

City of North Plains,

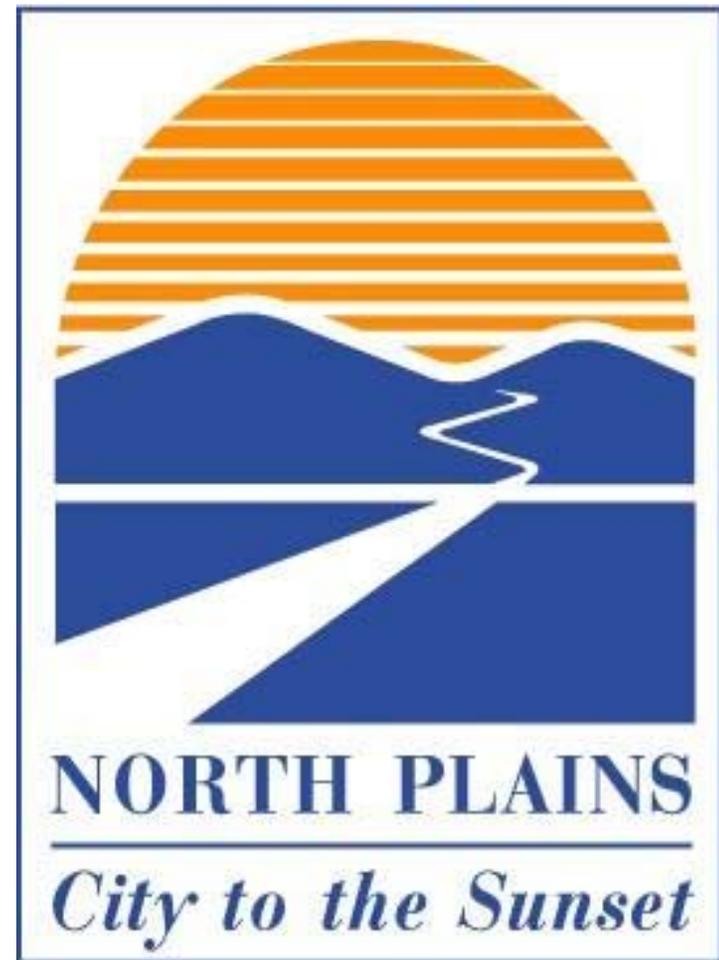
Oregon

~

2015-16

Annual Budget

Adopted June 15, 2015



**North Plains, Oregon
2015-2016 Annual Budget
Budget Committee
*Approved May 11, 2015***

City Council:

Mayor David Hatcher
President Teri Lenahan
Robert Kindel, Sandi King,
Charlynn Newton, Sherrie Simmons, Scott Whitehead

Citizen Members

Marrina Abeln, Vernon Epling, Cindy Hirst,
Lani Miles, Trista Papen, Russ Sheldon, Jim Wieskamp

Budget Officer

Interim City Manager Blake Boyles

Document prepared by Finance Manager Rachael Lembo



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Budget Message

June 15, 2015

Honorable Mayor and City Councilors,

The FY2015-16 budget was approved by the Budget Committee on May 11, 2015. There have been no changes to the budget, but the original document was updated so all graphs and charts now reflect the approved numbers.

Much of the discussion at the Budget Committee meetings this year revolved around the “deficit” in the General Fund and how the contingency is accounted for.

To clarify, **the approved FY15-16 budget is balanced.** As is stated in the About the Budget section of this document: The City is required to budget all funds and for each fund to have a balanced budget.

A balanced budget:

$$\underline{\text{TOTAL RESOURCES}} = \underline{\text{TOTAL REQUIREMENTS}}$$

The City’s General Fund for FY15-16 is balanced:

TOTAL RESOURCES		TOTAL REQUIREMENTS	
Opening Fund Balance	\$808,634	Ending Fund Balance	\$778,343
Revenues	\$958,772	Expenditures	\$905,534
Transfers In	\$16,471	Contingency	\$100,000
TOTAL	\$1,783,877	TOTAL	\$1,783,877

In determining if the budget is balanced, the Opening Fund Balance is classified as a Resource, like Revenues, and the Ending Fund Balance is a Requirement, like Expenditures.

“Deficit”, as the term was used in the FY2015-16 budget, represents the Change in Fund Balance for the year. It indicates that the Ending Fund Balance is less than the Opening Fund Balance, in this case by less than 5%. Since the General Fund has a large fund balance this can happen without causing our Resources and Requirements to be out of balance.

In looking at the chart to the left, it’s clear that Revenues exceed Expenditures. The reason for the negative Change in Fund Balance is the Contingency.

The Contingency is an amount that Council can authorize for spending during the year, but is not yet allocated to be spent. It’s something between a Budgeted Expenditure and Ending Fund Balance, and at the end of the year any of it not allocated to a Budgeted Expenditure returns to Ending Fund Balance.

Some cities, for example King City in FY15-16, choose to put the entire Ending Fund Balance in Contingency. This does not mean they will use it all and end the year with no fund balance. It simply means they would like access to it if necessary.

I believe this budget presents a stable financial position with flexibility for the upcoming year. Should Council not find it necessary to spend the entire Contingency in FY15-16, we could end the year with a \$70k surplus, or increase in Ending Fund Balance. However, should situations arise that require use of the Contingency, we will appreciate we have access to those additional funds.

Sincerely,

Rachael Lembo
Finance Manager

FY2015-16 FUND SUMMARY

	General Fund	Street Fund	Water Fund	TDT Fund	Park Capital Fund	TIF Fund	Veh/Equip Res Fund	Total All Funds
RESOURCES								
Opening Fund Balance	808,634	210,935	1,277,092	516,183	491,089	290,610	47,037	3,641,579
Property Taxes	391,882	-	-	-	-	-	-	391,882
Licenses/Permits/Fees	345,649	63,960	476,520	486,780	274,080	-	-	1,646,989
Charges for Services	-	-	910,000	-	-	-	-	910,000
Intergovernmental	165,797	123,890	-	-	-	-	-	289,687
Grants	28,200	-	-	-	200,000	-	-	228,200
Interest	9,244	1,000	5,445	3,000	2,500	1,445	235	22,869
Fines and Forfeitures	18,000	-	-	-	-	-	-	18,000
Transfers In	16,471	10,000	-	-	-	-	12,466	38,937
Current Revenues	975,243	198,850	1,391,965	489,780	476,580	1,445	12,701	3,546,563
TOTAL RESOURCES	1,783,877	409,785	2,669,057	1,005,963	967,669	292,055	59,738	7,188,143
REQUIREMENTS								
Personal Services	580,292	79,393	243,585	-	-	-	-	903,270
Materials and Services	305,273	57,988	303,114	-	-	-	-	666,375
Capital Outlay	-	20,000	51,000	-	300,000	150,000	13,175	534,175
Debt Service	-	-	134,332	-	-	-	-	134,332
Special Payments	600	-	180,360	-	-	-	-	180,960
Transfers Out	19,369	547	2,549	-	-	-	-	22,466
Current Expenditures	905,534	157,929	914,940	-	300,000	150,000	13,175	2,441,577
Contingency	100,000	27,000	500,000	1,005,963	667,669	142,055	10,000	2,452,686
Ending Fund Balance	778,343	224,856	1,254,118	-	-	-	36,563	2,293,879
TOTAL REQUIREMENTS	1,783,877	409,785	2,669,057	1,005,963	967,669	292,055	59,738	7,188,142
CHANGE IN FUND BALANCE	(30,292)	13,921	(22,975)	(516,183)	(491,089)	(290,610)	(10,474)	(1,347,701)

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 American Community Survey (2009-2013 5 Year Estimate), North Plains population is estimated at 2,029 with a median age of 37.5 years. Over 72% of households are families with children, and the average household size is 2.75 persons. Average per capita income is \$35,933 and median household income is \$73,750.

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

Sandi King sandi_king@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/>

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U.S. Rep. Suzanne Bonamici (D)

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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)

2015-2016 Budget Calendar

March 26 – City Manager releases proposed budget

April 13 – First Budget Committee meeting.

April 27 – Second Budget Committee meeting.

May 11 – 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 1 – City Council meeting to hold public hearing on the approved 2015-2016 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.

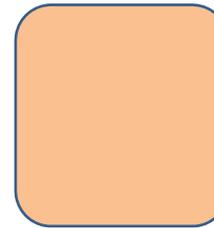
Monthly reports are prepared by the Finance department and reviewed by department heads. A check register is included in Council's agenda packet every month to provide full transparency regarding who the City's vendors are, what they are paid and when payments occur. Quarterly financial reports are distributed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

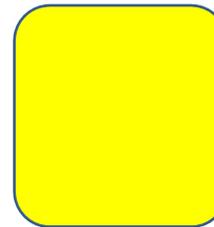
Funds

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.

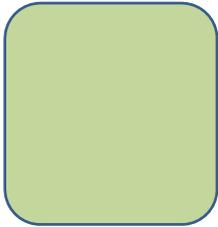


General Fund 110: This fund accounts for the general services provided by the City. Revenue is primarily generated through property taxes, state shared revenues, franchise fees, and cost share transfers from other funds. The General Fund supports most of the major activities of the City including General 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, reflected as a Transfer Out to the General Fund.



