,454.00 | RESERVE - IMPROVEMENT SDC | \$ 231,274.00 | \$ 231,274.00 | \$ 231,274.00 |
| \$ - | \$ - | \$ - | RESERVE - REIMBURSEMENT SDC | \$ 3,960.00 | \$ 3,960.00 | \$ 3,960.00 |
| \$ - | \$ - | \$ 595,454.00 | Total Sewer SDC Reserve | \$ 235,234.00 | \$ 235,234.00 | \$ 235,234.00 |

STREET SDC LINE ITEM DETAIL

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | STREET SYSTEM DEVELOPMENT CHARGES Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 311,859.35 | \$ 323,482.65 | \$ 550,000.00 | BEGINNING FUND BALANCE | \$ 490,979.00 | \$ 490,979.00 | \$ 490,979.00 |
| \$ 108,525.00 | \$ 433,458.00 | \$ 432,010.00 | TRANSPORTATION SDC | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | TRANSPORTATION - REIMBURSEMENT | \$ 15,380.00 | \$ 15,380.00 | \$ 15,380.00 |
| \$ - | \$ - | \$ - | TRANSPORTATION - IMPROVEMENT | \$ 63,060.00 | \$ 63,060.00 | \$ 63,060.00 |
| \$ 420,384.35 | \$ 756,940.65 | \$ 982,010.00 | Total Street SDC Resources | \$ 569,419.00 | \$ 569,419.00 | \$ 569,419.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | STREET SYSTEM DEVELOPMENT CHARGES Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ 10,000.00 | PROFESSIONAL SERVICES | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 |
| \$ - | \$ - | \$ 10,000.00 | Total Street SDC Material & Services | \$ 5,000.00 | \$ 5,000.00 | \$ 5,000.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | STREET SYSTEM DEVELOPMENT CHARGES Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 96,901.70 | \$ 288,511.80 | \$ 475,000.00 | CAPITAL IMPROVEMENTS | \$ - | \$ - | \$ - |
| \$ 96,901.70 | \$ 288,511.80 | \$ 475,000.00 | Total Street SDC Capital Improvements | \$ - | \$ - | \$ - |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | STREET SYSTEM DEVELOPMENT CHARGES Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ - | TRANSFER TO CAPITAL PROJECTS | \$ 330,000.00 | \$ 330,000.00 | \$ 330,000.00 |
| \$ - | \$ - | \$ - | Total Street SDC Transfers Out | \$ 330,000.00 | \$ 330,000.00 | \$ 330,000.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | STREET SYSTEM DEVELOPMENT CHARGES Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ 497,010.00 | RESERVE - IMPROVEMENT SDC | \$ 219,039.00 | \$ 219,039.00 | \$ 219,039.00 |
| \$ - | \$ - | \$ - | RESERVE - REIMBURSEMENT SDC | \$ 15,380.00 | \$ 15,380.00 | \$ 15,380.00 |
| \$ - | \$ - | \$ 497,010.00 | Total Street SDC Reserve | \$ 234,419.00 | \$ 234,419.00 | \$ 234,419.00 |

STORM SDC LINE ITEM DETAIL

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | STORM SYSTEM DEVELOPMENT CHARGES Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 176,369.37 | \$ 203,934.37 | \$ 136,237.37 | BEGINNING FUND BALANCE | \$ 34,575.00 | \$ 34,575.00 | \$ 34,575.00 |
| \$ 777.00 | \$ 3,675.00 | \$ 3,000.00 | STORM SDC - REMBURSEMENT FEE | \$ 820.00 | \$ 820.00 | \$ 820.00 |
| \$ 26,788.00 | \$ 126,700.00 | \$ 96,500.00 | STORM SDC - IMPROVEMENT FEE | \$ 16,660.00 | \$ 16,660.00 | \$ 16,660.00 |
| \$ 203,934.37 | \$ 334,309.37 | \$ 235,737.37 | Total Storm SDC Resources | \$ 52,055.00 | \$ 52,055.00 | \$ 52,055.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | STORM SYSTEM DEVELOPMENT CHARGES Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ 10,000.00 | PROFESSIONAL SERVICES | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ 10,000.00 | Total Storm SDC Material & Services | \$ - | \$ - | \$ - |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | STORM SYSTEM DEVELOPMENT CHARGES Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ - | \$ 199,624.00 | \$ 126,237.37 | CAPITAL IMPROVEMENTS | \$ - | \$ - | \$ - |
| \$ - | \$ 199,624.00 | \$ 126,237.37 | Total Storm SDC Capital Improvements | \$ - | \$ - | \$ - |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | STORM SYSTEM DEVELOPMENT CHARGES Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ - | TRANSFER TO CAPITAL PROJECTS | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 |
| \$ - | \$ - | \$ - | Total Storm SDC Transfers Out | \$ 15,000.00 | \$ 15,000.00 | \$ 15,000.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | STORM SYSTEM DEVELOPMENT CHARGES Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ 99,500.00 | RESERVE - IMPROVEMENT SDC | \$ 36,235.00 | \$ 36,235.00 | \$ 36,235.00 |
| \$ - | \$ - | \$ - | RESERVE - REIMBURSEMENT SDC | \$ 820.00 | \$ 820.00 | \$ 820.00 |
| \$ - | \$ - | \$ 99,500.00 | Total Storm SDC Reserve | \$ 37,055.00 | \$ 37,055.00 | \$ 37,055.00 |

PARKS SDC LINE ITEM DETAIL

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PARK SYSTEM DEVELOPMENT CHARGES Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 594,816.76 | \$ 947,629.60 | \$ 1,300,000.00 | BEGINNING FUND BALANCE | \$ 1,243,860.00 | \$ 1,243,860.00 | \$ 1,243,860.00 |
| \$ 191,436.00 | \$ - | \$ - | PARK SDC'S | \$ - | \$ - | \$ - |
| \$ 202,020.00 | \$ 431,230.00 | \$ 570,000.00 | PARK SDC - IMPROVEMENT FEE | \$ 144,460.00 | \$ 144,460.00 | \$ 144,460.00 |
| \$ 988,272.76 | \$ 1,378,859.60 | \$ 1,870,000.00 | Total Park SDC Resources | \$ 1,388,320.00 | \$ 1,388,320.00 | \$ 1,388,320.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PARK SYSTEM DEVELOPMENT CHARGES Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ 10,000.00 | PROFESSIONAL SERVICES | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ 10,000.00 | Total Park SDC Material & Services | \$ - | \$ - | \$ - |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PARK SYSTEM DEVELOPMENT CHARGES Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 40,643.16 | \$ - | \$ 1,100,000.00 | CAPITAL IMPROVEMENTS | \$ - | \$ - | \$ - |
| \$ 40,643.16 | \$ - | \$ 1,100,000.00 | Total Park SDC Capital Improvements | \$ - | \$ - | \$ - |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PARK SYSTEM DEVELOPMENT CHARGES Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ - | TRANSFER TO CAPITAL PROJECTS | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,000,000.00 |
| \$ - | \$ - | \$ - | Total Park SDC Transfers Out | \$ 1,000,000.00 | \$ 1,000,000.00 | \$ 1,000,000.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PARK SYSTEM DEVELOPMENT CHARGES Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ 760,000.00 | RESERVE | \$ 388,320.00 | \$ 388,320.00 | \$ 388,320.00 |
| \$ - | \$ - | \$ 760,000.00 | Total Park SDC Reserve | \$ 388,320.00 | \$ 388,320.00 | \$ 388,320.00 |

SPECIAL REVENUE



Special Revenue Funds

A special revenue fund is used to account for proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes and separate funds should be established for them. The City of Molalla manages dedicated resources and requirements for the following funds:

- PD Restricted Revenues. This fund houses dedicated revenues which are expenditure specific, for example K-9 or PD scholarships.
- Water/Sewer Deposits. Funds in trust, due back to residents, either through refund or applied to utility account.

SPECIAL REVENUE FUND SUMMARY

The table below provides a full summary of activity in the general fund for both resources and requirements. The special revenue fund used to include a Grant Fund, this fund was established to manage community grants from the City to a specific organization, for example; TAP grants from Clackamas County. The County has elected to pay grant revenues direct to vendors rather than the local government. The Grant Fund data can now be found in the inactive fund section.

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | ALL SPECIAL REVENUES RESOURCES | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 20,572.58 | \$ 34,900.79 | \$ 32,000.00 | BFB | \$ 43,500.00 | \$ 43,500.00 | \$ 43,500.00 |
| \$ 20,000.00 | \$ - | \$ - | Fed, State, Grants | \$ - | \$ - | \$ - |
| \$ 38,951.51 | \$ 47,613.22 | \$ 35,540.00 | All Other Resources | \$ 35,850.00 | \$ 35,850.00 | \$ 35,850.00 |
| \$ - | \$ - | \$ - | Transfers In | \$ - | \$ - | \$ - |
| \$ 79,524.09 | \$ 82,514.01 | \$ 67,540.00 | Total All Special Revenue Resources | \$ 79,350.00 | \$ 79,350.00 | \$ 79,350.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | REQUIREMENTS | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 44,623.30 | \$ 48,173.18 | \$ 67,540.00 | Material & Services | \$ 79,350.00 | \$ 79,350.00 | \$ 79,350.00 |
| \$ 44,623.30 | \$ 48,173.18 | \$ 67,540.00 | Total All Special Revenue Requirements | \$ 79,350.00 | \$ 79,350.00 | \$ 79,350.00 |
| \$ 34,900.79 | \$ 34,340.83 | \$ - | NET RESOURCES OVER REQUIREMENTS | \$ - | \$ - | \$ - |

PD Restricted Revenues. This fund houses dedicated revenues which are expenditure specific, for example K-9 or PD scholarships.

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PD RESTRICTED REVENUES Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 16,592.98 | \$ 33,865.01 | \$ 24,000.00 | BEGINNING FUND BALANCE | \$ 27,000.00 | \$ 27,000.00 | \$ 27,000.00 |
| \$ 18,237.03 | \$ 20,171.84 | \$ 12,000.00 | EMERGENCY VEHICLE FUND | \$ 4,750.00 | \$ 4,750.00 | \$ 4,750.00 |
| \$ - | \$ - | \$ - | K9 DONATIONS | \$ - | \$ - | \$ - |
| \$ 1,035.00 | \$ 590.00 | \$ 540.00 | POLICE PAYROLL DONATIONS | \$ 600.00 | \$ 600.00 | \$ 600.00 |
| \$ - | \$ 1,178.00 | \$ 1,000.00 | POLICE AUCTION / YOUTH FUND | \$ 500.00 | \$ 500.00 | \$ 500.00 |
| \$ 35,865.01 | \$ 55,804.85 | \$ 37,540.00 | Total PD Restricted Resources | \$ 32,850.00 | \$ 32,850.00 | \$ 32,850.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | PD RESTRICTED REVENUES Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ 1,751.00 | K9 | \$ 1,751.00 | \$ 1,751.00 | \$ 1,751.00 |
| \$ - | \$ 32,404.35 | \$ 32,889.00 | PD EVF (COURT ASSESSMENT) | \$ 29,099.00 | \$ 29,099.00 | \$ 29,099.00 |
| \$ 1,000.00 | \$ - | \$ 1,000.00 | YOUTH ATHLETIC SCHOLARSHIPS | \$ 500.00 | \$ 500.00 | \$ 500.00 |
| \$ 1,000.00 | \$ - | \$ 1,900.00 | COLLEGE SCHOLARSHIP ALLOCATION | \$ 1,500.00 | \$ 1,500.00 | \$ 1,500.00 |
| \$ 2,000.00 | \$ 32,404.35 | \$ 37,540.00 | Total PD Restricted Material & Services | \$ 32,850.00 | \$ 32,850.00 | \$ 32,850.00 |

Water/Sewer Deposits. Funds in trust, due back to residents either through refund or applied utility accounts.

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | WATER/SEWER DEPOSITS Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--------------------------------------|--------------------------|--------------------------|-------------------------|
| \$ 3,979.60 | \$ 1,035.78 | \$ 8,000.00 | BEGINNING FUND BALANCE | \$ 16,500.00 | \$ 16,500.00 | \$ 16,500.00 |
| \$ 19,679.48 | \$ 25,673.38 | \$ 22,000.00 | WATER/SEWER DEPOSITS | \$ 30,000.00 | \$ 30,000.00 | \$ 30,000.00 |
| \$ 23,659.08 | \$ 26,709.16 | \$ 30,000.00 | Total Water/Sewer Resources | \$ 46,500.00 | \$ 46,500.00 | \$ 46,500.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | WATER/SEWER DEPOSITS Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--------------------------------------|--------------------------|--------------------------|-------------------------|
| \$ 22,623.30 | \$ 15,768.83 | \$ 30,000.00 | WATER/SEWER DEPOSITS REFUNDED | \$ 46,500.00 | \$ 46,500.00 | \$ 46,500.00 |
| \$ 22,623.30 | \$ 15,768.83 | \$ 30,000.00 | Total Water/Sewer M&S | \$ 46,500.00 | \$ 46,500.00 | \$ 46,500.00 |



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INACTIVE FUNDS



Inactive Funds

Oregon budget law requires an inactive and/or discontinued fund remain on the books and participate in the audit/budget process for three full fiscal cycles without activity. After that time the fund is officially closed and can be removed from these processes.

The following funds meets this criteria: the Aquatic Center and the Grant Fund. These funds do not affect the FY 2017/2018 budget.

