City of North Plains,

Oregon

~

2016-17

Annual Budget

~

Adopted by City Council
June 20, 2016

NORTH PLAINS

City to the Sunset

North Plains, Oregon
2016-2017 Annual Budget
Budget Committee
Approved May 23, 2016

City Council:	**Term Expires:**
Mayor David Hatcher……..	December 31, 2016
President Teri Lenahan……..	December 31, 2016
Robert Kindel…….……..	December 31, 2016
Charlynn Newton…….……..	December 31, 2016
Sherrie Simmons……..	December 31, 2018
Scott Whitehead……..	December 31, 2018
Vacant……..	December 31, 2018

Citizen Members:	**Term Expires:**
Marrina Abeln……..…	December 31, 2017
Vernon Epling……...	December 31, 2016
Cindy Hirst……	December 31, 2017
Lani Miles……..…	December 31, 2017
Trista Papen……	December 31, 2016
Russ Sheldon……..…	December 31, 2016
Jim Wieskamp……..	December 31, 2016

<u>Budget Officer</u>
City Manager Blake Boyles

Document prepared by Finance Manager Rachael Lembo

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FY2016-17 FUND SUMMARY	General Fund	Street Fund	Water Fund	TDT Fund	Park Capital Fund	TIF Fund	Veh/Eqp Res Fund	Total All Funds
RESOURCES								
Opening Fund Balance	913,707	297,858	1,817,696	1,132,246	1,006,626	292,242	53,599	5,513,974
Property Taxes	407,513	-	-	-	-	-	-	407,513
Licenses/Permits/Fees	471,287	65,280	296,160	486,780	283,500	-	-	1,603,007
Charges for Services	-	-	1,050,000	-	-	-	-	1,050,000
Intergovernmental	262,073	131,634	-	-	-	-	-	393,707
Grants	29,026	-	-	-	800,000	-	-	829,026
Other Revenue	26,205	1,485	11,070	7,020	4,860	1,566	286	52,492
Fines and Forfeitures	20,500	-	-	-	-	-	-	20,500
Transfers In	-	10,000	-	-	-	-	13,212	23,212
Current Revenues	1,216,604	208,399	1,357,230	493,800	1,088,360	1,566	13,499	4,379,458
TOTAL RESOURCES	**2,130,312**	**506,257**	**3,174,926**	**1,626,046**	**2,094,986**	**293,808**	**67,097**	**9,893,432**
REQUIREMENTS								
Personnel Services	726,956	70,398	271,307	-	-	-	-	1,068,662
Materials and Services	453,777	72,939	356,335	-	-	-	-	883,051
Capital Outlay	3,100	40,000	750,000	-	850,000	-	31,000	1,674,100
Debt Service	-	-	134,332	-	-	-	-	134,332
Transfers Out	19,847	640	2,725	-	-	-	-	23,212
Current Expenditures	1,203,681	183,978	1,514,699	-	850,000	-	31,000	3,783,357
Contingency	100,000	18,000	151,000	-	85,000	-	3,000	357,000
Reserved for Future Exp.	326,631	304,279	1,509,227	1,626,046	1,159,986	293,808	33,097	5,253,075
Ending Fund Balance	500,000							500,000
TOTAL REQUIREMENTS	**2,130,312**	**506,257**	**3,174,926**	**1,626,046**	**2,094,986**	**293,808**	**67,097**	**9,893,432**
CHANGE IN FUND BALANCE	(87,076)	6,421	(308,469)	493,800	153,360	1,566	(20,501)	(5,013,974)

About North Plains

The City of North Plains was conceived in 1910 when Newell Gossett & Walsh Engineers drew the first map the city for the Ruth Trust Company. It would be another 53 years before the City formally incorporated in 1963.

North Plains operates under a Home Rule Charter. The 2007 Charter defines the powers and offices of the City (A copy is in the appendix of the budget document.) North Plains has a directly elected Mayor and six Councilors including the Council President. Elections occur in even numbered years in the fall.

A City Manager is appointed by the City Council to run day-to-day operations of the City. Employees of the City are assigned to the Finance, Police, Public Works or Library departments.

According to the most recent census (2013), North Plains population is estimated at 2,056 with a median age of 37.5 years. Over 69% of households are families with children, and the average household size is 2.6 persons. Median household income is $67,697.

More than half of the City's 800+ dwelling units were constructed after 2005.

Additional US Census information is available at www.factfinder.census.gov

North Plains 2014

Elected Representatives

Mayor David Hatcher david_hatcher@northplains.org
Council President Teri Lenahan
teri_lenahan@northplains.org
Robert Kindel robert_kindel@northplains.org
Charlynn Newton charlynn_newton@northplains.org
Sherrie Simmons sherrie_simmons@northplains.org
Scott Whitehead scott_whitehead@northplains.org
31360 NW Commercial Street, North Plains, OR 97133
Phone: (503) 647-5555
Website: www.northplains.org; E-Mail: info@northplains.org

Washington County Commissioner Bob Terry District 4
Washington County Commissioner Andy Duyck
Chair of Board and Commissioner at Large
155 N. First Avenue, MS-21, Hillsboro, OR 97124-3072
Phone: (503) 846-8681
Website: http://www.co.washington.or.us/BOC/

State Senator Chuck Riley (D)
District: 015, 900 Court Street NE, Suite S-303
Salem, OR 97301
Phone: (503) 986-1715
Website: http://www.oregonlegislature.gov/riley
E-Mail: sen.chuckriley@state.or.us

State Rep. Joe Gallegos (D)
District: 030, 900 Court Street NE, Suite H-492
Salem, OR 97301
Phone: (503) 986-1430
Website: http://www.oregonlegislature.gov/gallegos
E-Mail: rep.joegallegos@state.or.us

U.S. Sen. Jeffery A. Merkley (D)
United States Senate, 313 Hart Senate Office Building
Washington, DC 20510
Phone: (202) 224-3753
Website: http://merkley.senate.gov/,
E-Mail: http://merkley.senate.gov/contact/

U.S. Sen. Ron Wyden (D)
United States Senate, 221 Dirksen Senate Office Building
Washington, DC 20510-3703
Phone: (202) 224-5244
Website: http://wyden.senate.gov,
E-Mail: http://wyden.senate.gov/contact/

U.S. Rep. Suzanne Bonamici (D)
District: 001, U.S. House of Representative, 2338 Rayburn House Office Building, Washington, DC 20515-3701
Phone: (202) 225-0855
Website: http://bonamici.house.gov/,
E-Mail: https://bonamici.house.gov/contact-me/email-me

About the Budget

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

A budget as defined by ORS 294 is a financial plan containing estimates of revenues and expenditures for a given period or purpose, such as the fiscal year. The City is required to budget all funds and for each fund to have a balanced budget.

A balanced budget:

TOTAL RESOURCES	=	**TOTAL REQUIREMENTS**
Opening Fund Balance		Ending Fund Balance
Revenues		Expenditures
Debt Proceeds		Debt Service
Transfers In		Transfers Out

As a rule, local governments in Oregon operate on a fiscal year that begins on July 1 and ends the following June 30. North Plains' budget operates on this schedule. Budgeting is critical to cities because it requires local governments to evaluate plans and establish priorities in relation to available financial resources. Also under ORS, a legally adopted budget is necessary to establish and justify a given rate and or amount of property taxes to be levied on the property within the City.

The City of North Plains' budget will accomplish each of the four major purposes of Oregon Local Budget Law (ORS 294.305 – 294.555 and 294.565) including:

- Establish standard financial procedures
- Outline programs and services in conjunction with the fiscal policy and implement those policies
- Provide methods of estimating revenue, expenditures, and proposed tax levies, and
- Encourage public involvement in the budgeting process before budget adoption

About the Budget (Continued)

2016-2017 Budget Calendar

April 6 – City Manager releases proposed budget

April 11 – First Budget Committee meeting.

April 25 – Second Budget Committee meeting.

May 9 – Tentative Third Budget Committee meeting.

At one of the above meetings the Budget Committee will approve the budget and send it to the City Council for adoption.

June 6 – City Council meeting to hold public hearing on the approved 2016-2017 budget and the State Revenue Sharing Proposed Use and enact resolutions to adopt budget, make appropriations, and impose taxes. *If a change will increase property taxes or increase expenditures within a fund by more than ten percent or $5,000, whichever is greater, the budget must be referred back to the Budget Committee.*

June 30 – City Council must adopt the budget by June 30.

July 15 - The adopted budget is filed with the County Clerk and State of Oregon, and the property tax levy is certified to the County Assessor.

The Budget Amendment Process

The budget is not a fixed document. It is constantly monitored and regular updates are presented to City Council by the Finance Manager. Oregon Budget Law allows for amendments to the City budget for reasons unforeseen at the time of adoption. The City Council may adopt changes that decrease one existing appropriation and increase another via resolution. Generally the City prepares one or two supplemental budgets, which consist of a complete budget document with multiple changes and explanations.

The Budget Committee

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

- Must live in the City of North Plains
- Cannot be officers, agents, or employees of the local government,
- Serve three-year terms that are staggered so approximately one-third of the terms end each year,

About the Budget (Continued)

Accounting

The budget is prepared using the modified accrual method of accounting. This means that obligations of the City are budgeted as expenses when the related goods or services are available for use rather than when invoices are paid. The City of North Plains manages its finances according to Generally Accepted Accounting Principles (GAAP). During the year, expenditures and revenues are closely monitored to ensure compliance with the adopted budget and State law.

Monthly reports are prepared by the Finance department and reviewed by department heads. A check register is included in Council's agenda packet every month to provide full transparency regarding who the City's vendors are, what they are paid and when payments occur. Quarterly financial reports are distributed to the City Council. All of these reports are public records and available for the general public to review.

Annually, an audit is performed and filed with the State of Oregon by an independent certified public accountant. The City of North Plains annually publishes the financial report on its website. The audit explains the City's budgetary performance and the financial health. This report compares budgeted to actual revenues and expenditures, thus documenting the City's budgetary compliance.

Funds

For accounting purposes, a local government is not treated as a single, integral entity. Rather, a local government is viewed instead as a collection of smaller, separate entities known as "funds".

Each fund is organized by Organizational Unit (Department). Only the General Fund has multiple departments.

General Fund 110: This fund accounts for the general services provided by the City. Revenue is primarily generated through property taxes, state shared revenues, franchise fees, and cost share transfers from other funds. The General Fund supports most of the major activities of the City including General Government, Police, Public Works, Library, Culture and Recreation, Parks and Planning.

Street, Transportation and Storm Drain Fund 111: This fund accounts for construction and maintenance of streets and pathways. Funding sources include state and county gas tax, Traffic Utility Fees, Transportation SDCs, and a portion of the Recology fee transferred from the General Fund. Shared personnel and administration costs are allocated here from General Government and Public Works.

About the Budget (Continued)

Water Fund 210: This fund accounts for the operation of the City's water utility. The principal sources of revenue are user fees and System Development Charges (SDCs). The Council has committed SDCs to capital projects as reflected in fund balance. Expenditures are for the operation, administration, maintenance, capital projects and debt payments. Shared personnel and administration costs are allocated here from General Government and Public Works.

Transportation Development Tax (TDT) Fund 130: This capital improvement fund is used to account for the financing of new or improved streets, sidewalks, signals and bridges within the City. Revenue is generated through an SDC on new buildings set by the County.

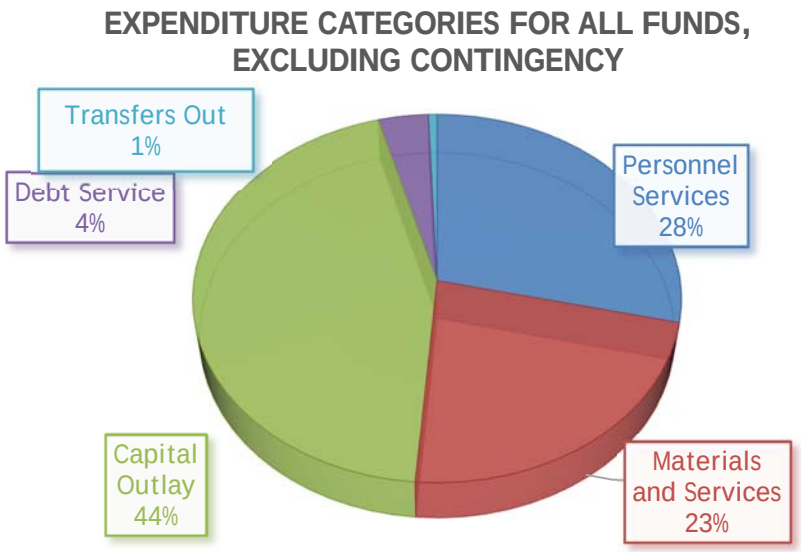
Parks Capital Fund 131: This fund accounts for the receipt and expenditures of Parks SDCs. SDCs are charged to builders to provide a source of income to pay for the expansion of the City's parks system.

Transportation Impact Fee (TIF) Fund 132: This capital improvement fund is used to account for the financing of new or capacity-enlarging improvements to streets, sidewalks, signals and bridges within the City. The primary source of revenue was generated through the Traffic Impact Fee that was in effect prior to 2009, when it was supplanted by the Transportation Development Tax. Interest income is the sole source of revenue this year.

Vehicle / Equipment Reserve Fund 009: This fund accounts for transfers in from other funds to build reserves for vehicle and equipment capital purchases.

Employee Compensation

The City of North Plains compensates its employees in accordance with statutory law and in keeping with sound labor management practices. All employees of the City serve at will, and there are no organized unions representing employees. **Personnel costs, including wages and related benefits, are just over $1M in fiscal year 2016-2017.**



Personnel costs are the largest category of costs in the City's budget. A city of our size struggles with the need for many of the same things a larger city has – City Manager, Police, Public Works, Library, Finance – yet our funding for these things (mainly property taxes and franchise fees, both based on population) are significantly lower. In the past few years the City has addressed this creatively and found solutions that work for us, such as combining the City Manager and Public Works Director position and using a part-time Finance Manager and Library Director. Our General Government and Public Works personnel costs are shared with the Street and Water Funds as those staff work for all three funds.

Changes in Staffing

- **After ten years with a part-time Library Director position we will be shifting to a full-time Library Director this fall**, funded primarily by an increase in Pool One support from Washington County Cooperative Library Services (WCCLS). This has increased our base support and the new funds will continue annually with built-in increases. Our current Library Director will overlap with the new Director for approximately two months to help orient.

- **The hours for the Library Assistant/Volunteer Coordinator will be increased from 32 to 40 per week**, making her the second salaried employee at the library. This is funded this year by the WCCLS Pool Two funds.

- **The wage range for Library Clerks will increase from $11.76-$14.30 to $13.64-$16.57.** This will affect six library employees, and brings the wage range more in line with averages published in the Milliman Salary Survey. The library has experienced high turnover in the past year due to employees leaving for similar positions in other libraries with higher pay, and the City hopes to decrease turnover by bringing our wages up.

Employee Compensation (Continued)

- **The City Recorder's salary range will increase by 10%, from $37,172-$45,183 to $40,889-$49,701.** This position has an increased workload from staff reductions, including recorder duties for City Council, all Boards and Commissions and the Comprehensive Plan and its related groups.

- **The proposed budget includes funding for a 3% merit increase, to be awarded to staff at the discretion of the supervisor. The budget also includes funding for a 1% COLA for all positions.** The past few years have been hard on staff, with reductions in nearly every department and work being distributed to remaining staff. There has not been a COLA since FY2013-14, and no merit increases were offered last year. Providing increases this year is a way to say thank you to the employees who have been keeping our City running.

July 1,	US CPI	COLA	Merit Increases
2011	2.8%	0%	Yes-5%
2012	2.3%	0%	Yes-5%
2013	1.5%	1%	Yes-5%
2014	1.7%	0%	Yes-5%
2015	-0.1%	0%	No
2016 est	0.3%	1%	Yes-3%

- **Allocations to Street and Water Funds from General Government and Public Works changed slightly.** In General Government 4% of costs shifted from Water to General Government. In Public Works 7% of costs shifted out of Street, 5% of costs moved into Water and 2% of costs moved into General Fund-Public Works.

Employee Compensation (Continued)

Changes in Benefits

PERS rates are set for a two year period, and thus will not change from FY2015-16. However, PERS has alerted employers that due to an Oregon Supreme Court ruling overturning part of Senate Bill 861, which limited post-retirement COLA on benefits, rates starting July 1, 2017 are expected to increase.

PERS Thru 6/30/17	**Employer Rate**	**Employee Rate (paid by City)**	**Total**
Tier 1 & Tier 2	14.88%	6%	20.88%
OPSRP – General	8.98%	6%	14.98%
OPSRP – Police/Fire	13.09%	6%	19.09%

Health and dental premiums are not expected to increase more than 2.5% (Regence), 9% (Kaiser) and 5.5% (dental) in calendar year 2017**.** The City's average cost for an employee-only plan is $7.5k, and for a family is $14.5k. Total employee health insurance benefits for FY2016-17 are approximately $95k.

There are no proposed changes to health insurance plans or employee contributions to those plans. Per a survey of insurance plans of 15 small Oregon cities, obtained in Fall 2015 from the Local Government Personnel Institute, our City had the lowest City-share cost, and the third lowest overall premium.

Workers' Compensation rates are expected to increase 5% based on our Experience Modifier and a 7% general premium increase. The experience modifier includes the past three years of claims, including one year with higher than normal claims. In FY2017-18 that higher-claim year will no longer be included and premiums are expected to decrease.

Workers' Compensation Insurance has been allocated to departments as a payroll tax based on position and salary. This was formerly charged in full to General Government Materials and Services as an insurance cost, but the new method more clearly allocates the costs.

State unemployment rates are not expected to change.

Employee Compensation (Continued)

General Employee Policies / Benefits

Pay Rates

Each position has a salary range, shown in the table below. A merit increase percentage adopted into the budget will be given based on performance, as determined by the supervisor. All employees eligible for a merit increase will receive the same percentage increase. The ranges are set by Council and may be periodically changed based on a classification study or the need for a cost of living adjustment (COLA).

Employee Health Insurance Benefits

The City provides access to health insurance for regular employees working 30 or more hours per week. Health insurance includes medical, dental, alternative care and vision. The City pays 100% of the medical premium for employee only coverage and 70% of employee plus dependent. The City pays 100% of employee only premium towards dental.

The City established an "opt-out" option in 2012 at the maximum permitted by CIS: $50 per month. No employees have exercised this option.

The City also provides $50k of basic life insurance, long term disability and accidental death and dismemberment (AD&D) to employees working 30 or more hours per week. The City fully funds these benefits. Additional, spouse and dependent life insurance can be purchased by the employee. The City also provides statutory life insurance and legal defense insurance for police officers, including reserves, which is also funded by the City.

Retirement

The City's employees are enrolled in the Oregon Public Employees Retirement System (PERS). The City pays an employer rate determined by PERS, and 'picks up' the required employee rate of 6%.

Vacation

Like most public agencies, the City offers vacation leave to regular employees working 30 or more hours per week based on years of service. The current vacation accrual schedule is below. Accrual is pro-rated for employees working 30-39 hours per week.

Years of Service	Vacation Annual Accrual
Before 1st Anniversary	48 hours (6 days)
After 1st Anniversary	96 hours (12 days)
After 5th Anniversary	120 hours (15 days)
After 10th Anniversary	144 hours (18 days)
After 15th Anniversary	168 hours (21 days)
After 20th Anniversary	192 hours (24 days)

Vacation time can be accrued up to 300 hours. Accrued vacation time is paid out upon employee separation.

Employee Compensation (Continued)

Holidays

The City also provides 80 hours (10 days) of paid holiday leave and one floating holiday (8 hours) to full-time (40 hour per week) employees. Holiday leave is prorated for employees working 30-39 hours per week. The Police Officer position accrues the 80 hours on a bi-weekly basis as the employee is likely to work most holidays, and the accrual provides the opportunity to use the leave when needed. Accrued holiday leave is paid out upon employee separation.

Holidays include New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving and the day after, and Christmas.

Sick Leave

Full-time time (40 hour per week) employees earn 96 hours (12 days) of sick leave per year. Part-time employees earn sick time on a pro-rated basis. Sick leave is not paid upon employee separation.

Other Compensation

City-provided cell phones are given to the Police Chief and Police Officer to aid in communications. A single cell phone is shared among Public Works employees.

A stand-by premium of $15 per day is paid to the Public Works and Police employees who are available for calls after business hours and on weekends.

Traditionally, the City has awarded $25 gift certificates to full-time and part-time employees in advance of Thanksgiving and Christmas. This is budgeted in the "employee recognition" line item under General Government.

Optional Benefits

The City offers programs for optional benefits such as deferred compensation (457 plan) and flexible spending accounts. Employees are responsible for paying the full cost of these benefits. However, the City incurs a small cost for the administration of the flexible spending accounts.

