



FY 2017

# Adopted Budget

City of Molalla and Molalla Urban Renewal Agency

June 30, 2016 to July 31, 2017



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SECTION 1

PROPOSED  
BUDGET  
APPROPRIATION  
ANALYSIS

## Budget Committee

### **Citizen Members:**

Glen Boreth  
Andrew Brown  
Rory Cramer  
Erin Herrington  
Mary Lynn Jacob  
Mitch Jorgensen  
Elizabeth Klein  
Stuart Rios

### **Mayor:**

Deborah Rogge

### **City Council:**

Leota Childress  
Steve Clark  
Jason Griswold  
George Pottle  
Russ Riggs  
Jimmy Thompson

### **Staff:**

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



## Budget Calendar



### 2016/2017 Budget Calendar

|                 |  |
|-----------------|--|
| January 6, 2016 | Appoint Dan Huff, City Manager, as Budget Officer by Resolution                  |
| March 31, 2016  | Department Heads submit final proposed budgets to Budget Officer                 |
| April 13, 2016  | Publish 1st Notice of 1st Budget Meeting   |
| April 20, 2016  | Publish 2nd Notice of Budget Meeting<br>Publish 1st Notice of 2nd Budget Meeting |
| April 27, 2016  | Budget Committee Meeting #1 (6:30pm @ the Molalla Adult Center)                  |
| April 27, 2016  | Publish 2nd Notice of 2nd Meeting  |
| May 4, 2016     | Budget Committee Meeting #2 (6:30pm @ the Molalla Adult Center)                  |
| May 25, 2016    | Publish Notice of Budget & LB Forms in Molalla Pioneer                           |
| June 1, 2016    | Publish Notice of Budget & LB Forms in Molalla Pioneer                           |
| June 8, 2016    | Budget to Council for Adoption, Appropriations, & Levy Taxes                     |
| June 30, 2016   | All documents to Clackamas County  |



## 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 8940, 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 39 full-time employees under the city manager. The city operates its own police department, municipal court, water, wastewater, and 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 Reservation in western Oregon. The last known full-blooded Molalla Indian died in 1913. 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.

### Fiscal Year 2016/2017 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 of 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

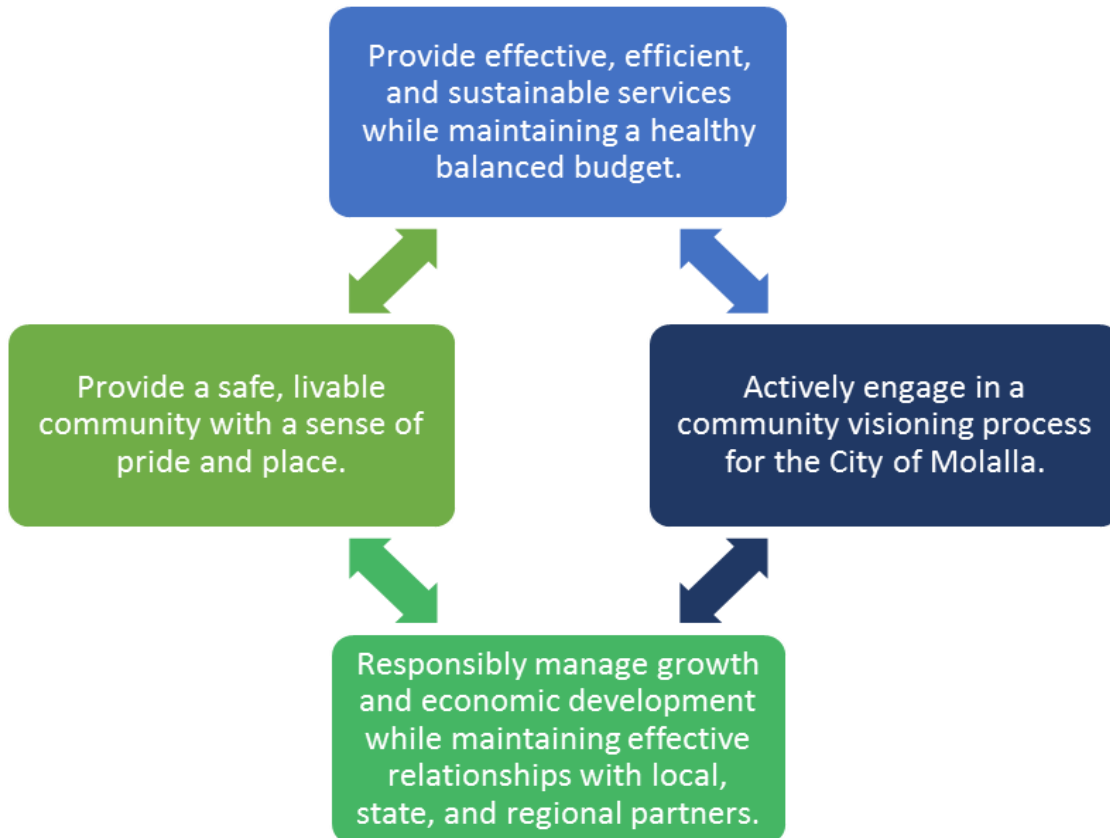
There are downsides to this approach, and many organizations consciously keep force reduction actions under wraps as long as possible because of them. However, the City believes treating employees with respect means informing them about City plans affecting them as soon as possible.

#### 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 2016/2017

On February 24, 2016, the Molalla City Council and staff had a goal setting session. Goals from 2015/2016 were reviewed. Some of the 2015/2016 goals carried over and new goals added for 2016/2017. The three main existing goal categories were determined to still be relevant to the operational ideals City Council has for this community. In addition, the discussion determined a fourth category of developing a City of Molalla vision could help multiple entities prosper with a common understanding.



### **1. Provide a safe, livable community with a sense of pride and place.**

- Increase public awareness of community safety needs.
- Improve community policing efforts (more of a presence).
- Increase awareness and value of having neighborhood watches.
- Continue development of new website to promote community awareness and information provisions.
- Continue ongoing changes to the website to utilize to its fullest potential.
- Promote a Downtown Development/Main Street program, improvements, and events.
- Work with local events as partners through participation.
- Promote green space and park improvements.

**2. Provide effective, efficient, and sustainable services while maintaining a healthy balanced budget.**

- Create and maintain a five year strategic plan for the city to follow.
- Participate openly in the annual audit process & maintain an unqualified audit and prepare City of Molalla CAFR (Comprehensive Annual Financial Report).
- Work with ODOT to improve pedestrian crossings on Highway 211.
- Implement strategies using the Budget as the fiscal Master Plan for the City.
- Implement a water mainline replacement program.
- Maintain annual funding source for I & I (Inflow & Infiltration).
- Establish a funding source for annual street maintenance.
- Continue to identify ways to improve transportation connectivity and flow within the city.
- Construct a bike/pedestrian trail on the old rail line.
- Pursue additional land options for recycled water and bio solid placement.
- Investigate possible infrastructure additions for collection and distribution.

**3. Responsibly manage growth and economic development while maintaining effective relationships with local, state, and regional partners.**

- Partner with Clackamas County Business and Economic Development, develop an economic development plan for Molalla.
- Begin process to examine public facilities including current and future needs through master planning.
- Continue working with state/county agencies to promote Highway 211 and Highway 213 improvements.
- Maintain our relationships with local, state, and regional partners.
- Maintain our funding partnerships with Clackamas County and ODOT.
- Plan for all public building and facility upgrades, replacement, and/or repurposing.
- Master plan for growth and current capacities.
- Work with downtown property and business owners to examine downtown parking needs.

**4. Actively engage in a community visioning process for the City of Molalla.**

- Identify community stakeholders and form a focus group/committee.
- Begin groundwork for developing a strategic plan to actualize the vision.
- Aid groups and individuals in long-term decision making.
- Identify how groups and individuals can play a part in bringing a community vision to fruition.



# 2016/2017 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: *BV* Bob Vroman, County Assessor

DATE: March 31, 2016

SUBJECT: 2016-2017 Value Growth Estimates

To assist in budgeting, we have analyzed assessed value in your district to estimate value growth for 2016-2017. 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 2015-2016.

| <u>2015-2016</u><br><u>Assessed Value (AV)</u> | <u>2016-2017</u><br><u>Estimated Growth in (AV)</u> |
|--|---|
| \$523,045,656                                  | 4-4.5%  |

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

2015-2016 loss due to exceeding Measure 5 limits was: \$ - 2.60

The predominate consolidated general government tax rate within your district is \$10.0035 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

Honorable Mayor  
Rogge  
City Councilors  
Budget Committee  
Members

From: Dan Huff, City Manager, Budget Officer

Date: April 27, 2016

**RE: Presentation of FY 2016/2017 Proposed Budget for the City of Molalla**



Citizens of the City of Molalla

I am pleased to present the fiscal year 2016/2017 budget for the City of Molalla. This document is the road map City Council and staff will use to move forward as we make policy and decisions for the City. Many of the concepts within the budget reflect City Council goals and policies, community needs for services, facility and infrastructure maintenance and management.

Benjamin Franklin said “When you are finished changing, you’re finished.” This statement is true and valid with respect to municipal government. Fiscal year 2015/2016 presented a few obstacles requiring City Council and staff to make changes and adjustments while maintaining necessary service levels to the community. Overall the City is meeting challenges and moving to be more proactive rather than reactive. This will also be true for fiscal year 2016/2017 and is evident in many places in the budget. A significant improvement is in the general fund from those changes. In fiscal year 2011/2012, the general fund was budgeted to begin at a deficit of \$458,963.00. This is a budget violation and poor fiscal management. In five short years, the general fund is anticipated to rollover a beginning fund balance of \$950,000.00 into fiscal year 2016/2017. This is a testament to good policy making and financial stewardship.

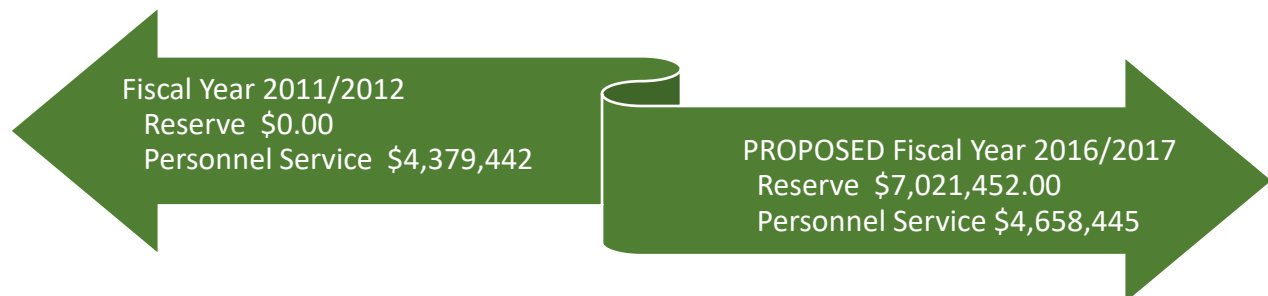
The role of the budget committee is to approve the total allocations within each fund. To assist in that process this budget document has been broken into sections. Section one is the “Proposed Budget Appropriation Analysis.” This is the primary section of focus for this committee and the City Council. Study the financial analysis section and identify if the trends upward or downward are in line with City Council goals and community service needs. One thing to remember is that not spending can create as much damage as spending too much. The City has examples of this. In the not spending category, we have had to make upgrades, repairs, and capital purchases for infrastructure and public works plants from years of inappropriate oversight. In addition, the community had a utility rate adjustment disproportionate to a one year inflation rate as no adjustments had been made in over a decade. So, the kick the can down the road approach to management eventually has to be dealt with and usually at an increasingly more expensive cost. Section two of the budget document is the line item detail section. This is provided so the committee can identify the limits we put onto ourselves at a staff level to manage spending. This section is informational only as the committee only controls the overall

appropriation. The City Manager and staff determine the line item amounts. Section three is the Molalla Urban Renewal Agency budget message and financial analysis. Section four is the compliance section with the legal notifications, resolutions, and minutes. Section five is the appendix with the City financial policies, acronyms, and glossary.

As with many communities, Molalla has stories that have been told and retold so many times the truth was lost a long time ago or a false reality of today is told using facts and stories from many years ago. The City Council has set a goal to actively engage in a community visioning process to help heal the damage from the incorrect information being repeated by folks with a lot of keyboard courage. Please encourage friends, neighbors, business and home owners to get involved with the City. Serve on committees, come to meetings, actively participate in this growing bedroom community because we are seeing good things on the horizon!

It is important to identify where we have come from within the fiscal confines of the City of Molalla. When I arrived at the beginning of fiscal year 2013/2014, the City had \$162,000.00 budgeted for Capital Outlay. In fiscal year 2016/2017 proposed budget, we have proposed \$3,294,700.00. City Council directed staff to focus on core issues and get into the business of infrastructure repair and maintenance. This change of focus does come at a cost however. Our City Council has done an outstanding job understanding their fiscal responsibility to manage public assets through care for the streets, water, and sewer systems owned and operated by the City. The course of the river has been changed and what you all have completed so far has been done within a frugal overall budget partnered with increases in the reserve funds each year.

The following is a comparison of two appropriation levels in the FY 2011/2012 budget measured against the proposed FY 2016/2017 budget:



Measuring these two appropriation categories side by side clearly show the “change in the river.” It is necessary to recognize the accomplishment of the increase in reserve and the almost negligible increase in staff costs. This is an enormous accomplishment. On the other hand this information can be confusing. So, as a community, to understand why the City can report a \$7M proposed budget reserve and a need for utility rates to be increased due to fund deficits and needed capital improvements can be strange. In municipal budgeting, the budget committee and City Council examine appropriateness based on a full City analysis but many of the revenues, included in the reserves, have very specific rules.

Municipal budgeting mandates fund guidelines for types of revenues received and how that money can be used. This presents an enormous budgetary pitfall. As individual consumers we all balance income and expenditures while trying to maintain and grow a modest savings accounting for unforeseen occurrences and, hopefully, retirement down the road. There is fluidity to move monies between our accounts as needs dictate. Government does not have this flexibility. As we will discuss in the financial

analysis section, government has fund types with specific guidelines for operations. In addition, the dollar valuations can be overwhelming as a \$500.00 personal billing can be an unforeseen occurrences in relation to a single family home budget. The City of Molalla is appropriating and managing \$22M over 17 different funds and those 17 funds in large part operate as 17 separate businesses under the direction of one administration. It can be extremely complex.

In the past I have stated that the budget process should be a direct reflection of previously identified decisions, policies, and programs. However, we have been moving away from, and cleaning up, many of those past decisions and processes and growing up as a Municipal government with this community that is growing and changing. We have some that believe Molalla is a timber town; some believe we are a Cowboy community; some see a bedroom community; many just don't know. As our community grows, our commitment remains the same, a consistent focus on core issues. This holds especially true in fiscal year 2016/2017.

Fiscal year 2015/2016 presented with some noteworthy accomplishments which speak loudly to the commitment and diligence of your Staff as well as the elected officials. A few high profile accomplishments are as follows:

- Heintz Extension (Urban Renewal)
- Hiring of a Police Officer
- City Hall Accessibility & Service Improvements
- Unqualified Audit
- Development Code Update Commencement
- Begin Molalla Avenue project (Urban Renewal)
- Molalla Aquatic Center contract voided with MRSD
- Collective bargaining agreements negotiated

Some changes are simple and go unnoticed; others are complex and clearly visible. We have a renewed commitment to monitor spending and hold fast to the guidelines of the fiscal year 2016/2017 proposed budget. We continue to embrace the concept of doing as much as we can within the level of resources available.

Contained in the line item detail portion of the budget document (section two), for information purposes, we have included a five year capital improvement plan that mirrors what is in the proposed budget as well as identifying the needs upcoming and how we are preparing to meet those challenges. This document should be a direct reflection and usable by City Council, committee members, and staff to follow our progression toward fulfilling outlined goals.

Personnel changes are not necessarily planned at this point but we but we do need to recognize that quality people are necessary to a highly functioning City. The last five fiscal cycles have resulted in some dramatic staff reductions which have contributed to the reserve fund building. The current staffing levels are not sustainable as the community grows. The need to meet the community requirements has not diminished but rather increased. Therefore, additional staff will be needed and addressed as necessary.

There are specific projects identified in this budget document, for example: City Hall reconfiguration, Vector payment #4 of 5, Lola Avenue repair, sidewalks at the Library, etc. The approval and

subsequent adoption of this budget will give those projects committee and City Council approval to commence. The three quote requirement is still mandatory for budget approved projects and any deviation from budget approved projects will require new City Council approval before they may begin.

Arnold Bennett said, “any change, even a change for the better, is always accompanied by drawbacks and discomforts.” The elected officials and staff are diligently listening to the community and its needs. We are always looking to change and improve our services and functionality. Each community member has a, specific to them, wish list of what they want and/or need from this community. It is essential we are always looking to first provide the goods and services universal to each community member: police services, water, sewer, storm, and streets.

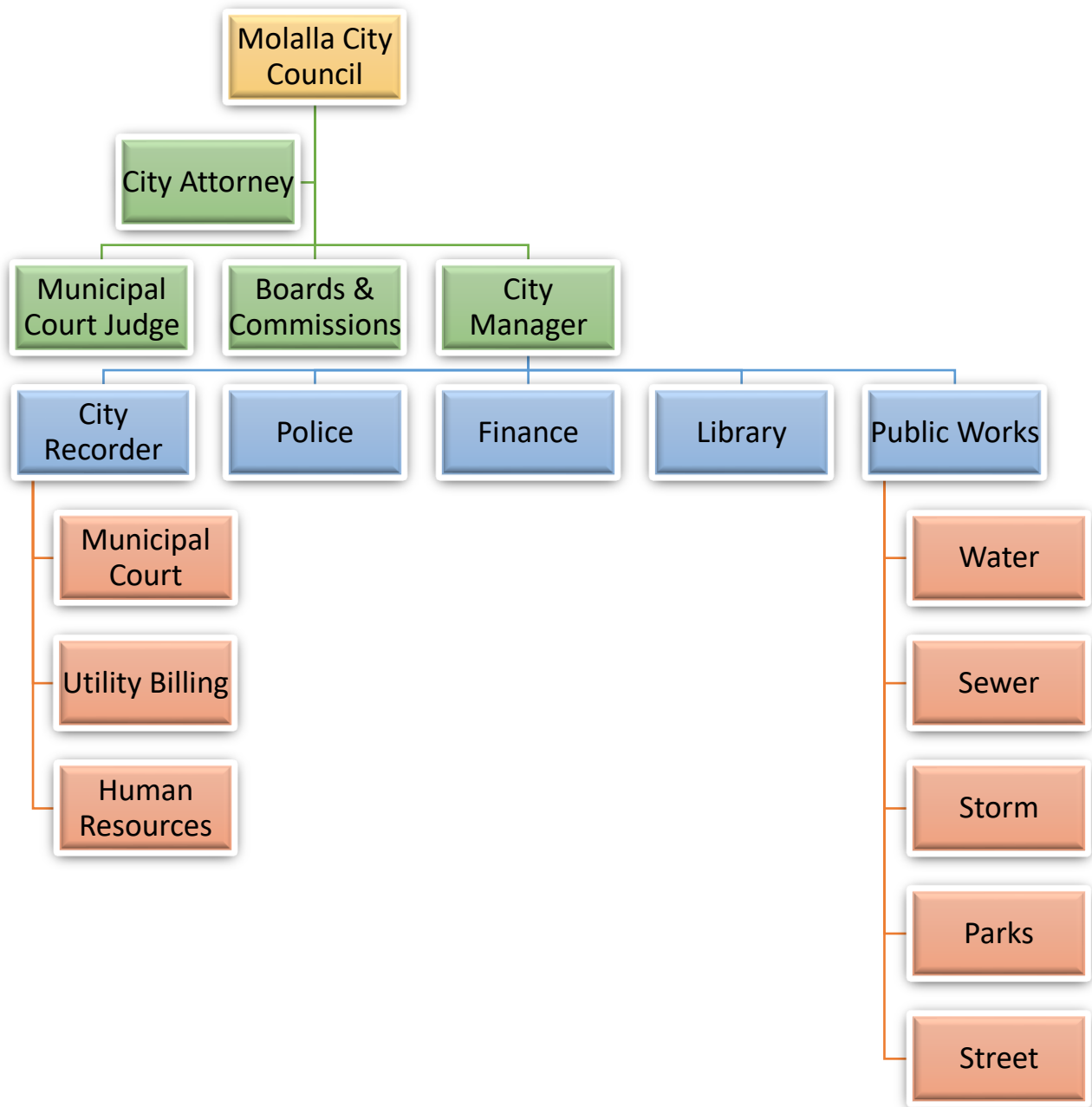
As with all boards and commissions, it is important for this budget committee to consider that we have a participatory process established in our local government and the budget committee is one of those opportunities. Community members have a voice, not just elected officials. This process doesn’t work well if participants do not weigh in when needed. Thank you for being willing to sit as a budget committee member and your continued interest in the City of Molalla.

Sincerely,



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

# Organizational Chart





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## FINANCIAL ANALYSIS

The proposed budget for FY 2016/2017 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.
  - 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/Parks Fund.
- Aquatic Center & Adult Center Fund (Inactive Funds).
- Special Revenue Funds - Specific Revenue/Projects Fund – The City collects (or has collected) dedicated revenues for the following: Police Restricted Revenue Fund, 911, Water/Sewer Deposits.
- 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.

## Resources

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

| <b>FINANCIAL SUMMARY - RESOURCES</b>                           |                              |   |  |
|--|------------------------------|---|--|
| <b>TOTAL OF ALL FUNDS</b>                                      | Actual Amount<br>2014 - 2015 | Adopted Budget<br>This Year 2015 - 2016 | Proposed Budget<br>Next Year 2016 - 2017 |
| Beginning Fund Balance/Net Working Capital                     | \$ 7,957,763.59              | \$ 7,100,469.65                         | \$ 8,148,410.87                          |
| Fees, Licenses, Permits, Fines, Assessments & Service Charges  | \$ 5,059,045.99              | \$ 5,021,875.00                         | \$ 7,796,393.19                          |
| Federal, State and all Other Grants, Allocations and Donations | \$ 1,945,018.61              | \$ 2,798,500.00                         | \$ 2,501,992.00                          |
| Interfund Transfers / Internal Service Reimbursements          | \$ 2,333,748.70              | \$ 1,298,271.56                         | \$ 797,811.08                            |
| All Other Resources Except Current Year Property Taxes         | \$ 237,917.33                | \$ 212,580.00                           | \$ 204,040.00                            |
| Current Year Property Taxes Estimated to be Received           | \$ 2,601,463.20              | \$ 2,765,725.50                         | \$ 2,772,337.50                          |
| <b>Total Resources</b>   | <b>\$ 20,134,957.42</b>      | <b>\$ 19,197,421.71</b>                 | <b>\$ 22,220,984.64</b>                  |

Overall, revenues for the City remain strong and increases and decreases are appropriate for the change in operation focus set forth by the City Council goals. This year we are projecting an increase in the beginning fund balance. The budgeted beginning fund balance for FY 2015/2016 was 7,100,469.65 but the actual valuation was \$7,890,837.59. The actual budgeted increase in the proposed FY 2016/2017 is 3.03%. This is a steady market trend with inflations and matches the Council directive to increase reserves. Staff is balancing this Council goal to increase reserves with the need to identify and meet community service needs.

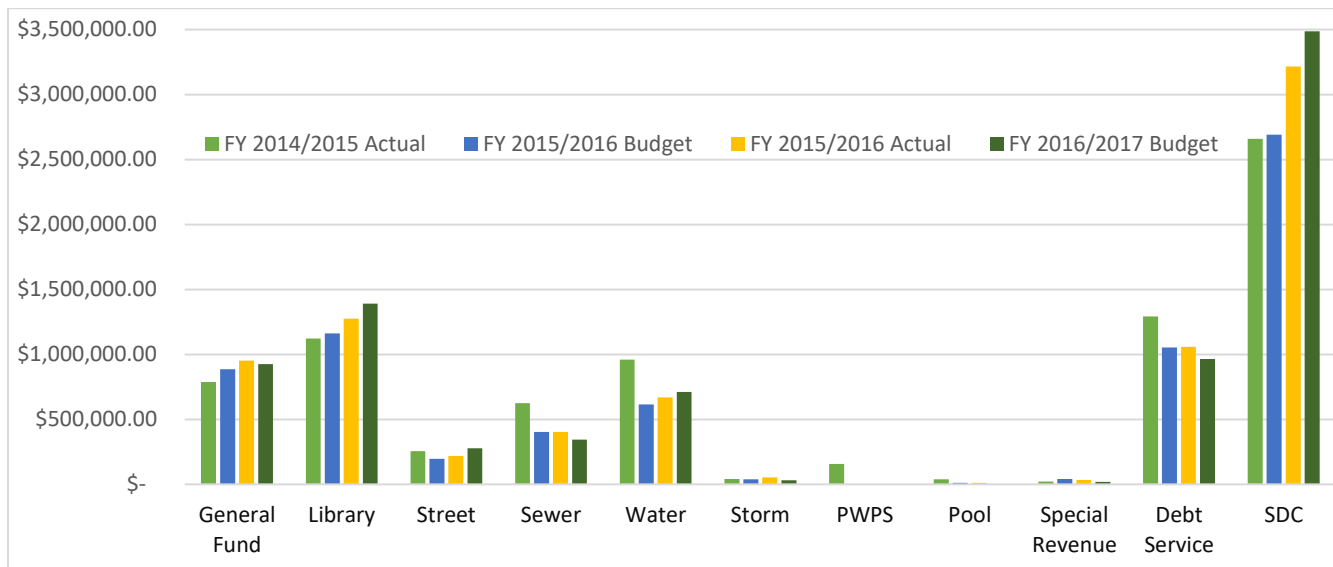
Increases in Fees, Licenses, Permits, Assessments & Service Charges are up due to rate increases to services and the system development charges trending faster than projected. The rate increase portion of the budget is sustainable long term, the SDC increase portion is market driven and fluid.

The 38% decline in the transfers in category brings us back into compliance with the City Council directive to minimize transfers. In FY 2014/2015 and FY 2015/2016, an anomaly of transfers from the general fund to the sewer proprietary fund occurred. This was a conditional need which is not sustainable or necessary going into future fiscal years. The proposed budget for FY 2016/2017 represents the minimum valuation for transfers until we begin to experience the sunset of debt repayment.

Staff continues to work on the 20-28% fund requirement goal for the beginning fund balances. A continuation of a dual-focused management approach to build reserves while continuing to work on infrastructure will be the focal point of management decision making.

The increase from adopted budget 2015/2016 to proposed budget 2016/2017 in an all-inclusive revenue analysis is an increase of 15.47%. This analysis is solid evidence the current goals and oversight are working.

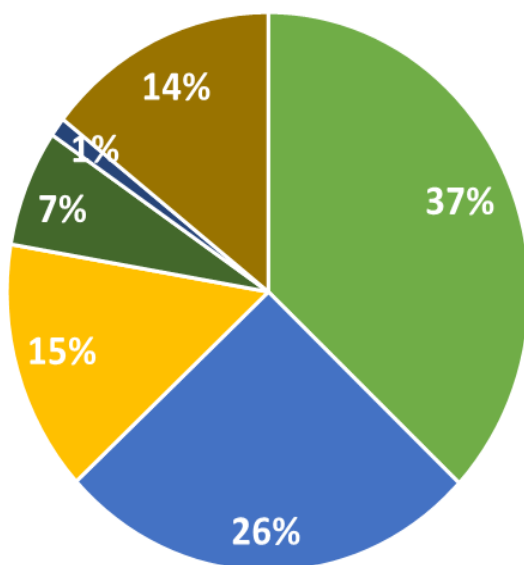
The graph below represents the beginning fund balances broken down by fund measured against FY 2014/2015 actuals, 2015/2016 budgeted, 2015/2016 actuals, and 2016/2017 proposed budget.



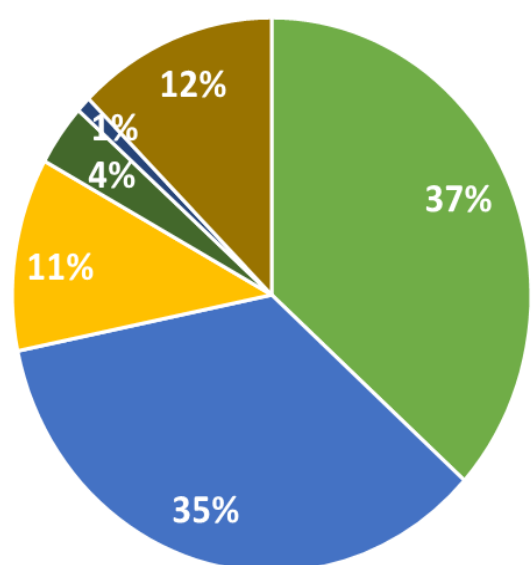
The largest fluxuation in the beginning fund balance estimate was in the SDC funds. As noted earlier this is a fluid projection and subject to large variations.

The pie graphs below represent the adopted budget FY 2015/2016 in comparison to the proposed budget FY 2016/2017 for resources:

### Adopted Budget FY 2015/2016



### Proposed Budget FY 2016/2017



Measuring the revenues 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.

**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    | \$ 954,475.00   | 12.19%      |                    |                      |
| General Fund - Police | \$ 2,366,750.00 | 30.23%      |                    |                      |
| General Fund - Court  | \$ 235,150.00   | 3.00%       |                    |                      |
| Library               | \$ 840,616.39   | 10.74%      | \$ 102,476.05      | \$ 81,980.84         |
| Street/Parks          | \$ 707,401.54   | 9.03%       | \$ 86,236.38       | \$ 68,989.11         |
| Water                 | \$ 1,225,947.38 | 15.66%      | \$ 149,450.15      | \$ 119,560.12        |
| Sewer                 | \$ 1,394,832.18 | 17.81%      | \$ 170,038.20      | \$ 136,030.56        |
| Storm                 | \$ 104,435.70   | 1.33%       | \$ 12,731.32       | \$ 10,185.06         |
|                       | \$ 7,829,608.19 | 100.00%     | \$ 520,932.10      | \$ 416,745.68        |

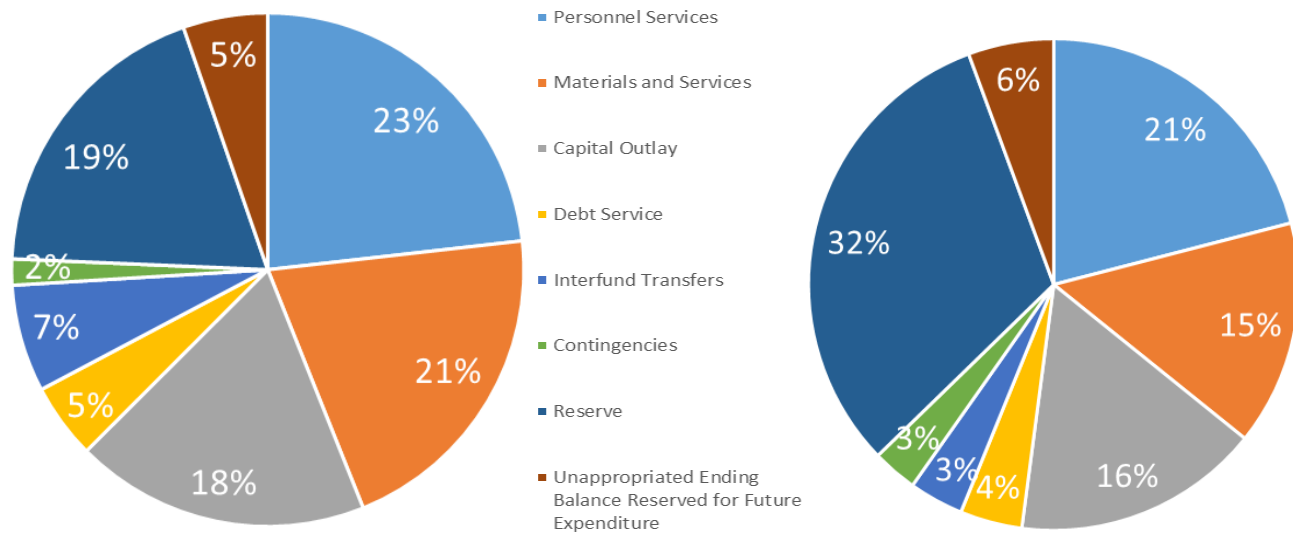
Budget adjustments were made for capital outlay, reserves, contingency, and unappropriated ending fund balances. In addition, the full cost allocation plan would have net general fund resources of \$520,932.10. Staff has reviewed the general fund needs as well as goals and needs of individual funds and determined 80% of the total allocatable amount was a more appropriate assessment. Note the “In Budget Allocation” column above reflects 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. 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.

**Requirements**

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<br>2014 - 2015 | Adopted Budget<br>This Year 2015 - 2016 | Proposed Budget<br>Next Year 2016 - 2017 |
| Personnel Services  | \$ 4,036,460.38              | \$ 4,454,680.00                         | \$ 4,658,445.00                          |
| Materials and Services  | \$ 4,627,773.71              | \$ 3,977,723.11                         | \$ 3,294,703.19                          |
| Capital Outlay  | \$ 1,580,213.24              | \$ 3,570,500.00                         | \$ 3,625,097.00                          |
| Debt Service  | \$ 904,758.50                | \$ 911,841.00                           | \$ 910,272.00                            |
| Interfund Transfers   | \$ 1,094,914.00              | \$ 1,298,271.56                         | \$ 797,811.08                            |
| Contingencies   | \$ -                         | \$ 315,000.00                           | \$ 659,594.00                            |
| Reserve   | \$ -                         | \$ 3,643,314.23                         | \$ 7,021,452.45                          |
| Unappropriated Ending Balance Reserved for Future Expenditure | \$ -                         | \$ 1,026,091.81                         | \$ 1,253,609.92                          |
| <b>Total Requirements</b>                                     | <b>\$ 12,244,119.83</b>      | <b>\$ 19,197,421.71</b>                 | <b>\$ 22,220,984.64</b>                  |

The pie graphs below represent the adopted budget FY 2015/2016 in comparison to the proposed budget FY 2016/2017 for requirements:



The graphs show the City’s frugal approach to operations with reductions in all categories except reserves. The dark blue pie piece shows the City’s commitment to providing excellent service for today and tomorrow through appropriate funding for the current fiscal year and preparing for future fiscal years in the reserves.

Overall, the allocations are conservative and the fund distribution is balanced.

Transfers

City Council directed staff to minimize transfers and eliminate inter-fund loans. Proposed budget transfers have reached the lowest level possible until we complete debt requirements.

| Proposed transfers are: |                   | Debit               | Credit              |
|-------------------------|-------------------|---------------------|---------------------|
| Sewer SDC               | 540-541-5-60-1300 | \$183,156.00        |                     |
| CWSRF Debt              | 520-521-3-90-4700 |                     | \$183,156.00        |
| Water Proprietary       | 106-601-5-60-5300 | \$299,105.08        |                     |
| Water Debt Retirement   | 430-431-3-90-4300 |                     | \$299,105.08        |
| Sewer Proprietary       | 105-501-5-60-5600 | \$315,550.00        |                     |
| Sewer Debt Retirement   | 420-421-3-90-4200 |                     | \$315,550.00        |
| <b>Total</b>            |                   | <b>\$797,811.08</b> | <b>\$797,811.08</b> |

The following analysis examines the current proposed budget against the previous three budgets inclusive of supplemental changes. The allocation is by appropriation as this is the way the budget committee and City Council make decisions and provide oversight. This is a new analysis format measuring the budgeted totals from prior years. The actual audited valuations as required by Oregon

budget law are included in the by fund analysis. This is a look at budget versus budget to identify and measure changes.

On the left, the yellow column is the adopted budget for FY 2013/2014. The orange columns are the adopted budget for FY 2014/2015 and the adjustments made through the supplemental process. On the right, the grey columns are the adopted budget for FY 2015/2016 and the adjustments made through the supplemental process. An additional supplemental budget is possible for fourth quarter 2015/2016. The green column reflects the current proposed budget.

The following table represents the totals of appropriated requirements. From FY 2013/2014 budget to FY 2016/2017 proposed budget, the City is experiencing a 30.12% increase mostly due to increase in reserves as the total appropriated funds is decreased. The reserves have risen from \$4,027,658.00 to \$7,021,452.45 resulting in an increase of 74.33%. When weighed against obstacles faced over this same time period, it is a step in the right direction. The proposed budget is also appropriating 11% less in total requirements than FY 2014/2015 and 4% less than FY 2015/2016 supplemental budget.

| Reso 2013-10<br>Adopted Budget<br>FY 2013/2014 | Reso 2014-06<br>Adopted Budget<br>FY 2014/2015 | Reso 2015-02<br>Supplemental<br>FY 2014/2015 |                                    | Reso 2015-08<br>Adopted Budget<br>FY 2015/2016 | Reso 2016-04<br>Supplemental<br>FY 2015/2016 | Proposed Budget<br>FY 2016/2017 |
|--|--|--|------------------------------------|--|--|---------------------------------|
| \$ 11,145,643.00                               | \$ 15,070,915.87                               | \$ 15,817,228.09                             | <b>TOTAL APPROPRIATED FUNDS</b>    | \$ 13,616,275.63                               | \$ 14,528,015.67                             | \$ 13,945,922.27                |
| \$ 4,027,658.00                                | \$ 2,985,452.49                                | \$ 2,785,452.49                              | <b>RESERVES</b>                    | \$ 4,043,314.23                                | \$ 3,643,314.23                              | \$ 7,021,452.45                 |
| \$ 1,904,055.00                                | \$ 1,282,001.46                                | \$ 1,384,249.88                              | <b>UNAPPROPRIATED ENDING FUNDS</b> | \$ 1,026,091.81                                | \$ 1,026,091.81                              | \$ 1,253,609.92                 |
| \$ 17,077,356.00                               | \$ 19,338,369.82                               | \$ 19,986,930.46                             | <b>TOTAL BUDGET</b>                | \$ 18,685,681.67                               | \$ 19,197,421.71                             | \$ 22,220,984.64                |

Below, you will find the breakdown by fund and by appropriation. This is how the resolution is written which is adopted by the City Council and how we report to Clackamas County through our LB forms to categorize and levy ad valorem taxes.

The detail will follow the same breakdown as the summary total section as noted above.

| Reso 2013-10<br>Adopted Budget<br>FY 2013/2014 | Reso 2014-06<br>Adopted Budget<br>FY 2014/2015 | Reso 2015-02<br>Supplemental<br>FY 2014/2015 |   | Reso 2015-08<br>Adopted Budget<br>FY 2015/2016 | Reso 2016-04<br>Supplemental<br>FY 2015/2016 | Proposed Budget<br>FY 2016/2017 |
|--|--|--|---|--|--|---------------------------------|
| <b>General Fund</b>                            |  |  |   |  |  |                                 |
|  |  |  | Personnel Service                         |  |  |                                 |
| \$ 421,650.00                                  | \$ 529,520.20                                  | \$ 529,520.20                                | Office of Governance and Management       | \$ 517,500.00                                  | \$ 572,500.00                                | \$ 636,725.00                   |
| \$ 1,611,305.00                                | \$ 1,719,000.00                                | \$ 1,719,000.00                              | Police Service                            | \$ 1,789,750.00                                | \$ 1,789,750.00                              | \$ 1,857,250.00                 |
| \$ 101,150.00                                  | \$ 131,200.00                                  | \$ 140,200.00                                | Municipal Court                           | \$ 141,650.00                                  | \$ 141,650.00                                | \$ 147,450.00                   |
| \$ 12,000.00                                   | \$ -   | \$ -   | Planning                                  | \$ -   | \$ -   | \$ -                            |
| <b>Material &amp; Services</b>                 |  |  |   |  |  |                                 |
| \$ 302,600.00                                  | \$ 261,000.00                                  | \$ 321,000.00                                | Office of Governance and Management       | \$ 323,800.00                                  | \$ 323,800.00                                | \$ 317,750.00                   |
| \$ 436,200.00                                  | \$ 496,750.00                                  | \$ 516,750.00                                | Police Service                            | \$ 488,250.00                                  | \$ 488,250.00                                | \$ 509,500.00                   |
| \$ 97,750.00                                   | \$ 77,700.00                                   | \$ 77,700.00                                 | Municipal Court                           | \$ 93,200.00                                   | \$ 93,200.00                                 | \$ 87,700.00                    |
| \$ 48,700.00                                   | \$ 31,400.00                                   | \$ 46,400.00                                 | Planning                                  |  |  |                                 |
| <b>Capital Outlay</b>                          |  |  |   |  |  |                                 |
| \$ 15,000.00                                   | \$ 250,000.00                                  | \$ 25,000.00                                 | Office of Governance and Management       | \$ 250,000.00                                  | \$ 220,000.00                                | \$ 400,000.00                   |
| \$ 20,000.00                                   | \$ 60,000.00                                   | \$ 60,000.00                                 | Police Service                            | \$ 55,000.00                                   | \$ 55,000.00                                 | \$ 55,000.00                    |
| \$ 140,000.00                                  | \$ 62,500.00                                   | \$ 487,500.00                                | Transfers Out                             | \$ 20,000.00                                   | \$ 545,000.00                                | \$ -                            |
| \$ 100,000.00                                  | \$ 100,000.00                                  | \$ 16,000.00                                 | Contingency                               | \$ 150,000.00                                  | \$ -   | \$ 125,000.00                   |
| \$ 3,306,355.00                                | \$ 3,719,070.20                                | \$ 3,939,070.20                              | <b>Total Appropriated to General Fund</b> | \$ 3,829,150.00                                | \$ 4,229,150.00                              | \$ 4,136,375.00                 |
| \$ -   | \$ 200,000.00                                  | \$ -   | Reserve                                   | \$ 400,000.00                                  | \$ -   | \$ 250,000.00                   |
| \$ 341,788.00                                  | \$ 207,152.78                                  | \$ 309,401.20                                | <b>Unappropriated Ending Fund Balance</b> | \$ 468,510.00                                  | \$ 468,510.00                                | \$ 513,501.19                   |

| Reso 2013-10<br>Adopted Budget<br>FY 2013/2014 | Reso 2014-06<br>Adopted Budget<br>FY 2014/2015 | Reso 2015-02<br>Supplemental<br>FY 2014/2015 |                                    | Reso 2015-08<br>Adopted Budget<br>FY 2015/2016 | Reso 2016-04<br>Supplemental<br>FY 2015/2016 | Proposed Budget<br>FY 2016/2017 |
|--|--|--|------------------------------------|--|--|---------------------------------|
| \$ 481,572.00                                  | \$ 589,285.00                                  | \$ 589,285.00                                | <b>Library Fund</b>                | \$ 550,500.00                                  | \$ 550,500.00                                | \$ 567,600.00                   |
| \$ 144,085.00                                  | \$ 212,048.80                                  | \$ 212,048.80                                | Personnel Service                  | \$ 246,650.00                                  | \$ 246,650.00                                | \$ 273,016.39                   |
| \$ 124,000.00                                  | \$ 127,500.00                                  | \$ 177,500.00                                | Material & Services                | \$ 426,000.00                                  | \$ 426,000.00                                | \$ 176,500.00                   |
| \$ 200,000.00                                  | \$ 100,000.00                                  | \$ 50,000.00                                 | Capital Outlay                     | \$ 100,000.00                                  | \$ 100,000.00                                | \$ 100,000.00                   |
| \$ 949,657.00                                  | \$ 1,028,833.80                                | \$ 1,028,833.80                              | Contingency                        | \$ 1,323,150.00                                | \$ 1,323,150.00                              | \$ 1,117,116.39                 |
| \$ 475,000.00                                  | \$ 1,500,000.00                                | \$ 1,500,000.00                              | Total Appropriated to Library      | \$ 1,400,000.00                                | \$ 1,400,000.00                              | \$ 1,900,000.00                 |
| \$ 134,820.00                                  | \$ 235,609.13                                  | \$ 235,609.13                                | Reserve                            | \$ 66,418.41                                   | \$ 66,418.41                                 | \$ 71,383.61                    |
|  |  |  | Unappropriated Ending Fund Balance |  |  |                                 |

| \$ 213,650.00 | \$ 96,013.37  | \$ 101,609.24 | <b>Aquatic Center</b>                | \$ 14,100.00 | \$ 14,100.00  | \$ - |
|---------------|---------------|---------------|--------------------------------------|--------------|---------------|------|
| \$ 170,707.00 | \$ 110,200.00 | \$ 150,200.00 | Personnel Service                    | \$ 18,500.00 | \$ 343,500.00 | \$ - |
| \$ 15,000.00  | \$ -          | \$ -          | Material & Services                  | \$ -         | \$ -          | \$ - |
| \$ 8,399.00   | \$ -          | \$ -          | Capital Outlay                       | \$ -         | \$ -          | \$ - |
| \$ 407,756.00 | \$ 206,213.37 | \$ 251,809.24 | Contingency                          | \$ 32,600.00 | \$ 357,600.00 | \$ - |
| \$ 24,293.00  | \$ -          | \$ -          | Total Appropriated to Aquatic Center | \$ -         | \$ -          | \$ - |
|               |               |               | Unappropriated Ending Fund Balance   |              |               |      |

| \$ -          | \$ -            | \$ -            | <b>Street Fund</b>                 | \$ 327,400.00   | \$ 327,400.00   | \$ 289,400.00 |
|---------------|-----------------|-----------------|------------------------------------|-----------------|-----------------|---------------|
| \$ 570,684.00 | \$ 651,917.69   | \$ 701,917.69   | Personnel Service                  | \$ 479,600.00   | \$ 479,600.00   | \$ 418,001.54 |
| \$ 118,000.00 | \$ 510,000.00   | \$ 600,000.00   | Material & Services                | \$ 557,000.00   | \$ 557,000.00   | \$ 155,927.00 |
| \$ 100,000.00 | \$ 100,000.00   | \$ -            | Capital Outlay                     | \$ 100,000.00   | \$ 100,000.00   | \$ 111,899.00 |
| \$ 788,684.00 | \$ 1,261,917.69 | \$ 1,301,917.69 | Contingency                        | \$ 1,464,000.00 | \$ 1,464,000.00 | \$ 975,227.54 |
| \$ 86,299.00  | \$ 34,871.63    | \$ 34,871.63    | Total Appropriated to Street Fund  | \$ 11,000.00    | \$ 11,000.00    | \$ 143,754.46 |
|               |                 |                 | Unappropriated Ending Fund Balance |                 |                 |               |