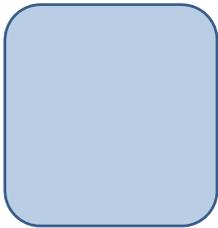
Water Fund 210: This fund accounts for the operation of the City's water utility. The principal sources of revenue are user fees and System Development Charges (SDCs). The Council has committed SDCs to capital projects as reflected in fund balance.

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, reflected as a Transfer Out to the General Fund.

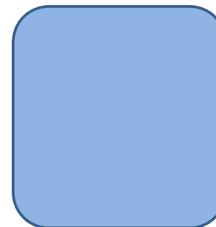


Transportation Development Tax (TDT) Fund 130: This capital improvement fund is used to account for the financing of new or improved streets, sidewalks, signals and bridges within the City. Revenue is generated through an SDC on new buildings set by the

County.

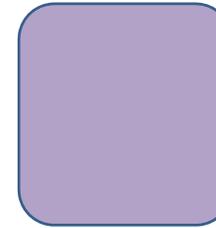


Parks Capital Fund 131: This fund accounts for the receipt and expenditures of Parks SDCs. SDCs are charged to builders to provide a source of income to pay for the expansion of the City's parks system.



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.

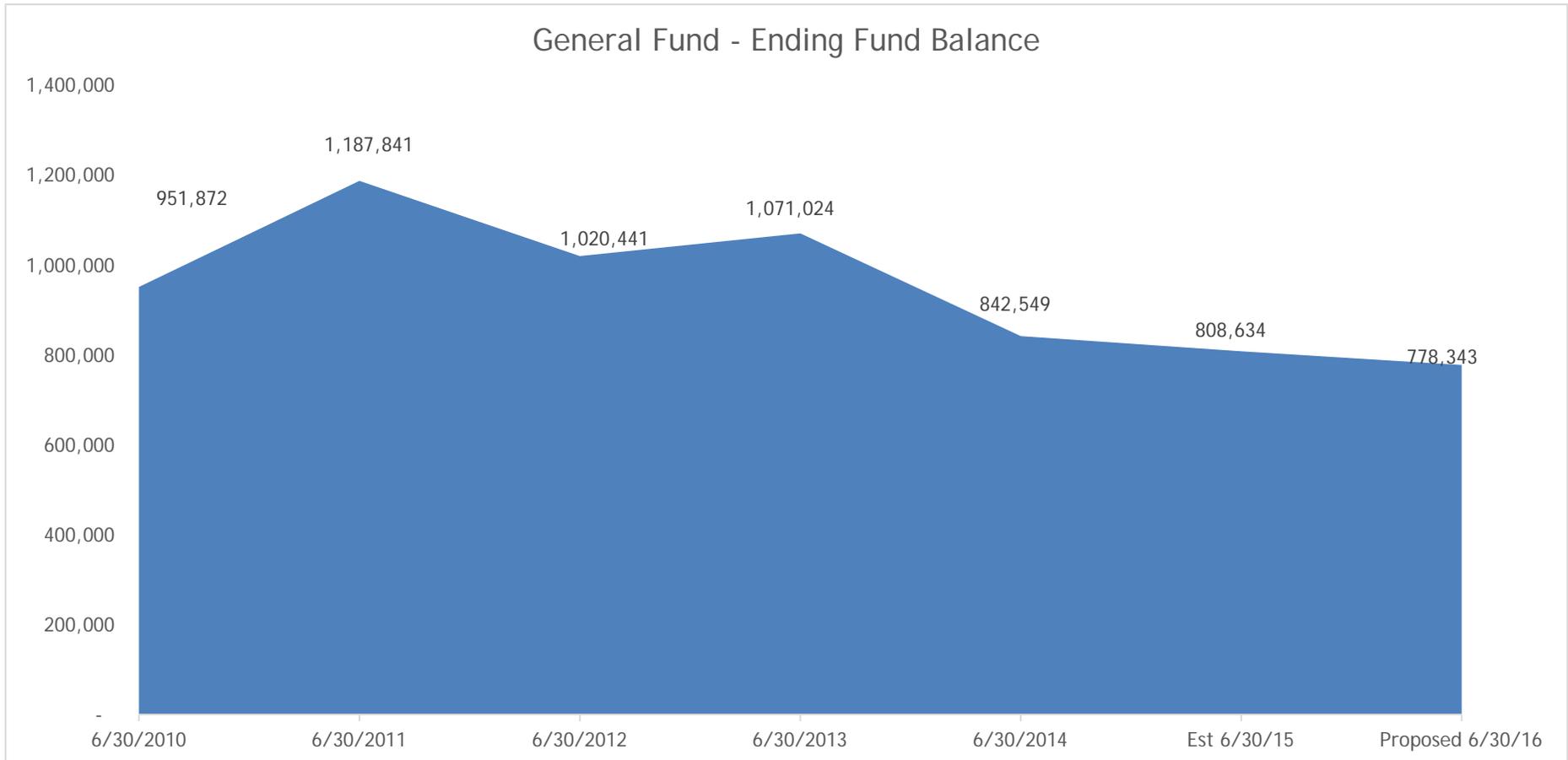


Vehicle / Equipment Reserve Fund 009: This fund accounts for transfers in from other funds to build reserves for vehicle and equipment capital purchases.

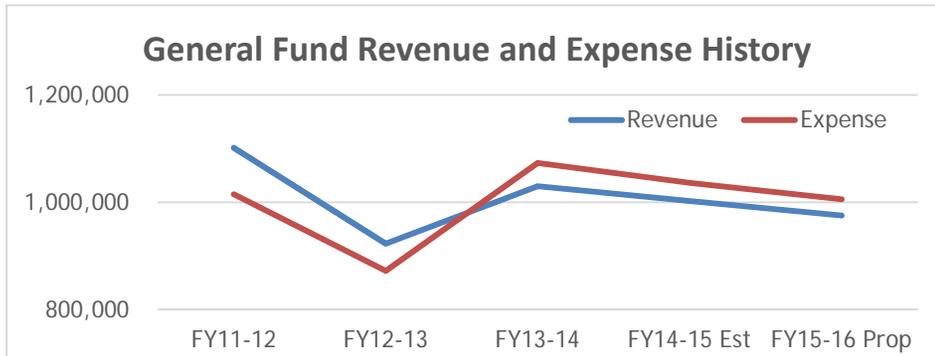
Budget History

A little background to explain the changes that have happened in the last five years. The history will focus on the General Fund, the fund with the most changes, and also the fund that is struggling to find balance.

Fund balance is a fund's accumulated reserve. The past few years the General Fund has had fiscal year deficits, which lowers the fund balance. **The proposed FY15-16 budget predicts a fund balance of \$778,343 on June 30, 2016, down from over \$1M June 30, 2012.**



Budget History (Continued)



A deficit occurs when expense exceeds revenue. This happened in FY13-14 and has every year since. As the graph clearly shows, **FY12-13** was an odd year. The Municipal Court was closed in FY11-12 and police focus shifted away from citation writing, resulting in a significant decrease in revenue, \$200k, and some decrease in court related expense, \$60k. The other driver of expense decrease was an increase of \$170k in allocation of shared costs to other funds, which kept the General Fund from having a deficit that year.

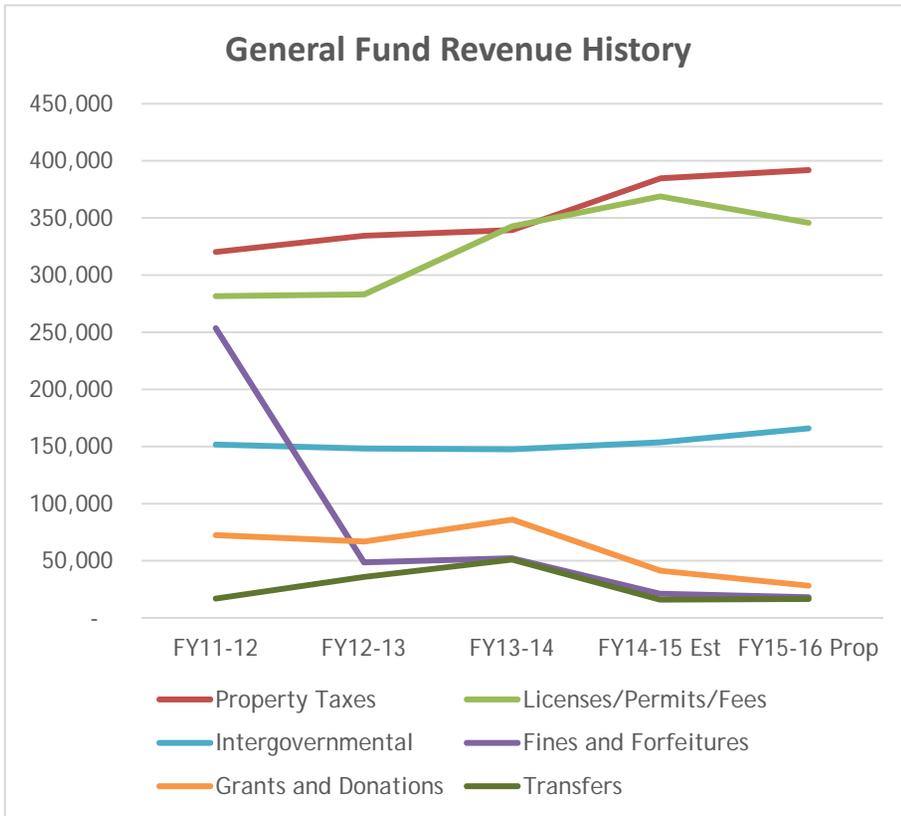
In **FY13-14** revenue rebounded somewhat with the reassignment of current Recology fees to the General Fund, \$28k (recurring), and previously collected Recology fees, \$50k (not recurring), increased planning and land use fees and some one time grants. Expense increases that year included re-hiring of a full time City Recorder, a part time Police Officer, increased Library wages, and expanded Culture and Recreation programming, in total \$149k. A reassessment of shared cost allocation decreased the amount allocated by \$80k. The deficit was \$43k, excluding the URA loan.