City of North Plains

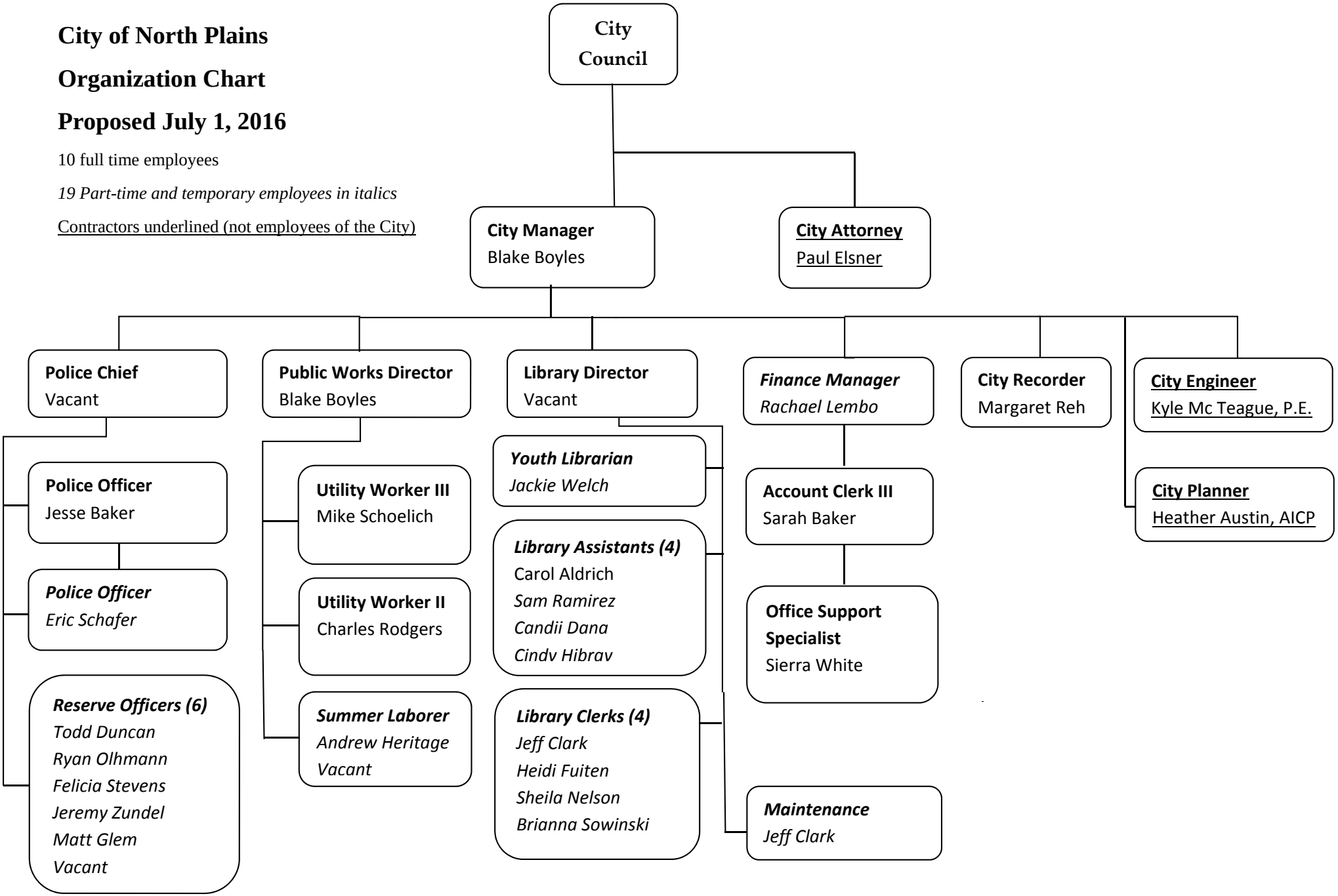
Organization Chart

Proposed July 1, 2016

10 full time employees

19 Part-time and temporary employees in italics

Contractors underlined (not employees of the City)



City of North Plains
FY17 Salary Schedule

FY17 COLA increase	1.0%
FY17 Merit increase	3.0%

		FY17 Range		FY17 Salaries	
	FTE	Low	High	new position	top of range
SALARIED EMPLOYEES					
CITY MANAGER / PUBLIC WORKS DIRECTOR (Exempt)					
Annually	1	91,142	102,582	99,565	
Hourly		43.82	49.32	47.87	
POLICE CHIEF (Exempt)					
Annually	1	67,865	82,490	67,865	
Hourly		32.63	39.66	32.63	
LIBRARY DIRECTOR (Exempt)					
Annually	1	67,865	82,490	75,178	
Hourly		32.63	39.66	36.14	
POLICE OFFICERS (Exempt)					
Annually	1	52,033	63,247	54,635	56,258
Hourly		25.02	30.41	26.27	27.05
UTILITY WORKER III					
Annually	1	47,631	57,895	57,895	
Hourly		22.90	27.83	27.83	
UTILITY WORKER II					
Annually	1	38,131	46,348	46,348	
Hourly		18.33	22.28	22.28	

City of North Plains
FY17 Salary Schedule

FY17 COLA increase	1.0%					
FY17 Merit increase	3.0%					
		FY17 Range		**FY17 Salaries**		
	FTE	**Low**	**High**	new position	top of range	
SALARIED EMPLOYEES						
ACCOUNT CLERK III						
Annually	1	42,748	51,961	48,530		
Hourly		20.55	24.98	23.33		
CITY RECORDER						
Annually	1	40,889	49,701	42,895		
Hourly		19.66	23.89	20.62		
LIBRARY ASSISTANT						
Annually	1	33,949	41,281	41,281		
Hourly		16.32	19.85	19.85		
HOURLY EMPLOYEES						
Finance Manager	0.4	45.70	55.55	55.55		
Library Director		25.05	30.46	30.46		
Police Officer (Exempt)	0.6	25.02	30.41	25.02	25.76	
Youth Librarian	0.3	19.27	23.42	20.83		
Library Assistant	0.4	16.32	19.85	16.81	17.65	
Office Support Specialist	0.8	13.64	16.57	13.64	14.75	
Library Clerks	1.0	13.64	16.57	13.64	14.74	16.57
Laborer/Maintenance	0.5	10.10	12.28	10.40	10.92	

Budget Detail Pages
General Fund

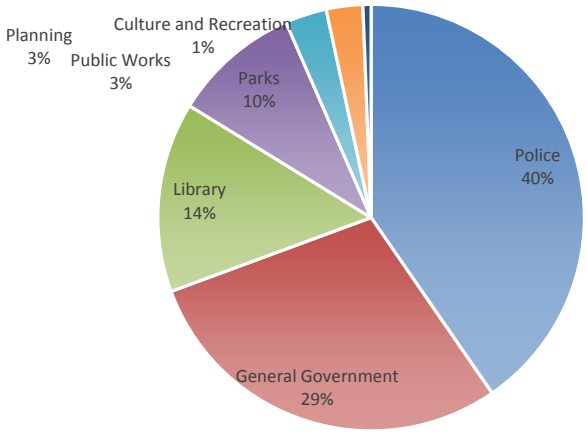
- **General Fund Summary** – This page summarizes all General Fund revenue (by category) and expense (by department)
- **General Fund Revenue and Expense Summary by Department** – This shows revenue and expense by department. Much of the General Fund revenue is unrestricted, and can be used to fund any department. However, some revenues are directed to a particular department, which reduces the amount of unrestricted revenue required to sustain that department. The best example of this is WCCLS revenue, which funds nearly half of the Library department.
- **Detailed budgets**:
    - General Fund Revenue
    - General Government Expenditures
    - Police Expenditures
    - Public Works Expenditures
    - Library Expenditures
    - Culture and Recreation Expenditures
    - Parks Expenditures
    - Planning Expenditures

GENERAL FUND SUMMARY	HISTORICAL DATA		CURRENT YEAR 2015-16			NEXT YEAR 2016-17		
Acct Description	Actual 2013-14	Actual 2014-15	Budget	Actuals as of 4/30/16	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
OPENING FUND BALANCE	**1,071,024**	**842,549**	**856,271**	**856,271**	**856,271**	**878,386**	**913,707**	**913,707**
REVENUES								
Property Taxes	339,306	385,891	376,556	366,186	376,556	407,513	407,513	407,513
Licenses, Permits, Fees	342,649	409,056	377,649	391,003	485,774	445,889	471,287	471,287
Intergovernmental	147,492	151,974	173,044	149,019	169,984	262,112	262,073	262,073
Fines and Forfeitures	52,090	23,876	18,500	18,916	20,516	19,000	20,500	20,500
Grants and Donations	86,069	40,167	53,065	39,252	55,923	29,026	29,026	29,026
Other Revenue	62,221	35,132	30,410	30,014	30,866	26,205	26,205	26,205
TOTAL REVENUES	**1,029,827**	**1,046,096**	**1,029,224**	**994,390**	**1,139,619**	**1,189,745**	**1,216,604**	**1,216,604**
EXPENDITURES								
General Government	354,869	243,482	197,777	159,681	201,975	211,446	215,401	215,401
Police	393,638	344,534	328,540	263,684	328,981	313,237	333,120	333,120
Public Works	35,165	128,800	15,886	11,976	13,614	22,743	21,431	21,431
Library	195,122	204,655	220,514	176,641	220,515	339,436	339,436	339,436
Culture and Recreation	56,780	30,946	20,876	20,016	21,176	4,900	4,900	4,900
Parks	18,081	11,270	71,337	53,462	63,004	75,964	75,964	75,964
Planning	5,848	46,359	144,000	135,235	213,549	192,427	193,581	193,581
Transfers*	13,800	22,328	19,369	19,369	19,369	19,847	19,847	19,847
TOTAL EXPENDITURES	**1,073,302**	**1,032,374**	**1,018,299**	**840,064**	**1,082,183**	**1,180,001**	**1,203,681**	**1,203,681**
NET CURRENT REVENUES AND EXPENDITU	**(43,475)**	**13,722**	**10,925**	**154,326**	**57,436**	**9,743**	**12,924**	**12,924**
Interfund Loan	185,000	-	-	-	-	100,000	-	-
Contingency	-	-	61,500	-	-	-	100,000	100,000
CHANGE IN FUND BALANCE	**(228,475)**	**13,722**	**(50,575)**	**154,326**	**57,436**	**(190,257)**	**(87,076)**	**(87,076)**
UNAPPROPRIATED:								
RESERVE FOR FUTURE EXPENDITURE						**188,129**	**326,631**	**326,631**
ENDING FUND BALANCE	**842,549**	**856,271**	**805,696**	**1,010,597**	**913,707**	**500,000**	**500,000**	**500,000**
						688,129	**826,631**	**826,631**
Reserved for Garlic Festival	-	935	2,361	2,361	2,361	3,787	3,787	3,787
Unreserved	842,549	855,336	803,335	1,008,236	911,346	684,342	822,844	822,844

GENERAL FUND REVENUE AND EXPENSE SUMMARY BY DEPARTMENT

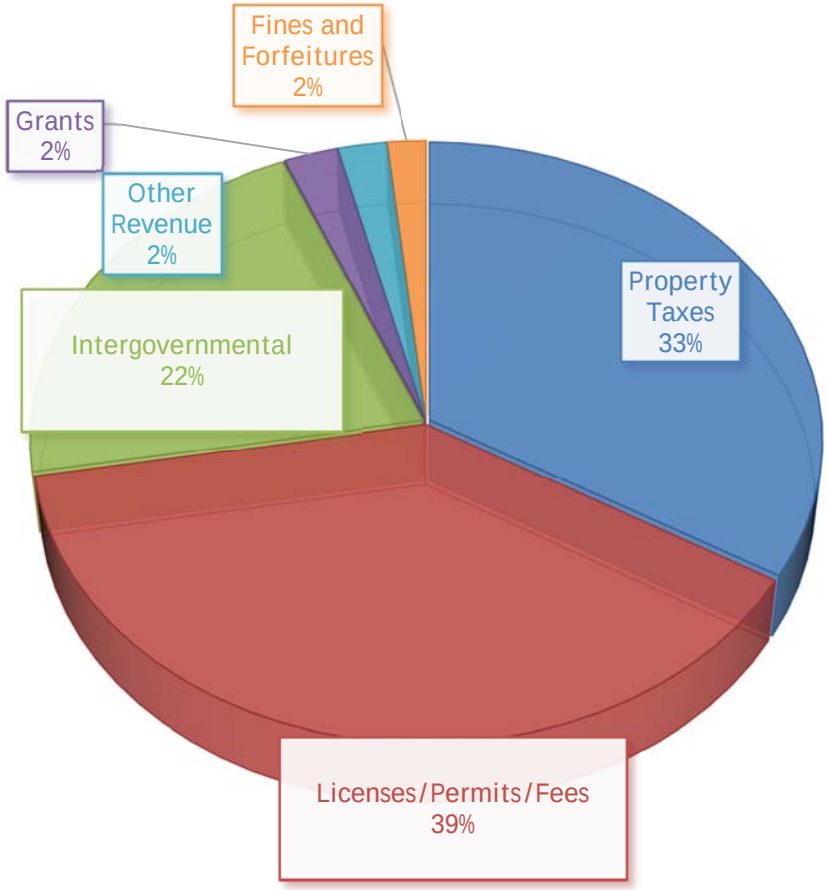
	Unrestricted	General Government	Police	Public Works	Library	Culture & Recreation	Parks	Planning	Total All Depts
RESOURCES									
Opening Fund Balance	913,707								913,707
Property Taxes	407,513								407,513
Licenses/Permits/Fees	304,997				9,500			156,790	471,287
Intergovernmental	51,809				210,264				262,073
Fines and Forfeitures			20,500						20,500
Grants and Donations	8,026		-		9,000	-		12,000	29,026
Other Revenue	26,205								26,205
TOTAL RESOURCES	**1,712,258**	**-**	**20,500**	**-**	**228,764**	**-**	**-**	**168,790**	**2,130,312**
REQUIREMENTS									
Personal Services		134,852	245,119	19,345	266,146	-	56,463	5,030	726,956
Materials and Services		80,549	88,001	2,086	70,190	4,900	19,501	188,550	453,777
Capital Outlay		-	-	-	3,100	-	-	-	3,100
Transfers Out		12,251	4,729	263	2,604	-	-	-	19,847
Contingency	100,000								100,000
Reserve for Future Exp	326,631								326,631
Ending Fund Balance	500,000								500,000
TOTAL REQUIREMENTS	**926,631**	**227,652**	**337,849**	**21,694**	**342,040**	**4,900**	**75,964**	**193,581**	**2,130,312**
RESOURCES OVER/(UNDER) REQUIREMENTS	**785,627**	**(227,652)**	**(317,349)**	**(21,694)**	**(113,276)**	**(4,900)**	**(75,964)**	**(24,791)**	**-**

How General Fund Unrestricted Dollars are spent



GENERAL FUND 110 - This fund is the primary operating fund and accounts for all activities except those legally or administratively required to be accounted for in other funds.

GENERAL FUND REVENUE FY2016-17



Property Taxes – The FY16 budget assumes a 3% increase on property taxes of homes outside of Sunset Ridge, North and Pacific developments. Twenty-nine (29) homes within those developments were issued Certificates of Occupancy by Washington County prior to January 1, 2016, and have been estimated at full value. Other lots within those developments are not expected to increase in value as they are primarily vacant and waiting for homes to be built on them.

It typically takes two fiscal years from building approval to receiving taxes on the full value. The assessment is made on January 1, and taxes are received the following November.

FY15-16 Tax Revenue	$	376,556	
		11,064	*3% increase*
		19,893	*New homes*
FY16-17 Est. Tax Revenue	**$**	**407,513**	

The next page details property tax history and estimates for the next three years.

McKay Fields also completed homes by January 1, 2016, however that development is within the Urban Renewal Agency (URA) area and increased revenues are budgeted by the URA.

City of North Plains and North Plains URA
Property taxes imposed
Annual comparison

Perm Rate	City					URA			
0.2171%	Taxable Assessed Value		less URA	Imposed Tax @ Perm Rate	% Chg	Urban Renewal Excess		Division of Tax Revenue	% Chg
FY2011-12	158,841,396		151,907,267	329,821		6,934,129		87,566	
FY2012-13	163,058,346	3%	155,627,481	337,898	2%	7,430,865	7%	94,196	8%
FY2013-14	169,172,757	4%	160,951,759	349,458	3%	8,220,998	11%	103,737	10%
FY2014-15	184,505,938	9%	172,567,255	374,678	7%	11,938,683	45%	144,629	39%
FY2015-16	192,832,071	5%	178,717,767	388,032	4%	14,114,304	18%	170,985	18%
FY2016-17 Estimate	213,014,743	10%	193,495,081	420,117	8%	19,519,662	38%	236,467	38%
FY2017-18 Estimate	250,026,105	17%	222,787,235	483,716	15%	27,238,869	40%	329,979	40%
FY2018-19 Estimate	284,406,752	14%	240,851,386	522,937	8%	43,555,366	60%	527,642	60%
FY2019-20 Estimate	306,469,868	8%	255,330,711	554,374	6%	51,139,157	17%	619,514	17%

	City					URA			
	Imposed Tax	Misc	Revenue	% Collected	Inc	Imposed	Revenue	% Collected	Inc
FY2012-13	337,906		334,445	99%		94,196	91,534	97%	
FY2013-14	349,460		339,306	97%	4,861	103,767	100,441	97%	8,907
FY2014-15	374,678	21,791	385,891	97%	46,585	144,629	140,252	97%	39,811
FY2015-16	388,032	170	376,556	97%	(9,335)	170,985	165,855	97%	25,603
FY2016-17 Estimate	420,117		407,513	97%	30,957	236,467	229,373	97%	63,518
FY2017-18 Estimate	483,716		469,204	97%	61,691	329,979	320,080	97%	90,707
FY2018-19 Estimate	522,937		507,248	97%	38,044	527,642	511,813	97%	191,733
FY2019-20 Estimate	554,374		537,743	97%	30,494	619,514	600,929	97%	89,116

Data below provided by Washington County

Note: Assessed values prior to urban renewal reductions.

City of North Plains	Assessed Value	% Chg
2007/08	134,947,875	
2008/09	142,012,131	5%
2009/10	149,525,973	5%
2010/11	153,901,735	3%
2011/12	158,841,396	3%
2012/13	163,058,346	3%
2013/14	169,172,757	4%
2014/15	184,505,938	9%
2015/16	192,832,071	5%

General Fund Revenue (Continued)

Licenses, Permits and Fees – Estimates are based on FY16 year-to-date totals. Franchise Fees, the bulk of this category, are expected to increase as new homeowners become users of utilities.

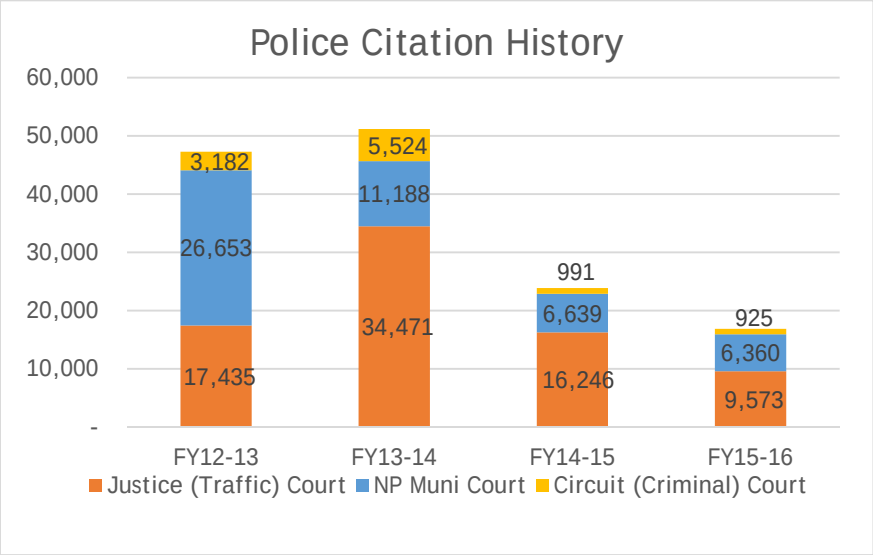
Planning and development will continue rapidly in FY2016-17, spurred by the new state law that prevents cities from requiring annexations to be placed on the ballot. Land Use Planning Fees and Engineering Plan Review Fees are expected to stay high in FY2016-17 as potential annexations move to those steps. Land Use Permits, the building step, are expected to decrease slightly as the largest development at this time, Sunset Ridge, has been almost entirely built out.

Intergovernmental – The library will receive increased funds from WCCLS, in two parts. The first is an increase of approximately $64k in Pool One funds, the standard funds we receive each year as a member library. This amount is composed of approximately $14k in base funding and $50k to provide a portion of the additional funding needed to hire a full-time Library Director. The total becomes our new base funding and will be received every year, with a 3% annual increase.

In addition, the library has received a one-time $49k distribution from WCCLS Pool Two funds, to be used for purposes that have positive patron impact in the local community. A portion of that was used in FY2015-16, and the remainder will be used in FY2016-17. It will be used to increase the Library Assistant/Volunteer Coordinator hours from 32 to 40 per week, to fund the hiring process to transition from the part-time to full-time Library Director, for an increase in programming and materials, for Self-Check hardware and software and for new computer monitors.

Police Citations – Revenues are expected to hold steady at $20,500. However, as old tickets processed through our former municipal court are paid off, the collections from that decrease. Therefore this budget actually projects an increase in new ticket revenue.

The graph shows the source of citation revenue. NP Muni Court revenues are payments on tickets processed through our court, which have decreased since the court closure and as old accounts are paid off. Justice court is the Washington County court which processes primarily traffic citations. Circuit court is the state court which processes primarily criminal offenses.



General Fund Revenue (Continued)

Grants and Donations – Grants expected in FY2016-17 include two regular grants, from Metropolitan Area Communications Committee (MACC) for the Broadband User Group subscription, and a library Read-to-Read grant. In addition, $12k is expected in planning grants related to the Comprehensive Plan. The cancellation of the Fourth of July and Concerts in the Park events eliminated revenue associated with those events.