| \$ -            | \$ -            | \$ -            | <b>Sewer Fund</b>                  | \$ 482,330.00   | \$ 482,330.00   | \$ 510,000.00   |
|-----------------|-----------------|-----------------|------------------------------------|-----------------|-----------------|-----------------|
| \$ 1,066,158.00 | \$ 1,320,280.00 | \$ 2,000,996.35 | Personnel Service                  | \$ 888,850.00   | \$ 1,175,590.04 | \$ 884,832.18   |
| \$ 65,000.00    | \$ 233,262.00   | \$ 83,262.00    | Material & Services                | \$ 160,500.00   | \$ 160,500.00   | \$ 326,090.00   |
| \$ 425,500.00   | \$ 204,738.00   | \$ 204,738.00   | Capital Outlay                     | \$ 315,928.56   | \$ 315,928.56   | \$ 315,550.00   |
| \$ 100,000.00   | \$ 100,000.00   | \$ -            | Transfers Out                      | \$ 100,000.00   | \$ -            | \$ 216,192.00   |
| \$ 1,656,658.00 | \$ 1,858,280.00 | \$ 2,288,996.35 | Contingency                        | \$ 1,947,608.56 | \$ 2,134,348.60 | \$ 2,252,664.18 |
| \$ 472,971.00   | \$ 295,155.47   | \$ 295,155.47   | Total Appropriated to Sewer        | \$ 73,566.44    | \$ 73,566.44    | \$ 267,294.82   |
|                 |                 |                 | Unappropriated Ending Fund Balance |                 |                 |                 |

| \$ -            | \$ -            | \$ -            | <b>Water Fund</b>                  | \$ 521,650.00   | \$ 521,650.00   | \$ 592,230.00   |
|-----------------|-----------------|-----------------|------------------------------------|-----------------|-----------------|-----------------|
| \$ 925,398.00   | \$ 1,038,746.99 | \$ 1,053,746.99 | Personnel Service                  | \$ 585,750.00   | \$ 585,750.00   | \$ 633,717.38   |
| \$ 118,000.00   | \$ 531,000.00   | \$ 531,000.00   | Material & Services                | \$ 232,000.00   | \$ 232,000.00   | \$ 308,148.00   |
| \$ 300,000.00   | \$ 250,000.00   | \$ 250,000.00   | Capital Outlay                     | \$ 250,000.00   | \$ 250,000.00   | \$ 299,105.08   |
| \$ 100,000.00   | \$ 100,000.00   | \$ 85,000.00    | Transfers Out                      | \$ 100,000.00   | \$ 100,000.00   | \$ 100,000.00   |
| \$ 1,443,398.00 | \$ 1,919,746.99 | \$ 1,919,746.99 | Contingency                        | \$ 1,689,400.00 | \$ 1,689,400.00 | \$ 1,933,200.46 |
| \$ 830,956.00   | \$ 493,610.14   | \$ 493,610.14   | Total Appropriated to Water        | \$ 406,475.00   | \$ 406,475.00   | \$ 257,421.54   |
|                 |                 |                 | Unappropriated Ending Fund Balance |                 |                 |                 |

| \$ -          | \$ -          | \$ -          | <b>Storm Fund</b>                  | \$ 54,800.00  | \$ 54,800.00  | \$ 57,790.00  |
|---------------|---------------|---------------|------------------------------------|---------------|---------------|---------------|
| \$ 75,896.00  | \$ 72,563.77  | \$ 82,563.77  | Personnel Service                  | \$ 44,800.00  | \$ 44,800.00  | \$ 46,645.70  |
| \$ 5,000.00   | \$ 40,000.00  | \$ 40,000.00  | Material & Services                | \$ 20,000.00  | \$ 20,000.00  | \$ 15,000.00  |
| \$ 25,000.00  | \$ 25,000.00  | \$ 15,000.00  | Capital Outlay                     | \$ 15,000.00  | \$ 15,000.00  | \$ 6,503.00   |
| \$ 105,896.00 | \$ 137,563.77 | \$ 137,563.77 | Contingency                        | \$ 134,600.00 | \$ 134,600.00 | \$ 125,938.70 |
| \$ 12,928.00  | \$ 15,602.31  | \$ 15,602.31  | Total Appropriated to Storm        | \$ 121.96     | \$ 121.96     | \$ 254.30     |
|               |               |               | Unappropriated Ending Fund Balance |               |               |               |

| \$ 1,402,100.00 | \$ 1,388,998.84 | \$ 1,444,726.06 | <b>PW's Personnel Service Fund</b> | \$ - | \$ - | \$ - |
|-----------------|-----------------|-----------------|------------------------------------|------|------|------|
| \$ 4,238.00     | \$ 55,727.22    | \$ -            | Personnel Service                  | \$ - | \$ - | \$ - |
| \$ 1,406,338.00 | \$ 1,444,726.06 | \$ 1,444,726.06 | Contingency                        | \$ - | \$ - | \$ - |
|                 |                 |                 | Total Appropriated to Deposit Fund | \$ - | \$ - | \$ - |

| Reso 2013-10<br>Adopted Budget<br>FY 2013/2014 | Reso 2014-06<br>Adopted Budget<br>FY 2014/2015 | Reso 2015-02<br>Supplemental<br>FY 2014/2015 |                                      | Reso 2015-08<br>Adopted Budget<br>FY 2015/2016 | Reso 2016-04<br>Supplemental<br>FY 2015/2016 | Proposed Budget<br>FY 2016/2017 |
|--|--|--|--------------------------------------|--|--|---------------------------------|
| \$ 27,242.00                                   | \$ 1,377.67                                    | \$ 11,377.67                                 | <b>Water/Sewer Deposit Fund</b>      | \$ 14,129.60                                   | \$ 14,129.60                                 | \$ 26,000.00                    |
| \$ 27,242.00                                   | \$ 1,377.67                                    | \$ 11,377.67                                 | Material & Services                  | \$ 14,129.60                                   | \$ 14,129.60                                 | \$ 26,000.00                    |
|  |  |  | Total Appropriated to Deposit Fund   |  |  |                                 |
| \$ 27,322.00                                   | \$ 36,509.14                                   | \$ 36,509.14                                 | <b>PD Restricted Revenue Fund</b>    | \$ 57,453.47                                   | \$ 57,453.47                                 | \$ 27,540.00                    |
| \$ 27,322.00                                   | \$ 36,509.14                                   | \$ 36,509.14                                 | Material & Services                  | \$ 57,453.47                                   | \$ 57,453.47                                 | \$ 27,540.00                    |
|  |  |  | Total Appropriated to PD Restricted  |  |  |                                 |
| \$ -   | \$ 20,000.00                                   | \$ 20,000.00                                 | <b>Grant Fund</b>                    | \$ 20,000.00                                   | \$ 20,000.00                                 | \$ 20,000.00                    |
| \$ -   | \$ 20,000.00                                   | \$ 20,000.00                                 | Material & Services                  | \$ 20,000.00                                   | \$ 20,000.00                                 | \$ 20,000.00                    |
|  |  |  | Total Appropriated to Grant Fund     |  |  |                                 |
| \$ 67,250.00                                   | \$ 67,663.00                                   | \$ 67,663.00                                 | <b>General Obligation Water Bond</b> | \$ 66,463.00                                   | \$ 66,463.00                                 | \$ 64,963.00                    |
| \$ 67,250.00                                   | \$ 67,663.00                                   | \$ 67,663.00                                 | Debt Service                         | \$ 66,463.00                                   | \$ 66,463.00                                 | \$ 64,963.00                    |
| \$ 67,250.00                                   | \$ 66,463.00                                   | \$ 66,463.00                                 | Total Appropriated to GO Bond        | \$ 64,963.00                                   | \$ 64,963.00                                 | \$ 68,163.00                    |
|  |  |  | Reserve                              |  |  |                                 |
| \$ 336,950.00                                  | \$ 338,250.00                                  | \$ 338,250.00                                | <b>Water Debt Retirement</b>         | \$ 339,250.00                                  | \$ 339,250.00                                | \$ 344,950.00                   |
| \$ 336,950.00                                  | \$ 338,250.00                                  | \$ 338,250.00                                | Debt Service                         | \$ 339,250.00                                  | \$ 339,250.00                                | \$ 344,950.00                   |
| \$ 565,420.00                                  | \$ 481,519.92                                  | \$ 481,519.92                                | Total Appropriated to Water Debt     | \$ 390,919.92                                  | \$ 390,919.92                                | \$ 350,200.00                   |
|  |  |  | Reserve                              |  |  |                                 |
| \$ 310,450.00                                  | \$ 314,450.00                                  | \$ 314,450.00                                | <b>Sewer Debt Retirement</b>         | \$ 318,150.00                                  | \$ 318,150.00                                | \$ 316,550.00                   |
| \$ 310,450.00                                  | \$ 314,450.00                                  | \$ 314,450.00                                | Debt Service                         | \$ 318,150.00                                  | \$ 318,150.00                                | \$ 316,550.00                   |
| \$ 459,572.00                                  | \$ 319,121.44                                  | \$ 319,121.44                                | Total Appropriated to Sewer Debt     | \$ 316,550.00                                  | \$ 316,550.00                                | \$ 314,800.00                   |
|  |  |  | Reserve                              |  |  |                                 |
| \$ 183,906.00                                  | \$ 188,596.00                                  | \$ 188,596.00                                | <b>CWSRF</b>                         | \$ 187,978.00                                  | \$ 187,978.00                                | \$ 183,809.00                   |
| \$ 183,906.00                                  | \$ 188,596.00                                  | \$ 188,596.00                                | Debt Service                         | \$ 187,978.00                                  | \$ 187,978.00                                | \$ 183,809.00                   |
| \$ 193,160.00                                  | \$ 187,978.00                                  | \$ 187,978.00                                | Total Appropriated to CWSRF          | \$ 187,343.00                                  | \$ 187,343.00                                | \$ 186,690.00                   |
|  |  |  | Reserve                              |  |  |                                 |
| \$ 25,000.00                                   | \$ -   | \$ -   | <b>Sewer SDC</b>                     | \$ 10,000.00                                   | \$ 10,000.00                                 | \$ 10,000.00                    |
| \$ -   | \$ -   | \$ -   | Material & Services                  | \$ -   | \$ -   | \$ 107,388.00                   |
| \$ -   | \$ 152,676.00                                  | \$ 152,676.00                                | Capital Improvements                 | \$ 187,343.00                                  | \$ 187,343.00                                | \$ 183,156.00                   |
| \$ 25,000.00                                   | \$ 152,676.00                                  | \$ 152,676.00                                | Transfers Out                        | \$ 197,343.00                                  | \$ 197,343.00                                | \$ 300,544.00                   |
| \$ 63,847.00                                   | \$ 45,100.00                                   | \$ 45,100.00                                 | Total Appropriated to Sewer SDC      | \$ 153,441.00                                  | \$ 153,441.00                                | \$ 859,607.00                   |
|  |  |  | Reserve                              |  |  |                                 |
| \$ 25,000.00                                   | \$ 10,000.00                                   | \$ 10,000.00                                 | <b>Water SDC</b>                     | \$ 25,000.00                                   | \$ 25,000.00                                 | \$ 10,000.00                    |
| \$ -   | \$ 1,308,872.83                                | \$ 1,308,872.83                              | Material & Services                  | \$ 1,000,000.00                                | \$ 1,000,000.00                              | \$ 861,550.00                   |
| \$ 25,000.00                                   | \$ 1,318,872.83                                | \$ 1,318,872.83                              | Capital Outlay                       | \$ 1,025,000.00                                | \$ 1,025,000.00                              | \$ 871,550.00                   |
| \$ 1,251,757.00                                | \$ 35,500.00                                   | \$ 35,500.00                                 | Total Appropriated to Water SDC      | \$ 562,396.83                                  | \$ 562,396.83                                | \$ 1,440,708.83                 |
|  |  |  | Reserve                              |  |  |                                 |
| \$ 25,000.00                                   | \$ 10,000.00                                   | \$ 10,000.00                                 | <b>Storm SDC</b>                     | \$ 10,000.00                                   | \$ 10,000.00                                 | \$ 10,000.00                    |
| \$ -   | \$ 250,000.00                                  | \$ 250,000.00                                | Material & Services                  | \$ 150,000.00                                  | \$ 150,000.00                                | \$ 69,494.00                    |
| \$ 25,000.00                                   | \$ 260,000.00                                  | \$ 260,000.00                                | Capital Outlay                       | \$ 160,000.00                                  | \$ 160,000.00                                | \$ 79,494.00                    |
| \$ 131,978.00                                  | \$ 70,667.37                                   | \$ 70,667.37                                 | Total Appropriated to Storm SDC      | \$ 54,794.37                                   | \$ 54,794.37                                 | \$ 257,710.37                   |
|  |  |  | Reserve                              |  |  |                                 |

| Reso 2013-10<br>Adopted Budget<br>FY 2013/2014 | Reso 2014-06<br>Adopted Budget<br>FY 2014/2015 | Reso 2015-02<br>Supplemental<br>FY 2014/2015 |
|--|--|--|
| \$ 25,000.00                                   | \$ 10,000.00                                   | \$ 10,000.00                                 |
| \$ -   | \$ 261,169.35                                  | \$ 261,169.35                                |
| \$ 25,000.00                                   | \$ 271,169.35                                  | \$ 271,169.35                                |
| \$ 222,916.00                                  | \$ 31,620.00                                   | \$ 31,620.00                                 |

**Transportation SDC**

|  |
|--|
| Material & Services                      |
| Capital Outlay                           |
| Total Appropriated to Transportation SDC |
| Reserve                                  |

| Reso 2015-08<br>Adopted Budget<br>FY 2015/2016 | Reso 2016-04<br>Supplemental<br>FY 2015/2016 | Proposed Budget<br>FY 2016/2017 |
|--|--|---------------------------------|
| \$ 10,000.00                                   | \$ 10,000.00                                 | \$ 10,000.00                    |
| \$ 250,000.00                                  | \$ 250,000.00                                | \$ 150,000.00                   |
| \$ 260,000.00                                  | \$ 260,000.00                                | \$ 160,000.00                   |
| \$ 247,389.35                                  | \$ 247,389.35                                | \$ 729,763.65                   |

|               |               |               |
|---------------|---------------|---------------|
| \$ 27,781.00  | \$ 25,000.00  | \$ 25,000.00  |
| \$ -          | \$ 500,000.00 | \$ 500,000.00 |
| \$ 27,781.00  | \$ 525,000.00 | \$ 525,000.00 |
| \$ 596,758.00 | \$ 47,482.76  | \$ 47,482.76  |

**Park SDC**

|                                |
|--------------------------------|
| Material & Services            |
| Capital Outlay                 |
| Total Appropriated to Park SDC |
| Reserve                        |

|               |               |                 |
|---------------|---------------|-----------------|
| \$ 50,000.00  | \$ 50,000.00  | \$ 10,000.00    |
| \$ 500,000.00 | \$ 500,000.00 | \$ 1,000,000.00 |
| \$ 550,000.00 | \$ 550,000.00 | \$ 1,010,000.00 |
| \$ 265,516.76 | \$ 265,516.76 | \$ 663,809.60   |

| Reso 2013-10<br>Adopted Budget<br>FY 2013/2014 | Reso 2014-06<br>Adopted Budget<br>FY 2014/2015 | Reso 2015-02<br>Supplemental<br>FY 2014/2015 |
|--|--|--|
| \$ 11,145,643.00                               | \$ 15,070,915.87                               | \$ 15,817,228.09                             |
| \$ 4,027,658.00                                | \$ 2,985,452.49                                | \$ 2,785,452.49                              |
| \$ 1,904,055.00                                | \$ 1,282,001.46                                | \$ 1,384,249.88                              |
| \$ 17,077,356.00                               | \$ 19,338,369.82                               | \$ 19,986,930.46                             |

|                                    |
|------------------------------------|
| <b>TOTAL APPROPRIATED FUNDS</b>    |
| <b>RESERVES</b>                    |
| <b>UNAPPROPRIATED ENDING FUNDS</b> |
| <b>TOTAL BUDGET</b>                |

| Reso 2015-08<br>Adopted Budget<br>FY 2015/2016 | Reso 2016-04<br>Supplemental<br>FY 2015/2016 | Proposed Budget<br>FY 2016/2017 |
|--|--|---------------------------------|
| \$ 13,616,275.63                               | \$ 14,528,015.67                             | \$ 13,945,922.27                |
| \$ 4,043,314.23                                | \$ 3,643,314.23                              | \$ 7,021,452.45                 |
| \$ 1,026,091.81                                | \$ 1,026,091.81                              | \$ 1,253,609.92                 |
| \$ 18,685,681.67                               | \$ 19,197,421.71                             | \$ 22,220,984.64                |

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              | \$ 925,000.00   | \$ 3,974,876.19  | \$ -            | \$ 4,899,876.19  | \$ 2,641,425.00        | \$ 914,950.00        |
| <i>OGM</i>                |                 |                  |                 |                  | <i>\$ 636,725.00</i>   | <i>\$ 317,750.00</i> |
| <i>Police</i>             |                 |                  |                 |                  | <i>\$ 1,857,250.00</i> | <i>\$ 509,500.00</i> |
| <i>Court</i>              |                 |                  |                 |                  | <i>\$ 147,450.00</i>   | <i>\$ 87,700.00</i>  |
| Library                   | \$ 1,390,000.00 | \$ 1,698,500.00  | \$ -            | \$ 3,088,500.00  | \$ 567,600.00          | \$ 273,016.39        |
| Streets                   | \$ 278,240.00   | \$ 840,742.00    | \$ -            | \$ 1,118,982.00  | \$ 289,400.00          | \$ 418,001.54        |
| Special Revenue           | \$ 18,000.00    | \$ 55,540.00     | \$ -            | \$ 73,540.00     | \$ -                   | \$ 73,540.00         |
| SDC's                     | \$ 3,487,340.45 | \$ 2,885,847.00  | \$ -            | \$ 6,373,187.45  | \$ -                   | \$ 50,000.00         |
|                           |                 |                  |                 |                  |                        |                      |
| Debt Service              | \$ 964,976.42   | \$ 67,337.50     | \$ 797,811.08   | \$ 1,830,125.00  | \$ -                   | \$ -                 |
|                           |                 |                  |                 |                  |                        |                      |
| Water                     | \$ 710,622.00   | \$ 1,480,000.00  | \$ -            | \$ 2,190,622.00  | \$ 592,230.00          | \$ 633,717.38        |
| Sewer                     | \$ 343,039.00   | \$ 2,176,920.00  | \$ -            | \$ 2,519,959.00  | \$ 510,000.00          | \$ 884,832.18        |
| Storm                     | \$ 31,193.00    | \$ 95,000.00     | \$ -            | \$ 126,193.00    | \$ 57,790.00           | \$ 46,645.70         |
|                           |                 |                  |                 |                  |                        |                      |
| Proposed Budget 2016/2017 | \$ 8,148,410.87 | \$ 13,274,762.69 | \$ 797,811.08   | \$ 22,220,984.64 | \$ 4,658,445.00        | \$ 3,294,703.19      |
| Approved Budget 2015/2016 | \$ 7,100,469.65 | \$ 10,798,680.50 | \$ 1,298,271.56 | \$ 19,197,421.71 | \$ 4,454,680.00        | \$ 3,977,723.11      |
| % Change from Approved    | 14.76%          | 22.93%           | -38.55%         | 15.75%           | 4.57%                  | -17.17%              |

| Capital Outlay  | Transfers Out   | Debt Service  | Contingency   | Reserve         | Total Requirements | UEFB            |
|-----------------|-----------------|---------------|---------------|-----------------|--------------------|-----------------|
| \$ 455,000.00   | \$ -            | \$ -          | \$ 125,000.00 | \$ 250,000.00   | \$ 4,386,375.00    | \$ 513,501.19   |
| \$ 400,000.00   |                 |               |               |                 |                    |                 |
| \$ 55,000.00    |                 |               |               |                 |                    |                 |
|                 |                 |               |               |                 |                    |                 |
| \$ 176,500.00   | \$ -            | \$ -          | \$ 100,000.00 | \$ 1,900,000.00 | \$ 3,017,116.39    | \$ 71,383.61    |
| \$ 155,927.00   |                 |               | \$ 111,899.00 | \$ -            | \$ 975,227.54      | \$ 143,754.46   |
| \$ -            | \$ -            | \$ -          | \$ -          | \$ -            | \$ 73,540.00       |                 |
| \$ 2,188,432.00 | \$ 183,156.00   | \$ -          | \$ -          | \$ 3,951,599.45 | \$ 6,373,187.45    |                 |
|                 |                 |               |               |                 |                    |                 |
| \$ -            | \$ -            | \$ 910,272.00 | \$ -          | \$ 919,853.00   | \$ 1,830,125.00    |                 |
|                 |                 |               |               |                 |                    |                 |
| \$ 308,148.00   | \$ 299,105.08   | \$ -          | \$ 100,000.00 | \$ -            | \$ 1,933,200.46    | \$ 257,421.54   |
| \$ 326,090.00   | \$ 315,550.00   | \$ -          | \$ 216,192.00 | \$ -            | \$ 2,252,664.18    | \$ 267,294.82   |
| \$ 15,000.00    | \$ -            | \$ -          | \$ 6,503.00   | \$ -            | \$ 125,938.70      | \$ 254.30       |
|                 |                 |               |               |                 |                    |                 |
| \$ 3,625,097.00 | \$ 797,811.08   | \$ 910,272.00 | \$ 659,594.00 | \$ 7,021,452.45 | \$ 20,967,374.72   | \$ 1,253,609.92 |
| \$ 3,570,500.00 | \$ 1,298,271.56 | \$ 911,841.00 | \$ 315,000.00 | \$ 3,643,314.23 | \$ 18,171,329.90   | \$ 1,026,091.81 |
| 1.53%           | -38.55%         | -0.17%        | 109.39%       | 92.72%          | 15.39%             | 22.17%          |

**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                    | \$ 1,050,000.00         | \$ 3,974,876.19         | \$ -                   | \$ 5,024,876.19         | \$ 2,641,425.00        | \$ 914,950.00          |
| <i>OGM</i>                      |                         |                         |                        |                         | \$ 636,725.00          | \$ 317,750.00          |
| <i>Police</i>                   |                         |                         |                        |                         | \$ 1,857,250.00        | \$ 509,500.00          |
| <i>Court</i>                    |                         |                         |                        |                         | \$ 147,450.00          | \$ 87,700.00           |
| Library                         | \$ 1,390,000.00         | \$ 1,698,500.00         | \$ -                   | \$ 3,088,500.00         | \$ 567,600.00          | \$ 273,016.39          |
| Streets                         | \$ 475,000.00           | \$ 905,742.00           | \$ 600,000.00          | \$ 1,980,742.00         | \$ 348,075.00          | \$ 418,001.54          |
| Special Revenue                 | \$ 32,000.00            | \$ 35,540.00            | \$ -                   | \$ 67,540.00            | \$ -                   | \$ 67,540.00           |
| SDC's                           | \$ 4,761,237.37         | \$ 2,235,870.00         | \$ -                   | \$ 6,997,107.37         | \$ -                   | \$ 50,000.00           |
|                                 |                         |                         |                        |                         |                        |                        |
| Debt Service                    | \$ 964,976.42           | \$ 67,337.50            | \$ 797,811.08          | \$ 1,830,125.00         | \$ -                   | \$ -                   |
|                                 |                         |                         |                        |                         |                        |                        |
| Water                           | \$ 810,000.00           | \$ 1,655,000.00         | \$ -                   | \$ 2,465,000.00         | \$ 645,905.00          | \$ 633,717.38          |
| Sewer                           | \$ 475,000.00           | \$ 2,176,920.00         | \$ -                   | \$ 2,651,920.00         | \$ 558,675.00          | \$ 984,832.18          |
| Storm                           | \$ 54,500.00            | \$ 130,000.00           | \$ -                   | \$ 184,500.00           | \$ 73,815.00           | \$ 46,645.70           |
|                                 |                         |                         |                        |                         |                        |                        |
| <b>Adopted Budget 2016/2017</b> | <b>\$ 10,012,713.79</b> | <b>\$ 12,879,785.69</b> | <b>\$ 1,397,811.08</b> | <b>\$ 24,290,310.56</b> | <b>\$ 4,835,495.00</b> | <b>\$ 3,388,703.19</b> |

| Capital Outlay  | Transfers Out   | Debt Service  | Contingency   | Reserve         | Total Requirements | UEFB            |
|-----------------|-----------------|---------------|---------------|-----------------|--------------------|-----------------|
| \$ 455,000.00   | \$ 300,000.00   | \$ -          | \$ 100,000.00 | \$ 200,000.00   | \$ 4,611,375.00    | \$ 413,501.19   |
| \$ 400,000.00   | \$ 300,000.00   |               | \$ 100,000.00 | \$ 200,000.00   |                    |                 |
| \$ 55,000.00    |                 |               |               |                 |                    |                 |
|                 |                 |               |               |                 |                    |                 |
| \$ 2,076,500.00 | \$ -            | \$ -          | \$ 100,000.00 | \$ -            | \$ 3,017,116.39    | \$ 71,383.61    |
| \$ 887,927.00   | \$ -            | \$ -          | \$ 150,738.46 | \$ -            | \$ 1,804,742.00    | \$ 176,000.00   |
| \$ -            | \$ -            | \$ -          | \$ -          | \$ -            | \$ 67,540.00       | \$ -            |
| \$ 3,701,237.37 | \$ 183,156.00   | \$ -          | \$ -          | \$ 3,062,714.00 | \$ 6,997,107.37    | \$ -            |
|                 |                 |               |               |                 |                    |                 |
| \$ -            | \$ -            | \$ 910,272.00 | \$ -          | \$ 919,853.00   | \$ 1,830,125.00    | \$ -            |
|                 |                 |               |               |                 |                    |                 |
| \$ 362,000.00   | \$ 449,105.08   | \$ -          | \$ 100,000.00 | \$ -            | \$ 2,190,727.46    | \$ 274,272.54   |
| \$ 333,427.00   | \$ 465,550.00   | \$ -          | \$ 193,341.00 | \$ -            | \$ 2,535,825.18    | \$ 116,094.82   |
| \$ 37,000.00    | \$ -            | \$ -          | \$ 6,503.00   | \$ -            | \$ 163,963.70      | \$ 20,536.30    |
|                 |                 |               |               |                 |                    |                 |
| \$ 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 |



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# SECTION 2

## FUND LINE ITEM DETAIL



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# *GENERAL FUND*

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# General Fund

## GENERAL FUND SUMMARY

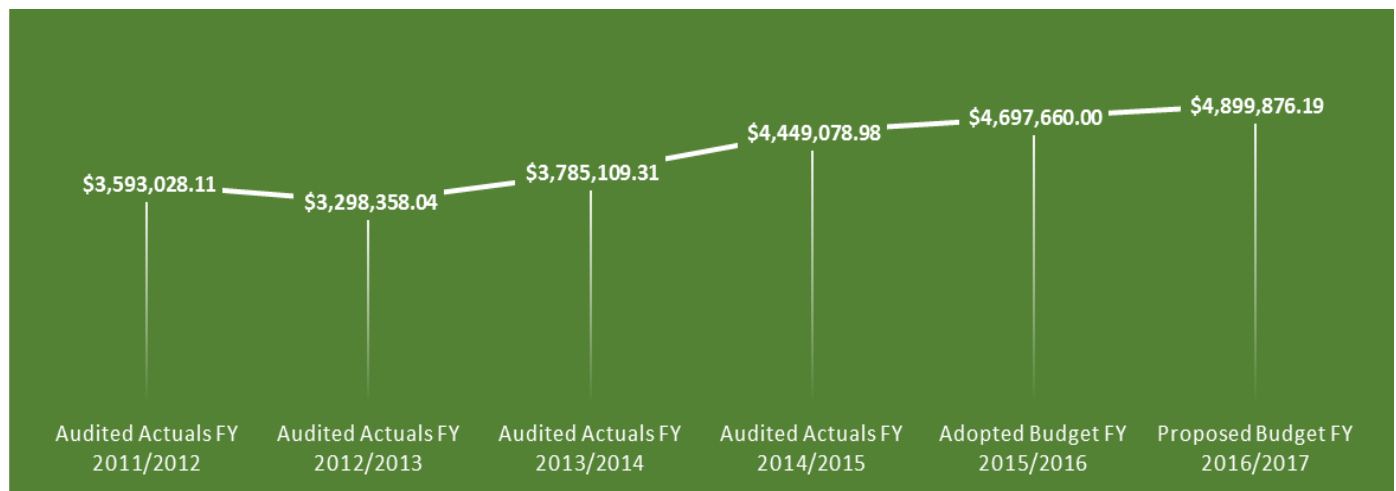
The table below provides a full summary of activity in the general fund for both resources and requirements.

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | GENERAL FUND SUMMARY<br>RESOURCES | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|-----------------------------------|--------------------------|--------------------------|-------------------------|
| \$ 166,184.83           | \$ 788,595.04           | \$ 885,000.00            | <i>BFB</i>                        | \$ 925,000.00            | \$ 925,000.00            | \$ 1,050,000.00         |
| \$ 2,401,713.98         | \$ 2,537,724.70         | \$ 2,700,000.00          | <i>Property Tax</i>               | \$ 2,705,000.00          | \$ 2,705,000.00          | \$ 2,705,000.00         |
| \$ 140,273.75           | \$ 157,326.81           | \$ 131,500.00            | <i>All Other Resources</i>        | \$ 148,000.00            | \$ 148,000.00            | \$ 148,000.00           |
| \$ 145,822.99           | \$ 159,621.62           | \$ 160,000.00            | <i>Fed, State, Grant</i>          | \$ 192,750.00            | \$ 192,750.00            | \$ 192,750.00           |
| \$ 1,351,708.55         | \$ 805,810.81           | \$ 821,160.00            | <i>Fees, Licenses, Permits</i>    | \$ 929,126.19            | \$ 929,126.19            | \$ 929,126.19           |
| \$ -                    | \$ -                    | \$ -                     | <i>Transfers In</i>               | \$ -                     | \$ -                     | \$ -                    |
| <b>\$ 4,205,704.10</b>  | <b>\$ 4,449,078.98</b>  | <b>\$ 4,697,660.00</b>   | <b>TOTAL RESOURCES</b>            | <b>\$ 4,899,876.19</b>   | <b>\$ 4,899,876.19</b>   | <b>\$ 5,024,876.19</b>  |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | REQUIREMENTS                            | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 383,544.48           | \$ 442,744.37           | \$ 572,500.00            | <i>Personnel Service-OGM</i>            | \$ 636,725.00            | \$ 636,725.00            | \$ 636,725.00           |
| \$ 1,552,344.29         | \$ 1,604,913.83         | \$ 1,789,750.00          | <i>Personnel Service-PD</i>             | \$ 1,857,250.00          | \$ 1,857,250.00          | \$ 1,857,250.00         |
| \$ 111,762.90           | \$ 136,663.59           | \$ 141,650.00            | <i>Personnel Service-Court</i>          | \$ 147,450.00            | \$ 147,450.00            | \$ 147,450.00           |
| \$ -                    | \$ -                    | \$ -                     | <i>Personnel Service-Planning</i>       | \$ -                     | \$ -                     | \$ -                    |
| \$ 281,856.76           | \$ 295,148.76           | \$ 323,800.00            | <i>Material &amp; Services-OGM</i>      | \$ 317,750.00            | \$ 317,750.00            | \$ 317,750.00           |
| \$ 388,606.89           | \$ 365,068.98           | \$ 488,250.00            | <i>Material &amp; Services-PD</i>       | \$ 509,500.00            | \$ 509,500.00            | \$ 509,500.00           |
| \$ 78,066.11            | \$ 69,111.84            | \$ 93,200.00             | <i>Material &amp; Services-Court</i>    | \$ 87,700.00             | \$ 87,700.00             | \$ 87,700.00            |
| \$ 49,335.30            | \$ 30,790.61            | \$ -                     | <i>Material &amp; Services-Planning</i> | \$ -                     | \$ -                     | \$ -                    |
| \$ 8,997.54             | \$ 12,130.82            | \$ 220,000.00            | <i>Capital Improvement-OGM</i>          | \$ 400,000.00            | \$ 400,000.00            | \$ 400,000.00           |
| \$ 2,000.00             | \$ 53,446.50            | \$ 55,000.00             | <i>Capital Improvement-PD</i>           | \$ 55,000.00             | \$ 55,000.00             | \$ 55,000.00            |
| \$ 140,000.00           | \$ 487,500.00           | \$ 545,000.00            | <i>Transfers Out</i>                    | \$ -                     | \$ -                     | \$ 300,000.00           |
| \$ -                    | \$ -                    | \$ -                     | <i>Contingency</i>                      | \$ 125,000.00            | \$ 125,000.00            | \$ 100,000.00           |
| \$ -                    | \$ -                    | \$ -                     | <i>Reserve</i>                          | \$ 250,000.00            | \$ 250,000.00            | \$ 200,000.00           |
| <b>\$ 2,996,514.27</b>  | <b>\$ 3,497,519.30</b>  | <b>\$ 4,229,150.00</b>   | <b>TOTAL REQUIREMENTS</b>               | <b>\$ 4,386,375.00</b>   | <b>\$ 4,386,375.00</b>   | <b>\$ 4,611,375.00</b>  |
|                         |                         | \$ 468,510.00            | <i>UEFB</i>                             | \$ 513,501.19            | \$ 513,501.19            | \$ 413,501.19           |
| <b>\$ 1,209,189.83</b>  | <b>\$ 951,559.68</b>    | <b>\$ -</b>              | <b>NET RESOURCES OVER REQUIREMENTS</b>  | <b>\$ (0.00)</b>         | <b>\$ (0.00)</b>         | <b>\$ (0.00)</b>        |

## General Fund Resources (Revenues)

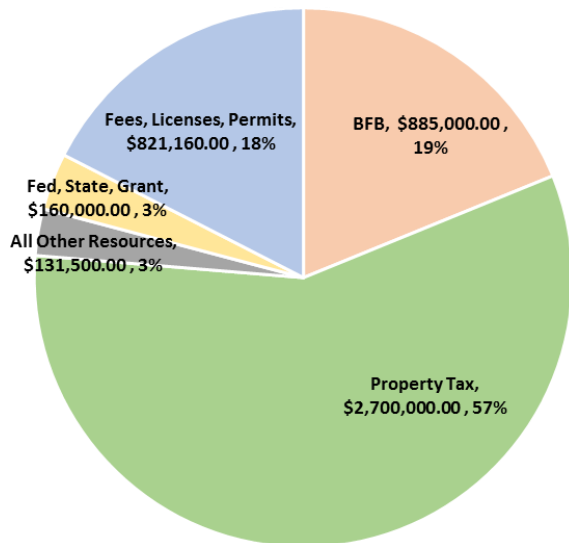


The chart on the bottom of the previous page measures overall resource growth for the general fund. The percentage change from FY 2011/2012 to the proposed budget FY 2016/2017 is 36.37% with a six year average of 6% growth per year with all revenues sources measured. The primary change is in the beginning fund balance with moderate changes reflected in the other categories. Growth rate for the property taxes is 3% under the M5 and M50 limitations. Annexed properties and new construction growth as well as the recovering real estate market are effecting the tax rolls resulting in the tax trend exceeding the 3%.

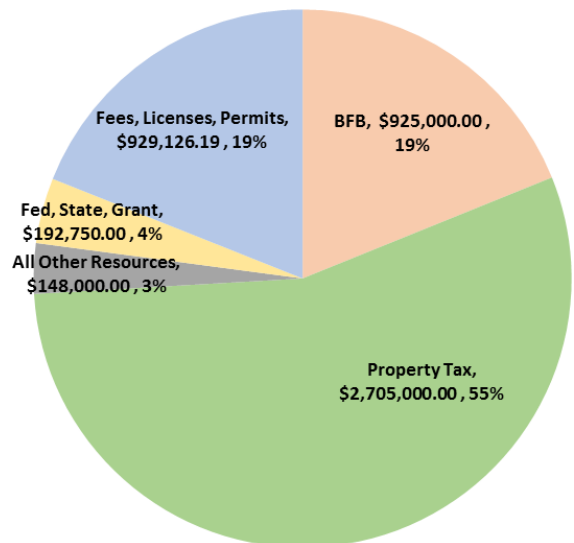
Looking forward, revenue sources are solid and consistent. Market down turn removed many grant opportunities from the market, thus removing some of the more fluid revenues sources. Therefore, we are left with core revenue streams which are growing, thus providing a solid foundation for future fiscal years.

The following charts show resource sources as compared from the adopted budget for FY 2015/2016 and the proposed budget for FY 2016/2017:

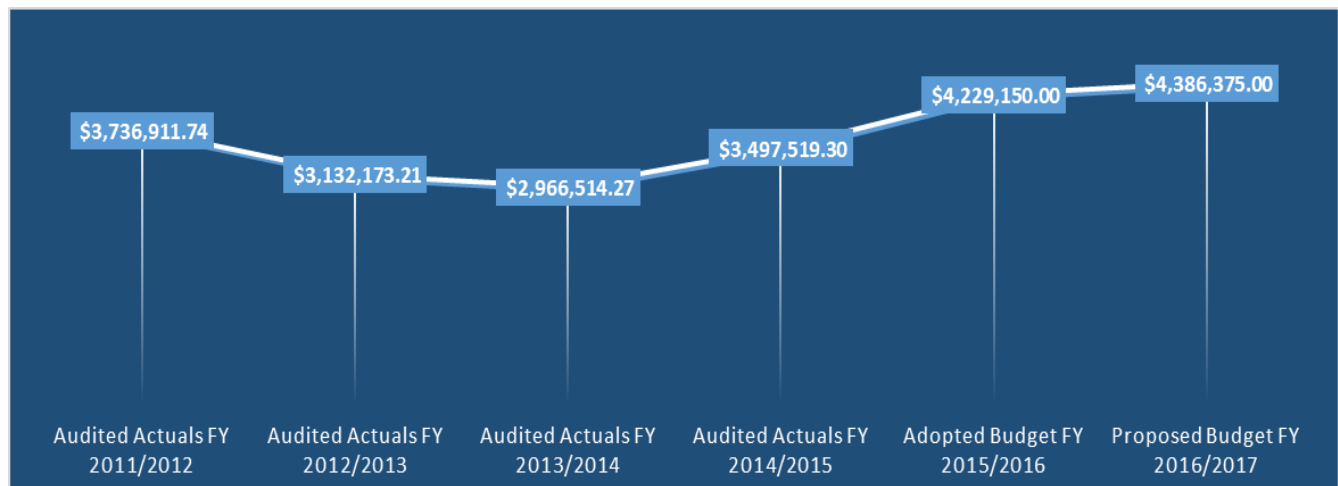
Adopted budget 2015/2016



Proposed Budget 2016/2017

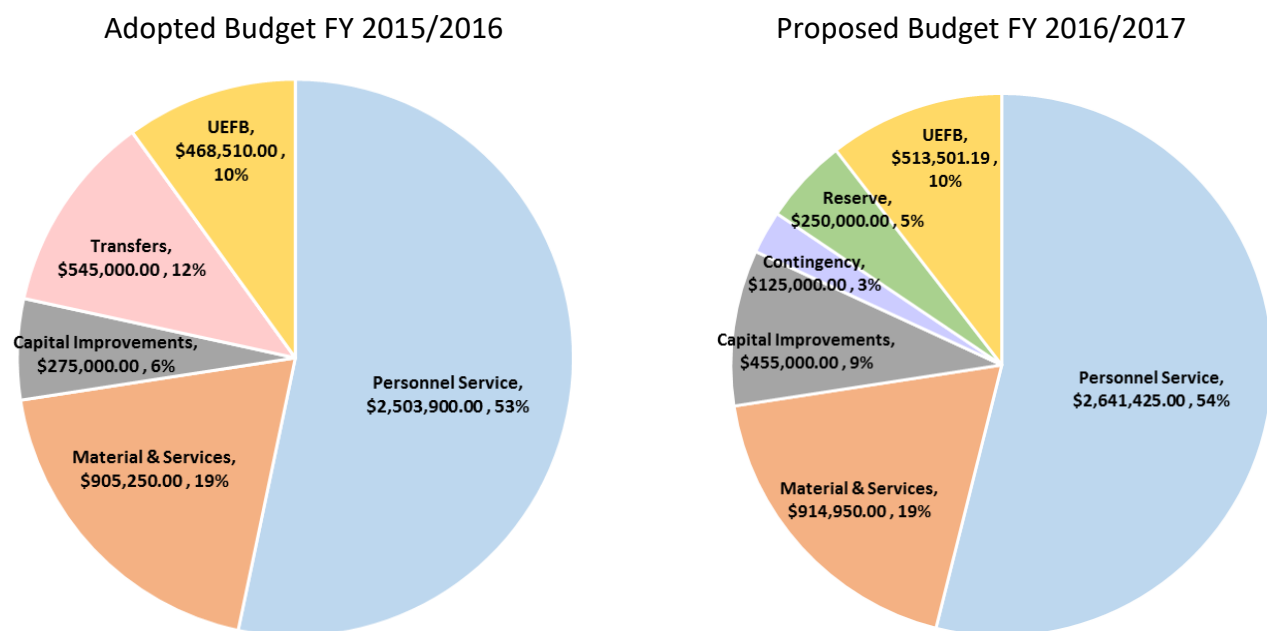


General Fund Requirements (Expenditures)



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. This obstacle rolled forward into FY 2015/2016 but has come to an end. We are proposing no transfers in FY 2016/2017.

The following charts show the requirement sources as compared from the adopted budget for FY 2015/2016 to the proposed budget for FY 2016/2017.



The FY 2016/2017 has two categories not in FY 2015/2016 and one transfer which was in FY 2015/2016 and is no longer included. In FY 2015/2016, the City originally budgeted a contingency and reserve fund. The need to fund the Molalla Aquatic Center contract buyout to the Molalla River School District and the Clean Water Act lawsuit required transfers of \$545,000.00 to cover those costs. Therefore, the contingency and reserve originally budgeted for in the budget process was negated through the supplemental budget process. The transfer need in FY 2015/2016 will not be needed in FY 2016/2017. The personnel service allocation in the general fund is always high in comparison to the full City analysis. The general fund compensates 22 of the City's 39 full time employees: 56.4% of the FTE's from 22.05% of total City resources.

The general fund overall is budgeting for reductions in spending with a continued focus on increasing reserves. Unappropriated ending balances are increasing and we are continuing toward our goals while identifying ways to work smarter and provide our community with the services needed. The reserve fund is set aside to begin preparation for construction of a City Hall and/or Police Department.