In **FY14-15** the decrease in revenue was primarily due to \$95k in non-recurring items (the previously collected Recology fees and one time grants). A \$25k reduction in citation revenue also occurred, due to a decrease in ODOT grants which pay for highway patrol. Expenses decreased primarily due to staff cuts and reduced materials and services budgets. Planning consultants were hired, \$40k, for assistance with the comprehensive plan. The year-end estimate is a deficit of \$34k.

Revenue in **FY15-16** is expected to decrease due to the elimination of the Water Fund franchise fee and decreased citation revenue. More detail is provided below. Expenses decreased due to the elimination of the City Manager, Public Works temporary skilled laborer and reduced police reserve paid hours due to no ongoing ODOT grants. The proposed budget has a deficit of \$30k, which includes a \$100k contingency. If the contingency is not used the year will end with a \$70k surplus.

Note: The expenditures shown in the graph above exclude two one-time expenditures that complicated year-year comparison: \$254k transfer of debt proceeds received in the prior year to the Street Fund for the Glencoe project in FY11-12 and \$185k loan to the URA in FY13-14.

Budget History (Continued)



Property taxes slowly increase each year, with FY14-15 including a bump from a one-time Additional Farmland Tax on disqualified farmland property. The FY15-16 increase is only expected to be 2%, since the farmland tax is not recurring.

Licenses/Permits/Fees have increased with the reassignment of Recology fees to the General Fund (FY13-14) and new developments in the City, but will decrease in FY15-16 due to the elimination of the Water Fund franchise fee. This

franchise fee has been eliminated in an effort to clarify and bring transparency to how costs are shared between funds. See Allocation of Shared Costs below.

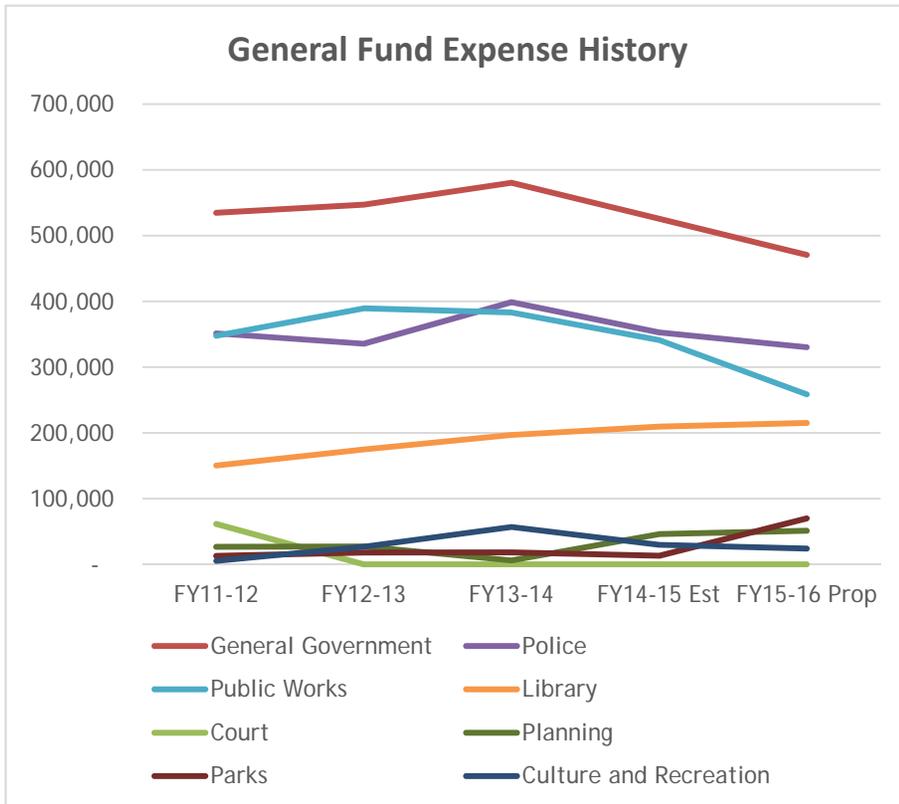
Fines and Forfeitures (citation revenue) has seen significant change in the past five years. The City closed the municipal court in 2011. In FY11-12 the court brought in \$250k in revenue. Citations are now processed at Washington County, who keeps a portion of the revenue. In addition, Police focus has moved away from citation writing. FY15-16 citation revenue is expected to be \$18k.

Intergovernmental revenues include WCCLS (the largest portion), state revenue sharing and state liquor and cigarette taxes. These generally increase about 3%/year. FY15-16 includes a one-time bonus from WCCLS of \$8k.

Grants and Donations can fluctuate year to year as many grants are not recurring. ODOT grants received for the past three years will not be occurring in FY15-16.

The **Transfers** shown in the graph do not include allocations for shared costs, see further discussion of that allocation below. These transfers are generally one time transfers for specific purposes – FY12-13 was from the Vehicle Reserve Fund for leased police vehicles paid for by the General Fund; FY13-14 was previously collected Recology fees from the Street Fund; FY14-15 and FY15-16 are principal repayments from the URA for the loan made in FY13-14.

Budget History (Continued)



General Government expenditures rose 3 and 6% from FY11-12 through FY13-14 due to hiring of a full-time City Recorder, a new part-time Management Analyst position and merit increases. Elimination of the Account Clerk II position and decision not to fill the vacant Management Analyst position brought expenses down in FY14-15.

Police expenditures decreased \$15k from FY11-12 to FY12-13, as a result of \$45k in decreased costs due to non-recurring

items, and \$30k in increased costs including merit increases, reserves (partially funded by ODOT grants) and two new vehicle leases (which lowered repairs expense). The large jump of \$60k from FY12-13 to FY13-14 was driven by the new part-time police officer, merit increases, another vehicle lease and equipment purchases (partially grant funded). Since then expenses have angled downward, due to less reserve expense (as ODOT grants end), one vehicle lease paid off, and less expense on equipment and professional services.

Public Works expenditures increased 12% from FY11-12 to FY12-13, due primarily to the addition of summer labor help and merit/COLA increases. Since then Public Works personnel expenditures have decreased; the full-time Utility Worker II position was replaced by a Temporary Skilled Worker in FY13-14, and that position was removed in FY14-15.

Library expenditures have increased almost \$65k from FY11-12 to FY15-16, mostly in personnel in an effort to raise wages to be more competitive.

Of the smaller departments **Parks** has remained pretty steady over the past five years. **Culture and Recreation** increased in FY12-13 with the first Fourth of July event, and again in FY13-14 when the Smokehouse Summit was added. The Fourth of July and fireworks are included in the FY15-16 budget. **Planning** decreased in FY13-14 when the vacant Assistant Planner position was not filled, but has increased in FY14-15 with consultants for the comprehensive plan and general review.

Allocation of Shared Costs

As a small City, we have employees whose work overlaps into multiple funds. The most obvious is Public Works, where time is spent in varied areas such as parks maintenance (General-Parks), street projects (Street), water leaks (Water) and setting up city events (General-Public Works). Administration and finance also provide services to multiple funds. Historically, the City has always allocated shared costs between funds. However, the way the City has done it, and the methodology behind it, has changed multiple times in the past five years. To make this process as transparent as possible this new descriptive section was added to the budget document.

Methodology History

The chart below explains how the methodology has changed in the past five years. The goal of the changes in the FY15-16 proposed budget was to be as transparent and allow for as much year to year comparison as possible. This was in response to questions and concerns raised by the Budget Committee on the FY14-15 budget as well as City Council questions during the year. Historical amounts included in this budget have been re-categorized, to the extent possible, to allow for useful year to year comparisons.