GENERAL FUND REV 110		HISTORICAL DATA		CURRENT YEAR 2015-16			NEXT YEAR 2016-17		
Acct	Description	Actual 2013-14	Actual 2014-15	Budget	Actuals as of 4/30/16	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
411000	**Property Taxes**	**339,306**	**385,891**	**376,556**	**366,186**	**376,556**	**407,513**	**407,513**	**407,513**
	Water Franchise	39,000	46,173						
418102	CWS Franchise	24,556	27,297	28,662	28,598	28,662	29,827	30,382	30,382
418103	CenturyLink Franchise	5,080	4,573	5,000	4,140	4,140	4,000	4,000	4,000
418104	Comcast Franchise	6,017	6,212	6,358	5,364	6,464	6,637	6,658	6,658
418105	Garbage Franchise	10,922	11,417	12,048	11,986	11,986	12,687	12,705	12,705
418107	PGE Franchise	91,311	99,300	101,886	94,911	102,411	107,999	108,556	108,556
418108	NW Natural Gas Franchise	38,764	40,313	35,649	32,499	50,499	49,289	53,529	53,529
418109	Misc Franchise	902	4,070	4,100	1,314	2,100	2,163	2,163	2,163
418110	MACC Franchise	14,033	15,615	15,847	12,415	16,415	16,688	16,907	16,907
421000	Business Fees	6,651	6,808	6,800	5,811	6,000	6,000	6,000	6,000
422000	Recology Fund	27,556	47,014	48,600	46,211	46,211	48,189	47,597	47,597
440000	Miscellaneous Fees	9,449	6,524	6,000	9,584	11,240	6,500	9,500	9,500
441419	Land Use Permits	40,023	35,138	40,700	67,033	69,033	35,260	52,140	52,140
441420	Engineering Plan Review	11,427	21,726	25,000	29,414	68,482	51,750	51,750	51,750
450455	Library Fines and Fees	10,054	9,622	10,000	7,591	9,631	9,500	9,500	9,500
450465	Land Use Planning Fees	-	20,370	25,000	26,958	45,000	52,900	52,900	52,900
462000	Rentals	6,904	6,884	6,000	7,174	7,500	6,500	7,000	7,000
	LICENSES, PERMITS, FEES	**342,649**	**409,056**	**377,649**	**391,003**	**485,774**	**445,889**	**471,287**	**471,287**
436000	Liquor Tax	27,950	29,024	30,960	21,858	29,148	30,179	30,022	30,022
437000	Cigarette Tax	2,722	2,701	2,800	1,943	2,916	2,901	3,003	3,003
438000	State Revenue Sharing	17,415	18,359	19,600	14,236	18,236	18,768	18,783	18,783
439000	WCCLS - Pool One	99,405	101,890	104,437	95,734	104,437	168,717	168,717	168,717
439001	WCCLS - Pool Two	-	-	15,247	15,247	15,247	41,547	41,547	41,547
	INTERGOVERNMENTAL	**147,492**	**151,974**	**173,044**	**149,019**	**169,984**	**262,112**	**262,073**	**262,073**
450421	Police Citations	52,090	23,876	18,500	18,916	20,516	19,000	20,500	20,500
	FINES AND FORFEITURES	**52,090**	**23,876**	**18,500**	**18,916**	**20,516**	**19,000**	**20,500**	**20,500**
431000	Grants - General	5,500	8,000	14,811	14,811	14,811	6,600	6,600	6,600
431001	Grants - Police	20,617	9,181	565	923	923	-	-	-
431002	Grants - Library	13,039	1,000	3,700	3,500	3,700	1,000	1,000	1,000
431003	Grants - Planning	1,000	-	17,000	1,000	17,000	12,000	12,000	12,000
464000	Donations - General	60	-	-	-	-	-	-	-
464100	Comm Events Rev	19,462	3,516	-	-	-	-	-	-
464101	4th of July Rev	18,521	5,684	6,063	6,063	6,063	-	-	-
464102	Concerts in the Park Rev	1,200	1,350	1,500	1,500	1,500	-	-	-
464116	Garlic Fest Rev	-	935	1,426	1,426	1,426	1,426	1,426	1,426

GENERAL FUND REV 110		HISTORICAL DATA		CURRENT YEAR 2015-16			NEXT YEAR 2016-17		
Acct	Description	Actual 2013-14	Actual 2014-15	Budget	Actuals as of 4/30/16	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
464421	Donations - Police	-	-	-	-	-	-	-	-
464455	Donations - Library	6,670	10,501	8,000	10,029	10,500	8,000	8,000	8,000
	GRANTS AND DONATIONS	**86,069**	**40,167**	**53,065**	**39,252**	**55,923**	**29,026**	**29,026**	**29,026**
461000	Interest	6,238	11,148	9,244	8,848	9,700	9,199	9,199	9,199
445000	Sale of asset	5,000	6,200	4,695	4,695	4,695	-	-	-
	Transfers In	50,983	1,831						
820113	Repayment of URA Loan	-	15,953	16,471	16,471	16,471	17,007	17,007	17,007
	OTHER REVENUE	**62,221**	**35,132**	**30,410**	**30,014**	**30,866**	**26,205**	**26,205**	**26,205**
TOTAL REVENUES		**1,029,827**	**1,046,096**	**1,029,224**	**994,390**	**1,139,619**	**1,189,745**	**1,216,604**	**1,216,604**

Note: In FY2013-14 the Police Dept leased a new vehicle. Per accounting standards those leases were treated as a loan and recorded as debt proceeds and capital outlay. Lease payments are also recorded under rentals and leases. For comparison purposes the debt proceeds and capital outlay have been excluded from FY2013-14.

Note 2: Allocation of shared costs have be re-categorized in FY2013-14 and FY2014-15 to be comparable to FY2015-16 and FY2016-17. Allocations are shown as a reduction of personal services and materials and services expense in General Government and Public Works.

GENERAL FUND – General Government

The General Government department includes the City Manager, City Recorder, Finance and administrative staff, City hall materials and services, and shared services such as attorney, IT and insurance. Allocations made to the Street and Water Funds are shown as a reduction in expense by category.

The General Government department has been impacted by the reduction of staff, and at the same time has seen a huge increase in planning and land use applications and development of the Comprehensive Plan. However, the team has worked together to support one another, held weekly meetings to encourage communication and developed new processes to keep our work efficient.

The budget proposes to increase the City Recorder's salary range by 10%, from $37,172-$45,183 to $40,889-$49,701. This position has an increased workload from staff reductions, including recorder duties for City Council, all Boards and Commissions and the Comprehensive Plan and its related groups.

The last personnel change is to increase the Finance Manager's hours from 14 to 16 per week. As the finance and administrative staff have become more involved in Planning so has the Finance Manager, and additional hours are needed to ensure timely reconciliations and reports.

With this budget the City proposes to allocate Workers' Compensation insurance by position and salary, rather than charge the full cost to General Government. The premium is calculated by department costs, with the higher risk departments such as Public Works and Police having significantly higher rates than clerical departments such as General Government and Library. To provide a more accurate picture of departmental costs this insurance has been allocated as part of Payroll Taxes.

The cost allocation percentage to the Water Fund has decreased from 49% to 45%. The Street Fund allocation is the same at 10%.

GENERAL GOVERNMENT 110-419		HISTORICAL DATA		CURRENT YEAR 2015-16			NEXT YEAR 2016-17		
Acct	Description	Actual 2013-14	Actual 2014-15	Budget	Actuals as of 4/30/16	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
110000	Salaries	274,288	231,428	133,504	107,459	133,504	143,372	143,372	143,372
120000	Hourly	-	-	63,628	52,527	65,058	67,333	71,525	71,525
210000	Employee Benefits	39,834	32,650	30,435	27,924	30,435	26,000	31,748	31,748
220000	Payroll Taxes	23,466	17,160	16,599	11,933	16,719	18,617	18,970	18,970
230000	Retirement	36,895	33,345	32,256	25,766	32,470	34,501	35,129	35,129
	Subtotal	374,482	314,583	276,422	225,609	278,187	289,824	300,744	300,744
810001	Allocated to other funds	(175,621)	(195,041)	(163,089)	(133,109)	(165,293)	(159,403)	(165,892)	(165,892)
	PERSONNEL SERVICES	**198,862**	**119,542**	**113,333**	**92,500**	**112,894**	**130,421**	**134,852**	**134,852**
FTE			*1.5*	*1.5*					*1.7*
300000	Education and Training	8,318	2,476	3,000	2,440	3,000	4,000	4,000	4,000
300010	BUG Connection	7,668	7,830	7,830	7,262	7,262	6,600	6,600	6,600
300105	Donations	8,150	-	1,500	-	1,500	1,500	1,500	1,500
310000	Utilities	15,326	15,385	15,540	12,061	15,540	14,700	14,700	14,700
330000	Professional Services	6,212	2,909	2,000	1,932	2,400	2,000	2,000	2,000
330100	Prof Srv - Attorney	18,150	44,050	23,400	26,934	36,000	30,000	30,000	30,000
330101	Prof Srv - Audit	8,250	7,222	7,222	7,222	7,222	7,500	7,500	7,500
330102	Prof Srv - Software	12,051	11,883	14,900	14,536	14,900	15,068	15,068	15,068
330103	Prof Srv - IT	17,987	14,264	21,461	1,611	21,461	15,000	15,000	15,000
330104	Prof Srv - Printing	13,294	6,419	6,000	4,346	6,000	6,600	6,600	6,600
330105	Prof Srv - Payroll	5,451	5,492	5,590	4,633	5,590	5,590	5,590	5,590
330106	Prof Srv - Janitorial	2,320	2,340	1,475	1,355	1,475	1,475	1,475	1,475
330107	Prof Srv - Security	1,892	2,888	2,755	2,725	2,725	2,755	2,755	2,755
330115	Prof Srv - HR	-	1,493	1,000	840	1,000	1,000	1,000	1,000
340000	Repairs and Maintenance	4,066	1,869	2,000	3,010	3,500	3,000	3,000	3,000
340100	R&M - Copier	9,453	11,426	12,271	7,924	10,895	12,218	12,218	12,218
340101	R&M - HVAC	3,738	3,708	1,916	1,591	1,916	1,950	1,950	1,950
350000	Agency Memberships	4,329	4,119	3,800	3,761	3,800	4,000	4,000	4,000
	Miscellaneous	313	-	-	-	-	-	-	-
500000	Employee Recognition	1,470	1,590	1,475	1,481	1,481	2,100	2,100	2,100
540000	Advertising	945	658	300	170	300	500	500	500
610000	Supplies	13,349	8,221	7,500	5,443	7,500	7,500	7,500	7,500
621000	Insurance	27,620	34,394	35,000	34,355	35,000	35,000	35,000	35,000
621002	Workers' Compensation	15,525	15,983	18,225	18,225	18,225	-	-	-
	Subtotal	205,877	206,619	196,160	163,856	208,691	180,056	180,056	180,056
810003	Allocated to other funds	(49,870)	(82,679)	(111,716)	(96,675)	(119,611)	(99,031)	(99,507)	(99,507)
	MATERIALS AND SERVICES	**156,007**	**123,940**	**84,444**	**67,181**	**89,081**	**81,025**	**80,549**	**80,549**
GENERAL GOVERNMENT DEPT TOTAL BEFORE TRANSFERS		**354,869**	**243,482**	**197,777**	**159,681**	**201,975**	**211,446**	**215,401**	**215,401** (1)

GENERAL GOVERNMENT 110-419		HISTORICAL DATA		CURRENT YEAR 2015-16			NEXT YEAR 2016-17		
Acct	Description	Actual 2013-14	Actual 2014-15	Budget	Actuals as of 4/30/16	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
810009	Transfers Out - Equip Res	-	3,000	2,047	2,047	2,047	2,251	2,251	2,251
810111	Transfers Out - Street	-	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	TRANSFERS OUT	**-**	**13,000**	**12,047**	**12,047**	**12,047**	**12,251**	**12,251**	**12,251**
GENERAL GOVERNMENT DEPT TOTAL		**354,869**	**256,482**	**209,825**	**171,728**	**214,023**	**223,697**	**227,652**	**227,652**

(1) Appropriation level

Note: Allocation of shared costs were re-categorized in FY2013-14 and FY2014-15 to be comparable to FY2015-16 and FY2016-17. Allocations are shown as a reduction of personal services and materials and services expense in General Government and Public Works.

GENERAL GOVERNMENT – Police

This department incurs all costs related to the Police Department. Primary duties and responsibilities include: responding to dispatched calls for emergency and non-emergency services, providing uniform patrol as a deterrent to criminal activity, interaction with the community, both mandatory and non-mandatory criminal investigations, traffic enforcement, crime prevention, training, providing mutual aid to surrounding police agencies, and supporting other City departments. Record keeping and evidence storage services are performed by Hillsboro Police.

The City is maintaining the structure it has had in past years: Police Chief, one full time Officer and one part time Officer.

The City Manager intends to promote the current Police Officer to Chief after his training has been completed. During the time he is in training, a temporary certified Police Officer will be brought on to manage the department. In addition, reserves will be offered pay for weekend shifts to ensure appropriate coverage.

On-call pay has been added to the Police Department budget, at the same rate as Public Works, $15/day.

The annual maintenance for the E-ticket software has been added back into the budget. This software increases the speed and ease of citation writing for our officers.

One leased police vehicle was paid off in FY2015-16, leaving one final payment in FY2016-17. No new vehicles are budgeted in FY2016-17. Repairs and maintenance has been increased to cover costs as the vehicles age.

The Supplies line was increased to historic levels after being reduced in FY2015-16 to cover additional hours for the part-time officer while attending Police Academy.

Fuel costs have been increased in anticipation of more patrol time on the roads.

POLICE 110-421		HISTORICAL DATA		CURRENT YEAR 2015-16			NEXT YEAR 2016-17			
Acct	Description	Actual 2013-14	Actual 2014-15	Budget	Actuals as of 4/30/16	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council	
110000	Salaries	142,201	129,820	135,767	109,269	135,767	114,733	94,854	94,854	
120000	Hourly	33,663	30,255	38,886	29,650	38,886	33,489	58,938	58,938	
125000	Reserves	18,660	20,571	2,465	2,465	6,923	10,006	18,762	18,762	
210000	Employee Benefits	17,175	20,236	22,294	20,475	22,294	23,641	16,241	16,241	
220000	Payroll Taxes	16,812	13,921	14,913	10,748	15,289	22,161	23,383	23,383	
230000	Retirement	37,263	29,447	34,803	24,333	30,053	30,206	32,941	32,941	
	PERSONNEL SERVICES	**265,774**	**244,250**	**249,129**	**196,939**	**249,212**	**234,236**	**245,119**	**245,119**	
FTE		*3.1*	*3.2*	*2.7*					*2.7*	
300000	Education and Training	6,033	2,314	3,000	504	3,000	3,000	3,000	3,000	
330000	Professional Services	4,596	3,706	3,000	3,141	3,000	4,000	4,000	4,000	
330102	Prof Srv - Software	7,835	9,939	3,876	3,876	3,876	4,000	10,000	10,000	
330108	Prof Srv - Wireless	4,451	6,214	5,500	3,763	5,500	5,640	5,640	5,640	
330109	Prof Srv - Evid Storage	2,547	2,547	2,600	2,629	2,600	2,600	2,600	2,600	
330912	WA County Dispatch	12,060	12,420	12,794	12,796	12,794	13,178	13,178	13,178	
340000	Repairs and Main - Vehicles	8,217	11,171	6,000	4,775	6,000	7,000	10,000	10,000	
340102	Repairs and Main - Equip	-	-	1,000	569	1,000	1,000	1,000	1,000	
350000	Agency Memberships	1,496	956	1,000	575	1,000	1,000	1,000	1,000	
370000	Rentals and Leases	34,534	21,040	21,041	21,041	21,041	9,583	9,583	9,583	
610000	Supplies	15,322	12,429	5,000	3,011	5,358	13,000	13,000	13,000	
610100	Uniforms	3,403	3,042	2,500	2,754	2,500	3,000	3,000	3,000	
610224	Fuel	13,311	12,295	11,000	6,658	11,000	12,000	12,000	12,000	
630000	Equipment (non-capital)	12,051	1,275	-	80	-	-	-	-	
	MATERIALS AND SERVICES	**125,855**	**99,348**	**78,311**	**66,173**	**78,669**	**79,001**	**88,001**	**88,001**	
820000	Court Pass Through	2,009	936	1,100	573	1,100	-	-	-	
	SPECIAL PAYMENTS	**2,009**	**936**	**1,100**	**573**	**1,100**	**-**	**-**	**-**	
POLICE DEPARTMENT TOTAL BEFORE TRANSFERS		**393,638**	**344,534**	**328,540**	**263,684**	**328,981**	**313,237**	**333,120**	**333,120**	(1)
810009	Transfers Out - Equip Res	5,200	6,400	4,671	4,671	4,671	4,729	4,729	4,729	
	TRANSFERS OUT	**5,200**	**6,400**	**4,671**	**4,671**	**4,671**	**4,729**	**4,729**	**4,729**	
POLICE DEPARTMENT TOTAL		**398,838**	**350,934**	**333,211**	**268,355**	**333,652**	**317,966**	**337,849**	**337,849**	

(1) Appropriation level

GENERAL FUND – Public Works

The Public Works department includes all public works personnel and repair and maintenance of City Hall and the Library. The Public Works employees also perform work for the Parks Department, Street Fund and Water Fund. General costs associated with this team, such as training, uniforms and fuel, are budgeted in this department.

Since FY2014-15 the Public Works department has included the director plus two full-time utility workers and part-time summer help. The part-time position allows the City to have three staff in our busiest months, and only two in the winter when work is slower. However, as we continue to grow and add streets, water lines and parks we will continue to evaluate staffing levels in this department.

Changes in this department are the results of the merit and COLA increases, and the reallocation of Workers' Compensation from General Government to departments as a Payroll Tax.

In FY2015-16 the City handled all of the public works inspections in the new developments with our public works staff. To date it has taken approximately 400 hours, and those costs were allocated to Planning. For FY2016-17 the City has proposed to outsource the infrastructure inspections to our engineering consultant, Murray Smith & Associates. This will allow our public works staff to be available for the regular responsibilities of public works. Public Works will still be responsible for some of the smaller inspections, such as right-of-way (driveway) and fence inspections. An allocation to Planning has been made for estimated time spent on those.

Much of the personnel services of Public Works are allocated to Parks Department, Street and Water Funds. Those allocations have changed slightly based on review of staff time.

Dept/Fund	FY15-16	FY16-17	Var
Public Works (buildings)	6%	8%	2%
Parks	22%	22%	-
Street	23%	16%	(7%)
Water	49%	54%	5%

In Materials and Services costs are increasing for new barricades and emergency management training and supplies. The budget for fuel costs has increased as the savings in FY2015-16 as due to low gas prices, which are not assumed to stay low.

PUBLIC WORKS 110-433		HISTORICAL DATA		CURRENT YEAR 2015-16			NEXT YEAR 2016-17			
Acct	Description	Actual 2013-14	Actual 2014-15	Budget	Actuals as of 4/30/16	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council	
110000	Salaries	241,229	214,755	160,983	127,382	157,383	162,632	162,632	162,632	
120000	Hourly	-	-	6,815	10,774	10,805	9,526	9,526	9,526	
210000	Employee Benefits	34,785	26,439	23,998	23,140	24,750	24,799	24,799	24,799	
220000	Payroll Taxes	20,349	16,135	14,129	10,503	14,161	24,310	24,310	24,310	
230000	Retirement	45,189	41,003	33,613	27,659	33,459	35,385	35,385	35,385	
	Subtotal	341,552	298,332	239,538	199,457	240,559	256,652	256,652	256,652	
810001	Allocated to other funds	(333,224)	(193,916)	(225,165)	(188,470)	(228,113)	(236,120)	(237,307)	(237,307)	
	PERSONNEL SERVICES	**8,329**	**104,416**	**14,373**	**10,987**	**12,446**	**20,532**	**19,345**	**19,345**	
FTE			*1.2*	*0.2*					*0.2*	
300000	Education and Training	370	929	300	162	300	1,000	1,000	1,000	
310000	Utilities	1,046	1,288	1,320	1,035	1,320	1,440	1,440	1,440	
330000	Professional Services	354	-	500	705	500	500	500	500	
330110	City Engineer Plan Review	9,937	5,211	-	-	-	-	-	-	
350000	Agency Memberships	-	-	-	-	-	100	100	100	
340000	Repairs and Maintenance	7,935	8,131	8,000	7,493	8,000	8,000	8,000	8,000	
610000	Supplies	4,318	5,569	4,500	2,306	4,500	7,500	7,500	7,500	
610090	Uniforms	340	214	600	100	600	600	600	600	
610224	Fuel	10,144	8,691	10,000	4,676	7,000	8,500	8,500	8,500	
	Subtotal	34,444	30,033	25,220	16,477	22,220	27,640	27,640	27,640	
810004	Allocated to other funds	(7,608)	(5,649)	(23,707)	(15,488)	(21,052)	(25,429)	(25,554)	(25,554)	
	MATERIALS AND SERVICES	**26,836**	**24,384**	**1,513**	**989**	**1,168**	**2,211**	**2,086**	**2,086**	
PUBLIC WORKS DEPARTMENT TOTAL BEFORE TRANSFERS		**35,165**	**128,800**	**15,886**	**11,976**	**13,614**	**22,743**	**21,431**	**21,431**	(1)
810009	Transfers Out - Equip Res	7,000	328	58	58	58	263	263	263	
	TRANSFERS OUT	**7,000**	**328**	**58**	**58**	**58**	**263**	**263**	**263**	
PUBLIC WORKS DEPARTMENT TOTAL		**42,165**	**129,128**	**15,944**	**12,034**	**13,672**	**23,006**	**21,694**	**21,694**	

(1) Appropriation level

Note: Allocation of shared costs were re-categorized in FY2013-14 and FY2014-15 to be comparable to FY2015-16 and FY2016-17. Allocations are shown as a reduction of personal services and materials and services expense in General Government and Public Works.