**Molalla General Fund - Capital Improvement Plan**

| PROJECT TASKS |   | 2016/17             | 2017/18             | 2018/19             | 2019/2020          | 2020/2021             | TOTAL COST            |
|---------------|---|---------------------|---------------------|---------------------|--------------------|-----------------------|-----------------------|
|               |   | ESTIMATE (\$)       | ESTIMATE (\$)       | ESTIMATE (\$)       | ESTIMATE (\$)      | ESTIMATE (\$)         |                       |
| FACILITY      | <b>Capital Improvement Expenditures</b>     |                     |                     |                     |                    |                       |                       |
|               | City Hall Reconstruction (Phase One)        | \$400,000.00        | \$0.00              | \$0.00              | \$0.00             | \$0.00                | \$400,000.00          |
|               | City Hall Reconstruction (Phase Two)        | \$0.00              | \$350,000.00        | \$0.00              | \$0.00             | \$0.00                | \$350,000.00          |
|               | Awnings                                     | \$20,000.00         | \$0.00              | \$0.00              | \$0.00             | \$0.00                | \$20,000.00           |
|               | Landscape / Trees                           | \$5,000.00          | \$5,000.00          | \$0.00              | \$0.00             | \$0.00                | \$10,000.00           |
|               | PAL Building Renovation to Council Chambers | \$0.00              | \$200,000.00        | \$0.00              | \$0.00             | \$0.00                | \$200,000.00          |
|               | New Police Department                       | \$0.00              | \$0.00              | \$0.00              | \$0.00             | \$2,500,000.00        | \$2,500,000.00        |
|               | <b>Subtotal</b>                             | <b>\$425,000.00</b> | <b>\$555,000.00</b> | <b>\$0.00</b>       | <b>\$0.00</b>      | <b>\$2,500,000.00</b> | <b>\$3,480,000.00</b> |
| PROJECT TASKS |   | 2016/17             | 2017/18             | 2018/19             | 2019/2020          | 2020/2021             | TOTAL COST            |
|               |   | ESTIMATE (\$)       | ESTIMATE (\$)       | ESTIMATE (\$)       | ESTIMATE (\$)      | ESTIMATE (\$)         |                       |
| VEHICLES      | PD Vehicle Lease Program                    | \$55,000.00         | \$65,000.00         | \$65,000.00         | \$70,000.00        | \$70,000.00           | \$255,000.00          |
|               | City Hall Vehicle                           | \$0.00              | \$0.00              | \$40,000.00         | \$0.00             | \$0.00                | \$40,000.00           |
|               | <b>Subtotal</b>                             | <b>\$55,000.00</b>  | <b>\$65,000.00</b>  | <b>\$105,000.00</b> | <b>\$70,000.00</b> | <b>\$70,000.00</b>    | <b>\$295,000.00</b>   |

Resources in the general fund cover requirements of the Office of Governance and Management (City Manager’s Office, City Recorder, and Finance), Court, Planning, and Police Services. 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 ledger 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                | Actuals                | Budgeted               | GENERAL FUND REVENUE DETAIL         | Proposed               | Approved               | Adopted                |
|------------------------|------------------------|------------------------|-------------------------------------|------------------------|------------------------|------------------------|
| FY 2013/2014           | FY 2014/2015           | FY 2015/2016           | Account Name                        | FY 2016/2017           | FY 2016/2017           | FY 2016/2017           |
| \$ 166,184.83          | \$ 788,595.04          | \$ 885,000.00          | BEGINNING FUND BALANCE              | \$ 925,000.00          | \$ 925,000.00          | \$ 1,050,000.00        |
| \$ 2,401,713.98        | \$ 2,537,724.70        | \$ 2,700,000.00        | CURRENT PROPERTY TAXES              | \$ 2,705,000.00        | \$ 2,705,000.00        | \$ 2,705,000.00        |
| \$ 50,369.58           | \$ 49,625.48           | \$ 52,000.00           | PRIOR PROPERTY TAXES                | \$ 50,000.00           | \$ 50,000.00           | \$ 50,000.00           |
| \$ 16,618.97           | \$ 37,033.17           | \$ 40,000.00           | STATE REVENUE SHARING               | \$ 40,000.00           | \$ 40,000.00           | \$ 40,000.00           |
| \$ 113,188.47          | \$ 111,335.48          | \$ 110,000.00          | LIQUOR TAX                          | \$ 140,000.00          | \$ 140,000.00          | \$ 140,000.00          |
| \$ 11,040.55           | \$ 11,252.97           | \$ 10,000.00           | CIGARETTE TAX                       | \$ 12,750.00           | \$ 12,750.00           | \$ 12,750.00           |
| \$ 24,384.00           | \$ 25,298.00           | \$ 22,500.00           | BUSINESS LICENSES                   | \$ 22,500.00           | \$ 22,500.00           | \$ 22,500.00           |
| \$ 5,348.37            | \$ 12,291.30           | \$ 10,000.00           | LEINS                               | \$ 10,000.00           | \$ 10,000.00           | \$ 10,000.00           |
| \$ 4,872.00            | \$ 12,964.00           | \$ 15,660.00           | SDC ADMINISTRATION FEE              | \$ 69,948.00           | \$ 69,948.00           | \$ 69,948.00           |
| \$ 48,087.79           | \$ 53,720.85           | \$ 48,000.00           | INTEREST                            | \$ 52,000.00           | \$ 52,000.00           | \$ 52,000.00           |
| \$ 39,581.38           | \$ 51,985.48           | \$ 30,000.00           | REFUNDS & REBATES                   | \$ 45,000.00           | \$ 45,000.00           | \$ 45,000.00           |
| \$ 1,700.00            | \$ 1,575.00            | \$ 1,000.00            | KEY DEPOSITS                        | \$ 1,000.00            | \$ 1,000.00            | \$ 1,000.00            |
| \$ 374,537.87          | \$ 380,053.57          | \$ 387,500.00          | COST ALLOCATION PLAN                | \$ 415,528.19          | \$ 415,528.19          | \$ 415,528.19          |
| \$ 44,901.34           | \$ 43,253.60           | \$ 43,250.00           | NW NATURAL GAS FRANCHISE            | \$ 42,250.00           | \$ 42,250.00           | \$ 42,250.00           |
| \$ 13,447.74           | \$ 12,321.29           | \$ 12,000.00           | TELEPHONE FRANCHISE                 | \$ 11,000.00           | \$ 11,000.00           | \$ 11,000.00           |
| \$ 33,657.63           | \$ 33,473.05           | \$ 32,000.00           | TV FRANCHISE                        | \$ 32,000.00           | \$ 32,000.00           | \$ 32,000.00           |
| \$ 77,446.19           | \$ -                   | \$ -                   | SEWER LICENSE FEE                   | \$ -                   | \$ -                   | \$ -                   |
| \$ 63,513.78           | \$ -                   | \$ -                   | WATER LICENSE FEE                   | \$ -                   | \$ -                   | \$ -                   |
| \$ 4,951.44            | \$ -                   | \$ -                   | STORM WATER LICENSE FEE             | \$ -                   | \$ -                   | \$ -                   |
| \$ 40,000.00           | \$ 62,500.00           | \$ 62,500.00           | PGE FRANCHISE                       | \$ 50,000.00           | \$ 50,000.00           | \$ 50,000.00           |
| \$ 2,030.00            | \$ 1,870.00            | \$ 1,750.00            | ALARM PERMITS                       | \$ 3,000.00            | \$ 3,000.00            | \$ 3,000.00            |
| \$ 789.90              | \$ 15.00               | \$ -                   | FINGERPRINTS                        | \$ -                   | \$ -                   | \$ -                   |
| \$ 1,800.00            | \$ 1,500.00            | \$ 1,400.00            | TOW FEES                            | \$ 2,000.00            | \$ 2,000.00            | \$ 2,000.00            |
| \$ 519.00              | \$ 1,145.00            | \$ 1,000.00            | POLICE REPORTS                      | \$ 1,750.00            | \$ 1,750.00            | \$ 1,750.00            |
| \$ 290.83              | \$ 238.94              | \$ 250.00              | PD REFUNDS & REBATES                | \$ 4,000.00            | \$ 4,000.00            | \$ 4,000.00            |
| \$ 230,189.92          | \$ 207,466.16          | \$ 221,350.00          | POLICE FINES & BAILS                | \$ 235,150.00          | \$ 235,150.00          | \$ 235,150.00          |
| \$ 4,975.00            | \$ -                   | \$ -                   | DUII PATROL GRANT                   | \$ -                   | \$ -                   | \$ -                   |
| \$ 535.00              | \$ 420.00              | \$ 500.00              | COFFEE PAYROLL DEDUCTION            | \$ -                   | \$ -                   | \$ -                   |
| \$ 8,433.75            | \$ 11,420.90           | \$ 10,000.00           | PLANNING FEES                       | \$ 30,000.00           | \$ 30,000.00           | \$ 30,000.00           |
| \$ 420,594.79          | \$ -                   | \$ -                   | ELECTRICAL PERMITS                  | \$ -                   | \$ -                   | \$ -                   |
| <b>\$ 4,205,704.10</b> | <b>\$ 4,449,078.98</b> | <b>\$ 4,697,660.00</b> | <b>Total General Fund Resources</b> | <b>\$ 4,899,876.19</b> | <b>\$ 4,899,876.19</b> | <b>\$ 5,024,876.19</b> |

Line item detail of the Office Governance and Management personnel service requirement:

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | GOVERNANCE & MANAGEMENT<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 533.45               | \$ 2,183.46             | \$ 44,000.00             | PERS                                    | \$ 55,725.00             | \$ 55,725.00             | \$ 55,725.00            |
| \$ 13.66                | \$ (729.54)             | \$ 500.00                | SAIF                                    | \$ 1,000.00              | \$ 1,000.00              | \$ 1,000.00             |
| \$ 23,335.90            | \$ 26,411.22            | \$ 36,000.00             | FICA                                    | \$ 32,500.00             | \$ 32,500.00             | \$ 32,500.00            |
| \$ 64,508.88            | \$ 69,639.33            | \$ 74,500.00             | INSURANCE                               | \$ 86,000.00             | \$ 86,000.00             | \$ 86,000.00            |
| \$ 448.90               | \$ -                    | \$ 10,000.00             | UNEMPLOYMENT LIABILITY                  | \$ 5,000.00              | \$ 5,000.00              | \$ 5,000.00             |
| \$ 93,245.78            | \$ 98,693.52            | \$ 105,000.00            | CITY MANAGER                            | \$ 110,000.00            | \$ 110,000.00            | \$ 110,000.00           |
| \$ -                    | \$ 43,153.74            | \$ 65,000.00             | ECON. DEVELOPMENT/PLANNER               | \$ 62,500.00             | \$ 62,500.00             | \$ 62,500.00            |
| \$ -                    | \$ -                    | \$ 40,000.00             | GIS MAPPING/CODE DEVELOPMENT            | \$ 55,000.00             | \$ 55,000.00             | \$ 55,000.00            |
| \$ 24,989.64            | \$ 23,313.44            | \$ 13,750.00             | ASSISTANT TO CITY RECORDER              | \$ 14,000.00             | \$ 14,000.00             | \$ 14,000.00            |
| \$ -                    | \$ -                    | \$ -                     | OFFICE SPECIALIST                       | \$ 26,000.00             | \$ 26,000.00             | \$ 26,000.00            |
| \$ 77,120.01            | \$ 80,275.84            | \$ 85,000.00             | FINANCE DIRECTOR                        | \$ 87,500.00             | \$ 87,500.00             | \$ 87,500.00            |
| \$ 75,958.62            | \$ 76,490.08            | \$ 85,000.00             | ASST CM / CITY RECORDER                 | \$ 87,500.00             | \$ 87,500.00             | \$ 87,500.00            |
| \$ 23,389.64            | \$ 23,313.28            | \$ 13,750.00             | ASST. FINANCE DIRECTOR                  | \$ 14,000.00             | \$ 14,000.00             | \$ 14,000.00            |
| <b>\$ 383,544.48</b>    | <b>\$ 442,744.37</b>    | <b>\$ 572,500.00</b>     | <b>Total OGM Personnel Services</b>     | <b>\$ 636,725.00</b>     | <b>\$ 636,725.00</b>     | <b>\$ 636,725.00</b>    |

Line item detail of the Office Governance and Management material & services requirement:

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | GOVERNANCE & MANAGEMENT<br>Account Name   | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 6,578.84             | \$ 6,383.34             | \$ 8,000.00              | POWER                                     | \$ 8,000.00              | \$ 8,000.00              | \$ 8,000.00             |
| \$ 20,497.74            | \$ 14,413.52            | \$ 17,500.00             | PHONE                                     | \$ 17,250.00             | \$ 17,250.00             | \$ 17,250.00            |
| \$ 37,986.86            | \$ 28,632.36            | \$ 30,000.00             | OPERATIONS & MAINTENANCE                  | \$ 30,000.00             | \$ 30,000.00             | \$ 30,000.00            |
| \$ 13,173.20            | \$ 19,562.48            | \$ 17,500.00             | BUILDING MAINTENANCE                      | \$ 12,500.00             | \$ 12,500.00             | \$ 12,500.00            |
| \$ 6,052.31             | \$ 6,213.66             | \$ 7,500.00              | TRAINING & CONF. TRAVEL                   | \$ 12,500.00             | \$ 12,500.00             | \$ 12,500.00            |
| \$ 9,909.83             | \$ 8,718.83             | \$ 8,000.00              | DUES & MEMBERSHIP                         | \$ 12,500.00             | \$ 12,500.00             | \$ 12,500.00            |
| \$ 9,637.83             | \$ 10,310.92            | \$ 15,000.00             | POSTAGE                                   | \$ 7,000.00              | \$ 7,000.00              | \$ 7,000.00             |
| \$ 6,382.58             | \$ 20,452.17            | \$ 20,000.00             | PRINTING & PUBLICATIONS                   | \$ 23,000.00             | \$ 23,000.00             | \$ 23,000.00            |
| \$ 36,694.30            | \$ 14,663.29            | \$ 45,000.00             | PROFESSIONAL SERVICES                     | \$ 45,000.00             | \$ 45,000.00             | \$ 45,000.00            |
| \$ 11,288.46            | \$ 11,397.77            | \$ 13,250.00             | INSURANCE/LIABILITY/GEN                   | \$ 16,500.00             | \$ 16,500.00             | \$ 16,500.00            |
| \$ 2,625.00             | \$ 1,350.00             | \$ 1,500.00              | KEY DEPOSIT REFUNDS                       | \$ 1,000.00              | \$ 1,000.00              | \$ 1,000.00             |
| \$ 6,019.49             | \$ 8,491.23             | \$ 8,500.00              | CUSTODIAN                                 | \$ 9,000.00              | \$ 9,000.00              | \$ 9,000.00             |
| \$ 5,288.47             | \$ 5,883.69             | \$ 5,750.00              | CUSTODIAL SUPPLIES                        | \$ 7,500.00              | \$ 7,500.00              | \$ 7,500.00             |
| \$ 5,941.59             | \$ 4,985.19             | \$ 6,000.00              | OFFICE SUPPLIES                           | \$ 10,000.00             | \$ 10,000.00             | \$ 10,000.00            |
| \$ 1,200.00             | \$ -                    | \$ 300.00                | MOLALLA FIRE DEPT READER BOARD            | \$ -                     | \$ -                     | \$ -                    |
| \$ 39,549.96            | \$ 33,305.16            | \$ 40,000.00             | CITY ATTORNEY                             | \$ 25,000.00             | \$ 25,000.00             | \$ 25,000.00            |
| \$ 27,949.92            | \$ 65,812.83            | \$ 40,000.00             | COMPUTER SERVICES                         | \$ 40,000.00             | \$ 40,000.00             | \$ 40,000.00            |
| \$ 16,265.00            | \$ 20,244.00            | \$ 25,000.00             | AUDITS & BUDGETS                          | \$ 27,000.00             | \$ 27,000.00             | \$ 27,000.00            |
| \$ 4,025.00             | \$ 4,375.00             | \$ 4,500.00              | MEETINGS BROADCASTING                     | \$ 5,000.00              | \$ 5,000.00              | \$ 5,000.00             |
| \$ 8,200.00             | \$ 8,600.00             | \$ 9,000.00              | COUNCIL MEETINGS                          | \$ 9,000.00              | \$ 9,000.00              | \$ 9,000.00             |
| \$ 98.26                | \$ (0.05)               | \$ -                     | CASH, OVER/SHORT                          | \$ -                     | \$ -                     | \$ -                    |
| \$ 1,261.05             | \$ 1,353.37             | \$ 1,500.00              | COFFEE & COFFEE SUPPLIES                  | \$ -                     | \$ -                     | \$ -                    |
| \$ 5,231.07             | \$ -                    | \$ -                     | SPWF LOAN                                 | \$ -                     | \$ -                     | \$ -                    |
| <b>\$ 281,856.76</b>    | <b>\$ 295,148.76</b>    | <b>\$ 323,800.00</b>     | <b>Total OGM Materials &amp; Services</b> | <b>\$ 317,750.00</b>     | <b>\$ 317,750.00</b>     | <b>\$ 317,750.00</b>    |

Line item detail of the Office Governance and Management capital improvements requirement:

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | GOVERNANCE & MANAGEMENT<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 8,997.54             | \$ 12,130.82            | \$ 220,000.00            | CAPITAL IMPROVEMENTS                    | \$ 400,000.00            | \$ 400,000.00            | \$ 400,000.00           |
| <b>\$ 8,997.54</b>      | <b>\$ 12,130.82</b>     | <b>\$ 220,000.00</b>     | <b>Total OGM Capital Improvements</b>   | <b>\$ 400,000.00</b>     | <b>\$ 400,000.00</b>     | <b>\$ 400,000.00</b>    |

Line item detail of the Office Governance and Management transfers, contingency and reserve requirement:

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | GOVERNANCE & MANAGEMENT<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ -                     | TRANSFER TO STREET FUND                 | \$ -                     | \$ -                     | \$ 300,000.00           |
| \$ 15,000.00            | \$ -                    | \$ -                     | TRANSFER TO GRANT FUND                  | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ 400,000.00           | \$ 200,000.00            | TRANSFER TO SEWER FUND                  | \$ -                     | \$ -                     | \$ -                    |
| \$ 125,000.00           | \$ 87,500.00            | \$ 345,000.00            | TRANSFER TO PARKS & REC                 | \$ -                     | \$ -                     | \$ -                    |
| <b>\$ 140,000.00</b>    | <b>\$ 487,500.00</b>    | <b>\$ 545,000.00</b>     | <b>Total OGM Transfers</b>              | <b>\$ -</b>              | <b>\$ -</b>              | <b>\$ 300,000.00</b>    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | GOVERNANCE & MANAGEMENT<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ -                     | OPERATING CONTINGENCY                   | \$ 125,000.00            | \$ 125,000.00            | \$ 100,000.00           |
| \$ -                    | \$ -                    | \$ -                     | CONSTRUCTION RESERVE                    | \$ 250,000.00            | \$ 250,000.00            | \$ 200,000.00           |
| <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ -</b>              | <b>Total OGM Contingency/Reserve</b>    | <b>\$ 375,000.00</b>     | <b>\$ 375,000.00</b>     | <b>\$ 300,000.00</b>    |

This next fiscal year and budget cycle for 2016-2017 is clearly going to be a positive year of transition for the Molalla Police Department. In an effort to move ahead in a responsible and deliberate manner, we will limit the amount of capital improvements this coming year, focus on accommodating a new radio system upgrade, and improving our investigative and public safety impact in the community.

The sergeant's positions have now been filled. One of the vacancies was filled with a lateral appointment with a strong background in criminal investigations. We look forward to a very positive year of enhanced investigations and targeted enforcement. As a result, we are budgeting a modest increase for special investigations in order to open up more opportunities. A successful settlement of our collective bargaining agreement opened up the opportunity for the City to hire an additional officer position. This is exciting as it is a new position, adding a thirteenth sworn position, one the Department has never had. The City is also in conversation with the School District to consider a joint effort to mutually staff a school resource officer position. Although the outcome is uncertain at this time, this would create a much needed presence and positive relationship between our police and our Molalla students.

Another challenge facing us in this coming budget year is a multi-county 911 radio bond levy. Currently, we have buildings in Molalla where police and fire have no radio coverage and cannot communicate. This project is designed to replace and upgrade the entire aging 911 radio system. That means every piece of equipment, from the radio towers themselves, to the radios in our police and fire vehicles and utility belts. This is a \$57 million project in total, however the impact on the Molalla Police Department will be in the area of \$160K dollars. The bond is expected cover nearly half of our portion of the expense, leaving us responsible for around \$80K. In order to lessen the impact to the City in this next budget cycle, the police department is going to delay some additional expenditures and purchase a large portion of the radios out of the FY 2015/2016 budget to lessen the impact on the FY 2016/2017 budget.

There have been several increases for this next year related to inflation and the rising costs of things such as utilities and benefits. Modest adjustments or increases have been made for some, while we were able to lower others, or absorb the necessary adjustments within the existing allocations without an increase. We will be unable to accommodate another wave of patrol vehicles this year for our replacement lease program, since we have one more year remaining on the last acquisition. We will continue to budget funds for FY 2016/2017 to fulfill our final payment of our lease obligation for the 4

patrol vehicles acquired in 2014. In a lesser step to move in a positive direction for our aging fleet, money allocated in our vehicle replacement fund for this past year allowed us to purchase a single patrol vehicle.

Line item detail of the Police department personnel service requirement:

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | POLICE DEPARTMENT<br>Account Name     | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---------------------------------------|--------------------------|--------------------------|-------------------------|
| \$ 165,766.11           | \$ 162,919.08           | \$ 175,000.00            | PERS                                  | \$ 230,000.00            | \$ 230,000.00            | \$ 230,000.00           |
| \$ 29,915.92            | \$ 24,313.11            | \$ 27,250.00             | SAIF                                  | \$ 27,250.00             | \$ 27,250.00             | \$ 27,250.00            |
| \$ 82,140.46            | \$ 85,877.26            | \$ 90,000.00             | FICA                                  | \$ 97,500.00             | \$ 97,500.00             | \$ 97,500.00            |
| \$ 196,837.05           | \$ 204,961.55           | \$ 225,000.00            | INSURANCE                             | \$ 220,000.00            | \$ 220,000.00            | \$ 220,000.00           |
| \$ 532.17               | \$ -                    | \$ 15,000.00             | UNEMPLOYMENT LIABILITY                | \$ 5,000.00              | \$ 5,000.00              | \$ 5,000.00             |
| \$ 78,000.00            | \$ 82,402.52            | \$ 87,500.00             | POLICE CHIEF                          | \$ 90,000.00             | \$ 90,000.00             | \$ 90,000.00            |
| \$ 225,185.76           | \$ 218,239.27           | \$ 250,000.00            | SERGEANTS                             | \$ 250,000.00            | \$ 250,000.00            | \$ 250,000.00           |
| \$ 500,913.94           | \$ 544,011.63           | \$ 650,000.00            | PATROL OFFICERS                       | \$ 650,000.00            | \$ 650,000.00            | \$ 650,000.00           |
| \$ 58,051.65            | \$ 64,424.88            | \$ 40,000.00             | POLICE CLERK                          | \$ 45,000.00             | \$ 45,000.00             | \$ 45,000.00            |
| \$ 20,026.03            | \$ 16,807.75            | \$ 18,000.00             | CERTIFICATE PAY                       | \$ 26,500.00             | \$ 26,500.00             | \$ 26,500.00            |
| \$ 32,533.80            | \$ 29,414.30            | \$ 30,000.00             | HOLIDAY BUYOUT                        | \$ 21,000.00             | \$ 21,000.00             | \$ 21,000.00            |
| \$ 97,633.16            | \$ 103,596.66           | \$ 110,000.00            | OVERTIME                              | \$ 125,000.00            | \$ 125,000.00            | \$ 125,000.00           |
| \$ 8,800.44             | \$ 7,895.94             | \$ 12,500.00             | BUCKEROO OVERTIME                     | \$ 10,000.00             | \$ 10,000.00             | \$ 10,000.00            |
| \$ 55,024.08            | \$ 60,049.88            | \$ 59,500.00             | PROPERTY OFFICER                      | \$ 60,000.00             | \$ 60,000.00             | \$ 60,000.00            |
| \$ 983.72               | \$ -                    | \$ -                     | GRANT OVERTIME                        | \$ -                     | \$ -                     | \$ -                    |
| <b>\$ 1,552,344.29</b>  | <b>\$ 1,604,913.83</b>  | <b>\$ 1,789,750.00</b>   | <b>Total Police Personnel Service</b> | <b>\$ 1,857,250.00</b>   | <b>\$ 1,857,250.00</b>   | <b>\$ 1,857,250.00</b>  |

Line item detail of the Police department material & services requirement:

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | POLICE DEPARTMENT<br>Account Name            | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 6,269.61             | \$ 6,010.38             | \$ 7,500.00              | POWER  | \$ 7,500.00              | \$ 7,500.00              | \$ 7,500.00             |
| \$ 18,617.99            | \$ 23,164.85            | \$ 27,500.00             | PHONE  | \$ 29,500.00             | \$ 29,500.00             | \$ 29,500.00            |
| \$ 27,391.61            | \$ 40,733.94            | \$ 23,000.00             | CONNECTIVITY                                 | \$ 28,750.00             | \$ 28,750.00             | \$ 28,750.00            |
| \$ 26,005.51            | \$ 25,137.55            | \$ 40,000.00             | OPERATIONS & MAINTENANCE                     | \$ 40,000.00             | \$ 40,000.00             | \$ 40,000.00            |
| \$ 5,392.19             | \$ 10,348.47            | \$ 10,000.00             | BUILDING MAINTENANCE                         | \$ 10,000.00             | \$ 10,000.00             | \$ 10,000.00            |
| \$ 9,732.04             | \$ 5,584.54             | \$ 12,000.00             | TRAINING & CONF. TRAVEL                      | \$ 12,000.00             | \$ 12,000.00             | \$ 12,000.00            |
| \$ 411.00               | \$ -                    | \$ -                     | RESERVE RECRUITMENT                          | \$ -                     | \$ -                     | \$ -                    |
| \$ 432.00               | \$ 415.00               | \$ 1,000.00              | DUES & MEMBERSHIP                            | \$ 1,000.00              | \$ 1,000.00              | \$ 1,000.00             |
| \$ 206.63               | \$ 54.57                | \$ 500.00                | POSTAGE                                      | \$ 500.00                | \$ 500.00                | \$ 500.00               |
| \$ -                    | \$ 1,950.00             | \$ 15,000.00             | CONTRACTS & OBLIGATIONS                      | \$ 17,750.00             | \$ 17,750.00             | \$ 17,750.00            |
| \$ 3,175.42             | \$ 920.50               | \$ 5,000.00              | PROFESSIONAL SERVICES                        | \$ 10,000.00             | \$ 10,000.00             | \$ 10,000.00            |
| \$ 32,123.05            | \$ 36,263.81            | \$ 42,000.00             | INSURANCE/LIABILITY/GEN                      | \$ 49,000.00             | \$ 49,000.00             | \$ 49,000.00            |
| \$ 33,499.58            | \$ 28,218.57            | \$ 30,000.00             | VEHICLE FUEL                                 | \$ 30,000.00             | \$ 30,000.00             | \$ 30,000.00            |
| \$ 28,348.62            | \$ 23,540.26            | \$ 30,000.00             | VEHICLE REPAIR                               | \$ 30,000.00             | \$ 30,000.00             | \$ 30,000.00            |
| \$ 7,620.42             | \$ 7,878.20             | \$ 12,000.00             | UNIFORMS                                     | \$ 12,000.00             | \$ 12,000.00             | \$ 12,000.00            |
| \$ 6,019.49             | \$ 9,178.73             | \$ 8,500.00              | JANITOR                                      | \$ 9,000.00              | \$ 9,000.00              | \$ 9,000.00             |
| \$ 4,981.19             | \$ 10,675.27            | \$ 5,750.00              | JANITOR SUPPLIES                             | \$ 15,000.00             | \$ 15,000.00             | \$ 15,000.00            |
| \$ 1,805.95             | \$ 1,439.65             | \$ 2,500.00              | OFFICE SUPPLIES                              | \$ -                     | \$ -                     | \$ -                    |
| \$ 1,912.50             | \$ 558.25               | \$ 4,000.00              | RADIO REPAIR                                 | \$ 4,000.00              | \$ 4,000.00              | \$ 4,000.00             |
| \$ 79,675.00            | \$ 83,769.00            | \$ 95,000.00             | CENTRAL DISPATCH                             | \$ 95,000.00             | \$ 95,000.00             | \$ 95,000.00            |
| \$ 1,127.00             | \$ (225.00)             | \$ 4,000.00              | SPECIAL INVESTIGATION                        | \$ 7,500.00              | \$ 7,500.00              | \$ 7,500.00             |
| \$ 8,022.08             | \$ 6,135.40             | \$ 8,500.00              | OFFICE MACHINES & MAINT                      | \$ 8,500.00              | \$ 8,500.00              | \$ 8,500.00             |
| \$ 847.86               | \$ -                    | \$ -                     | K-9 UNITS                                    | \$ -                     | \$ -                     | \$ -                    |
| \$ 8,213.12             | \$ 4,815.46             | \$ 12,500.00             | FIREARMS                                     | \$ 12,500.00             | \$ 12,500.00             | \$ 12,500.00            |
| \$ 2,500.00             | \$ 2,500.00             | \$ 2,500.00              | JUVENILE DIVERSION PANEL FEE                 | \$ -                     | \$ -                     | \$ -                    |
| \$ 57,518.83            | \$ -                    | \$ 28,000.00             | COMPUTER REPAIR & UPGRADE                    | \$ 20,000.00             | \$ 20,000.00             | \$ 20,000.00            |
| \$ 15,215.44            | \$ 35,687.11            | \$ 60,000.00             | SUPPLIES / EQUIPMENT                         | \$ 60,000.00             | \$ 60,000.00             | \$ 60,000.00            |
| \$ 1,542.76             | \$ 314.47               | \$ 1,500.00              | CRIME SCENE INV SUPPLIES                     | \$ -                     | \$ -                     | \$ -                    |
| <b>\$ 388,606.89</b>    | <b>\$ 365,068.98</b>    | <b>\$ 488,250.00</b>     | <b>Total Police Materials &amp; Services</b> | <b>\$ 509,500.00</b>     | <b>\$ 509,500.00</b>     | <b>\$ 509,500.00</b>    |

Line item detail of the Police department capital requirement:

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | POLICE DEPARTMENT<br>Account Name        | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 2,000.00             | \$ 53,446.50            | \$ 55,000.00             | EMERGENCY VEHICLES                       | \$ 55,000.00             | \$ 55,000.00             | \$ 55,000.00            |
| <b>\$ 2,000.00</b>      | <b>\$ 53,446.50</b>     | <b>\$ 55,000.00</b>      | <b>Total Police Capital Improvements</b> | <b>\$ 55,000.00</b>      | <b>\$ 55,000.00</b>      | <b>\$ 55,000.00</b>     |

Line item detail of the Municipal Court personnel service and material & services requirement:

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | MUNICIPAL COURT<br>Account Name      | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--------------------------------------|--------------------------|--------------------------|-------------------------|
| \$ 6,184.30             | \$ 6,856.97             | \$ 7,500.00              | PERS                                 | \$ 8,700.00              | \$ 8,700.00              | \$ 8,700.00             |
| \$ 199.97               | \$ 195.76               | \$ 250.00                | SAIF                                 | \$ 250.00                | \$ 250.00                | \$ 250.00               |
| \$ 6,404.49             | \$ 8,130.85             | \$ 8,500.00              | FICA                                 | \$ 9,000.00              | \$ 9,000.00              | \$ 9,000.00             |
| \$ 15,255.94            | \$ 15,195.94            | \$ 15,500.00             | INSURANCE                            | \$ 15,750.00             | \$ 15,750.00             | \$ 15,750.00            |
| \$ 20,400.00            | \$ 20,400.00            | \$ 20,400.00             | MUNICIPAL COURT JUDGE                | \$ 21,250.00             | \$ 21,250.00             | \$ 21,250.00            |
| \$ 12,916.65            | \$ 30,000.00            | \$ 30,000.00             | PROSECUTING ATTORNEY                 | \$ 32,500.00             | \$ 32,500.00             | \$ 32,500.00            |
| \$ 46,230.02            | \$ 52,517.62            | \$ 54,500.00             | COURT CLERK                          | \$ 55,000.00             | \$ 55,000.00             | \$ 55,000.00            |
| \$ 4,171.53             | \$ 3,366.45             | \$ 5,000.00              | OVERTIME                             | \$ 5,000.00              | \$ 5,000.00              | \$ 5,000.00             |
| <b>\$ 111,762.90</b>    | <b>\$ 136,663.59</b>    | <b>\$ 141,650.00</b>     | <b>Total Court Personnel Service</b> | <b>\$ 147,450.00</b>     | <b>\$ 147,450.00</b>     | <b>\$ 147,450.00</b>    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | MUNICIPAL COURT<br>Account Name            | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 8,432.17             | \$ 10,458.72            | \$ 15,000.00             | OPERATIONS & MAINTENANCE                   | \$ 15,000.00             | \$ 15,000.00             | \$ 15,000.00            |
| \$ 920.85               | \$ 1,461.01             | \$ 2,000.00              | TRAINING & CONF. TRAVEL                    | \$ 2,500.00              | \$ 2,500.00              | \$ 2,500.00             |
| \$ 40.00                | \$ 150.00               | \$ 200.00                | DUES & MEMBERSHIP                          | \$ 200.00                | \$ 200.00                | \$ 200.00               |
| \$ -                    | \$ -                    | \$ 500.00                | PRINTING & PUBLICATIONS                    | \$ 500.00                | \$ 500.00                | \$ 500.00               |
| \$ 4,665.00             | \$ 7,090.00             | \$ 7,500.00              | PROFESSIONAL SERVICES                      | \$ 1,500.00              | \$ 1,500.00              | \$ 1,500.00             |
| \$ 2,822.11             | \$ 2,849.44             | \$ 3,000.00              | INSURANCE/LIABILITY/GEN                    | \$ 3,250.00              | \$ 3,250.00              | \$ 3,250.00             |
| \$ 53.98                | \$ 108.88               | \$ -                     | OFFICE SUPPLIES                            | \$ -                     | \$ -                     | \$ -                    |
| \$ 4,147.50             | \$ -                    | \$ -                     | LEGAL EXPENSES                             | \$ -                     | \$ -                     | \$ -                    |
| \$ 13,450.00            | \$ 9,950.00             | \$ 15,000.00             | COURT APPOINTED ATTORNEY                   | \$ 17,000.00             | \$ 17,000.00             | \$ 17,000.00            |
| \$ 1,162.23             | \$ 2,928.00             | \$ 5,000.00              | BAIL REFUND                                | \$ 1,750.00              | \$ 1,750.00              | \$ 1,750.00             |
| \$ 16,502.06            | \$ 21,815.99            | \$ 25,000.00             | CLACKAMAS COUNTY                           | \$ 27,500.00             | \$ 27,500.00             | \$ 27,500.00            |
| \$ 18,763.37            | \$ 10,136.31            | \$ 15,000.00             | OR DEPT OF REVENUE                         | \$ 15,000.00             | \$ 15,000.00             | \$ 15,000.00            |
| \$ 7,106.84             | \$ 2,163.49             | \$ 5,000.00              | VICTIM RESTITUTION                         | \$ 3,500.00              | \$ 3,500.00              | \$ 3,500.00             |
| <b>\$ 78,066.11</b>     | <b>\$ 69,111.84</b>     | <b>\$ 93,200.00</b>      | <b>Total Court Material &amp; Services</b> | <b>\$ 87,700.00</b>      | <b>\$ 87,700.00</b>      | <b>\$ 87,700.00</b>     |

Line item detail of the Planning material & services requirement:

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PLANNING DEPARTMENT<br>Account Name           | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 237.67               | \$ 495.00               | \$ -                     | PROFESSIONAL SERVICES                         | \$ -                     | \$ -                     | \$ -                    |
| \$ 47,743.02            | \$ 30,295.61            | \$ -                     | PROFESSIONAL SERVICE - GLASCOW                | \$ -                     | \$ -                     | \$ -                    |
| \$ 1,354.61             | \$ -                    | \$ -                     | INSURANCE/LIABILITY/GEN                       | \$ -                     | \$ -                     | \$ -                    |
| <b>\$ 49,335.30</b>     | <b>\$ 30,790.61</b>     | <b>\$ -</b>              | <b>Total Planning Material &amp; Services</b> | <b>\$ -</b>              | <b>\$ -</b>              | <b>\$ -</b>             |





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# *LIBRARY*

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## Library

The Molalla Public Library was established on May 14, 1900, and is the oldest continuously operating library in Clackamas County.

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 spaces to meet the needs of the community and working toward meeting the standards of the Oregon Library Association. The primary source of revenue for the library is Clackamas County Library District. The District is projecting a 3% increase for FY 2016/2017.

One of the ways we are looking to the future is by establishing a fund for future capital improvements to the library to meet the needs of a growing community and the changing face of providing information and entertainment. The District maintains a capital acquisition/improvement budget for Molalla of \$850,000.00 which can be allocated in addition to the District tax assessment for approved projects. A portion of the budgeted reserve includes those funds. The current facility is in a lease with the Molalla River School District and capital funds are to be available for property acquisition if a larger site is necessary to serve the community or to improve the current facility.

The Molalla Public Library will continue to provide a wide range of programs, resources, and services. 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. As part of the Clackamas County Library District, we have to keep pace with other libraries in the county for certain technologies. One such project currently underway is tagging all materials with RFID (radio frequency identification) tags similar to what is on DVDs or CDs one purchases at stores. Tagging materials will streamline the checking in and out of materials, allowing staff to be more available to meet patron needs. All Clackamas County libraries have agreed to have their materials tagged by January 2017.

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | LIBRARY FUND SUMMARY<br>RESOURCES      | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 964,306.09           | \$ 1,122,563.61         | \$ 1,161,068.41          | <i>BFB</i>                             | \$ 1,390,000.00          | \$ 1,390,000.00          | \$ 1,390,000.00         |
| \$ 1,995.25             | \$ 2,070.81             | \$ 2,500.00              | <i>All Other Resources</i>             | \$ 2,500.00              | \$ 2,500.00              | \$ 2,500.00             |
| \$ 732,714.00           | \$ 792,967.00           | \$ 1,603,500.00          | <i>Fed, State, Grant</i>               | \$ 1,678,500.00          | \$ 1,678,500.00          | \$ 1,678,500.00         |
| \$ 26,781.19            | \$ 21,743.73            | \$ 22,500.00             | <i>Fees, Licenses, Permits</i>         | \$ 17,500.00             | \$ 17,500.00             | \$ 17,500.00            |
| <b>\$ 1,725,796.53</b>  | <b>\$ 1,939,345.15</b>  | <b>\$ 2,789,568.41</b>   | <b>TOTAL RESOURCES</b>                 | <b>\$ 3,088,500.00</b>   | <b>\$ 3,088,500.00</b>   | <b>\$ 3,088,500.00</b>  |
| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | REQUIREMENTS                           | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
| \$ 376,783.63           | \$ 388,083.02           | \$ 550,500.00            | <i>Personnel Service</i>               | \$ 567,600.00            | \$ 567,600.00            | \$ 567,600.00           |
| \$ 137,262.51           | \$ 183,346.07           | \$ 246,650.00            | <i>Material &amp; Services</i>         | \$ 273,016.39            | \$ 273,016.39            | \$ 273,016.39           |
| \$ 89,186.78            | \$ 93,072.87            | \$ 426,000.00            | <i>Capital Improvement</i>             | \$ 176,500.00            | \$ 176,500.00            | \$ 2,076,500.00         |
| \$ -                    | \$ -                    | \$ 100,000.00            | <i>Contingency</i>                     | \$ 100,000.00            | \$ 100,000.00            | \$ 100,000.00           |
| \$ -                    | \$ -                    | \$ 1,400,000.00          | <i>Reserve</i>                         | \$ 1,900,000.00          | \$ 1,900,000.00          | \$ -                    |
| <b>\$ 603,232.92</b>    | <b>\$ 664,501.96</b>    | <b>\$ 2,723,150.00</b>   | <b>TOTAL REQUIREMENTS</b>              | <b>\$ 3,017,116.39</b>   | <b>\$ 3,017,116.39</b>   | <b>\$ 3,017,116.39</b>  |
|                         |                         | \$ 66,418.41             | <i>UEFB</i>                            | \$ 71,383.61             | \$ 71,383.61             | \$ 71,383.61            |
| <b>\$ 1,122,563.61</b>  | <b>\$ 1,274,843.19</b>  | <b>\$ 0.00</b>           | <b>NET RESOURCES OVER REQUIREMENTS</b> | <b>\$ (0.00)</b>         | <b>\$ (0.00)</b>         | <b>\$ (0.00)</b>        |

## Resources (Revenues)

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | LIBRARY<br>Account Name        | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--------------------------------|--------------------------|--------------------------|-------------------------|
| \$ 964,306.09           | \$ 1,122,563.61         | \$ 1,161,068.41          | BEGINNING FUND BALANCE         | \$ 1,390,000.00          | \$ 1,390,000.00          | \$ 1,390,000.00         |
| \$ 728,945.00           | \$ 789,090.00           | \$ 750,000.00            | COUNTY FUNDS                   | \$ 825,000.00            | \$ 825,000.00            | \$ 825,000.00           |
| \$ -                    | \$ -                    | \$ 850,000.00            | LIBRARY DISTRICT CAPITAL FUNDS | \$ 850,000.00            | \$ 850,000.00            | \$ 850,000.00           |
| \$ 3,769.00             | \$ 3,877.00             | \$ 3,500.00              | GRANTS                         | \$ 3,500.00              | \$ 3,500.00              | \$ 3,500.00             |
| \$ -                    | \$ -                    | \$ -                     | INTEREST                       | \$ -                     | \$ -                     | \$ -                    |
| \$ 2,625.58             | \$ 2,525.58             | \$ 2,500.00              | COPIER INCOME                  | \$ 2,500.00              | \$ 2,500.00              | \$ 2,500.00             |
| \$ 430.30               | \$ 952.92               | \$ 1,000.00              | MISC                           | \$ 1,000.00              | \$ 1,000.00              | \$ 1,000.00             |
| \$ 24,155.61            | \$ 19,218.15            | \$ 20,000.00             | FINES                          | \$ 15,000.00             | \$ 15,000.00             | \$ 15,000.00            |
| \$ 1,564.95             | \$ 1,117.89             | \$ 1,500.00              | DONATIONS                      | \$ 1,500.00              | \$ 1,500.00              | \$ 1,500.00             |
| <b>\$ 1,725,796.53</b>  | <b>\$ 1,939,345.15</b>  | <b>\$ 2,789,568.41</b>   | <b>Total Library Resources</b> | <b>\$ 3,088,500.00</b>   | <b>\$ 3,088,500.00</b>   | <b>\$ 3,088,500.00</b>  |

## Personnel Services:

Due to Senate Bill 454, requiring employers to allocate paid sick leave to part time employees (one hour for every 30 worked), and the recent passage of Senate Bill 1532 which raises minimum wage beginning July 1, the Library is holding status quo with staff in the FY 2016/2017. The impact of these bills on the budget will show trends for the next fiscal year. Having the majority of the staff work part-time allows for flexibility in scheduling and covering all shifts in instances of illness or other absences. The slight increase shown primarily reflects a rise in PERS and insurance costs as well as increased sick leave payouts as required by Senate Bill 454.

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | LIBRARY<br>Account Name                | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 39,679.54            | \$ 34,016.99            | \$ 45,000.00             | PERS                                   | \$ 55,000.00             | \$ 55,000.00             | \$ 55,000.00            |
| \$ 705.05               | \$ 406.51               | \$ 1,500.00              | SAIF                                   | \$ 1,000.00              | \$ 1,000.00              | \$ 1,000.00             |
| \$ 20,653.28            | \$ 20,985.28            | \$ 25,000.00             | FICA                                   | \$ 26,000.00             | \$ 26,000.00             | \$ 26,000.00            |
| \$ 45,768.41            | \$ 58,355.57            | \$ 76,000.00             | INSURANCE                              | \$ 78,000.00             | \$ 78,000.00             | \$ 78,000.00            |
| \$ 79,989.17            | \$ 60,262.00            | \$ 66,000.00             | LIBRARY DIRECTOR                       | \$ 68,500.00             | \$ 68,500.00             | \$ 68,500.00            |
| \$ -                    | \$ 22,764.00            | \$ 45,000.00             | LIBRARIAN                              | \$ 46,350.00             | \$ 46,350.00             | \$ 46,350.00            |
| \$ 58,508.06            | \$ 58,701.12            | \$ 62,000.00             | ASST CITY LIBRARIAN                    | \$ 62,750.00             | \$ 62,750.00             | \$ 62,750.00            |
| \$ 82.74                | \$ -                    | \$ -                     | OVERTIME                               | \$ -                     | \$ -                     | \$ -                    |
| \$ 33,774.92            | \$ 35,209.78            | \$ 80,000.00             | FULL TIME ASSISTANTS                   | \$ 80,000.00             | \$ 80,000.00             | \$ 80,000.00            |
| \$ 97,622.46            | \$ 97,381.77            | \$ 125,000.00            | PART TIME ASSISTANTS                   | \$ 125,000.00            | \$ 125,000.00            | \$ 125,000.00           |
| \$ -                    | \$ -                    | \$ 25,000.00             | ACCRUED PAYROLL LIABILITY              | \$ 25,000.00             | \$ 25,000.00             | \$ 25,000.00            |
| <b>\$ 376,783.63</b>    | <b>\$ 388,083.02</b>    | <b>\$ 550,500.00</b>     | <b>Total Library Personnel Service</b> | <b>\$ 567,600.00</b>     | <b>\$ 567,600.00</b>     | <b>\$ 567,600.00</b>    |

## Material & Services:

Professional Services has been increased in anticipation of outsourcing the tagging of materials with RFID tags. Outsourcing will allow the Library to remain open and serving the community while still having the necessary work completed in a timely fashion. The Equipment line item reflects the need to purchase equipment capable of reading the RFID tags as well as other supplies for this project.