	FY11-12	FY12-13	FY13-14 & FY14-15	FY15-16
How shared costs were recorded in the accounting system:	Costs split upon entry. This made it hard to identify the full cost.	Full costs entered into one account.		
How shared costs were recorded in the fund where expensed:	Costs categorized in the fund paying for them.	Costs were lumped together and shown as Transfers Out.		Costs categorized in the fund paying for them.
How shared costs were recorded in the fund that shared them:	N/A, costs split upon entry.	Costs allocated were lumped together and shown as Transfers In.		Costs allocated will decrease the corresponding expenditure category.

Methodology History (Continued)

A question raised by the Budget Committee in FY14-15 was why the Water Fund is charged a Franchise Fee in addition to an allocation of shared costs. A franchise fee is typically charged to utilities for their use of the City’s right-of-way. The Water Fund franchise fee has historically been charged at 5% of water fee revenue. Management considered this during the review of allocation methodology, and determined that since the Water Fund is integrated with the City and pays for an allocation of shared costs, no additional reimbursement for right-of-way usage is necessary. This also clarifies and streamlines how money is transferred between General and Water Funds.

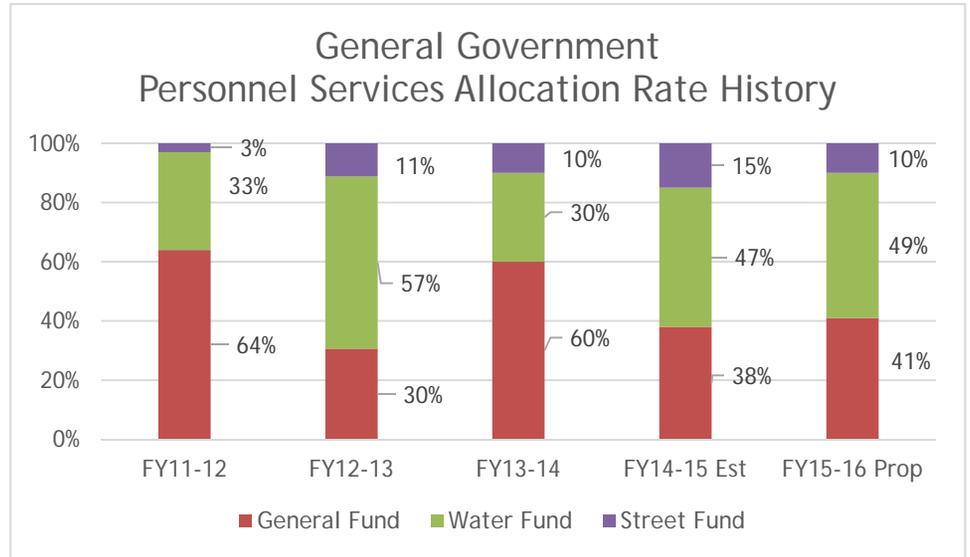
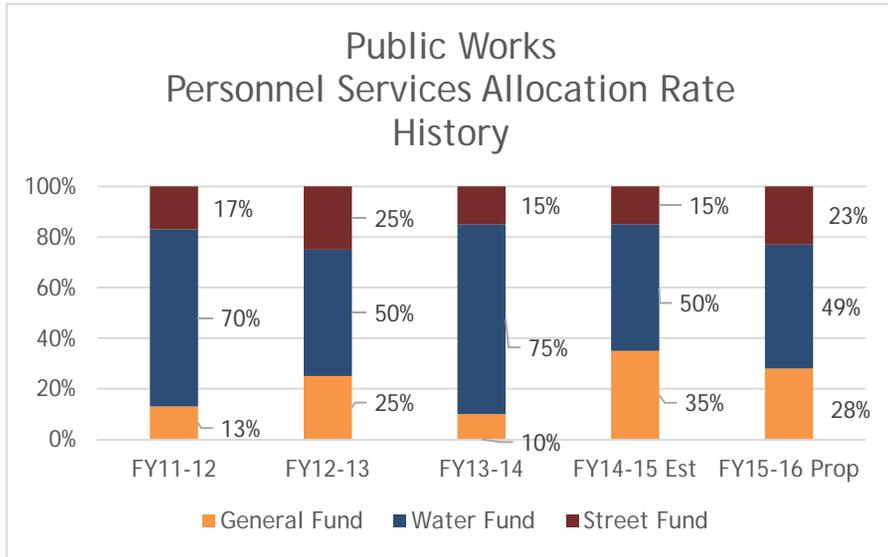
In FY13-14 and FY14-15 only certain materials and services costs were allocated. However, all costs in General Government and Public Works are costs necessary to support the shared staff, and thus reasonable to allocate. This increased the transfer amount for both Water and Street Funds.

	FY11-12	FY12-13	FY13-14 & FY14-15	FY15-16
Water Fund franchise fee charged:	Yes	Yes	Yes	No. The franchise fee was eliminated.
Personnel costs allocated:	All General Government and Public Works. Rates varied, see below.			
Materials and services costs allocated:	Unclear because costs split upon entry.	All General Government and Public Works.	Selected accounts in General Government and Public Works.	All General Government and Public Works.

Allocation Rates

While the methodology items noted above impact how the allocations are presented, it’s the rate that determines the actual amount. As such, it’s of huge importance. It has also fluctuated over recent years. The allocation for personnel services is shown below.

Allocation Rates (Continued)



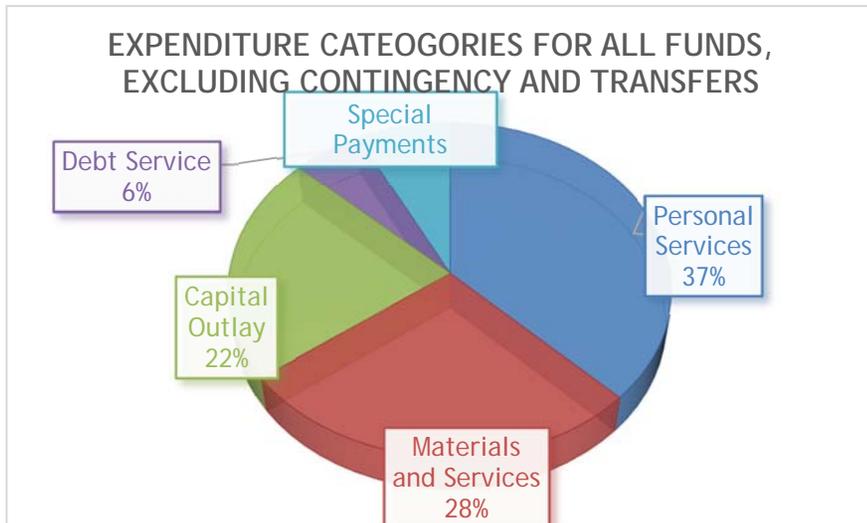
	General Fund	GF-Parks Dept	Water Fund	Street Fund
General Government				
City Manager	60%		30%	10%
City Recorder	40%		50%	10%
Finance Manager (PT)	40%		50%	10%
Account Clerk III	15%		75%	10%
Clerical (PT)	15%		75%	10%
Overall Dept. Rate	41%		49%	10%
Public Works				
Director		10%	60%	30%
Utility Worker III	5%	15%	70%	10%
Utility Worker II	15%	40%	15%	30%
Summer Laborer		50%	0%	50%
Overall Dept. Rate	6%	22%	49%	23%

To determine the FY15-16 rates management first considered how staff spend their time. Management analyzed FY14 and FY15 timecards from Public Works, with some adjustments considering the changes in staff and goal of reducing Parks costs. Parks and Public Works, both General Fund departments, will each incur shared Public Works costs. General Government staff time was estimated based job duties and the necessity of the position for each fund. The overall department rate was calculated with a weighted average considering individual salaries.

Materials and services are charged at the same rates as personnel services.

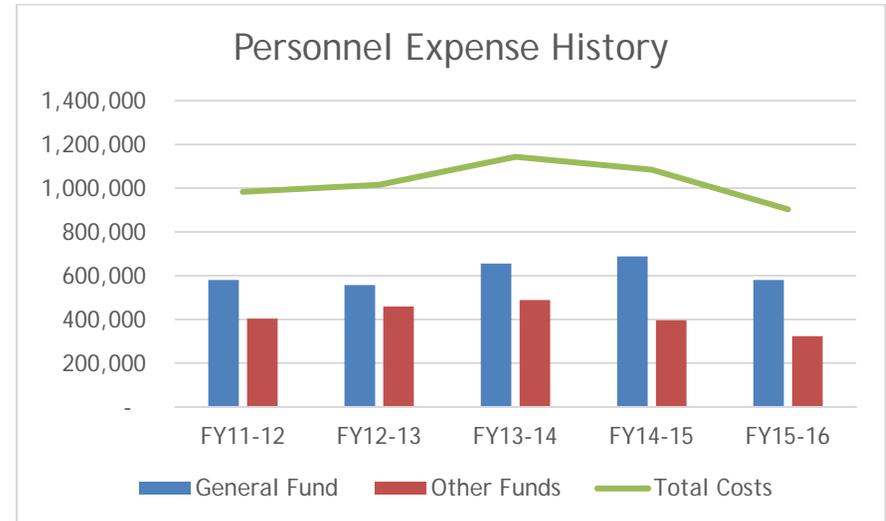
Employee Compensation

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. The City Manager, Police Chief, Public Works Director and Library Director have written contracts that are approved by City Council. **Personnel costs, including wages and related benefits, are approximately \$900k in fiscal year 2015-2016.**



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. The City has been creative

and hired part time directors for the Library and Finance, charges some General Government and Public Works personnel costs to the Street and Water Funds as those staff are shared, and combined the City Manager and Public Works Director positions.