GENERAL FUND – Library

Each month, over 3,000 people visit the Library. Because the Library is a service organization, most of its budget is composed of personnel costs. Besides basic check-in and check-out functions, Library staff assist patrons with skills needed to apply for jobs (e.g. emailing, faxing, attaching resumes to online applications), with finding materials for homework assignments, with genealogy research, and more.

The primary change in the Library is the hiring of a full-time Library Director. This is funded primarily by an increase in Pool One support from Washington County Cooperative Library Services (WCCLS). This has increased our base support and the new funds will continue annually with built-in increases. Our current Library Director will overlap with the new Director for approximately two months to help train.

The hours for the Library Assistant/Volunteer Coordinator will be increased from 32 to 40 per week, making her the second salaried employee at the library. This is funded this year by the WCCLS Pool Two funds, and will be funded by the City in future years. This change allows the Library to offer additional programs to residents, especially important considering the reduction in Culture and Recreation programming.

The final personnel change is to increase the Library Clerk wage range from $11.76-$14.30 to $13.64-$16.57. This will affect six library employees, and brings the wage range more in line with averages published in the Milliman Salary Survey. The library has experienced high turnover in the past year due to employees leaving for similar positions in other libraries with higher pay, and the City hopes to decrease turnover by bringing our wages up.

The library will spend the bulk of a one-time $49k distribution from WCCLS Pool Two, to be used for purposes that have positive patron impact in the local community. In addition to funding the increase in Library Assistant/Volunteer Coordinator hours, this will also fund the hiring process to transition from the part-time to full-time Library Director, an increase in programming and materials, Self-Check hardware and software, and new computer monitors.

The Friends of the North Plains Public Library (FNPPL) have moved into the yellow house owned by the City, formerly used by the City for storage. As a result, the utilities of that building have been moved from General Government into the Library. These are not new costs, but a shift from one department to another. In addition, the FNPPL insurance formerly charged to General Government has also been moved into the Library.

In repairs and maintenance the Library will incur an estimated $1k for building staining and $4k in HVAC repair.

Much of the new costs this year are funded by WCCLS increases. The increased cost to the City is approximately $32k, for the following items:

- Library Clerk wage increase, approx $13k
- Merit, COLA, health insurance increases, approx $7k
- FNNPL costs shifted to Library, approx $6k
- Repair and maintenance, approx $5k

LIBRARY 110-455		HISTORICAL DATA		CURRENT YEAR 2015-16			NEXT YEAR 2016-17			
Acct	Description	Actual 2013-14	Actual 2014-15	Budget	Actuals as of 4/30/16	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council	
110000	Salaries	-	-	-	-	-	102,001	102,001	102,001	
120000	Hourly	127,757	132,962	132,674	108,529	132,674	94,662	94,662	94,662	
210000	Employee Benefits	222	-	6,950	6,286	6,950	20,623	20,623	20,623	
220000	Payroll Taxes	11,826	10,893	11,171	8,851	11,171	17,378	17,378	17,378	
230000	Retirement	13,433	14,252	14,633	10,737	14,633	31,482	31,482	31,482	
	PERSONNEL SERVICES	**153,238**	**158,107**	**165,427**	**134,403**	**165,427**	**266,146**	**266,146**	**266,146**	
FTE		*3.6*	*3.6*	*3.7*					*4.5*	
300000	Education and Training	815	503	600	265	600	1,200	1,200	1,200	
300100	Donations	215	100	250	102	250	100	100	100	
310000	Utilities	8,101	8,512	8,200	6,438	8,200	9,090	9,090	9,090	
310001	Utilities - FNNPL/Yellow House			-	-	-	3,930	3,930	3,930	
330000	Professional Services	967	1,693	3,130	872	3,130	3,560	3,560	3,560	
330102	Prof Srv - Software	1,449	2,913	1,850	1,760	1,850	3,500	3,500	3,500	
330106	Prof Srv - Janitorial	2,065	2,100	5,760	4,835	5,760	5,760	5,760	5,760	
330107	Prof Srv - Security	987	1,043	850	626	850	850	850	850	
340000	Repairs and Maintenance	502	1,740	1,200	617	1,200	2,200	2,200	2,200	
340100	R&M - Copier	2,586	3,143	4,000	2,488	4,000	4,000	4,000	4,000	
340101	R&M - HVAC	-	-	1,916	3,088	1,916	5,950	5,950	5,950	
610000	Supplies	10,625	8,506	9,324	11,284	9,324	12,875	12,875	12,875	
621000	Insurance	-	-	-	-	-	1,675	1,675	1,675	
640000	Library Materials	13,572	16,295	18,008	9,863	18,008	15,500	15,500	15,500	
	MATERIALS AND SERVICES	**41,884**	**46,548**	**55,088**	**42,238**	**55,088**	**70,190**	**70,190**	**70,190**	
	Equipment	-	-	-	-	-	3,100	3,100	3,100	
	CAPITAL OUTLAY	**-**	**-**	**-**	**-**	**-**	**3,100**	**3,100**	**3,100**	
LIBRARY DEPARTMENT TOTAL BEFORE TRANSFERS		**195,122**	**204,655**	**220,515**	**176,641**	**220,515**	**339,436**	**339,436**	**339,436**	(1)
810009	Transfers Out - Equip Res	1,600	2,600	2,593	2,593	2,593	2,604	2,604	2,604	
	TRANSFERS OUT	**1,600**	**2,600**	**2,593**	**2,593**	**2,593**	**2,604**	**2,604**	**2,604**	
LIBRARY DEPARTMENT TOTAL		**196,722**	**207,255**	**223,108**	**179,234**	**223,108**	**342,040**	**342,040**	**342,040**	

LIBRARY 110-455		HISTORICAL DATA		CURRENT YEAR 2015-16			NEXT YEAR 2016-17		
Acct	Description	Actual 2013-14	Actual 2014-15	Budget	Actuals as of 4/30/16	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
LIBRARY DIRECT REVENUE									
	WCCLS	99,405	101,890	104,437		104,437	168,717	168,717	168,717
	WCCLS addt'l	-	-	15,247		15,247	41,547	41,547	41,547
	Fines and Fees	10,054	9,622	10,000		9,631	9,500	9,500	9,500
	Grants and Donations	19,709	11,501	11,700		14,200	9,000	9,000	9,000
		129,168	**123,013**	**141,384**		**143,515**	**228,764**	**228,764**	**228,764**
CITY SUPPORT		**67,554**	**84,242**	**81,724**		**79,593**	**113,276**	**113,276**	**113,276**
		34%	41%	37%		36%	33%	33%	33%

(1) Appropriation level

GENERAL FUND – Culture and Recreation

The Culture and Recreation department incurs expenses related to community events.

The City of North Plains has been very active over the past few years with offering multiple community events for its citizens to enjoy. With the reduction in staff, the difficulty in obtaining volunteers for so many events, and sometimes competing for sponsors for the various city events, the City Council decided to cancel the Fourth of July and Concerts in the Park events. The Fourth was by far the most expensive event the City produced, and thus the total expenditures for this department have decreased significantly.

The City has contracted with the North Plains Event Association (NPEA) to produce the remaining events. The City pays for the direct expenses of the events, such as chili made by the Senior Center for the Chili Cookoff, or the ice cream for the Ice Cream Social, but the coordination is done by NPEA. To assist with NPEA's costs of production, a new NPEA budget line has been added.

GENERAL FUND – Parks

The Parks department provides maintenance of parks and the Jessie Mays Community Hall, including turf care, mulching around plants and trees, playground equipment repair, building maintenance, graffiti removal and preparation for special community events and regularly-scheduled events. General maintenance includes mowing, edging, flowerbed maintenance, landscaping of City offices, of the Library, of the city staff parking lot, and safety inspection of play equipment.

Beginning in FY2015-16 the Parks department has shown personnel services, an allocation of Public Works staff for Parks maintenance. The allocation percentage has not changed in FY2016-17. However, costs will increase due to merit, COLA and health insurance increases, the allocation of Workers' Compensation as a payroll tax, and no allocation of Public Works staff costs to Planning for development inspections. Public Works personnel costs are discussed in more detail in Public Works above.

CULTURE AND RECREATION 110-411		HISTORICAL DATA		CURRENT YEAR 2015-16			NEXT YEAR 2016-17			
Acct	Description	Actual 2013-14	Actual 2014-15	Budget	Actuals as of 4/30/16	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council	
	PERSONNEL SERVICES	**8,613**	**3,094**							
	Community Events Supplies	1,348	-							
	Dances	4,459	344							
	Pumpkin Run	3,063	1,997							
	Playdates	38	-							
	Holiday Bazaar	85	-							
	BBQ	12,156	1							
	Adventures without Limits	716	-							
300101	4th of July	22,326	20,822	16,809	16,809	17,109	-	-	-	
300102	Concerts in the Park	2,054	1,832	1,735	1,735	1,735	-	-	-	
300107	Chili Cookoff	492	634	682	682	682	700	700	700	
300108	National Night Out	384	699	340	340	340	500	500	500	
300110	Volunteer Recognition	575	527	600	450	600	600	600	600	
300111	Ice Cream Social	471	333	200	-	200	350	350	350	
300116	Garlic Festival	-	133	-	-	-	200	200	200	
300117	Clean Up Day	-	228	250	-	250	250	250	250	
300118	City-wide Garage Sale	-	302	260	-	260	350	350	350	
300119	Jingle	-	-	-	-	-	200	200	200	
300120	North Plains Event Association		-	-	-	-	1,750	1,750	1,750	
	MATERIALS AND SERVICES	**48,167**	**27,852**	**20,876**	**20,016**	**21,176**	**4,900**	**4,900**	**4,900**	
CULTURE AND RECREATION DEPT TOTAL		**56,780**	**30,946**	**20,876**	**20,016**	**21,176**	**4,900**	**4,900**	**4,900**	(1)
CULTURE AND RECREATION DIRECT REVENUE										
	Comm Events Rev	19,462	3,516	-		-	-	-	-	
	4th of July Rev	18,521	5,684	6,063		6,063	-	-	-	
	Concerts in the Park Rev	1,200	1,350	1,500		1,500	-	-	-	
		39,183	**10,550**	**7,563**		**7,563**	**-**	**-**	**-**	
CITY SUPPORT		**17,597**	**20,396**	**13,313**		**13,613**	**4,900**	**4,900**	**4,900**	

(1) Appropriation level

PARKS 110-452		HISTORICAL DATA		CURRENT YEAR 2015-16			NEXT YEAR 2016-17			
Acct	Description	Actual 2013-14	Actual 2014-15	Budget	Actuals as of 4/30/16	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council	
810002	Public Works Allocation	-	-	52,698	40,287	45,632	56,463	56,463	56,463	
	PERSONNEL SERVICES	**-**	**-**	**52,698**	**40,287**	**45,632**	**56,463**	**56,463**	**56,463**	
FTE		*0.0*	*0.0*	*0.7*					*0.6*	
310000	Utilities	5,485	5,046	5,640	4,367	5,640	5,970	5,970	5,970	
330000	Professional Services	-	-	600	-	600	600	600	600	
340000	Repairs and Maintenance	7,650	4,635	4,000	3,515	4,000	4,000	4,000	4,000	
610000	Supplies	4,946	1,589	2,850	1,668	2,850	2,850	2,850	2,850	
810004	Public Works Allocation	-	-	5,548	3,625	4,282	6,081	6,081	6,081	
	MATERIALS AND SERVICES	**18,081**	**11,270**	**18,638**	**13,175**	**17,372**	**19,501**	**19,501**	**19,501**	
PARKS DEPARTMENT TOTAL		**18,081**	**11,270**	**71,337**	**53,462**	**63,004**	**75,964**	**75,964**	**75,964**	(1)

(1) Appropriation level

GENERAL FUND – Planning

The City does not currently have a planner on staff, but relies on a consultant to process complex applications (Type II and up), and to assist staff with municipal code questions.

As discussed in Public Works above, in FY2015-16 the City handled all of the public works inspections in the new developments with our public works staff. To date it has taken approximately 400 hours, and those costs were allocated to Planning. For FY2016-17 the City has proposed to outsource infrastructure inspections to our engineering consultant, Murray Smith & Associates. This will allow our public works staff to be available for the regular responsibilities of public works. Public Works will still be responsible for some of the smaller inspections, such as right-of-way (driveway) and fence inspections. An allocation to Planning has been made for estimated time spent on those.

The City will also begin allocating time of the Office Support Specialist, for her work reviewing site plans and other Type I applications.

Materials and Services costs are high as major developments continue within the City. The City's goal is to cover all costs with planning and land use fees. A new proposed fee schedule was approved by Council which passes all costs plus 15% for administrative overhead to the applicant. Revenues cover expenditures as follows:

Land Use Permits (Type I)	
Revenue	$52,140
Allocated Personnel Services	(5,030)
Allocated Materials and Services	(1,475)
Professional Services (3J)	(10,000)
Net Revenue/(Expense)	$35,635

Engineering Plan Review	
Revenue	$51,750
Engineering	(45,000)
Net Revenue/(Expense)	$6,750

Land Use Planning (Type II-IV)	
Revenue	$52,900
Professional Services (3J)	(35,000)
Attorney	(10,000)
Advertising	(1,000)
Net Revenue/(Expense)	$6,900

The only cost excluded above is the Comprehensive Plan update. Those costs are factored into the fee for plot plan review, and over time the City will collect enough in fees to cover the full costs of the Comprehensive Plan. However, the Plan is a long term document, and the fees cannot be expected to be collected within a single fiscal year.

Costs for the Comprehensive Plan in FY2016-17 include continuation of the Vision Implementation phase, including work group meetings, an Economic Opportunities/Buildable Lands/Housing Needs Analysis, and the start of the Transportation System Plan update.

PLANNING 110-465		HISTORICAL DATA		CURRENT YEAR 2015-16			NEXT YEAR 2016-17			
Acct	Description	Actual 2013-14	Actual 2014-15	Budget	Actuals as of 4/30/16	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council	
810001	General Government Allocation	-	-	-	-	-	5,352	1,073	1,073	
810002	Public Works Allocation	-	-	-	16,335	32,865	-	3,958	3,958	
	PERSONNEL SERVICES	**-**	**-**	**-**	**16,335**	**32,865**	**5,352**	**5,030**	**5,030**	
FTE				*0.0*					*0.0*	
	Education	500								
330000	Professional Services	4,543	25,034	28,500	35,688	58,500	45,000	45,000	45,000	
330100	Prof Svc- Attorney	-	-	10,000	6,360	10,000	10,000	10,000	10,000	
330110	Prof Svc- Engineering	-	-	20,000	19,875	24,000	45,000	45,000	45,000	
330117	Prof Svc- Comp Plan	-	20,424	84,500	56,554	84,500	86,075	86,075	86,075	
360000	Advertising	805	901	1,000	423	1,000	1,000	1,000	1,000	
810003	General Government Allocation	-	-	-	-	-		1,058	1,058	
810004	Public Works Allocation	-	-	-	-	2,684		417	417	
	MATERIALS AND SERVICES	**5,848**	**46,359**	**144,000**	**118,899**	**180,684**	**187,075**	**188,550**	**188,550**	
PLANNING DEPARTMENT TOTAL		**5,848**	**46,359**	**144,000**	**135,235**	**213,549**	**192,427**	**193,581**	**193,581**	(1)
PLANNING DIRECT REVENUE										
	Land Use Permits	40,023	35,138	40,700		69,033	35,260	52,140	52,140	
	Engineering Plan Review	11,427	21,726	25,000		68,482	51,750	51,750	51,750	
	Land Use Planning Fees	-	20,370	25,000		45,000	52,900	52,900	52,900	
	Grants - Planning	1,000	-	17,000		17,000	12,000	12,000	12,000	
		52,450	**77,234**	**107,700**		**199,515**	**151,910**	**168,790**	**168,790**	
CITY SUPPORT		**(46,602)**	**(30,875)**	**36,300**		**14,034**	**40,517**	**24,791**	**24,791**	

(1) Appropriation level

Budget Detail Pages
Street Fund

- **Street Fund Summary** – This page summarizes all Street Fund revenue and expense.
- **Street Fund Future Capital Projects Timeline** – This page estimates what, when and how much future capital projects of the Street Fund will be. These are subject to change, but the projection is an idea of what future years could look like and helps appropriately set goals and budget rates for the Street Fund in the current year.

STREET FUND

The Street Fund activities for the 13.5 miles of roads in the City include: crack sealing to prevent water damage to street surfaces, pothole repair, sign installation and repair, stop-bar and cross-walk maintenance, and mowing and edging of Main Street and West Union Road during the summer months. Public Works crews also water the hanging baskets on Commercial and Main Streets during spring and summer months. Winter and spring season activity is largely concentrated on maintaining storm drainage along the ditch lines and culverts. The primary revenue sources for this fund are special purpose street taxes and the Transportation User Fee (TUF) which is assessed monthly within water bills.

STREET FUND BALANCE

The Street Fund Balance has been broken out to show restrictions:

- Street Fee in Lieu, a portion of the previously collected fee to be used for improvements on specific streets,
- Recology Fund, an annual $10k transfer of Recology tonnage fee revenue from the General Fund for improvements on Highland Court,
- System Development Charges (SDCs), charges on new buildings to be used for expansion projects identified in the Transportation System Master Plan, and
- Operations, the remaining fund balance available for general operations of the Street Fund, including repair and maintenance and streetlight expense.

The funds collected by the suspended Fee in Lieu program will be used to bring the unrestricted balance back into the black and budget for two street projects in FY2016-17. A balance of $20k remains in the Street Fee in Lieu line item, to be available for sidewalk improvements as part of a larger project, should the funding and opportunity arise.

The ending balance has been budgeted as Reserve for Future Expenditure, rather than Ending Fund Balance. This is a terminology change based on Oregon Budget Law. According to Oregon Budget Law, Ending Fund Balance is intended for the cash carryover for the next year until tax money is received in November. As such, there are very strict limits on when it can be appropriated by City Council. As this fund has regular income and does not depend on property tax funds, a cash carryover is not necessary. The balance is more appropriately classified as Reserved for Future Expenditure, or the amount intended to be spent on a future item but not yet appropriated (budgeted).

STREET FUND REVENUE

Street Fund revenues available for operations are from State/County gas taxes and the Traffic Utility Fee. SDCs are restricted to expansion projects identified in the Transportation System Master Plan. State gas taxes are projected to increase 3%. SDCs are expected to decrease based on an anticipated 60 builds, compared to 102 in FY2015-16.

STREET FUND EXPENDITURES

The Street Fund has no direct employees. Instead it shares costs of Public Works and General Government employees with the General and Water Funds. In addition, the Street Fund pays a share of materials and services of those departments, as those costs are necessary to support those staff. The Street Fund pays for 16% of Public Works personnel and materials and services and 10% of General Government personnel and materials and services. The Public Works allocation decreased from 23% in FY2015-16; the General Government allocation has not changed.

Street light expense is expected to increase due to the addition of the Sunset Ridge street lights. Those lights were added under PGE Option A, which meant PGE paid to install them and will maintain them, but then bills a higher monthly amount to the City. In addition, the developer chose a much more expensive light option, which significantly increases the monthly amount. The City is in discussion with PGE about what our options are to reduce this cost, however no agreement has yet been made.

Two street maintenance projects are budgeted in FY2016-17: street overlays on Pacific Street between Glencoe and Curtis Streets and 311th Avenue between Commercial and Hillcrest Streets. Each project is estimated to cost $20k.

The contingency is budgeted at 10% of total expenditures, rounded.

STREET FUND FUTURE CHANGES

The Street Fund has a list of maintenance projects that need to be performed, but need to identify additional revenue. City staff have discussed various ways of increasing revenue, such as an increase to the Traffic Utility Fee, a new Streetlight Fee, or a City gas tax. A new or increased revenue source would allow for annual or bi-annual street overlays. The Capital Projects Timeline on the next page shows a prediction of how this could look.

A lack of street funding is not unique to our City. The state gas tax has not changed since 2009, and does not provide sufficient support to cities to maintain streets. Portland recently approved a 10 cent per gallon gas tax, the highest in the state. In 2015 Hillsboro adopted a new street fee increasing single-family residence rates from $3.18 to $4.64 per month in FY2015-16 and to $7.56 per month by FY2017-18. City staff intend to continue to research options and propose one to Council in FY2016-17.