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | LIBRARY<br>Account Name  | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------|
| \$ 8,629.44             | \$ 9,486.50             | \$ 12,500.00             | POWER                    | \$ 12,000.00             | \$ 12,000.00             | \$ 12,000.00            |
| \$ 7,195.08             | \$ 9,275.43             | \$ 12,000.00             | PHONE                    | \$ 12,000.00             | \$ 12,000.00             | \$ 12,000.00            |
| \$ 1,945.38             | \$ 1,725.55             | \$ 2,500.00              | NW NATURAL GAS           | \$ 2,500.00              | \$ 2,500.00              | \$ 2,500.00             |
| \$ 4,645.20             | \$ 2,765.30             | \$ 10,000.00             | OPERATIONS & MAINTENANCE | \$ 7,500.00              | \$ 7,500.00              | \$ 7,500.00             |
| \$ 3,292.17             | \$ 12,397.84            | \$ 18,000.00             | BUILDING MAINTENANCE     | \$ 17,500.00             | \$ 17,500.00             | \$ 17,500.00            |
| \$ 947.34               | \$ 1,579.04             | \$ 5,000.00              | TRAINING & CONF. TRAVEL  | \$ 4,500.00              | \$ 4,500.00              | \$ 4,500.00             |
| \$ 180.00               | \$ -                    | \$ 250.00                | DUES & MEMBERSHIP        | \$ 250.00                | \$ 250.00                | \$ 250.00               |
| \$ 248.11               | \$ 261.58               | \$ 500.00                | POSTAGE                  | \$ 500.00                | \$ 500.00                | \$ 500.00               |
| \$ -                    | \$ 1,050.00             | \$ 30,000.00             | PROFESSIONAL SERVICES    | \$ 50,000.00             | \$ 50,000.00             | \$ 50,000.00            |
| \$ 8,886.23             | \$ 15,366.20            | \$ 18,000.00             | INSURANCE/LIABILITY/GEN  | \$ 15,000.00             | \$ 15,000.00             | \$ 15,000.00            |
| \$ -                    | \$ 17.60                | \$ -                     | MATERIALS, REBINDING     | \$ -                     | \$ -                     | \$ -                    |

|                      |                      |                      |  |                      |                      |                      |
|----------------------|----------------------|----------------------|--|----------------------|----------------------|----------------------|
| \$ 8,280.00          | \$ 9,378.84          | \$ 11,500.00         | CUSTODIAN                                    | \$ 12,500.00         | \$ 12,500.00         | \$ 12,500.00         |
| \$ 8,406.95          | \$ 7,448.67          | \$ 12,500.00         | OFFICE SUPPLIES                              | \$ 20,000.00         | \$ 20,000.00         | \$ 20,000.00         |
| \$ -                 | \$ -                 | \$ 900.00            | MOLALLA FIRE READER BOARD                    | \$ 1,200.00          | \$ 1,200.00          | \$ 1,200.00          |
| \$ 71,121.56         | \$ 81,259.87         | \$ 80,000.00         | COST ALLOCATION AGREEMENT                    | \$ 82,066.39         | \$ 82,066.39         | \$ 82,066.39         |
| \$ 1,630.00          | \$ 605.39            | \$ 5,000.00          | FURNITURE & FIXTURES                         | \$ 5,000.00          | \$ 5,000.00          | \$ 5,000.00          |
| \$ 4,159.04          | \$ 6,856.61          | \$ 10,000.00         | COPIER EXPENSES                              | \$ 7,500.00          | \$ 7,500.00          | \$ 7,500.00          |
| \$ 4,674.11          | \$ 5,350.80          | \$ 10,000.00         | PROGRAMS                                     | \$ 10,000.00         | \$ 10,000.00         | \$ 10,000.00         |
| \$ 3,016.30          | \$ 3,076.82          | \$ 3,000.00          | PERIODICALS                                  | \$ 3,000.00          | \$ 3,000.00          | \$ 3,000.00          |
| \$ 5.60              | \$ 15,444.03         | \$ 5,000.00          | EQUIPMENT                                    | \$ 10,000.00         | \$ 10,000.00         | \$ 10,000.00         |
| <b>\$ 137,262.51</b> | <b>\$ 183,346.07</b> | <b>\$ 246,650.00</b> | <b>Total Library Material &amp; Services</b> | <b>\$ 273,016.39</b> | <b>\$ 273,016.39</b> | <b>\$ 273,016.39</b> |

### Capital Improvements:

The Capital Improvements line item reflects the acquisition of materials needed for the RFID tagging project. The initial tagging will be a significant cost as the library has over 62,000 items needing tags. Reflecting current trends in providing resources, an E-Publications line item has been created. The library district purchases materials from two e-publication vendors, allowing patrons to download both books for reading print and audio books onto their computers, tablets, phones, and other electronic devices. While the Audio-Visual Materials line item has decreased from last year, it reflects historical trends while allowing for continued growth of the Library's audio visual collection. Additionally, the capital improvement line item reflects costs to repair the sidewalks around the outside of the library.

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | LIBRARY<br>Account Name                   | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 16,358.63            | \$ 28,069.11            | \$ 325,000.00            | CAPITAL IMPROVEMENTS                      | \$ 75,000.00             | \$ 75,000.00             | \$ 75,000.00            |
| \$ -                    | \$ -                    | \$ -                     | CONSTRUCTION CAPITAL IMPROVEMENT          | \$ -                     | \$ -                     | \$ 1,900,000.00         |
| \$ 48,562.58            | \$ 39,200.25            | \$ 65,000.00             | BOOKS                                     | \$ 65,000.00             | \$ 65,000.00             | \$ 65,000.00            |
| \$ -                    | \$ -                    | \$ -                     | E-PUBLICATIONS                            | \$ 8,000.00              | \$ 8,000.00              | \$ 8,000.00             |
| \$ 3,267.68             | \$ 3,166.12             | \$ 1,000.00              | READY TO READ MATERIAL                    | \$ 3,500.00              | \$ 3,500.00              | \$ 3,500.00             |
| \$ 10,816.37            | \$ 14,271.77            | \$ 20,000.00             | AUDIO-VISUAL MATERIAL                     | \$ 15,000.00             | \$ 15,000.00             | \$ 15,000.00            |
| \$ 7,703.70             | \$ 6,927.70             | \$ 15,000.00             | DATA BASES                                | \$ 10,000.00             | \$ 10,000.00             | \$ 10,000.00            |
| \$ 2,477.82             | \$ 1,437.92             | \$ -                     | MUSIC                                     | \$ -                     | \$ -                     | \$ -                    |
| <b>\$ 89,186.78</b>     | <b>\$ 93,072.87</b>     | <b>\$ 426,000.00</b>     | <b>Total Library Capital Improvements</b> | <b>\$ 176,500.00</b>     | <b>\$ 176,500.00</b>     | <b>\$ 2,076,500.00</b>  |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | LIBRARY<br>Account Name                  | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ 100,000.00            | OPERATING CONTINGENCY                    | \$ 100,000.00            | \$ 100,000.00            | \$ 100,000.00           |
| \$ -                    | \$ -                    | \$ 1,400,000.00          | CAPITAL IMPROVEMENT RESERVE              | \$ 1,900,000.00          | \$ 1,900,000.00          | \$ -                    |
| <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ 1,500,000.00</b>   | <b>Total Library Contingency/Reserve</b> | <b>\$ 2,000,000.00</b>   | <b>\$ 2,000,000.00</b>   | <b>\$ 100,000.00</b>    |

### Molalla Public Library Capital Improvement Projects

| PROJECT TASKS                            | 2016/17            | 2017/18             | 2018/19             | 2019/2020             | 2020/2021           | TOTAL COST            |
|--|--------------------|---------------------|---------------------|-----------------------|---------------------|-----------------------|
|  | ESTIMATE (\$)      | ESTIMATE (\$)       | ESTIMATE (\$)       | ESTIMATE (\$)         | ESTIMATE (\$)       |                       |
| RFID project                             | \$65,000.00        | \$0.00              | \$0.00              | \$0.00                | \$0.00              | \$65,000.00           |
| Upgrade computers                        | \$0.00             | \$0.00              | \$10,000.00         | \$10,000.00           | \$14,000.00         | \$34,000.00           |
| Packing/moving to new facility/unpacking | \$0.00             | \$0.00              | \$0.00              | \$150,000.00          | \$0.00              | \$150,000.00          |
| Consultant for new facility              | \$0.00             | \$25,000.00         | \$0.00              | \$0.00                | \$0.00              | \$25,000.00           |
| Architect for new facility               | \$0.00             | \$0.00              | \$25,000.00         | \$0.00                | \$0.00              | \$25,000.00           |
| Property for new facility                | \$0.00             | \$300,000.00        | \$0.00              | \$0.00                | \$0.00              | \$300,000.00          |
| New facility construction                | \$0.00             | \$0.00              | \$0.00              | \$7,500,000.00        | \$0.00              | \$7,500,000.00        |
| New facility furnishings                 | \$0.00             | \$0.00              | \$0.00              | \$100,000.00          | \$0.00              | \$100,000.00          |
| Move to new facility                     | \$0.00             | \$0.00              | \$0.00              | \$0.00                | \$150,000.00        | \$150,000.00          |
| Sidewalk repair at current location      | \$10,000.00        | \$0.00              | \$0.00              | \$0.00                | \$0.00              | \$10,000.00           |
| Preparation for new construction         | \$0.00             | \$0.00              | \$100,000.00        | \$0.00                | \$0.00              | \$100,000.00          |
| Landscaping for new facility             | \$0.00             | \$0.00              | \$0.00              | \$25,000.00           | \$0.00              | \$25,000.00           |
| <b>Subtotal</b>                          | <b>\$75,000.00</b> | <b>\$325,000.00</b> | <b>\$135,000.00</b> | <b>\$7,785,000.00</b> | <b>\$164,000.00</b> | <b>\$8,484,000.00</b> |

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# *PUBLIC WORKS*

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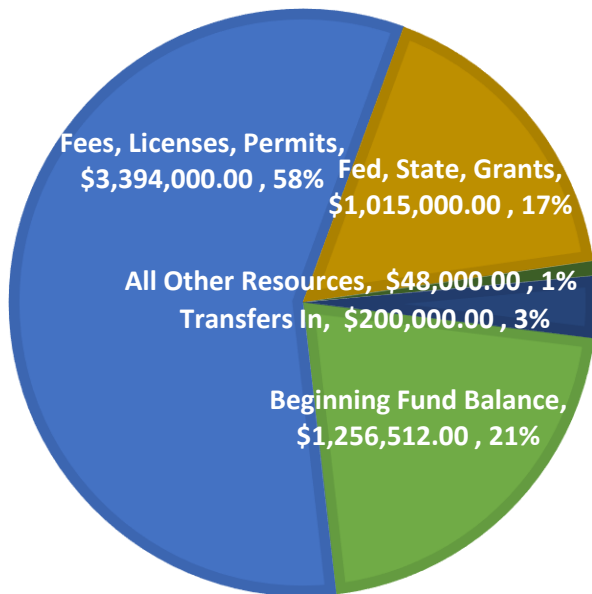
## Public Works

Public Works Budget Summary: the Public Works Budget will consist of four (4) funds for the proposed fiscal year FY 2016/2017. They are the Street Fund, Sewer Fund, Storm Fund, and Water Fund. The public works department consists of four different funds encompassing two different fund types.

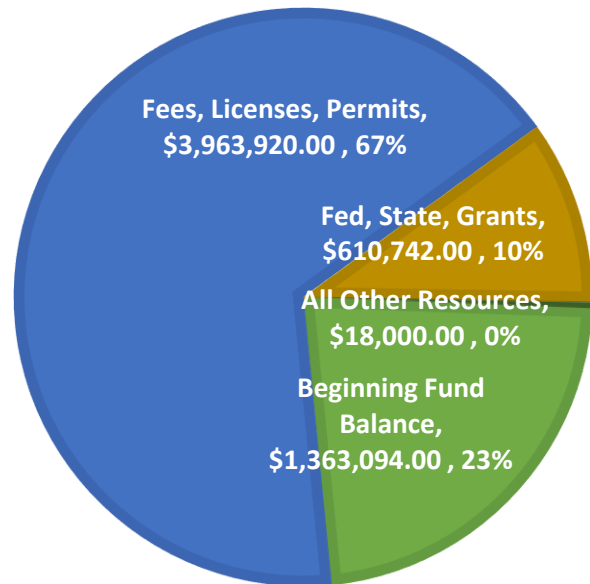
1. Governmental Funds
  - A. Street Fund
2. Proprietary Funds
  - A. Water Fund
  - B. Sewer Fund
  - C. Storm Fund

A resource comparison for the adopted supplemental budget for FY 2015/2016 and the proposed budget FY 2016/2017 is presented in the pie charts below:

Adopted Budget FY 2015/2016



Proposed Budget FY 2015/2016



In FY 2016/2017, we are budgeting for an increase in the Fees, Licenses, Permits category due to the analysis and subsequent rate increase in the proprietary funds. This increase was long overdue and although we are seeing a revenue increase, the corresponding projects and system maintenance will be increased over the next decade. Obstacles faced by some of the public works funds were challenging in FY 2015/2016. To be in a position of presenting a solid beginning fund balance with a modest overall increase of 8.48% is a direct reflection of frugal expenditures and solid management oversight. The bulk of the beginning fund balance is restricted to the water proprietary fund but we are projecting over the next three to five fiscal cycles that the City will see a more equitable beginning fund balance distribution among all proprietary funds.

In FY 2016/2017, we are budgeting no resource transfers in, although this was also the budgetary plan for the last two fiscal years. We are planning on the resolution of litigation to be minimized or ended and the rate increase to resolve the need for transfers to the sewer fund. If one is necessary, it will be addressed in a supplemental budget.

All direct public works labor costs will be included under the Personnel Service category for each fund with the exception of Training & Certificates, which will be listed as a line item under the Materials & Services category. A wage increase has been included for most Public Works positions as previously scheduled for in FY 2015/2016, when each Public Works position was surveyed, compared, and adjusted on a graduated scale over the next three (3) years to meet the average wage for 2015 for each employment class and as negotiated in the collective bargaining agreement. In addition to the planned wage increase, a notable increase has been made to the PERS line item in anticipation of projections provided by PERS.

The Public Works Director is currently working on a project to code, through the payroll system, a fund or project allocation. It will identify a more specific and workable distribution of crew hours. Our crew currently moves between projects which are fund specific as well as some general public works projects. This project will allow management oversight of crew allocations and, as much as possible, distribute costs to appropriate funds. The allocation now matches the analysis done in a similar manner in years past. The public works personnel service fund has no resources or requirements allocated to it, but must be carried on the books for three fiscal cycles (inactive fund rules). In addition, the totals of that inactive fund provide some budgetary continuity to the in-fund allocation we are currently using.

The primary budgetary goal for all public works funds is to develop a balance between frugal fiscal management for future sustainability and capital improvements to improve our processes and facilities. The overall material and services allocation is holding steady with previous budgets except for a reduction in the sewer proprietary fund. Legal fees and professional services are budgeted to be less in FY 2016/2017.

A marginal increase is anticipated in unappropriated ending fund balance overall for public works. All funds are experiencing an increase, with the exception of the water proprietary. Plans for capital projects in the water proprietary fund are slated. Any project not completed will have the funds identified for project rollover into the beginning fund balance for FY 2017/2018.

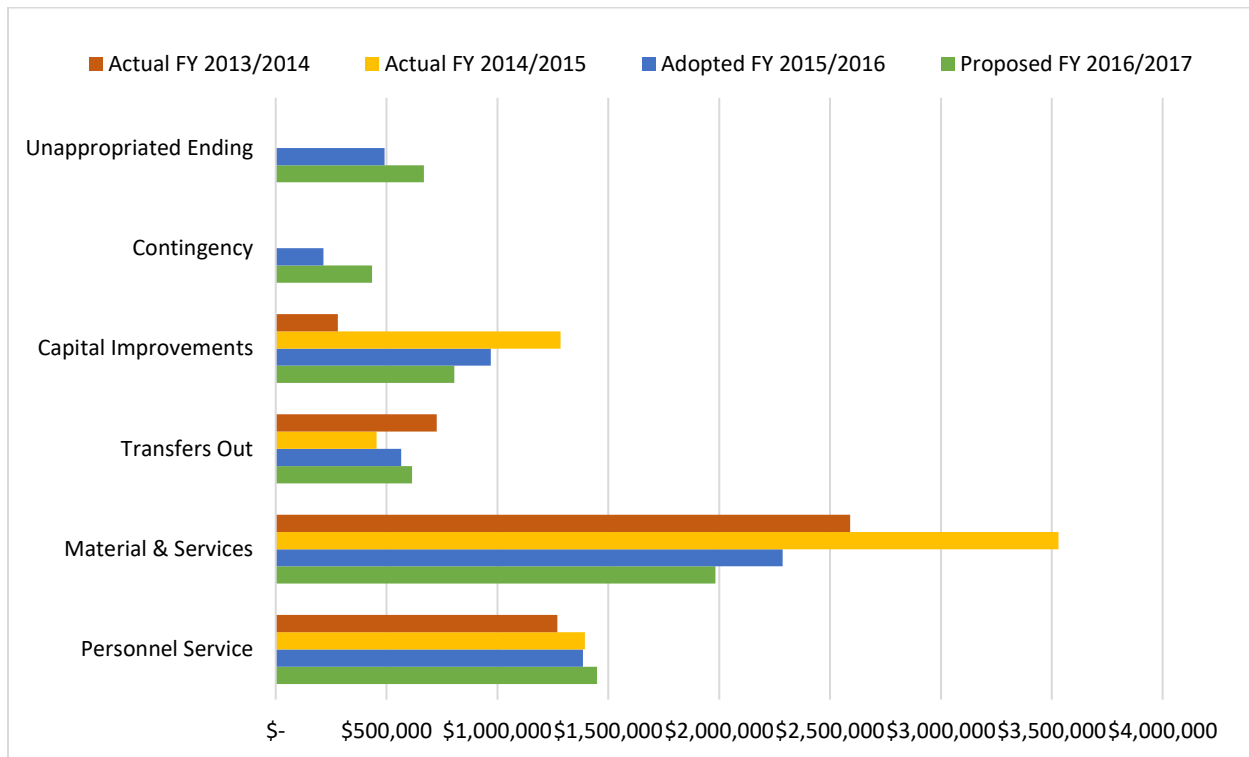
Contingency line items have been projected at 10% of the total budget Income for each individual fund. This policy change has increased contingency holdings overall and better represents the needs for each fund as whole. The contingency percentages will continue to be projected and measured against closed audited fiscal years and future anticipated fund risks. To improve fiscal sustainability, rate stabilization funds were created in the debt service funds to assist in difficult years. Those funds were exhausted, therefore increasing the financial need from the parent funds. We recommend moving to re-establish these stabilization funds within the next five (5) fiscal cycles.



Public works expenditure funds experienced some minor reductions. First, overall capital improvement allotment for FY 2016/17 is reduced allowing recovery time for future projects. A large portion of staff time will revolve around supporting the Molalla Urban Renewal project and projects eligible for SDC expenditures. Second, Materials and Services is budgeted with a large decrease as professional and legal fees are projected to be significantly less and line items were trimmed to better represent actual expenditures. Third, the personnel service allocation is slightly reduced through personnel restructuring and a reduction in on-call overtime as a result of improved preventative maintenance planning.

In general, public works departments are presented daily with situations which require crews to be reactionary. In attempt to offset these situations, the budget has been strategically developed assessing risk and planning for capital improvements while meeting community needs, Council goals, and state or federal 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 goal of infrastructure improvements through capital projects while balancing the goal to increase reserves. The total requirements are presented in the following graph:



FY 2013/2014 and FY 2014/2015 both contained allocations in budget valuations for unappropriated ending balances and contingency. After a fund is audited those valuations become a part of the beginning fund balance and are open to budget committee deliberations and re-allocation for the current fiscal year.

Overall, when measuring FY 2013/2014 (red line) and FY 2016/2017 (green line), staff is containing costs within margins below inflation. Significant changes are seen in the capital improvements which is a direct reflection of a City Council goal and directive.

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

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PUBLIC WORKS - ALL FUND SUMMARY<br>RESOURCES | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 233,155.17           | \$ 255,885.67           | \$ 197,500.00            | <i>BFB - Street/Parks</i>                    | \$ 278,240.00            | \$ 278,240.00            | \$ 475,000.00           |
| \$ 610,102.77           | \$ 624,851.82           | \$ 403,415.04            | <i>BFB - Sewer</i>                           | \$ 343,039.00            | \$ 343,039.00            | \$ 475,000.00           |
| \$ 918,849.43           | \$ 958,691.60           | \$ 615,875.00            | <i>BFB - Water</i>                           | \$ 710,622.00            | \$ 710,622.00            | \$ 810,000.00           |
| \$ 111,576.06           | \$ 155,887.47           | \$ -                     | <i>BFB - PWPS</i>                            | \$ -                     | \$ -                     | \$ -                    |
| \$ 23,245.88            | \$ 41,477.89            | \$ 39,721.96             | <i>BFB - Storm</i>                           | \$ 31,193.00             | \$ 31,193.00             | \$ 54,500.00            |
| \$ 3,135,624.64         | \$ 3,321,116.67         | \$ 3,394,000.00          | <i>Fees, Licenses, Permits</i>               | \$ 3,963,920.00          | \$ 3,963,920.00          | \$ 4,173,920.00         |
| \$ 522,041.03           | \$ 972,429.99           | \$ 1,015,000.00          | <i>Fed, State, Grants</i>                    | \$ 610,742.00            | \$ 610,742.00            | \$ 675,742.00           |
| \$ 35,332.88            | \$ 39,568.20            | \$ 48,000.00             | <i>All Other Resources</i>                   | \$ 18,000.00             | \$ 18,000.00             | \$ 18,000.00            |
| \$ 1,315,000.08         | \$ 1,638,834.70         | \$ 200,000.00            | <i>Transfers In</i>                          | \$ -                     | \$ -                     | \$ 600,000.00           |
| <b>\$ 6,904,927.94</b>  | <b>\$ 8,008,744.01</b>  | <b>\$ 5,913,512.00</b>   | <b>TOTAL PW's RESOURCES</b>                  | <b>\$ 5,955,756.00</b>   | <b>\$ 5,955,756.00</b>   | <b>\$ 7,282,162.00</b>  |
| <b>REQUIREMENTS</b>     |                         |                          |  |                          |                          |                         |
| \$ -                    | \$ -                    | \$ 327,400.00            | <i>Personnel Service - S&amp;P</i>           | \$ 289,400.00            | \$ 289,400.00            | \$ 348,075.00           |
| \$ -                    | \$ -                    | \$ 482,330.00            | <i>Personnel Service - Sewer</i>             | \$ 510,000.00            | \$ 510,000.00            | \$ 558,675.00           |
| \$ -                    | \$ -                    | \$ 521,650.00            | <i>Personnel Service - Water</i>             | \$ 592,230.00            | \$ 592,230.00            | \$ 645,905.00           |
| \$ 1,270,688.67         | \$ 1,394,722.17         | \$ -                     | <i>Personnel Service - PWPS</i>              | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ 54,800.00             | <i>Personnel Service - Storm</i>             | \$ 57,790.00             | \$ 57,790.00             | \$ 73,815.00            |
| \$ 583,867.20           | \$ 541,848.75           | \$ 479,600.00            | <i>Material &amp; Services - S&amp;P</i>     | \$ 418,001.54            | \$ 418,001.54            | \$ 418,001.54           |
| \$ 1,050,950.63         | \$ 1,986,780.10         | \$ 1,175,590.04          | <i>Material &amp; Services - Sewer</i>       | \$ 884,832.18            | \$ 884,832.18            | \$ 984,832.18           |
| \$ 891,395.22           | \$ 945,055.34           | \$ 585,750.00            | <i>Material &amp; Services - Water</i>       | \$ 633,717.38            | \$ 633,717.38            | \$ 633,717.38           |
| \$ 64,975.34            | \$ 56,661.17            | \$ 44,800.00             | <i>Material &amp; Services - Storm</i>       | \$ 46,645.70             | \$ 46,645.70             | \$ 46,645.70            |
| \$ 134,023.46           | \$ 716,052.36           | \$ 557,000.00            | <i>Capital Improvements - S&amp;P</i>        | \$ 155,927.00            | \$ 155,927.00            | \$ 887,927.00           |
| \$ 74,798.92            | \$ 59,514.68            | \$ 160,500.00            | <i>Capital Improvements - Sewer</i>          | \$ 326,090.00            | \$ 326,090.00            | \$ 333,427.00           |
| \$ 56,112.95            | \$ 476,905.30           | \$ 232,000.00            | <i>Capital Improvements - Water</i>          | \$ 308,148.00            | \$ 308,148.00            | \$ 362,000.00           |
| \$ 15,821.10            | \$ 31,545.85            | \$ 20,000.00             | <i>Capital Improvements - Storm</i>          | \$ 15,000.00             | \$ 15,000.00             | \$ 37,000.00            |
| \$ 725,500.00           | \$ 454,738.00           | \$ 565,928.56            | <i>Transfers Out</i>                         | \$ 614,655.08            | \$ 614,655.08            | \$ 914,655.08           |
| \$ -                    | \$ -                    | \$ 215,000.00            | <i>Contingency</i>                           | \$ 434,594.00            | \$ 434,594.00            | \$ 450,582.46           |
| <b>\$ 4,868,133.49</b>  | <b>\$ 6,663,823.72</b>  | <b>\$ 5,422,348.60</b>   | <b>TOTAL PW's REQUIREMENTS</b>               | <b>\$ 5,287,030.88</b>   | <b>\$ 5,287,030.88</b>   | <b>\$ 6,695,258.34</b>  |
|                         |                         | \$ 11,000.00             | <i>UEFB - S&amp;P</i>                        | \$ 143,754.46            | \$ 143,754.46            | \$ 176,000.00           |
|                         |                         | \$ 73,566.44             | <i>UEFB - Sewer</i>                          | \$ 267,294.82            | \$ 267,294.82            | \$ 116,094.82           |
|                         |                         | \$ 406,475.00            | <i>UEFB - Water</i>                          | \$ 257,421.54            | \$ 257,421.54            | \$ 274,272.54           |
|                         |                         | \$ 121.96                | <i>UEFB - Storm</i>                          | \$ 254.30                | \$ 254.30                | \$ 20,536.30            |
| <b>\$ 2,036,794.45</b>  | <b>\$ 1,344,920.29</b>  | <b>\$ 0.00</b>           | <b>NET RESOURCES OVER REQUIREMENTS</b>       | <b>\$ 0.00</b>           | <b>\$ (0.00)</b>         | <b>\$ (0.00)</b>        |

### Street & Parks Fund

The street fund will maintain resources from State Gas Tax, PGE franchise, and State Revenue Share as the foundational and consistent revenue sources for this fund. In addition, local grants from CDBG and the ODOT Fund Exchange allocation will provide revenue sources to complete projects. Many of the grants have a municipal contribution component. This will be the case with CDBG for Lola Avenue improvements.

Materials and Services have been projected to decrease slightly overall. However, Power, Operations & Maintenance (Parks), Insurance/Liability/Gen, and Cost Allocation line items have been increased to better represent the projected operations, liability risks, and lighting expenditures in both Streets and Parks. Public Works has met last fiscal year's goal to contract engineering professional services to develop a Pavement Management 5-10 Year Plan for preservation and maintenance of existing roadway infrastructure in Molalla. Staff will continue to work with City Council to best address a new

revenue source for Streets and Sidewalk preservation and maintenance program. A local street fee revenue source is not reflected in this budget and will require a supplemental budget as we progress through the process.

A separate line item tracking has been implemented to achieve a management goal of separating the street fund from park maintenance. Sustainable revenue sources are being explored and the actual requirements are being tallied so when the time comes to make the change, we will be fiscally prepared to present defensible data. The following tables provide a full summary of activity in the street/park fund for both resources and requirements.

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PUBLIC WORKS - STREET SUMMARY<br>RESOURCES | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 233,155.17           | \$ 255,885.67           | \$ 197,500.00            | BFB  | \$ 278,240.00            | \$ 278,240.00            | \$ 475,000.00           |
| \$ 522,041.03           | \$ 972,429.99           | \$ 1,015,000.00          | Fed, State, Grant                          | \$ 610,742.00            | \$ 610,742.00            | \$ 675,742.00           |
| \$ 187,397.25           | \$ 218,800.43           | \$ 220,000.00            | Fees, Licenses, Permits                    | \$ 220,000.00            | \$ 220,000.00            | \$ 220,000.00           |
| \$ -                    | \$ -                    | \$ -                     | Transfers In                               | \$ -                     | \$ -                     | \$ 600,000.00           |
| \$ 31,182.88            | \$ 28,968.26            | \$ 42,500.00             | All Other Resources                        | \$ 10,000.00             | \$ 10,000.00             | \$ 10,000.00            |
| <b>\$ 973,776.33</b>    | <b>\$ 1,476,084.35</b>  | <b>\$ 1,475,000.00</b>   | <b>TOTAL RESOURCES</b>                     | <b>\$ 1,118,982.00</b>   | <b>\$ 1,118,982.00</b>   | <b>\$ 1,980,742.00</b>  |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | REQUIREMENTS                           | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ 327,400.00            | Personnel Service                      | \$ 289,400.00            | \$ 289,400.00            | \$ 348,075.00           |
| \$ 583,867.20           | \$ 541,848.75           | \$ 479,600.00            | Material & Services                    | \$ 418,001.54            | \$ 418,001.54            | \$ 418,001.54           |
| \$ 134,023.46           | \$ 716,052.36           | \$ 557,000.00            | Capital Improvement                    | \$ 155,927.00            | \$ 155,927.00            | \$ 887,927.00           |
| \$ -                    | \$ -                    | \$ 100,000.00            | Contingency                            | \$ 111,899.00            | \$ 111,899.00            | \$ 150,738.46           |
| <b>\$ 717,890.66</b>    | <b>\$ 1,257,901.11</b>  | <b>\$ 1,464,000.00</b>   | <b>TOTAL REQUIREMENTS</b>              | <b>\$ 975,227.54</b>     | <b>\$ 975,227.54</b>     | <b>\$ 1,804,742.00</b>  |
| \$ -                    | \$ -                    | \$ 11,000.00             | UEFB                                   | \$ 143,754.46            | \$ 143,754.46            | \$ 176,000.00           |
| <b>\$ 255,885.67</b>    | <b>\$ 218,183.24</b>    | <b>\$ -</b>              | <b>NET RESOURCES OVER REQUIREMENTS</b> | <b>\$ -</b>              | <b>\$ -</b>              | <b>\$ -</b>             |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PUBLIC WORKS - STREET/PARKS FUND<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 233,155.17           | \$ 255,885.67           | \$ 197,500.00            | BEGINNING FUND BALANCE                           | \$ 278,240.00            | \$ 278,240.00            | \$ 475,000.00           |
| \$ 465,905.74           | \$ 481,147.12           | \$ 480,000.00            | STATE GAS TAX                                    | \$ 480,000.00            | \$ 480,000.00            | \$ 540,000.00           |
| \$ 187,397.25           | \$ 218,800.43           | \$ 220,000.00            | PGE FRANCHISE FEE                                | \$ 220,000.00            | \$ 220,000.00            | \$ 220,000.00           |
| \$ -                    | \$ -                    | \$ 180,000.00            | CDBG   | \$ 80,742.00             | \$ 80,742.00             | \$ 80,742.00            |
| \$ -                    | \$ 451,282.87           | \$ 85,000.00             | STP ALLOCATION                                   | \$ 10,000.00             | \$ 10,000.00             | \$ 10,000.00            |
| \$ -                    | \$ -                    | \$ 225,000.00            | RAILS TO TRAILS TO GRANT                         | \$ -                     | \$ -                     | \$ -                    |
| \$ 31,182.88            | \$ 28,968.26            | \$ 42,500.00             | MISCELLANEOUS                                    | \$ 10,000.00             | \$ 10,000.00             | \$ 10,000.00            |
| \$ 56,135.29            | \$ 40,000.00            | \$ 45,000.00             | STATE REVENUE SHARE                              | \$ 40,000.00             | \$ 40,000.00             | \$ 45,000.00            |
| \$ -                    | \$ -                    | \$ -                     | TRANSFER IN - GENERAL FUND                       | \$ -                     | \$ -                     | \$ 300,000.00           |
| \$ -                    | \$ -                    | \$ -                     | TRANSFER IN - WATER FUND                         | \$ -                     | \$ -                     | \$ 150,000.00           |
| \$ -                    | \$ -                    | \$ -                     | TRANSFER IN - SEWER FUND                         | \$ -                     | \$ -                     | \$ 150,000.00           |
| <b>\$ 973,776.33</b>    | <b>\$ 1,476,084.35</b>  | <b>\$ 1,475,000.00</b>   | <b>Total Street/Parks Resources</b>              | <b>\$ 1,118,982.00</b>   | <b>\$ 1,118,982.00</b>   | <b>\$ 1,980,742.00</b>  |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PUBLIC WORKS - STREET FUND<br>Account Name  | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ 28,000.00             | PERS  | \$ 25,000.00             | \$ 25,000.00             | \$ 25,000.00            |
| \$ -                    | \$ -                    | \$ 6,400.00              | SAIF  | \$ 6,400.00              | \$ 6,400.00              | \$ 6,400.00             |
| \$ -                    | \$ -                    | \$ 15,000.00             | FICA  | \$ 14,500.00             | \$ 14,500.00             | \$ 14,500.00            |
| \$ -                    | \$ -                    | \$ 45,000.00             | INSURANCE                                   | \$ 42,000.00             | \$ 42,000.00             | \$ 42,000.00            |
| \$ -                    | \$ -                    | \$ 7,500.00              | UNEMPLOYMENT LIABILITY                      | \$ 2,500.00              | \$ 2,500.00              | \$ 2,500.00             |
| \$ -                    | \$ -                    | \$ 25,000.00             | PW DIRECTOR                                 | \$ 25,500.00             | \$ 25,500.00             | \$ 25,500.00            |
| \$ -                    | \$ -                    | \$ -                     | CITY ENGINEER                               | \$ -                     | \$ -                     | \$ 21,675.00            |
| \$ -                    | \$ -                    | \$ 17,000.00             | GIS MAPPING TECHNICIAN                      | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ 16,000.00             | CREW - FOREMAN                              | \$ 18,500.00             | \$ 18,500.00             | \$ 18,500.00            |
| \$ -                    | \$ -                    | \$ 55,000.00             | CREW - STREETS                              | \$ 60,000.00             | \$ 60,000.00             | \$ 60,000.00            |
| \$ -                    | \$ -                    | \$ 60,000.00             | CREW - PARKS                                | \$ 55,000.00             | \$ 55,000.00             | \$ 55,000.00            |
| \$ -                    | \$ -                    | \$ 25,000.00             | CREW - SEASONAL                             | \$ 20,000.00             | \$ 20,000.00             | \$ 20,000.00            |
| \$ -                    | \$ -                    | \$ -                     | CODE ENFORCEMENT                            | \$ -                     | \$ -                     | \$ 12,000.00            |
| \$ -                    | \$ -                    | \$ 17,500.00             | OVERTIME                                    | \$ 10,000.00             | \$ 10,000.00             | \$ 10,000.00            |
| \$ -                    | \$ -                    | \$ 10,000.00             | ACCRUED PAYROLL LIABILITY                   | \$ 10,000.00             | \$ 10,000.00             | \$ 35,000.00            |
| <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ 327,400.00</b>     | <b>Total Street/Parks Personnel Service</b> | <b>\$ 289,400.00</b>     | <b>\$ 289,400.00</b>     | <b>\$ 348,075.00</b>    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PUBLIC WORKS - STREET FUND<br>Account Name        | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 75,502.66            | \$ 73,199.00            | \$ 75,000.00             | POWER   | \$ 91,250.00             | \$ 91,250.00             | \$ 91,250.00            |
| \$ 6,349.82             | \$ 7,558.22             | \$ 8,500.00              | PHONE   | \$ 8,500.00              | \$ 8,500.00              | \$ 8,500.00             |
| \$ 1,657.33             | \$ 2,045.73             | \$ 2,000.00              | NATURAL GAS                                       | \$ 2,500.00              | \$ 2,500.00              | \$ 2,500.00             |
| \$ 15,976.52            | \$ 21,745.91            | \$ 30,000.00             | O&M   | \$ 25,000.00             | \$ 25,000.00             | \$ 25,000.00            |
| \$ 12,711.17            | \$ 23,121.28            | \$ 30,000.00             | O&M (PARKS)                                       | \$ 30,900.00             | \$ 30,900.00             | \$ 30,900.00            |
| \$ 3,558.16             | \$ 3,669.19             | \$ 5,000.00              | BUILDING MAINTENANCE                              | \$ 5,000.00              | \$ 5,000.00              | \$ 5,000.00             |
| \$ -                    | \$ -                    | \$ 2,500.00              | TRAINING & CONF. TRAVEL                           | \$ 2,500.00              | \$ 2,500.00              | \$ 2,500.00             |
| \$ 75.00                | \$ 120.00               | \$ 100.00                | DUES & MEMBERSHIP                                 | \$ 120.00                | \$ 120.00                | \$ 120.00               |
| \$ -                    | \$ -                    | \$ -                     | POSTAGE   | \$ 100.00                | \$ 100.00                | \$ 100.00               |
| \$ 8,060.49             | \$ 9,882.68             | \$ 12,000.00             | COMPUTER NETWORK                                  | \$ 12,650.00             | \$ 12,650.00             | \$ 12,650.00            |
| \$ 14,464.54            | \$ 12,841.00            | \$ 50,000.00             | PROFESSIONAL SERVICES                             | \$ 20,000.00             | \$ 20,000.00             | \$ 20,000.00            |
| \$ 13,546.15            | \$ 17,717.81            | \$ 20,500.00             | INSURANCE/LIABILITY/GEN                           | \$ 25,760.00             | \$ 25,760.00             | \$ 25,760.00            |
| \$ 13,694.62            | \$ 11,209.35            | \$ 14,000.00             | VEHICLE FUEL                                      | \$ 15,000.00             | \$ 15,000.00             | \$ 15,000.00            |
| \$ 6,540.47             | \$ 1,219.11             | \$ 2,500.00              | VEHICLE FUEL (PARKS)                              | \$ 2,500.00              | \$ 2,500.00              | \$ 2,500.00             |
| \$ 12,268.30            | \$ 6,310.33             | \$ 7,500.00              | VEHICLE REPAIR                                    | \$ 7,500.00              | \$ 7,500.00              | \$ 7,500.00             |
| \$ 1,130.75             | \$ 1,073.44             | \$ 2,000.00              | VEHICLE REPAIR (PARKS)                            | \$ 2,500.00              | \$ 2,500.00              | \$ 2,500.00             |
| \$ 6,184.23             | \$ 7,142.39             | \$ 5,000.00              | UNIFORMS & SAFETY GEAR                            | \$ 5,000.00              | \$ 5,000.00              | \$ 5,000.00             |
| \$ -                    | \$ -                    | \$ -                     | UNIFORMS & SAFETY GEAR (PARKS)                    | \$ 1,000.00              | \$ 1,000.00              | \$ 1,000.00             |
| \$ 66,062.19            | \$ 60,535.88            | \$ 78,000.00             | COST ALLOCATION AGREEMENT                         | \$ 70,221.54             | \$ 70,221.54             | \$ 70,221.54            |
| \$ 315,000.00           | \$ 192,889.97           | \$ -                     | PW PERSONNEL SERVICE AGREEMENT                    | \$ -                     | \$ -                     | \$ -                    |
| \$ 3,876.35             | \$ 69,623.84            | \$ 100,000.00            | SIDEWALK / STREET REPAIRS                         | \$ 75,000.00             | \$ 75,000.00             | \$ 75,000.00            |
| \$ -                    | \$ 14,064.95            | \$ 20,000.00             | SMALL EQUIPMENT / TOOLS                           | \$ 10,000.00             | \$ 10,000.00             | \$ 10,000.00            |
| \$ 7,208.45             | \$ 5,878.67             | \$ 15,000.00             | SIGNS   | \$ 5,000.00              | \$ 5,000.00              | \$ 5,000.00             |
| \$ -                    | \$ -                    | \$ -                     | FOOTPATH / BICYCLE TRAILS                         | \$ -                     | \$ -                     | \$ -                    |
| <b>\$ 583,867.20</b>    | <b>\$ 541,848.75</b>    | <b>\$ 479,600.00</b>     | <b>Total Street/Parks Material &amp; Services</b> | <b>\$ 418,001.54</b>     | <b>\$ 418,001.54</b>     | <b>\$ 418,001.54</b>    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PUBLIC WORKS - STREET FUND<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 134,023.46           | \$ 716,052.36           | \$ 557,000.00            | CAPITAL IMPROVEMENTS                       | \$ 155,927.00            | \$ 155,927.00            | \$ 887,927.00           |
| <b>\$ 134,023.46</b>    | <b>\$ 716,052.36</b>    | <b>\$ 557,000.00</b>     | <b>Total Street/Parks Capital</b>          | <b>\$ 155,927.00</b>     | <b>\$ 155,927.00</b>     | <b>\$ 887,927.00</b>    |

\*\*Phase 1 Lola Street: \$100,927.00  
\*\*EQ/Vehicle Purchased (Shared): \$15,000.00  
\*\*Vector Payment 4 of 5: \$22,000.00  
\*\*Shop Building: \$750,000.00

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PUBLIC WORKS - STREET FUND<br>Account Name    | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ 100,000.00            | OPERATING CONTINGENCY                         | \$ 111,899.00            | \$ 111,899.00            | \$ 150,738.46           |
| <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ 100,000.00</b>     | <b>Total Street/Parks Contingency Reserve</b> | <b>\$ 111,899.00</b>     | <b>\$ 111,899.00</b>     | <b>\$ 150,738.46</b>    |

## Sewer Fund

The Sewer Fund anticipates seeing increases to the Miscellaneous, Monthly User Fee, and Service Connection line items due to community growth, increased sewer rates, and public works fees.

Continuing to move forward into year three of the NPDES Permit, public works proactively looks for opportunities to reduce expenditure requirements while maintaining an aging infrastructure system with increasing inflation and operation costs. Materials and Service expenditures have been included to meet annual permit responsibilities to removal of bio-solids, remove and reduce storm water inflow and infiltration, and manage additional fuel and maintenances for the recycled water program. Additionally, estimated increases for Power, Insurance/Liability/Gen, Cost Allocation, and Professional Services line items have been included to better represent the projected operating expenditures. The FY 2016/17 cost to treat a gallon of raw sewage is \$0.31.

Capital Improvement funds have been included for planned collection repairs on coinciding street projects, filter media for improved treatment, and sand and grit removal of the aeration basin. In

addition, the funds have been included to update the Wastewater Treatment Facility Plant. The following tables provide a full summary of activity in the sewer fund for both resources and requirements.