Changes in Staffing

In the prior year City management worked hard to reduce expenses in an effort to balance the budget, including the difficult but necessary elimination of two full time positions, Account Clerk II and Utility Worker II. Even with those reductions the budget was adopted with a deficit in FY14-15, and management again turned to analyzing staffing requirements. With the goal of a balanced budget in mind, management proposes the following changes:

Employee Compensation (Continued)

- **General Government/Public Works: Combine the duties of City Manager and Public Works Director to one position.** This is an interim position to determine if the duties can be combined. Costs related to this position are split between General Government and Public Works.
 - Cost savings: General Fund, \$40,000; Water Fund \$60,000, Street Fund \$17,000

- **General Government: Reclassify Clerical Assistant to Office Support Specialist and increase hours to 30/wk with benefits.** This position will support the Interim City Manager / Public Works Director and accept new responsibilities to assist General Government.
 - Additional cost: General Fund, \$5,800; Water Fund \$7,000, Street Fund \$1,400

- **Public Works: Elimination of temporary Skilled Laborer.** In FY14-15 the Public Works department did not replace a Utility Worker II when he left, and instead hired a temporary skilled laborer to allow time to assess the need for a third utility worker. That position has been vacant much of FY14-15 and is eliminated in FY15-16. Without this extra help the Public Works department will need to contract out jobs that require more than two workers. Summer labor help is budgeted.
 - Cost savings: General Fund, \$12,500; Water Fund \$18,500, Street Fund \$7,500

- **Police: Reduction in paid hours to Reserves.** The decrease is primarily due to no ODOT traffic safety grants this year. However, in recent years the City has paid Reserves for events and coverage when another officer is out. In the proposed budget there are 80 paid hours.
 - Cost savings: General Fund, \$1,700

- **Library: Create one 30 hr/wk position with benefits.** The Director has proposed reclassifying the Volunteer Coordinator to a Library Assistant (a lower wage rate), but increasing her hours to 30 hrs/wk which is benefit eligible, to provide more consistency to the department, increased open hours, and possibly open Sundays in the summer. This is funded primarily by an \$8k bonus from WCCLS, which is intended to have positive patron impact in the local community.
 - Additional cost: General Fund, \$16,000

- **Wages changes: A freeze on merit increases and COLA.**

July 1,	US CPI	COLA	Merit Increases
2011	2.8%	0%	Yes
2012	2.3%	0%	Yes
2013	1.5%	1%	Yes
2014	1.7%	0%	Yes
2015 est	1.5%	0%	No

Employee Compensation (Continued)

Changes in Benefits

PERS rates increased 2% for Tier 1/Tier 2, 7% for OPSRP-General, and 18% for OPSRP-Police/Fire. However, due to changes in staffing the City expects to see a decrease in overall retirement cost.

PERS Thru 6/30/16	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 8% in calendar year 2016. Total employee health insurance benefits for FY2015-16 are approximately \$85k.

Workers' Compensation rates are expected to increase 1% based on our Experience Modifier and a 3% general premium increase. However, decreased salaries overall will reduce the increase. A credit for the previous year was received in FY14-15 and is not expected in FY15-16, so an increase of \$1,500 is expected.

State unemployment rates had a modest decrease for FY2015-16.



Employees Sierra White and Sarah Baker at National Night Out 2014

Employee Compensation (Continued)

General Employee Policies / Benefits

Pay Rates

Employees are assigned to salary ranges with steps graduated in 5% increments. Progression through the steps is based on performance (merit increases). 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 permanent 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 full-time employees based on years of service. The current vacation accrual schedule is below.

Years of Service	Vacation Annual Accrual
Before 1 st Anniversary	48 hours (6 days)
After 1 st Anniversary	96 hours (12 days)
After 5 th Anniversary	120 hours (15 days)
After 10 th Anniversary	144 hours (18 days)
After 15 th Anniversary	168 hours (21 days)
After 20 th 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 employees. 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 employees earn 96 hours (12 days) of sick leave per year. Sick leave is not paid upon employee separation. The Library Director is the only part-time employee who earns sick-leave on a pro-rated basis.

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 employee who is 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 makes a small contribution for the administration of the programs.



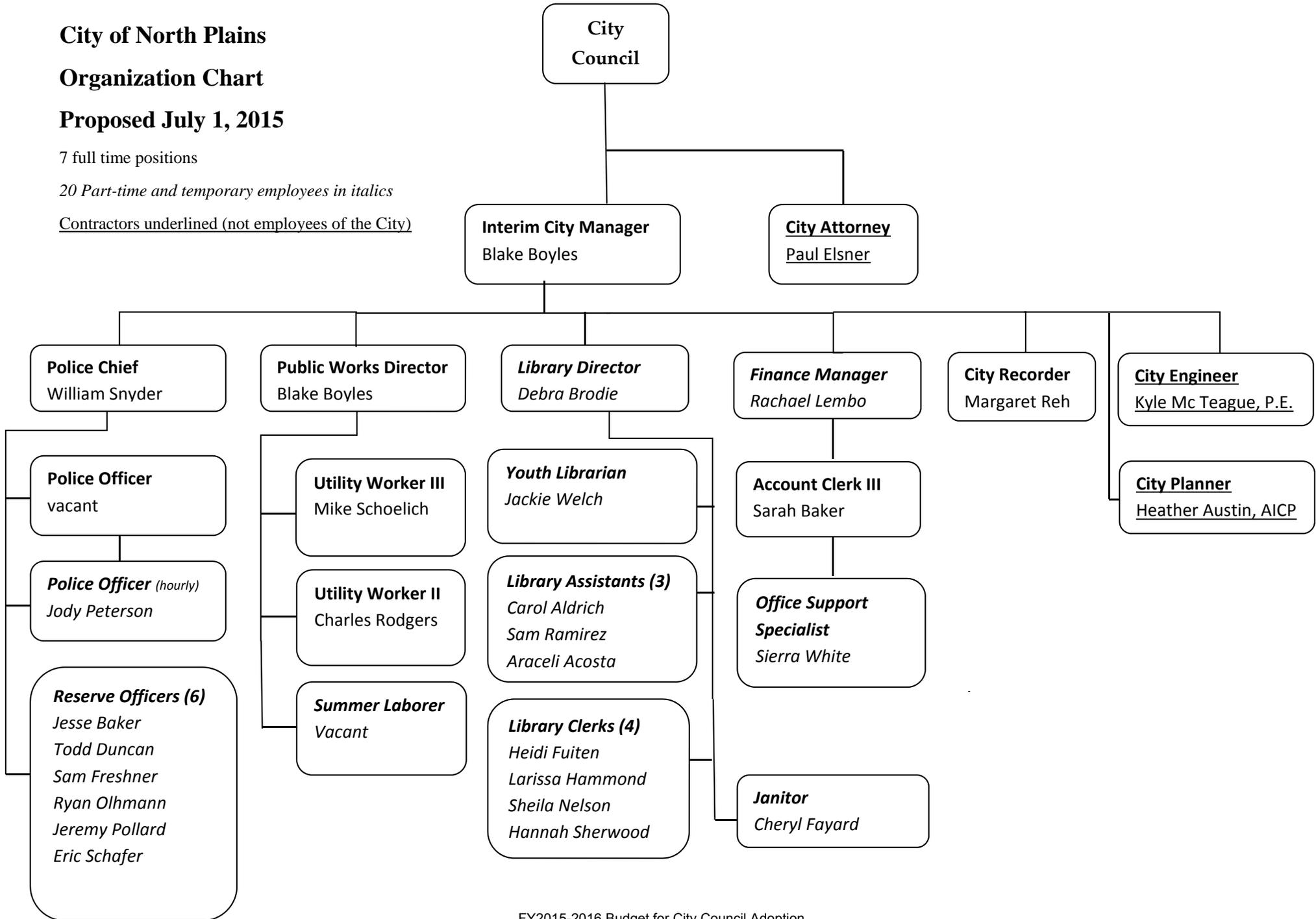
Hood to Coast Team 2014

**City of North Plains
Organization Chart
Proposed July 1, 2015**

7 full time positions

20 Part-time and temporary employees in italics

Contractors underlined (not employees of the City)



City of North Plains
 FY16 Salary Schedule
 FY16 COLA increase 0.0%
 FY16 Step Level