The following is the Aquatic Center Fund:

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | AQUATIC CENTER FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---------------------------------------|--------------------------|--------------------------|-------------------------|
| \$ 37,809.24 | \$ 12,165.83 | \$ - | BEGINNING FUND BALANCE | \$ - | \$ - | \$ - |
| \$ 43,795.91 | \$ 293.72 | \$ - | PARK & RECREATION FEES | \$ - | \$ - | \$ - |
| \$ 87,500.00 | \$ 345,000.00 | \$ - | TRANSFER FROM GENERAL FUND | \$ - | \$ - | \$ - |
| \$ 21,732.87 | \$ - | \$ - | RECREATION FEE | \$ - | \$ - | \$ - |
| \$ 190,838.02 | \$ 357,459.55 | \$ - | Total Aquatic Center Resources | \$ - | \$ - | \$ - |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | AQUATIC CENTER FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|-------------------------------------|--------------------------|--------------------------|-------------------------|
| \$ 5,206.96 | \$ - | \$ - | PERS | \$ - | \$ - | \$ - |
| \$ 1,429.51 | \$ - | \$ - | SAIF | \$ - | \$ - | \$ - |
| \$ 3,345.99 | \$ - | \$ - | FICA | \$ - | \$ - | \$ - |
| \$ 4,993.94 | \$ - | \$ - | INSURANCE | \$ - | \$ - | \$ - |
| \$ - | \$ 3,562.94 | \$ - | UNEMPLOYMENT LIABILITY | \$ - | \$ - | \$ - |
| \$ 20,054.84 | \$ - | \$ - | AQUATIC CENTER SUPERVISOR | \$ - | \$ - | \$ - |
| \$ 34,302.16 | \$ - | \$ - | PART TIME EMPLOYEES | \$ - | \$ - | \$ - |
| \$ 69,333.40 | \$ 3,562.94 | \$ - | Total Personnel Service | \$ - | \$ - | \$ - |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | AQUATIC CENTER FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 22,846.87 | \$ 9,105.33 | \$ - | POWER | \$ - | \$ - | \$ - |
| \$ 858.14 | \$ - | \$ - | PHONE | \$ - | \$ - | \$ - |
| \$ 6,558.22 | \$ - | \$ - | NATURAL GAS | \$ - | \$ - | \$ - |
| \$ 14,949.21 | \$ 55.00 | \$ - | OPERATION & MAINTENANC | \$ - | \$ - | \$ - |
| \$ - | \$ 325,000.00 | \$ - | MRSD LEASE CONTRACT BUYOUT | \$ - | \$ - | \$ - |
| \$ 4,989.12 | \$ - | \$ - | BUILDING MAINTENANCE | \$ - | \$ - | \$ - |
| \$ 9,090.07 | \$ - | \$ - | EQUIPMENT MAINTENANCE & REPAIR | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | TRAINING | \$ - | \$ - | \$ - |
| \$ 149.60 | \$ - | \$ - | DUES & MEMBERSHIP | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | POSTAGE | \$ - | \$ - | \$ - |
| \$ 556.50 | \$ - | \$ - | PRINTING & PUBLICATION | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | PROFESSIONAL SERVICES | \$ - | \$ - | \$ - |
| \$ 21,233.65 | \$ 5,282.72 | \$ - | INSURANCE/LIABILITY/GEN | \$ - | \$ - | \$ - |
| \$ 204.28 | \$ - | \$ - | OFFICE SUPPLIES | \$ - | \$ - | \$ - |
| \$ 436.30 | \$ - | \$ - | CONCESSION SUPPLIES | \$ - | \$ - | \$ - |
| \$ 25,973.21 | \$ 14,310.04 | \$ - | COST ALLOCATION AGREEMENT | \$ - | \$ - | \$ - |
| \$ 1,493.62 | \$ 143.52 | \$ - | CHLORINE & CHEMICAL | \$ - | \$ - | \$ - |
| \$ 109,338.79 | \$ 353,896.61 | \$ - | Total Aquatic Center Material & Svcs. | \$ - | \$ - | \$ - |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | AQUATIC CENTER FUND Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|-------------------------------------|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ - | CAPITAL IMPROVEMENT | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | Total Aquatic Center Capital | \$ - | \$ - | \$ - |

The following is the Grant Fund:

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | TAP GRANT (Special Revenue) Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 20,000.00 | \$ - | \$ - | TAP GRANT (Clackamas County) | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | TRANSFER FROM GENERAL FUND | \$ - | \$ - | \$ - |
| \$ 20,000.00 | \$ - | \$ - | Total TAP Resources | \$ - | \$ - | \$ - |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | TAP GRANT (Special Revenue) Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 20,000.00 | \$ - | \$ - | GRANT DISTRIBUTIONS | \$ - | \$ - | \$ - |
| \$ 20,000.00 | \$ - | \$ - | Total TAP Material & Services | \$ - | \$ - | \$ - |



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SECTION 3

URBAN RENEWAL AGENCY



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MOLALLA URBAN RENEWAL AGENCY



Urban Renewal Agency



To: Budget Committee Members and Citizens of Molalla
From: Dan Huff, Agency Director, Budget Officer
Date: May 9, 2017
RE: Presentation of the Fiscal Year 2017/2018 Proposed Budget for the Molalla Urban Renewal Agency

Honorable Chair
Agency Members
Budget Committee Members
Citizens of the City of Molalla

The Molalla Urban Renewal Agency (MURA) oversees the administration and implementation of the Molalla Urban Renewal District. The Committee will notice that we had a robust MURA budget for the 2016/2017 fiscal year that produced full implementation of bonds approved by Agency Members during the 2014/2015 fiscal year. Most of you will recall that the MURA identified and approved five (5) street improvement projects in priority as follows:

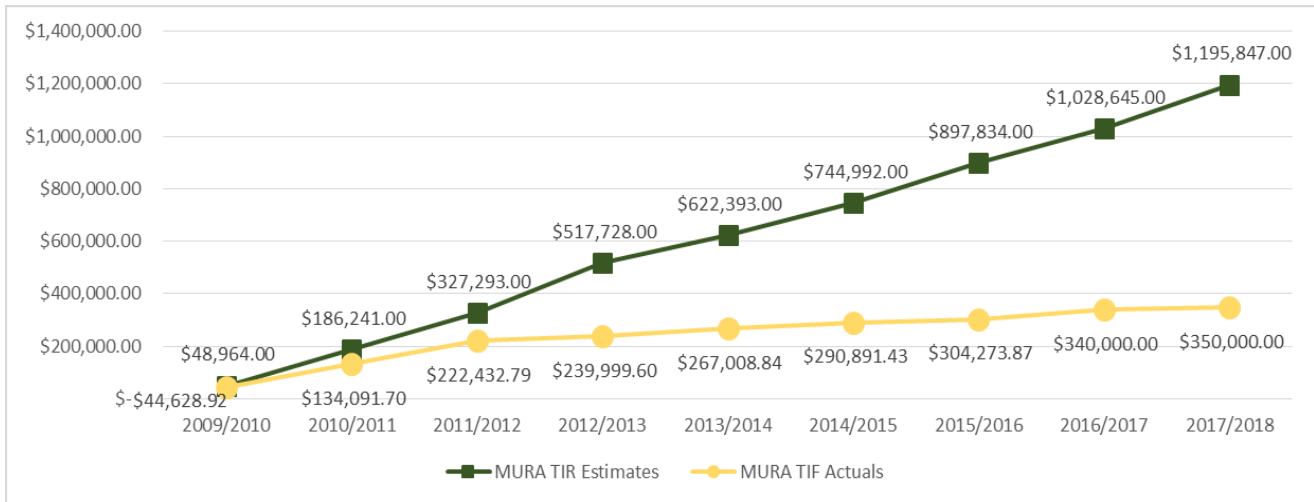
1. Heintz Street Extension
2. North and South Molalla Avenue
3. Shaver Avenue
4. Hart Avenue
5. Metzler Avenue

We were able to fully complete Heintz Street Extension and North and South Molalla Avenue Project as part of that full implementation. This fund is now in a resting phase as our focus changes from projects to debt repayment. We are not proposing any MURA projects for 2017/2018 and will focus on early Bond payback. The URA bond is designed as a fourteen (14) year pay-off (before the sunset of the URA), with a call date at ten (10) years and no-penalty payoff. This will open the URA timeline and/or capture a second bond opportunity if the Agency so elects.

In FY 2015/2016 and continuing into FY 2016/2017, the Agency has used bond proceeds to complete two large capital projects. The Heintz Street extension installed a street section that previously did not exist between Kennel and Ridings. The cross section has improved traffic flow for the very congested Main/Molalla intersection by providing another route alternative for vehicles, pedestrians, and bicycles.

We have seen the full impact of Heintz Extension as our community has been able to use the street and pedestrian access through a full summer and winter. North and South Molalla Avenue will hopefully be the game changer as advertised with a facelift and opportunities to promote Molalla for years to come. The balance of the MURA project list will wait and see how our funding grows.

At the beginning of the Urban Renewal Agency, original projections (in green) regarding Tax Increment Financing were highly inflated. The Agency administration used the TIF recalculation in 2012 and the actual resources (in yellow) received to identify trends and make projections. The following graph represents the tax increment revenue trend:



For history sake, the Agency believed there was value in the District for pursuing original goals and purpose and moved to pursue bonding of \$3.5 million. The Agency leveraged resources to undertake major community improvements as defined within the plan. This bond partnered with the City of Molalla municipal corporation with a full faith in credit bond to lock in a more competitive interest rate allowing for more tax increment revenue to be available for projects rather than just debt repayment. The constraints on the MURA plan define that all project debt is paid off and all projects are complete by FY 2028/2029, the final year of the Agency.

Since development of the Agency in 2008, the City of Molalla has charged the Agency \$10,000.00 per year to cover costs associated with the City Manager, Finance Director, City Recorder, accounts payable, legal, audits, and budget. In FY 2015/2016 and FY 2016/2017, the allocation will be \$25,000.00 per year as the administrative support necessary for bonding and project management is time consuming. As the projects are completed the allocation will return to \$10,000.00 in FY 2017/2018. The Agency does not, and will not in the future, carry a personnel service allocation. Therefore the professional service charge to the city will contribute to those costs.

The proposed FY 2017/2018 budget for the MURA is balanced as required by state law. The previous fiscal year activities were all within appropriation and the Agency ended with a positive ending fund balance. Debt repayment account exists in requirements to acknowledge the Agency intent to pursue and close a bond.

Sincerely,

Dan Huff
 City Manager, Budget Officer, and Urban Renewal Director
 City of Molalla, Oregon

The Molalla Urban Renewal Agency, although a different corporation with its own Board, functions under the administration of the City of Molalla and is governed by the same financial policies, procedures, and goals. In addition, the agency is budgeted and audited in partnership with the City.

In 2015 the Agency bonded using a full faith in credit bond in partnership with the City of Molalla. The Molalla Urban Renewal Agency will be responsible for the debt repayment meaning the Agency must always keep in reserve the next fiscal year's principal and interest payment. The URA bond is designed as a fourteen (14) year pay-off (before the sunset of the URA), with a call date at ten (10) years and with a no-penalty payoff. This will open the URA timeline and/or capture a second bond opportunity if the Agency so elects.

The bonding process required a rating from Standard and Poor's. They assigned an underlying rating of the City of Molalla and "AA-"to obligations. This is an improvement from the rating received during the re-finance of debt in 2010. The City of Molalla and the Molalla Urban Renewal Agency continue to remain in good standing with EMMA (EMMA is the official repository for information on virtually all municipal bonds, providing free public access to official disclosures, trade data, and other information about the municipal securities market).

The debt repayment schedule is:

CITY OF MOLALLA CLACKAMAS COUNTY, OREGON FULL FAITH AND CREDIT OBLIGATIONS, SERIES 2015

New Money Projects, BQ, S&P "AA-"Rating

Debt Service Target Increase Annually at 3%, 2029 Final Maturity, Final Pricing (Psc4)

| Period Ending | Principal | Interest | Total Debt | Reserve |
|----------------------|------------------|-------------------|---------------------|---------------------|
| 06/30/2017 | 120,000 | 98,750.00 | 218,750.00 | 225,150.00 |
| 06/30/2018 | 130,000 | 95,150.00 | 225,150.00 | 231,250.00 |
| 06/30/2019 | 140,000 | 91,250.00 | 231,250.00 | 242,050.00 |
| 06/30/2020 | 155,000 | 87,050.00 | 242,050.00 | 247,400.00 |
| 06/30/2021 | 165,000 | 82,400.00 | 247,400.00 | 255,800.00 |
| 06/30/2022 | 180,000 | 75,800.00 | 255,800.00 | 268,600.00 |
| 06/30/2023 | 200,000 | 68,600.00 | 268,600.00 | 260,600.00 |
| 06/30/2024 | 200,000 | 60,600.00 | 260,600.00 | 277,600.00 |
| 06/30/2025 | 225,000 | 52,600.00 | 277,600.00 | 293,600.00 |
| 06/30/2026 | 250,000 | 43,600.00 | 293,600.00 | 293,600.00 |
| 06/30/2027 | 260,000 | 33,600.00 | 293,600.00 | 303,200.00 |
| 06/30/2028 | 280,000 | 23,200.00 | 303,200.00 | 312,000.00 |
| 06/30/2029 | 300,000 | 12,000.00 | 312,000.00 | 0.00 |
| | 2,405,000 | 824,600.00 | 3,429,600.00 | 3,210,850.00 |

The Series 2015 bond has the same principal, interest, and debt reserve requirement as noted in all of the City of Molalla debts.

Molalla Urban Renewal Agency budget summary:

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | URBAN RENEWAL AGENCY SUMMARY RESOURCES | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 832,067.44 | \$ 3,766,419.41 | \$ 2,000,000.00 | BFB | \$ 750,000.00 | \$ 750,000.00 | \$ 750,000.00 |
| \$ 290,891.43 | \$ 304,273.87 | \$ 295,000.00 | Property Tax | \$ 350,000.00 | \$ 350,000.00 | \$ 350,000.00 |
| \$ 3,032,392.11 | \$ 870.66 | \$ 1,000.00 | All Other Resources | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| \$ 4,155,350.98 | \$ 4,071,563.94 | \$ 2,296,000.00 | TOTAL URA RESOURCES | \$ 1,101,000.00 | \$ 1,101,000.00 | \$ 1,101,000.00 |
| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | REQUIREMENTS | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
| \$ 145,838.41 | \$ 107,257.23 | \$ 125,000.00 | Material & Services | \$ 125,000.00 | \$ 125,000.00 | \$ 125,000.00 |
| \$ 243,093.16 | \$ 1,649,204.74 | \$ 1,477,100.00 | Capital Improvements | \$ - | \$ - | \$ - |
| \$ - | \$ 85,000.00 | \$ 218,750.00 | Debt Service | \$ 225,150.00 | \$ 225,150.00 | \$ 225,150.00 |
| \$ - | \$ - | \$ 150,000.00 | Contingency | \$ 100,000.00 | \$ 100,000.00 | \$ 100,000.00 |
| \$ - | \$ - | \$ 325,150.00 | Reserve | \$ 650,850.00 | \$ 650,850.00 | \$ 650,850.00 |
| \$ 388,931.57 | \$ 1,841,461.97 | \$ 2,296,000.00 | TOTAL URA REQUIREMENTS | \$ 1,101,000.00 | \$ 1,101,000.00 | \$ 1,101,000.00 |
| \$ 3,766,419.41 | \$ 2,230,101.97 | \$ - | NET RESOURCES OVER REQUIREMENTS | \$ - | \$ - | \$ - |

The following section will present the MURA fund in a line item detail format to identify the breakdown with which staff will function and maintain compliance within each appropriation:

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | URBAN RENEWAL AGENCY Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--------------------------------------|--------------------------|--------------------------|-------------------------|
| \$ 832,067.44 | \$ 3,766,419.41 | \$ 2,000,000.00 | BEGINNING FUND BALANCE | \$ 750,000.00 | \$ 750,000.00 | \$ 750,000.00 |
| \$ 290,891.43 | \$ 304,273.87 | \$ 295,000.00 | PROPERTY TAX | \$ 350,000.00 | \$ 350,000.00 | \$ 350,000.00 |
| \$ 3,031,763.60 | \$ - | \$ - | FULL FAITH IN CREDIT BOND | \$ - | \$ - | \$ - |
| \$ 628.51 | \$ 870.66 | \$ 1,000.00 | INTEREST | \$ 1,000.00 | \$ 1,000.00 | \$ 1,000.00 |
| \$ 4,155,350.98 | \$ 4,071,563.94 | \$ 2,296,000.00 | Total URA Resources | \$ 1,101,000.00 | \$ 1,101,000.00 | \$ 1,101,000.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | URBAN RENEWAL AGENCY Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 11,861.48 | \$ 2,455.00 | \$ 25,000.00 | OPERATION & MAINTENANCE | \$ 25,000.00 | \$ 25,000.00 | \$ 25,000.00 |
| \$ - | \$ - | \$ - | BUSINESS LOAN PROGRAM | \$ - | \$ - | \$ - |
| \$ 133,976.93 | \$ 104,802.23 | \$ 100,000.00 | PROFESSIONAL SERVICES | \$ 100,000.00 | \$ 100,000.00 | \$ 100,000.00 |
| \$ 145,838.41 | \$ 107,257.23 | \$ 125,000.00 | Total URA Material & Services | \$ 125,000.00 | \$ 125,000.00 | \$ 125,000.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | URBAN RENEWAL AGENCY Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|---------------------------------------|--------------------------|--------------------------|-------------------------|
| \$ 243,093.16 | \$ 1,649,204.74 | \$ 1,477,100.00 | CAPITAL IMPROVEMENTS | \$ - | \$ - | \$ - |
| \$ 243,093.16 | \$ 1,649,204.74 | \$ 1,477,100.00 | Total URA Capital Improvements | \$ - | \$ - | \$ - |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | URBAN RENEWAL AGENCY Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--------------------------------------|--------------------------|--------------------------|-------------------------|
| \$ - | \$ 85,000.00 | \$ 120,000.00 | URA BOND- PRINCIPAL | \$ 130,000.00 | \$ 130,000.00 | \$ 130,000.00 |
| \$ - | \$ 131,143.05 | \$ 98,750.00 | URA BOND- INTEREST | \$ 95,150.00 | \$ 95,150.00 | \$ 95,150.00 |
| \$ - | \$ 85,000.00 | \$ 218,750.00 | Total URA Debt Service | \$ 225,150.00 | \$ 225,150.00 | \$ 225,150.00 |

| Actuals FY 2014/2015 | Actuals FY 2015/2016 | Budgeted FY 2016/2017 | URBAN RENEWAL AGENCY Account Name | Proposed FY 2017/2018 | Approved FY 2017/2018 | Adopted FY 2017/2018 |
|-------------------------|-------------------------|--------------------------|--------------------------------------|--------------------------|--------------------------|-------------------------|
| \$ - | \$ - | \$ 150,000.00 | CONTINGENCY | \$ 100,000.00 | \$ 100,000.00 | \$ 100,000.00 |
| \$ - | \$ - | \$ 100,000.00 | RESERVE | \$ 419,600.00 | \$ 419,600.00 | \$ 419,600.00 |
| \$ - | \$ - | \$ 225,150.00 | URA BOND - RESERVE | \$ 231,250.00 | \$ 231,250.00 | \$ 231,250.00 |
| \$ - | \$ - | \$ 475,150.00 | Total URA Contingency/Reserve | \$ 750,850.00 | \$ 750,850.00 | \$ 750,850.00 |



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SECTION 4

LEGAL NOTIFICATION, RESOLUTIONS, and MINUTES

Budget Officer Resolution – City of Molalla

RESOLUTION 2017-01

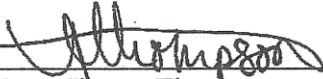
A RESOLUTION APPOINTING THE CITY MANAGER AS BUDGET OFFICER FOR FISCAL YEAR 2017-2018

WHEREAS: Municipal Budgeting requires the appointment of a Budget Officer to prepare and present the budget for the City of Molalla; and

WHEREAS: the City of Molalla is initiating preparation of its fiscal year 2017-2018 budget; and

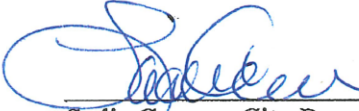
NOW, THEREFORE, THE CITY OF MOLALLA RESOLVES to appoint City Manager, Dan Huff as Budget Officer for fiscal year 2017-2018.

DULY APPOINTED, by the City Council and the City of Molalla on this 25th day of January 2017.



Mayor Jimmy Thompson

ATTEST:



Sadie Cramer, City Recorder

Budget Officer Resolution – Molalla Urban Renewal Agency

RESOLUTION 2017-01

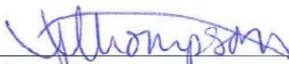
A RESOLUTION APPOINTING THE AGENCY DIRECTOR AS BUDGET OFFICER FOR FISCAL YEAR 2017-2018 FOR THE MOLALLA URBAN RENEWAL AGENCY

WHEREAS: Municipal Budgeting requires the appointment of a Budget Officer to prepare and present the budget for the Molalla Urban Renewal Agency and;


WHEREAS: the City of Molalla is initiating preparation of its fiscal year 2017-2018 budget; and

NOW, THEREFORE, THE CITY OF MOLALLA RESOLVES to appoint Agency Director, Dan Huff as Budget Officer for fiscal year 2017-2018.

DULY APPOINTED, by the Molalla Urban Renewal Agency and the City of Molalla on this 25th day of January 2017.


Jimmy Thompson, Agency Chair

ATTEST:


Sadie Cramer, City Recorder

Legal Notification – Budget Committee Meeting May 9, 2017



6605 SE Lake Road, Portland, OR 97222 • PO
Box 22109 • Portland, OR 97269-2109
Phone: 503-684-0360 Fax: 503-620-3433
E-mail: legals@commnewspapers.com

AFFIDAVIT OF PUBLICATION

State of Oregon, County of Clackamas, SS

I, Charlotte Allsop, being the first duly sworn, depose and say that I am the Accounting Manager of *the Molalla Pioneer*, a newspaper of general circulation, published at Molalla, in the aforesaid county and state, as defined by ORS 193.010 and 193.020, that

**City of Molalla and Molalla
Urban Renewal Agency.
Public Budget Meeting.
Budget Fiscal Year:
July 2017 to June 2018**

a copy of which is hereto annexed, was published in the entire issue of said newspaper for

1

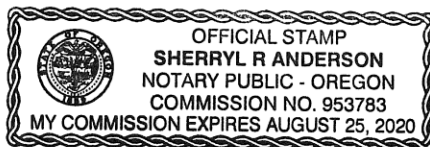
successive and consecutive week in the following issue:

May 3, 2017

Charlotte Allsop (Accounting Manager)

Subscribed and sworn to before me this
May 3, 2017

NOTARY PUBLIC FOR OREGON



Acct #503386
City of Molalla
PO Box 248
Molalla, OR 97038

LEGAL ANNOUNCEMENT

A public meeting of the Budget Committee of the City of Molalla AND the Molalla Urban Renewal Agency, Clackamas County, State of Oregon, to discuss the budgets for the fiscal year July 1, 2017 to June 30, 2018. This meeting will take place on Tuesday MAY 9, 2017 at 6:30pm at the Molalla Adult Center, 315 Kennel Avenue, Molalla, Oregon. The purpose of this meeting is to receive the budget message and to receive public comment on the budget. This is a public meeting where deliberation of the Budget Committee will take place. Any person may appear at the meeting and discuss the proposed programs with the Budget Committee. A copy of the budget document may be inspected at the Molalla Public Library, 201 E. 5th Street, Molalla, Oregon or at the Molalla City Hall, 117 N. Molalla Avenue, Molalla, Oregon on or after May 3rd, 2017.

Published in the *Molalla Pioneer* on May 3, 2017.

MP526125

City of Molalla Budget Meeting

Meeting located at: Molalla Adult Center
115 Kennel Avenue, Molalla, OR 97038
May 9, 2017

Meeting called to order by Budget Officer Dan Huff
Flag Salute

Roll Call:

Council Committee Members: Mayor Jimmy Thompson, Present; Council President Elizabeth Klein, Absent; Councilor Glen Boreth, Present; Councilor Leota Childress, Present; Councilor Keith Swigart, Present; Councilor Delise Palumbo, Present; Councilor Cindy Dragowsky, Absent.

Citizen Members: Rory Cramer, Present; Mary Lynn Jacob, Present; Erin Herrington, Present; Stephanie Nice, Present; Mitch Jorgensen, Present; Jody Newland, Present; Robin Eberly, Present.

Staff Members: Dan Huff, City Manager, Agency Director, Budget Officer, Present; Heather Penni, Senior Accountant, Present.

Mayor Thompson made a motion to accept Roberts Rules of Order as the decorum guideline for the meeting. Councilor Boreth seconded. Motion carried (11-0) Mayor Thompson, Aye; Councilor Boreth, Aye, Councilor Childress, Aye; Councilor Swigart, Aye; Citizen Member Cramer, Aye; Citizen Member Jacob, Aye; Citizen Member Herrington, Aye; Citizen Member Nice, Aye; Citizen Member Jorgensen, Aye; Citizen Member Newland, Aye; Citizen Member Eberly, Aye; Councilor Palumbo not present for this vote.

Citizen Member Jacob nominated Citizen Member Jorgensen as Budget Chair, Councilor Childress seconded. Motion carried (11-0) Mayor Thompson, Aye; Councilor Boreth, Aye, Councilor Childress, Aye; Councilor Swigart, Aye; Citizen Member Cramer, Aye; Citizen Member Jacob, Aye; Citizen Member Herrington, Aye; Citizen Member Nice, Aye; Citizen Member Jorgensen, Aye; Citizen Member Newland, Aye; Citizen Member Eberly, Aye; Councilor Palumbo not present for this vote.

Councilor Boreth nominated Citizen Member Newland as Vice Chair, Mayor Thompson seconded. Motion carried (11-0) Mayor Thompson, Aye; Councilor Boreth, Aye, Councilor Childress, Aye; Councilor Swigart, Aye; Citizen Member Cramer, Aye; Citizen Member Jacob, Aye; Citizen Member Herrington, Aye; Citizen Member Nice, Aye; Citizen Member Jorgensen, Aye; Citizen Member Newland, Aye; Citizen Member Eberly, Aye; Councilor Palumbo not present for this vote.

Councilor Childress nominated Citizen Member Herrington as Secretary, Councilor Boreth seconded. Motion carried (11-0) Mayor Thompson, Aye; Councilor Boreth, Aye, Councilor Childress, Aye; Councilor Swigart, Aye; Citizen Member Cramer, Aye; Citizen Member Jacob, Aye; Citizen Member Herrington, Aye; Citizen Member Nice, Aye; Citizen Member Jorgensen, Aye; Citizen Member Newland, Aye; Citizen Member Eberly, Aye; Councilor Palumbo not present for this vote.

Mayor Thompson made a motion to open the City of Molalla Budget meeting, Councilor Boreth seconded. Motion carried (12-0) Mayor Thompson, Aye; Councilor Palumbo, Aye; Councilor Boreth, Aye, Councilor Childress, Aye; Councilor Swigart, Aye; Citizen Member Cramer, Aye; Citizen Member Jacob, Aye; Citizen Member Herrington, Aye; Citizen Member Nice, Aye; Citizen Member Jorgensen, Aye; Citizen Member Newland, Aye; Citizen Member Eberly, Aye.

Budget Officer Dan Huff presented the highlights of the budget message. This document is the road map Council and Staff will use as we make policy and decisions for the City of Molalla. The 2016/2017 Fiscal Year presented a number of positive improvements within the community and we were able to move the community forward and take a few steps forward as a City organization. This Budget, although balanced, includes only minor increases and is more of a maintenance Budget. We have added some components in Police, Public Works and Administration that are sorely need as we move toward a population of 10,000.

It is important to note that this budget is a positive budget even though we are stating that issues for the City are looming on the horizon. Our assessed value for the City has grown to over \$25,000,000 from last year. The reality is that our tax income will produce approximately \$200,000 in additional revenue to the General Fund. Our General Fund is the sole source of revenue for our Police Department. The Budget as presented has earmarked 2.6 million to Police with a General Fund projection of 2.9 million. We perform all other City functions using other sources of revenue.

A couple of other areas to note is the creation of two new departments within the General fund for Parks and Planning services. Historically we have housed Parks in the street fund and we are moving Parks to a separate fund to be paid out of the General Fund. This is the right thing to do. Planning is a necessary service and we need to track costs for this service as a stand-alone program. What this process does create is an increase in Transfers.

We fully understand that the list of unmet needs is large and this Budget does not begin to tackle the need. But the budget is balanced and in compliance with Oregon Budget Law. We are in a position today that is not unlike other communities in that we are looking for ways to pay for our community improvements. Molalla continues to be in a good place.

Senior Accountant Penni presented the City of Molalla summary of resources and requirements as noted in the budget document. A discussion of how the budget committee approves by appropriation, who is responsible for managing within the appropriation, different funds functioning independently like separate business, and how money can or cannot be moved between funds.

Discussing about the two new divisions of the general fund; planning department and the parks department. The planning department was incorporated into the OGM (Office of Governance and Management) and the parks was a division of the street fund. Different components necessitate that these funds be stand alone. In addition, two brand new funds are being presented in the budget; the Capital Projects Fund and the Fleet Replacement Fund. These are to show more transparency in the projects completed and equipment that we have purchased. This allows the audit team an oversight from engineering to completion contained in one fund rather than over five or six different funds. It is what we have been doing – it is just a different way to present the data.

Councilor Boreth and Councilor Childress presented questions regarding the new fleet funds and capital project funds. If an equipment purchase presents before enough money is set aside, i.e.; new mower, how will that be addressed and will the transfer be proportionate to the large scale project details. The discussion concluded that the transfers for large capital projects would be dependent on the scope of work and the equipment would transfer from the main fund and expenditures would have to be reduced in another area to cover the unexpected costs.

Councilor Palumbo asked for a definition of why the values reported in the actuals categories are significantly lower than the budgeted allocation. The group discussed the budget is the best guess of projects we would like to get to. We don't get to them all so the actuals reflect what we actually completed. Then we roll over the rest, convene a committee again for the next year and try again. CM Newland asked about the City being staff poor and will the new staff additions in the PD and PW solve that issue. CM Huff talked about long range planning and the City's analysis of services we offer and services the community needs and wants. We obviously cannot make a complete step in one fiscal year but this is a step in the right direction.