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PUBLIC WORKS - SEWER SUMMARY<br>RESOURCES | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 610,102.77           | \$ 624,851.82           | \$ 403,415.04            | BFB                                       | \$ 343,039.00            | \$ 343,039.00            | \$ 475,000.00           |
| \$ 1,563,923.60         | \$ 1,624,714.28         | \$ 1,602,000.00          | Fees, Licenses, Permits                   | \$ 2,171,920.00          | \$ 2,171,920.00          | \$ 2,171,920.00         |
| \$ -                    | \$ 400,000.00           | \$ 200,000.00            | Transfers In                              | \$ -                     | \$ -                     | \$ -                    |
| \$ 2,075.00             | \$ 4,881.72             | \$ 2,500.00              | All Other Resources                       | \$ 5,000.00              | \$ 5,000.00              | \$ 5,000.00             |
| <b>\$ 2,176,101.37</b>  | <b>\$ 2,654,447.82</b>  | <b>\$ 2,207,915.04</b>   | <b>TOTAL RESOURCES</b>                    | <b>\$ 2,519,959.00</b>   | <b>\$ 2,519,959.00</b>   | <b>\$ 2,651,920.00</b>  |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | REQUIREMENTS                           | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ 482,330.00            | Personnel Service                      | \$ 510,000.00            | \$ 510,000.00            | \$ 558,675.00           |
| \$ 1,050,950.63         | \$ 1,986,780.10         | \$ 1,175,590.04          | Material & Services                    | \$ 884,832.18            | \$ 884,832.18            | \$ 984,832.18           |
| \$ 74,798.92            | \$ 59,514.68            | \$ 160,500.00            | Capital Improvement                    | \$ 326,090.00            | \$ 326,090.00            | \$ 333,427.00           |
| \$ 425,500.00           | \$ 204,738.00           | \$ 315,928.56            | Debt Service Transfer                  | \$ 315,550.00            | \$ 315,550.00            | \$ 315,550.00           |
| \$ -                    | \$ -                    | \$ -                     | Transfer Out                           | \$ -                     | \$ -                     | \$ 150,000.00           |
| \$ -                    | \$ -                    | \$ -                     | Contingency                            | \$ 216,192.00            | \$ 216,192.00            | \$ 193,341.00           |
| <b>\$ 1,551,249.55</b>  | <b>\$ 2,251,032.78</b>  | <b>\$ 2,134,348.60</b>   | <b>TOTAL REQUIREMENTS</b>              | <b>\$ 2,252,664.18</b>   | <b>\$ 2,252,664.18</b>   | <b>\$ 2,535,825.18</b>  |
| \$ -                    | \$ -                    | \$ 73,566.44             | UEFB                                   | \$ 267,294.82            | \$ 267,294.82            | \$ 116,094.82           |
| <b>\$ 624,851.82</b>    | <b>\$ 403,415.04</b>    | <b>\$ -</b>              | <b>NET RESOURCES OVER REQUIREMENTS</b> | <b>\$ -</b>              | <b>\$ -</b>              | <b>\$ 0.00</b>          |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PUBLIC WORKS - SEWER FUND<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 610,102.77           | \$ 624,851.82           | \$ 403,415.04            | BEGINNING FUND BALANCE                    | \$ 343,039.00            | \$ 343,039.00            | \$ 475,000.00           |
| \$ 2,075.00             | \$ 4,881.72             | \$ 2,500.00              | MISCELLANEOUS                             | \$ 5,000.00              | \$ 5,000.00              | \$ 5,000.00             |
| \$ -                    | \$ 400,000.00           | \$ 200,000.00            | TRANSFER FROM GENERAL FUND                | \$ -                     | \$ -                     | \$ -                    |
| \$ 1,548,923.60         | \$ 1,600,714.28         | \$ 1,575,000.00          | MONTHLY USER FEE                          | \$ 2,161,920.00          | \$ 2,161,920.00          | \$ 2,161,920.00         |
| \$ 15,000.00            | \$ 24,000.00            | \$ 27,000.00             | SERVICE CONNECTIONS                       | \$ 10,000.00             | \$ 10,000.00             | \$ 10,000.00            |
| <b>\$ 2,176,101.37</b>  | <b>\$ 2,654,447.82</b>  | <b>\$ 2,207,915.04</b>   | <b>Total Sewer Resources</b>              | <b>\$ 2,519,959.00</b>   | <b>\$ 2,519,959.00</b>   | <b>\$ 2,651,920.00</b>  |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PUBLIC WORKS - SEWER FUND<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ 32,250.00             | PERS                                      | \$ 42,000.00             | \$ 42,000.00             | \$ 42,000.00            |
| \$ -                    | \$ -                    | \$ 7,800.00              | SAIF                                      | \$ 8,500.00              | \$ 8,500.00              | \$ 8,500.00             |
| \$ -                    | \$ -                    | \$ 20,500.00             | FICA                                      | \$ 26,000.00             | \$ 26,000.00             | \$ 26,000.00            |
| \$ -                    | \$ -                    | \$ 88,500.00             | INSURANCE                                 | \$ 80,000.00             | \$ 80,000.00             | \$ 80,000.00            |
| \$ -                    | \$ -                    | \$ 10,000.00             | UNEMPLOYMENT LIABILITY                    | \$ 10,000.00             | \$ 10,000.00             | \$ 10,000.00            |
| \$ -                    | \$ -                    | \$ 25,000.00             | PW DIRECTOR                               | \$ 25,500.00             | \$ 25,500.00             | \$ 25,500.00            |
| \$ -                    | \$ -                    | \$ -                     | CITY ENGINEER                             | \$ -                     | \$ -                     | \$ 21,675.00            |
| \$ -                    | \$ -                    | \$ 69,000.00             | PLANT OPERATOR                            | \$ 71,000.00             | \$ 71,000.00             | \$ 71,000.00            |
| \$ -                    | \$ -                    | \$ 60,480.00             | ASST. PLANT OPERATOR                      | \$ 65,000.00             | \$ 65,000.00             | \$ 65,000.00            |
| \$ -                    | \$ -                    | \$ 15,500.00             | CREW - FOREMAN                            | \$ 23,500.00             | \$ 23,500.00             | \$ 23,500.00            |
| \$ -                    | \$ -                    | \$ 17,000.00             | GIS MAPPING TECHNICIAN                    | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ 67,000.00             | CREW - SEWER                              | \$ 79,000.00             | \$ 79,000.00             | \$ 79,000.00            |
| \$ -                    | \$ -                    | \$ 20,000.00             | CREW - SEASONAL                           | \$ 20,000.00             | \$ 20,000.00             | \$ 20,000.00            |
| \$ -                    | \$ -                    | \$ 14,300.00             | UTILITY BILLING CLERK                     | \$ 29,500.00             | \$ 29,500.00             | \$ 29,500.00            |
| \$ -                    | \$ -                    | \$ -                     | CODE ENFORCEMENT                          | \$ -                     | \$ -                     | \$ 12,000.00            |
| \$ -                    | \$ -                    | \$ 25,000.00             | OVERTIME                                  | \$ 20,000.00             | \$ 20,000.00             | \$ 20,000.00            |
| \$ -                    | \$ -                    | \$ 10,000.00             | ACCRUED PAYROLL LIABILITY                 | \$ 10,000.00             | \$ 10,000.00             | \$ 25,000.00            |
| <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ 482,330.00</b>     | <b>Total Sewer Personnel Service</b>      | <b>\$ 510,000.00</b>     | <b>\$ 510,000.00</b>     | <b>\$ 558,675.00</b>    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PUBLIC WORKS - SEWER FUND<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 148,575.28           | \$ 140,307.38           | \$ 160,000.00            | POWER                                     | \$ 164,800.00            | \$ 164,800.00            | \$ 164,800.00           |
| \$ 3,963.97             | \$ 7,491.00             | \$ 7,500.00              | PHONE                                     | \$ 9,500.00              | \$ 9,500.00              | \$ 9,500.00             |
| \$ 1,688.56             | \$ 1,668.05             | \$ 2,000.00              | NATURAL GAS                               | \$ 2,000.00              | \$ 2,000.00              | \$ 2,000.00             |
| \$ 63,746.04            | \$ 94,692.62            | \$ 100,000.00            | OPERATIONS & MAINTENANCE                  | \$ 80,000.00             | \$ 80,000.00             | \$ 80,000.00            |
| \$ 9,191.47             | \$ 16,542.66            | \$ 10,000.00             | BUILDING MAINTENANCE                      | \$ 15,000.00             | \$ 15,000.00             | \$ 15,000.00            |
| \$ -                    | \$ -                    | \$ 4,000.00              | TRANING & CONF. TRAVEL                    | \$ 2,000.00              | \$ 2,000.00              | \$ 2,000.00             |
| \$ 3,500.00             | \$ 2,775.50             | \$ 2,750.00              | DUES & MEMBERSHIP                         | \$ 2,000.00              | \$ 2,000.00              | \$ 2,000.00             |

|                        |                        |                        |  |                      |                      |                      |
|------------------------|------------------------|------------------------|--|----------------------|----------------------|----------------------|
| \$ 5,630.42            | \$ 6,419.08            | \$ 6,000.00            | POSTAGE                                    | \$ 6,000.00          | \$ 6,000.00          | \$ 6,000.00          |
| \$ -                   | \$ -                   | \$ 5,000.00            | COMPUTER HARDWARE & SOFTWARE               | \$ 5,000.00          | \$ 5,000.00          | \$ 5,000.00          |
| \$ 3,856.21            | \$ 6,656.42            | \$ 9,000.00            | COMPUTER NETWORK                           | \$ 8,200.00          | \$ 8,200.00          | \$ 8,200.00          |
| \$ 7,436.88            | \$ 699,742.90          | \$ 286,740.04          | PROFESSIONAL SERVICES                      | \$ 100,000.00        | \$ 100,000.00        | \$ 200,000.00        |
| \$ 15,417.30           | \$ 18,717.81           | \$ 22,000.00           | INSURANCE/LIABILITY/GEN                    | \$ 28,000.00         | \$ 28,000.00         | \$ 28,000.00         |
| \$ 10,121.19           | \$ 9,135.88            | \$ 14,000.00           | VEHICLE FUEL                               | \$ 11,000.00         | \$ 11,000.00         | \$ 11,000.00         |
| \$ 1,837.49            | \$ 8,551.41            | \$ 7,500.00            | VEHICLE REPAIR                             | \$ 4,000.00          | \$ 4,000.00          | \$ 4,000.00          |
| \$ -                   | \$ 9,788.98            | \$ 19,600.00           | IRRIGATION FUEL                            | \$ 11,000.00         | \$ 11,000.00         | \$ 11,000.00         |
| \$ 12,093.46           | \$ 7,198.64            | \$ 4,500.00            | UNIFORMS & SAFETY GEAR                     | \$ 4,500.00          | \$ 4,500.00          | \$ 4,500.00          |
| \$ -                   | \$ 84,000.00           | \$ -                   | LITIGATION PAYOUT                          | \$ -                 | \$ -                 | \$ -                 |
| \$ 95,270.41           | \$ 109,005.49          | \$ 150,000.00          | COST ALLOCATION AGREEMENT                  | \$ 116,832.18        | \$ 116,832.18        | \$ 116,832.18        |
| \$ 420,000.00          | \$ 499,049.13          | \$ -                   | PW PERSONNEL SERVICE AGREEMENT             | \$ -                 | \$ -                 | \$ -                 |
| \$ -                   | \$ 44,270.26           | \$ 50,000.00           | BIOSOLIDS REMOVAL                          | \$ 50,000.00         | \$ 50,000.00         | \$ 50,000.00         |
| \$ -                   | \$ 1,257.00            | \$ 5,000.00            | EFFLUENT MONITORING                        | \$ 10,000.00         | \$ 10,000.00         | \$ 10,000.00         |
| \$ -                   | \$ 43,991.80           | \$ 130,000.00          | INFLOW & INFILTRATION                      | \$ 75,000.00         | \$ 75,000.00         | \$ 75,000.00         |
| \$ 171,175.76          | \$ 175,518.09          | \$ 180,000.00          | CHLORINE & CHEMICALS                       | \$ 180,000.00        | \$ 180,000.00        | \$ 180,000.00        |
| \$ 77,446.19           | \$ -                   | \$ -                   | LICENSE FEE                                | \$ -                 | \$ -                 | \$ -                 |
| <b>\$ 1,050,950.63</b> | <b>\$ 1,986,780.10</b> | <b>\$ 1,175,590.04</b> | <b>Total Sewer Material &amp; Services</b> | <b>\$ 884,832.18</b> | <b>\$ 884,832.18</b> | <b>\$ 984,832.18</b> |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PUBLIC WORKS - SEWER FUND<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 35,541.97            | \$ 59,514.68            | \$ 160,500.00            | CAPITAL IMPROVEMENTS                      | \$ 326,090.00            | \$ 326,090.00            | \$ 333,427.00           |
| \$ 39,256.95            | \$ -                    | \$ -                     | SEWER EQUIPMENT                           | \$ -                     | \$ -                     | \$ -                    |
| <b>\$ 74,798.92</b>     | <b>\$ 59,514.68</b>     | <b>\$ 160,500.00</b>     |   | <b>\$ 326,090.00</b>     | <b>\$ 326,090.00</b>     | <b>\$ 333,427.00</b>    |

\*\*Effluent Pump House HVAC: \$15,000.00      \*\*Phase 1 Lola Street: \$100927.00  
\*\*Master Plan Update: \$115,000.00      \*\*Vactor 4 of 5: \$22500.00  
\*\*Gravity Filter Media: \$30,000.00      \*\*EQ/Vehicle Purchased (Shared): \$15,000.00  
\*\*Molalla Avenue Sewer Line Repair: \$25,000.00      \*\*Aeration Basin: \$10,000.00

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PUBLIC WORKS - SEWER FUND<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ -                     | TRANSFER TO STREET FUND                   | \$ -                     | \$ -                     | \$ 150,000.00           |
| \$ 250,500.00           | \$ 174,000.00           | \$ 315,928.56            | TRANSFER TO SEWER DEBT                    | \$ 315,550.00            | \$ 315,550.00            | \$ 315,550.00           |
| \$ 175,000.00           | \$ 30,738.00            | \$ -                     | TRANSFER TO CWSRF                         | \$ -                     | \$ -                     | \$ -                    |
| <b>\$ 425,500.00</b>    | <b>\$ 204,738.00</b>    | <b>\$ 315,928.56</b>     | <b>Total Sewer Transfers Out</b>          | <b>\$ 315,550.00</b>     | <b>\$ 315,550.00</b>     | <b>\$ 465,550.00</b>    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PUBLIC WORKS - SEWER FUND<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ -                     | CONTINGENCY                               | \$ 216,192.00            | \$ 216,192.00            | \$ 193,341.00           |
| \$ -                    | \$ -                    | \$ -                     | <b>Total Sewer Contingency/Reserve</b>    | <b>\$ 216,192.00</b>     | <b>\$ 216,192.00</b>     | <b>\$ 193,341.00</b>    |

## Water Fund



The Water Fund anticipates notable increases to Monthly User Fee and Service Connection line items due to increased utility rates and community growth. Utility rates were last increased in 2009. The FY 2016/2017 fiscal year cost to treat a gallon of drinking water delivered to your faucet cost is \$0.33. The average liter bottle of water purchased by consumers on a daily basis is \$1.49. The City is providing clean, quality water and delivering it to the consumer at a lower cost than any other local source of this resource. This is all done while maintaining the water plant and the distribution system. The urban legend that the City of Molalla water is the most expensive in the State is completely false. In a study done in 2015, the City of Molalla was a mid-range rate charger with many of the cities below us currently undergoing a rate increase.

During this budget process, management and City Council are in the process of reviewing and adjusting the water usage and base rates. Any adjustment made after the budget process will result in revenue needing to be recognized through a supplemental budget process and then allocated as needed. If management is preparing for a larger scale project in future fiscal years, the unrecognized revenue will

roll forward in the unappropriated ending balance and will be allocated in the budget process for FY 2017/2018.

Materials & Services expenditures are notably projected to increase for the FY 2016/2017. Professional Services was increased for anticipated engineering support for several water distribution improvement projects and completing the Trout Creek water rights transfer. Other line item adjustments have been made to better match existing expenditures.

Capital Improvements funds include water distribution improvements and the funds share of new equipment and vehicle purchases. The following tables provide a full summary of activity in the water fund for both resources and requirements.

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PUBLIC WORKS - WATER SUMMARY<br>RESOURCES | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 918,849.43           | \$ 958,691.60           | \$ 615,875.00            | BFB                                       | \$ 710,622.00            | \$ 710,622.00            | \$ 810,000.00           |
| \$ 1,285,275.34         | \$ 1,380,765.09         | \$ 1,477,000.00          | Fees, Licenses, Permits                   | \$ 1,477,000.00          | \$ 1,477,000.00          | \$ 1,652,000.00         |
| \$ 2,075.00             | \$ 2,675.72             | \$ 3,000.00              | All Other Resources                       | \$ 3,000.00              | \$ 3,000.00              | \$ 3,000.00             |
| <b>\$ 2,206,199.77</b>  | <b>\$ 2,342,132.41</b>  | <b>\$ 2,095,875.00</b>   | <b>TOTAL RESOURCES</b>                    | <b>\$ 2,190,622.00</b>   | <b>\$ 2,190,622.00</b>   | <b>\$ 2,465,000.00</b>  |
| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | REQUIREMENTS                              | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
| \$ -                    | \$ -                    | \$ 521,650.00            | Personnel Service                         | \$ 592,230.00            | \$ 592,230.00            | \$ 645,905.00           |
| \$ 891,395.22           | \$ 945,055.34           | \$ 585,750.00            | Material & Services                       | \$ 633,717.38            | \$ 633,717.38            | \$ 633,717.38           |
| \$ 56,112.95            | \$ 476,905.30           | \$ 232,000.00            | Capital Improvement                       | \$ 308,148.00            | \$ 308,148.00            | \$ 362,000.00           |
| \$ 300,000.00           | \$ 250,000.00           | \$ 250,000.00            | Debt Service Transfer                     | \$ 299,105.08            | \$ 299,105.08            | \$ 299,105.08           |
| \$ -                    | \$ -                    | \$ -                     | Transfers Out                             | \$ -                     | \$ -                     | \$ 150,000.00           |
| \$ -                    | \$ -                    | \$ 100,000.00            | Contingency                               | \$ 100,000.00            | \$ 100,000.00            | \$ 100,000.00           |
| <b>\$ 1,247,508.17</b>  | <b>\$ 1,671,960.64</b>  | <b>\$ 1,689,400.00</b>   | <b>TOTAL REQUIREMENTS</b>                 | <b>\$ 1,933,200.46</b>   | <b>\$ 1,933,200.46</b>   | <b>\$ 2,190,727.46</b>  |
| \$ -                    | \$ -                    | \$ 406,475.00            | UEFB                                      | \$ 257,421.54            | \$ 257,421.54            | \$ 274,272.54           |
| \$ 958,691.60           | \$ 670,171.77           | \$ -                     | NET RESOURCES OVER REQUIREMENTS           | \$ -                     | \$ -                     | \$ -                    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PUBLIC WORKS - WATER FUND<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 918,849.43           | \$ 958,691.60           | \$ 615,875.00            | BEGINNING FUND BALANCE                    | \$ 710,622.00            | \$ 710,622.00            | \$ 810,000.00           |
| \$ 2,075.00             | \$ 2,675.72             | \$ 3,000.00              | MISCELLANEOUS                             | \$ 3,000.00              | \$ 3,000.00              | \$ 3,000.00             |
| \$ 1,270,275.34         | \$ 1,357,365.09         | \$ 1,450,000.00          | MONTHLY USER FEE                          | \$ 1,450,000.00          | \$ 1,450,000.00          | \$ 1,625,000.00         |
| \$ 15,000.00            | \$ 23,400.00            | \$ 27,000.00             | SERVICE CONNECTIONS                       | \$ 27,000.00             | \$ 27,000.00             | \$ 27,000.00            |
| <b>\$ 2,206,199.77</b>  | <b>\$ 2,342,132.41</b>  | <b>\$ 2,095,875.00</b>   | <b>Total Water Resources</b>              | <b>\$ 2,190,622.00</b>   | <b>\$ 2,190,622.00</b>   | <b>\$ 2,465,000.00</b>  |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PUBLIC WORKS - WATER FUND<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ 38,500.00             | PERS                                      | \$ 65,000.00             | \$ 65,000.00             | \$ 65,000.00            |
| \$ -                    | \$ -                    | \$ 12,750.00             | SAIF                                      | \$ 8,240.00              | \$ 8,240.00              | \$ 8,240.00             |
| \$ -                    | \$ -                    | \$ 23,000.00             | FICA                                      | \$ 28,840.00             | \$ 28,840.00             | \$ 28,840.00            |
| \$ -                    | \$ -                    | \$ 88,500.00             | INSURANCE                                 | \$ 85,050.00             | \$ 85,050.00             | \$ 85,050.00            |
| \$ -                    | \$ -                    | \$ 10,000.00             | UNEMPLOYMENT LIABILITY                    | \$ 15,450.00             | \$ 15,450.00             | \$ 15,450.00            |
| \$ -                    | \$ -                    | \$ 25,000.00             | PW DIRECTOR                               | \$ 27,810.00             | \$ 27,810.00             | \$ 27,810.00            |
| \$ -                    | \$ -                    | \$ -                     | CITY ENGINEER                             | \$ -                     | \$ -                     | \$ 21,675.00            |
| \$ -                    | \$ -                    | \$ 66,000.00             | PLANT OPERATOR                            | \$ 85,490.00             | \$ 85,490.00             | \$ 85,490.00            |
| \$ -                    | \$ -                    | \$ 60,000.00             | ASST. PLANT OPERATOR                      | \$ 65,000.00             | \$ 65,000.00             | \$ 65,000.00            |
| \$ -                    | \$ -                    | \$ 25,000.00             | CREW - FOREMAN                            | \$ 30,900.00             | \$ 30,900.00             | \$ 30,900.00            |
| \$ -                    | \$ -                    | \$ 10,000.00             | CREW - SEASONAL                           | \$ 10,000.00             | \$ 10,000.00             | \$ 10,000.00            |
| \$ -                    | \$ -                    | \$ 88,000.00             | CREW - WATER                              | \$ 122,000.00            | \$ 122,000.00            | \$ 122,000.00           |
| \$ -                    | \$ -                    | \$ 17,000.00             | GIS MAPPING TECHNICIAN                    | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ 14,300.00             | UTILITY BILLING CLERK                     | \$ 28,450.00             | \$ 28,450.00             | \$ 28,450.00            |
| \$ -                    | \$ -                    | \$ -                     | CODE ENFORCEMENT                          | \$ -                     | \$ -                     | \$ 12,000.00            |
| \$ -                    | \$ -                    | \$ 33,600.00             | OVERTIME                                  | \$ 10,000.00             | \$ 10,000.00             | \$ 10,000.00            |
| \$ -                    | \$ -                    | \$ 10,000.00             | ACCRUED PAYROLL LIABILITY                 | \$ 10,000.00             | \$ 10,000.00             | \$ 30,000.00            |
| <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ 521,650.00</b>     | <b>Total Water Personnel Service</b>      | <b>\$ 592,230.00</b>     | <b>\$ 592,230.00</b>     | <b>\$ 645,905.00</b>    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PUBLIC WORKS - WATER FUND<br>Account Name  | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 55,422.53            | \$ 54,542.92            | \$ 62,250.00             | POWER                                      | \$ 62,250.00             | \$ 62,250.00             | \$ 62,250.00            |
| \$ 2,352.18             | \$ 5,892.74             | \$ 6,000.00              | PHONE                                      | \$ 6,000.00              | \$ 6,000.00              | \$ 6,000.00             |
| \$ 37,623.81            | \$ 52,203.80            | \$ 60,000.00             | OPERATIONS & MAINTENANCE                   | \$ 60,000.00             | \$ 60,000.00             | \$ 60,000.00            |
| \$ 3,909.46             | \$ 48,275.86            | \$ 40,000.00             | BUILDING MAINTENANCE                       | \$ 40,000.00             | \$ 40,000.00             | \$ 40,000.00            |
| \$ -                    | \$ -                    | \$ 5,000.00              | TRAINING & CONF. TRAVEL                    | \$ 5,000.00              | \$ 5,000.00              | \$ 5,000.00             |
| \$ 4,283.00             | \$ 1,579.30             | \$ 1,000.00              | DUES & MEMBERSHIP                          | \$ 1,000.00              | \$ 1,000.00              | \$ 1,000.00             |
| \$ 5,624.84             | \$ 7,400.46             | \$ 10,000.00             | POSTAGE                                    | \$ 10,000.00             | \$ 10,000.00             | \$ 10,000.00            |
| \$ 2,323.74             | \$ 15,739.15            | \$ 12,000.00             | COMPUTER NETWORK                           | \$ 12,665.00             | \$ 12,665.00             | \$ 12,665.00            |
| \$ 1,562.90             | \$ 41,670.79            | \$ 115,000.00            | PROFESSIONAL SERVICES                      | \$ 115,000.00            | \$ 115,000.00            | \$ 115,000.00           |
| \$ 15,417.30            | \$ 18,717.80            | \$ 22,000.00             | INSURANCE/LIABILITY/GEN                    | \$ 27,140.00             | \$ 27,140.00             | \$ 27,140.00            |
| \$ 7,991.76             | \$ 8,818.18             | \$ 12,000.00             | VEHICLE FUEL                               | \$ 12,000.00             | \$ 12,000.00             | \$ 12,000.00            |
| \$ 1,016.15             | \$ 977.32               | \$ 2,000.00              | VEHICLE REPAIR                             | \$ 2,000.00              | \$ 2,000.00              | \$ 2,000.00             |
| \$ 4,278.48             | \$ 2,865.05             | \$ 2,000.00              | UNIFORMS & SAFETY GEAR                     | \$ 2,000.00              | \$ 2,000.00              | \$ 2,000.00             |
| \$ 100,092.44           | \$ 96,530.18            | \$ 104,000.00            | COST ALLOCATION AGREEMENT                  | \$ 136,162.38            | \$ 136,162.38            | \$ 136,162.38           |
| \$ 545,000.04           | \$ 509,993.81           | \$ -                     | PW PERSONNEL SERVICE AGREEMENT             | \$ -                     | \$ -                     | \$ -                    |
| \$ 20,477.92            | \$ 31,027.70            | \$ 35,000.00             | CHLORINE & CHEMICALS                       | \$ 35,000.00             | \$ 35,000.00             | \$ 35,000.00            |
| \$ 7,062.41             | \$ 7,207.67             | \$ 50,000.00             | WATER LINE REPAIR                          | \$ 50,000.00             | \$ 50,000.00             | \$ 50,000.00            |
| \$ -                    | \$ -                    | \$ 7,500.00              | NEW WATER CONNECTIONS                      | \$ 7,500.00              | \$ 7,500.00              | \$ 7,500.00             |
| \$ 13,442.48            | \$ 41,612.61            | \$ 40,000.00             | NEW WATER METERS                           | \$ 50,000.00             | \$ 50,000.00             | \$ 50,000.00            |
| \$ 63,513.78            | \$ -                    | \$ -                     | LICENSE FEE                                | \$ -                     | \$ -                     | \$ -                    |
| <b>\$ 891,395.22</b>    | <b>\$ 945,055.34</b>    | <b>\$ 585,750.00</b>     | <b>Total Water Material &amp; Services</b> | <b>\$ 633,717.38</b>     | <b>\$ 633,717.38</b>     | <b>\$ 633,717.38</b>    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PUBLIC WORKS - WATER FUND<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 56,112.95            | \$ 476,905.30           | \$ 232,000.00            | CAPITAL IMPROVEMENTS                      | \$ 308,148.00            | \$ 308,148.00            | \$ 362,000.00           |
| <b>\$ 56,112.95</b>     | <b>\$ 476,905.30</b>    | <b>\$ 232,000.00</b>     | <b>Total Water Capital Improvements</b>   | <b>\$ 308,148.00</b>     | <b>\$ 308,148.00</b>     | <b>\$ 362,000.00</b>    |

\*\*Lola Phase 1: \$135,000.00

\*\*Vactor Pymt 4 of 5: \$22,000.00

\*\*Metzler, 3rd, 4th: \$190,000.00

\*\*EQ/Vehicle Purchased (Shared): \$15,000.00

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PUBLIC WORKS - WATER FUND<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ -                     | TRANSFER TO STREET                        | \$ -                     | \$ -                     | \$ 150,000.00           |
| \$ 300,000.00           | \$ 250,000.00           | \$ 250,000.00            | TRANSFER TO WATER EXPANSI                 | \$ 299,105.08            | \$ 299,105.08            | \$ 299,105.08           |
| <b>\$ 300,000.00</b>    | <b>\$ 250,000.00</b>    | <b>\$ 250,000.00</b>     | <b>Total Water Transfers Out</b>          | <b>\$ 299,105.08</b>     | <b>\$ 299,105.08</b>     | <b>\$ 449,105.08</b>    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PUBLIC WORKS - WATER FUND<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ 100,000.00            | OPERATING CONTINGENCY                     | \$ 100,000.00            | \$ 100,000.00            | \$ 100,000.00           |
| <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ 100,000.00</b>     | <b>Total Water Contingency/Reserve</b>    | <b>\$ 100,000.00</b>     | <b>\$ 100,000.00</b>     | <b>\$ 100,000.00</b>    |

## Storm Fund

With the community growth and recent increase to the Storm Utility fee (March 2016), we anticipate a marginal increase to the Monthly User Fee this next fiscal year. The additional Storm Utility fee will assist in recovering the fund and allow for improved maintenance, identified spot repairs and/or improvements in conjunction with other capital improvement projects.

Materials & Services have been projected to increase slightly to address Insurance/Liability/Gen line item expenditures. Capital Improvements funds have been included for shared cost of equipment purchases. Public Works will continue to assess the existing storm water management system and program. Storm water infrastructure repairs and improvements will be identified, and addressed in the Public Works five-year capital improvement plan. The following table provide a full summary of activity in the storm fund for both resources and requirements.



| Actuals              | Actuals              | Budgeted             | PUBLIC WORKS -STORM SUMMARY | Proposed             | Approved             | Adopted              |
|----------------------|----------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
| FY 2013/2014         | FY 2014/2015         | FY 2015/2016         | RESOURCES                   | FY 2016/2017         | FY 2016/2017         | FY 2016/2017         |
| \$ 23,245.88         | \$ 41,477.89         | \$ 39,721.96         | BFB                         | \$ 31,193.00         | \$ 31,193.00         | \$ 54,500.00         |
| \$ 99,028.45         | \$ 96,836.87         | \$ 95,000.00         | Fees, Licenses, Permits     | \$ 95,000.00         | \$ 95,000.00         | \$ 130,000.00        |
| \$ -                 | \$ 3,042.50          | \$ -                 | All Other Resources         | \$ -                 | \$ -                 | \$ -                 |
| <b>\$ 122,274.33</b> | <b>\$ 141,357.26</b> | <b>\$ 134,721.96</b> | <b>TOTAL RESOURCES</b>      | <b>\$ 126,193.00</b> | <b>\$ 126,193.00</b> | <b>\$ 184,500.00</b> |

| Actuals             | Actuals             | Budgeted             | PUBLIC WORKS -STORM SUMMARY            | Proposed             | Approved             | Adopted              |
|---------------------|---------------------|----------------------|--|----------------------|----------------------|----------------------|
| FY 2013/2014        | FY 2014/2015        | FY 2015/2016         | REQUIREMENTS                           | FY 2016/2017         | FY 2016/2017         | FY 2016/2017         |
| \$ -                | \$ -                | \$ 54,800.00         | Personnel Service                      | \$ 57,790.00         | \$ 57,790.00         | \$ 73,815.00         |
| \$ 64,975.34        | \$ 56,661.17        | \$ 44,800.00         | Materials & Services                   | \$ 46,645.70         | \$ 46,645.70         | \$ 46,645.70         |
| \$ 15,821.10        | \$ 31,545.85        | \$ 20,000.00         | Capital Improvements                   | \$ 15,000.00         | \$ 15,000.00         | \$ 37,000.00         |
| \$ -                | \$ -                | \$ 15,000.00         | Contingency                            | \$ 6,503.00          | \$ 6,503.00          | \$ 6,503.00          |
| <b>\$ 80,796.44</b> | <b>\$ 88,207.02</b> | <b>\$ 134,600.00</b> | <b>TOTAL REQUIREMENTS</b>              | <b>\$ 125,938.70</b> | <b>\$ 125,938.70</b> | <b>\$ 163,963.70</b> |
| \$ -                | \$ -                | \$ 121.96            | UEFB                                   | \$ 254.30            | \$ 254.30            | \$ 20,536.30         |
| <b>\$ 41,477.89</b> | <b>\$ 53,150.24</b> | <b>\$ (0.00)</b>     | <b>NET RESOURCES OVER REQUIREMENTS</b> | <b>\$ 0.00</b>       | <b>\$ -</b>          | <b>\$ -</b>          |

| Actuals              | Actuals              | Budgeted             | PUBLIC WORKS - STORM FUND    | Proposed             | Approved             | Adopted              |
|----------------------|----------------------|----------------------|------------------------------|----------------------|----------------------|----------------------|
| FY 2013/2014         | FY 2014/2015         | FY 2015/2016         | Account Name                 | FY 2016/2017         | FY 2016/2017         | FY 2016/2017         |
| \$ 23,245.88         | \$ 41,477.89         | \$ 39,721.96         | BEGINNING FUND BALANCE       | \$ 31,193.00         | \$ 31,193.00         | \$ 54,500.00         |
| \$ -                 | \$ -                 | \$ -                 | INTEREST                     | \$ -                 | \$ -                 | \$ -                 |
| \$ -                 | \$ 3,042.50          | \$ -                 | MISCELLANEOUS                | \$ -                 | \$ -                 | \$ -                 |
| \$ 99,028.45         | \$ 96,836.87         | \$ 95,000.00         | MONTHLY USER FEE             | \$ 95,000.00         | \$ 95,000.00         | \$ 130,000.00        |
| <b>\$ 122,274.33</b> | <b>\$ 141,357.26</b> | <b>\$ 134,721.96</b> | <b>Total Storm Resources</b> | <b>\$ 126,193.00</b> | <b>\$ 126,193.00</b> | <b>\$ 184,500.00</b> |

| Actuals      | Actuals      | Budgeted            | PUBLIC WORKS - STORM FUND            | Proposed            | Approved            | Adopted             |
|--------------|--------------|---------------------|--------------------------------------|---------------------|---------------------|---------------------|
| FY 2013/2014 | FY 2014/2015 | FY 2015/2016        | Account Name                         | FY 2016/2017        | FY 2016/2017        | FY 2016/2017        |
| \$ -         | \$ -         | \$ 4,300.00         | PERS                                 | \$ 6,990.00         | \$ 6,990.00         | \$ 6,990.00         |
| \$ -         | \$ -         | \$ 1,450.00         | SAIF                                 | \$ 1,450.00         | \$ 1,450.00         | \$ 1,450.00         |
| \$ -         | \$ -         | \$ 2,750.00         | FICA                                 | \$ 2,890.00         | \$ 2,890.00         | \$ 2,890.00         |
| \$ -         | \$ -         | \$ 9,400.00         | INSURANCE                            | \$ 9,450.00         | \$ 9,450.00         | \$ 9,450.00         |
| \$ -         | \$ -         | \$ 8,400.00         | PW DIRECTOR                          | \$ 9,270.00         | \$ 9,270.00         | \$ 9,270.00         |
| \$ -         | \$ -         | \$ -                | CITY ENGINEER                        | \$ -                | \$ -                | \$ 7,225.00         |
| \$ -         | \$ -         | \$ 5,000.00         | CREW - FOREMAN                       | \$ 5,670.00         | \$ 5,670.00         | \$ 5,670.00         |
| \$ -         | \$ -         | \$ 15,000.00        | CREW - STORM                         | \$ 19,570.00        | \$ 19,570.00        | \$ 19,570.00        |
| \$ -         | \$ -         | \$ 6,000.00         | GIS MAPPING TECHNICIAN               | \$ -                | \$ -                | \$ -                |
| \$ -         | \$ -         | \$ -                | CODE ENFORCEMENT                     | \$ -                | \$ -                | \$ 3,800.00         |
| \$ -         | \$ -         | \$ 2,500.00         | ACCRUED PAYROLL LIABILITY            | \$ 2,500.00         | \$ 2,500.00         | \$ 7,500.00         |
| <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ 54,800.00</b> | <b>Total Storm Personnel Service</b> | <b>\$ 57,790.00</b> | <b>\$ 57,790.00</b> | <b>\$ 73,815.00</b> |

| Actuals             | Actuals             | Budgeted            | PUBLIC WORKS - STORM FUND            | Proposed            | Approved            | Adopted             |
|---------------------|---------------------|---------------------|--------------------------------------|---------------------|---------------------|---------------------|
| FY 2013/2014        | FY 2014/2015        | FY 2015/2016        | Account Name                         | FY 2016/2017        | FY 2016/2017        | FY 2016/2017        |
| \$ 4,626.46         | \$ 7,104.51         | \$ 9,000.00         | OPERATIONS & MAINTENANCE             | \$ 9,000.00         | \$ 9,000.00         | \$ 9,000.00         |
| \$ 3,110.99         | \$ -                | \$ 5,000.00         | PROFESSIONAL SERVICES                | \$ 5,000.00         | \$ 5,000.00         | \$ 5,000.00         |
| \$ 5,079.80         | \$ 5,905.93         | \$ 6,800.00         | INSURANCE/LIABILITY/GEN              | \$ 8,400.00         | \$ 8,400.00         | \$ 8,400.00         |
| \$ 5,395.47         | \$ -                | \$ 2,500.00         | VEHICLE FUEL                         | \$ 2,500.00         | \$ 2,500.00         | \$ 2,500.00         |
| \$ -                | \$ -                | \$ 1,000.00         | VEHICLE REPAIR                       | \$ 1,000.00         | \$ 1,000.00         | \$ 1,000.00         |
| \$ -                | \$ -                | \$ -                | UNIFORMS & SAFETY GEAR               | \$ 500.00           | \$ 500.00           | \$ 500.00           |
| \$ 6,811.14         | \$ 6,748.94         | \$ 10,500.00        | COST ALLOCATION AGREEMENT            | \$ 10,245.70        | \$ 10,245.70        | \$ 10,245.70        |
| \$ 35,000.04        | \$ 36,901.79        | \$ -                | PW PERSONNEL SERVICE AGREEMENT       | \$ -                | \$ -                | \$ -                |
| \$ 4,951.44         | \$ -                | \$ -                | LICENSE FEE                          | \$ -                | \$ -                | \$ -                |
| \$ -                | \$ -                | \$ 10,000.00        | STORM DRAINS                         | \$ 10,000.00        | \$ 10,000.00        | \$ 10,000.00        |
| <b>\$ 64,975.34</b> | <b>\$ 56,661.17</b> | <b>\$ 44,800.00</b> | <b>Total Material &amp; Services</b> | <b>\$ 46,645.70</b> | <b>\$ 46,645.70</b> | <b>\$ 46,645.70</b> |

| Actuals             | Actuals             | Budgeted            | PUBLIC WORKS - STORM FUND               | Proposed            | Approved            | Adopted             |
|---------------------|---------------------|---------------------|---|---------------------|---------------------|---------------------|
| FY 2013/2014        | FY 2014/2015        | FY 2015/2016        | Account Name                            | FY 2016/2017        | FY 2016/2017        | FY 2016/2017        |
| \$ 15,821.10        | \$ 31,545.85        | \$ 20,000.00        | CAPITAL IMPROVEMENTS                    | \$ 15,000.00        | \$ 15,000.00        | \$ 37,000.00        |
| \$ -                | \$ -                | \$ -                | STORM WATER CAPITAL IMPRO               | \$ -                | \$ -                | \$ -                |
| <b>\$ 15,821.10</b> | <b>\$ 31,545.85</b> | <b>\$ 20,000.00</b> | <b>Total Storm Capital Improvements</b> | <b>\$ 15,000.00</b> | <b>\$ 15,000.00</b> | <b>\$ 37,000.00</b> |

\*\*Vactor Pymt 4 of 5: \$15,000.00

\*\*Storm Line Improvements: \$22,000.00

| Actuals      | Actuals      | Budgeted            | PUBLIC WORKS - STORM FUND              | Proposed           | Approved           | Suggested Adopted  |
|--------------|--------------|---------------------|--|--------------------|--------------------|--------------------|
| FY 2013/2014 | FY 2014/2015 | FY 2015/2016        | Account Name                           | FY 2016/2017       | FY 2016/2017       | FY 2016/2017       |
| \$ -         | \$ -         | \$ 15,000.00        | CONTINGENCY                            | \$ 6,503.00        | \$ 6,503.00        | \$ 6,503.00        |
| <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ 15,000.00</b> | <b>Total Storm Contingency/Reserve</b> | <b>\$ 6,503.00</b> | <b>\$ 6,503.00</b> | <b>\$ 6,503.00</b> |

Public Works Personnel Service Fund (Inactive as of FY 2014/2015)

Funding for the Public Works Personnel Service Fund will no longer be budgeted from FY 2015/2016 and forward. This fund was set in place as a management tool in FY 2012/2013 as an internal department cost allocation plan to manage the staff that moved from fund to fund with services they were providing to the City. In theory this was a good plan, in reality it was not. A study was completed by monitoring the employee through the timecard system and tracking them over a full fiscal year to arrive at appropriate allocations for each individual employee. That allocation structure was implemented and the employee allocations were returned to the parent funds and the personnel service fund is blank. Although no allocation will be made to that fund, Oregon Budget Law requires us to carry it on the budget for three full fiscal cycles.

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PUBLIC WORKS - PWPS SUMMARY<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 111,576.06           | \$ 155,887.47           | \$ -                     |   | \$ -                     | \$ -                     | \$ -                    |
| \$ 1,315,000.08         | \$ 1,238,834.70         | \$ -                     |   | \$ -                     | \$ -                     | \$ -                    |
| \$ 1,426,576.14         | \$ 1,394,722.17         | \$ -                     |   | \$ -                     | \$ -                     | \$ -                    |
| \$ 1,270,688.67         | \$ 1,394,722.17         | \$ -                     |   | \$ -                     | \$ -                     | \$ -                    |
| \$ 1,270,688.67         | \$ 1,394,722.17         | \$ -                     |   | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     |   | \$ -                     | \$ -                     | \$ -                    |
| \$ 155,887.47           | \$ (0.00)               | \$ -                     |   | \$ -                     | \$ -                     | \$ -                    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PUBLIC WORKS - PWPS FUND<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 111,576.06           | \$ 155,887.47           | \$ -                     | BEGINNING FUND BALANCE                   | \$ -                     | \$ -                     | \$ -                    |
| \$ 315,000.00           | \$ 192,889.97           | \$ -                     | STREET FUND                              | \$ -                     | \$ -                     | \$ -                    |
| \$ 420,000.00           | \$ 499,049.13           | \$ -                     | SEWER FUND                               | \$ -                     | \$ -                     | \$ -                    |
| \$ 545,000.04           | \$ 509,993.81           | \$ -                     | WATER FUND                               | \$ -                     | \$ -                     | \$ -                    |
| \$ 35,000.04            | \$ 36,901.79            | \$ -                     | STORM FUND                               | \$ -                     | \$ -                     | \$ -                    |
| \$ 1,426,576.14         | \$ 1,394,722.17         | \$ -                     | <b>Total PWPS Resources</b>              | \$ -                     | \$ -                     | \$ -                    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PUBLIC WORKS - PWPS FUND<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 114,698.89           | \$ 112,409.98           | \$ -                     | PERS                                     | \$ -                     | \$ -                     | \$ -                    |
| \$ 32,532.26            | \$ 25,677.35            | \$ -                     | SAIF                                     | \$ -                     | \$ -                     | \$ -                    |
| \$ 64,130.94            | \$ 71,664.71            | \$ -                     | FICA                                     | \$ -                     | \$ -                     | \$ -                    |
| \$ 202,639.85           | \$ 216,065.95           | \$ -                     | INSURANCE                                | \$ -                     | \$ -                     | \$ -                    |
| \$ 2,706.49             | \$ 22,518.72            | \$ -                     | UNEMPLOYMENT LIABILITY                   | \$ -                     | \$ -                     | \$ -                    |
| \$ 78,859.67            | \$ 77,688.51            | \$ -                     | PUBLIC WORKS DIRECTOR                    | \$ -                     | \$ -                     | \$ -                    |
| \$ 59,839.44            | \$ -                    | \$ -                     | ASST TO PUBLIC WORKS DIRECTOR            | \$ -                     | \$ -                     | \$ -                    |
| \$ 64,874.13            | \$ 46,178.86            | \$ -                     | OPERATIONS DIVISION SUPERVISOR           | \$ -                     | \$ -                     | \$ -                    |
| \$ 60,090.96            | \$ 62,568.76            | \$ -                     | WATER PLANT OPERATOR                     | \$ -                     | \$ -                     | \$ -                    |
| \$ 72,348.96            | \$ 70,450.41            | \$ -                     | ASST WATER PLANT OPERATOR                | \$ -                     | \$ -                     | \$ -                    |
| \$ 55,458.21            | \$ 55,443.21            | \$ -                     | WWTP OPERATOR                            | \$ -                     | \$ -                     | \$ -                    |
| \$ 39,117.55            | \$ 83,807.93            | \$ -                     | ASST WWTP OPERATOR                       | \$ -                     | \$ -                     | \$ -                    |
| \$ 251,109.41           | \$ 322,129.57           | \$ -                     | CREW                                     | \$ -                     | \$ -                     | \$ -                    |
| \$ 56,863.11            | \$ 26,919.34            | \$ -                     | CODE ENFORCEMENT                         | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ 51,810.62            | \$ -                     | UTILITY BILLING CLERK                    | \$ -                     | \$ -                     | \$ -                    |
| \$ 23,762.78            | \$ 56,241.60            | \$ -                     | GIS MAPPING TECH                         | \$ -                     | \$ -                     | \$ -                    |
| \$ 56,036.55            | \$ 62,464.57            | \$ -                     | OVERTIME                                 | \$ -                     | \$ -                     | \$ -                    |
| \$ 28,838.58            | \$ 19,541.91            | \$ -                     | CERTIFICATE PAY                          | \$ -                     | \$ -                     | \$ -                    |
| \$ 2,397.89             | \$ 1,757.98             | \$ -                     | LONGEVITY                                | \$ -                     | \$ -                     | \$ -                    |
| \$ 4,383.00             | \$ 9,382.19             | \$ -                     | TRAINING & CERTIFICATES                  | \$ -                     | \$ -                     | \$ -                    |
| \$ 1,270,688.67         | \$ 1,394,722.17         | \$ -                     | <b>Total PWPS Personnel Service</b>      | \$ -                     | \$ -                     | \$ -                    |

Public Works components are the most difficult and costly services to fund for a municipal corporation but also the most necessary. Public works funds have been projected forward through the following capital improvement plan, some projects listed will have a multiple funding source component and will not be fully funded out of public works proprietary or governmental funds alone.