		Steps				
FTE		1	2	3	4	5
SALARIED EMPLOYEES						
PUBLIC WORKS DIRECTOR (Exempt)						
Annually	1	73,264	76,927	80,774	84,812	89,053
Bi-weekly		2,818	2,959	3,107	3,262	3,425
Hourly		35.22	36.98	38.83	40.78	42.81
POLICE CHIEF (Exempt)						
Annually	1	67,193	70,553	74,080	77,784	81,674
Bi-weekly		2,584	2,714	2,849	2,992	3,141
Hourly		32.30	33.92	35.62	37.40	39.27
POLICE OFFICERS						
Annually	1	51,518	54,094	56,799	59,639	62,620
Bi-weekly		1,981	2,081	2,185	2,294	2,408
Hourly		24.77	26.01	27.31	28.67	30.11
UTILITY WORKER III						
Annually	1	47,159	49,517	51,993	54,592	57,322
Bi-weekly		1,814	1,904	2,000	2,100	2,205
Hourly		22.67	23.81	25.00	26.25	27.56
UTILITY WORKER II						
Annually	1	37,753	39,641	41,623	43,704	45,889
Bi-weekly		1,452	1,525	1,601	1,681	1,765
Hourly		18.15	19.06	20.01	21.01	22.06

City of North Plains
 FY16 Salary Schedule
 FY16 COLA increase
 FY16 Step Level

0.0%

		Steps				
FTE		1	2	3	4	5
ACCOUNT CLERK III						
Annually	1	42,325	44,441	46,663	48,996	51,446
Bi-weekly		1,628	1,709	1,795	1,884	1,979
Hourly		20.35	21.37	22.43	23.56	24.73
CITY RECORDER						
Annually	1	36,804	38,644	40,576	42,605	44,735
Bi-weekly		1,416	1,486	1,561	1,639	1,721
Hourly		17.69	18.58	19.51	20.48	21.51
HOURLY EMPLOYEES						
Finance Manager	0.4	45.25	47.51	49.89	52.38	55.00
Library Director	0.5	24.80	26.04	27.34	28.71	30.15
Youth Librarian	0.3	19.08	20.03	21.03	22.08	23.18
Library Assistant	1.2	16.16	16.97	17.82	18.71	19.65
Office Support Specialist	0.8	13.50	14.18	14.88	15.63	16.41
Library Clerks	1.1	11.76	12.35	12.97	13.62	14.30
Laborer/Janitor	0.3	10.00	10.50	11.03	11.58	12.16

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 2014-15			FY2015-16	FY2015-16	FY2015-16
Acct	Description	Actual 2012-2013*	Actual 2013-2014	Budget	Actuals 4/24/15	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
RESOURCES									
	Opening Fund Balance	1,020,441	1,071,024	842,549	842,549	842,549	803,260	808,634	808,634
	Property Taxes	334,445	339,306	384,575	373,097	384,575	391,882	391,882	391,882
	Licenses, Permits, Fees	283,054	342,649	360,250	293,313	368,842	327,500	345,649	345,649
	Intergovernmental	148,091	147,492	148,690	129,354	153,515	165,089	165,797	165,797
	Fines and Forfeitures	48,497	52,090	25,000	18,137	21,137	10,000	18,000	18,000
	Grants and Donations	66,761	86,069	62,738	33,100	41,273	30,200	28,200	28,200
	Interest	5,974	6,238	16,340	9,647	10,847	9,244	9,244	9,244
	Sale of asset	-	5,000	-	6,200	6,200	-	-	-
	Current Revenues	886,822	978,844	997,593	862,849	986,390	933,915	958,772	958,772
	Transfers	35,913	50,983	12,500	15,953	15,953	16,471	16,471	16,471
TOTAL RESOURCES		1,943,176	2,100,851	1,852,642	1,721,350	1,844,891	1,753,646	1,783,877	1,783,877
REQUIREMENTS									
	General Government	192,921	354,869	248,990	277,693	250,689	225,814	200,059	200,059
	Police	335,429	398,838	378,513	273,725	352,660	339,825	330,124	330,124
	Public Works	97,291	42,165	141,549	143,949	134,757	19,512	15,571	15,571
	Library	174,846	196,722	209,328	157,122	209,328	226,137	215,000	215,000
	Culture and Recreation	26,812	56,780	30,523	26,243	29,797	25,810	23,810	23,810
	Parks	17,796	18,081	13,090	8,528	13,026	103,584	69,970	69,970
	Planning	27,057	5,848	46,000	12,138	46,000	51,000	51,000	51,000
	Operating Departments	872,152	1,073,302	1,067,992	899,398	1,036,257	991,682	905,534	905,534
	URA Loan	-	185,000	-	-	-	-	-	-
	Other Financing Uses	-	185,000	-	-	-	-	-	-
	Contingency	-	-	54,000	-	-	60,000	100,000	100,000
	Ending Fund Balance	1,071,024	842,549	730,650	821,952	808,634	701,964	778,343	778,343
TOTAL REQUIREMENTS		1,943,176	2,100,851	1,852,642	1,721,350	1,844,891	1,753,646	1,783,877	1,783,877
CHANGE IN FUND BALANCE		50,583	(228,475)	(111,899)	(20,597)	(33,915)	(101,296)	(30,292)	(30,292)

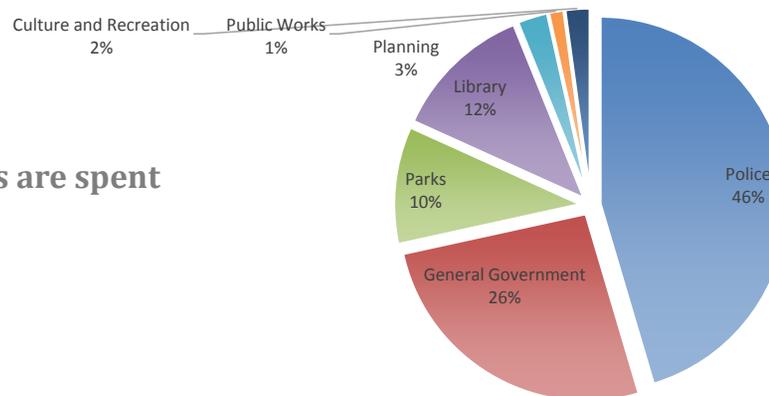
* This year includes Departments and Transfers In from other funds included in the Internal Service Fund (ISF) in FY13. They are shown here for comparable history.

Note: Allocation of shared costs have be re-categorized in FY14-15 and previous years to be comparable to FY15-16. Allocations are shown as a reduction of personal services and materials and services expense, rather than as revenue.

GENERAL FUND REVENUE AND EXPENSE SUMMARY BY DEPARTMENT

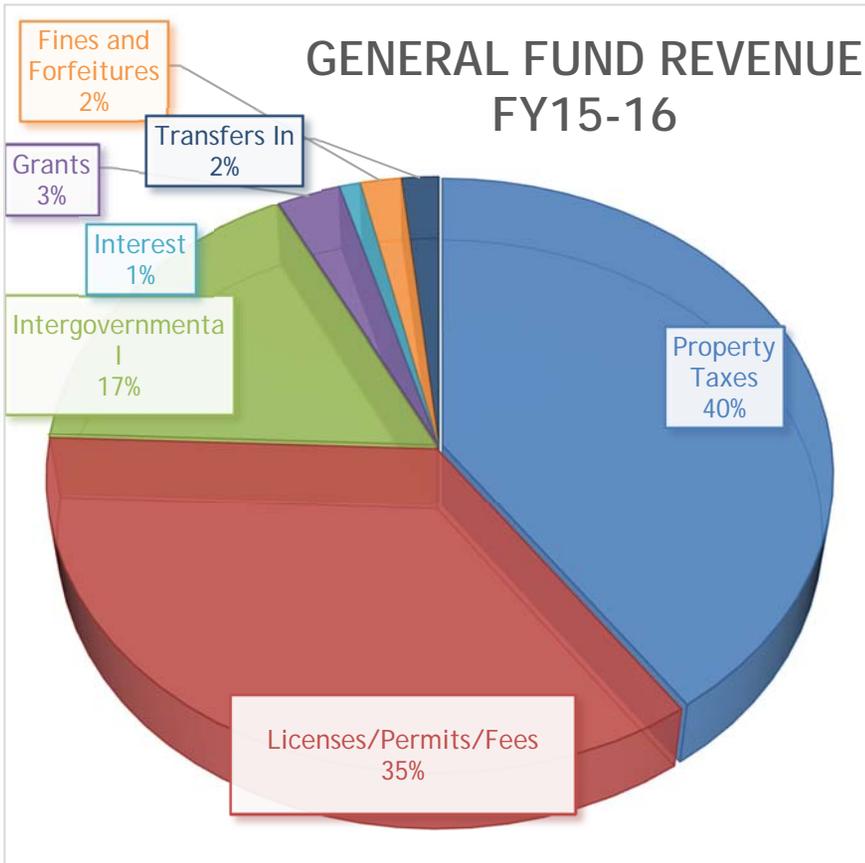
	Unrestricted	General Government	Police	Public Works	Library	Culture & Recreation	Parks	Planning	Total All Depts
RESOURCES									
Opening Fund Balance	808,634								808,634
Property Taxes	391,882								391,882
Licenses/Permits/Fees	276,949	20,350		6,500	10,000			31,850	345,649
Intergovernmental	53,360				112,437				165,797
Fines and Forfeitures			18,000						18,000
Grants and Donations	9,000		-		9,200	9,000		1,000	28,200
Interest	9,244								9,244
Transfers In	16,471								16,471
TOTAL RESOURCES	1,565,540	20,350	18,000	6,500	131,637	9,000	-	32,850	1,783,877
REQUIREMENTS									
Personal Services		110,203	240,644	13,699	165,515	-	50,231	-	580,292
Materials and Services		77,809	84,210	1,813	46,893	23,810	19,738	51,000	305,273
Capital Outlay		-	-	-	-	-	-	-	-
Special Payment		-	600	-	-	-	-	-	600
Transfers Out		12,047	4,670	58	2,593	-	-	-	19,369
Contingency	100,000								100,000
Ending Fund Balance	778,343								778,343
TOTAL REQUIREMENTS	878,343	200,059	330,124	15,571	215,000	23,810	69,970	51,000	1,783,877
RESOURCES OVER/(UNDER) REQUIREMENTS	687,197	(179,709)	(312,124)	(9,071)	(83,363)	(14,810)	(69,970)	(18,150)	0

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.