STREET FUND 111-433		HISTORICAL DATA		CURRENT YEAR 2015-16			NEXT YEAR 2016-17		
Acct	Description	Actual 2013-14	Actual 2014-15	Budget	Actuals as of 4/30/16	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
	Street Fee in Lieu	162,454	141,154	141,154	141,154	141,154	141,154	20,000	20,000
	Recology Fund	60,983	10,000	20,000	20,000	20,000	30,000	30,000	30,000
	SDCs for Trans System Plan	71,656	84,347	114,153	114,153	114,153	179,229	179,229	179,229
	Operations	275,143	(54,445)	(49,024)	(49,024)	(49,024)	(54,165)	68,629	68,629
OPENING FUND BALANCE		**570,236**	**181,056**	**226,283**	**226,283**	**226,283**	**296,218**	**297,858**	**297,858**
REVENUES									
435003	TUF	25,538	25,681	25,680	22,140	26,400	27,000	27,000	27,000
445000	SDCs	12,691	29,806	51,040	63,146	65,076	38,280	38,280	38,280
	LICENSES, PERMITS, FEES	**38,229**	**55,487**	**76,720**	**85,286**	**91,476**	**65,280**	**65,280**	**65,280**
435001	Gas Tax - State	115,020	114,597	116,390	89,571	120,000	123,600	123,600	123,600
435002	Gas Tax - County	7,341	7,461	7,500	5,641	7,800	8,034	8,034	8,034
	INTERGOVERNMENTAL	**122,361**	**122,058**	**123,890**	**95,211**	**127,800**	**131,634**	**131,634**	**131,634**
431110	Grants	52,132	49,644	-	-	-	-	-	-
461000	Interest	1,210	979	1,000	1,075	1,551	1,485	1,485	1,485
	Miscellaneous	9,273	-	-	-	-	-	-	-
	OTHER REVENUES	**62,616**	**50,623**	**1,000**	**1,075**	**1,551**	**1,485**	**1,485**	**1,485**
820110	Transfers In - Gen Fund	-	10,000	10,000	10,000	10,000	110,000	10,000	10,000
	TRANSFERS	**-**	**10,000**	**10,000**	**10,000**	**10,000**	**110,000**	**10,000**	**10,000**
TOTAL REVENUES		**223,205**	**238,168**	**211,610**	**191,572**	**230,827**	**308,399**	**208,399**	**208,399**
EXPENDITURES									
810001	General Government Allocation	53,494	47,187	27,642	22,561	27,535	28,982	29,967	29,967
810002	Public Works Allocation	67,278	44,750	55,094	42,118	47,707	41,064	40,431	40,431
	Personnel Services	**120,772**	**91,937**	**82,736**	**64,679**	**75,242**	**70,047**	**70,398**	**70,398**
FTE			*1.1*	*1.1*					*0.8*
330000	Professional Services	20	1,376	2,000	648	2,000	2,000	2,000	2,000
610000	Supplies	2,917	3,965	3,000	1,622	3,000	3,000	3,000	3,000
640000	Street Lights	24,024	23,884	32,880	22,850	37,080	45,324	45,684	45,684
810003	General Government Allocation	10,559	20,003	18,935	16,386	20,066	18,006	17,900	17,900

STREET FUND 111-433		HISTORICAL DATA		CURRENT YEAR 2015-16			NEXT YEAR 2016-17			
Acct	Description	Actual 2013-14	Actual 2014-15	Budget	Actuals as of 4/30/16	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council	
810004	Public Works Allocation	2,536	1,304	5,801	3,790	4,477	4,422	4,356	4,356	
	Materials and Services	**40,056**	**50,532**	**62,616**	**45,295**	**66,623**	**72,752**	**72,939**	**72,939**	
	Street Projects- previous years	400,574	49,644	16,840	16,840	16,840	-	-	-	
770103	Street Projects	-	-	-	-	-	-	40,000	40,000	
	Capital Outlay	**400,574**	**49,644**	**16,840**	**16,840**	**16,840**	**-**	**40,000**	**40,000**	
	STREET DEPT TOTAL	**561,402**	**192,113**	**162,191**	**126,814**	**158,705**	**142,799**	**183,338**	**183,338**	(1)
	Transfers Out - Gen Fund/Rec	50,983	-	-	-	-				
810009	Transfers Out - Veh Res	-	828	547	547	547	640	640	640	
	Transfers	**50,983**	**828**	**547**	**547**	**547**	**640**	**640**	**640**	(1)
TOTAL EXPENDITURES		**612,385**	**192,941**	**162,739**	**127,361**	**159,252**	**143,439**	**183,978**	**183,978**	
NET CURRENT REVENUES AND EXPENDITU		**(389,180)**	**45,227**	**48,871**	**64,211**	**71,575**	**164,960**	**24,421**	**24,421**	
	Contingency	-	-	27,000	-	-	14,000	18,000	18,000	(1)
CHANGE IN FUND BALANCE		**(389,180)**	**45,227**	**21,871**	**64,211**	**71,575**	**150,960**	**6,421**	**6,421**	
UNAPPROPRIATED:										
RESERVE FOR FUTURE EXPENDITURE							**447,178**	**304,279**	**304,279**	
ENDING FUND BALANCE		**181,056**	**226,283**	**248,154**	**290,494**	**297,858**	**-**	**-**	**-**	
	Street Fee in Lieu	141,154	141,154	141,154	141,154	141,154	141,154	20,000	20,000	
	Recology Fund	10,000	20,000	30,000	30,000	30,000	40,000	40,000	40,000	
	SDCs for Trans System Plan	84,347	114,153	165,193	177,299	179,229	217,509	217,509	217,509	
	Operations	(54,445)	(49,024)	(88,193)	(57,959)	(52,525)	48,515	26,770	26,770	

(1) Appropriation level

Street Fund Future Capital Projects Timeline

Category	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2024-25	2025-26
Maintenance - 2" overlay		Hillcrest: 309th-311th	Cottage: Glencoe-311th Cottage: 311th-313th	Lenox St: 313th-Main		Commercial: 313th-Main	Commercial: Main-321st	Hillcrest: 311th-Main		311th: Commercial-Highland Ct
		$40,000	$126,400	$64,800	$0	$162,000	$148,000	$126,000	$0	$153,000
Street - Maintenance Opening Fund Bal	**27,000**	**93,490**	**172,050**	**115,292**	**118,001**	**188,758**	**145,318**	**69,221**	**16,307**	**90,610**
State/County Gas Tax	133,900	142,055	146,316	137,917	150,706	142,055	155,227	159,884	164,680	169,621
Transportation Utility Fee	27,500	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000
Street Light Fee / Gas Tax?	*51,000*	*51,000*	*51,000*	*51,000*	*51,000*	*51,000*	*51,000*	*51,000*	*51,000*	*51,000*
Small Cities Allocation Grant		50,000				50,000				
Personnel/Materials & Supplies	(99,910)	(105,995)	(109,174)	(102,907)	(112,450)	(105,995)	(115,823)	(119,298)	(122,877)	(126,563)
Street Lights	(46,000)	(46,500)	(46,500)	(46,500)	(46,500)	(46,500)	(46,500)	(46,500)	(46,500)	(46,500)
Capital Proj	-	(40,000)	(126,400)	(64,800)	-	(162,000)	(148,000)	(126,000)	-	(153,000)
Street - Maintenance Ending Fund Bal	**93,490**	**172,050**	**115,292**	**118,001**	**188,758**	**145,318**	**69,221**	**16,307**	**90,610**	**13,168**
Street - Fee in Lieu Opening Fund Bal	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**
Capital Proj	-	-	-	-	-	-	-	-	-	-
Street - Fee in Lieu Ending Fund Bal	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**
Street - Recology Opening Fund Bal	**40,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**
Transfer from General Fund	10,000	-	-	-	-	-	-	-	-	-
Capital Proj	-	-	-	-	-	-	-	-	-	-
Street - Recology Ending Fund Bal	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**
Expansion Projects per TSP	**2,138,000**	**2,670,060**	**3,333,385**	**3,333,385**	**3,333,385**	**3,333,385**	**3,333,385**	**3,333,385**	**3,333,385**	**3,333,385**
Street SDCs	38,280	47,850	-	-	-	-	-	-	-	-
TDT SDCs	493,780	615,475	-	-	-	-	-	-	-	-
Capital Proj										
Street - SDC Ending Fund Bal	**2,670,060**	**3,333,385**	**3,333,385**	**3,333,385**	**3,333,385**	**3,333,385**	**3,333,385**	**3,333,385**	**3,333,385**	**3,333,385**

Budget Detail Pages
Water Fund

- **Water Fund Summary** – This page summarizes all Water Fund revenue and expense.
- **Water Fund Future Capital Projects Timeline** – This page estimates what, when and how much future capital projects of the Water Fund will be. These are subject to change, but the projection is an idea of what future years could look like and helps appropriately set goals and budget rates for the Water Fund in the current year.

WATER FUND

The Water Fund activities ensure that the over 80,000 lineal feet of water lines, ranging in size from 2" to 16", and the City's one water tank are operational at all times to serve residents with potable water and adequate pressure for fire suppression. Public Works staff responsibilities include: repairing water leaks, rehabilitation (replacement) of water lines, removing and replacing water meters, monthly meter reading, responding to customer water issues, completing regulatory water quality sampling and monitoring water disinfection to ensure public health, conducting valve and hydrant maintenance, water service initiation and termination, administering a cross-connection program to prevent water contamination, management of capital projects and inspection of public projects to insure adherence to City's engineering and construction standards. Water system activities are funded through revenues from water consumers and development fees.

WATER FUND BALANCE

The Water Fund balance has been broken out to show two components: Committed to Capital Projects, which is based on the ending fund balance of the Water Systems Improvement Fund (closed in FY13), plus System Development Charges (SDCs) and less capital projects eligible to use SDC funds, and Operations, which is the remaining fund balance.

The ending balance has been budgeted as Reserve for Future Expenditure, rather than Ending Fund Balance. This is a terminology change based on Oregon Budget Law. According to Oregon Budget Law, Ending Fund Balance is intended for the cash carryover for the next year until tax money is received in November. As such, there are very strict limits on when it can be appropriated by City Council. As this fund has regular income and does not depend on property tax funds, a cash carryover is not necessary. The balance is more appropriately classified as Reserved for Future Expenditure, or the amount intended to be spent on a future item but not yet appropriated (budgeted).

WATER FUND REVENUE

Assumptions included in the water revenue calculation:

- The estimate for FY16-17 is based on prior year revenue for October-May. Summer months look at increased consumption averaged over three years, to limit swings due to weather.
- An estimated 60 new homes will generate additional water revenue.
- No rate changes are proposed.
- SDCs are expected to decrease based on an anticipated 60 builds, compared to 102 in FY2015-16.
- Joint Water Commission (JWC) SDCs are purely pass through revenues and are not required to be budgeted as revenues and expenditures. They have been reclassified as balance sheet items which do not impact the budget.

WATER FUND EXPENDITURES

The Water Fund has no direct employees, instead it shares costs of Public Works and General Government employees with the General and Street Funds. In addition, the Water Fund pays a share of materials and services of those departments, as those costs are necessary to support those staff. The Water Fund pays for 54% of Public Works personnel and materials and services and 45% of General Government personnel and materials and services. The Public Works allocation increased from 49% in FY2015-16; the General Government allocation decreased from 49%.

The City has received an estimate of $35k from our engineering firm, Murray Smith and Associates, to provide an updated Water Master Plan and System Development Charges (SDCs) review and update. The current Water Master Plan was completed in 2005, and an update would ensure sufficient SDCs are being collected for infrastructure in response to new development. The cost of this study would be a factor in the new SDC rate, therefore through SDC collection the City would be reimbursed for this cost.

Capital Projects includes an estimate for land purchase and/or development of land for a new water storage tank.

Debt service is for the Safe Drinking Water Revolving Loan which is scheduled for payments until 2025.

Safe Drinking Water Revolving Loan - Water, 3.87% interest

Fiscal Year	Principal	Interest	Total
2017	95,448	38,884	134,332
2018	99,142	35,190	134,332
2019	102,979	31,353	134,332
2020-24	577,848	93,809	671,657
2025	129,327	5,005	134,332
	1,004,744	204,241	1,208,985

The contingency is budgeted at 10% of total expenditures, rounded.

WATER FUND 210-433		HISTORICAL DATA		CURRENT YEAR 2015-16			NEXT YEAR 2016-17		
Acct	Description	Actual 2013-14	Actual 2014-15	Budget	Actuals as of 4/30/16	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
	Committed to Capital Projects	188,574	194,419	421,824	421,824	421,824	428,241	443,049	443,049
	Operations	723,536	848,318	1,046,307	1,046,307	1,046,307	1,296,849	1,374,647	1,374,647
OPENING FUND BALANCE		**912,110**	**1,042,737**	**1,468,131**	**1,468,131**	**1,468,131**	**1,725,090**	**1,817,696**	**1,817,696**
REVENUES									
444000	Charges, Fees, Fines	864,327	923,461	960,000	873,733	1,050,000	990,000	1,050,000	1,050,000
445000	SDCs (Capital)	116,045	261,737	394,880	503,472	518,280	296,160	296,160	296,160
446000	SDCs - Pass thru JWC	85,769	153,306	240,480	299,221	309,109	-	-	-
461000	Interest	4,657	5,697	5,445	7,243	10,250	11,070	11,070	11,070
440000	Miscellaneous	15	-	-	18	-	-	-	-
TOTAL REVENUES		**1,070,813**	**1,344,201**	**1,600,805**	**1,683,688**	**1,887,639**	**1,297,230**	**1,357,230**	**1,357,230**
EXPENDITURES									
810001	General Government Allocation	116,753	147,854	135,447	110,548	134,922	130,421	134,852	134,852
810002	Public Works Allocation	260,572	149,166	117,373	89,730	101,636	138,592	136,455	136,455
	Personnel Services	**377,325**	**297,020**	**252,820**	**200,278**	**236,558**	**269,013**	**271,307**	**271,307**
FTE			*3.6*	*3.3*					*3.3*
300000	Education and Training	-	-	1,200	500	1,200	1,200	1,200	1,200
310000	Utilities	7,688	8,963	9,090	5,111	9,090	9,360	9,360	9,360
330000	Professional Services	864	1,865	2,000	8,006	13,000	3,000	38,000	38,000
330104	Prof Srv- Printing	-	5,367	6,000	5,409	6,520	7,200	7,200	7,200
330111	Prof Srv- Meter Reading	3,041	8,727	9,000	7,914	9,600	10,800	10,800	10,800
330112	Prof Srv- Water Analysis	1,177	1,068	2,250	1,516	2,250	2,250	2,250	2,250
	Prof Srv- Tank Cleaning	-	2,700	-	-	-	-	-	-
	Prof Srv- Leak Detection	-	3,450	-	-	-	-	-	-
330116	Prof Srv- Valve Replacement	-	-	4,500	4,636	4,700	-	-	-
340000	Repairs and Maintenance	3,619	3,087	25,000	9,573	16,000	10,000	10,000	10,000
350000	Agency Memberships	-	-	775	805	805	775	775	775
610000	Supplies	7,201	4,394	7,500	12	7,500	7,500	7,500	7,500
610600	Water Purchase	120,555	136,195	143,000	92,358	145,000	148,000	152,000	152,000
630000	New Water Service Materials	2,748	5,645	20,000	18,149	30,000	20,000	20,000	20,000
	Franchise Fee - Water	39,000	46,173	-	-	-	-	-	-
800000	Bad debt (sent to collections)	2,284	3,005	2,000	-	2,000	2,000	2,000	2,000
810003	General Government Allocation	39,311	62,676	92,781	80,290	98,323	81,025	80,549	80,549
810004	Public Works Allocation	5,072	4,346	12,358	8,074	9,538	14,926	14,700	14,700
	Materials and Services	**232,560**	**297,661**	**337,454**	**242,352**	**355,526**	**318,036**	**356,335**	**356,335**
770000	PW Projects	110,200	34,332	51,000	-	-	750,000	750,000	750,000

WATER FUND 210-433		HISTORICAL DATA		CURRENT YEAR 2015-16			NEXT YEAR 2016-17			
Acct	Description	Actual 2013-14	Actual 2014-15	Budget	Actuals as of 4/30/16	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council	
	Capital Outlay	**110,200**	**34,332**	**51,000**	**-**	**-**	**750,000**	**750,000**	**750,000**	
	WATER DEPT TOTAL	**720,085**	**629,013**	**641,274**	**442,630**	**592,084**	**1,337,049**	**1,377,642**	**1,377,642**	(1)
820000	SDC Pass Thru JWC	85,769	153,306	240,480	274,946	309,109	-	-	-	
	Special Payments	**85,769**	**153,306**	**240,480**	**274,946**	**309,109**	**-**	**-**	**-**	
500500	Debt Service - SDW Loan	134,332	134,332	134,332	134,596	134,332	134,332	134,332	134,332	
	Debt Service	**134,332**	**134,332**	**134,332**	**134,596**	**134,332**	**134,332**	**134,332**	**134,332**	(1)
810009	Transfers Out - Veh Res	-	2,156	2,549	2,549	2,549	2,725	2,725	2,725	
	Transfers	**-**	**2,156**	**2,549**	**2,549**	**2,549**	**2,725**	**2,725**	**2,725**	(1)
TOTAL EXPENDITURES		**940,186**	**918,807**	**1,018,635**	**854,721**	**1,038,074**	**1,474,106**	**1,514,699**	**1,514,699**	
NET CURRENT REVENUES AND EXPENDITU		**130,627**	**425,394**	**582,170**	**828,967**	**849,565**	**(176,876)**	**(157,469)**	**(157,469)**	
	Contingency	**-**	**-**	500,000	-	500,000	147,000	151,000	151,000	(1)
CHANGE IN FUND BALANCE		**130,627**	**425,394**	**82,170**	**828,967**	**349,565**	**(323,876)**	**(308,469)**	**(308,469)**	
UNAPPROPRIATED:										
RESERVE FOR FUTURE EXPENDITURE							**1,401,215**	**1,509,227**	**1,509,227**	
ENDING FUND BALANCE		**1,042,737**	**1,468,131**	**1,550,301**	**2,297,098**	**1,817,696**	**-**	**-**	**-**	
	Committed to Capital Projects	194,419	421,824	316,704	925,296	443,049	727,149	706,907	706,907	
	Operations	848,318	1,046,307	1,233,597	1,371,802	1,374,647	674,066	802,320	802,320	

(1) Appropriation level

Water Fund Future Capital Projects Timeline

Category	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Maintenance			Maintenance		Maintenance			Maintenance	
	$0	$0	$250,000	$0	$250,000	$0	$0	$250,000	$0
Storage Facilities	New reservoir and pump station, YR 1	New reservoir and pump station, YR 2							
	$1,000,000	$1,000,000	$0	$0	$0	$0	$0	$0	$0
TOTAL	**$1,000,000**	**$1,000,000**	**$250,000**	**$0**	**$250,000**	**$0**	**$0**	**$250,000**	**$0**
Opening Fund Bal	**1,400,000**	**846,160**	**366,360**	**266,360**	**416,360**	**316,360**	**466,360**	**616,360**	**516,360**
SDCs	296,160	370,200	-	-	-	-	-	-	-
Capital Proj	(1,000,000)	(1,000,000)	(250,000)	-	(250,000)	-	-	(250,000)	-
Operating	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	285,000
Ending Fund Bal	**846,160**	**366,360**	**266,360**	**416,360**	**316,360**	**466,360**	**616,360**	**516,360**	**801,360**

Budget Detail Pages
Capital Projects Funds

- **Transportation Development Tax Fund Summary** – This page summarizes all revenue and expense.
- **Parks Capital Fund Summary** – This page summarizes all revenue and expense.
- **Traffic Impact Fee Fund Summary** – This page summarizes all revenue and expense.

TRANSPORTATION DEVELOPMENT TAX FUND

This fund collects TDT tax on building activity for the construction of new or expanded vehicle capacity projects. Eligible projects are included on a list managed by the Washington County Coordinating Committee (WCCC), and additional projects can be requested. TDT rates are set by Washington County.

TDT revenue is projected on 60 new builds.

No capital projects are budgeted. The entire proposed ending balance has been budgeted as Reserve for Future Expenditure, to allow City Council to appropriate budget should a project be identified.

PARKS CAPITAL FUND

This fund collects System Development Charges on building activity for the construction and upgrade of parks.

System Development Charges are projected on 60 new builds.

The City has received a $1M grant from ODOT for a walking trail starting near the Glencoe overpass. This project was started in FY2015-16, and the bulk of it is expected to be completed in FY2016-17.

Beginning in FY2014-15 Woofter Architecture was engaged to create a conceptual plan for Jessie Mays Park. The project is still in process and may continue into FY2016-17.

An allocation for the City Manager's time coordinating these two projects was made in FY2015-16. His time on these projects will continue to be tracked and allocated during FY2016-17. Due to various unknowns on these projects that amount has not yet been budgeted.

The contingency is budgeted at 10% of total expenditures, rounded.

The entire proposed ending balance has been budgeted as Reserve for Future Expenditure, to allow City Council to appropriate budget as necessary.

TRAFFIC IMPACT FEE FUND

This fund was the predecessor to the Transportation Development Tax Fund, and has no current revenue stream other than a small amount of interest. Funds can only be used for projects that expand transportation capacity.

No capital projects are budgeted. The entire proposed ending balance has been budgeted as Reserve for Future Expenditure, to allow City Council to appropriate budget should a project be identified.