The approval of this budget by the budget committee and subsequent City Council adoption approves the following projects and grants authority for staff to move forward as budgeted and allocated. Any deviation from what is presented will require staff to present the project to City Council in a regular meeting for approval before a project may begin. The requirement for an attempt to obtain a minimum of three quotes is valid for projects listed and unknown.

| Molalla Public Works - Capital Improvement Plan   |                     |                     |                     |                       |                    |                       |
|---|---------------------|---------------------|---------------------|-----------------------|--------------------|-----------------------|
|   | 2016/17             | 2017/18             | 2018/19             | 2019/2020             | 2020/2021          | TOTAL COST            |
| PROJECT TASKS   | ESTIMATE (\$)       | ESTIMATE (\$)       | ESTIMATE (\$)       | ESTIMATE (\$)         | ESTIMATE (\$)      |                       |
| <b>Capital Improvement Expenditures</b>   |                     |                     |                     |                       |                    |                       |
| Lola Avenue Street Enhancement - Phase 1 -CDBG Grant \$165K (Shared Cost)**                   | \$100,927.00        | \$0.00              | \$0.00              | \$0.00                | \$0.00             | \$100,927.00          |
| Equipment/Vehicle Purchase - Shared Cost  | \$15,000.00         | \$55,000.00         | \$0.00              | \$0.00                | \$0.00             | \$70,000.00           |
| Vactor Truck Payment (4 of 5)   | \$22,000.00         | \$0.00              | \$0.00              | \$0.00                | \$0.00             | \$22,000.00           |
| Public Works Shops Building -2 Phases (Shared Cost) - 2017                                    | \$0.00              | \$50,000.00         | \$75,000.00         | \$0.00                | \$0.00             | \$125,000.00          |
| Section Street Improvements - S. Molalla to Hart - Design & Const (SDC Eligible \$150K)       | \$0.00              | \$50,000.00         | \$0.00              | \$0.00                | \$0.00             | \$50,000.00           |
| CityWorks - Asset Management System + Annual Maintenance for 15 ULs (Shared cost)             | \$0.00              | \$15,000.00         | \$0.00              | \$0.00                | \$0.00             | \$15,000.00           |
| Purchase/Lease Street Sweeper with Trade (Shared cost) - 2018                                 | \$0.00              | \$25,000.00         | \$25,000.00         | \$25,000.00           | \$25,000.00        | \$100,000.00          |
| <b>Subtotal</b>   | <b>\$137,927.00</b> | <b>\$195,000.00</b> | <b>\$100,000.00</b> | <b>\$25,000.00</b>    | <b>\$25,000.00</b> | <b>\$482,927.00</b>   |
| <b>SDC Expenditures</b>   |                     |                     |                     |                       |                    |                       |
| Molalla Avenue Improvements   | \$364,585.00        | \$0.00              | \$0.00              | \$0.00                | \$0.00             | \$0.00                |
| Lola Avenue Street Enhancement - Phase 1 -CDBG Grant \$165K (Shared Cost)**                   | \$100,927.00        | \$150,000.00        | \$0.00              | \$0.00                | \$0.00             | \$250,927.00          |
| Section Street Improvements - S. Molalla to Hart - Design & Const (SDC Eligible \$150K)       | \$0.00              | \$20,000.00         | \$130,000.00        | \$0.00                | \$0.00             | \$150,000.00          |
| Toliver & OR 213 - Intersections Improvements - ODOT Match                                    | \$0.00              | \$0.00              | \$200,000.00        | \$295,000.00          | \$0.00             | \$495,000.00          |
| <b>Subtotal</b>   | <b>\$465,512.00</b> | <b>\$170,000.00</b> | <b>\$330,000.00</b> | <b>\$295,000.00</b>   | <b>\$0.00</b>      | <b>\$1,260,512.00</b> |
| <b>STREETS</b>  |                     |                     |                     |                       |                    |                       |
| PROJECT TASKS   | 2016/17             | 2017/18             | 2018/19             | 2019/2020             | 2020/2021          | TOTAL COST            |
| ESTIMATE (\$)   | ESTIMATE (\$)       | ESTIMATE (\$)       | ESTIMATE (\$)       | ESTIMATE (\$)         | ESTIMATE (\$)      |                       |
| Long Park Revitalization - sidewalks, landscaping and play equip. (Parks)                     | \$0.00              | \$35,000.00         | \$0.00              | \$0.00                | \$0.00             | \$35,000.00           |
| Rails To Trails - Land Acquisition and Trail Construction (OPRD Grant & SDC Eligible - \$50K) | \$0.00              | \$270,000.00        | \$0.00              | \$0.00                | \$0.00             | \$270,000.00          |
| <b>Subtotal</b>   | <b>\$0.00</b>       | <b>\$305,000.00</b> | <b>\$0.00</b>       | <b>\$0.00</b>         | <b>\$0.00</b>      | <b>\$305,000.00</b>   |
| <b>PARKS</b>  |                     |                     |                     |                       |                    |                       |
| PROJECT TASKS   | 2016/17             | 2017/18             | 2018/19             | 2019/2020             | 2020/2021          | TOTAL COST            |
| ESTIMATE (\$)   | ESTIMATE (\$)       | ESTIMATE (\$)       | ESTIMATE (\$)       | ESTIMATE (\$)         | ESTIMATE (\$)      |                       |
| <b>Capital Improvement Expenditures</b>   |                     |                     |                     |                       |                    |                       |
| Lola Avenue Street Enhancement - Phase 1 -CDBG Grant \$165K (Shared Cost)**                   | \$135,000.00        | \$120,000.00        | \$0.00              | \$0.00                | \$0.00             | \$255,000.00          |
| Vactor Truck Payment (4 of 5)   | \$22,000.00         | \$0.00              | \$0.00              | \$0.00                | \$0.00             | \$22,000.00           |
| Metzler Ave., 3rd St. and 4th St. - Waterline Improvements (SDC Eligible - \$38,400)          | \$190,000.00        | \$0.00              | \$0.00              | \$0.00                | \$0.00             | \$190,000.00          |
| Equipment/Vehicle Purchase - Shared Cost  | \$10,000.00         | \$85,000.00         | \$0.00              | \$0.00                | \$0.00             | \$95,000.00           |
| Molalla Avenue Improvements - Water Main Replacements   | \$0.00              | \$0.00              | \$0.00              | \$0.00                | \$0.00             | \$0.00                |
| Filter 3 & 4 System - Pipe Gallery Upgrades, Design & Const                                   | \$0.00              | \$38,000.00         | \$0.00              | \$0.00                | \$0.00             | \$38,000.00           |
| Control System & SCADA Upgrades - Design & Installation                                       | \$0.00              | \$100,000.00        | \$0.00              | \$0.00                | \$0.00             | \$100,000.00          |
| Filters 3 & 4 System - Media Replacement  | \$0.00              | \$100,000.00        | \$0.00              | \$0.00                | \$0.00             | \$100,000.00          |
| Section Street Improvements - S. Molalla to Hart - Design & Const                             | \$0.00              | \$15,000.00         | \$60,000.00         | \$0.00                | \$0.00             | \$75,000.00           |
| Public Works Shops Building -2 Phases (Shared Cost) - 2017                                    | \$0.00              | \$50,000.00         | \$75,000.00         | \$0.00                | \$0.00             | \$125,000.00          |
| CityWorks - Asset Management System + Annual Maintenance for 15 ULs (Shared cost)             | \$0.00              | \$15,000.00         | \$0.00              | \$0.00                | \$0.00             | \$15,000.00           |
| Water Master Plan Update (SDC Eligible - \$30-\$50K)  | \$0.00              | \$0.00              | \$115,000.00        | \$0.00                | \$0.00             | \$115,000.00          |
| 20"-30" Parallel Transmission Line from WTP to Adams Cemetery Rd. (SDC Eligible - \$240K)     | \$0.00              | \$0.00              | \$180,000.00        | \$0.00                | \$0.00             | \$180,000.00          |
| Alternate Well Source or New 2.0 MG Reservoir (SDC Eligible - \$300K)                         | \$0.00              | \$0.00              | \$0.00              | \$1,425,000.00        | \$0.00             | \$1,425,000.00        |
| <b>Subtotal</b>   | <b>\$357,000.00</b> | <b>\$523,000.00</b> | <b>\$430,000.00</b> | <b>\$1,425,000.00</b> | <b>\$0.00</b>      | <b>\$2,735,000.00</b> |
| <b>SDC Expenditures</b>   |                     |                     |                     |                       |                    |                       |
| Molalla Avenue Improvements - Water Main Replacements   | \$16,528.00         | \$0.00              | \$0.00              | \$0.00                | \$0.00             | \$16,528.00           |
| Metzler Ave., 3rd St. and 4th St. - Waterline Projects (Portion SDC Eligible - \$38,400)      | \$0.00              | \$38,400.00         | \$0.00              | \$0.00                | \$0.00             | \$38,400.00           |
| Filter to Waste - Effluent Pumps 1,3 & 4 Upgrades   | \$0.00              | \$60,000.00         | \$0.00              | \$0.00                | \$0.00             | \$60,000.00           |
| Water Master Plan Update (SDC Eligible - \$30-\$50K)  | \$0.00              | \$50,000.00         | \$0.00              | \$0.00                | \$0.00             | \$50,000.00           |
| 20"-30" Parallel Transmission Line from WTP to Adams Cemetery Rd. (SDC Eligible - \$240K)     | \$0.00              | \$60,000.00         | \$180,000.00        | \$0.00                | \$0.00             | \$240,000.00          |
| Alternate Well Source or New 2.0 MG Reservoir (SDC Eligible - \$300K)                         | \$0.00              | \$0.00              | \$225,000.00        | \$75,000.00           | \$0.00             | \$300,000.00          |
| <b>Subtotal</b>   | <b>\$16,528.00</b>  | <b>\$208,400.00</b> | <b>\$405,000.00</b> | <b>\$75,000.00</b>    | <b>\$0.00</b>      | <b>\$704,928.00</b>   |
| <b>WATER</b>  |                     |                     |                     |                       |                    |                       |
| <b>Capital Improvement Expenditures</b>   |                     |                     |                     |                       |                    |                       |
| Vactor Truck Payment (4 of 5)   | \$22,000.00         | \$0.00              | \$0.00              | \$0.00                | \$0.00             | \$22,000.00           |
| Section Street Improvements - S. Molalla to Hart - Design & Const                             | \$0.00              | \$15,000.00         | \$60,000.00         | \$0.00                | \$0.00             | \$75,000.00           |
| Purchase/Lease Street Sweeper with Trade (Shared cost) - 2018                                 | \$0.00              | \$20,000.00         | \$20,000.00         | \$20,000.00           | \$20,000.00        | \$80,000.00           |
| Storm Ponds - 4 foot Safety Fence   | \$0.00              | \$16,000.00         | \$0.00              | \$0.00                | \$0.00             | \$16,000.00           |
| Creamery Creek Improvements - N. Molalla to Kennel Ave.                                       | \$0.00              | \$0.00              | \$50,000.00         | \$250,000.00          | \$0.00             | \$300,000.00          |
| Stormwater Master Plan Update (SDC Eligible \$50-\$65K Available)                             | \$0.00              | \$0.00              | \$65,000.00         | \$0.00                | \$0.00             | \$65,000.00           |
| <b>Subtotal</b>   | <b>\$22,000.00</b>  | <b>\$51,000.00</b>  | <b>\$195,000.00</b> | <b>\$270,000.00</b>   | <b>\$20,000.00</b> | <b>\$558,000.00</b>   |
| <b>SDC Expenditures</b>   |                     |                     |                     |                       |                    |                       |
| Molalla Avenue Improvements - Water Main Replacements   | \$16,528.00         | \$0.00              | \$0.00              | \$0.00                | \$0.00             | \$16,528.00           |
| Stormwater Master Plan Update (SDC Eligible \$50-\$65K Available)                             | \$0.00              | \$0.00              | \$65,000.00         | \$0.00                | \$0.00             | \$65,000.00           |
| <b>Subtotal</b>   | <b>\$16,528.00</b>  | <b>\$0.00</b>       | <b>\$65,000.00</b>  | <b>\$0.00</b>         | <b>\$0.00</b>      | <b>\$81,528.00</b>    |
| <b>STORM</b>  |                     |                     |                     |                       |                    |                       |

| PROJECT TASKS   |  | 2016/17               | 2017/18               | 2018/19               | 2019/2020             | 2020/2021           | TOTAL COST             |
|---|--|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|------------------------|
|   |  | ESTIMATE (\$)         | ESTIMATE (\$)         | ESTIMATE (\$)         | ESTIMATE (\$)         | ESTIMATE (\$)       |                        |
| <b>Capital Improvement Expenditures</b>   |  |                       |                       |                       |                       |                     |                        |
| Lola Avenue Street Enhancement - Phase 1 -CDBG Grant \$165K (Shared Cost)**           |  | \$100,927.00          | \$0.00                | \$0.00                | \$0.00                | \$0.00              | \$100,927.00           |
| Vactor Truck Payment (4 of 5)   |  | \$22,500.00           | \$0.00                | \$0.00                | \$0.00                | \$0.00              | \$22,500.00            |
| Equipment/Vehicle Purchase - Shared Cost  |  | \$15,000.00           | \$55,000.00           | \$0.00                | \$0.00                | \$0.00              | \$70,000.00            |
| Grit & Sand Removal - Aeration Basin  |  | \$10,000.00           | \$0.00                | \$0.00                | \$0.00                | \$0.00              | \$10,000.00            |
| Effluent Pump House HVAC Replacement  |  | \$15,000.00           | \$0.00                | \$0.00                | \$0.00                | \$0.00              | \$15,000.00            |
| Sewer & WWTP Master Plan - Update (SDC Eligible - \$60K)                              |  | \$115,000.00          | \$50,000.00           | \$0.00                | \$0.00                | \$0.00              | \$165,000.00           |
| Gravity Filter Media (Sand/Anthracite Coal) for (3) Gravity Filters & Repairs         |  | \$30,000.00           | \$0.00                | \$0.00                | \$0.00                | \$0.00              | \$30,000.00            |
| Molalla Avenue Improvements - Sewer Line Repairs                                      |  | \$25,000.00           | \$0.00                | \$0.00                | \$0.00                | \$0.00              | \$25,000.00            |
| CityWorks - Asset Management System + Annual Maintenance for 15 ULs (Shared cost)     |  | \$0.00                | \$15,000.00           | \$0.00                | \$0.00                | \$0.00              | \$15,000.00            |
| Section Street Improvements - S. Molalla to Hart - Design & Const                     |  | \$0.00                | \$25,000.00           | \$100,000.00          | \$0.00                | \$0.00              | \$125,000.00           |
| Headworks - Bar Screen Rebuild  |  | \$0.00                | \$35,000.00           | \$0.00                | \$0.00                | \$0.00              | \$35,000.00            |
| Collection System Upgrades and Repairs (I&I)  |  | \$0.00                | \$100,000.00          | \$150,000.00          | \$150,000.00          | \$250,000.00        | \$650,000.00           |
| Vactor Truck Dump Station - WWTP  |  | \$0.00                | \$50,000.00           | \$0.00                | \$0.00                | \$0.00              | \$50,000.00            |
| Diffused Aeration System for Aeration Basin (Surplus Mixers)                          |  | \$0.00                | \$10,000.00           | \$0.00                | \$0.00                | \$0.00              | \$10,000.00            |
| Public Works Shops Building - 2 Phases (Shared Cost) - 2017                           |  | \$0.00                | \$50,000.00           | \$75,000.00           | \$0.00                | \$0.00              | \$125,000.00           |
| Inspection and Repairs - Aeration Basin   |  | \$0.00                | \$15,000.00           | \$50,000.00           | \$250,000.00          | \$0.00              | \$315,000.00           |
| Control System & SCADA Upgrades   |  | \$0.00                | \$50,000.00           | \$200,000.00          | \$0.00                | \$0.00              | \$250,000.00           |
| Aerobic Digester & FKC Screwpress for solid removal at Dafts + Hauling (Design/Const) |  | \$0.00                | \$0.00                | \$0.00                | \$100,000.00          | \$0.00              | \$100,000.00           |
| Shelmar - Taurus Street Lift Station Replacement                                      |  | \$0.00                | \$0.00                | \$0.00                | \$50,000.00           | \$250,000.00        | \$300,000.00           |
| South Molalla Lift Station Reconstruction   |  | \$0.00                | \$0.00                | \$0.00                | \$0.00                | \$50,000.00         | \$50,000.00            |
| <b>Subtotal</b>   |  | <b>\$333,427.00</b>   | <b>\$455,000.00</b>   | <b>\$575,000.00</b>   | <b>\$550,000.00</b>   | <b>\$550,000.00</b> | <b>\$2,463,427.00</b>  |
| <b>SDC Expenditures</b>   |  |                       |                       |                       |                       |                     |                        |
| Sewer & WWTP Master Plan - Update (SDC Eligible - \$60K)                              |  | \$60,000.00           | \$0.00                | \$0.00                | \$0.00                | \$0.00              | \$60,000.00            |
| Collection System Upgrades and Repairs (I&I)  |  | \$0.00                | \$110,000.00          | \$100,000.00          | \$100,000.00          | \$0.00              | \$310,000.00           |
| Grit removal system @ Headworks - Design & Construction (SDC Eligible 100%)           |  | \$0.00                | \$50,000.00           | \$0.00                | \$0.00                | \$0.00              | \$50,000.00            |
| <b>Subtotal</b>   |  | <b>\$60,000.00</b>    | <b>\$160,000.00</b>   | <b>\$100,000.00</b>   | <b>\$100,000.00</b>   | <b>\$0.00</b>       | <b>\$420,000.00</b>    |
| <b>WASTEWATER</b>   |  |                       |                       |                       |                       |                     |                        |
| <b>Subtotals</b>  |  | <b>\$1,270,995.00</b> | <b>\$1,872,400.00</b> | <b>\$2,100,000.00</b> | <b>\$2,715,000.00</b> | <b>\$570,000.00</b> | <b>\$8,528,395.00</b>  |
| Risk (Contingency)  |  | \$190,649.25          | \$468,100.00          | \$630,000.00          | \$814,500.00          | \$171,000.00        | \$190,649.25           |
| <b>Total (Scheduled)</b>  |  | <b>\$1,461,644.25</b> | <b>\$2,340,500.00</b> | <b>\$2,730,000.00</b> | <b>\$3,529,500.00</b> | <b>\$741,000.00</b> | <b>\$10,802,644.25</b> |

\*\* Projected costs for the current FY may roll over into the following FY



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# *DEBT SERVICE*

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## 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<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | ALL DEBT SERVICE<br>RESOURCES | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|-------------------------------|--------------------------|--------------------------|-------------------------|
| \$ 1,398,600.47         | \$ 1,291,426.36         | \$ 1,052,619.86          | <i>BFB</i>                    | \$ 964,976.42            | \$ 964,976.42            | \$ 964,976.42           |
| \$ 62,744.39            | \$ 63,738.50            | \$ 65,725.50             | <i>Property Taxes</i>         | \$ 67,337.50             | \$ 67,337.50             | \$ 67,337.50            |
| \$ 250.00               | \$ -                    | \$ -                     | <i>All Other Resources</i>    | \$ -                     | \$ -                     | \$ -                    |
| \$ 725,500.00           | \$ 607,414.00           | \$ 753,271.56            | <i>Transfers In</i>           | \$ 797,811.08            | \$ 797,811.08            | \$ 797,811.08           |
| <b>\$ 2,187,094.86</b>  | <b>\$ 1,962,578.86</b>  | <b>\$ 1,871,616.92</b>   | <b>TOTAL DEBT RESOURCES</b>   | <b>\$ 1,830,125.00</b>   | <b>\$ 1,830,125.00</b>   | <b>\$ 1,830,125.00</b>  |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | ALL DEBT SERVICE<br>REQUIREMENTS       | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 895,668.50           | \$ 904,758.50           | \$ 911,841.00            | <i>Debt Service</i>                    | \$ 910,272.00            | \$ 910,272.00            | \$ 910,272.00           |
| \$ -                    | \$ -                    | \$ 959,775.92            | <i>Reserve</i>                         | \$ 919,853.00            | \$ 919,853.00            | \$ 919,853.00           |
| <b>\$ 895,668.50</b>    | <b>\$ 904,758.50</b>    | <b>\$ 1,871,616.92</b>   | <b>TOTAL DEBT REQUIREMENTS</b>         | <b>\$ 1,830,125.00</b>   | <b>\$ 1,830,125.00</b>   | <b>\$ 1,830,125.00</b>  |
| <b>\$ 1,291,426.36</b>  | <b>\$ 1,057,820.36</b>  | <b>\$ -</b>              | <b>NET RESOURCES OVER REQUIREMENTS</b> | <b>\$ -</b>              | <b>\$ -</b>              | <b>\$ -</b>             |

To help us improve some fiscal sustainability, rate stabilization funds were created in the debt service funds to help us in difficult years. Those funds have been exhausted, therefore increasing the financial need from the parent funds. This reserve has served us well. The City would recommend moving to re-establish these stabilization funds within the next five (5) fiscal cycles.

Changes to the debt service will be seen in FY 2017/2018 and FY 2018/2019 as some of the debts are coming to maturity. This will be very important in the repair of fund balances in the proprietary funds, primarily the sewer proprietary fund.

In FY 2014/2015, the City of Molalla provided a full faith in credit obligation to the Molalla Urban Renewal Agency to bond the urban renewal tax increment revenue for two large capital projects. The debt service will be reflected in the Urban Renewal section and the agency will be making the debt service payment. It is important to note the City of Molalla is fully responsible for the debt obligation in the event the agency defaults.

### 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 Water Revenue Bonds:

| Fiscal Year  | Principal             | Interest             | Reserve      | Total Debt Service     |
|--------------|-----------------------|----------------------|--------------|------------------------|
| 2016-2017    | \$ 225,000.00         | \$ 91,550.00         | \$314,800.00 | \$ 316,550.00          |
| 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          |
| <b>TOTAL</b> | <b>\$2,345,000.00</b> | <b>\$ 489,950.00</b> |              | <b>\$ 2,834,950.00</b> |

The following is the Sewer Debt Retirement budget:

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | SEWER RETIREMENT DEBT<br>Account Name   | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 519,521.44           | \$ 459,221.44           | \$ 318,771.44            | BEGINNING FUND BALANCE                  | \$ 315,800.00            | \$ 315,800.00            | \$ 315,800.00           |
| \$ -                    | \$ -                    | \$ -                     | INTEREST                                | \$ -                     | \$ -                     | \$ -                    |
| \$ 250,500.00           | \$ 174,000.00           | \$ 315,928.56            | TRANSFER FROM SEWER FUND                | \$ 315,550.00            | \$ 315,550.00            | \$ 315,550.00           |
| <b>\$ 770,021.44</b>    | <b>\$ 633,221.44</b>    | <b>\$ 634,700.00</b>     | <b>Total Sewer Retirement Resources</b> | <b>\$ 631,350.00</b>     | <b>\$ 631,350.00</b>     | <b>\$ 631,350.00</b>    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | SEWER RETIREMENT DEBT<br>Account Name      | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 110,800.00           | \$ 105,200.00           | \$ 98,150.00             | 2010 SEWER REV BOND - INTEREST             | \$ 91,550.00             | \$ 91,550.00             | \$ 91,550.00            |
| \$ 200,000.00           | \$ 210,000.00           | \$ 220,000.00            | 2010 SEWER REV BOND - PRINCIPA             | \$ 225,000.00            | \$ 225,000.00            | \$ 225,000.00           |
| <b>\$ 310,800.00</b>    | <b>\$ 315,200.00</b>    | <b>\$ 318,150.00</b>     | <b>Total Sewer Retirement Debt Service</b> | <b>\$ 316,550.00</b>     | <b>\$ 316,550.00</b>     | <b>\$ 316,550.00</b>    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | SEWER RETIREMENT DEBT<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---------------------------------------|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ 316,550.00            | 2010 SEWER REV BOND - RESERVE         | \$ 314,800.00            | \$ 314,800.00            | \$ 314,800.00           |
| <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ 316,550.00</b>     | <b>Total Sewer Retirement Reserve</b> | <b>\$ 314,800.00</b>     | <b>\$ 314,800.00</b>     | <b>\$ 314,800.00</b>    |

The revenue source for the Sewer Debt Retirement is the Sewer Proprietary Fund and that revenue source 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 urgent for this debt as the sunset of the debt 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   |
|--------------|----------------------|---------------------|---------------------|----------------------|
| 2016-2017    | \$ 325,000.00        | \$ 19,950.00        | \$350,200.00        | \$ 344,950.00        |
| 2017-2018    | \$ 340,000.00        | \$ 10,200.00        | \$ -                | \$ 350,200.00        |
| <b>TOTAL</b> | <b>\$ 665,000.00</b> | <b>\$ 30,150.00</b> | <b>\$350,200.00</b> | <b>\$ 695,150.00</b> |

The following is the Water Debt Retirement budget:

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | WATER RETIREMENT DEBT<br>Account Name   | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 602,369.92           | \$ 569,419.92           | \$ 480,169.92            | BEGINNING FUND BALANCE                  | \$ 396,044.92            | \$ 396,044.92            | \$ 396,044.92           |
| \$ -                    | \$ -                    | \$ -                     | INTEREST                                | \$ -                     | \$ -                     | \$ -                    |
| \$ 300,000.00           | \$ 250,000.00           | \$ 250,000.00            | TRANSFER FROM WATER FUND                | \$ 299,105.08            | \$ 299,105.08            | \$ 299,105.08           |
| <b>\$ 902,369.92</b>    | <b>\$ 819,419.92</b>    | <b>\$ 730,169.92</b>     | <b>Total Water Retirement Resources</b> | <b>\$ 695,150.00</b>     | <b>\$ 695,150.00</b>     | <b>\$ 695,150.00</b>    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | WATER RETIREMENT DEBT<br>Account Name      | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 42,950.00            | \$ 34,125.00            | \$ 29,250.00             | 2010 REVENUE BOND - INTEREST               | \$ 19,950.00             | \$ 19,950.00             | \$ 19,950.00            |
| \$ 290,000.00           | \$ 300,000.00           | \$ 310,000.00            | 2010 REVENUE BOND - PRINCIPAL              | \$ 325,000.00            | \$ 325,000.00            | \$ 325,000.00           |
| <b>\$ 332,950.00</b>    | <b>\$ 334,125.00</b>    | <b>\$ 339,250.00</b>     | <b>Total Water Retirement Debt Service</b> | <b>\$ 344,950.00</b>     | <b>\$ 344,950.00</b>     | <b>\$ 344,950.00</b>    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | WATER RETIREMENT DEBT<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---------------------------------------|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ 344,950.00            | 2010 REVENUE BOND - RESERVE           | \$ 350,200.00            | \$ 350,200.00            | \$ 350,200.00           |
| \$ -                    | \$ -                    | \$ 45,969.92             | RATE STABILIZATION                    | \$ -                     | \$ -                     | \$ -                    |
| <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ 390,919.92</b>     | <b>Total Water Retirement Reserve</b> | <b>\$ 350,200.00</b>     | <b>\$ 350,200.00</b>     | <b>\$ 350,200.00</b>    |

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   |
|--------------|----------------------|--------------------|--------------|----------------------|
| 2016-2017    | \$ 60,000.00         | \$ 4,963.00        | \$ 68,163.00 | \$ 64,963.00         |
| 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         |
| <b>TOTAL</b> | <b>\$ 155,000.00</b> | <b>\$ 9,176.00</b> |              | <b>\$ 164,176.00</b> |

The following is the General Obligation Debt budget:

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | WATER GENERAL OBLIGATION DEBT<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 74,643.11            | \$ 69,625.00            | \$ 65,700.50             | BEGINNING FUND BALANCE                        | \$ 65,788.50             | \$ 65,788.50             | \$ 65,788.50            |
| \$ 62,744.39            | \$ 63,738.50            | \$ 65,725.50             | CURRENT PROPERTY TAXES                        | \$ 67,337.50             | \$ 67,337.50             | \$ 67,337.50            |
| \$ 250.00               | \$ -                    | \$ -                     | PRIOR PROPERTY TAXES                          | \$ -                     | \$ -                     | \$ -                    |
| <b>\$ 137,637.50</b>    | <b>\$ 133,363.50</b>    | <b>\$ 131,426.00</b>     | <b>Total GO Debt Resources</b>                | <b>\$ 133,126.00</b>     | <b>\$ 133,126.00</b>     | <b>\$ 133,126.00</b>    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | WATER GENERAL OBLIGATION DEBT<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 8,012.50             | \$ 6,837.50             | \$ 6,463.00              | 2010 GO WATER BOND INTEREST                   | \$ 4,963.00              | \$ 4,963.00              | \$ 4,963.00             |
| \$ 60,000.00            | \$ 60,000.00            | \$ 60,000.00             | 2010 GO WATER BOND PRINCIPAL                  | \$ 60,000.00             | \$ 60,000.00             | \$ 60,000.00            |
| <b>\$ 68,012.50</b>     | <b>\$ 66,837.50</b>     | <b>\$ 66,463.00</b>      | <b>Total GO Debt Service</b>                  | <b>\$ 64,963.00</b>      | <b>\$ 64,963.00</b>      | <b>\$ 64,963.00</b>     |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | WATER GENERAL OBLIGATION DEBT<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ 64,963.00             | 2010 GO WATER BOND RESERVE                    | \$ 68,163.00             | \$ 68,163.00             | \$ 68,163.00            |
| <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ 64,963.00</b>      | <b>Total GO Debt Reserve</b>                  | <b>\$ 68,163.00</b>      | <b>\$ 68,163.00</b>      | <b>\$ 68,163.00</b>     |

**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    |
|--------------|-----------------------|---------------------|--------------------|---------------|-----------------------|
| 2016-2017    | \$ 128,835.00         | \$ 49,779.00        | \$ 8,729.00        | \$ 186,690.00 | \$ 187,343.00         |
| 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         |
| <b>Total</b> | <b>\$1,809,810.00</b> | <b>\$333,567.00</b> | <b>\$57,318.00</b> |               | <b>\$2,199,395.00</b> |

The following is the CWSRF Debt budget:

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | CWSRF DEBT<br>Account Name   | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|------------------------------|--------------------------|--------------------------|-------------------------|
| \$ 202,066.00           | \$ 193,160.00           | \$ 187,978.00            | BEGINNING FUND BALANCE       | \$ 187,343.00            | \$ 187,343.00            | \$ 187,343.00           |
| \$ -                    | \$ 152,676.00           | \$ 187,343.00            | TRANSFER FROM SEWER SDC FUND | \$ 183,156.00            | \$ 183,156.00            | \$ 183,156.00           |
| \$ 175,000.00           | \$ 30,738.00            | \$ -                     | TRANSFER FROM SEWER          | \$ -                     | \$ -                     | \$ -                    |
| <b>\$ 377,066.00</b>    | <b>\$ 376,574.00</b>    | <b>\$ 375,321.00</b>     | <b>Total CWSRF Resources</b> | <b>\$ 370,499.00</b>     | <b>\$ 370,499.00</b>     | <b>\$ 370,499.00</b>    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | CWSRF DEBT<br>Account Name      | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---------------------------------|--------------------------|--------------------------|-------------------------|
| \$ 5,292.00             | \$ 9,982.00             | \$ 9,364.00              | CWSRF - ADMIN FEE               | \$ 8,729.00              | \$ 8,729.00              | \$ 8,729.00             |
| \$ 60,090.00            | \$ 56,749.00            | \$ 53,313.00             | CWSRF - INTEREST                | \$ 49,779.00             | \$ 49,779.00             | \$ 49,779.00            |
| \$ 118,524.00           | \$ 121,865.00           | \$ 125,301.00            | CWSRF - PRINCIPAL               | \$ 125,301.00            | \$ 125,301.00            | \$ 125,301.00           |
| <b>\$ 183,906.00</b>    | <b>\$ 188,596.00</b>    | <b>\$ 187,978.00</b>     | <b>Total CWSRF Debt Service</b> | <b>\$ 183,809.00</b>     | <b>\$ 183,809.00</b>     | <b>\$ 183,809.00</b>    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | CWSRF DEBT<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|----------------------------|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ 187,343.00            | CWSRF - RESERVE            | \$ 186,690.00            | \$ 186,690.00            | \$ 186,690.00           |
| <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ 187,343.00</b>     | <b>Total CWSRF Reserve</b> | <b>\$ 186,690.00</b>     | <b>\$ 186,690.00</b>     | <b>\$ 186,690.00</b>    |

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# *SYSTEM DEVELOPMENT CHARGES*

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## 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.

#### MOVING INTO FY 2016/2017

In FY 2016/2017, we will review, modify if needed, and update the capital improvement plan to verify if the methodologies are correct going into the future and we are adjusting the rates for inflation and/or other needed adjustments. Working in partnership with our engineer of record and the public works director, who is also a licensed engineer, we will move through the updating process.

#### Capital Improvement Plan Update

1. Project Management
  - a. Attend a project kick-off meeting with City staff.
  - b. Develop and monitor the project schedule.
  - c. Schedule and attend project meetings.
  - d. Attend City Council Work Session.
  - e. Review financial data and SDC methodology.
  - f. Provide monthly status report to City's project manager.
  - g. Review costs by task and submit monthly payment requests to City's project manager.
2. Capital Improvement Plan Development
  - a. Review Molalla Master Plans.
  - b. Review maintenance project needs with City staff.
  - c. Develop 20-year Capital Improvement Plan.

In FY 2015/2016 budget, we included the methodology job listing to identify potential projects. As we move through the updating process, the job listing may change. We would refer any interested party to the methodology reports if questions arise.

#### SDC Methodology Update

1. Municipal Code Review, Data Collection, and Demand Forecast
  - a. Collect and validate study input data.
  - b. Develop SDC models.
  - c. Establish the 20-year demand forecast.
  - d. Develop the trip generation template for the transportation SDC.
  - e. Evaluate SDC implementation strategies and review with City Staff.
2. Detailed Financial Analysis
  - a. Develop functional allocation of costs.
  - b. Develop customer statistics.
  - c. Distribute costs to customer classes.
  - d. Develop reimbursement and improvement fees.
3. Draft report, final report, and presentation to City Council
  - a. Prepare draft report.
  - b. Finalize project issue papers and technical memoranda.
  - c. Prepare final report.
  - d. Present final report results to City Council.
  - e. Prepare draft SDC resolutions.

For budgeting purposes we are bound by the existing methodology and fee schedule. Planning has identified potential projects which will impact the SDC revenue. Forecasting for FY 2016/2017 includes a 96 unit apartment complex, 78 lots in phase one of a subdivision, 17 new units in an existing subdivision, and an estimate of 10 single family home permits. The revenues created from the projections are fully vetted in the budget but most of the revenue will go into a reserve (holding pattern) until FY 2017/2018 as we do not want to commit to financing projects on projections.

Project schedule for CIP and SDC updates, as this will affect the FY 2016/2017 resources and requirements.

Notice to Proceed – 03/01/16

Capital Improvement Plan – 03/01/16 to 03/14/16

Municipal Code Review, Data Collection and Demand Forecast – 03/01/16 to 03/14/16

Detailed Financial Analysis – 03/14/16 to 05/27/16

Draft Report, Final Report, Present to Council – 04/11/16 to 05/26/16

Study Completion Date – 05/23/16

City Staff Review of Draft and Final Reports – 05/02/16 to 05/23/16

City Council Review and Approval – 05/02/16 to 05/23/16

Adopted Budget Summary of SDC (Transportation, Storm, Water, Parks, and Sewer) Funds

This table identifies the appropriation categories:

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | ALL SYSTEM DEVELOPMENT CHARGES<br>RESOURCES | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 2,202,866.31         | \$ 2,660,002.31         | \$ 2,691,666.31          | BFB   | \$ 3,487,340.45          | \$ 3,487,340.45          | \$ 4,761,237.37         |
| \$ 483,136.00           | \$ 844,846.00           | \$ 784,215.00            | Fees, Licenses, Permits                     | \$ 2,885,847.00          | \$ 2,885,847.00          | \$ 2,235,870.00         |
| \$ -                    | \$ -                    | \$ -                     | All Other Resources                         | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | Transfers In                                | \$ -                     | \$ -                     | \$ -                    |
| <b>\$ 2,686,002.31</b>  | <b>\$ 3,504,848.31</b>  | <b>\$ 3,475,881.31</b>   | <b>TOTAL SDC RESOURCES</b>                  | <b>\$ 6,373,187.45</b>   | <b>\$ 6,373,187.45</b>   | <b>\$ 6,997,107.37</b>  |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | REQUIREMENTS                           | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 26,000.00            | \$ -                    | \$ 105,000.00            | Material & Services                    | \$ 50,000.00             | \$ 50,000.00             | \$ 50,000.00            |
| \$ -                    | \$ 137,544.86           | \$ 1,900,000.00          | Capital Improvements                   | \$ 2,188,432.00          | \$ 2,188,432.00          | \$ 3,701,237.37         |
| \$ -                    | \$ 152,676.00           | \$ 187,343.00            | Transfers Out                          | \$ 183,156.00            | \$ 183,156.00            | \$ 183,156.00           |
| \$ -                    | \$ -                    | \$ 1,283,538.31          | Reserve                                | \$ 3,951,599.45          | \$ 3,951,599.45          | \$ 3,062,714.00         |
| <b>\$ 26,000.00</b>     | <b>\$ 290,220.86</b>    | <b>\$ 3,475,881.31</b>   | <b>TOTAL SDC REQUIREMENTS</b>          | <b>\$ 6,373,187.45</b>   | <b>\$ 6,373,187.45</b>   | <b>\$ 6,997,107.37</b>  |
| <b>\$ 2,660,002.31</b>  | <b>\$ 3,214,627.45</b>  | <b>\$ -</b>              | <b>NET RESOURCES OVER REQUIREMENTS</b> | <b>\$ -</b>              | <b>\$ -</b>              | <b>\$ -</b>             |

The largest percentage change is in fees assessed for the potential projects. They result in a 268% increase in budgeted revenue, conversely the reserve requirement will recognize a change of 208%. This pattern of waiting to budget to expend until after the actual revenue is realized partners with the City Council goal to provide effective, efficient, and sustainable services while maintaining a healthy balanced budget.

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.

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | WATER SYSTEM DEVELOPMENT CHARGES<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 1,258,756.83         | \$ 1,366,646.83         | \$ 1,427,646.83          | BEGINNING FUND BALANCE                           | \$ 1,598,708.83          | \$ 1,598,708.83          | \$ 2,000,000.00         |
| \$ 63,390.00            | \$ -                    | \$ -                     | WATER SDC'S                                      | \$ -                     | \$ -                     | \$ -                    |
| \$ 33,600.00            | \$ 91,200.00            | \$ 51,750.00             | WATER SDC - REIMBURSEMENT FEE                    | \$ 482,400.00            | \$ 482,400.00            | \$ 310,000.00           |
| \$ 16,100.00            | \$ 43,700.00            | \$ 108,000.00            | WATER SDC - IMPROVMENT FEE                       | \$ 231,150.00            | \$ 231,150.00            | \$ 160,750.00           |
| <b>\$ 1,371,846.83</b>  | <b>\$ 1,501,546.83</b>  | <b>\$ 1,587,396.83</b>   | <b>Total Water SDC Resources</b>                 | <b>\$ 2,312,258.83</b>   | <b>\$ 2,312,258.83</b>   | <b>\$ 2,470,750.00</b>  |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | WATER SYSTEM DEVELOPMENT CHARGES<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 5,200.00             | \$ -                    | \$ 25,000.00             | PROFESSIONAL SERVICES                            | \$ 10,000.00             | \$ 10,000.00             | \$ 10,000.00            |
| <b>\$ 5,200.00</b>      | <b>\$ -</b>             | <b>\$ 25,000.00</b>      | <b>Total Water SDC Material &amp; Services</b>   | <b>\$ 10,000.00</b>      | <b>\$ 10,000.00</b>      | <b>\$ 10,000.00</b>     |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | WATER SYSTEM DEVELOPMENT CHARGES<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ 1,000,000.00          | CAPITAL IMPROVEMENTS                             | \$ 861,550.00            | \$ 861,550.00            | \$ 1,350,000.00         |
| <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ 1,000,000.00</b>   | <b>Total Water SDC Capital Imp</b>               | <b>\$ 861,550.00</b>     | <b>\$ 861,550.00</b>     | <b>\$ 1,350,000.00</b>  |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | WATER SYSTEM DEVELOPMENT CHARGES<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ 562,396.83            | RESERVE  | \$ 1,440,708.83          | \$ 1,440,708.83          | \$ 1,110,750.00         |
| <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ 562,396.83</b>     | <b>Total Water SDC Reserve</b>                   | <b>\$ 1,440,708.83</b>   | <b>\$ 1,440,708.83</b>   | <b>\$ 1,110,750.00</b>  |

The reimbursement fee for Sewer SDC is primary revenue source for the CWSRF loan repayment.



| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | SEWER SYSTEM DEVELOPMENT CHARGES<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 53,720.00            | \$ 210,310.00           | \$ 147,834.00            | BEGINNING FUND BALANCE                           | \$ 253,641.00            | \$ 253,641.00            | \$ 775,000.00           |
| \$ 98,650.00            | \$ -                    | \$ -                     | SEWER SDC'S                                      | \$ -                     | \$ -                     | \$ -                    |
| \$ 47,992.00            | \$ 137,120.00           | \$ 154,260.00            | SEWER SDC - REIMBURSEMENT FEE                    | \$ 689,028.00            | \$ 689,028.00            | \$ 450,000.00           |
| \$ 15,148.00            | \$ 43,280.00            | \$ 48,690.00             | SEWER SDC - IMPROVEMENT FEE                      | \$ 217,482.00            | \$ 217,482.00            | \$ 213,610.00           |
| <b>\$ 215,510.00</b>    | <b>\$ 390,710.00</b>    | <b>\$ 350,784.00</b>     | <b>Total Sewer SDC Resources</b>                 | <b>\$ 1,160,151.00</b>   | <b>\$ 1,160,151.00</b>   | <b>\$ 1,438,610.00</b>  |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | SEWER SYSTEM DEVELOPMENT CHARGES<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 5,200.00             | \$ -                    | \$ 10,000.00             | PROFESSIONAL SERVICES                            | \$ 10,000.00             | \$ 10,000.00             | \$ 10,000.00            |
| <b>\$ 5,200.00</b>      | <b>\$ -</b>             | <b>\$ 10,000.00</b>      | <b>Total Sewer SDC Material &amp; Services</b>   | <b>\$ 10,000.00</b>      | <b>\$ 10,000.00</b>      | <b>\$ 10,000.00</b>     |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | SEWER SYSTEM DEVELOPMENT CHARGES<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ -                     | CAPITAL IMPROVEMENTS                             | \$ 107,388.00            | \$ 107,388.00            | \$ 650,000.00           |
| <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ -</b>              | <b>Total Sewer SDC Capital Improvements</b>      | <b>\$ 107,388.00</b>     | <b>\$ 107,388.00</b>     | <b>\$ 650,000.00</b>    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | SEWER SYSTEM DEVELOPMENT CHARGES<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ 152,676.00           | \$ 187,343.00            | TRANSFER TO SEWER CWSRF FUND                     | \$ 183,156.00            | \$ 183,156.00            | \$ 183,156.00           |
| <b>\$ -</b>             | <b>\$ 152,676.00</b>    | <b>\$ 187,343.00</b>     | <b>Total Sewer SDC Transfers Out</b>             | <b>\$ 183,156.00</b>     | <b>\$ 183,156.00</b>     | <b>\$ 183,156.00</b>    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | SEWER SYSTEM DEVELOPMENT CHARGES<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ 153,441.00            | RESERVE  | \$ 859,607.00            | \$ 859,607.00            | \$ 595,454.00           |
| <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ 153,441.00</b>     | <b>Total Sewer SDC Reserve</b>                   | <b>\$ 859,607.00</b>     | <b>\$ 859,607.00</b>     | <b>\$ 595,454.00</b>    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | STREET SYSTEM DEVELOPMENT CHARGES<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 221,465.35           | \$ 311,859.35           | \$ 365,099.35            | BEGINNING FUND BALANCE                            | \$ 254,201.65            | \$ 254,201.65            | \$ 550,000.00           |
| \$ 95,594.00            | \$ 108,525.00           | \$ 142,290.00            | TRANSPORTATION SDC                                | \$ 635,562.00            | \$ 635,562.00            | \$ 432,010.00           |
| <b>\$ 317,059.35</b>    | <b>\$ 420,384.35</b>    | <b>\$ 507,389.35</b>     | <b>Total Street SDC Resources</b>                 | <b>\$ 889,763.65</b>     | <b>\$ 889,763.65</b>     | <b>\$ 982,010.00</b>    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | STREET SYSTEM DEVELOPMENT CHARGES<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 5,200.00             | \$ -                    | \$ 10,000.00             | PROFESSIONAL SERVICES                             | \$ 10,000.00             | \$ 10,000.00             | \$ 10,000.00            |
| <b>\$ 5,200.00</b>      | <b>\$ -</b>             | <b>\$ 10,000.00</b>      | <b>Total Street SDC Material &amp; Services</b>   | <b>\$ 10,000.00</b>      | <b>\$ 10,000.00</b>      | <b>\$ 10,000.00</b>     |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | STREET SYSTEM DEVELOPMENT CHARGES<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ 96,901.70            | \$ 250,000.00            | CAPITAL IMPROVEMENTS                              | \$ 150,000.00            | \$ 150,000.00            | \$ 475,000.00           |
| <b>\$ -</b>             | <b>\$ 96,901.70</b>     | <b>\$ 250,000.00</b>     | <b>Total Street SDC Capital Improvements</b>      | <b>\$ 150,000.00</b>     | <b>\$ 150,000.00</b>     | <b>\$ 475,000.00</b>    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | STREET SYSTEM DEVELOPMENT CHARGES<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ 247,389.35            | RESERVE   | \$ 729,763.65            | \$ 729,763.65            | \$ 497,010.00           |
| <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ 247,389.35</b>     | <b>Total Street SDC Reserve</b>                   | <b>\$ 729,763.65</b>     | <b>\$ 729,763.65</b>     | <b>\$ 497,010.00</b>    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PARK SYSTEM DEVELOPMENT CHARGES<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 514,546.76           | \$ 594,816.76           | \$ 569,816.76            | BEGINNING FUND BALANCE                          | \$ 1,193,329.60          | \$ 1,193,329.60          | \$ 1,300,000.00         |
| \$ 9,030.00             | \$ 191,436.00           | \$ -                     | PARK SDC'S                                      | \$ -                     | \$ -                     | \$ -                    |
| \$ 76,440.00            | \$ 202,020.00           | \$ 245,700.00            | PARK SDC - IMPROVEMENT FEE                      | \$ 480,480.00            | \$ 480,480.00            | \$ 570,000.00           |
| <b>\$ 600,016.76</b>    | <b>\$ 988,272.76</b>    | <b>\$ 815,516.76</b>     | <b>Total Park SDC Resources</b>                 | <b>\$ 1,673,809.60</b>   | <b>\$ 1,673,809.60</b>   | <b>\$ 1,870,000.00</b>  |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PARK SYSTEM DEVELOPMENT CHARGES<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 5,200.00             | \$ -                    | \$ 50,000.00             | PROFESSIONAL SERVICES                           | \$ 10,000.00             | \$ 10,000.00             | \$ 10,000.00            |
| <b>\$ 5,200.00</b>      | <b>\$ -</b>             | <b>\$ 50,000.00</b>      | <b>Total Park SDC Material &amp; Services</b>   | <b>\$ 10,000.00</b>      | <b>\$ 10,000.00</b>      | <b>\$ 10,000.00</b>     |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PARK SYSTEM DEVELOPMENT CHARGES<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ 40,643.16            | \$ 500,000.00            | CAPITAL IMPROVEMENTS                            | \$ 1,000,000.00          | \$ 1,000,000.00          | \$ 1,100,000.00         |
| <b>\$ -</b>             | <b>\$ 40,643.16</b>     | <b>\$ 500,000.00</b>     | <b>Total Park SDC Capital Improvements</b>      | <b>\$ 1,000,000.00</b>   | <b>\$ 1,000,000.00</b>   | <b>\$ 1,100,000.00</b>  |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PARK SYSTEM DEVELOPMENT CHARGES<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ 265,516.76            | RESERVE   | \$ 663,809.60            | \$ 663,809.60            | \$ 760,000.00           |
| <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ 265,516.76</b>     | <b>Total Park SDC Reserve</b>                   | <b>\$ 663,809.60</b>     | <b>\$ 663,809.60</b>     | <b>\$ 760,000.00</b>    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | STORM SYSTEM DEVELOPMENT CHARGES<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 154,377.37           | \$ 176,369.37           | \$ 181,269.37            | BEGINNING FUND BALANCE                           | \$ 187,459.37            | \$ 187,459.37            | \$ 136,237.37           |
| \$ 16,762.00            | \$ -                    | \$ -                     | STORM WATER SDC'S                                | \$ -                     | \$ -                     | \$ -                    |
| \$ 294.00               | \$ 777.00               | \$ 945.00                | STORM SDC - REMBURSEMENT FEE                     | \$ 4,221.00              | \$ 4,221.00              | \$ 3,000.00             |
| \$ 10,136.00            | \$ 26,788.00            | \$ 32,580.00             | STORM SDC - IMPROVEMENT FEE                      | \$ 145,524.00            | \$ 145,524.00            | \$ 96,500.00            |
| <b>\$ 181,569.37</b>    | <b>\$ 203,934.37</b>    | <b>\$ 214,794.37</b>     | <b>Total Storm SDC Resources</b>                 | <b>\$ 337,204.37</b>     | <b>\$ 337,204.37</b>     | <b>\$ 235,737.37</b>    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | STORM SYSTEM DEVELOPMENT CHARGES<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 5,200.00             | \$ -                    | \$ 10,000.00             | PROFESSIONAL SERVICES                            | \$ 10,000.00             | \$ 10,000.00             | \$ 10,000.00            |
| <b>\$ 5,200.00</b>      | <b>\$ -</b>             | <b>\$ 10,000.00</b>      | <b>Total Storm SDC Material &amp; Services</b>   | <b>\$ 10,000.00</b>      | <b>\$ 10,000.00</b>      | <b>\$ 10,000.00</b>     |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | STORM SYSTEM DEVELOPMENT CHARGES<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ 150,000.00            | CAPITAL IMPROVEMENTS                             | \$ 69,494.00             | \$ 69,494.00             | \$ 126,237.37           |
| <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ 150,000.00</b>     | <b>Total Storm SDC Capital Improvements</b>      | <b>\$ 69,494.00</b>      | <b>\$ 69,494.00</b>      | <b>\$ 126,237.37</b>    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | STORM SYSTEM DEVELOPMENT CHARGES<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ 54,794.37             | RESERVE  | \$ 257,710.37            | \$ 257,710.37            | \$ 99,500.00            |
| <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ 54,794.37</b>      | <b>Total Storm SDC Reserve</b>                   | <b>\$ 257,710.37</b>     | <b>\$ 257,710.37</b>     | <b>\$ 99,500.00</b>     |

Budgetary note: The SDC fund projections have two potential concerns which will adjust the beginning fund balance and in turn the projected amounts available for the capital improvements and reserve appropriations. The issues are the Molalla Avenue URA project which is funded partially with SDC funds and the methodology recalculation. Finance can only budget with what methodologies and approved projects are in use at the time of budgeting. The committee should anticipate an adjustment to present to the City Council at the approved budget portion of the process or through a supplemental budget in FY 2016/2017 for these funds.