Property Taxes – The FY16 budget assumes a 3% increase on property taxes of homes taxed in FY15 plus additional revenue from new homes expected to be added to the tax roll. The assessed value is determined on Jan 1, 2015, and it can take up to three years for the full value of a home to be taxed.

In addition, a one-time 'Farmland Additional Tax' that was charged on disqualified property in FY14-15 will not happen again.

FY14-15 Tax Revenue	\$	384,575	
		(21,137)	<i>no farmland add tax</i>
		10,903	<i>3% increase</i>
		17,541	<i>increased value*</i>
FY15-16 Est. Tax Rev	\$	391,882	

*valuation is estimated on new homes/new lots

The next page details property tax history and estimates for the next three years. The estimate for FY15-16 includes the following assumptions:

- Cottage Point and Creekwood homes to full valuation
- Pacific, North and Sunset Ridge homes at partial valuation
- Highland Court homes (URA) to full valuation
- McKay Fields homes (URA) at partial valuation

Licenses, Permits and Fees – Estimates are based on FY15 year-to-date totals. There is little change expected in Franchise Fees (the bulk of this category). The Water Fund franchise fee has been eliminated in an effort to clarify and bring transparency to how costs are shared between funds. The budget for Miscellaneous Fees is decreasing as staff are more diligent about coding to specific codes. Land Use Planning Fees are expected to decrease as the subdivisions move toward building, which, along with proposed fee changes, results in an increase in Land Use Permit revenue.

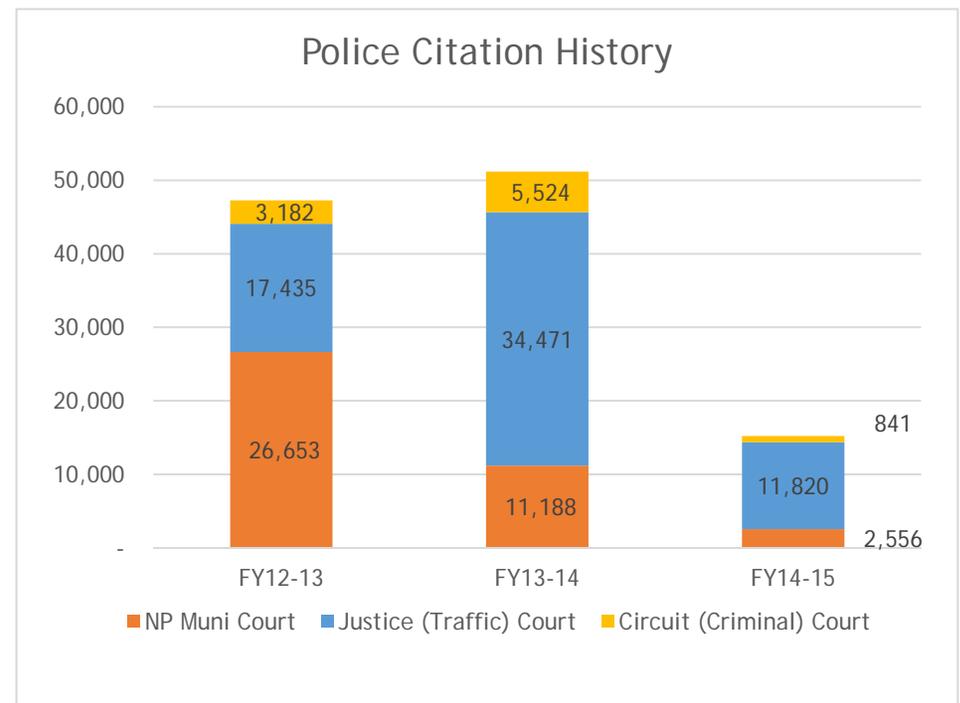
General Fund Revenue (Continued)

Intergovernmental – Revenues are expected to increase 3% with the exception of Cigarette Tax which has been slightly falling in past years. The library will receive a one-time \$8k bonus from WCCLS to be used for purposes that have positive patron impact in the local community. The library will use it to bring one staff up to 30 hrs/wk (benefit-eligible) which will allow for more open hours, including possibly Sundays in the summer.

Grants and Donations – The police department ODOT traffic safety grants ended in FY14-15.

Transfers – The only incoming transfer in FY15-16 is principal repayment of the 2014 loan from the URA. Interest from the loan is reflected in Interest.

Police Citations – Revenues have decreased significantly due to the transfer of court to Washington County, fewer ODOT traffic safety grants, and a shift of police attention to local activities instead of highway patrol. 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 REV 110		HISTORICAL DATA		CURRENT YEAR 2014-15			FY2015-16	FY2015-16	FY2015-16
Acct	Description	Actual 2012-2013	Actual 2013-2014	Budget	Actuals 4/24/15	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
REVENUES									
411000	Property Taxes	334,445	339,306	384,575	373,097	384,575	391,882	391,882	391,882
	Licenses, Permits, Fees								
418101	Water Franchise	39,000	39,000	44,500	23,754	44,500	-	-	-
418102	CWS Franchise	23,422	24,556	25,000	27,297	27,297	25,500	28,662	28,662
418103	CenturyLink Franchise	5,475	5,080	6,000	4,567	4,607	5,500	5,000	5,000
418104	Comcast Franchise	5,622	6,017	6,000	5,143	6,173	6,200	6,358	6,358
418105	Garbage Franchise	10,101	10,922	11,500	8,574	11,474	11,800	12,048	12,048
418107	PGE Franchise	92,677	91,311	93,000	91,918	98,918	93,500	101,886	101,886
418108	NW Natural Gas Franchise	25,724	38,764	33,000	24,111	34,611	34,000	35,649	35,649
418109	Misc Franchise	754	902	750	3,947	4,067	4,000	4,100	4,100
418110	MACC Franchise	15,539	14,033	14,000	11,685	15,385	15,600	15,847	15,847
421000	Business Fees	6,385	6,651	6,500	6,780	6,780	6,700	6,800	6,800
422000	Recology Fund	-	27,556	48,000	36,456	47,456	48,600	48,600	48,600
440000	Miscellaneous Fees	12,753	9,364	10,000	4,240	5,140	5,000	6,000	6,000
441419	Land Use Permits	22,982	40,023	30,000	8,165	11,565	40,700	40,700	40,700
441420	Engineering Plan Review	-	11,427	10,000	4,126	15,719	5,000	6,500	6,500
450000	Misc Fees	95	85	-	-	-	-	-	-
450455	Library Fines and Fees	11,431	10,054	11,000	8,044	9,644	10,400	10,000	10,000
450465	Land Use Planning Fees	1,933	-	4,000	19,625	19,625	10,000	11,500	11,500
462000	Rentals	9,161	6,904	7,000	4,879	5,879	5,000	6,000	6,000
		283,054	342,649	360,250	293,313	368,842	327,500	345,649	345,649
Intergovernmental									
430000	911 Tax	4,856	-	-	-	-	-	-	-
436000	Liquor Tax	26,706	27,950	26,000	20,058	30,058	30,282	30,960	30,960
437000	Cigarette Tax	2,829	2,722	2,800	1,619	2,539	2,800	2,800	2,800
438000	State Revenue Sharing	16,720	17,415	18,000	14,279	19,029	19,570	19,600	19,600
439000	WCCLS	96,980	99,405	101,890	93,399	101,890	112,437	112,437	112,437
		148,091	147,492	148,690	129,354	153,515	165,089	165,797	165,797
Fines and Forfeitures									
450421	Police Citations	48,497	52,090	25,000	18,137	21,137	10,000	18,000	18,000
		48,497	52,090	25,000	18,137	21,137	10,000	18,000	18,000