Group discussion about the cost allocation plan and the ability to assess 100% but the group elected to continue with the previous year's decision to only assess 80% of the costs to see fund growth across the board while maintaining each funds contributions to indirect costs.

Councilor Childress requested information about the change in the PW's materials and services appropriations. This was done as a management tool to identify what is cost to maintain the facility and meet current standards and what is cost to operate. The allocation is separate here as a management tool but will be together in the budget resolution.

CM Cramer and Councilor Childress address the buckeroo overtime and the PD impact when we have a major event. The discussion involved events that can go over two or more fiscal years so when looked through a one year lens that data can be skewed. Also, presented information about multi-agency response teams from many agencies that help when there is a major event.

Lengthy group discussion over audit/finance preferences on the unappropriated ending fund balance versus categorizing it as a reserve. Both opinions presented are accurate and in compliance with Oregon Budget Law. The conclusion was to leave and unappropriated ending fund balance in the

general fund only. CM Cramer question where this money is and an explanation of the Local Government Investment Pool was offered.

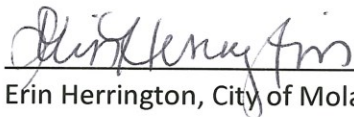
SA Penni noted for the budget committee that the approved budget will be brought before the Molalla City Council on Wednesday June 14, 2017 at 7:00pm. A public hearing and discussion will be held, if possible I urge all citizen members to attend that meeting.

Councilor Boreth made a motion to approve the City of Molalla's FY 2016/2017 budget. Mayor Thompson seconded. Motion carried (12-0) Mayor Thompson, Aye; Councilor Palumbo, Aye; Councilor Boreth, Aye, Councilor Childress, Aye; Councilor Swigart, Aye; Citizen Member Cramer, Aye; Citizen Member Jacob, Aye; Citizen Member Herrington, Aye; Citizen Member Nice, Aye; Citizen Member Jorgensen, Aye; Citizen Member Newland, Aye; Citizen Member Eberly, Aye.

Councilor Boreth made a motion to approve the tax levy of 5.38 per 1000.00 of assessed value, Mayor Thompson seconded. Motion carried (12-0) Mayor Thompson, Aye; Councilor Palumbo, Aye; Councilor Boreth, Aye, Councilor Childress, Aye; Councilor Swigart, Aye; Citizen Member Cramer, Aye; Citizen Member Jacob, Aye; Citizen Member Herrington, Aye; Citizen Member Nice, Aye; Citizen Member Jorgensen, Aye; Citizen Member Newland, Aye; Citizen Member Eberly, Aye.

Vice-Chair Newland made a motion to close the budget meeting and adjourn, Councilor Childress seconded. Motion carried (12-0) Mayor Thompson, Aye; Councilor Palumbo, Aye; Councilor Boreth, Aye, Councilor Childress, Aye; Councilor Swigart, Aye; Citizen Member Cramer, Aye; Citizen Member Jacob, Aye; Citizen Member Herrington, Aye; Citizen Member Nice, Aye; Citizen Member Jorgensen, Aye; Citizen Member Newland, Aye; Citizen Member Eberly, Aye.

Minutes reviewed and approved on 16 day of June, 2017



Erin Herrington, City of Molalla Budget Committee Secretary

Molalla Urban Renewal Budget Meeting

Meeting located at: Molalla Adult Center
115 Kennel Avenue, Molalla, OR 97038
May 9, 2017

Meeting called to order by Budget Officer and Agency Director Dan Huff
Flag Salute

Roll Call:

Agency Members: Member Jimmy Thompson, Present; Member Elizabeth Klein, Absent;
Member Glen Boreth, Present; Member Leota Childress, Present; Member Keith
Swigart, Present; Member Cindy Dragowsky, Absent; Member Delise Palumbo, Present.

Citizen Members: Rory Cramer, Present; Mary Lynn Jacob, Present; Erin Herrington, Present;
Stephanie Nice, Present; Mitch Jorgensen, Present; Jody Newland, Present; Robin
Eberly, Present.

Staff Members: Dan Huff, City Manager, Agency Director, Budget Officer, Present; Heather
Penni, Senior Accountant, Present.

Member Thompson made a motion to accept Roberts Rules of Order as the decorum guideline for the meeting. Member Boreth seconded. Motion carried (11-0) Member Thompson, Aye; Member Boreth, Aye, Member Childress, Aye; Member Swigart, Aye; Citizen Member Cramer, Aye; Citizen Member Jacob, Aye; Citizen Member Herrington, Aye; Citizen Member Nice, Aye; Citizen Member Jorgensen, Aye; Citizen Member Newland, Aye; Citizen Member Eberly, Aye; Member Palumbo not present for this vote.

Citizen Member Jacob nominated Citizen Member Jorgensen as Budget Chair, Member Childress seconded. Motion carried (11-0) Member Thompson, Aye; Member Boreth, Aye, Member Childress, Aye; Member Swigart, Aye; Citizen Member Cramer, Aye; Citizen Member Jacob, Aye; Citizen Member Herrington, Aye; Citizen Member Nice, Aye; Citizen Member Jorgensen, Aye; Citizen Member Newland, Aye; Citizen Member Eberly, Aye; Member Palumbo not present for this vote.

Member Boreth nominated Citizen Member Newland as Vice Chair, Member Thompson seconded. Motion carried (11-0) Member Thompson, Aye; Member Boreth, Aye, Member Childress, Aye; Member Swigart, Aye; Citizen Member Cramer, Aye; Citizen Member Jacob, Aye; Citizen Member Herrington, Aye; Citizen Member Nice, Aye; Citizen Member Jorgensen, Aye; Citizen Member Newland, Aye; Citizen Member Eberly, Aye; Member Palumbo not present for this vote.

Member Childress nominated Citizen Member Herrington as Secretary, Member Boreth seconded. Motion carried (11-0) Member Thompson, Aye; Member Boreth, Aye, Member Childress, Aye; Member Swigart, Aye; Citizen Member Cramer, Aye; Citizen Member Jacob, Aye; Citizen Member Herrington, Aye; Citizen Member Nice, Aye; Citizen Member Jorgensen, Aye; Citizen Member Newland, Aye; Citizen Member Eberly, Aye; Member Palumbo not present for this vote.

Member Childress made a motion to accept this governing body as the budget committee for the Urban Renewal Agency, Member Thompson seconded. Motion carried (11-0) Member Thompson, Aye; Member Boreth, Aye, Member Childress, Aye; Member Swigart, Aye; Citizen Member Cramer, Aye; Citizen Member Jacob, Aye; Citizen Member Herrington, Aye; Citizen Member Nice, Aye; Citizen Member Jorgensen, Aye; Citizen Member Newland, Aye; Citizen Member Eberly, Aye; Member Palumbo not present for this vote.

Member Swigart made a motion to open the Urban Renewal Meeting, Member Thompson seconded. Motion carried (12-0) Member Thompson, Aye; Member Boreth, Aye, Member Childress, Aye; Member Swigart, Aye; Member Palumbo, Present; Citizen Member Cramer, Aye; Citizen Member Jacob, Aye; Citizen Member Herrington, Aye; Citizen Member Nice, Aye; Citizen Member Jorgensen, Aye; Citizen Member Newland, Aye; Citizen Member Eberly, Aye.

The Molalla Urban Renewal Agency (MURA) oversees the administration and implementation of the Molalla Urban Renewal District. The Committee will notice that we had a robust MURA budget for the 2016/2017 fiscal year that produced full implementation of bonds approved by Agency Members during the 2014/2015 fiscal year. Most of you will recall that the MURA identified and approved five (5) street improvement projects in priority as follows:

1. Heintz Street Extension
2. North and South Molalla Avenue
3. Shaver Avenue
4. Hart Avenue
5. Metzler Avenue

We were able to fully complete Heintz Street Extension and North and South Molalla Avenue Project as part of that full implementation. This fund is now in a resting phase as our focus changes from projects to debt repayment. We are not proposing any MURA projects for 2017/2018 and will focus on early Bond payback. The URA bond is designed as a fourteen (14) year pay-off (before the sunset of the URA), with a call date at ten (10) years and no-penalty payoff. This will open the URA timeline and/or capture a second bond opportunity if the Agency so elects.

SA Penni presented the difference between the MURA revenue projections from before 2007 estimations to actuals received. Discussion regarding how the budget is created off the actual revenue history and future projections from the actuals.

The Molalla Urban Renewal Agency, although a different corporation with its own Board, functions under the administration of the City of Molalla and is governed by the same financial policies, procedures, and goals. In addition, the agency is budgeted and audited in partnership with the City.

In 2015 the Agency bonded using a full faith in credit bond in partnership with the City of Molalla. The Molalla Urban Renewal Agency will be responsible for the debt repayment meaning the Agency must always keep in reserve the next fiscal year's principal and interest payment. The URA bond is designed as a fourteen (14) year pay-off (before the sunset of the URA), with a call date at ten (10) years and with a no-penalty payoff. This will open the URA timeline and/or capture a second bond opportunity if the Agency so elects.

AD Huff talked about the purpose of the MURA and the projects completed to change the landscape of the City to invite business to come to our community and improve the livability for the citizens.

Member Thompson defined for the committee tax increment revenue. Member Childress asked for clarification on which taxes and was answered with property taxes. Member Thompson presented to the committee the revenue we are receiving today will cover the bonded debt in full. The increment gains over future years will open the opportunity for early payoff as this fund remains in a resting position.

Budget Chair Jorgensen opened the meeting for discussion, none.

Member Thompson made a motion to approve the MURA budget, Member Boreth seconded. Motion carried (12-0) Member Thompson, Aye; Member Boreth, Aye, Member Childress, Aye; Member Swigart, Aye; Member Palumbo, Present; Citizen Member Cramer, Aye; Citizen Member Jacob, Aye; Citizen Member Herrington, Aye; Citizen Member Nice, Aye; Citizen Member Jorgensen, Aye; Citizen Member Newland, Aye; Citizen Member Eberly, Aye.

Member Thompson made a motion to close the MURA Budget meeting, Member Boreth seconded. Motion carried (12-0) Member Thompson, Aye; Member Boreth, Aye, Member Childress, Aye; Member Swigart, Aye; Member Palumbo, Present; Citizen Member Cramer, Aye; Citizen Member Jacob, Aye; Citizen Member Herrington, Aye; Citizen Member Nice, Aye; Citizen Member Jorgensen, Aye; Citizen Member Newland, Aye; Citizen Member Eberly, Aye.

Minutes reviewed and approved on 16th day of June, 2017


Erin Herrington, MURA Budget Committee Secretary

LB-1 City of Molalla

FORM LB-1 NOTICE OF BUDGET HEARING

A public meeting of the **CITY OF MOLALLA** will be held on **JUNE 28, 2017 at 7:00 pm** at the MOLALLA ADULT CENTER 315 Kennel Avenue, Molalla, Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2017 as approved by the City of Molalla Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at the Molalla City Hall, 117 N. Molalla Avenue, Molalla, Oregon, between the hours of 8:30 a.m. & 4:00 p.m. or online at www.cityofmolalla.com. This budget is for an annual biennial budget period. This budget was prepared on a basis of accounting that is the same as different than the preceding year.

Contact: Chaunee Seifried Telephone: 503-829-6855 Email: cseifried@cityofmolalla.com

| FINANCIAL SUMMARY - RESOURCES | | | |
|--|----------------------------|---------------------------------------|---------------------------------------|
| TOTAL OF ALL FUNDS | Actual Amount 2015/2016 | Adopted Budget This Year 2016/2017 | Adopted Budget Next Year 2017/2018 |
| Beginning Fund Balance/Net Working Capital | \$ 7,890,837.59 | \$ 10,012,713.79 | \$ 9,434,164.50 |
| Fees, Licenses, Permits, Fines, Assessments & Service Charges | \$ 6,939,245.61 | \$ 7,356,416.19 | \$ 5,214,219.00 |
| Federal, State and all Other Grants, Allocations and Donations | \$ 1,546,158.14 | \$ 2,546,992.00 | \$ 2,494,100.00 |
| Interfund Transfers / Internal Service Reimbursements | \$ 1,298,271.56 | \$ 1,397,811.08 | \$ 4,254,902.00 |
| All Other Resources Except Current Year Property Taxes | \$ 275,024.09 | \$ 204,040.00 | \$ 218,850.00 |
| Current Year Property Taxes Estimated to be Received | \$ 2,720,392.23 | \$ 2,772,337.50 | \$ 2,917,300.00 |
| Total Resources | \$ 20,669,929.22 | \$ 24,290,310.56 | \$ 24,533,535.50 |

| FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION | | | |
|---|----------------------------|---------------------------------------|---------------------------------------|
| TOTAL OF ALL FUNDS | Actual Amount 2015/2016 | Adopted Budget This Year 2016/2017 | Adopted Budget Next Year 2017/2018 |
| Personnel Services | \$ 4,003,705.15 | \$ 4,835,495.00 | \$ 5,176,531.00 |
| Materials and Services | \$ 3,261,164.78 | \$ 3,388,703.19 | \$ 3,696,882.00 |
| Capital Outlay | \$ 1,158,943.63 | \$ 7,853,091.37 | \$ 5,869,930.00 |
| Debt Service | \$ 907,190.50 | \$ 910,272.00 | \$ 919,853.50 |
| Interfund Transfers | \$ 1,298,271.56 | \$ 1,397,811.08 | \$ 4,254,902.00 |
| Contingencies | \$ - | \$ 650,582.46 | \$ 831,428.00 |
| Reserve | \$ - | \$ 4,182,567.00 | \$ 2,784,009.00 |
| Unappropriated Ending Balance Reserved for Future Expenditure | \$ - | \$ 1,071,788.46 | \$ 1,000,000.00 |
| Total Requirements | \$ 10,629,275.62 | \$ 24,290,310.56 | \$ 24,533,535.50 |

| FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM * | | | |
|---|-------------------------|-------------------------|-------------------------|
| Name of Organizational Unit or Program FTE for that unit or program | | | |
| Office of Governance & Management | \$ 1,425,302.59 | \$ 2,367,976.19 | \$ 2,215,540.00 |
| FTE | 5 | 7 | 6 |
| Police Services | \$ 2,060,655.56 | \$ 2,421,750.00 | \$ 2,621,341.00 |
| FTE | 14 | 15 | 16 |
| Parks | \$ - | \$ - | \$ 191,127.00 |
| FTE | 0 | 0 | 1 |
| Planning | \$ - | \$ - | \$ 114,470.00 |
| FTE | 0 | 0 | 1 |
| Municipal Court | \$ 214,122.90 | \$ 235,150.00 | \$ 206,725.00 |
| FTE | 1 | 1 | 1 |
| Library | \$ 711,137.71 | \$ 3,088,500.00 | \$ 3,086,633.00 |
| FTE | 5 | 5 | 5 |
| Public Works (Street, Storm, Water, Sewer) | \$ 4,156,679.63 | \$ 7,282,162.00 | \$ 9,886,820.00 |
| FTE | 12 | 12 | 14 |
| Not Allocated to Organizational Unit or Program | \$ 2,061,377.23 | \$ 8,894,772.37 | \$ 6,210,879.50 |
| FTE | 0 | 0 | 0 |
| Total Requirements | \$ 10,629,275.62 | \$ 24,290,310.56 | \$ 24,533,535.50 |
| Total FTE | 23 | 25 | 27 |