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# *SPECIAL REVENUE*

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## 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:

- Grant Fund. New fund in FY 2013/14. This fund was established to manage community grants from the City to a specific organization.
- 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.

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | ALL SPECIAL REVENUES<br>RESOURCES         | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 23,227.37            | \$ 20,572.58            | \$ 41,003.07             | <i>BFB</i>                                | \$ 18,000.00             | \$ 18,000.00             | \$ 32,000.00            |
| \$ 15,754.01            | \$ 19,679.48            | \$ 10,000.00             | <i>Fees, Licenses, Permits</i>            | \$ 22,000.00             | \$ 22,000.00             | \$ 22,000.00            |
| \$ 20,000.00            | \$ 20,000.00            | \$ 20,000.00             | <i>Fed, State, Grants</i>                 | \$ 20,000.00             | \$ 20,000.00             | \$ -                    |
| \$ 17,468.78            | \$ 19,272.03            | \$ 20,580.00             | <i>All Other Resources</i>                | \$ 13,540.00             | \$ 13,540.00             | \$ 13,540.00            |
| \$ 15,000.00            | \$ -                    | \$ -                     | <i>Transfers In</i>                       | \$ -                     | \$ -                     | \$ -                    |
| <b>\$ 91,450.16</b>     | <b>\$ 79,524.09</b>     | <b>\$ 91,583.07</b>      | <b>TOTAL SPECIAL REVENUE RESOURCES</b>    | <b>\$ 73,540.00</b>      | <b>\$ 73,540.00</b>      | <b>\$ 67,540.00</b>     |
| <b>REQUIREMENTS</b>     |                         |                          |   |                          |                          |                         |
| \$ 70,877.58            | \$ 44,623.30            | \$ 91,583.07             | <i>Material &amp; Services</i>            | \$ 73,540.00             | \$ 73,540.00             | \$ 67,540.00            |
| <b>\$ 70,877.58</b>     | <b>\$ 44,623.30</b>     | <b>\$ 91,583.07</b>      | <b>TOTAL SPECIAL REVENUE REQUIREMENTS</b> | <b>\$ 73,540.00</b>      | <b>\$ 73,540.00</b>      | <b>\$ 67,540.00</b>     |
| <b>\$ 20,572.58</b>     | <b>\$ 34,900.79</b>     | <b>\$ -</b>              | <b>NET RESOURCES OVER REQUIREMENTS</b>    | <b>\$ -</b>              | <b>\$ -</b>              | <b>\$ -</b>             |

Grant Fund. New fund in FY 2013/14. This fund was established to manage community grants from the City to a specific organization.

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | TAP GRANT (Special Revenue)<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 20,000.00            | \$ 20,000.00            | \$ 20,000.00             | TAP GRANT (Clackamas County)                | \$ 20,000.00             | \$ 20,000.00             | \$ -                    |
| \$ 15,000.00            | \$ -                    | \$ -                     | TRANSFER FROM GENERAL FUND                  | \$ -                     | \$ -                     | \$ -                    |
| <b>\$ 35,000.00</b>     | <b>\$ 20,000.00</b>     | <b>\$ 20,000.00</b>      | <b>Total TAP Resources</b>                  | <b>\$ 20,000.00</b>      | <b>\$ 20,000.00</b>      | <b>\$ -</b>             |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | TAP GRANT (Special Revenue)<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 35,000.00            | \$ 20,000.00            | \$ 20,000.00             | GRANT DISTRIBUTIONS                         | \$ 20,000.00             | \$ 20,000.00             | \$ -                    |
| <b>\$ 35,000.00</b>     | <b>\$ 20,000.00</b>     | <b>\$ 20,000.00</b>      | <b>Total TAP Material &amp; Services</b>    | <b>\$ 20,000.00</b>      | <b>\$ 20,000.00</b>      | <b>\$ -</b>             |

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

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PD RESTRICTED (Special Revenue)<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 20,849.70            | \$ 16,592.98            | \$ 36,873.47             | BEGINNING FUND BALANCE                          | \$ 14,000.00             | \$ 14,000.00             | \$ 24,000.00            |
| \$ 15,174.12            | \$ 18,237.03            | \$ 18,000.00             | EMERGENCY VEHICLE FUND                          | \$ 12,000.00             | \$ 12,000.00             | \$ 12,000.00            |
| \$ -                    | \$ -                    | \$ 500.00                | K9 DONATIONS                                    | \$ -                     | \$ -                     | \$ -                    |
| \$ 1,180.00             | \$ 1,035.00             | \$ 1,080.00              | POLICE PAYROLL DONATIONS                        | \$ 540.00                | \$ 540.00                | \$ 540.00               |
| \$ 1,114.66             | \$ -                    | \$ 1,000.00              | POLICE AUCTION / YOUTH FUND                     | \$ 1,000.00              | \$ 1,000.00              | \$ 1,000.00             |
| <b>\$ 38,318.48</b>     | <b>\$ 35,865.01</b>     | <b>\$ 57,453.47</b>      | <b>Total PD Restricted Resources</b>            | <b>\$ 27,540.00</b>      | <b>\$ 27,540.00</b>      | <b>\$ 37,540.00</b>     |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | PD RESTRICTED (Special Revenue)<br>Account Name    | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ 2,251.00              | K9   | \$ 1,751.00              | \$ 1,751.00              | \$ 1,751.00             |
| \$ 20,665.50            | \$ -                    | \$ 50,586.01             | PD EVF (COURT ASSESSMENT)                          | \$ 22,889.00             | \$ 22,889.00             | \$ 32,889.00            |
| \$ 60.00                | \$ 1,000.00             | \$ 1,716.46              | YOUTH ATHLETIC SCHOLARSHIPS                        | \$ 1,000.00              | \$ 1,000.00              | \$ 1,000.00             |
| \$ 1,000.00             | \$ 1,000.00             | \$ 2,900.00              | COLLEGE SCHOLARSHIP ALLOCATION                     | \$ 1,900.00              | \$ 1,900.00              | \$ 1,900.00             |
| <b>\$ 21,725.50</b>     | <b>\$ 2,000.00</b>      | <b>\$ 57,453.47</b>      | <b>Total PD Restricted Material &amp; Services</b> | <b>\$ 27,540.00</b>      | <b>\$ 27,540.00</b>      | <b>\$ 37,540.00</b>     |

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

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | WATER/SEWER DEPOSITS<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--------------------------------------|--------------------------|--------------------------|-------------------------|
| \$ 2,377.67             | \$ 3,979.60             | \$ 4,129.60              | BEGINNING FUND BALANCE               | \$ 4,000.00              | \$ 4,000.00              | \$ 8,000.00             |
| \$ 15,754.01            | \$ 19,679.48            | \$ 10,000.00             | WATER/SEWER DEPOSITS                 | \$ 22,000.00             | \$ 22,000.00             | \$ 22,000.00            |
| <b>\$ 18,131.68</b>     | <b>\$ 23,659.08</b>     | <b>\$ 14,129.60</b>      | <b>Total Water/Sewer Resources</b>   | <b>\$ 26,000.00</b>      | <b>\$ 26,000.00</b>      | <b>\$ 30,000.00</b>     |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | WATER/SEWER DEPOSITS<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--------------------------------------|--------------------------|--------------------------|-------------------------|
| \$ 14,152.08            | \$ 22,623.30            | \$ 14,129.60             | WATER/SEWER DEPOSITS REFUNDED        | \$ 26,000.00             | \$ 26,000.00             | \$ 30,000.00            |
| <b>\$ 14,152.08</b>     | <b>\$ 22,623.30</b>     | <b>\$ 14,129.60</b>      | <b>Total Water/Sewer M&amp;S</b>     | <b>\$ 26,000.00</b>      | <b>\$ 26,000.00</b>      | <b>\$ 30,000.00</b>     |



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# *INACTIVE FUNDS*

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## 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 meet this criteria: Adult Center Fund and the Aquatic Center. Neither of these funds affect the FY 2016/2017 budget.

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | AQUATIC CENTER FUND<br>Account Name   | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---------------------------------------|--------------------------|--------------------------|-------------------------|
| \$ 48,162.88            | \$ 37,809.24            | \$ 12,600.00             | BEGINNING FUND BALANCE                | \$ -                     | \$ -                     | \$ -                    |
| \$ 167,686.16           | \$ 43,795.91            | \$ -                     | PARK & RECREATION FEES                | \$ -                     | \$ -                     | \$ -                    |
| \$ 125,000.00           | \$ 87,500.00            | \$ 345,000.00            | TRANSFER FROM GENERAL FUND            | \$ -                     | \$ -                     | \$ -                    |
| \$ 85,131.14            | \$ 21,732.87            | \$ -                     | RECREATION FEE                        | \$ -                     | \$ -                     | \$ -                    |
| <b>\$ 425,980.18</b>    | <b>\$ 190,838.02</b>    | <b>\$ 357,600.00</b>     | <b>Total Aquatic Center Resources</b> | <b>\$ -</b>              | <b>\$ -</b>              | <b>\$ -</b>             |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | AQUATIC CENTER FUND<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|-------------------------------------|--------------------------|--------------------------|-------------------------|
| \$ 12,004.09            | \$ 5,206.96             | \$ -                     | PERS                                | \$ -                     | \$ -                     | \$ -                    |
| \$ 5,901.76             | \$ 1,429.51             | \$ -                     | SAIF                                | \$ -                     | \$ -                     | \$ -                    |
| \$ 11,072.75            | \$ 3,345.99             | \$ -                     | FICA                                | \$ -                     | \$ -                     | \$ -                    |
| \$ 16,449.47            | \$ 4,993.94             | \$ -                     | INSURANCE                           | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ 14,100.00             | UNEMPLOYMENT LIABILITY              | \$ -                     | \$ -                     | \$ -                    |
| \$ 58,085.06            | \$ 20,054.84            | \$ -                     | AQUATIC CENTER SUPERVISOR           | \$ -                     | \$ -                     | \$ -                    |
| \$ 86,755.12            | \$ 34,302.16            | \$ -                     | PART TIME EMPLOYEES                 | \$ -                     | \$ -                     | \$ -                    |
| <b>\$ 190,268.25</b>    | <b>\$ 69,333.40</b>     | <b>\$ 14,100.00</b>      | <b>Total Personnel Service</b>      | <b>\$ -</b>              | <b>\$ -</b>              | <b>\$ -</b>             |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | AQUATIC CENTER FUND<br>Account Name              | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 32,350.18            | \$ 22,846.87            | \$ 12,000.00             | POWER  | \$ -                     | \$ -                     | \$ -                    |
| \$ 5,943.23             | \$ 858.14               | \$ -                     | PHONE  | \$ -                     | \$ -                     | \$ -                    |
| \$ 41,879.28            | \$ 6,558.22             | \$ -                     | NATURAL GAS                                      | \$ -                     | \$ -                     | \$ -                    |
| \$ 15,543.81            | \$ 14,949.21            | \$ -                     | OPERATION & MAINTENANC                           | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ 325,000.00            | MRSD LEASE CONTRACT BUYOUT                       | \$ -                     | \$ -                     | \$ -                    |
| \$ 24,893.71            | \$ 4,989.12             | \$ -                     | BUILDING MAINTENANCE                             | \$ -                     | \$ -                     | \$ -                    |
| \$ 4,558.84             | \$ 9,090.07             | \$ -                     | EQUIPMENT MAINTENANCE & REPAIR                   | \$ -                     | \$ -                     | \$ -                    |
| \$ 6,438.65             | \$ -                    | \$ -                     | TRAINING   | \$ -                     | \$ -                     | \$ -                    |
| \$ 357.00               | \$ 149.60               | \$ -                     | DUES & MEMBERSHIP                                | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | POSTAGE  | \$ -                     | \$ -                     | \$ -                    |
| \$ 4,753.90             | \$ 556.50               | \$ -                     | PRINTING & PUBLICATION                           | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | PROFESSIONAL SERVICES                            | \$ -                     | \$ -                     | \$ -                    |
| \$ 20,361.53            | \$ 21,233.65            | \$ -                     | INSURANCE/LIABILITY/GEN                          | \$ -                     | \$ -                     | \$ -                    |
| \$ 699.95               | \$ 204.28               | \$ -                     | OFFICE SUPPLIES                                  | \$ -                     | \$ -                     | \$ -                    |
| \$ 1,374.91             | \$ 436.30               | \$ -                     | CONCESSION SUPPLIES                              | \$ -                     | \$ -                     | \$ -                    |
| \$ 25,120.04            | \$ 25,973.21            | \$ 5,000.00              | COST ALLOCATION AGREEMENT                        | \$ -                     | \$ -                     | \$ -                    |
| \$ 8,633.16             | \$ 1,493.62             | \$ 1,500.00              | CHLORINE & CHEMICAL                              | \$ -                     | \$ -                     | \$ -                    |
| <b>\$ 192,908.19</b>    | <b>\$ 109,338.79</b>    | <b>\$ 343,500.00</b>     | <b>Total Aquatic Center Material &amp; Svcs.</b> | <b>\$ -</b>              | <b>\$ -</b>              | <b>\$ -</b>             |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | AQUATIC CENTER FUND<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|-------------------------------------|--------------------------|--------------------------|-------------------------|
| \$ 4,994.50             | \$ -                    | \$ -                     | CAPITAL IMPROVEMENT                 | \$ -                     | \$ -                     | \$ -                    |
| <b>\$ 4,994.50</b>      | <b>\$ -</b>             | <b>\$ -</b>              | <b>Total Aquatic Center Capital</b> | <b>\$ -</b>              | <b>\$ -</b>              | <b>\$ -</b>             |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | ADULT CENTER FUND<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|-----------------------------------|--------------------------|--------------------------|-------------------------|
| \$ 1,383.45             | \$ -                    | \$ -                     | BEGINNING FUND BALANCE            | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | GRANTS                            | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | TITLE III-B OUTREACH              | \$ -                     | \$ -                     | \$ -                    |
| \$ 14,904.64            | \$ -                    | \$ -                     | TITLE III - MEAL SITE MANAGMNT    | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | TITLE III - NSIP FUNDS            | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | VTI MEDICAL TRANSPORTATIO         | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | VTI NONMEDICAL TRANSPORT          | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | MEDICAID MATCH TITLE XIX          | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | TRANSPORTATION GRANT              | \$ -                     | \$ -                     | \$ -                    |
| \$ 3,651.50             | \$ -                    | \$ -                     | TRANSPORT. CONTRACT SERVI         | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | WELLNESS                          | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | CENTER GIFTS & DONATIONS          | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | CENTER RENTALS                    | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | CLIENT DONATION/MEALS             | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | FUNDRAISER                        | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | MEDICAID MEALS                    | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | DONATION & MEMORIALS              | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | MOLALLA COMMUNICATION DONATION    | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | TRANSPORTATION DONATIONS          | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | TRANSFER FROM GENERAL FUN         | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | TRANSFER FROM STATE REVEN         | \$ -                     | \$ -                     | \$ -                    |
| <b>\$ 19,939.59</b>     | <b>\$ -</b>             | <b>\$ -</b>              |                                   | <b>\$ -</b>              | <b>\$ -</b>              | <b>\$ -</b>             |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | ADULT CENTER FUND<br>Account Name           | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 797.98               | \$ -                    | \$ -                     | PERS  | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | SAIF  | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | FICA  | \$ -                     | \$ -                     | \$ -                    |
| \$ (125.00)             | \$ -                    | \$ -                     | INSURANCE                                   | \$ -                     | \$ -                     | \$ -                    |
| \$ 17,043.15            | \$ -                    | \$ -                     | UNEMPLOYMENT LIABILITY                      | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | CENTER DIRECTOR                             | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | NUTRITION MANAGER                           | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | CLIENT SERVICES COORDINAT                   | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | VAN DRIVERS                                 | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | FINANCE DIRECTOR                            | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | EXTRA HELP                                  | \$ -                     | \$ -                     | \$ -                    |
| <b>\$ 17,716.13</b>     | <b>\$ -</b>             | <b>\$ -</b>              | <b>Total Adult Center Personnel Service</b> | <b>\$ -</b>              | <b>\$ -</b>              | <b>\$ -</b>             |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | ADULT CENTER FUND<br>Account Name              | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ -                     | POWER  | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | PHONE  | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | NATURAL GAS                                    | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | OPERATIONS & MAINTENANCE                       | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | BUILDING MAINTENANCE                           | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | TRANING & CONF. TRAVEL                         | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | DUES & MEMBERSHIP                              | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | POSTAGE  | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | PRINTING & PUBLICATIONS                        | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | INSURANCE/LIABILITY/GEN                        | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | REIMBURSEMENT                                  | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | GAS & VEHICLE MAINTENANCE                      | \$ -                     | \$ -                     | \$ -                    |
| \$ 310.00               | \$ -                    | \$ -                     | VEHICLE REPAIR                                 | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | MISCELLANEOUS                                  | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | CUSTODIAN                                      | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | CUSTODIAL SUPPLIES                             | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | OFFICE SUPPLIES                                | \$ -                     | \$ -                     | \$ -                    |
| \$ 1,913.46             | \$ -                    | \$ -                     | COST ALLOCATION AGREEMENT                      | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | VOLUNTEER RECOGNITION                          | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | FUNDRAISING EXPENSES                           | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | HDM MILEAGE REIMBURSEMENT                      | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | FOOD EXPENSES                                  | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | HDM SUPPLIES                                   | \$ -                     | \$ -                     | \$ -                    |
| \$ -                    | \$ -                    | \$ -                     | TRANSPORT. CONTRACTED SER                      | \$ -                     | \$ -                     | \$ -                    |
| <b>\$ 2,223.46</b>      | <b>\$ -</b>             | <b>\$ -</b>              | <b>Total Adult Center Materials &amp; Svcs</b> | <b>\$ -</b>              | <b>\$ -</b>              | <b>\$ -</b>             |



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# SECTION 3

# URBAN RENEWAL AGENCY



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# *URBAN RENEWAL AGENCY*

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## Urban Renewal Agency



To: Budget Committee Members and Citizens of Molalla

From: Dan Huff, Agency Director, Budget Officer

Date: April 27, 2016

RE: Presentation of the Fiscal Year 2016/2017 Proposed Budget for the Molalla Urban Renewal Agency

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

The City of Molalla began the Molalla Urban Renewal Agency (MURA) in 2008. The MURA oversees the administration and implementation of the Molalla Urban Renewal District. The Committee will notice a continuation of the robust MURA budget for the FY 2016/2017 which should complete full implementation of bonds approved by Agency Members during the FY 2014-2015. Most of you will recall the MURA identified and approved five (5) street improvement projects as follows:

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

These projects are listed in order of construction but not necessarily in priority. We began the design phase of these projects over one year ago and have completed Heintz Street Extension. The bid process for North and South Molalla Avenue is complete and construction will be underway by April 2016 with a completion date sometime in November 2016. Each of these projects offers a component of the original purpose of the MURA including:

- Carry out public improvements, pursue acquisitions, and provide incentives to attract economic and redevelopment in Molalla.
- Encourage creation and expansion of enterprises which will provide goods and services the community needs.
- Provide more family wage jobs in Molalla.
- Increase property values in Molalla.
- Enhance overall community appearance and livability.
- Help diversify the city's economic base.
- Help implement the city's comprehensive plan, downtown master plan, and enhance recreational opportunities in the community.

We will not see or experience the full impact of Heintz Extension until our community is able to use the street and pedestrian access through a full summer. North and South Molalla Avenue is a game

changer which comes 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.

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.

With bonding in place, the MURA advertised and selected HDJ Design Group to design and process the proposed projects. The Heintz Street Extension was completed during the FY 2015-2016 and has opened up a new east-west corridor, provides safe pedestrian circulation, and opens up additional access to potentially re-developable properties. North and south Molalla improvements focus on Downtown and the core area of the City. Watching the improvement occur in a very visible area will be exciting for our community.

The proposed FY 2016/2017 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. A new account exists in resources to acknowledge the Agency intent to pursue and close a bond. It is balanced with a capital improvement entry.

Since the agency was successful in the bonding process. Requirements for the agency show marketable increases in the professional services category to accommodate for the cost associated with bond, design, and construction. In addition, the agency shows debt service line items in preparation for bond repayment.

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

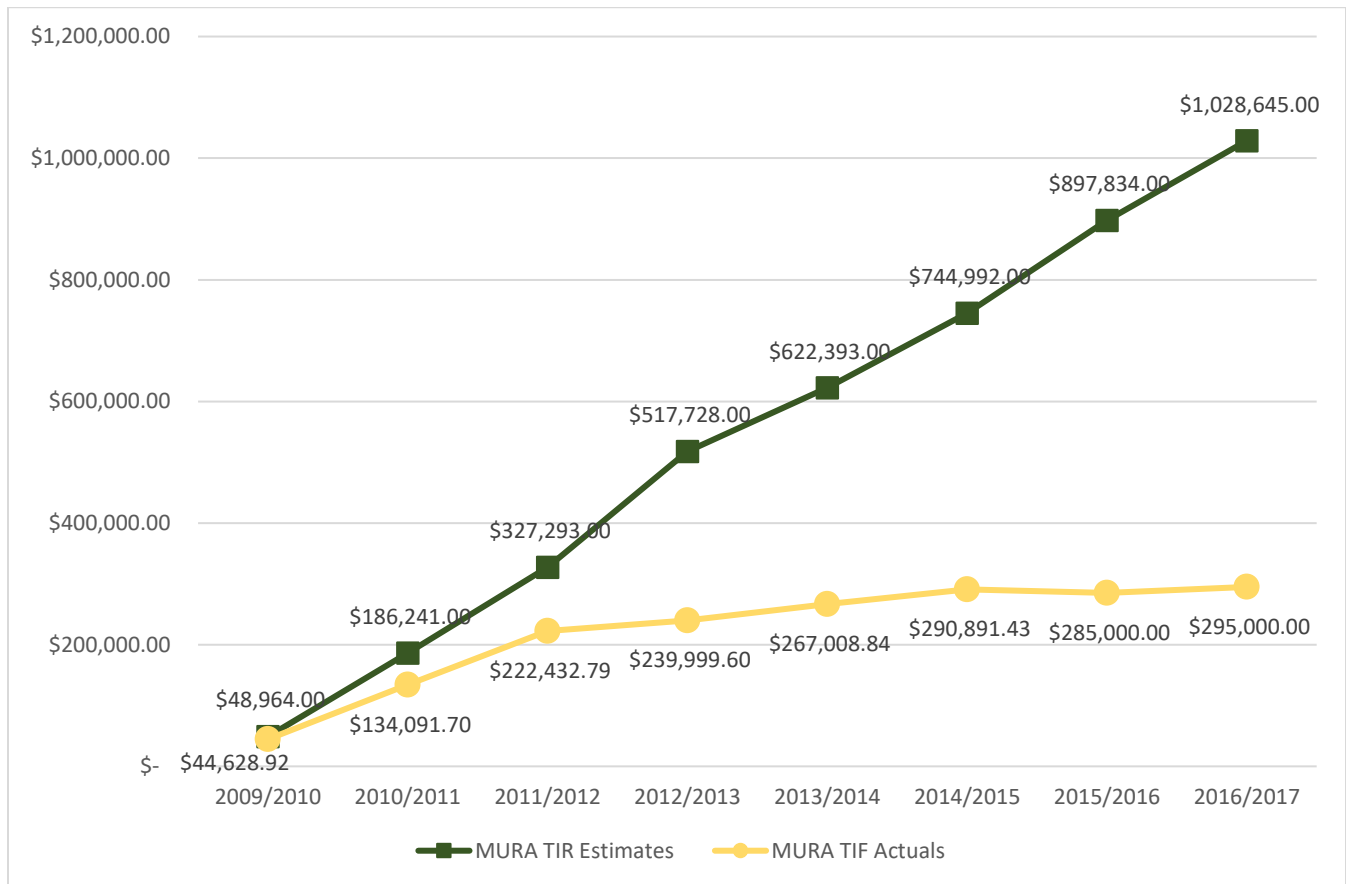
Debt Service Target Increase Annually at 3%, 2029 Final Maturity, Final Pricing (Psc4)

| <b>Period Ending</b> | <b>Principal</b> | <b>Interest</b>   | <b>Total Debt</b>   | <b>Debt Service</b> |
|----------------------|------------------|-------------------|---------------------|---------------------|
| 06/30/2016           | 85,000           | 131,143.06        | 216,143.06          | 216,143.06          |
| 06/30/2017           | 120,000          | 98,750.00         | 218,750.00          | 218,750.00          |
| 06/30/2018           | 130,000          | 95,150.00         | 225,150.00          | 225,150.00          |
| 06/30/2019           | 140,000          | 91,250.00         | 231,250.00          | 231,250.00          |
| 06/30/2020           | 155,000          | 87,050.00         | 242,050.00          | 242,050.00          |
| 06/30/2021           | 165,000          | 82,400.00         | 247,400.00          | 247,400.00          |
| 06/30/2022           | 180,000          | 75,800.00         | 255,800.00          | 255,800.00          |
| 06/30/2023           | 200,000          | 68,600.00         | 268,600.00          | 268,600.00          |
| 06/30/2024           | 200,000          | 60,600.00         | 260,600.00          | 260,600.00          |
| 06/30/2025           | 225,000          | 52,600.00         | 277,600.00          | 277,600.00          |
| 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          | 293,600.00          |
| 06/30/2028           | 280,000          | 23,200.00         | 303,200.00          | 303,200.00          |
| 06/30/2029           | 300,000          | 12,000.00         | 312,000.00          | 312,000.00          |
|                      | <b>2,690,000</b> | <b>955,743.06</b> | <b>3,645,743.06</b> | <b>3,645,743.06</b> |

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

In FY 2015/2016 and continuing into FY 2016/2017, the Agency has used, and is using, the bond proceeds to complete two large capital projects. The Heintz Street extension was to install a cross 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. Project Molalla Avenue will be a downtown improvement beginning in April 2016 and completed by November 2016.

At the beginning of the Urban Renewal Agency, original projections (in green) regarding Tax Increment Financing were highly inflated. The Agency administration uses 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:



In FY 2015/2016, there was an allocation for a business loan program. The program never became available with an application, guidelines, and board approval. There will be no allocation to this program in FY 2016/2017 as the program is still not developed and the capital projects have exceeded budgeted expectations for engineering.

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. Once projects are completed the allocation will return to \$10,000.00. 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.



**BOB VROMAN**  
COUNTY ASSESSOR

**DEPARTMENT OF ASSESSMENT AND TAXATION**

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

**CLACKAMAS COUNTY ASSESSOR'S CERTIFICATION**  
**OF FROZEN ASSESSED VALUE WITHIN**  
**MOLALLA URBAN RENEWAL PLAN AREA**  
**CLACKAMAS COUNTY, OREGON**

STATE OF OREGON     )  
                                  ) ss.  
County of Clackamas    )

I, the undersigned, Tami Little, duly qualified Assessment and Tax Manager of Clackamas County, Oregon, do hereby certify that, according to the assessment records of said county in my care and custody, the frozen assessed value of all taxable property within the Molalla Urban Renewal Plan Area, Clackamas County, Oregon has been determined to be \$49,474,770 and distributed to tax codes as follows:

| FROZEN TAX YEAR | TAX CODE     | FROZEN ASSESSED VALUE |
|-----------------|--------------|-----------------------|
| 2007-08         | 035-039      | \$46,287,836          |
| 2007-08         | 035-040      | \$3,186,934           |
|                 | <b>TOTAL</b> | <b>\$49,474,770</b>   |

Molalla Urban Renewal Plan Area  
Urban Renewal Certificate of Frozen Value  
May 25, 2016

The distribution of frozen assessed value by district is as follows:

| DISTRICT/LEVY          | FROZEN<br>ASSESSED VALUE |
|------------------------|--------------------------|
| CITY MOLALLA           | 46,287,836               |
| COM COLL CLACK         | 49,474,770               |
| COUNTY CLACKAMAS C     | 46,287,836               |
| COUNTY EXTENSION & 4-H | 49,474,770               |
| COUNTY LIBRARY         | 49,474,770               |
| COUNTY SOIL CONS       | 49,474,770               |
| ESD CLACKAMAS          | 49,474,770               |
| FD73 MOLALLA           | 49,474,770               |
| PORT OF PTLD           | 49,474,770               |
| ROAD DIST 10 MOL       | 46,287,836               |
| SCH MOL RIVER          | 49,474,770               |
| TRANS S CLACK          | 49,474,770               |
| VECTOR CONTROL         | 49,474,770               |
| COUNTY CLACKAMAS R     | 3,186,934                |

This amendment reflects an annexation of parcels within the plan area into the City of Molalla. The total frozen value for the plan area has not changed.

IN WITNESS WHEREOF, I have hereunto set my hand this 25th day of May, 2016.

ASSESSMENT & TAX MANAGER  
CLACKAMAS COUNTY, OREGON



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TL/dlm

PROPOSED BUDGET of the Molalla Urban Renewal Agency:

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | URBAN RENEWAL AGENCY SUMMARY<br>RESOURCES | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------|
| \$ 591,258.29           | \$ 832,067.44           | \$ 4,005,292.42          | BFB                                       | \$ 1,750,000.00          | \$ 1,750,000.00          | \$ 2,000,000.00         |
| \$ 267,008.84           | \$ 290,891.43           | \$ 285,000.00            | Property Tax                              | \$ 295,000.00            | \$ 295,000.00            | \$ 295,000.00           |
| \$ 217.51               | \$ 3,032,392.11         | \$ 750.00                | All Other Resources                       | \$ 150.00                | \$ 150.00                | \$ 1,000.00             |
| <b>\$ 858,484.64</b>    | <b>\$ 4,155,350.98</b>  | <b>\$ 4,291,042.42</b>   | <b>TOTAL URA RESOURCES</b>                | <b>\$ 2,045,150.00</b>   | <b>\$ 2,045,150.00</b>   | <b>\$ 2,296,000.00</b>  |
| <b>REQUIREMENTS</b>     |                         |                          |   |                          |                          |                         |
| \$ 26,417.20            | \$ 145,838.41           | \$ 225,000.00            | Material & Services                       | \$ 125,000.00            | \$ 125,000.00            | \$ 125,000.00           |
| \$ -                    | \$ 243,093.16           | \$ 3,100,000.00          | Capital Improvements                      | \$ 1,226,250.00          | \$ 1,226,250.00          | \$ 1,477,100.00         |
| \$ -                    | \$ -                    | \$ 375,000.00            | Debt Service                              | \$ 218,750.00            | \$ 218,750.00            | \$ 218,750.00           |
| \$ -                    | \$ -                    | \$ 100,000.00            | Contingency                               | \$ 50,000.00             | \$ 50,000.00             | \$ 150,000.00           |
| \$ -                    | \$ -                    | \$ 491,042.42            | Reserve                                   | \$ 425,150.00            | \$ 425,150.00            | \$ 325,150.00           |
| <b>\$ 26,417.20</b>     | <b>\$ 388,931.57</b>    | <b>\$ 4,291,042.42</b>   | <b>TOTAL URA REQUIREMENTS</b>             | <b>\$ 2,045,150.00</b>   | <b>\$ 2,045,150.00</b>   | <b>\$ 2,296,000.00</b>  |
| <b>\$ 832,067.44</b>    | <b>\$ 3,766,419.41</b>  | <b>\$ -</b>              | <b>NET RESOURCES OVER REQUIREMENTS</b>    | <b>\$ -</b>              | <b>\$ -</b>              | <b>\$ -</b>             |

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<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | URBAN RENEWAL AGENCY<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--------------------------------------|--------------------------|--------------------------|-------------------------|
| \$ 591,258.29           | \$ 832,067.44           | \$ 4,005,292.42          | BEGINNING FUND BALANCE               | \$ 1,750,000.00          | \$ 1,750,000.00          | \$ 2,000,000.00         |
| \$ 267,008.84           | \$ 290,891.43           | \$ 285,000.00            | PROPERTY TAX                         | \$ 295,000.00            | \$ 295,000.00            | \$ 295,000.00           |
| \$ -                    | \$ 3,031,763.60         | \$ -                     | FULL FAITH IN CREDIT BOND            | \$ -                     | \$ -                     | \$ -                    |
| \$ 217.51               | \$ 628.51               | \$ 750.00                | INTEREST                             | \$ 150.00                | \$ 150.00                | \$ 1,000.00             |
| <b>\$ 858,484.64</b>    | <b>\$ 4,155,350.98</b>  | <b>\$ 4,291,042.42</b>   | <b>Total URA Resources</b>           | <b>\$ 2,045,150.00</b>   | <b>\$ 2,045,150.00</b>   | <b>\$ 2,296,000.00</b>  |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | URBAN RENEWAL AGENCY<br>Account Name     | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--|--------------------------|--------------------------|-------------------------|
| \$ 9,516.28             | \$ 11,861.48            | \$ 25,000.00             | OPERATION & MAINTENANCE                  | \$ 25,000.00             | \$ 25,000.00             | \$ 25,000.00            |
| \$ -                    | \$ -                    | \$ 100,000.00            | BUSINESS LOAN PROGRAM                    | \$ -                     | \$ -                     | \$ -                    |
| \$ 16,900.92            | \$ 133,976.93           | \$ 100,000.00            | PROFESSIONAL SERVICES                    | \$ 100,000.00            | \$ 100,000.00            | \$ 100,000.00           |
| <b>\$ 26,417.20</b>     | <b>\$ 145,838.41</b>    | <b>\$ 225,000.00</b>     | <b>Total URA Material &amp; Services</b> | <b>\$ 125,000.00</b>     | <b>\$ 125,000.00</b>     | <b>\$ 125,000.00</b>    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | URBAN RENEWAL AGENCY<br>Account Name  | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|---------------------------------------|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ 243,093.16           | \$ 3,100,000.00          | CAPITAL IMPROVEMENTS                  | \$ 1,226,250.00          | \$ 1,226,250.00          | \$ 1,477,100.00         |
| <b>\$ -</b>             | <b>\$ 243,093.16</b>    | <b>\$ 3,100,000.00</b>   | <b>Total URA Capital Improvements</b> | <b>\$ 1,226,250.00</b>   | <b>\$ 1,226,250.00</b>   | <b>\$ 1,477,100.00</b>  |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | URBAN RENEWAL AGENCY<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--------------------------------------|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ 300,000.00            | URA BOND- PRINCIPAL                  | \$ 120,000.00            | \$ 120,000.00            | \$ 120,000.00           |
| \$ -                    | \$ -                    | \$ 75,000.00             | URA BOND- INTEREST                   | \$ 98,750.00             | \$ 98,750.00             | \$ 98,750.00            |
| <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ 375,000.00</b>     | <b>Total URA Debt Service</b>        | <b>\$ 218,750.00</b>     | <b>\$ 218,750.00</b>     | <b>\$ 218,750.00</b>    |

| Actuals<br>FY 2013/2014 | Actuals<br>FY 2014/2015 | Budgeted<br>FY 2015/2016 | URBAN RENEWAL AGENCY<br>Account Name | Proposed<br>FY 2016/2017 | Approved<br>FY 2016/2017 | Adopted<br>FY 2016/2017 |
|-------------------------|-------------------------|--------------------------|--------------------------------------|--------------------------|--------------------------|-------------------------|
| \$ -                    | \$ -                    | \$ 100,000.00            | CONTINGENCY                          | \$ 50,000.00             | \$ 50,000.00             | \$ 150,000.00           |
| \$ -                    | \$ -                    | \$ 116,042.42            | RESERVE                              | \$ 200,000.00            | \$ 200,000.00            | \$ 100,000.00           |
| \$ -                    | \$ -                    | \$ 375,000.00            | URA BOND - RESERVE                   | \$ 225,150.00            | \$ 225,150.00            | \$ 225,150.00           |
| <b>\$ -</b>             | <b>\$ -</b>             | <b>\$ 591,042.42</b>     | <b>Total URA Contingency/Reserve</b> | <b>\$ 475,150.00</b>     | <b>\$ 475,150.00</b>     | <b>\$ 475,150.00</b>    |

The Urban Renewal Agency has an active project with North/South Molalla Avenue. This project is slated to begin in April. Therefore the expenditures for Mar-Jun have been estimated and a beginning fund balance has been projected. There is a high probability the schedule will have some adjustments. Therefore, the committee should deliberate and give a charge to Council that any amount over the estimated beginning fund balance, once recognized, should be allocated to the capital improvement appropriation.

# SECTION 4

## LEGAL NOTIFICATION, RESOLUTIONS, and MINUTES



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Budget Officer Resolution – City of Molalla

**RESOLUTION 2016-01**

**A RESOLUTION APPOINTING THE CITY MANAGER AS BUDGET OFFICER FOR FISCAL YEAR 2016-2017**

**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 2016-2017 budget; and

**NOW, THEREFORE, THE CITY OF MOLALLA RESOLVES** to appoint City Manager, Dan Huff as Budget Officer for fiscal year 2016-2017.

DULY APPOINTED, by the City Council and the City of Molalla on this 13th day of January 2016.

  
\_\_\_\_\_  
Mayor Debbie Rogge

ATTEST:

  
\_\_\_\_\_  
Sadie Cramer, City Recorder



Budget Officer Resolution – Urban Renewal Agency

**RESOLUTION 2016-01**

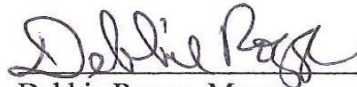
**A RESOLUTION APPOINTING THE AGENCY DIRECTOR AS BUDGET OFFICER FOR FISCAL YEAR 2016-2017 FOR THE MOLALLA URBAN RENEWAL AGENCY**

**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 2016-2017 budget; and

**NOW, THEREFORE, THE CITY OF MOLALLA RESOLVES** to appoint Agency Director, Dan Huff as Budget Officer for fiscal year 2016-2017.

DULY APPOINTED, by the Molalla Urban Renewal Agency and the City of Molalla on this 9th day of March 2016.

  
Debbie Rogge, Mayor

ATTEST:

  
Sadie Cramer, City Recorder

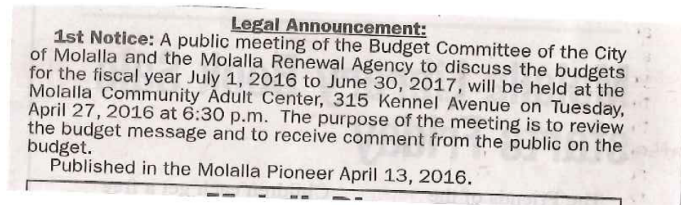
Legal Notification (First Notice) – 1st Meeting on April 27, 2016



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](mailto: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 Notice**  
**Legal Announcement**  
**Fiscal Year July 1, 2016 – June 30, 2017**

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:

**April 13, 2016**

*Charlotte Allsop*

Charlotte Allsop (Accounting Manager)

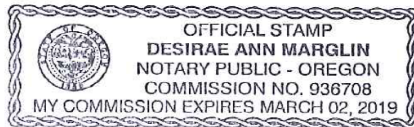
Subscribed and sworn to before me this April 14, 2016.

*Desirae A Marglin*

NOTARY PUBLIC FOR OREGON

My commission expires March 02, 2019

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



Legal Notification (Second Notice) – 1st Meeting on April 27, 2016

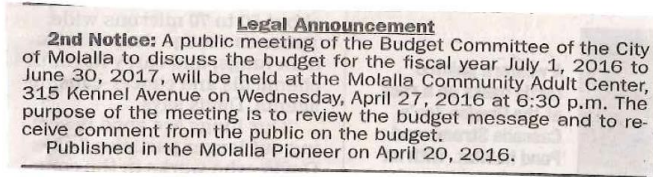


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**AFFIDAVIT OF PUBLICATION**

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 Notice**  
**Legal Announcement**  
**2<sup>nd</sup> Notice**  
**Fiscal Year July 1, 2016 – June 30, 2017**

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:

**April 20, 2016**

*Charlotte Allsop*

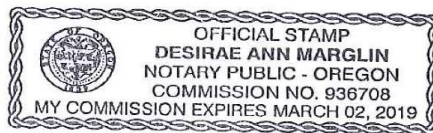
Charlotte Allsop (Accounting Manager)

Subscribed and sworn to before me this April 21, 2016

*Desirae A Marglin*

NOTARY PUBLIC FOR OREGON  
My commission expires March 02, 2019

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



# Legal Notification (First Notice) – 2nd Meeting on May 4, 2016



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](mailto: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**  
**1<sup>ST</sup> Notice**  
**Budget Fiscal Year**

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:

**April 27, 2016**

*Charlotte Allsop*

Charlotte Allsop (Accounting Manager)

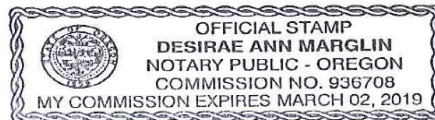
Subscribed and sworn to before me this April 29, 2016.

*Desirae A Marglin*

NOTARY PUBLIC FOR OREGON

My commission expires March 02, 2019

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



### LEGAL ANNOUNCEMENT:

**1st Notice:** This is the first notice of the 2nd public meeting of the Budget Committee of the City of Molalla to discuss the budget for the fiscal year July 1, 2016 to June 30, 2017. The meeting will be held at the Molalla Community Adult Center, 315 Kennel Avenue on Tuesday, May 4, 2016 at 6:30 p.m. The purpose of the meeting is to review the budget message and to receive comment from the public on the budget.

Published in the Molalla Pioneer on April 27, 2016.

## City of Molalla Budget Meeting

Meeting located at: Molalla Adult Center  
115 Kennel Avenue, Molalla, OR 97038  
April 27, 2016

Meeting called to order by Budget Officer Dan Huff  
Flag Salute

Roll Call:

Council Committee Members: Mayor Debbie Rogge, Present; Council President Jimmy Thompson, Present; Councilor George Pottle, Present; Councilor Jason Griswold, Present; Councilor Steve Clark, Present; Councilor Russ Riggs, Present; Councilor Leota Childress, Present.

Citizen Members: Elizabeth Klein, Present; Mary Lynn Jacob, Present; Glen Boreth, Present; Andrew Brown, Present; Mitch Jorgensen, Present; Rory Cramer, Present; Erin Herrington, Present; Stuart Rios, Absent.

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

**Councilor Thompson made a motion to accept Roberts Rules of Order as the decorum guideline for the meeting. Councilor Pottle seconded.** Motion carried (14-0) Mayor Rogge, Aye; Councilor Thompson, Aye, Councilor Pottle, Aye; Councilor Griswold, Aye; Councilor Clark, Aye; Councilor Riggs, Aye; Councilor Childress, Aye; Citizen Member Klein, Aye; Citizen Member Jacob, Aye; Citizen Member Boreth, Aye; Citizen Member Brown, Aye; Citizen Member Jorgensen, Aye; Citizen Member Cramer, Aye; Citizen Member Herrington, Aye.

**Citizen Member Jacob nominated Citizen Member Klein as Budget Chair, Councilor Thompson seconded.** Motion carried (14-0) Mayor Rogge, Aye; Councilor Thompson, Aye, Councilor Pottle, Aye; Councilor Griswold, Aye; Councilor Clark, Aye; Councilor Riggs, Aye; Councilor Childress, Aye; Citizen Member Klein, Aye; Citizen Member Jacob, Aye; Citizen Member Boreth, Aye; Citizen Member Brown, Aye; Citizen Member Jorgensen, Aye; Citizen Member Cramer, Aye; Citizen Member Herrington, Aye.

**Councilor Thompson nominated Citizen Glen Boreth as Vice Chair, Councilor Childress seconded.** Motion carried (14-0) Mayor Rogge, Aye; Councilor Thompson, Aye, Councilor Pottle, Aye; Councilor Griswold, Aye; Councilor Clark, Aye; Councilor Riggs, Aye; Councilor Childress, Aye; Budget Chair Klein, Aye; Citizen Member Jacob, Aye; Citizen Member Boreth,

Aye; Citizen Member Brown, Aye; Citizen Member Jorgensen, Aye; Citizen Member Cramer, Aye; Citizen Member Herrington, Aye.

**Councilor Riggs nominated Citizen Member Herrington as Secretary, Budget Vice-Chair Boreth seconded.** Motion carried (14-0) Mayor Rogge, Aye; Councilor Thompson, Aye, Councilor Pottle, Aye; Councilor Griswold, Aye; Councilor Clark, Aye; Councilor Riggs, Aye; Councilor Childress, Aye; Budget Chair Klein, Aye; Citizen Member Jacob, Aye; Budget Vice-Chair Boreth, Aye; Citizen Member Brown, Aye; Citizen Member Jorgensen, Aye; Citizen Member Cramer, Aye; Citizen Member Herrington, Aye.