TRANSP. DEV. TAX FUND 130-433		HISTORICAL DATA		CURRENT YEAR 2015-16			NEXT YEAR 2016-17		
Acct	Description	Actual 2013-14	Actual 2014-15	Budget	Actuals as of 4/30/16	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
OPENING FUND BALANCE		**263,325**	**396,267**	**755,758**	**755,758**	**755,758**	**1,132,246**	**1,132,246**	**1,132,246**
REVENUES									
415100	TDT	166,527	389,271	649,040	769,626	827,526	486,780	486,780	486,780
461000	Interest	1,706	2,364	3,000	3,771	5,504	7,020	7,020	7,020
TOTAL REVENUES		**168,233**	**391,635**	**652,040**	**773,397**	**833,030**	**493,800**	**493,800**	**493,800**
EXPENDITURES									
810001	General Government Allocation	1,307							
810002	Public Works Allocation	1,307							
	Personal Services	**2,614**							
770000	Capital Projects	32,677	32,144	82,239	398,642	456,542			
	Capital Outlay	**32,677**	**32,144**	**82,239**	**398,642**	**456,542**	**-**	**-**	**-**
TOTAL EXPENDITURES		**35,291**	**32,144**	**82,239**	**398,642**	**456,542**	**-**	**-**	**-**
	Contingency			1,005,963	-	-	-	-	-
CHANGE IN FUND BALANCE		**132,942**	**359,491**	**(436,162)**	**374,755**	**376,488**	**493,800**	**493,800**	**493,800**
UNAPPROPRIATED:									
RESERVE FOR FUTURE EXPENDITURE							**1,626,046**	**1,626,046**	**1,626,046**
ENDING FUND BALANCE		**396,267**	**755,758**	**319,596**	**1,130,513**	**1,132,246**	**-**	**-**	**-**

(1) Appropriation level

PARKS CAPITAL FUND 131-452		HISTORICAL DATA		CURRENT YEAR 2015-16			NEXT YEAR 2016-17			
Acct	Description	Actual 2013-14	Actual 2014-15	Budget	Actuals as of 4/30/16	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council	
OPENING FUND BALANCE		**458,181**	**442,729**	**638,035**	**638,035**	**638,035**	**1,008,407**	**1,006,626**	**1,006,626**	
REVENUES										
431000	Grant	-	-	200,000	75,000	200,000	800,000	800,000	800,000	
445000	SDCs	95,795	217,834	365,440	452,232	465,936	283,500	283,500	283,500	
461000	Interest	2,346	2,293	2,500	3,036	4,436	4,860	4,860	4,860	
TOTAL REVENUES		**98,141**	**220,127**	**567,940**	**530,268**	**670,372**	**1,088,360**	**1,088,360**	**1,088,360**	
EXPENDITURES										
810001	General Government Allocation	4,067	916			1,248				
810002	Public Works Allocation	4,067	916			-				
	Personal Services	**8,133**	**1,831**			**1,248**				
810003	General Government Allocation	-	-			533				
810004	Public Works Allocation	-	-			-				
	Materials and Services	**-**	**-**			**533**				
	Projects - prior years	105,460	-							
770000	Jessie Mays	-	19,411	100,000	53,706	100,000	50,000	50,000	50,000	
770001	Walking Trail	-	3,579	200,000	37,942	200,000	800,000	800,000	800,000	
	Capital Outlay	**105,460**	**22,990**	**300,000**	**91,648**	**300,000**	**850,000**	**850,000**	**850,000**	
TOTAL EXPENDITURES		**113,593**	**24,821**	**300,000**	**91,648**	**301,781**	**850,000**	**850,000**	**850,000**	(1)
	Contingency	-	-	667,669	-	-	85,000	85,000	85,000	(1)
CHANGE IN FUND BALANCE		**(15,452)**	**195,306**	**(399,729)**	**438,620**	**368,591**	**153,360**	**153,360**	**153,360**	
UNAPPROPRIATED:										
RESERVE FOR FUTURE EXPENDITURE							**1,161,767**	**1,159,986**	**1,159,986**	
ENDING FUND BALANCE		**442,729**	**638,035**	**238,306**	**1,076,655**	**1,006,626**	**-**	**-**	**-**	

(1) Appropriation level

TRAFFIC IMPACT FEE FUND 132-433		HISTORICAL DATA		CURRENT YEAR 2015-16			NEXT YEAR 2016-17		
Acct	Description	Actual 2013-14	Actual 2014-15	Budget	Actuals as of 4/30/16	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
OPENING FUND BALANCE		**287,669**	**289,210**	**290,675**	**290,675**	**290,675**	**292,242**	**292,242**	**292,242**
REVENUES									
461000	Interest	1,541	1,465	1,445	1,093	1,567	1,566	1,566	1,566
TOTAL REVENUES		**1,541**	**1,465**	**1,445**	**1,093**	**1,567**	**1,566**	**1,566**	**1,566**
EXPENDITURES									
770000	PW Projects - West Union ped			150,000	-	-	-	-	-
	Capital Outlay	**-**	**-**	**150,000**	**-**	**-**	**-**	**-**	**-**
TOTAL EXPENDITURES		**-**	**-**	**150,000**	**-**	**-**	**-**	**-**	**-**
	Contingency			142,055	-	-	-	-	-
CHANGE IN FUND BALANCE		**1,541**	**1,465**	**(290,610)**	**1,093**	**1,567**	**1,566**	**1,566**	**1,566**
UNAPPROPRIATED:									
RESERVE FOR FUTURE EXPENDITURE							**293,808**	**293,808**	**293,808**
ENDING FUND BALANCE		**289,210**	**290,675**	**65**	**291,768**	**292,242**	**-**	**-**	**-**

(1) Appropriation level

Budget Detail Pages
Vehicle / Equipment Reserve Fund

- **Vehicle / Equipment Reserve Fund Summary** – This page summarizes all revenue and expense.
- **Replacement Schedule** – This page summarizes all revenue and expense.

VEHICLE / EQUIPMENT RESERVE FUND

This fund accounts for transfers in from other funds to build reserves for vehicle and equipment capital purchases. In FY2016-17 General Government, Police, Public Works and Library departments are using this fund to build reserves. The Street and Water Funds contribute towards the General Government and Public Works reserves.

The fund is authorized and established by Resolution No.1167 dated June 23, 2003. Oregon Revised Statutes 294.346 requires a reserve fund to be reviewed at least every ten years to determine whether the fund will be continued or abolished. It was most recently reviewed and continued via City Council Resolution No. 1925 on March 21, 2016.

In FY2016-17 expected purchases are a 15kw generator by Public Works and new radio system equipment by the Police as part of a County-wide upgrade.

Currently departments are saving for the following items:

- Public Works – dump truck and pickup, to be purchased in FY2019-20.
- General Government – server upgrade, to be purchased in FY2018-19.
- Library – new computers, to be purchased in FY2017-18.

A detailed replacement schedule follows on the next page.

The contingency is budgeted at 10% of total expenditures, rounded.

The entire proposed ending balance has been budgeted as Reserve for Future Expenditure, to allow City Council to appropriate budget should a project be identified.

VEH./ EQUIP. RESERVE FUND 009-093		HISTORICAL DATA		CURRENT YEAR 2015-16			NEXT YEAR 2016-17			
Acct	Description	Actual 2013-14	Actual 2014-15	Budget	Actuals as of 4/30/16	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council	
OPENING FUND BALANCE		**25,580**	**39,560**	**46,619**	**46,619**	**46,619**	**53,599**	**53,599**	**53,599**	
REVENUES										
820110	Transfers In - GF/Gen Govt	-	3,000	2,047	2,047	2,047	2,251	2,251	2,251	
820110	Transfers In - GF/Police	5,200	6,400	4,671	4,671	4,671	4,729	4,729	4,729	
820110	Transfers In - GF/Public Works	7,000	328	58	58	58	263	263	263	
820110	Transfers In - GF/Library	1,600	2,600	2,593	2,593	2,593	2,604	2,604	2,604	
820111	Transfers In - Street/GG	-	500	499	499	499	500	500	500	
820111	Transfers In - Street/PW	-	328	48	48	48	140	140	140	
820210	Transfers In - Water/GG	-	1,500	2,447	2,447	2,447	2,251	2,251	2,251	
820210	Transfers In - Water/PW	-	656	102	102	102	474	474	474	
	TRANSFERS	**13,800**	**15,312**	**12,466**	**12,465**	**12,466**	**13,212**	**13,212**	**13,212**	
461000	Interest	180	247	235	200	287	286	286	286	
TOTAL REVENUES		**13,980**	**15,559**	**12,701**	**12,665**	**12,753**	**13,499**	**13,499**	**13,499**	
EXPENDITURES										
770200	Vehicles	-	-	-	5,772	5,772	-	-	-	
770300	Equipment	-	8,500	13,175	442	442	31,000	31,000	31,000	
	Capital Outlay	**-**	**8,500**	**13,175**	**6,214**	**6,214**	**31,000**	**31,000**	**31,000**	
TOTAL EXPENDITURES		**-**	**8,500**	**13,175**	**6,214**	**6,214**	**31,000**	**31,000**	**31,000**	(1)
	Contingency	-	-	9,582	-	-	3,000	3,000	3,000	(1)
CHANGE IN FUND BALANCE		**13,980**	**7,059**	**(10,056)**	**6,451**	**6,539**	**(20,501)**	**(20,501)**	**(20,501)**	
UNAPPROPRIATED:										
RESERVE FOR FUTURE EXPENDITURE							**33,097**	**33,097**	**33,097**	
ENDING FUND BALANCE		**39,560**	**46,619**	**36,563**	**53,070**	**53,158**	**-**	**-**	**-**	
	Police	5,200	11,600	16,331		16,342	158	158	158	
	Public Works	32,760	25,819	3,330		20,328	8,313	8,313	8,313	
	Library	1,600	4,200	6,851		6,864	9,505	9,505	9,505	
	General Government	-	5,000	10,052		10,064	15,121	15,121	15,121	

(1) Appropriation level

VEHICLE AND EQUIPMENT RESERVE FUND 009
Replacement Schedule

	Opening Balance	Reserve in FY 2016-17	2017-18	2018-19	2019-20	2020-21	Total to be Reserved	Purchase in FY 2016-17	2017-18	2018-19	2019-20	2020-21	Total to be Purchased
PUBLIC WORKS													
Dump Truck	5,491	627	627	627	627	-	**8,000**	-	-	-	8,000	-	**8,000**
1 Ton Pickup	5,000	250	250	250	250	-	**6,000**	-	-	-	6,000	-	**6,000**
15kw Generator	10,000	-	-	-	-	-	**10,000**	10,000	-	-	-	-	**10,000**
	20,491	877	877	877	877	-	**24,000**	10,000	-	-	14,000	-	**24,000**
Reserved by													
General Fund	30%	263	263	263	263	-							
Street Fund	16%	140	140	140	140	-							
Water Fund	54%	474	474	474	474	-							
		877	877	877	877	-							
GENERAL GOVERNMENT													
Server	9,993	5,002	5,002	5,002	-	-	**25,000**	-	-	25,000	-	-	**25,000**
Reserved by													
General Fund	45%	2,251	2,251	2,251	-	-							
Street Fund	10%	500	500	500	-	-							
Water Fund	45%	2,251	2,251	2,251	-	-							
		5,002	5,002	5,002	-	-							
POLICE													
New radio system	16,271	4,729	-	-	-	-	**21,000**	21,000	-	-	-	-	**21,000**
LIBRARY													
18 PCs	6,793	2,604	2,603	-	-	-	**12,000**	-	12,000	-	-	-	**12,000**
TOTAL	**53,548**	**13,213**	**8,483**	**5,880**	**877**	**-**	**82,000**	**31,000**	**12,000**	**25,000**	**14,000**	**-**	**82,000**

Reserved by					
General Fund	9,847	5,117	2,514	263	-
Street Fund	640	640	640	140	-
Water Fund	2,725	2,725	2,725	474	-
	13,212	8,482	5,879	877	-

Appendix

A. 2007 North Plains Charter

PREAMBLE

We, the voters of North Plains, Oregon exercise our power to the fullest extent possible under the Oregon Constitution and laws of the state, and enact this Home Rule Charter.

Chapter I NAMES AND BOUNDARIES

Section 1. Title. This charter may be referred to as the 2007 North Plains Charter.

Section 2. Name. The City of North Plains, Oregon, continues as a municipal corporation with the name City of North Plains.

Section 3. Boundaries. The city includes all territory within its boundaries as they now exist or are legally modified. The city will maintain as a public record an accurate and current description of the boundaries.

Section 4. Voluntary Annexations. All annexations not required by state law must be submitted to a city-wide election and obtain approval by a majority of those voting in the election before the annexations becomes effective.

Chapter II POWERS

Section 5. Powers. The city has all powers that the constitutions, statutes and common law of the United States and Oregon expressly or impliedly grant or allow the city, as fully as though this charter specifically enumerated each of those powers.

Section 6. Construction. The charter will be liberally construed so that the city may exercise fully all powers possible under this charter and under United States and Oregon law.

Section 7. Distribution. The Oregon Constitution reserves initiative and referendum powers as to all municipal legislation to city voters. This charter vests all other city powers in the council except as the charter otherwise provides. The council has legislative, administrative and quasi-judicial authority. The council exercises legislative authority by ordinance, administrative authority by resolution, and quasi-judicial authority by order. The council may not delegate its authority to adopt ordinances.

Chapter III COUNCIL

Section 8. Council. The council consists of a mayor and six councilors nominated and elected from the city at large. The Council appoints members of commissions and committees established by ordinance or resolution.

Section 9. Mayor. The mayor presides over and facilitates council meetings, preserves order, enforces council rules, and determines the order of business under council rules. The mayor is a voting member of the council, except as provided in Section 33 herein, and has no veto authority. The mayor must sign all records of council decisions. The mayor serves as the political head of the city government. The mayor may temporarily cease to chair a council meeting and delegate those functions to another council member.

Section 10. Council President. At its first meeting each year, the council must elect a president from its membership. The president presides in the absence of the mayor and acts as mayor when the mayor is unable to perform duties.

Section 11. Rules. The council must adopt by ordinance or resolution rules to govern its meetings.

Section 12. Meetings. The council must meet at least once a month at a time and place designated by its rules, and may meet at other times in accordance with the rules.

Section 13. Quorum. A majority of the council members is a quorum to conduct business, but a smaller number may meet and compel attendance of absent members as prescribed by council rules.

Section 14. Vote Required. The express approval of a majority of a quorum of the council is necessary for any council decision, except when this charter requires approval by a majority of the council.

Section 15. Record. A record of council meetings must be kept in a manner prescribed by the council rules.

Chapter IV LEGISLATIVE AUTHORITY

Section 16. Ordinances. The council will exercise its legislative authority by adopting ordinances. The enacting clause for all ordinances must state "The City of North Plains ordains as follows:"

Section 17. Ordinance Adoption.

(a) Except as authorized by subsection (b), adoption of an ordinance requires approval by a majority of the council at two meetings.

(b) The council may adopt an ordinance at a single meeting if:

i. No council member present objects, and

ii. The ordinance is provided to each council member and made available to the public at least one week before the meeting.

(c) Any substantive amendment to a proposed ordinance must be read aloud or made available in writing to the public before the council adopts the ordinance at that meeting.

(d) After the adoption of an ordinance, the vote of each member must be entered into the council minutes.

(e) After adoption of an ordinance, the city custodian of records must endorse it with the date of adoption and the custodian's name and title.

Section 18. Effective Date of Ordinances. Ordinances normally take effect on the 30th day after adoption, or on a later day provided in the ordinance. An ordinance may take effect as soon as adopted or other date less than 30 days after adoption if it contains an emergency clause.

Chapter V ADMINISTRATIVE AUTHORITY

Section 19. Resolutions. The council will normally exercise its administrative authority by approving resolutions. The

approving clause for resolutions may state “The City of North Plains resolves as follows:”

Section 20. Resolution Approval.
(a) Approval of a resolution or any other council administrative decision requires approval by the council at one meeting.

(b) Any substantive amendment to a resolution must be read aloud or made available in writing to the public before the council adopts the resolution at that meeting.

(c) After approval of a resolution or other administrative decision, the vote of each member must be entered into the council minutes.

(d) After approval of a resolution, the city custodian of records must endorse it with the date of approval and the custodian’s name and title.

Section 21. Effective Date of Resolutions. Resolutions and other administrative decisions take effect on the date of approval, or on a later day provided in the resolution.

Chapter VI QUASI-JUDICIAL AUTHORITY

Section 22. Orders. The council will normally exercise its quasi-judicial authority by approving orders. The approving clause for orders may state “The City of North Plains orders as follows:”

Section 23. Order Approval.

(a) Approval of an order or any other council quasi-judicial decision requires approval by the council at one meeting.

(b) Any substantive amendment to an order must be read aloud or made available in writing to the public at the meeting before the council adopts the order.

(c) After approval of an order or other council quasi-judicial decision, the vote of each member must be entered in the council minutes.

(d) After approval of an order, the city custodian of records must endorse it with the date of approval and the custodian’s name and title.

Chapter VII ELECTIONS

Section 25. Councilors. The term of a councilor in office when this charter is adopted is the term for which the councilor was elected. At each general election after the adoption, three councilors will be elected for four-year terms.

Section 26. Mayor. The term of the mayor in office when this charter is adopted is the term for which the Mayor was elected. At every other general election after the adoption, a mayor will be elected for a four-year term.

Section 27. State Law. City elections must conform to state law except as this charter or ordinances provide otherwise. All elections for city offices must be nonpartisan.

Section 28. Qualifications.
(a) The mayor and each councilor must be a qualified elector under state law, and reside within the city for at least one year immediately before election or appointment to office.

(b) No person may be a candidate at a single election for more than one city office.

(c) Neither the mayor nor a councilor may be employed by the city, or be related to an employee of the city. To determine relationship for this subsection, refer to the Oregon Revised Statutes definition of family. If there is a city employee related to a councilor at the time this charter takes effect, the employee may continue to work for the city subject to the city's personnel policies.

(d) The council is the final judge of the election and qualifications of its members.

Section 29. Nominations. The council must adopt an ordinance prescribing the manner for a person to be nominated to run for mayor or a city councilor position.

Section 30. Terms. The term of an officer elected at a general election begins at the first council meeting of the year immediately after the election, and continues until the successor qualifies and assumes the office.

Section 31. Oath. The mayor and each councilor must swear or affirm to faithfully perform the duties of the office and support the constitutions and laws of the United States and Oregon.

Section 32. Vacancies: The mayor or a council office becomes vacant:

(a) Upon the incumbent's:
- (1) Death,
- (2) Adjudicated incompetence, or
- (3) Recall from the office.

(b) Upon declaration by the council after the incumbent's:
- (1) Failure to qualify for the office within 10 days of the time the term of office is to begin,
- (2) Absence from the city for 30 days without council consent, or from all council meetings within a 60-day period,
- (3) Ceasing to reside in the city,
- (4) Ceasing to be a qualified elector under state law,
- (5) Conviction of a public offense punishable by loss of liberty,
- (6) Resignation from the office, or
- (7) Removal under Section 34(i).

Section 33. Filling Vacancies. A mayor or councilor vacancy will be filled by appointment by a majority of the remaining council members. The mayor shall have no vote in filling a vacancy unless a tie-vote situation occurs, in which event the mayor shall cast the tie-breaking vote. The appointee's term of office runs from appointment until expiration of the term of office of the last person elected to that office. If a disability

prevents a council member from attending council meetings or a member is absent from the city, a majority of the council may appoint a councilor pro tem.

Chapter VIII APPOINTIVE OFFICERS

Section 34. City Manager.

(a) The office of city manager is established as the administrative head of the city government. The city manager is responsible to the mayor and council for the proper administration of all city business. The city manager will assist the mayor and council in the development of city policies, and carry out policies established by ordinances and resolutions.

(b) A majority of the council must appoint and may remove the manager. The appointment must be made without regard to political considerations and solely on the basis of education and experience in competencies and practices of local government management.

(c) The manager need not reside in the city.

(d) The manager may be appointed for a definite or an indefinite term, and may be removed at any time by a majority of the council. The council must fill the office by appointment as soon as practicable after the vacancy occurs.

(e) The manager must:

(1) Attend all council meetings unless excused by the mayor or council;

(2) Make reports and recommendations to the mayor and council about the needs of the city;

(3) Administer and enforce all city ordinances, resolutions, franchises, leases, contracts, permits, and other city decisions;

(4) Appoint, supervise and remove city employees;

(5) Organize city departments and administrative structure;

(6) Prepare and administer the annual city budget;

(7) Administer city utilities and property;

(8) Encourage and support regional and intergovernmental cooperation;

(9) Promote cooperation among the council, staff and citizens in developing city policies, and building a sense of community;

(10) Perform other duties as directed by the council;

(11) Delegate duties, but remain responsible for acts of all subordinates.

(f) The manager has no authority over the council or over the judicial functions of the municipal judge.

(g) The manager and other employees designated by the council may sit at council meetings but have no vote. The manager may take part in all council discussions.

(h) When the manager is temporarily disabled from acting as manager or when the office of manager becomes vacant, the council must appoint a manager pro tem. The manager pro tem has the authority and duties of manager, except that a pro tem manager may appoint or remove employees only with council approval.

(i) No council member may directly or indirectly attempt to coerce the manager or a candidate for the office of manager in the appointment or removal of any city employee, or in administrative decisions regarding city property or contracts. Violation of this prohibition is grounds for removal from office by a majority of the council after a public hearing. In council meetings, councilors may discuss or suggest anything with the manager relating to city business.

Section 35. City Attorney. The office of city attorney is established as the chief legal officer of the city government. A majority of the council must appoint and may remove the attorney.

Section 36. Municipal Court and Judge.

(a) A majority of the council may appoint and remove a municipal judge. A municipal judge will hold court in the city at such place as the council directs. The court will be known as the Municipal Court.

(b) All proceedings of this court will conform to state laws governing justices of the peace and justice courts.

(c) All areas within the city and areas outside the city as permitted by state law are within the territorial jurisdiction of the court.

(d) The municipal court has jurisdiction over every offense created by city ordinance. The court may enforce forfeitures and other penalties created by such ordinances. The court also has jurisdiction under state law unless limited by city ordinance.

(e) The municipal judge may:

(1) Render judgments and impose sanctions on persons and property;
(2) Order the arrest of anyone accused of an offense against the city;
(3) Commit to jail or admit to bail anyone accused of a city offense;
(4) Issue and compel obedience to subpoenas;
(5) Compel witnesses to appear and testify and jurors to serve for trials before the court;
(6) Penalize contempt of court;
(7) Issue processes necessary to enforce judgments and orders of the court;
(8) Issue search warrants; and
(9) Perform other judicial and quasi-judicial functions assigned by ordinance.

(f) The council may appoint and may remove municipal judges pro tem.

(g) The council may transfer some or all of the functions of the municipal court to an appropriate state court.

Chapter IX PERSONNEL

Section 37. Compensation. The council must authorize the compensation of city officers and employees as part of its approval of the annual city budget.

Section 38. Merit Systems. Subject to collective bargaining agreements between the city and its employees, the council by resolution will determine the rules governing recruitment, selection, promotion, transfer, demotion, suspension, layoff, and dismissal of city employees based on merit and fitness and any collective bargaining agreement in effect.

Chapter X PUBLIC IMPROVEMENTS

Section 39 Procedure. The council may by ordinance provide for procedures governing the making, altering, vacating, or abandoning of a public improvement. A proposed public improvement may be suspended for six months upon remonstrance by owners of the real property to be specially assessed for the improvement. The number of owners necessary to suspend the action will be determined by ordinance.