The approved budget for FY 2017/2018 for the City of Molalla has been prepared in accordance with Oregon budget law and generally accepted accounting principals. This is a lean budget with continued focus on expenditure reduction, building working capital and operating reserves, and a focus on capital improvements to City infrastructure.

| PROPERTY TAX LEVIES | | | |
|---|------------------------|------------------------|-------------------------|
| | Rate or Amount Imposed | Rate or Amount Imposed | Rate or Amount Approved |
| Permanent Rate Levy (rate limit \$5.3058 per \$1,000) | \$5.3058 | \$5.3058 | \$5.3058 |
| Local Option Levy | \$0.00 | \$0.00 | \$0.00 |
| Levy For General Obligation Bonds | \$66,463.00 | \$68,163.00 | \$30,300.00 |

| STATEMENT OF INDEBTEDNESS | | |
|---------------------------|--|--|
| LONG TERM DEBT | Estimated Debt Outstanding on July 1. | Estimated Debt Authorized, But Not Incurred on July 1 |
| General Obligation Bonds | \$99,213 | \$0.00 |
| Other Bonds | \$2,868,600 | \$0.00 |
| Other Borrowings | \$2,012,052 | \$0.00 |
| Total | \$4,979,865 | \$0.00 |

LB-1 Affidavit of Publication – City of Molalla



6605 SE Lake Road, Portland, OR 97222 • PO
 Box 22109 • Portland, OR 97269-2109
 Phone: 503-684-0360 Fax: 503-620-3433
 E-mail: legals@commnewspapers.com

AFFIDAVIT OF PUBLICATION
 State of Oregon, County of Clackamas, SS

I, Charlotte Allsop, being the first duly sworn, depose and say that I am the Accounting Manager of *the Molalla Pioneer*, a newspaper of general circulation, published at Molalla, in the aforesaid county and state, as defined by ORS 193.010 and 193.020, that

City of Molalla
Legal Announcement
Notice of Approved Budget Hearing
Fiscal Year 2017 - 2018
Form LB-1

a copy of which is hereto annexed, was published in the entire issue of said newspaper for

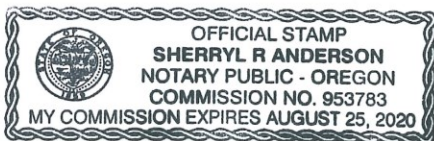
1 successive and consecutive week in the following issue:
June 21, 2017

Charlotte Allsop
 Charlotte Allsop (Accounting Manager)

Subscribed and sworn to before me this June 21, 2017

Sherryl R Anderson
 NOTARY PUBLIC FOR OREGON

Acct #503386
City of Molalla
PO Box 248
Molalla, OR 97038



FORM LB-1 NOTICE OF BUDGET HEARING

A public meeting of the CITY OF MOLALLA will be held on **JUNE 28, 2017** at 7:00 pm at the Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning in 2017. A summary of the budget is presented below. A copy of the budget may be in Molalla Avenue, Molalla, Oregon, between the hours of 8:30 a.m. & 4:00 p.m. or online at annual __ biennial budget period. This budget was prepared on a basis of accounting that year.

Contact: Chaunee Seifried Telephone: 503-829-685

| FINANCIAL SUMMARY - RESOURCES | |
|--|-------------------------|
| TOTAL OF ALL FUNDS | Actual Amount 2015/2016 |
| Beginning Fund Balance/Net Working Capital | \$ 7,890,837 |
| Fees, Licenses, Permits, Fines, Assessments & Service Charges | \$ 6,939,245 |
| Federal, State and all Other Grants, Allocations and Donations | \$ 1,546,158 |
| Interfund Transfers / Internal Service Reimbursements | \$ 1,298,271 |
| All Other Resources Except Current Year Property Taxes | \$ 275,024 |
| Current Year Property Taxes Estimated to be Received | \$ 2,720,392 |
| Total Resources | \$ 20,669,929 |

| FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT | |
|---|-------------------------|
| TOTAL OF ALL FUNDS | Actual Amount 2015/2016 |
| Personnel Services | \$ 4,003,705 |
| Materials and Services | \$ 3,261,164 |
| Capital Outlay | \$ 1,158,943 |
| Debt Service | \$ 907,190 |
| Interfund Transfers | \$ 1,298,271 |
| Contingencies | \$ |
| Reserve | \$ |
| Unappropriated Ending Balance Reserved for Future Expenditure | \$ |
| Total Requirements | \$ 10,629,275 |

| FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES | |
|---|----------------------|
| Name of Organizational Unit or Program FTE for that unit or program | |
| Office of Governance & Management | \$ 1,425,302 |
| FTE | |
| Police Services | \$ 2,060,655 |
| FTE | |
| Parks | \$ |
| FTE | |
| Planning | \$ |
| FTE | |
| Municipal Court | \$ 214,122 |
| FTE | |
| Library | \$ 711,137 |
| FTE | |
| Public Works (Street, Storm, Water, Sewer) | \$ 4,156,679 |
| FTE | |
| Not Allocated to Organizational Unit or Program | \$ 2,061,377 |
| FTE | |
| Total Requirements | \$ 10,629,275 |
| Total FTE | |

The approved budget for FY 2017/2018 for the City of Molalla has been prepared in accord with accounting principals. This is a lean budget with continued focus on expenditure reduction and focus on capital improvements to City infrastructure.

| PROPERTY TAX LEVIES | |
|---|------------------------|
| | Rate or Amount Imposed |
| Permanent Rate Levy (rate limit \$5.3058 per \$1,000) | \$5.3058 |
| Local Option Levy | |

UR-1 Urban Renewal Agency

FORM UR-1

NOTICE OF BUDGET HEARING

A public meeting of the **MOLALLA URBAN RENEWAL AGENCY** will be held on **JUNE 28, 2017 at 7:00 pm** at MOLALLA ADULT CENTER, 315 Kennel Avenue, Molalla, Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2017 as approved by the Molalla Urban Renewal Agency Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at the Molalla City Hall between the hours of 8:30 a. m. and 4:00 p. m. or online at www.cityofmolalla.com. This budget is for an X annual biennial budget period. This budget was prepared on a basis of accounting that is X the same as different than used the preceding year.

Contact: Chaunee Seifried Telephone: 503-829-6855 Email: cseifried@cityofmolalla.com

FINANCIAL SUMMARY - RESOURCES

| TOTAL OF ALL FUNDS | Actual Amount 2014/2015 | Adopted Budget This Year 2015/2016 | Approved Budget Next Year 2017/2018 |
|---|----------------------------|---------------------------------------|--|
| Beginning Fund Balance/Net Working Capital | \$ 3,766,419.41 | \$ 2,000,000.00 | \$ 750,000.00 |
| Revenue from Bonds and Other Debt | \$ - | \$ - | \$ - |
| All Other Resources Except Division of Tax & Special Levy | \$ 870.66 | \$ 1,000.00 | \$ 1,000.00 |
| Revenue from Division of Tax | \$ 304,273.87 | \$ 295,000.00 | \$ 350,000.00 |
| Total Resources | \$ 4,071,563.94 | \$ 2,296,000.00 | \$ 1,101,000.00 |

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION

| | | | |
|---------------------------|------------------------|------------------------|------------------------|
| Materials and Services | \$ 107,257.23 | \$ 125,000.00 | \$ 125,000.00 |
| Capital Outlay | \$ 1,649,204.74 | \$ 1,477,100.00 | \$ - |
| Debt Service | \$ 85,000.00 | \$ 218,750.00 | \$ 225,150.00 |
| Contingencies | \$ - | \$ 150,000.00 | \$ 100,000.00 |
| Reserve | \$ - | \$ 325,150.00 | \$ 650,850.00 |
| Total Requirements | \$ 1,841,461.97 | \$ 2,296,000.00 | \$ 1,101,000.00 |

FINANCIAL SUMMARY-REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM *

| Name of Organizational Unit or Program FTE for that unit or program | | | |
|--|------------------------|------------------------|------------------------|
| Molalla Urban Renewal Agency FTE | \$ 1,841,461.97 | \$ 2,296,000.00 | \$ 1,101,000.00 |
| | 0 | 0 | 0 |
| Total Requirements | \$ 1,841,461.97 | \$ 2,296,000.00 | \$ 1,101,000.00 |
| Total FTE | 0 | 0 | 0 |

STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING *

The approved FY 2017/2018 budget for the Molalla Urban Renewal Agency is balanced as required by state law. The previous fiscal year activities were all within appropriation and the Agency ended with a positive ending fund balance.

STATEMENT OF INDEBTEDNESS

| LONG TERM DEBT | Estimated Debt Outstanding July 1 | Estimated Debt Authorized, But Not Incurred on July 1 |
|--------------------------|--------------------------------------|--|
| General Obligation Bonds | \$0 | \$0 |
| Other Bonds | \$2,485,000 | \$0 |
| Other Borrowings | \$0 | \$0 |
| Total | \$2,485,000 | 0 |

UR-1 Affidavit of Publication – Molalla Urban Renewal Agency



6605 SE Lake Road, Portland, OR 97222 • PO
 Box 22109 • Portland, OR 97269-2109
 Phone: 503-684-0360 Fax: 503-620-3433
 E-mail: legals@commnewspapers.com

AFFIDAVIT OF PUBLICATION State of Oregon, County of Clackamas, SS

I, Charlotte Allsop, being the first duly sworn, depose and say that I am the Accounting Manager of the *Molalla Pioneer*, a newspaper of general circulation, published at Molalla, in the aforesaid county and state, as defined by ORS 193.010 and 193.020, that

**City of Molalla
 Molalla Urban Renewal Agency
 Legal Announcement
 Notice of Approved Budget Hearing
 Form UR-1**

a copy of which is hereto annexed, was published in the entire issue of said newspaper for

1

successive and consecutive week in the following issue:

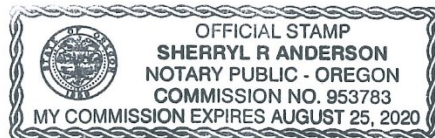
June 21, 2017

Charlotte Allsop

Charlotte Allsop (Accounting Manager)

Subscribed and sworn to before me this June 21, 2017

Sherryl R Anderson
 NOTARY PUBLIC FOR OREGON



Acct #503386
 City of Molalla
 PO Box 248
 Molalla, OR 97038

| FORM UR-1 | | NOTICE OF BUDGET HEARING | |
|--|--------------------------------------|--------------------------|----|
| A public meeting of the MOLALLA URBAN RENEWAL AGENCY will be held on JUNE 28, 2017 at 7:00 p.m. in the City of Molalla, Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2017. A summary of the budget is presented below. A copy of the budget may be obtained from the City of Molalla, Oregon, at the City of Molalla, Oregon, between the hours of 8:30 a. m. and 4:00 p. m. or online at www.cityofmolalla.com. This budget is based on a basis of accounting that is <u>X</u> the same as <u> </u> different than used the previous year. | | | |
| Contact: Chaunee Seifried | | Telephone: 503-829-6855 | |
| FINANCIAL SUMMARY - RESOURCES | | | |
| TOTAL OF ALL FUNDS | Actual Amount 2014/2015 | | |
| Beginning Fund Balance/Net Working Capital | \$ | 3,766,419.41 | \$ |
| Revenue from Bonds and Other Debt | \$ | - | \$ |
| All Other Resources Except Division of Tax & Special Levy | \$ | 870.66 | \$ |
| Revenue from Division of Tax | \$ | 304,273.87 | \$ |
| Total Resources | \$ | 4,071,563.94 | \$ |
| FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASS | | | |
| Materials and Services | \$ | 107,257.23 | \$ |
| Capital Outlay | \$ | 1,649,204.74 | \$ |
| Debt Service | \$ | 85,000.00 | \$ |
| Contingencies | \$ | - | \$ |
| Reserve | \$ | - | \$ |
| Total Requirements | \$ | 1,841,461.97 | \$ |
| FINANCIAL SUMMARY-REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) | | | |
| Name of Organizational Unit or Program | | | |
| FTE for that unit or program | | | |
| Molalla Urban Renewal Agency | \$ | 1,841,461.97 | \$ |
| FTE | | 0 | |
| Total Requirements | \$ | 1,841,461.97 | \$ |
| Total FTE | | 0 | |
| STATEMENT OF CHANGES IN ACTIVITIES AND SOURCES | | | |
| The approved FY 2017/2018 budget for the Molalla Urban Renewal Agency is balanced as follows: The Agency started with a positive ending fund balance of \$1,230,151.97. All activities were all within appropriation and the Agency ended with a positive ending fund balance of \$1,230,151.97. | | | |
| STATEMENT OF INDEBTEDNESS | | | |
| LONG TERM DEBT | Estimated Debt Outstanding July 1 | | |
| General Obligation Bonds | | \$0 | |
| Other Bonds | | \$2,485,000 | |
| Other Borrowings | | \$0 | |
| Total | | \$2,485,000 | |
| Published in the Molalla Pioneer on June 21, 2017. | | | |

Resolution 2017-06 City's Election to Receive State Revenue Funds

CITY OF MOLALLA RESOLUTION 2017-06

A RESOLUTION DECLARING THE CITY'S ELECTION TO RECEIVE STATE REVENUE SHARING.

WHEREAS, the Legislature of the State of Oregon has provided for the apportionment of certain revenues to the cities of the State of Oregon; and,

WHEREAS, such legislation provides that a city, in order to participate in the sharing of those certain revenues, must express an election to receive such funds, which election must be made prior to July 31 of the fiscal year; and,

WHEREAS, the City of Molalla desires to receive portion of such funds.