**Citizen Member Jorgensen made a motion to open the City of Molalla Budget meeting, Budget Vice-Chair seconded.** Motion carried (14-0) Mayor Rogge, Aye; Councilor Thompson, Aye, Councilor Pottle, Aye; Councilor Griswold, Aye; Councilor Clark, Aye; Councilor Riggs, Aye; Councilor Childress, Aye; Budget Chair Klein, Aye; Citizen Member Jacob, Aye; Budget Vice-Chair Boreth, Aye; Citizen Member Brown, Aye; Citizen Member Jorgensen, Aye; Citizen Member Cramer, Aye; Budget Secretary Herrington, Aye.

Budget Officer Dan Huff presented the highlights of the budget message. This budget is the roadmap for the City operations in FY 2016/2017 with a look into the future. This document gives staff direction. With a look at five year ago to present day we see a movement from a \$458K deficit in beginning general fund balance to a \$925K positive balance projected for FY 2016/2017. Although the beginning fund balance is moving in the right direction, we are suffering as many communities are with lack of citizen involvement, please encourage all to engage in our processes.

Councilor Griswold inquired about negligible staffing increase. Discussion regarding increase in population, increase in needed services, existing skeleton crew and the sustainability as we move into the future. Lack of staffing results in items not getting completed or not completed in a timely fashion. Regulatory requirements exist on all levels of city services and we have compliance requirements with Federal, State, and County agencies that must be fulfilled regardless of staffing shortfalls. Management does not just fill vacancies, rather identifies service needs and adds staff to meet those needs. Additional services equate to costs going up.

Finance Director Penni presented the City of Molalla summary of resources and requirements. Presentation focuses on the cost allocations plan as the City is functioning under this plan as it has in years past. We are calling out in this budget that the City is contributing back to the funds by not taking the full 100% allocation. We are assessing fees at 80%, thus returning at least 20% back to the funds. Mayor Rogge expressed concern that this might not be sustainable in future years as the need to add some staffing is becoming prevalent.

Vice Chair Boreth began a discussion of the contingency vs. reserve vs. unappropriated ending fund balance. Councilor Griswold suggested a minimum of 10% contingency in each fund. Discussion ensued that this is a great Council goal and an objective we can strive to obtain, but not feasible for this year. Vice-Chair Boreth cautioned that a blanket minimum might not meet the needs of each fund, rather a per-fund minimum might be more appropriate. Contingency is only one part of the saving component of the City and if we are going to set minimums we need to identify all of the pieces first.

After a discussion from FD Penni about the appropriation “fences” that we are examining at this meeting. Councilor Thompson related to the committee that trend in Clackamas County and other cities is to only present the data in appropriation format and remove the line item detail from the deliberation discussion. A myriad of opinions exist on this topic and the general consensus was we want uniformity with Oregon Budget Law and with other cities and agencies are doing but we also appreciate the line item detail. A multi-year plan needs to be developed to maintain fiscal integrity and transparency. Line item detail is critical in the quarterly reports to the Council when examination of actual expenditures are in play.

Vice-Chair Boreth asked about the change in the OGM Capital Improvement funds. The project identified in FY 15/16 was the renovation of the PAL building into a municipal court facility and City Council chambers was the plan at budget deliberations in Spring of 2015, as we moved through the fiscal year a greater need to fund the sewer proprietary professional services became an issue and the PAL project was tabled and the money was transferred to the sewer fund in a supplemental budget. For FY 2016/2017, the PAL project remains tabled and the proposed allocation is for the City Hall remodel.

FD Penni noted for the budget committee that the approved budget will be brought before the Molalla City Council on Wednesday June 8, 2016 at 7:00pm. A public hearing and discussion will be held, if possible I urge all citizen members to attend that meeting.

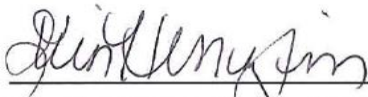
**Mayor Rogge made a motion to approve the City of Molalla’s FY 2016/2017 budget with a caveat to Council to examine the beginning fund balances and allocate accordingly. Councilor Thompson seconded.** Motion carried (14-0) Mayor Rogge, Aye; Councilor Thompson, Aye, Councilor Pottle, Aye; Councilor Griswold, Aye; Councilor Clark, Aye; Councilor Riggs, Aye; Councilor Childress, Aye; Budget Chair Klein, Aye; Citizen Member Jacob, Aye; Budget Vice-Chair Boreth, Aye; Citizen Member Brown, Aye; Citizen Member Jorgensen, Aye; Citizen Member Cramer, Aye; Budget Secretary Herrington, Aye.

**Councilor Thompson mad a motion to approve the tax levy of 5.38 of assessed value, Vice Chair Boreth seconded.** Motion carried (14-0) Mayor Rogge, Aye; Councilor Thompson, Aye, Councilor Pottle, Aye; Councilor Griswold, Aye; Councilor Clark, Aye; Councilor Riggs, Aye; Councilor Childress, Aye; Budget Chair Klein, Aye; Citizen Member Jacob, Aye; Budget Vice-Chair

Boreth, Aye; Citizen Member Brown, Aye; Citizen Member Jorgensen, Aye; Citizen Member Cramer, Aye; Budget Secretary Herrington, Aye.

**Councilor Pottle made a motion to close the budget meeting and adjourn, Citizen Member Jorgensen seconded.** Motion carried (14-0) Mayor Rogge, Aye; Councilor Thompson, Aye, Councilor Pottle, Aye; Councilor Griswold, Aye; Councilor Clark, Aye; Councilor Riggs, Aye; Councilor Childress, Aye; Budget Chair Klein, Aye; Citizen Member Jacob, Aye; Budget Vice-Chair Boreth, Aye; Citizen Member Brown, Aye; Citizen Member Jorgensen, Aye; Citizen Member Cramer, Aye; Budget Secretary Herrington, Aye.

Minutes reviewed and approved on 31<sup>st</sup> day of May, 2016



---

Erin Herrington, Budget Committee Secretary



## Molalla Urban Renewal Budget Meeting

Meeting located at: Molalla Adult Center

115 Kennel Avenue, Molalla, OR 97038

April 27, 2016

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

Flag Salute

Roll Call:

Agency Members: Member Debbie Rogge, Present; Member Jimmy Thompson, Present; Member George Pottle, Present; Member Jason Griswold, Present; Member Steve Clark, Present; Member Russ Riggs, Present; Member Leota Childress, Present.

Citizen Members: Elizabeth Klein, Present; Mary Lynn Jacob, Present; Glen Boreth, Present; Andrew Brown, Present; Mitch Jorgensen, Present; Rory Cramer, Present; Erin Herrington, Present; Stuart Rios, Absent.

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

**Member Thompson made a motion to accept Roberts Rules of Order as the decorum guideline for the meeting. Member Pottle seconded.**

Motion carried (14-0) Member Rogge, Aye; Member Thompson, Aye, Member Pottle, Aye; Member Griswold, Aye; Member Clark, Aye; Member Riggs, Aye; Member Childress, Aye; Citizen Member Klein, Aye; Citizen Member Jacob, Aye; Citizen Member Boreth, Aye; Citizen Member Brown, Aye; Citizen Member Jorgensen, Aye; Citizen Member Cramer, Aye; Citizen Member Herrington, Aye.

**Citizen Member Jacob nominated Citizen Member Klein as Budget Chair, Member Thompson seconded.** Motion carried (14-0) Member Rogge, Aye; Member Thompson, Aye, Member Pottle, Aye; Member Griswold, Aye; Member Clark, Aye; Member Riggs, Aye; Member Childress, Aye; Citizen Member Klein, Aye; Citizen Member Jacob, Aye; Citizen Member Boreth, Aye; Citizen Member Brown, Aye; Citizen Member Jorgensen, Aye; Citizen Member Cramer, Aye; Citizen Member Herrington, Aye.

**Member Thompson nominated Citizen Member Glen Boreth as Vice Chair, Member Childress seconded.** Motion carried (14-0) Member Rogge, Aye; Member Thompson, Aye, Member Pottle, Aye; Member Griswold, Aye; Member Clark, Aye; Member Riggs, Aye; Member Childress, Aye; Budget Chair Klein, Aye; Citizen Member Jacob, Aye; Citizen Member Boreth,

Aye; Citizen Member Brown, Aye; Citizen Member Jorgensen, Aye; Citizen Member Cramer, Aye; Citizen Member Herrington, Aye.

**Member Riggs nominated Citizen Member Herrington as Secretary, Citizen Member Boreth seconded.** Motion carried (14-0) Member Rogge, Aye; Member Thompson, Aye, Member Pottle, Aye; Member Griswold, Aye; Member Clark, Aye; Member Riggs, Aye; Member Childress, Aye; Budget Chair Klein, Aye; Citizen Member Jacob, Aye; Budget Vice-Chair Boreth, Aye; Citizen Member Brown, Aye; Citizen Member Jorgensen, Aye; Citizen Member Cramer, Aye; Citizen Member Herrington, Aye.

**Member Thompson made a motion to accept this governing body as the budget committee for the Urban Renewal Agency, Member Clark seconded.** Motion carried (14-0) Member Rogge, Aye; Member Thompson, Aye, Member Pottle, Aye; Member Griswold, Aye; Member Clark, Aye; Member Riggs, Aye; Member Childress, Aye; Budget Chair Klein, Aye; Citizen Member Jacob, Aye; Budget Vice-Chair Boreth, Aye; Citizen Member Brown, Aye; Citizen Member Jorgensen, Aye; Citizen Member Cramer, Aye; Budget Secretary Herrington, Aye.

**Member Pottle made a motion to open the Urban Renewal Meeting, Member Clark seconded.** Motion carried (14-0) Member Rogge, Aye; Member Thompson, Aye, Member Pottle, Aye; Member Griswold, Aye; Member Clark, Aye; Member Riggs, Aye; Member Childress, Aye; Budget Chair Klein, Aye; Citizen Member Jacob, Aye; Budget Vice-Chair Boreth, Aye; Citizen Member Brown, Aye; Citizen Member Jorgensen, Aye; Citizen Member Cramer, Aye; Budget Secretary Herrington, Aye.

Budget Officer Huff presented the highlights in the MURA budget message noting we are deliberating a budget that contains expenditures to construct capital improvements. We began the design phase of these projects over one year ago and have completed Heintz Street Extension. The bid process for North and South Molalla Avenue is complete and construction will be underway by April 2016 with a completion date sometime in November 2016. Each of these projects offers a component of the original purpose of the MURA including:

- Carry out public improvements, pursue acquisitions, and provide incentives to attract economic and redevelopment in Molalla.
- Encourage creation and expansion of enterprises which will provide goods and services the community needs.
- Provide more family wage jobs in Molalla.
- Increase property values in Molalla.
- Enhance overall community appearance and livability.
- Help diversify the city's economic base.
- Help implement the city's comprehensive plan, downtown master plan, and enhance recreational opportunities in the community

AD Huff noted that at budget time the contractor for N/S Molalla Avenue Project had not submitted a project calendar, caviat request to have the Agency Board review the beginning fund balance and capital improvement line items before adoption.

Finance Director Penni presented the budget by appropriation. Noted the line item for business loans will be removed from the FY 16/17 budget. The debt repayment schedule is for the life of the URA but does have an early repayment option at year ten if the Agency so chooses.

Citizen Member Jorgensen inquired about possibility of extention of the Agency, answer was possible dependent of future policy changes. Member Rogge inquired about the bond only covering Heintz St and N/S Molalla Avenue, answer was yes. Member Griswold inquired about tax increment financing and the stability for the revenue source, answer was yes. Estimation was conservative and agency is still projecting meeting the 10 year bond payoff date.

Budget Chair Klein opened the meeting for discussion, none.

**Member Rogge made a motion to approve the MURA budget with a review of beginning fund balance and capital project status before adoption, Member Thompson seconded.**

Motion carried (14-0) Member Rogge, Aye; Member Thompson, Aye, Member Pottle, Aye; Member Griswold, Aye; Member Clark, Aye; Member Riggs, Aye; Member Childress, Aye; Budget Chair Klein, Aye; Citizen Member Jacob, Aye; Budget Vice-Chair Boreth, Aye; Citizen Member Brown, Aye; Citizen Member Jorgensen, Aye; Citizen Member Cramer, Aye; Budget Secretary Herrington, Aye.

**Member Pottle made a motion to close the MURA Budget meeting, Citizen Member Jorgensen seconded.**

Motion carried (14-0) Member Rogge, Aye; Member Thompson, Aye, Member Pottle, Aye; Member Griswold, Aye; Member Clark, Aye; Member Riggs, Aye; Member Childress, Aye; Budget Chair Klein, Aye; Citizen Member Jacob, Aye; Budget Vice-Chair Boreth, Aye; Citizen Member Brown, Aye; Citizen Member Jorgensen, Aye; Citizen Member Cramer, Aye; Budget Secretary Herrington, Aye.

Minutes reviewed and approved on 31<sup>st</sup> day of May, 2016

  
\_\_\_\_\_  
Erin Herrington, Budget Committee Secretary

# LB1 – City of Molalla

## FORM LB-1

## NOTICE OF BUDGET HEARING

A public meeting of the **CITY OF MOLALLA** will be held on **JUNE 8, 2016 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, 2016 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. and 4:00 p.m. or online at [www.cityofmolalla.com](http://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 the preceding year.

Contact: Heather Penni

Telephone: 503-829-6855

Email: [hpenni@cityofmolalla.com](mailto:hpenni@cityofmolalla.com)

| FINANCIAL SUMMARY - RESOURCES                                  |                              |   |  |
|--|------------------------------|---|--|
| TOTAL OF ALL FUNDS   | Actual Amount<br>2014 - 2015 | Adopted Budget<br>This Year 2015 - 2016 | Approved Budget<br>Next Year 2016 - 2017 |
| Beginning Fund Balance/Net Working Capital                     | \$ 7,957,763.59              | \$ 7,100,469.65                         | \$ 8,148,410.87                          |
| Fees, Licenses, Permits, Fines, Assessments & Service Charges  | \$ 5,059,045.99              | \$ 5,021,875.00                         | \$ 7,796,393.19                          |
| Federal, State and all Other Grants, Allocations and Donations | \$ 1,945,018.61              | \$ 2,798,500.00                         | \$ 2,501,992.00                          |
| Interfund Transfers / Internal Service Reimbursements          | \$ 2,333,748.70              | \$ 1,298,271.56                         | \$ 797,811.08                            |
| All Other Resources Except Current Year Property Taxes         | \$ 237,917.33                | \$ 212,580.00                           | \$ 204,040.00                            |
| Current Year Property Taxes Estimated to be Received           | \$ 2,601,463.20              | \$ 2,765,725.50                         | \$ 2,772,337.50                          |
| <b>Total Resources</b>   | <b>\$ 20,134,957.42</b>      | <b>\$ 19,197,421.71</b>                 | <b>\$ 22,220,984.64</b>                  |

| FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION     |                              |   |  |
|---|------------------------------|---|--|
| TOTAL OF ALL FUNDS  | Actual Amount<br>2014 - 2015 | Adopted Budget<br>This Year 2015 - 2016 | Approved Budget<br>Next Year 2016 - 2017 |
| Personnel Services  | \$ 4,036,460.38              | \$ 4,454,680.00                         | \$ 4,658,445.00                          |
| Materials and Services  | \$ 4,627,773.71              | \$ 3,977,723.11                         | \$ 3,294,703.19                          |
| Capital Outlay  | \$ 1,580,213.24              | \$ 3,570,500.00                         | \$ 3,625,097.00                          |
| Debt Service  | \$ 904,758.50                | \$ 911,841.00                           | \$ 910,272.00                            |
| Interfund Transfers   | \$ 1,094,914.00              | \$ 1,298,271.56                         | \$ 797,811.08                            |
| Contingencies   | \$ -                         | \$ 315,000.00                           | \$ 659,594.00                            |
| Reserve   | \$ -                         | \$ 3,643,314.23                         | \$ 7,021,452.45                          |
| Unappropriated Ending Balance Reserved for Future Expenditure | \$ -                         | \$ 1,026,091.81                         | \$ 1,253,609.92                          |
| <b>Total Requirements</b>                                     | <b>\$ 12,244,119.83</b>      | <b>\$ 19,197,421.71</b>                 | <b>\$ 22,220,984.64</b>                  |

| FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM * |                         |                         |                         |
|---|-------------------------|-------------------------|-------------------------|
| Name of Organizational Unit or Program<br>FTE for that unit or program  |                         |                         |                         |
| Office of Governance & Management   | \$ 1,237,523.95         | \$ 1,661,300.00         | \$ 1,729,475.00         |
| FTE   | 4                       | 5                       | 7                       |
| Police Services   | \$ 2,023,429.31         | \$ 2,333,000.00         | \$ 2,421,750.00         |
| FTE   | 13                      | 14                      | 15                      |
| Municipal Court   | \$ 205,775.43           | \$ 234,850.00           | \$ 235,150.00           |
| FTE   | 1                       | 1                       | 1                       |
| Library   | \$ 664,501.96           | \$ 2,723,150.00         | \$ 3,017,116.39         |
| FTE   | 3                       | 5                       | 5                       |
| Public Works (Street, Storm, Water, Sewer, and Parks)   | \$ 6,663,823.72         | \$ 5,422,348.60         | \$ 5,287,030.88         |
| FTE   | 13                      | 12                      | 12                      |
| Not Allocated to Organizational Unit or Program   | \$ 1,418,274.85         | \$ 5,796,681.30         | \$ 8,276,852.45         |
| FTE   | 0                       | 0                       | 0                       |
| <b>Total Requirements</b>   | <b>\$ 12,213,329.22</b> | <b>\$ 18,171,329.90</b> | <b>\$ 20,967,374.72</b> |
| <b>Total FTE</b>  | <b>34</b>               | <b>37</b>               | <b>40</b>               |

**STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING \***  
The approved budget for FY 2016/2017 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<br>2014 - 2015 | Rate or Amount Imposed<br>This Year 2015 - 2016 | Rate or Amount Approved<br>Next Year 2016 - 2017 |
| 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                     | \$67,663.00                           | \$66,463.00                                     | \$68,163.00                                      |

| STATEMENT OF INDEBTEDNESS |  |  |
|---------------------------|--|--|
| LONG TERM DEBT            | Estimated Debt Outstanding<br>on July 1. | Estimated Debt Authorized, But<br>Not Incurred on July 1 |
| General Obligation Bonds  | \$155,000                                | \$0.00   |
| Other Bonds               | \$3,010,000                              | \$0.00   |
| Other Borrowings          | \$1,809,810                              | \$0.00   |
| <b>Total</b>              | <b>\$4,974,810</b>                       | <b>\$0.00</b>  |

# LB1 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 Budget Hearing Form LB-1

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

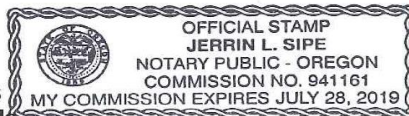
**1**  
 successive and consecutive week in the following issue:  
**June 1, 2016**

*Charlotte Allsop*

Charlotte Allsop (Accounting Manager)

Subscribed and sworn to before me this June 1, 2016.

*Jerrin L. Sipe*  
 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 8, 2016 at 7:00 pm at the MOLALLA ADU Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2016 as Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at Molalla Avenue, Molalla, Oregon, between the hours of 8:30 a.m. and 4:00 p.m. or online at www.cityofmolalla.gov. This budget was prepared on a basis of accounting that is <u>X</u> the <u> </u> annual <u> </u> biennial budget period. |                                       |                                       |                                |
| Contact: Heather Penni  |                                       | Telephone: 503-829-6855               | Email: hpeni@cityofmolalla.gov |
| FINANCIAL SUMMARY - RESOURCES   |                                       |                                       |                                |
| TOTAL OF ALL FUNDS  | Actual Amount 2014 - 2015             | Adopted This Year                     |                                |
| Beginning Fund Balance/Net Working Capital  | \$ 7,957,763.59                       | \$                                    |                                |
| Fees, Licenses, Permits, Fines, Assessments & Service Charges   | \$ 5,059,045.99                       | \$                                    |                                |
| Federal, State and all Other Grants, Allocations and Donations  | \$ 1,945,018.61                       | \$                                    |                                |
| Interfund Transfers / Internal Service Reimbursements   | \$ 2,333,748.70                       | \$                                    |                                |
| All Other Resources Except Current Year Property Taxes  | \$ 237,917.33                         | \$                                    |                                |
| Current Year Property Taxes Estimated to be Received  | \$ 2,601,463.20                       | \$                                    |                                |
| <b>Total Resources</b>  | <b>\$ 20,134,957.42</b>               | <b>\$</b>                             | <b>\$</b>                      |
| FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION   |                                       |                                       |                                |
| TOTAL OF ALL FUNDS  | Actual Amount 2014 - 2015             | Adopted This Year                     |                                |
| Personnel Services  | \$ 4,036,460.38                       | \$                                    |                                |
| Materials and Services  | \$ 4,627,773.71                       | \$                                    |                                |
| Capital Outlay  | \$ 1,580,213.24                       | \$                                    |                                |
| Debt Service  | \$ 904,758.50                         | \$                                    |                                |
| Interfund Transfers   | \$ 1,094,914.00                       | \$                                    |                                |
| Contingencies   | \$                                    | \$                                    |                                |
| Reserve   | \$                                    | \$                                    |                                |
| Unappropriated Ending Balance Reserved for Future Expenditure   | \$                                    | \$                                    |                                |
| <b>Total Requirements</b>   | <b>\$ 12,244,119.83</b>               | <b>\$</b>                             | <b>\$</b>                      |
| FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM   |                                       |                                       |                                |
| Name of Organizational Unit or Program  | FTE                                   |                                       |                                |
| Office of Governance & Management   | \$ 1,237,523.95                       | \$                                    |                                |
| Police Services   | \$ 2,023,429.31                       | \$                                    |                                |
| Municipal Court   | \$ 205,775.43                         | \$                                    |                                |
| Library   | \$ 664,501.96                         | \$                                    |                                |
| Public Works (Street, Storm, Water, Sewer, and Parks)   | \$ 6,663,823.72                       | \$                                    |                                |
| Not Allocated to Organizational Unit or Program   | \$ 1,418,274.85                       | \$                                    |                                |
| <b>Total Requirements</b>   | <b>\$ 12,213,329.22</b>               | <b>\$</b>                             | <b>\$</b>                      |
| <b>Total FTE</b>  | <b>34</b>                             |                                       |                                |
| STATEMENT OF CHANGES IN ACTIVITIES AND SOURCES OF FINANCING   |                                       |                                       |                                |
| The approved budget for FY 2016/2017 for the City of Molalla has been prepared in accordance with Oregon accounting principals. This is a lean budget with continued focus on expenditure reduction, building working focus on capital improvements to City infrastructure.   |                                       |                                       |                                |
| PROPERTY TAX LEVIES   |                                       |                                       |                                |
|   | Rate or Amount Imposed 2014 - 2015    | Rate or Amount Imposed This Year 2016 |                                |
| Permanent Rate Levy (rate limit \$5.3058 per \$1,000)   | \$5.3058                              | \$5.3                                 |                                |
| Local Option Levy   | \$0.00                                | \$0.                                  |                                |
| Levy for General Obligation Bonds   | \$67,663.00                           | \$66,4                                |                                |
| STATEMENT OF INDEBTEDNESS   |                                       |                                       |                                |
| LONG TERM DEBT  | Estimated Debt Outstanding on July 1, |                                       | Esti                           |
| General Obligation Bonds  | \$155,000                             |                                       |                                |
| Other Bonds   | \$3,010,000                           |                                       |                                |
| Other Borrowings  | \$1,809,810                           |                                       |                                |
| <b>Total</b>  | <b>\$4,974,810</b>                    |                                       |                                |

Published in the Molalla Pioneer June 1, 2016.

# UR1 – Urban Renewal Agency

## FORM UR-1

## NOTICE OF BUDGET HEARING

A public meeting of the **MOLALLA URBAN RENEWAL AGENCY** will be held on **JUNE 8, 2016 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, 2016 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](http://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: Heather Penni

Telephone: 503-829-6855 Email: [hpenni@cityofmolalla.com](mailto:hpenni@cityofmolalla.com)

| <b>FINANCIAL SUMMARY - RESOURCES</b>                      |                              |   |  |
|---|------------------------------|---|--|
| <b>TOTAL OF ALL FUNDS</b>                                 | Actual Amount<br>2014 - 2015 | Adopted Budget<br>This Year 2015 - 2016 | Approved Budget<br>Next Year 2016 - 2017 |
| Beginning Fund Balance/Net Working Capital                | \$ 832,067.44                | \$ 4,005,292.42                         | \$ 1,750,000.00                          |
| Revenue from Bonds and Other Debt                         | \$ 3,031,763.60              | \$ -                                    | \$ -                                     |
| All Other Resources Except Division of Tax & Special Levy | \$ 628.51                    | \$ 750.00                               | \$ 150.00                                |
| Revenue from Division of Tax                              | \$ 290,891.43                | \$ 285,000.00                           | \$ 295,000.00                            |
| <b>Total Resources</b>                                    | <b>\$ 4,155,350.98</b>       | <b>\$ 4,291,042.42</b>                  | <b>\$ 2,045,150.00</b>                   |

| <b>FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION</b> |                      |                        |                        |
|--|----------------------|------------------------|------------------------|
| Materials and Services   | \$ 145,838.41        | \$ 225,000.00          | \$ 125,000.00          |
| Capital Outlay   | \$ 243,093.16        | \$ 3,100,000.00        | \$ 1,226,250.00        |
| Debt Service   | \$ -                 | \$ 375,000.00          | \$ 218,750.00          |
| Contingencies  | \$ -                 | \$ 100,000.00          | \$ 50,000.00           |
| Reserve  | \$ -                 | \$ 491,042.42          | \$ 425,150.00          |
| <b>Total Requirements</b>  | <b>\$ 388,931.57</b> | <b>\$ 4,291,042.42</b> | <b>\$ 2,045,150.00</b> |

| <b>FINANCIAL SUMMARY-REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM *</b> |                      |                        |                        |
|--|----------------------|------------------------|------------------------|
| Name of Organizational Unit or Program   |                      |                        |                        |
| FTE for that unit or program   |                      |                        |                        |
| Molalla Urban Renewal Agency   | \$ 388,931.57        | \$ 4,291,042.42        | \$ 2,045,150.00        |
| FTE  | 0                    | 0                      | 0                      |
| <b>Total Requirements</b>  | <b>\$ 388,931.57</b> | <b>\$ 4,291,042.42</b> | <b>\$ 2,045,150.00</b> |
| <b>Total FTE</b>   | <b>0</b>             | <b>0</b>               | <b>0</b>               |

**STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING \***  
 The approved FY 2016/2017 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.

| <b>STATEMENT OF INDEBTEDNESS</b> |                                      |  |
|----------------------------------|--------------------------------------|--|
| LONG TERM DEBT                   | Estimated Debt Outstanding<br>July 1 | Estimated Debt Authorized, But<br>Not Incurred on July 1 |
| General Obligation Bonds         | \$0                                  | \$0  |
| Other Bonds                      | \$2,605,000                          | \$0  |
| Other Borrowings                 | \$0                                  | \$0  |
| <b>Total</b>                     | <b>\$2,605,000</b>                   | <b>0</b>   |

UR1 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 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 1, 2016

Charlotte Allsop (handwritten signature)

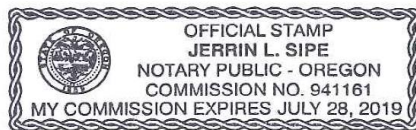
Charlotte Allsop (Accounting Manager)

Subscribed and sworn to before me this June 1, 2016.

Jerrin L. Sipe (handwritten signature)

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 8, 2016 at 7:00 pm at Molalla, Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2016. A summary of the budget is presented below. A copy of the budget may be in...
Contact: Heather Penni Telephone: 503-829-6855 Email: h...
FINANCIAL SUMMARY - RESOURCES
TOTAL OF ALL FUNDS
Actual Amount
2014 - 2015
Add This Year
Beginning Fund Balance/Net Working Capital \$ 832,067.44 \$
Revenue from Bonds and Other Debt \$ 3,031,763.60 \$
All Other Resources Except Division of Tax & Special Levy \$ 628.51 \$
Revenue from Division of Tax \$ 290,891.43 \$
Total Resources \$ 4,155,350.98 \$
FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION
Materials and Services \$ 145,838.41 \$
Capital Outlay \$ 243,093.16 \$
Debt Service \$ - \$
Contingencies \$ - \$
Reserve \$ - \$
Total Requirements \$ 388,931.57 \$
FINANCIAL SUMMARY-REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATION
Name of Organizational Unit or Program
FTE for that unit or program
Molalla Urban Renewal Agency \$ 388,931.57 \$
FTE 0
Total Requirements \$ 388,931.57 \$
Total FTE 0
STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCIAL POSITION
The approved FY 2016/2017 budget for the Molalla Urban Renewal Agency is balanced as required by law. All 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
General Obligation Bonds \$0
Other Bonds \$2,605,000
Other Borrowings \$0
Total \$2,605,000
Published in the Molalla Pioneer June 1, 2016.

Resolution 2016-10 Proclaiming Eligibility to Receive State Revenue Funds



**Oregon**

Kate Brown, Governor

**Department of Administrative Services**

Enterprise Goods and Services, Shared Financial Services

155 Cottage St NE  
Salem, OR 97301-3972

(503)373-1980

FAX (503)373-1273

**RETURN TO :**

**DEPARTMENT OF ADMINISTRATIVE SERVICES  
SHARED FINANCIAL SERVICES  
ATTN Christopher Martin  
155 COTTAGE ST NE  
SALEM OR 97301-3972**

**RESOLUTION NO.** 2016-10

Whereas, ORS 221.760 provides as follows:

Section 1. The 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 decennial census, disburse such funds only if the city provides four or more of the following services:

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

and

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 City of MOLALLA hereby certifies that it provides the following four or more municipal services enumerated in Section 1, ORS 221.760:

- |  |       |                              |
|--|-------|------------------------------|
| <input checked="" type="checkbox"/> Police protection                            | _____ | One or more utility services |
| <input type="checkbox"/> Fire protection   | _____ | not checked off on left:     |
| <input checked="" type="checkbox"/> Street construction, maintenance, & lighting | _____ |                              |
| <input checked="" type="checkbox"/> Sanitary sewer                               | _____ | _____                        |
| <input checked="" type="checkbox"/> Storm Sewers                                 | _____ | _____                        |
| <input checked="" type="checkbox"/> Planning, zoning, and subdivision control    | _____ | _____                        |

Approved by the City of MOLALLA

this 8 day of June, 2016. Deborah Page

Attest: \_\_\_\_\_  
Mayor

[Signature]  
Recorder



# Resolution 2016-11 City's Election to Receive State Revenue Funds



**Oregon**

Kate Brown, Governor

**Department of Administrative Services**

Enterprise Goods and Services, Shared Financial Services

155 Cottage St. NE

Salem, OR 97301-3972

(503)373-1980

FAX (503)373-1273

RETURN TO:

Resolution 2016-11

DEPARTMENT OF ADMINISTRATIVE SERVICES  
SHARED FINANCIAL SERVICES  
ATTN Christopher Martin  
155 COTTAGE ST NE  
SALEM OR 97301-3972

## AN ORDINANCE/RESOLUTION DECLARING THE CITY'S ELECTION TO RECEIVE STATE REVENUES

The City of MOLALLA ordains as follows:

Section 1. Pursuant to ORS 221.770, the city hereby elects to receive state revenues for fiscal year 2016-2017.

Passed by the Common Council the 8 day of June, 2016.

Approved by the Mayor this 8 day June, 2016.

Mayor

Debbie Rogge

Attest

Deborah Rogge

I \*certify that a public hearing before the Budget Committee was held on April 27<sup>th</sup>, 2016 and a public hearing before the City Council was held on June 8, 2016, giving citizens an opportunity to comment on use of State Revenue Sharing.

[Signature]

City Recorder

\* NOTE: Please return certification only. We do not need copies of notices.

# Resolution 2016-12 Adopting the City of Molalla Budget

Resolution No. 2016-12  
CITY OF MOLALLA

## **A RESOLUTION ADOPTING THE CITY OF MOLALLA BUDGET FOR THE FISCAL YEAR 2016/2017; MAKING APPROPRIATIONS; AND CATEGORIZING AND LEVYING AD VALOREM TAXES**

The City Council of the City of Molalla, Oregon, on the 8<sup>th</sup> day of June, 2016 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 April 27, 2016; 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 2016/2017 budget approved by the Budget Committee on April 27, 2016 with all City Council adjustments as discussed in the regular meeting on June 8, 2016, in the amount of **\$19,035,955.10**, of which **\$1,071,788.46** is in Unappropriated Ending Fund Balance and **\$4,182,567.00** is in reserves. Copies of the said budget are on file at the Molalla City Hall, 117 N. Molalla Avenue, Molalla, Oregon, 97038.

**THE CITY OF MOLALLA FURTHER RESOLVES** as follows:

1. **THAT** the amounts for the purpose of operating the City of Molalla for the fiscal year 2016/2017 budget year be appropriated as follows, beginning July 1, 2016.

### **GENERAL FUND**

|   |                        |
|---|------------------------|
| Personnel Service                         |                        |
| Office of Governance & Management         | \$ 636,725.00          |
| Police Service                            | \$ 1,857,250.00        |
| Municipal Court                           | \$ 147,450.00          |
| Materials & Services                      |                        |
| Office of Governance & Management         | \$ 317,750.00          |
| Police Service                            | \$ 509,500.00          |
| Municipal Court                           | \$ 87,700.00           |
| Capital Outlay                            |                        |
| Office of Governance & Management         | \$ 400,000.00          |
| Police Service                            | \$ 55,000.00           |
| Transfers                                 | \$ 300,000.00          |
| Contingency                               | \$ 100,000.00          |
| <b>TOTAL APPROPRIATED TO GENERAL FUND</b> | <b>\$ 4,411,375.00</b> |
| Reserve                                   | \$ 200,000.00          |
| Unappropriated Ending Fund Balance        | \$ 413,501.19          |

**LIBRARY FUND**

|   |                 |
|---|-----------------|
| Personnel Service                         | \$ 567,600.00   |
| Materials & Services                      | \$ 273,016.39   |
| Capital Outlay                            | \$ 2,076,500.00 |
| Contingency                               | \$ 100,000.00   |
| TOTAL APPROPRIATED TO LIBRARY             | \$ 3,017,116.39 |
| <i>Unappropriated Ending Fund Balance</i> | \$ 71,383.61    |

**STREET FUND**

|   |                 |
|---|-----------------|
| Personnel Service                         | \$ 348,075.00   |
| Materials & Services                      | \$ 418,001.54   |
| Capital Outlay                            | \$ 887,927.00   |
| Contingency                               | \$ 150,738.46   |
| TOTAL APPROPRIATED TO STREETS             | \$ 1,804,742.00 |
| <i>Unappropriated Ending Fund Balance</i> | \$ 176,000.00   |

**WATER FUND**

|   |                 |
|---|-----------------|
| Personnel Service                         | \$ 645,905.00   |
| Materials & Services                      | \$ 633,717.38   |
| Capital Outlay                            | \$ 362,000.00   |
| Transfers                                 | \$ 449,105.08   |
| Contingency                               | \$ 100,000.00   |
| TOTAL APPROPRIATED TO WATER               | \$ 2,190,727.46 |
| <i>Unappropriated Ending Fund Balance</i> | \$ 274,272.54   |

**SEWER FUND**

|   |                 |
|---|-----------------|
| Personnel Service                         | \$ 558,675.00   |
| Materials & Services                      | \$ 984,832.18   |
| Capital Outlay                            | \$ 333,427.00   |
| Transfers                                 | \$ 465,550.00   |
| Contingency                               | \$ 193,341.00   |
| TOTAL APPROPRIATED TO SEWER               | \$ 2,535,825.18 |
| <i>Unappropriated Ending Fund Balance</i> | \$ 116,094.82   |

**STORM FUND**

|   |               |
|---|---------------|
| Personnel Service                         | \$ 73,815.00  |
| Materials & Services                      | \$ 46,645.70  |
| Capital Outlay                            | \$ 37,000.00  |
| Contingency                               | \$ 6,503.00   |
| TOTAL APPROPRIATED TO STORM               | \$ 163,963.70 |
| <i>Unappropriated Ending Fund Balance</i> | \$ 20,536.30  |

**WATER/SEWER DEPOSITS**

|  |    |           |
|--|----|-----------|
| Materials & Services                       | \$ | 30,000.00 |
| TOTAL APPROPRIATED TO WATER/SEWER DEPOSITS | \$ | 30,000.00 |

**PD RESTRICTED REVENUE**

|   |    |           |
|---|----|-----------|
| Materials & Services                        | \$ | 37,540.00 |
| TOTAL APPROPRIATED TO PD RESTRICTED REVENUE | \$ | 37,540.00 |

**GENERAL OBLIGATION WATER BOND**

|                                     |    |           |
|-------------------------------------|----|-----------|
| Debt Service                        | \$ | 64,963.00 |
| TOTAL APPROPRIATED TO GO WATER BOND | \$ | 64,963.00 |
| <i>Reserve</i>                      | \$ | 68,163.00 |

**WATER DEBT RETIREMENT**

|   |    |            |
|---|----|------------|
| Debt Service                                | \$ | 344,950.00 |
| TOTAL APPROPRIATED TO WATER DEBT RETIREMENT | \$ | 344,950.00 |
| <i>Reserve</i>                              | \$ | 350,200.00 |

**SEWER DEBT RETIREMENT**

|   |    |            |
|---|----|------------|
| Debt Service                                | \$ | 316,550.00 |
| TOTAL APPROPRIATED TO SEWER DEBT RETIREMENT | \$ | 316,550.00 |
| <i>Reserve</i>                              | \$ | 314,800.00 |

**CWSRF**

|                             |    |            |
|-----------------------------|----|------------|
| Debt Service                | \$ | 183,809.00 |
| TOTAL APPROPRIATED TO CWSRF | \$ | 183,809.00 |
| <i>Reserve</i>              | \$ | 186,690.00 |

**SEWER SDC**

|                                 |    |            |
|---------------------------------|----|------------|
| Materials & Services            | \$ | 10,000.00  |
| Transfers                       | \$ | 183,156.00 |
| Capital Improvements            | \$ | 650,000.00 |
| TOTAL APPROPRIATED TO SEWER SDC | \$ | 843,156.00 |
| <i>Reserve</i>                  | \$ | 595,454.00 |

**WATER SDC**

|                                 |    |              |
|---------------------------------|----|--------------|
| Materials & Services            | \$ | 10,000.00    |
| Capital Outlay                  | \$ | 1,350,000.00 |
| TOTAL APPROPRIATED TO WATER SDC | \$ | 1,360,000.00 |
| <i>Reserve</i>                  | \$ | 1,110,750.00 |

**STORM SDC**

|                                 |               |
|---------------------------------|---------------|
| Materials & Services            | \$ 10,000.00  |
| Capital Outlay                  | \$ 126,237.37 |
| TOTAL APPROPRIATED TO STORM SDC | \$ 136,237.37 |
| Reserve                         | \$ 99,500.00  |

**TRANSPORTATION SDC**

|  |               |
|--|---------------|
| Materials & Services                     | \$ 10,000.00  |
| Capital Outlay                           | \$ 475,000.00 |
| TOTAL APPROPRIATED TO TRANSPORTATION SDC | \$ 485,000.00 |
| Reserve                                  | \$ 497,010.00 |

**PARK SDC**

|                                |                 |
|--------------------------------|-----------------|
| Materials & Services           | \$ 10,000.00    |
| Capital Outlay                 | \$ 1,100,000.00 |
| TOTAL APPROPRIATED TO PARK SDC | \$ 1,110,000.00 |
| Reserve                        | \$ 760,000.00   |

|  |                        |
|--|------------------------|
| <b>TOTAL APPROPRIATED FUNDS</b>                          | <b>\$19,035,955.10</b> |
| <b>RESERVES</b>  | <b>\$ 4,182,567.00</b> |
| <b>UNAPPROPRIATED ENDING FUNDS</b>                       | <b>\$ 1,071,788.46</b> |
| <b>TOTAL FY 2016/2017 BUDGET FOR THE CITY OF MOLALLA</b> | <b>\$24,290,310.56</b> |

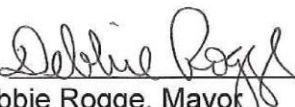
2. **THAT** the Molalla City Council hereby imposes taxes provided for in the adopted budget at the rate of \$5.3058 per \$1,000 of assessed value for general operations; and in the amount of \$67,337.50 for bonds; and that these taxes are hereby imposed and categorized for tax year 2016/2017 upon the 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 |                       | \$67,337.50              |

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 8<sup>th</sup> day of June, 2016.  
 ATTEST:

By:   
 Sadie Cramer, City Recorder

City of Molalla, Oregon  
 By:   
 Debbie Rogge, Mayor

# Resolution 2016-03 Adopting the Urban Renewal Agency Budget

## RESOLUTION 2016-03 MOLALLA URBAN RENEWAL AGENCY

### A RESOLUTION ADOPTING THE MOLALLA URBAN RENEWAL AGENCY BUDGET FOR THE FISCAL YEAR 2016/2017; MAKING APPROPRIATIONS; AND CATEGORIZING AND LEVYING TAXES

The board of the Molalla Urban Renewal Agency on the 8<sup>th</sup> day of June, 2016 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 April 27, 2016; 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 2016/2017 Budget approved by the Budget Committee on April 27, 2016, in the amount of \$2,296,000.00, of which \$325,150.00 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:

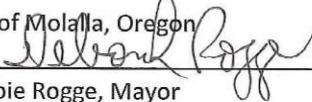
1. **THAT** the amounts for the purpose of operating the Agency for the fiscal year 2016/2017 budget year be appropriated as follows, beginning July 1, 2016.

|   |                        |
|---|------------------------|
| Materials & Services                    | \$ 125,000.00          |
| Capital Improvements                    | \$ 1,477,100.00        |
| Debt Service                            | \$ 218,750.00          |
| Contingency                             | \$ 150,000.00          |
| <b>TOTAL APPROPRIATED FUNDS</b>         | <b>\$ 1,970,850.00</b> |
| <b>RESERVES</b>                         | <b>\$ 325,150.00</b>   |
| <b>TOTAL FY 2015/16 BUDGET FOR MURA</b> | <b>\$ 2,296,000.00</b> |
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 8<sup>th</sup> day of June, 2016.

ATTEST:

By:   
Sadie Cramer, CMC  
City Recorder

City of Molalla, Oregon  
By:   
Debbie Rogge, Mayor

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

**FORM LB-50  
2016-2017**

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 June 9, 2016  
Mailing address of district City State ZIP code Date submitted

Heather Penni Finance Director 503-829-6855 X 228 hpenni@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                                    |                      |                                |
| 5a. Levy for bonded indebtedness from bonds approved by voters prior to October 6, 2001 ..... 5a          |                                      |                      | Dollar Amount of Bond Levy     |
| 5b. Levy for bonded indebtedness from bonds approved by voters after October 6, 2001 ..... 5b             |                                      |                      | 67,337.50                      |
| 5c. Total levy for bonded indebtedness not subject to Measure 5 or Measure 50 (total of 5a + 5b) ..... 5c |                                      |                      | 0.00                           |
|   |                                      |                      | 66,337.50                      |

**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                      | 0.00   |

**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.

**FORM  
UR-50**

**NOTICE TO ASSESSOR**

**2016-2017**

Check here if this is an amended form.

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

**Notification**

Molalla Urban Renewal District (Agency name) authorizes its 2016-17 ad valorem tax increment amounts by plan area for the tax roll of Clackamas County (County name)

Heather Penni (Contact person) 503-829-6855 X 228 (Telephone number) June 9, 2016 (Date submitted)  
 PO Box 248, Molalla, Oregon 97038 (Agency's mailing address) hpenni@cityofmolalla.com (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).** [ORS 457.435(2)(a)]

| Plan Area Name | Increment Value to Use*            | 100% from Division of Tax | Special Levy Amount** |
|----------------|------------------------------------|---------------------------|-----------------------|
|                | \$ OR <input type="checkbox"/> Yes |                           |                       |
|                | \$ OR <input type="checkbox"/> Yes |                           |                       |
|                | \$ OR <input type="checkbox"/> Yes |                           |                       |
|                | \$ OR <input type="checkbox"/> Yes |                           |                       |

**Part 2: Option Three Plans (Standard Rate).** [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.** [ORS 457.445(2)]

| Plan Area Name | Increment Value to Use*            | 100% from Division of Tax* |
|----------------|------------------------------------|----------------------------|
|                | \$ OR <input type="checkbox"/> Yes |                            |
|                | \$ OR <input type="checkbox"/> Yes |                            |
|                | \$ OR <input type="checkbox"/> Yes |                            |
|                | \$ OR <input type="checkbox"/> Yes |                            |

**Part 4: Other Reduced Rate Plans** [ORS 457.445(1)]

| Plan Area Name | Increment Value to Use*                       | 100% from Division of Tax* |
|----------------|---|----------------------------|
| DOWNTOWN       | \$ OR <input checked="" type="checkbox"/> Yes |                            |
|                | \$ OR <input type="checkbox"/> Yes            |                            |
|                | \$ OR <input type="checkbox"/> Yes            |                            |
|                | \$ OR <input type="checkbox"/> Yes            |                            |

**Notice to Assessor of Permanent Increase in Frozen Value.** Beginning tax year 2016-17, permanently increase frozen value to:

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

\*All Plans except Option Three: Enter amount of Increment Value to Use that is less than 100 percent or check "Yes" to receive 100 percent 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.





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# SECTION 5

# APPENDIX



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## 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].