Section 40. Special Assessments. The procedure for levying, collecting and enforcing special assessments for public improvements or other services charged against real property will be governed by ordinance.

Chapter XI MISCELLANEOUS PROVISIONS

Section 41. Debt. City indebtedness may not exceed debt limits imposed by state law. A charter amendment is not required to authorize city indebtedness.

Section 42. Ordinance Continuation. All ordinances consistent with this charter in force when it takes effect remain in effect until amended or repealed.

Section 43. Repeal. All charter provisions adopted before this charter takes effect are repealed.

Section 44. Severability. The terms of this charter are severable. If any provision is held invalid by a court, the invalidity does not affect any other part of the charter.

Section 45. Time of Effect. This charter takes effect January 1, 2008.

B. Financial Policies

I. Policy Statement
II. General Objectives
III. Operating Budgets
IV Revenue
V. Expenditures
VI. Fund Balance
VII. Capital Improvements
VIII. Debt Management
IX. Investments
X. Cash Management
XI. Purchasing

I. Policy Statement

The City of North Plains is committed to responsible financial management through financial integrity, prudent stewardship of public assets, planning, accountability, and full disclosure. The broad purpose of these policies is to enable the City to achieve and maintain a long-term stable and positive financial condition. The policies may be amended by a majority vote of the North Plains City Council.

These financial management policies will generally cover areas of:

I. Operating budget
II. Revenue
III. Expenditures
IV. Fund balance
V. Capital improvement
VI. Debt management
VII. Investment
VIII. Cash management
IX. Purchasing

Policies will be reviewed and updated each year during the budget preparation process.

The Financial Policies are included in the budget document to ensure at least an annual review of the policies. It also serves as readily available reference for employees and the public.

Substantive changes are highlighted in **bold**. Minor changes in the policy such as paragraph reformatting and title updates are not highlighted.

II. General Objectives

Assist the Council and City management by providing accurate and timely information on financial conditions pertinent to City operations.

Provide sound financial principles to guide the important decisions of the Council, and City management that will have a significant fiscal impact.

Compile an exhaustive balanced budget that accounts for all City revenues and expenditures. As a result, the City will be strengthened financially.

Deliver efficient, cost effective, and appropriate services.

Enhance the policymaking ability of the Council by providing accurate information on program costs.

Ensure the legal use of all City funds through a sound financial system and strong internal controls.

Employ revenue policies that diversify revenue sources, distribute the costs of municipal services fairly, and provide adequate funds to operate desired programs.

Comply with all finance related legal mandates, laws, and regulations.

III. Operating Budget

The budgeting process will be coordinated so that major policy issues are identified and incorporated into the budget.

Budgetary procedures will conform to State regulations and generally accepted accounting principles.

Monthly reports will be compiled comparing the budget to actual expenses. These reports will be reviewed by the City Manager and Department Heads.

Budget amendments will be prepared by the Finance Manager, under the direction of the City Manager, to ensure compliance with Oregon law.

The City will annually adopt a balanced budget where operating revenues are equal to, or exceed, operating expenditures. **In the case where revenues do not exceed expenditures, the reasoning and strategic plan will be explained to Council and must be approved.** Any increase in expenses, decrease in revenues, or combination of the two that would result in a budget imbalance will require budget revision. Any year-end operating surpluses will be calculated as ending fund balance and become part of the beginning fund balance in the following year.

As a minimum, the unappropriated ending fund balance shall be earmarked. Any funded liabilities unused in the previous year may be used to fund liability first, then operations in the following year.

The City Manager, as the City's budget officer, will prepare and present the City's proposed annual budget to the Budget Committee for its approval. The Proposed Budget will comply with the annual goals/objectives of the City Council.

The Budget Committee will review, and, if necessary, revise the Proposed Budget. The Budget Committee will also consider whether the submitted Proposed Budget adequately addresses the priorities set by the City Council. The Budget Committee must approve a Proposed Budget and submit it for adoption by the City Council. The City Council has the ultimate responsibility for adopting the budget and for making the necessary appropriations.

The budget, program priorities, project priorities, and service levels will be developed per the policies and procedures set forth by these financial management policies. If the City experiences growth to the point that citizens indicate a desire for measures of government performance, the Council will consider integrating performance measurement, service level, and productivity indicators into the operating budget wherever possible.

Annually the Council will be asked to set goals and objectives, the Budget Officer will draft a "Budget Guidance" memo for distribution to the department heads, so that they may provide budget drafting input to the Budget Officer.

The Budget Committee is made up of up to 14 members—seven of whom are members of the City Council, and seven of

whom are appointed from the community at large. Members will serve staggered pre-designated three year terms.

OPERATING BUDGET PROCEDURES

- ✓ Pursuant to State law, in order to receive State Shared Revenues, a public hearing before the City Council and the Budget Committee is required.

- ✓ The City will publish notice of the budget committee meeting 5-30 days prior to the meeting, and post notice on the City's website for at least 10 days. For other budget meetings, the City will post an agenda notice in accordance with North Plains' public meeting rules.

- ✓ The Budget Committee will hear the budget message, accept public comments, discuss and eventually approve the budget and tax levy. More than one meeting will be held if necessary.

- ✓ The City will publish notice of a City Council budget hearing with a summary of the budget 5-30 days prior to the hearing in accordance with Oregon law.

- ✓ The City Council will conduct a budget hearing prior to adopting the annual operating budget and Capital Improvement Plan. This must occur before July 1.

- ✓ If the City Council changes the tax levy by any amount or increases expenditures in any fund by 10% or $5,000, whichever is greater, another budget hearing must be held.

- ✓ The City will adopt a Resolution to:

  - o adopt the budget,
  - o make appropriations, and impose and categorize taxes; and will adopt a five-year Capital Improvement Plan, no later than June 30th.
  - o stating the City's eligibility for, and intention to receive State Shared Revenues.
  - o Certifying taxes for fiscal year, which will be submitted to the Washington County Assessor on or before July 15.

IV. Revenue

The City will actively identify and administer funding sources that create a reliable, equitable, and diversified revenue stream to shelter the City from short-term fluctuations in any single revenue source and to maintain levels of service delineated by the Council.

The City will not finance long-term revenue shortfalls through borrowing.

The City will follow an aggressive policy of collecting revenues and receivables. **Collection agencies will be used for water accounts over 45 days past due and library accounts with a balance over $50. Liens will be used to enforce abatements and other actions as prescribed by the City's Municipal Code.**

One-time revenues will be used for one-time expenditures; i.e. for capital expenditures.

Dedicated revenue streams may only be used for the purpose for which they are being collected.

Proposed additional revenue sources, will be reviewed by the City Council in terms of community acceptability, competitiveness, diversity, efficiency, and fairness.

Revenue estimates will be conservative (underestimated), objective, and reasonable.

User fees will, to the fullest extent possible, be calculated to recover direct and indirect costs of service delivery. Reduction of user fees below the cost of recovery will be presented to the City Council for its approval.

The City Council will set fees by adoption of a Resolution.

The bulk of City revenues are derived from: Property taxes, franchise fees and user fees.

V. Expenditures

The City's budget is on the modified accrual basis of accounting. Expenditures generally are recorded when a liability is incurred, as under full accrual accounting. However, debt service, compensated absences, and claims and judgments are recorded only when payment is due.

The City Manager will take immediate corrective action if, at any time during a fiscal year, revised revenue and expenditure estimates project a year-end deficit net of beginning fund balance, and will advise the Council at the next regularly scheduled City Council meeting.

The City will utilize creditor/vendor discounts to the fullest extent possible, and will establish a spending plan as soon as practicable in the fiscal year.

Target contingencies for the operating budget will range between five (5) and fifteen (15) percent of operations for each operating fund. **For certain capital project funds the contingency may be higher, depending on whether projects are expected to be identified mid-year.**

If the City experiences growth to the point that citizens indicate a desire for increased efficiency and/or effectiveness, the City Manager will begin staff and third-party reviews of City programs to measure efficiency and effectiveness. Privatization and contracting with other governmental agencies will be considered as alternatives to in-house service delivery. Programs that are determined by the Council to be inefficient and/or ineffective will be reduced in scope or eliminated.

General Fund contingency is typically $100,000. The FY15-16 proposed budget includes a contingency of $100,000, which is 11% of operating expenses.

VI. Fund Balance

The City will maintain an unreserved General Fund balance, net of unappropriated ending fund balance and funded liabilities, ranging from fifteen (15) to twenty (20) percent of annual General Fund revenue. The purpose of this unreserved balance is to alleviate significant unanticipated budget shortfalls and to ensure the orderly provision of services.

To the extent that the unreserved General Fund balance exceeds the target, the City may draw upon the fund balance to provide pay-as-you-go financing for capital projects, for other one-time capital equipment expenditures, or for accelerated debt service. **With Council approval, the City may also draw upon the fund balance for one-time investment projects that are not necessarily capital, and to cover short term deficits.**

In 2015-16
20% of annual General Fund Revenue is $185,000.

VII. Capital Improvements

In conducting Capital Improvements, the City will not exceed debt limits set by the Oregon Revised Statutes.

The Capital Improvements Program Budget fiscal year shall run concurrently with the Operating Budget fiscal year.

The City will determine the least costly, reliable, funding method for capital projects and will obtain grants, contributions, and low cost State or Federal loans whenever possible.

The City will monitor and periodically assess the capital equipment and infrastructure status, setting priorities for renovation and replacement based upon needs and available resources.

The City will maintain its physical assets at a level adequate to protect the City's capital investment and minimize future replacement and maintenance costs. The budget process will provide for review of maintenance conducted, and orderly replacement of capital assets from current revenues whenever possible.

A capital asset is a non-consumable asset with an original purchase price of $5,000 or greater and a life span of more than one year. A consumable asset is infrastructure or equipment that has a life span of less than one year an original purchase price of less than $5,000. The City Council may declare an item as consumable or non-consumable using different criteria on a case-by-case basis by majority vote of the Council.

Adequate insurance will be maintained on capital assets, and lists of assets will be maintained for the City's insurer.

The City will develop a five year Capital Improvement Program (CIP), submitted by the Budget Officer, which will be updated annually and adopted by the City Council when the annual operating budget is adopted.

The Budget Officer will coordinate development of the Capital Improvement Plan budget along with the development of the operating budget. Costs for internal professional services needed to implement the CIP will be included in the operating budget for the year in which the CIP item is to be implemented.

An objective process for evaluating CIP projects with respect to the overall needs of the City will be established through a ranking of CIP projects. The ranking of projects will be used to allocate resources to ensure priority projects are completed efficiently and effectively.

All funding sources that comply with Oregon and Federal laws and regulations may be used to fund capital improvements.
CIP projects will be approved at the budgeted amounts through the completion of the project.

The City Manager will conduct regular capital project and program reviews in order to monitor performance and keep the CIP current.

A statement detailing the operating budget impact of each project will be presented to the City Council for its consideration.

The City Manager and Public Works Director will identify the estimated costs, potential funding sources, and project schedule for each capital project proposal before it is submitted to the City Council.

Capital reserve funds will be established and maintained to accumulate reimbursements from other governmental agencies for the prior purchase of real assets, as well as transfers of undesignated fund balance from other City budget funds. These Funds will be used to pay for:

- non-routine and one-time expenditures, such as land and building purchases
- construction and maintenance improvements that are expected to last more than ten (10) years
- capital equipment and vehicles,
- technology improvements that are expected to last at least five years (5) and cost more than $5,000.

Expenditures from these funds shall be aimed at protecting the health and safety of citizens and employees, protecting the existing assets of the City, ensuring public access to City facilities and information, and promoting community-wide economic development.

All reserve Funds will be reviewed by the City Council at least every ten years for renewal if desired.

Capital projects should be executed in the year they are budgeted. The budget document is intended to provide direction to staff to complete infrastructure improvements.

VIII. Debt Management

The City may seek the advice of a Financial Advisor when necessary. A Financial Advisor will advise on the structuring of obligations to be issued, inform the City of various options, advise the City how choices will impact the marketability of City obligations, and will provide other services as defined by a contract approved by the City Council. The Financial Advisor will inform the City Manager of significant issues.

The City will establish parameters and provide guidance governing the issuance, management, continuing evaluation of, and reporting on, debt obligations issued by the City of North Plains, and will provide for the preparation and implementation necessary to assure compliance and conformity.

The City will follow a policy of full disclosure on every financial report, official statement, and bond prospectus.

If the City reaches a point at which it issues bonds frequently, the Finance Manager, under the direction of the City Manager, will begin to forge and maintain positive relationships with rating agencies, provide them with updates, and will coordinate meetings on new debt issuance as necessary.

The City will generally conduct financings on a competitive basis. However, negotiated financings may be used, with approval of the City Council, due to market volatility or the use of an unusual or complex financing or security structure.

The Finance Manager, under the direction of the City Manager, will structure debt issuances and oversee the management of City debt.

Bond sales will be structured to achieve level debt service payments to the extent possible, taking into consideration the costs of such financings.

The scheduled maturity of bond issues should not exceed the expected useful life of the capital project or asset(s) financed, and in no case shall the term exceed 20 years.

Long term debt will not be used to fund current operations or normal maintenance.

As provided in ORS 308.207, the City will not issue nor have outstanding more than three (3%) percent of the real market value of the taxable property within its boundaries. This limitation does not apply to general obligation bonds issued to finance the costs of local improvements addressed and paid for in installments under statutory or charter authority or to finance capital construction or capital improvements for:

- Water supply, treatment or distribution; or
- Sanitary or storm sewage collection or treatment; or
- Gas, power or lighting; or
- Off-street motor vehicle parking facilities.

Limited-tax general obligation bonds will be restricted to levels set forth in ORS 287.053.

As a precondition to the issuance of limited-tax general obligation bonds, alternative methods of financing should be examined.

Whenever appropriate, the City shall use special assessment or self-supporting bonds (sometimes referred to as revenue bonds) instead of general obligation bonds, so that those benefiting from the improvements will bear all or part of the cost of the financed project.

Interest earnings from general obligation bond proceeds will be deposited in the appropriate Capital or Debt Service Fund, and will be used to fund capital costs or capital debt service.

Principal repayment delays will not exceed two years.

The City will not assume more tax-supported general purpose debt than it retires each year without conducting an objective analysis as to the community's ability to assume and support additional debt service payments. The City will conform to Oregon Revised Statutes with regard to any voter approval of additional debt requirements.

Either variable or fixed rate financing may be used, subject to applicable laws, depending on the cost benefit of each option to the City.

Except in an emergency situation, designated by the City Council, no more than 60% of capital improvement program projects will be funded from long-term financings.

The Finance Manager, under the direction of the City Manager, will consider purchasing bond insurance when the present value of the estimated debt service savings from insurance is equal to or greater than the insurance premium.

Refunding (the practice of repaying a fund by making a new issue of another bond, i.e. a government refunds a bond when it borrows more money to repay the money it already owes to bondholders; refinancing a bond) of outstanding debt will only be considered when present value savings of at least four (4%) percent of the principal amount of the refunded bonds are produced; unless a restructuring, or bond covenant revision, is necessary in order to facilitate the ability to provide services or issue additional debt in accordance with established debt policy and limitations.

The City may not issue warrants to satisfy short-term obligations, unless the Council determines that a dire financial situation exists and short-term financing is not readily available. Warrants will only be used at the specific direction of the Council.

For the City to issue a new revenue bond, as defined in a Resolution authorizing the revenue bonds in question, revenues will be a minimum of 125% of the average annual debt service and 110% of the debt service for the year in which requirements are scheduled to be the greatest. Generally, revenues should be maintained at 130% of the maximum annual debt service. The debt coverage ratio is calculated by determining the net income (Receipts-Disbursements) and dividing the net income by the debt service. Annual

adjustments to the City's rate structures will be made, as necessary, to maintain a 1.3 coverage ratio.

A debt service reserve fund will be created from the proceeds of a bond issue and/or the excess of applicable revenues to provide a ready reserve to meet current debt service payments should monies not be available from current revenues. The debt service reserve fund will have two annual debt service payments available at all times.

The City may make interfund loans between funds or interagency loans between the City the North Plains Urban Renewal Agency if excess funds are available and the use of these funds will not impact the fund's current operations. The prevailing interest rate, as established by the Finance Manager, under the direction of the City Manager, will be paid to the lending fund.

Use of short-term borrowing, such as bond anticipation notes (BANs) and tax-exempt commercial paper, will be undertaken only if the transaction costs, plus interest of the debt, are less than the cost of internal financing, or if available cash is insufficient to meet working capital requirements.

Certificates of participation known as COP's (an alternative to a municipal bond in which an investor buys a share in the improvements or infrastructure the government entity intends to fund), and other leases, should be used when the size of a project is such that the interest rate is favorable to the City, or when other means of financing is unavailable.

IX. Investment Policy

The City will comply with State, Federal, and other legal requirements and regulations regarding investments.

The City will ensure the safety of capital and principal.

The City will maintain a level of liquidity (the ability to convert assets to cash) sufficient to fund operations.

The City will attain a market rate of return, taking into account City risk constraints and cash flow of the portfolio.

The City will appropriately diversify the portfolio through varying maturities, utilization of multiple brokers/dealers, and market coverage.

The Finance Manager, under the direction of the City Manager, will be designated as the City's Investment Officer responsible for investment management decisions and activities. The City Manager will delegate an alternate Investment Officer in the event that investment circumstances dictate immediate action and the Investment Officer is unavailable. The delegated alternate may be an investment advisor on retainer.

Officers and employees involved in the investment process will comply with Oregon Revised Statutes with regard to conflict of interest, and will fill out an annual statement of economic interest for submittal to the City Recorder. Such officers and employees will refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials will disclose any material interests in financial institutions with which they conduct business. They will further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Officers, employees, and their families will refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City. Officers and employees will, at all times, comply with the state of Oregon, Government Standards and Practices Commission, code of ethics set forth in ORS 244.

The City will rely on the "Prudent Man Rule", established in *Harvard College v. Armory* 9 Pick (26 Mass) 446, 461 (1830). This requires that the Investment Officer to:

"*Conduct himself (herself) faithfully and exercise sound discretion. (S)He is to observe how men of prudence, discretion and intelligence manage their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income, as well as the probable safety of the capital to be invested*."

The City will diversify the investment portfolio to avoid incurring unreasonable credit and investment risks inherent in over investing in specific instruments, individual financial institutions, or maturities.

INVESTMENT DIVERSIFICATION

All investments of the City will be made in accordance with Oregon Revised Statutes: ORS 294.035 through 294.046; ORS 294.125 through ORS 294.155; ORS 294.805 to 294.895 and other applicable statutes. Any revisions and or extensions of these sections of the ORS will be assumed to be part of this expanded Investment Policy immediately upon being enacted.

The Finance Director will diversify the portfolio to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions, or maturities. Diversification to avoid undue risk is achieved by varying the type of investment to ensure liquidity, investing in securities from several different financial institutions to reduce the chance of loss and varying maturity length to ensure availability of funds to meet cash needs.

The City may invest in the following classes of investments (with no more of the portfolio investments exceeding the percentage stated):

- Banker's Acceptance that are guaranteed by an Oregon financial institution (25%)
- Certificates of deposit with commercial banks or savings and loan associations that are FDIC insured and Oregon State Treasury-Qualified Financial institutions (25%)
- Investment Sweep Account per ORS 295 (15%)
- State of Oregon Local Government Investment Pool known as the LGIP (Minimum 15% up to 100%)
- State and local government securities (25%, with no more than 10% in any one entity)
- US Treasury Obligations (bills, notes and bonds) (100%)
- US Government Agency Securities and Instruments (75%)

Currently the City invests all funds in LGIP, yielding about 0.5% annual interest, except for $200,000 in a certificate of deposit at Columbia Community Bank which yields 0.8%.

Investment maturity placement decisions are made based upon projected cash flow requirements. The greatest emphasis of the investment program is placed on the Short-term portfolio (investments of 18 months or less) On-going analysis is performed to ensure short-term liquidity is consistent with projected cash flow needs.

After liquidity needs are met, and as opportunities arise, long-term placement of investment maturities will be considered. The City will not directly invest more than 25% of its portfolio

in securities maturing between 18 months and five years from the date of purchase.

At least 30% of the portfolio must have a maturity of less than eighteen months in order to maintain liquidity.

The City will not invest in “double-barreled bonds” or derivatives.

INVESTMENT PROCEDURES

The Finance Manager, under the direction of the City Manager, will in addition to a monthly financial report submit an annual report to the Council containing sufficient information to permit an informed outside reader to evaluate the performance of the investment program. More frequent reports may be provided when market conditions merit or if requested by the City Council. At a minimum, the report will contain:

- Beginning and ending market value of the portfolio by market sector and total portfolio.
- Beginning and ending book value of the portfolio by market sector and total portfolio.
- Detailed reporting on each asset.
- Overall current yield to maturity of the portfolio.
- Overall weighted average maturity of the portfolio.
- Maximum maturities in the portfolio.
- Compliance of the portfolio relative to the policy.

Portfolio performance will be measured every six months based on a comparison to the earnings of the local government investment pool. Investments will be reviewed on an annual basis to ensure that they are consistent with current desires and policies of the City Council.

X. Cash Management

General

All employees will be diligent in their efforts to ensure the records and financial transactions are accounted for accurately.

All staff have received training on how to mitigate fraud in the work place and this training will be offered annually. A written policy addresses cash handling outside of City offices, such as at community events.

All the public official bonds have been reviewed by the city insurance agent and adjusted where appropriate. An excess crime policy for $250,000 is in place.