WHEREAS, the City certifies that it published notice and held a public hearing before the Budget Committee on May 9, 2017 giving citizen's opportunity to comment on use of State Revenue Sharing; and,

WHEREAS, the City published notice and held a public hearing before the City Council on June 28, 2017 giving citizens the opportunity to comment on use of State Revenue Sharing;

BE IT RESOLVED, that pursuant to ORS 221.770, the City of Molalla does hereby elect to receive its proportionate share of the revenues to be apportioned to the cities by the State of Oregon for the fiscal year 2017-2018

This resolution shall become effective immediately upon its passage by the Council.

Passed by City Council this 28th day of June, 2017, by the following vote:

AYES: 7 NAYS: 0

Approved by the Mayor this 28th day of June, 2017.



Jimmy Thompson, Mayor

ATTESTED BY:



Dan Huff, City Manager, Budget Officer

Filed in the office of the City Recorder this 28th day of June 2017.

Resolution 2017-07 Proclaiming Eligibility to Receive State Revenue Funds

CITY OF MOLALLA RESOLUTION 2017-07

A RESOLUTION CERTIFYING THAT THE CITY OF MOLALLA MEETS ALL REQUIREMENTS TO RECEIVE STATE SHARED REVENUES.

WHEREAS, ORS 221.760 provides that an officer responsible for disbursing funds to cities under ORS 323.455, 366.785 to 366.820, and 471.805 shall, in the case of a city located within a county having more than 100,000 inhabitants according to the most recent federal census, disburse such funds only if the City provides four or more of the following services:

- 1) Police protection
- 2) Street construction, maintenance, and lighting
- 3) Sanitary sewer
- 4) Storm sewer
- 5) Planning, zoning, and subdivision control
- 6) One or more utility services

WHEREAS, city officials recognize the desirability of assisting the state officer responsible for determining the eligibility of cities to receive such funds in accordance with ORS 221.760,

NOW, THEREFORE, BE IT RESOLVED, that the Molalla City Council hereby certify;

SECTION 1. That the City of Molalla provides the following municipal services enumerated in Section 1, ORS 221.760:

Police protection
Street construction, maintenance, and lighting
Sanitary sewer
Storm sewer
Planning, zoning, and subdivision control
Domestic water service

SECTION 2. This resolution shall become effective immediately upon its passage by the Council.

Passed by City Council this 28th day of June, 2017, by the following vote:


AYES: 7 **NAYS:** 0

Approved by the Mayor this 28th day of June, 2017.



Jimmy Thompson, Mayor

ATTESTED BY:



Dan Huff, City Manager, Budget Officer

Filed in the office of the City Recorder this 28th day of June 2017.

Resolution 2017-08 Adopting the City of Molalla Budget

Resolution No. 2017-08
CITY OF MOLALLA

A RESOLUTION ADOPTING THE CITY OF MOLALLA BUDGET FOR THE FISCAL YEAR 2017/2018; MAKING APPROPRIATIONS; AND CATEGORIZING AND LEVYING AD VALOREM TAXES

The City Council of the City of Molalla, Oregon, on the 28th day of June, 2017 sat in regular session for the transaction of City business.

WHEREAS, the Molalla Budget Committee has reviewed and acted on the proposed City budget; and

WHEREAS, the Molalla Budget Committee approved and recommended a balanced budget to the City Council on May 9, 2017; and

WHEREAS, in accordance with State law, the Molalla City Council has held a public hearing on the budget as approved and recommended but the Molalla Budget Committee.

NOW, THEREFORE, THE CITY OF MOLALLA RESOLVES and hereby adopts the FY 2017/2018 budget approved by the Budget Committee on May 9, 2017 with all City Council adjustments as discussed in the regular meeting on June 28, 2017, in the amount of **\$24,533,535**, of which **\$1,000,000** is in Unappropriated Ending Fund Balance and **\$2,784,009** is in reserves. Copies of the said budget are on file at the Molalla City Hall, 117 N. Molalla Avenue, Molalla, Oregon, 97038.

THE CITY OF MOLALLA FURTHER RESOLVES as follows:

1. **THAT** the amounts for the purpose of operating the City of Molalla for the fiscal year 2017/2018 budget year be appropriated as follows, beginning July 1, 2017.

GENERAL FUND

| | |
|---|------------------------|
| Office of Governance & Management | \$ 989,540.00 |
| Police Service | \$ 2,621,341.00 |
| Municipal Court | \$ 206,725.00 |
| Parks Department | \$ 191,127.00 |
| Planning Department | \$ 114,470.00 |
| Transfers | \$ 1,000.00 |
| Contingency | \$ 100,000.00 |
| TOTAL APPROPRIATED TO GENERAL FUND | \$ 4,224,203.00 |
| <i>Reserve</i> | <i>\$ 125,000.00</i> |
| <i>Unappropriated Ending Fund Balance</i> | <i>\$ 1,000,000.00</i> |

LIBRARY FUND

| | |
|--------------------------------------|------------------------|
| Library | \$ 3,011,633.00 |
| Contingency | \$ 75,000.00 |
| TOTAL APPROPRIATED TO LIBRARY | \$ 3,086,633.00 |

STREET FUND

| | |
|-------------------------------|-----------------|
| Streets | \$ 809,600.00 |
| Transfers | \$ 237,000.00 |
| Contingency | \$ 70,524.00 |
| TOTAL APPROPRIATED TO STREETS | \$ 1,117,124.00 |

SEWER FUND

| | |
|-----------------------------|-----------------|
| Sewer | \$ 655,227.00 |
| Sewer Operations | \$ 336,200.00 |
| Sewer Maintenance | \$ 679,919.00 |
| Transfers | \$ 626,435.00 |
| Contingency | \$ 215,240.00 |
| TOTAL APPROPRIATED TO SEWER | \$ 2,513,021.00 |

WATER FUND

| | |
|-----------------------------|-----------------|
| Water | \$ 627,094.00 |
| Water Operations | \$ 168,050.00 |
| Water Maintenance | \$ 398,600.00 |
| Transfers | \$ 774,800.00 |
| Contingency | \$ 365,499.00 |
| TOTAL APPROPRIATED TO WATER | \$ 2,334,043.00 |

STORM WATER FUND

| | |
|-----------------------------|---------------|
| Storm Water | \$ 168,467.00 |
| Contingency | \$ 5,165.00 |
| TOTAL APPROPRIATED TO STORM | \$ 173,632.00 |

WATER/SEWER DEPOSITS

| | |
|--|--------------|
| Water/Sewer Deposits | \$ 46,500.00 |
| TOTAL APPROPRIATED TO WATER/SEWER DEPOSITS | \$ 46,500.00 |

PD RESTRICTED REVENUE

| | |
|---|--------------|
| PD Restricted | \$ 32,850.00 |
| TOTAL APPROPRIATED TO PD RESTRICTED REVENUE | \$ 32,850.00 |

WATER GENERAL OBLIGATION BOND

| | |
|-------------------------------------|--------------|
| Debt Service | \$ 68,163.00 |
| TOTAL APPROPRIATED TO GO WATER BOND | \$ 68,163.00 |
| Reserve | \$ 31,050.00 |

WATER DEBT RETIREMENT

| | | |
|---|----|------------|
| Debt Service | \$ | 350,200.00 |
| TOTAL APPROPRIATED TO WATER DEBT RETIREMENT | \$ | 350,200.00 |
| <i>Reserve</i> | \$ | 4,649.00 |

SEWER DEBT RETIREMENT

| | | |
|---|----|------------|
| Debt Service | \$ | 314,800.00 |
| TOTAL APPROPRIATED TO SEWER DEBT RETIREMENT | \$ | 314,800.00 |
| <i>Reserve</i> | \$ | 315,600.00 |

CWSRF

| | | |
|-----------------------------|----|------------|
| Debt Service | \$ | 186,690.00 |
| TOTAL APPROPRIATED TO CWSRF | \$ | 186,690.00 |
| <i>Reserve</i> | \$ | 186,018.00 |

SEWER SDC

| | | |
|---------------------------------|----|------------|
| Sewer SDC | \$ | 155,000.00 |
| Transfers | \$ | 415,467.00 |
| TOTAL APPROPRIATED TO SEWER SDC | \$ | 570,467.00 |
| <i>Reserve</i> | \$ | 235,234.00 |

WATER SDC

| | | |
|---------------------------------|----|------------|
| Water SDC | \$ | 5,000.00 |
| Transfer | \$ | 855,200.00 |
| TOTAL APPROPRIATED TO WATER SDC | \$ | 860,200.00 |
| <i>Reserve</i> | \$ | 998,664.00 |

STORM SDC

| | | |
|---------------------------------|----|-----------|
| Transfer | \$ | 15,000.00 |
| TOTAL APPROPRIATED TO STORM SDC | \$ | 15,000.00 |
| <i>Reserve</i> | \$ | 37,055.00 |

TRANSPORTATION SDC

| | | |
|--|----|------------|
| Transportation SDC | \$ | 5,000.00 |
| Transfers | \$ | 330,000.00 |
| TOTAL APPROPRIATED TO TRANSPORTATION SDC | \$ | 335,000.00 |
| <i>Reserve</i> | \$ | 234,419.00 |

PARK SDC

| | | |
|--------------------------------|----|--------------|
| Transfers | \$ | 1,000,000.00 |
| TOTAL APPROPRIATED TO PARK SDC | \$ | 1,000,000.00 |
| <i>Reserve</i> | \$ | 388,320.00 |

CAPITAL PROJECTS FUND

Capital Projects \$ 3,521,000.00
TOTAL APPROPRIATED TO CAPITAL PROJECTS \$ 3,521,000.00

FLEET REPLACEMENT FUND

TOTAL APPROPRIATED TO FLEET REPLACEMENT \$.00
Reserve \$ 228,000.00

TOTAL APPROPRIATED FUNDS \$20,749,526.00
RESERVES \$ 2,784,009.00
UNAPPROPRIATED ENDING FUNDS \$ 1,000,000.00
TOTAL FY 2017/2018 BUDGET FOR THE CITY OF MOLALLA \$24,533,535.00

2. **THAT** the Molalla City Council hereby imposes taxes provided for in the adopted budget at the rate of \$5.3058 per \$1,000 of assessed value for general operations; and in the amount of \$68,163.00 for bonds; and that these taxes are hereby imposed and categorized for tax year 2017/2018 upon the assessed value of all taxable property within the City of Molalla.

| | | |
|--|-----------------------|--------------------------|
| | General Government | Excluded from Limitation |
| Permanent Rate | \$5.3058 / \$1,000.00 | |
| General Obligation Bonded Debt Service | | \$68,163.00 |

3. **THAT** the Budget Officer is authorized to prepare and submit any certifications of the taxes levied that may be deemed necessary by the Oregon Department of Revenue and Clackamas County Assessor.

Adopted by the Molalla City Council this 28th day of June, 2017.

ATTEST:

By: 
Dan Huff, City Manager, Budget Officer

City of Molalla, Oregon

By: 
Jimmy Thompson, Mayor

Resolution 2017-02 Adopting the Urban Renewal Agency Budget

RESOLUTION 2017-02 MOLALLA URBAN RENEWAL AGENCY

A RESOLUTION ADOPTING THE MOLALLA URBAN RENEWAL AGENCY BUDGET FOR THE FISCAL YEAR 2017/2018; MAKING APPROPRIATIONS; AND CATEGORIZING AND LEVYING TAXES

The board of the Molalla Urban Renewal Agency on the 28th day of June, 2017 sat in regular session for the transaction of agency business.

WHEREAS, the Molalla Urban Renewal Agency Budget Committee has reviewed and acted on the proposed Agency budget; and

WHEREAS, the Molalla Urban Renewal Agency Budget Committee approved and recommended a balanced budget to the Urban Renewal Agency Board on May 9, 2017; and

WHEREAS, in accordance with State law, the Urban Renewal Agency Board has held a public hearing on the budget as approved and recommended by the Molalla Budget Committee.

NOW, THEREFORE, THE MOLALLA URBAN RENEWAL AGENCY RESOLVES and hereby adopts the FY 2017/2018 Budget approved by the Budget Committee on May 9, 2017, in the amount of \$1,101,000.00, of which \$650,850.00 is in reserves. Copies of the said budget are on file at the Molalla City Hall, 117 N. Molalla Avenue, Molalla, Oregon, 97038.

THE MOLALLA URBAN RENEWAL AGENCY FURTHER RESOLVES as follows:

- 1. THAT** the amounts for the purpose of operating the Agency for the fiscal year 2017/2018 budget year be appropriated as follows, beginning July 1, 2017.

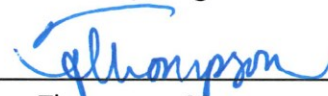
| | |
|---|------------------------|
| Materials & Services | \$ 125,000.00 |
| Debt Service | \$ 225,150.00 |
| Contingency | \$ 100,000.00 |
| TOTAL APPROPRIATED FUNDS | \$ 450,150.00 |
| RESERVES | \$ 650,850.00 |
| TOTAL FY 2017/18 BUDGET FOR MURA | \$ 1,101,000.00 |
- 2. THAT** the Budget Officer is authorized to prepare and submit any certifications of the taxes levied that may be deemed necessary by the Oregon Department of Revenue and Clackamas County Assessor.
- 3. TO CERTIFY** to the County Assessor for the Downtown Plan Area a request for the maximum amount of revenue that may be raised by dividing the taxes under Section 1c, Article IX, of the Oregon Constitution and ORS Chapter 457.

Adopted by the Molalla Urban Renewal Agency this 28th day of June, 2017.

ATTEST:

By: 
Dan Huff, City Manager, Budget Officer

City of Molalla, Oregon

By: 
Jimmy Thompson, Mayor

Notice of Property Tax and Certification of Intent to Impose a Tax, Fee, Assessment, or Charge on Property

**FORM LB-50
2017-2018**

To assessor of CLACKAMAS County

Check here if this is an amended form.

• Be sure to read instructions in the current Notice of Property Tax Levy Forms and Instructions booklet.

The City of Molalla has the responsibility and authority to place the following property tax, fee, charge, or assessment on the tax roll of Clackamas County. The property tax, fee, charge, or assessment is categorized as stated by this form.

PO Box 248 Molalla OR 97038 06/29/2017
Mailing address of district City State ZIP code Date submitted
Chaunee Seifried Finance Director 503-829-6855 X 228 cseifried@cityofmolalla.com
Contact person Title Daytime telephone number Contact person e-mail address

CERTIFICATION— You **must** check one box if you are subject to Local Budget Law.

- The tax rate or levy amounts certified in Part I are within the tax rate or levy amounts approved by the budget committee.
- The tax rate or levy amounts certified in Part I were changed by the governing body and republished as required in ORS 294.456.

PART I: TAXES TO BE IMPOSED

| | Subject to General Government Limits | | |
|---|--------------------------------------|--------------------|--------------------------------|
| | Rate | —or— Dollar Amount | |
| 1. Rate per \$1,000 or total dollar amount levied (within permanent rate limit) ... 1 | 5.3058 | | |
| 2. Local option operating tax 2 | 0 | | Excluded from Measure 5 Limits |
| 3. Local option capital project tax 3 | 0 | | |
| 4. City of Portland Levy for pension and disability obligations 4 | 0 | | Dollar Amount of Bond Levy |
| 5a. Levy for bonded indebtedness from bonds approved by voters prior to October 6, 2001 5a | | | 68,163.00 |
| 5b. Levy for bonded indebtedness from bonds approved by voters after October 6, 2001 5b | | | 0.00 |
| 5c. Total levy for bonded indebtedness not subject to Measure 5 or Measure 50 (total of 5a + 5b) 5c | | | 68,163.00 |

PART II: RATE LIMIT CERTIFICATION

| | |
|---|--------|
| 6. Permanent rate limit in dollars and cents per \$1,000 6 | 5.3058 |
| 7. Election date when your new district received voter approval for your permanent rate limit 7 | |
| 8. Estimated permanent rate limit for newly merged/consolidated district 8 | 0 |

PART III: SCHEDULE OF LOCAL OPTION TAXES— Enter all local option taxes on this schedule. If there are more than two taxes, attach a sheet showing the information for each.

| Purpose (operating, capital project, or mixed) | Date voters approved local option ballot measure | First tax year levied | Final tax year to be levied | Tax amount —or— rate authorized per year by voters |
|--|--|-----------------------|-----------------------------|--|
| | | | | |
| | | | | |

PART IV: SPECIAL ASSESSMENTS, FEES, AND CHARGES

| Description | Subject to General Government Limitation | Excluded from Measure 5 Limitation |
|-------------|--|------------------------------------|
| 1 | | |
| 2 | | |

If fees, charges, or assessments will be imposed on specific property within your district, you must attach a complete listing of properties, by assessor's account number, to which fees, charges, or assessments will be imposed. Show the fees, charges, or assessments uniformly imposed on the properties. If these amounts are not uniform, show the amount imposed on each property. **The authority for putting these assessments on the roll is ORS _____.** (Must be completed if you have an entry in Part IV.)

(see the back for worksheet for lines 5a, 5b, and 5c)
File with your assessor no later than JULY 15, unless granted an extension in writing.

• Submit two (2) copies to county assessor by July 15.

Check here if this is an amended form.

Notification

____ Molalla Urban Renewal District _____ authorizes its 2017-18 ad valorem tax increment amounts
 (Agency Name)
 by plan area for the tax roll of ____ Clackamas County _____
 (County Name)
 ____ Chaunee Seifried _____ 503-829-6855 X 228 _____ June 29, 2017 _____
 (Contact Person) (Telephone Number) (Date Submitted)
 ____ PO Box 248, Molalla, Oregon 97038 _____ cseifred@cityofmolalla.com _____
 (Agency's Mailing Address) (Contact Person's E-mail Address)

Yes, the agency has filed an impairment certificate by May 1 with the assessor (ORS 457.445).

Part 1: Option One Plans (Reduced Rate). For definition of Option One plans, see ORS 457.435(2)(a)

| Plan Area Name | Increment Value to Use* | 100% from Division of Tax* | Special Levy Amount** |
|----------------|-------------------------|----------------------------|-----------------------|
| | \$ _____ Or | Yes _____ | \$ _____ |
| | \$ _____ Or | Yes _____ | \$ _____ |
| | \$ _____ Or | Yes _____ | \$ _____ |
| | \$ _____ Or | Yes _____ | \$ _____ |

Part 2: Option Three Plans (Standard Rate). For definition of Option Three plans, see ORS 457.435(2)(c)

| Plan Area Name | Increment Value to Use*** | 100% from Division of Tax*** | Special Levy Amount**** |
|----------------|---------------------------|------------------------------|-------------------------|
| | \$ _____ Or | | |
| | \$ _____ Or | | |
| | \$ _____ Or | | |

Part 3: Other Standard Rate Plans. For definition of standard rate plans, see ORS 457.445(2)

| Plan Area Name | Increment Value to Use* | 100% from Division of Tax* | |
|----------------|-------------------------|----------------------------|--|
| | \$ _____ Or | Yes _____ | |
| | \$ _____ Or | Yes _____ | |
| | \$ _____ Or | Yes _____ | |
| | \$ _____ Or | Yes _____ | |
| | \$ _____ Or | Yes _____ | |

Part 4: Other Reduced Rate Plans. For definition of reduced rate plans, see ORS 457.445(1)

| Plan Area Name | Increment Value to Use* | 100% from Division of Tax* | |
|----------------|-------------------------|----------------------------|--|
| DOWNTOWN | \$ _____ Or | Yes <u>XX</u> | |
| | \$ _____ Or | Yes _____ | |
| | \$ _____ Or | Yes _____ | |
| | \$ _____ Or | Yes _____ | |
| | \$ _____ Or | Yes _____ | |

Notice to Assessor of Permanent Increase in Frozen Value. Effective 2015-2016, permanently increase frozen value to:

| | |
|----------------|---------------------|
| Plan Area Name | New frozen value \$ |
| Plan Area Name | New frozen value \$ |

- * **All Plans except Option Three:** Enter amount of Increment Value to Use that is less than 100% Or check "Yes" to receive 100% of division of tax. Do NOT enter an amount of Increment Value to Use AND check "Yes".
- ** If an **Option One plan** enters a Special Levy Amount, you **MUST** check "Yes" and **NOT** enter an amount of Increment to Use.
- *** **Option Three plans** enter EITHER an amount of Increment Value to Use to raise less than the amount of division of tax stated in the 1998 ordinance under ORS 457.435(2)(c) OR the Amount from Division of Tax stated in the ordinance, **NOT** both.
- **** If an **Option Three plan** requests both an amount of Increment Value to Use that will raise less than the amount of division of tax stated in the 1998 ordinance and a Special Levy Amount, the Special Levy Amount cannot exceed the amount available when the amount from division of tax stated in the ordinance is subtracted from the plan's Maximum Authority.

SECTION 5

APPENDIX

Appendix - Financial Policies

Financial Goals

The City of Molalla's financial goals seek to:

- Ensure the financial integrity of the City
- Improve financial information for decision makers at all levels
- Assist policy makers as they contemplate decisions affecting the City on a long-term basis, and be a manager as they implement policy on a day-to-day basis

Financial Objectives

The City of Molalla's fiscal policies address the following major areas:

1. Revenue policy - Addresses property taxes, user charges, and other sources to adequately fund desired services
2. Operating budget policy - Relating to budgeting guidelines
3. Accounting policy - Relating to reporting financial transactions and preparing financial reports
4. Debt policy - Dealing with long-term financing of the City's capital needs and its bond rating
5. Reserve policy - For establishing reserves and contingency funding as needed for the various activities of the City
6. Management of fiscal policy - Dealing with approval, recommendation, review, and implementation of policies including monitoring compliance

Long-Term Financial Policies

The City of Molalla's long-term financial policies are as follows:

1. REVENUE MANAGEMENT POLICY

A. General Guidelines

1. Dedicated revenue sources shall be used only for the purposes for which funds are being collected. For example: gasoline tax revenue shall be used only for street maintenance, improvements and operations.
2. One time revenue sources will not be used to fund ongoing operations of the City.
3. The City will closely manage the collection of its revenues. In the event of non-payment of obligations such as utility bills, the City shall discontinue service using collection agencies, liens, and other methods of collection as necessary.

B. System Development Charges, User Fees and Other Charges

1. General:

System Development Charges (SDCs) are levied on new developments to finance capacity improvements to sewer, water, streets, storm drainage, and parks due to growth. System Development Charges may be a reimbursement fee, an improvement fee, or a combination thereof assessed or completed at the time of increased usage of a capital improvement or issuance of a development permit/building permit in connection to the capital improvement.

To the extent practical, the City of Molalla will use SDCs to pay for additional service capacity rather than levying taxes and/or imposing service charges on all city residents. As a result, SDCs have been established that reflect the costs of providing roads, storm drains, water, sewer, and parks improvements needed to service demands of the growing community.

2. Fee Increases/Reviews:

Fees and charges should be reviewed on an annual basis to determine whether the fees being charged are adequate to cover the entire cost (operating, direct, indirect, and capital) of providing the service. Before fees and charges are adjusted, the City shall consider rates assessed by comparable cities.

C. Utility Rates

1. Charges for providing water, sewer, and street lighting shall be sufficient to finance all operating, capital outlay, and debt service expenses of the City's enterprise funds, including operating contingency and reserve requirements. Projects funded with SDCs and general obligation bonds shall be excluded from this requirement. It is the City's position that if a system's capacity needs to be expanded as a result of growth, the cost of the expansion should be borne by those causing the growth. On an annual basis, the City shall review and, if necessary, revise the rates it charges to its utility customers.

D. Interest Income

1. Interest earned from the investment of City money shall be distributed to the appropriate fund in accordance with the equity balance of the particular fund from which the money was provided for investment.

2. OPERATING BUDGET POLICY

A. Compliance with Local Budget Law

The City shall prepare, present, adopt, and amend its annual operating budget in accordance with Oregon Budget Law.

B. Budgetary Control System

1. The City shall maintain a budget system to monitor expenditures and revenues on a monthly basis, with a thorough analysis and adjustment (if required).

2. The City shall not adopt an operating budget that is greater than the amount of resources available to fund it. Current operating resources will be sufficient to support current operating expenditures, reimbursement transfers, reserves, and contingencies.

3. Long-term debt or bond financing shall only be used for the acquisition of capital facilities or specialized equipment. Long-term debt or bond financing shall not be used to finance current operating expenditures.

3. ACCOUNTING POLICY

A. Maintenance of Accounting Records

The City shall establish and maintain its accounting systems according to Generally Accepted Accounting Practices (GAAP) and shall adhere to generally accepted accounting principles and standards promulgated by the Government Finance Officers Association (GFOA), Government

Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).

B. External Audit

1. An annual audit shall be performed by an independent public accounting firm, which will issue an official opinion on the annual financial statement, along with a management letter identifying as needing improvement, if appropriate.
2. Full disclosure of the City's financial condition shall be provided in the financial statements and bond representations.

C. Financial Reporting

1. A Comprehensive Annual Financial Report (CAFR) shall be submitted to present the results, financial position, and operations of the City for the prior fiscal year.
2. Quarterly budget reports showing the current status of revenues and expenditures shall be prepared and distributed to appropriate legislative, staff, and management personnel in a timely manner and made available for public inspection.

4. DEBT SERVICE

A. Uses of Debt

Debt shall not be used for operating purposes. No debt shall be in existence for longer than the useful life of the capital investment for which the debt was incurred.

B. Debt Margins

The City shall ensure that its debt margins are within the 3% true cash value limitation as set forth in ORS 287.004.

C. Financing Alternatives

The City will examine all financial alternatives in addition to long-term debt. These alternatives will include pay-as-you-go, reserve funds, lease-to-purchase, local improvement districts, borrowing from other funds, and system development charges. Before a decision is made, a cost benefit analysis will be performed for each alternative being considered with the goal of minimizing the cost of the financing to the City. All financial analysis shall be reviewed by the finance director prior to any final decision.

5. RESERVE POLICY

A. Budget Contingency Plan

The City shall maintain a contingency plan in order to respond to significant shortfalls within the City's budget. The plan shall outline an appropriate course of action that management should consider in response to significant gaps between revenues and expenditures.

B. Minimum Fund Balances (Reserves)

The City's goal shall be to maintain a non-appropriated fund balance in the general fund of at least 5% of the annual operating expenditures. This goal will also apply to the City's other operating funds. The reserve shall be used to avoid cash flow interruptions, generate interest income, and reduce the need for any short-term borrowing.

C. Operating Contingency

The City shall attempt to establish an operating contingency that will be used to provide for unanticipated expenditures of a non-recurring nature or to meet unexpected increases in service delivery costs. This contingency budget shall be at least 5% of each fund's original budget estimate for the fiscal year. This policy does not apply to debt service, trust, capital projects, and temporary or certain special purpose funds.

6. MANAGEMENT OF FISCAL POLICIES

1. Fiscal policies and changes in policies shall be approved by the City Council and adopted by resolution at a public hearing.

2. The City Manager shall recommend fiscal policy and changes in policy to the City Council.

3. The City Manager shall prepare a report explaining the substantive impact of all recommendations and their impact on the City's operations, service levels, and/or finances.

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

5. If the City Manager discovers a material deviation from policy, he/she shall inform the City Council in a timely manner.

6. As a part of the City's annual budget document, the City Manager's budget message shall identify:

(a) all major changes in policy since the previous budget year;

(b) any material variations from policy in the ensuing year's budget;

(c) any deviation from established policies in the previous fiscal year.

Appendix - Acronyms

| | |
|-------|--|
| AED | Automated External Defibrillator |
| AV | Assessed Value |
| BLM | Bureau of Land Management |
| CAFR | Comprehensive Annual Financial Report |
| CIP | Capital Improvement Projects |
| CPI | Consumer Price Index |
| CWSRF | Clean Water State Revolving Loan Fund |
| DEQ | Department of Environmental Quality |
| DHS | Department of Human Services |
| DMV | Department of Motor Vehicles |
| FASB | Financial Accounting Standards Board |
| FTE | Full Time Employee |
| FY | Fiscal Year |
| GAAP | Generally Accepted Accounting Practices |
| GASB | Government Accounting Standards Board |
| GFOA | Government Finance Officers Association |
| LEDS | Law Enforcement Data System |
| LOC | League of Oregon Cities |
| MAC | Molalla Aquatic Center |
| MCC | Molalla Communications Company |
| OACA | Oregon Association of Court Administrators |
| OAMR | Oregon Association of Municipal Recorders |
| ODOT | Oregon Department of Transportation |
| OSHA | Oregon Safety & Health Association |
| OSP | Oregon State Police |
| PERS | Public Employees Retirement System |
| PGE | Portland General Electric |
| SAIF | State Accident Insurance Fund |
| SDC'S | System Development Charges |
| STP | Surface Transportation Program |
| TAP | Tourism Action Plan |
| TEAM | Team for Economic Action in Molalla |
| UPS | United Parcel Service |
| UR | Urban Reserve |
| URA | Urban Reserve Area |
| W & S | Weed & Seed |
| WTP | Water Treatment Plant |
| WWTP | Wastewater Treatment Plan |

Appendix - Glossary

Accrual basis. Method of accounting recognizing transactions when they occur without regard to cash flow timing [ORS 294.311(1)].