Receipts

All money received will be recorded in carbonless receipt book kept in the Finance Department. Receipt books are used by multiple employees, and directly accessible on a daily basis to the Finance Manager and City Manager:

- General fund revenues
- Performance bond funds
- Community hall rentals and other miscellaneous funds requiring deposits
- Municipal court revenues
- Water payments

Credit card payments shall be receipted the same as all other types of payment.

All receipts will be dated with the current date, indicate the name of the person providing the funds, include an explanation of why the money was paid, and identify the type of funds received (cash, money order, credit card or check) on each receipt.

All checks or money orders will require some type of identifying feature such as citation, building permit, right-of-way permit, or business license number that may be used as an audit trail signifying who paid the money and why. Generally, permits, licenses, applications and citations have numbers assigned to them, and should be used to identify the receipts of funds.
Water billing receipts (computer generated) shall be date stamped received, denote cash, check, check number or money order and initialed be persons receiving payments.

All receivables including direct deposits shall be receipted and marked appropriately.

If a receipt needs to be voided, documentation will be generated to establish good audit trail.

Deposits

Deposits of all monies shall be made weekly to City Hall together with a copy of the receipt book receipts related to the deposit and the weekly tally sheets.

Deposits shall be done as often as necessary so large amounts of money are not held on the premises. The cash

represented in each deposit will be counted and verified by another person prior to the deposit leaving the premises.

Credit Cards

Credit card payments shall only be honored when card is presented.

Cash

All money boxes/bags will be counted at the beginning and end of each working day. Order of persons available to process is based on availability. Recommended persons are: Account Clerks, City Manager, Public Works Director. Library Director or Volunteer Coordinator /Library Assistant will be responsible for funds at the Library. The totals of all money boxes/bags shall be recorded in a journal retained at City Hall or at the Library.

All cash funds are maintained in lock secured sites. City Hall funds shall be retained in the safe located within the Finance Office, and the Library funds shall be retained in the locked drawer at the main counter at the Library.

Bank Statements

All bank statements will be opened and reviewed by the City Manager prior to being reconciled.

All accounts will be reconciled monthly by the Finance Department.

Records

Primary maintenance and disposition of all financial records (utility billing, accounts receivables and payables, payroll, bank reconciliations, court accounts and general ledger) shall be under the direction of the City Recorder. No records shall be discarded until a destruction form is completed, witnessed and signed by the appropriate department personnel, City Recorder and City Manager.

Documentation associated with the Court that requires LEDS certification to review, has been moved to the Police Department offices. Only authorized personnel have access to the court records area.

XI. Purchasing

These purchasing guidelines presents the City's purchasing systems and procedures. This policy has been developed with the goal of enabling the City to obtain required goods and services according to existing laws, statutes, regulations, and rules while facilitating a flexible, efficient, and cost effective process.

In order to make the system work effectively, to achieve maximum value for every dollar spent, and to protect the City from unwarranted liability, each City employee must be generally familiar with these procedures and rules in order to conduct City business responsibly. City of North Plains agents and employees will act with the highest standards of ethics, observing both the letter and the spirit of the law.

Objectives

- Consistently obtain quality goods and services at the lowest price in the proper quantity for delivery when and where required.
- Guard against unnecessary obligations and liability risks in all transactions.
- Treat all bidders and suppliers fairly and with the utmost professionalism.
- Assure expenditures from public funds are made carefully within the constraints of Oregon Government Standards and Practices, Oregon Local Budget Law, the City Charter, the Municipal Code, and City resolutions, and applicable Federal laws.

General Information – Legal Framework

The laws, ordinances, and rules applicable to purchasing, contracting, and the sale of City property are:

(1) Oregon Constitution, Articles I, XI, XII;
(2) Oregon Revised Statutes:
   - ORS Chapters 279 regarding public contracts and purchasing,
   - Chapter 294 regarding municipal financial administration, and
   - Chapter 244 regarding standards and practices (ethics);
(3) Oregon Administrative Rules, Chapter 125 and 137;
(4) North Plains Municipal Code (MC); and
(5) ORS 279.015(1)(g)(A) allows the City to acquire an item based on a bid or quote obtained by another governmental entity that followed the legal requirements of bidding. This practice is commonly referred to as "piggybacking."

Any expenditure having a lifespan in excess of one year and having a cost of $5,000 or more is a capital expenditure. If it does not meet *both* of these requirements, it is considered materials and supplies.

Overview of Procurement Responsibilities:

The Office of City Manager is responsible for:

(1) Reviewing contracts for required insurance and indemnity clauses, insurance certificates, and attachments as addressed in the City's standard contract.

(2) Returning completed contracts to originating department.
(3) Filing original record copy for City Recorder archival purposes and scanning into imaging system for electronic reference.

The Finance Department is responsible for:

(1) Verifying contractor has valid business license with City.
(2) Establishing and maintaining official accounts payable files.
(3) Receiving and auditing all invoices and purchasing documents.
(4) Encumbering funds for purchase as needed.
(5) Preparing checks for payment for all goods and services purchased by the City.

Delivery and Receipt of Goods and Services

Supplies will be delivered to the location designated by the requesting department.

When the goods are received, the requesting department is responsible for checking the delivery against the delivery slip for quantity, quality, and specifications. The following checklist needs to be followed:

(1) The delivery slip information agrees with the goods received.
(2) If the delivered goods are damaged, the items should be refused or a note must be made on both the receiving documents and the vendor must be immediately notified.
(3) In cases of incomplete delivery, shortage, or overage:
    - Record all items received, and notify the vendor.
(4) When the final delivery on the purchase is made forward packing slips to Accounts Payable with request for payment.

Deliveries should not be accepted without delivery tickets or packing slips.

Payments

The City's billing address in all cases will be:
City of North Plains
Attn: Accounts Payable
31360 NW Commercial St
North Plains, OR 97133
Any department needing information regarding invoices or copies of specific statements should contact the Finance department.

On a periodic basis, or according to the vendor's terms, accounts payable will pay suppliers and vendors following these procedures:

- Payment will be made when a packing slip and request for payment are signed by the appropriate approving authority and submitted to Finance.

- If any problems are apparent, Finance will resolve them prior to issuing payment, and may ask the receiving

and/or requesting department(s) for assistance in resolving concerns.

For payment for services, the City's standard personal services contract will be used if the service contract amount exceeds $1,000, or for any amount where unusual risk to life or property exists.

For services contracts valued under $1,000 and without unusual risks to life or property. Payment will be made when the following process has been completed:

(1) Accounts payable will review invoices sent in by the supplier subsequent to their written approval by a Department Head or City Manager. A signature of approval for payment signifies that the scope of work is complete and acceptable and City funds should be paid.

(2) If any problems are apparent, accounts payable will resolve them prior to issuing payment, and may ask the receiving department for assistance in resolving the problem.

Purchasing Authority

Employee	Amount
Staff	$500
Department Head	$5,000
City Manager	$25,000

City Council acting as a legislative body can authorize expenses up to the legal limit.

As a practice City staff rarely uses petty cash. Reimbursements for personal employee expenses are usually made by check, which can be monitored through the check register.

Petty Cash Procedures (Expenditure Limit: $50 or less)

Petty cash purchases are considered incidental purchases, requiring minimal documentation and Petty Cash Custodian approval. When using petty cash the amount taken out should be documented and it should initialed by the employee who is requesting the money to make the purchase and a witness who verifies the amount taken

Step-by-Step Process

1. The requesting employee delivers a completed and signed petty cash voucher and purchase receipt to the petty cash custodian. Petty Cash vouchers require approval signature of a Department Head or City Manager.

2. The petty cash custodian reviews the voucher and receipt for completeness, clarity, and budget authority (i.e. account number), and then disburses the requested funds to the employee.

The City has broadened access to credit cards, in order to minimize the use of cash by employees, avoid personal payments of city expenses, and create a clear audit trail for minor purchases. All credit card purchases are reviewed by a Department Head and/or City Manager.

Advances from Petty Cash may be used when employees do not have sufficient funds to cover the cost of a purchase

(1) The requesting employee completes a petty cash voucher, including the general ledger number to be charged, and submits it to petty cash custodian, who advances the cash to the employee for the necessary purchase.

(2) The employee purchases the item and submits the receipt and any unused portion of the advance to the petty cash custodian.

Petty cash fund is located at City Hall.

The petty cash custodian may request petty cash account replenishment as needed, but at least once each month. When the fund is drawn down to approximately $100, the petty cash custodian will collate all petty cash slips and sort them by account codes for entry onto a petty cash reimbursement form/envelope.

The petty cash custodian is responsible for balancing the amounts paid out against the slips returned for disbursement and must ascertain that the totals are identical. The City Manager must sign the form to approve replenishment after reviewing the petty cash reconciliation.

After the purchase, an employee should return any unused cash and provide a receipt or initial the transaction detail certifying the net expense.

As needed and at least monthly the transaction detail should be reconciled and replenished by recording a manual check to vendor petty cash and getting cash back from a deposit this should be documented by the manual check #, the deposit #, initial by the reconciler and initialed as approved by the City Manager(Control). The transaction detail report should then be filed in the AP petty cash folder.

Credit Card Procedures

Credit cards are issued in the name of the City of North Plains and in the names of City employees.

Permitted uses are limited to the direct purchase of authorized materials, equipment, or services and to making necessary reservations for authorized travel/training while conducting City business.

Bank cards have no cash advance authorization and are never to be used for personal business.

Step-by-Step Process

1. Employee is provided card by Finance Department. Persons authorized for cards include:
   - Full-time employees of the City
   - Library Volunteer Coordinator
   - Library Clerk responsible for shipping
   - Children's Librarian
2. Make purchase or place order.
3. Immediately write the account number on the customer copy of the charge slip, making sure there is adequate description of the expense to allow for audit verification.
4. When the individual billing statement arrives at accounts payable it will immediately forwarded to the employee who must match receipts with the statement, and sign off on the expenses.
   - If there is a need for correction, the employee is responsible for contacting the vendor and ensuring the appropriate amount is billed or charge reversed.
   - If the employee approves the statement, it will be forwarded to the Department Head for review and approval.
5. Subsequent to receiving the Department Head's or City Manager's approval, the statement will be returned to accounts payable for processing and payment.

If a credit card is lost or stolen that must be reported to the City Manager by telephone and email or memo immediately, fully explaining the circumstances (date, time, and place of loss or theft if known, etc.)

Purchases

Employees should always attempt to procure services at the lowest cost practical from local vendors.

Whenever practical 3 sources for goods and services should be evaluated for a purchase. Sources can include:

- Reviewing websites
- Calling vendors, or
- Reviewing a catalogue

However if the value of a purchase is relatively low and the cost for the employee's time to perform comparison shopping is likely to negate or exceed savings realized by comparative shopping the employee may select the best option available for purchase. As an example, purchasing a small part from the local hardware store at a 40% higher cost is likely more cost effective than driving 20 miles round trip to a discount retailer and consuming an hour of staff time, or conducting a review on the internet which also consumes staff time.

As a general rule employees should assume their time is worth 140% of their hourly wage. The value of the employee's time should be considered whenever the total price for a product is determined.

Similarly expenses related to shipping and delivery should be considered whenever a purchase is made.

Employees who must purchase similar items on regular basis need only document the process of comparative shopping once a year. For example, the Police must periodically purchase ammunition. The first time it is purchased each year a comparison of prices should be performed. Thereafter the Department can rely on that information to demonstrate purchases of the same goods is competitive.

Informal Quote Procedures for Expenditures
Up to $5,000
The requesting department will analyze the purchase request and seek the best price on an informal basis, either by calling prospective vendors or by reviewing catalogues if feasible.

Step-by-Step Process
The requesting department determines the item(s) to be purchased. When practical and feasible, the requesting department will obtain 3 informal quotes for the item(s) from selected vendors. The requesting department may solicit quotes informally over the phone or refer to catalogues for price comparisons, recording quote information in a written format. This documentation should be retained for a minimum of three years.

If applicable, the vendor(s) respond with quotes to the requesting department. The requesting department evaluates all quotes and selects a vendor. Refer to the "purchasing limits" chart for approval authority.

If the purchase is for goods or services that require a contract, the contract package is forwarded to the Office of the City Manager for review first. Only the City Manager or a department head may execute a contract for service.

The selected vendor fulfills the requirements of the Purchase Order or Contract and sends an invoice to accounts payable.

The requesting department administers the contract, or inspects materials, construction, or services to determine whether or not they meet contract specifications. Discrepancies should be reported to the vendor and accounts payable as soon as possible. If the items have been furnished, as requested, the department signs and dates invoices promptly and submits them to Finance for payment.

Informal Bid Procedure for Expenditure
$5,000 to $50,000
Increased from $5,000 to $25,000.
The requesting department will analyze the purchase request and seek the best price on an informal basis, either by calling prospective vendors or by a written request for bids

Step-by-Step Process
The requesting department prepares the specifications selects vendors from whom quotes will be obtained.

The department may solicit quotes informally over the phone, recording quote information in a written form.

The requesting department shall obtain a minimum of three written competitive bids. If vendors are non-responsive to

requests for bids, then staff may document that three bids could not be obtained.

The department shall keep a written record of the source and amount of the bids received. If three bids are not available, a lesser number will suffice provided that a written record is made of the effort(s) to obtain the quotes.

Bids should be evaluated for cost and quality of goods and a vendor selected.

If the purchase is for goods or services that require a contract, the contract package is forwarded to the Office of the City Manager for review first. Only the City Manager or a Department Head may execute a contract for service.

Public Improvement projects are subject to rules under ORS which require formal bidding, and the acceptance of the lowest responsible bid.

The requesting department administers the contract, or inspects materials, construction, or services to determine whether or not they meet contract specifications. Discrepancies should be reported to the vendor and accounts payable as soon as possible. If the items have been furnished, as requested, the department signs and dates invoices promptly and submits them to Finance for payment.

Formal Bid Procedures for Expenditures Over $50,000

Since the bidding procedure is the focal point of public buying, it should be conducted so that no suspicions of impropriety can or will arise. Because of its importance, the bidding procedure is set forth below in detail, and must be followed carefully.

Expected Time Frame for this Process

A formal process can require two months or more to complete.

- *Bid Specifications: 2 Days*
- *Department Review: 3 Days*
- *Pre-Bid Conference (if applicable): (10 Days)*
- *Advertisement for Bids/Opening/Tabulation: 10 Days*
- *Bid Evaluation/City Council Work Session Action Item (if applicable): 10 Days*
- *Successful Bidder Notified, Contract Prepared*
- *Signed, and Distributed: 10-15 Days*

Step-by-Step Process:

After obtaining City Council approval to let bid(s) through the budget process, the requesting department prepares a bid specification package including the contract to be used for the item(s) to be purchased and prepares and advertisement for the bid. (The bid specification package is described in detail in OAR 137-30-010- to 137-030-045.)

The department manager reviews the bid specification and contract for completeness, clarity, and objective basis for award, forwards the contract to the City Attorney for legal review if needed, reviews the advertisement for bid, and adds

the item(s) to the bid list and places in on the City Council agenda, if applicable.

The requesting department advertises for bids, holds a pre-bid conference (optional), receives, opens and tabulates them. The department manager reviews and makes the recommendation for award to the lowest responsible bidder. (Note: The department will document its findings when not recommending the low bid and will forward those findings to the City Manager, who has the sole responsibility for disqualifying any bidder.)

For all public contracts in excess of **$50,000**, formal approval by City Council is required. The requesting department will prepare a staff report and recommendation submitted through the City Manager for Council consideration.

Council will act on the recommendation at a regular or special City Council meeting in which the item is included as a business item on the agenda.

The requesting department forwards the recommendation to the City Manager, which reviews the department's selection and awards the prepared contract to the lowest responsible bidder, or selected bidder if the lowest bidder was disqualified.

When the bid exceeds the City Manager's purchase authority, the recommendation will be prepared in a staff report by the originating department, and sent through the City Manager to the City Council for consideration.

The requesting department notifies the successful bidder of award by telephone or mail the next business day after selection, prepares a contract, and transmits it to the successful bidder (vendor) for signature. Upon the vendor's return of those signed contracts within 5-10 days after transmittal as well as such requirements as business license application and certificate of insurance, the department reviews and approves all documents and then forwards the contract package to Office of City Recorder for review, who then forwards to City Manager for approval.

If there are change orders to the original contract that exceed 10% or $100.00 of the original bid price, the contract amendment must be reviewed by the City Manager, and when needed City Council.

After completion of the contract, forward the permanent file to the City Recorder for archival storage. For archiving purposes, the contract file must contain:

(1) A copy of the RFP/RFB and any addenda.
(2) Any vendor pre-qualification forms.
(3) The complete list of vendors who received or requested the RFP/RFB.
(4) Affidavit of publication of advertisement.
(5) Bid/Proposal opening tally form.
(6) Evaluation form.
(7) Recommendation of award and any documentation supporting recommendation.
(8) Accepted bid or proposal.
(9) Bids/Proposals not accepted and reasons for non-acceptance.

(10) Personal Services contract, if applicable.
(11) Contract, if applicable.
(12) List of subcontractors used on project, if any, and payment records.
(13) Copies of change orders, if any.

Check Request Procedures
City checks are authorized by at least two signatories on the City bank accounts, and can only be issued after clear documentation of expenses is established.

Step-by-Step Process:
The check request must be made in writing. In all cases, authorizing signatures must appear on the check request prior to processing by the Finance Department.

Documentation for purchases including budget code numbers must be attached to the request when it is submitted to Accounts Payable for processing.

In the event that checks are required prior to the delivery of goods, attach all documentation, invoice, order form, or statement, to the completed check request and transmit to the Finance Department for processing.

Sole Source Procurement
In some rare instances, the City can waive the requirement for multiple bids if a good or service can only be obtained from one source. For example some specialized products may be distributed by only one or two vendors in the state, and it is not cost effective to seek additional vendors. Sole source procurements must be approved by the City Manager or City Council.

Professional Services
Staff can procure professional services based on the qualification of the person/firm providing service, rather than lowest cost. A competitive request for qualification is not required for contracts valued at less than $20,000 or if a qualified vendor list from a neighboring community is used.

Professional services include things like, design, engineering, environmental study, and financial analysis.

Emergency Purchases and Contracts
In the rare event of an emergency that poses a threat to human health or to avoid or mitigate significant property damage, the City Manager or his or her designee may authorize an expense that is above the normal authorization level. As soon as practical thereafter, the Mayor and Council president shall be notified of the expense. The expense shall be presented for ratification at the next Council meeting.

Emergency Purchases with Personal Funds
At times, a City employee may be faced with an emergency situation or be in a situation in which it is expeditious to make a purchase from his or her personal funds. In such circumstances, the following rules and procedures apply.

(1) With the exception of true emergency situations, all employee purchases with personal funds for which reimbursement is sought shall not exceed $100.

(2) In all circumstances a receipt is required. The City will not reimburse undocumented expenses. The receipt must show in some way the purchase amount, the item purchased (if practical), and the name of the City employee who made the purchase. It is acknowledged that cash register tape receipts often do not provide this information. If the information is not printed on the receipt, the employee should complete it.

(3) Requests for reimbursement shall be turned in at least quarterly.

Budget Message

April 11, 2016

Honorable Mayor, City Councilors, and Budget Committee Members,

It is with pleasure that I present our initial budget proposal for FY2016-17. Each year I compile the budget from the detail up – putting together the property tax revenue estimate, hearing from department heads what their wants and needs are, considering what items will be added or going away. The past few years the initial compilation of this has resulted in a large decrease in the General Fund Ending Fund Balance, which meant our Budget Committee meetings were full of hard looks at costs, and questions about what services to prioritize. However, this year the very first draft showed a small increase in the General Fund Ending Fund Balance. The work of the Budget Committee over the past three years has brought us to a year where we can breathe a little easier.

My goal with the General Fund is for the budget to produce a slightly positive Net Current Revenues and Expenditures. This is activity within the current year before addressing the contingency or any one-time transfers. Net Current Revenues and Expenditures in the initial proposal is $9,743.

The FY2016-17 budget includes many exciting things, from the hiring of a full-time Library Director to the completion of the ODOT funded walking trail. We're starting to see an increase in property tax revenues from new homes, and we're building capital in Water, Parks and Transportation Funds for future expansion projects.

In addition, this budget proposes a one-time transfer from the General Fund to the Street Fund, to help the Street Fund re-balance after the significant costs of the Claxtar project in 2013. This is discussed in detail within the budget document.

I look forward to presenting and discussing the FY2016-17 budget proposal with you.

Respectfully submitted,

Rachael Lembo
Finance Manager

Budget Message

May 23, 2016

Honorable Mayor, City Councilors, and Budget Committee Members,

This proposal is a revision of the proposal we reviewed on April 11 and 25, 2016. Changes have come from your questions and comments at those Budget Committee meetings, as well as discussions and action taken at City Council meetings. A detailed list of those changes is provided on the next page.

There are two major changes in this version:

- The proposed transfer of $100k from the General Fund to the Street Fund has been removed. After discussion at the May 16, 2016 City Council meeting, the Council directed staff to use the funds collected by the suspended Fee in Lieu program to bring the unrestricted balance back into the black and budget for two street projects in FY2016-17. A balance of $20k remains in the Street Fee in Lieu line item, to be available for sidewalk improvements as part of a larger project, should the funding and opportunity arise.
  The two street projects are street overlays on Pacific Street between Glencoe and Curtis Streets and 311th Avenue between Commercial and Hillcrest Streets. Each project is estimated to cost $20k.

- The Police Department has been revised to maintain the structure it has had in past years: Police Chief, one full time Officer and one part time Officer.

The proposed Net Current Revenues and Expenditures in the General Fund is just under $13k. This is activity within the current year before the contingency. This is comparable to FY2014-15 actuals and FY2015-16 budget, although FY2015-16 actuals are expected to be closer to $57k due to considerable Planning and Land Use fees.

Respectfully submitted,

Blake Boyles
City Manager