Activity. That portion of the work of an organizational unit relating to a specific function or class of functions, a project or program, a subproject or subprogram, or any convenient division of these. [ORS 294.311(2)].

Adopted budget. Financial plan that is the basis for appropriations. Adopted by the governing body [ORS 294.435].

Ad valorem tax. A property tax computed as a percentage of the assessed value of taxable property.

Agent. Generally, someone who is authorized to act for the local government, or who can make commitments or sign contracts in the name of the local government. Agency is the fiduciary relationship that arises when one person (a 'principal') manifests assent to another person (an 'agent') that the agent shall act on the principal's behalf and be subject to the principal's control, and the agent manifests assent or otherwise consents so to act.

Appropriation. Authorization for spending a specific amount of money for a specific purpose during a fiscal year. It is based on the adopted budget, including supplemental budgets, if any. It is presented in a resolution or ordinance adopted by the governing body [ORS 294.311(3)].

Approved budget. The budget which has been approved by the budget committee. The data from the approved budget is published in the Financial Summary before the budget hearing [ORS 294.406].

Assessed value. The value set on real and personal property as a basis for imposing taxes. It is the lesser of the property's maximum assessed value or real market value.

Assessment date. The date on which the value of property is set, January 1 [ORS 308.210, 308.250].

Audit. The annual review and appraisal of a municipal corporation's accounts and fiscal affairs conducted by an accountant under contract or the Secretary of State [ORS 297.425].

Audit report. A report in a form prescribed by the Secretary of State made by an auditor expressing an opinion about the propriety of a local government's financial statements, and compliance with requirements, orders, and regulations

Balanced budget. A budget in which the resources equal the requirements in every fund.

Bequest. A gift by will of personal property; a legacy.

Biennial budget. A budget for a 24-month period.

Billing rate. The tax rate used to compute ad valorem taxes for each property

Budget. Written report showing the local government’s comprehensive financial plan for one fiscal year. It must include a balanced statement of actual revenues and expenditures during each of the last two years and estimated revenues and expenditures for the current and upcoming year [ORS 294.311(5)].

Budget committee. Fiscal planning board of a local government, consisting of the governing body plus an equal number of legal voters appointed from the district [ORS 294.336].

Budget message. Written explanation of the budget and the local government’s financial priorities. It is prepared and presented by the executive officer or chairperson of the governing body [ORS 294.391].

Budget officer. Person appointed by the governing body to assemble budget material and information and to physically prepare the proposed budget [ORS 294.331].

Budget period. For local governments on a biennial budget, the 24-month period beginning July 1 and ending June 30 of the second following calendar year. See also “Fiscal year.”

Budget transfers. Amounts moved from one fund to finance activities in another fund. They are shown as expenditures in the originating fund and revenues in the receiving fund.

Capital outlay. Items which generally have a useful life of one or more years, such as machinery, land, furniture, equipment, or buildings [ORS 294.352 (6)].

Capital projects fund. A fund used to account for resources, such as bond sale proceeds, to be used for major capital item purchase or construction [OAR 150-294.352 (1)].

Cash basis. System of accounting under which revenues are accounted for only when received in cash and expenditures are accounted for only when paid [ORS 294.311 (9)].

Category of limitation. The three categories in which taxes on property are placed before the constitutional limits can be tested—education, general government, excluded from limitation [ORS 310.150].

Consolidated billing tax rate. The combined total of the billing rates for all taxing Districts in a code area. Does not include the billing rate for any urban renewal special levies or non-ad valorem taxes, fees, or other charges.

Constitutional limits. The maximum amount of tax on property that can be collected from an individual property in each category of limitation (Art. XI, sect. 11b, OR Const.).

Debt service fund. A fund established to account for payment of general long-term debt principal and interest [OAR 150-294.352 (1)].

Devise. A gift by will of the donor of real property.

District. See “Local government.”

Division of tax. Division of tax refers to the process of, and revenue from, apportioning tax to urban renewal agencies based on the relationship of the excess to frozen value, a.k.a. tax increment revenue.

Double majority. A term that refers to an election where at least 50 percent of the registered voters eligible to vote in the election cast a ballot and more than 50 percent voting approve the question.

Education category. The category for taxes that will be used to support the public school system and are not used to pay exempt bonded indebtedness [ORS 310.150(2)].

Encumbrance. An obligation chargeable to an appropriation and for which part of the appropriation is reserved [ORS 294.311(10)].

Enterprise fund. A fund established to account for operations financed and operated in a manner similar to private business enterprises. They are usually self-supporting. Examples of enterprise funds are those for water, gas, and electric utilities, swimming pools, airports, parking garages, transit systems, and ports [OAR 150-294.352(1)].

Estimate. (v) To arrive at a rough calculation or an opinion formed from imperfect data. (n) The resulting amount.

Excluded from limitation category. The category for taxes used to pay principal and interest on exempt bonded indebtedness [ORS 310.150(2)].

Exempt bonded indebtedness. 1) Bonded indebtedness authorized by a specific provision of the Oregon Constitution, or 2) bonded indebtedness issued as a general obligation on or before November 6, 1990, incurred for capital construction or capital improvements, or 3) bonded indebtedness issued as a general obligation after November 6, 1990, incurred for capital construction or capital improvements with the approval of the electors of the local government. Bonded indebtedness issued to refund or refinance any bonded indebtedness described above is also included [ORS 310.140(7)].

Existing plan. An existing urban renewal plan is defined as a plan that existed in December 1996 and 1) chose an option and 2) established a maximum amount of indebtedness by July 1998 and has not been amended to increase the land area or maximum indebtedness [ORS 457.101(4) (a)].

Expenditures. Total amount incurred if accounts are kept on an accrual basis; total amount paid if accounts are kept on a cash basis [ORS 294.311(16)].

Fiscal year. A 12-month period to which the annual operating budget applies. The fiscal year is July 1 through June 30 for local governments [ORS 294.311(17)].

Fund. 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, regulated activities and objectives.

Fund balance. The fund equity of government funds.

Fund type. One of nine fund types: General, special revenue, debt service, capital projects, special assessment, enterprise, internal service, trust and agency, and reserve [OAR 150-294.352 (1) and ORS 280.100].

Gap bonds. Any portion of a local government's property tax levy used to repay qualified taxing district obligations. This portion was exempted from the calculation of the permanent rate limit. When the debt is paid, the permanent rate is adjusted. Qualified obligations include principal and interest on certain bonds or formal, written borrowings of moneys issued before December 5, 1996, and pension and disability plan obligations that commit property taxes to fulfill those obligations.

General fund. A fund used to account for most fiscal activities except for those activities required to be accounted for in another fund [OAR 150-294.352 (1)].

General government category. The category for taxes used to support general government operations other than schools that are not for the purposes of paying exempt bonded indebtedness [ORS 310.150(1)].

Good Faith. The standard for estimating budget resources and requirements. Good faith estimates are reasonable and are reasonably likely to prove accurate, based on the known facts at the time.

Governing body. County court, board of commissioners, city council, school board, board of trustees, board of directors, or other managing board of a local government unit [ORS 294.311(15)].

Grant. A donation or contribution in cash by one governmental unit to another unit which may be made to support a specified purpose or function, or general purpose [ORS 294.311(19)].

Inter-fund loans. Loans made by one fund to another and authorized by resolution or ordinance (ORS 294.460).

Internal service fund. A fund used to account for fiscal activities when goods or services are provided by one department or agency to other departments or agencies on a cost-reimbursement basis (ORS 294.470).

Legal opinion. The opinion as to legality rendered by an authorized official, such as the Oregon attorney general or city attorney.

Levy. (v) To impose a property tax. (n) Ad valorem tax certified by a local government.

Local government. Any city, county, port, school district, education service district, community college, special district, public or quasi-public corporation (including a municipal utility or dock commission) operated by a separate board or commission; a municipality or municipal corporation under ORS 294.311(25).

Local option tax. Voter-approved taxing authority in addition to the taxes generated by the permanent tax rate. Local option taxes can be for general operations, a specific purpose, or capital projects. It is limited to five years unless it is for a capital project, then it is limited to the useful life of the project or 10 years, whichever is less [Art. XI, section 11(4) OR Const.].

Maximum assessed value (MAV). A constitutional limitation on the taxable value of real or personal property. It can increase a maximum of 3% each year. The 3% limit may be exceeded if there are qualifying improvements made to the property, such as a major addition or new construction.

Maximum authority. The limitation on the amount of revenue an existing urban renewal plan may raise from the property tax system [ORS 457.435(3)]. The assessor calculated this amount for the 1997-98 tax year for each existing plan based on the taxes each urban renewal plan area would have been entitled to prior to Measure 50. This amount is adjusted each year based on the growth of excess value in the plan area.

Maximum indebtedness. The amount of the principal of the indebtedness necessary to complete an urban renewal plan. This does not include indebtedness incurred to refund or refinance existing indebtedness [ORS 457.010(10)]. It is specified in dollars and cents and based on good faith estimates of the scope and costs of the anticipated project or projects. All existing plans are required to have an ordinance which establishes a maximum indebtedness.

Measure 5. A constitutional amendment (Art. XI, section 11b OR Const.) passed in 1990 that limits the amount of operating tax which can be imposed on a property to \$5 per \$1,000 of real market value for education and \$10 per 1,000 for general government.

Measure 50. A constitutional amendment (Art. XI, section 11 OR Const.) passed in 1997 that limits the growth in a property's assessed value to 3% per year. It also limits a local government's taxing authority by creating permanent rate limits.

Municipal Corporation. See "Local government."

Municipality. See "Local government."

Net working capital. The sum of the cash balance, accounts receivable expected to be realized during the ensuing year, inventories, supplies, prepaid expenses less current liabilities and, if encumbrance method of accounting is used, reserve for encumbrances [ORS 294.311(26)].

Object classification. A grouping of expenditures, such as personal services, materials and services, capital outlay, debt services, and other types of requirements [ORS 294.311(28)].

Operating rate. The rate determined by dividing the local government’s operating tax amount by the estimated assessed value of the local government. This rate is needed when a local government wants to impose less tax than its permanent rate will raise.

Option, urban renewal. Financing arrangement chosen by existing urban renewal plans. Cannot be changed. The options are as follows:

Option 1 [ORS 457.435(2) (a)], allows the plan to collect division of tax as computed under ORS 457.440. If the amount collected from the division of tax is insufficient, a special levy may be imposed against all taxable property of the municipality that activated the urban renewal agency. Option 1 plans are “reduced rate” (do not divide local option or bond levies approved by voters after October, 2001).

Option 2 [ORS 457.435(2) (b)]. The Cascade Locks Plan in Hood River County was the only Option 2 Urban Renewal Plan and that plan has been completed. May impose a special levy, but does not collect division of tax.

Option 3 [ORS 457.435(2) (c)], provides that Option 3 plans can obtain funds from both the division of tax and a special levy. Like Option 1, the agency may limit the amount to be received from the special levy, but unlike Option 1 the agency limited the amount of funds received from the division of tax when the Option was chosen. Option 3 plans are “standard rate” (divide all tax levies).

Other “standard rate” plan was adopted between December 1996 and October 2001. Receives division of tax, but no special levy.

Other “reduced rate” plan was adopted after October 2001, or was an Option 1 or 2 plan that was substantially amended. Receives division of tax only.

Ordinance. A formal legislative enactment by the governing board of a municipality.

Organizational unit. Any administrative subdivision of the local government, especially one charged with carrying on one or more specific functions (such as a department, office, or division) [ORS 294.311 (30)].

Personal services expenses. Expenses related to the compensation of salaried employees, such as health and accident insurance premiums, Social Security and retirement contributions, civil service assessments.

Permanent rate limit. The maximum rate of ad valorem property taxes a local government can impose. Taxes generated from the permanent rate limit can be used for any purpose. No action of the local government or its voters can change a permanent rate limit.

Principal act. The Oregon Revised Statutes which describe how a certain type of municipal corporation is formed and selects its governing body, the powers it may exercise, and the types of taxing authority its voters may authorize.

Prior years’ tax levies. Taxes levied for fiscal years preceding the current one.

Program. A group of related activities to accomplish a major service or function for which the local government is responsible [ORS 294.311 (32)].

Program budget. A budget based on the programs of the local government.

Property taxes. Ad valorem tax certified to the county assessor by a local government unit.

Proposed budget. Financial plan prepared by the budget officer. All funds must balance. It is submitted to the public and the budget committee for review.

Publication. Public notice given by publication in a newspaper of general circulation within the boundaries of the local government; mailing through the U.S. Postal Service by first class mail to each street address within the boundaries of the local government; and hand delivery to each street address within the boundaries of the local government [ORS 294.311 (34)].

Real Market Value (RMV). The amount in cash which could reasonably be expected by an informed seller from an informed buyer in an arm's-length transaction as of the assessment date. For most properties, the value used to test the constitutional limits [ORS 308.205].

Reserve fund. Established to accumulate money from year to year for a specific purpose, such as purchase of new equipment [ORS 294.525].

Resolution. A formal order of a governing body; lower legal status than an ordinance.

Resource. Estimated beginning funds on hand plus anticipated receipts [ORS 294.361].

SAL Report. Summary of Assessments and Levies [ORS 309.330].

Special levy. A special levy is an ad valorem tax, imposed for an urban renewal plan on the entire municipality that adopted the plan. It is not a result of a division of tax.

Special revenue fund. A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) legally restricted to expenditure for specific purposes [OAR 150-294.352 (1)].

Special payment. A budget expenditure category for pass-through payments, grants made to other organizations and other one-time or unusual expenditures which do not fall into the other categories of personal services, materials and services, capital outlay, etc.

Supplemental budget. A financial plan adopted during a budget period to meet unexpected needs or to appropriate revenues not anticipated when the regular budget was adopted. It cannot be used to authorize a tax [ORS 294.480].

Tax increment financing. A financial mechanism for urban renewal plans which captures the tax from the growth in property value within a designated geographical area by dividing the taxes of local governments.

Tax on property. Any tax, fee, charge, or assessment imposed by any government unit upon property or upon a property owner as a direct consequence of ownership of that property [ORS 310.140(1)].

Tax rate. The amount of tax stated in terms of a unit of tax for each \$1,000 of assessed value of taxable property.

Tax roll. The official listing of the amount of taxes imposed against each taxable property.

Tax year. The fiscal year from July 1 through June 30.

Trust fund. A fund used to account for fiscal activities of assets held in trust by a local government.

Unappropriated ending fund balance. Amount set aside in the budget to be carried over to the next year's budget. It provides the local government with cash until tax money or other revenues are received later in the year. This amount cannot be transferred by resolution or used through a supplemental budget, unless necessitated by a qualifying emergency [ORS 294.371, ORS 294.455].