GENERAL FUND REV 110		HISTORICAL DATA		CURRENT YEAR 2014-15			FY2015-16	FY2015-16	FY2015-16
Acct	Description	Actual 2012-2013	Actual 2013-2014	Budget	Actuals 4/24/15	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
Grants and Donations									
431000	Grants - General	32,734	5,500	8,000	8,000	8,000	8,000	8,000	8,000
431001	Grants - Police	9,295	20,617	29,245	4,799	9,730	-	-	-
431002	Grants - Library	1,215	13,039	1,000	1,000	1,000	1,200	1,200	1,200
431003	Grants - Planning	-	1,000	1,000	-	-	1,000	1,000	1,000
464000	Donations - General	-	60	-	-	-	-	-	-
464100	Comm Events Rev	250	-	750	-	-	-	-	-
464101	4th of July Rev	16,855	18,521	7,500	4,304	7,500	7,500	7,500	7,500
464102	Concerts in the Park Rev	-	1,200	1,500	1,150	1,150	1,500	1,500	1,500
464103	Music/Dance Event Rev	-	2,870	2,000	488	488	-	-	-
464106	Pumpkin Run Rev	-	2,666	2,006	2,226	2,226	2,000	-	-
464113	Holiday Bazaar Rev	-	419	-	-	-	-	-	-
464114	BBQ Event Rev	-	13,017	802	802	802	-	-	-
464115	AWL Rev	-	490	-	-	-	-	-	-
464116	Garlic Fest Rev	-	-	935	935	935	1,000	1,000	1,000
464421	Donations - Police	-	-	-	205	-	-	-	-
464455	Donations - Library	6,412	6,670	8,000	9,192	9,442	8,000	8,000	8,000
		66,761	86,069	62,738	33,100	41,273	30,200	28,200	28,200
461000	Interest	5,974	6,238	16,340	9,647	10,847	9,244	9,244	9,244
445000	Sale of asset	-	5,000	-	6,200	6,200	-	-	-
Transfers									
820009	Transfers In - Veh Res	28,000	-	-	-	-	-	-	-
820111b	Transfers In - Street/Rec	-	50,983	-	-	-	-	-	-
820113	Transfers In - URA	7,913	-	12,500	15,953	15,953	16,471	16,471	16,471
		35,913	50,983	12,500	15,953	15,953	16,471	16,471	16,471
TOTAL REVENUES		922,735	1,029,827	1,010,093	878,801	1,002,342	950,386	975,243	975,243

Note: In FY2012-13 and FY2013-14 the Police Dept leased new vehicles. 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 FY2012-13 and FY2013-14.

Note 2: Allocation of shared costs have be re-categorized in FY14-15 and previous years to be comparable to FY15-16. 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 City Manager position is currently being filled by the Public Works Director, whose salary is split between Public Works and General Government.

The General Government department went through a reorganization in FY14-15, due to the reduction of a full time Account Clerk. Part of that restructuring included additional meetings for the City Recorder to prepare for and attend, increased accounting duties for the remaining Account Clerk, and new responsibilities for the Clerical staff person in support of the department. Hours were increased for the Clerical staff and the Account Clerk received a title change to level 3 and a corresponding salary increase.

Changes made during the budget process include reclassification of the Clerical position to Office Support Specialist and an increase of hours to 30/wk, reduced attorney costs, and retaining the current office hours.

As discussed in the above Allocation of Shared Costs, the methodology has changed in FY15-16, which results in less personnel allocated and more materials and services allocated. This is shown below the subtotal of each category

as a negative amount, which reduces the final amount being charged to this department.

The Transfer Out is to the Vehicle Equipment Reserve Fund for a replacement server, estimated to cost \$25k and be purchased in FY18-19.

Accomplishments of the administrative staff include excellent communication and teamwork during the reorganization, as well as inter-staff training and support. Staff continue to expand their knowledge about the City, our processes, and nearby government districts to provide as much service to the public as possible. The Account Clerk III is taking emergency management training to become Community Emergency Response Team (CERT) certified. The City Recorder continues to participate in training to improve her professional knowledge in this specialized field.

Goals of the staff are to continue to streamline work processes in Finance and provide excellent service to the public.

GENERAL GOVERNMENT 110-419		HISTORICAL DATA		CURRENT YEAR 2014-15			FY2015-16	FY2015-16	FY2015-16
Acct	Description	Actual 2012-2013*	Actual 2013-2014	Budget	Actuals 4/24/15	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
110000	Salaries	210,943	274,288	226,215	174,273	226,003	231,842	191,138	191,138
210000	Employee Benefits	27,407	39,834	35,050	28,587	32,998	31,605	29,554	29,554
220000	Payroll Taxes	21,039	23,466	21,286	13,000	21,269	20,230	16,837	16,837
230000	Retirement	26,155	36,895	32,598	25,113	32,567	34,730	31,259	31,259
	Subtotal	285,544	374,482	315,149	240,972	312,837	318,406	268,788	268,788
	Allocated to other funds	(194,768)	(175,621)	(202,926)	(105,427)	(197,547)	(187,860)	(158,585)	(158,585)
	PERSONAL SERVICES	90,776	198,862	112,223	135,545	115,290	130,546	110,203	110,203
	<i>FTE 1.7</i>								
300000	Education and Training	4,470	8,318	4,000	1,850	3,000	3,000	3,000	3,000
300010	BUG Connection	1,728	7,668	7,830	7,830	7,830	7,830	7,830	7,830
300011	MACC Grant - Server	27,060	-	-	-	-	-	-	-
300105	Donations	-	8,150	2,000	-	2,000	1,500	1,500	1,500
310000	Utilities	26,286	15,326	15,300	11,539	15,300	15,540	15,540	15,540
330000	Professional Services	43,427	6,212	2,000	1,922	2,000	2,000	2,000	2,000
330100	Prof Srv - Attorney	21,202	18,150	30,000	30,019	36,019	36,600	23,400	23,400
330101	Prof Srv - Audit	12,040	8,250	9,000	7,222	7,222	9,000	9,000	9,000
330102	Prof Srv - Software	-	12,051	12,000	11,883	11,883	14,900	14,900	14,900
330103	Prof Srv - IT	19,670	17,987	15,500	14,264	14,264	13,000	13,000	13,000
330104	Prof Srv - Printing	9,000	13,294	6,000	5,170	6,170	6,000	6,000	6,000
330105	Prof Srv - Payroll	3,992	5,451	5,200	3,935	5,135	5,590	5,590	5,590
330106	Prof Srv - Janitorial	4,440	2,320	2,400	1,950	2,400	-	-	-
330107	Prof Srv - Security	2,594	1,892	2,624	2,888	2,888	2,755	2,755	2,755
330115	Prof Srv - HR	-	-	1,500	1,468	2,500	1,000	1,000	1,000
340000	Repairs and Maintenance	7,341	4,066	2,500	1,623	2,000	1,500	1,500	1,500
340100	R&M - Copier	9,125	9,453	10,500	8,430	10,500	12,271	12,271	12,271
340101	R&M - HVAC	2,854	3,738	3,720	3,090	3,708	1,916	1,916	1,916
350000	Agency Memberships	3,400	4,329	4,500	4,019	4,019	3,800	3,800	3,800
380000	Miscellaneous	6,305	313	-	-	-	-	-	-
500000	Employee Recognition	675	1,470	1,475	1,415	1,415	1,475	1,475	1,475
540000	Advertising	738	945	600	54	216	300	300	300
610000	Supplies	10,599	13,349	9,000	7,014	9,000	7,500	7,500	7,500
621000	Insurance	25,126	27,620	34,412	34,247	34,327	37,500	37,500	37,500
621002	Workers' Compensation	19,406	15,525	16,500	15,983	15,983	18,000	18,000	18,000
	Subtotal	261,478	205,877	198,561	177,817	199,780	202,977	189,777	189,777
	Allocated to other funds	(159,333)	(49,870)	(74,794)	(48,669)	(77,381)	(119,757)	(111,969)	(111,969)
	MATERIALS AND SERVICES	102,145	156,007	123,767	129,148	122,399	83,221	77,809	77,809

GENERAL GOVERNMENT 110-419		HISTORICAL DATA		CURRENT YEAR 2014-15			FY2015-16	FY2015-16	FY2015-16
Acct	Description	Actual 2012-2013*	Actual 2013-2014	Budget	Actuals 4/24/15	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
810009	Transfers Out - Veh Res	-	-	3,000	3,000	3,000	2,047	2,047	2,047
810111	Transfers Out - Street	-	-	10,000	10,000	10,000	10,000	10,000	10,000
	TRANSFERS OUT	-	-	13,000	13,000	13,000	12,047	12,047	12,047
GENERAL GOVERNMENT DEPT TOTAL		192,921	354,869	248,990	277,693	250,689	225,814	200,059	200,059

(1) Appropriation level

* This department was created in FY13 as part of the Internal Service Fund (ISF). In FY14 it was moved into the General Fund and combined with City Manager, City Recorder, and Finance. FY13 ISF expenditures are shown here for comparable history.

Note: Allocation of shared costs have be re-categorized in FY14-15 and previous years to be comparable to FY15-16. Allocations are shown as a reduction of personal services and materials and services expense here.

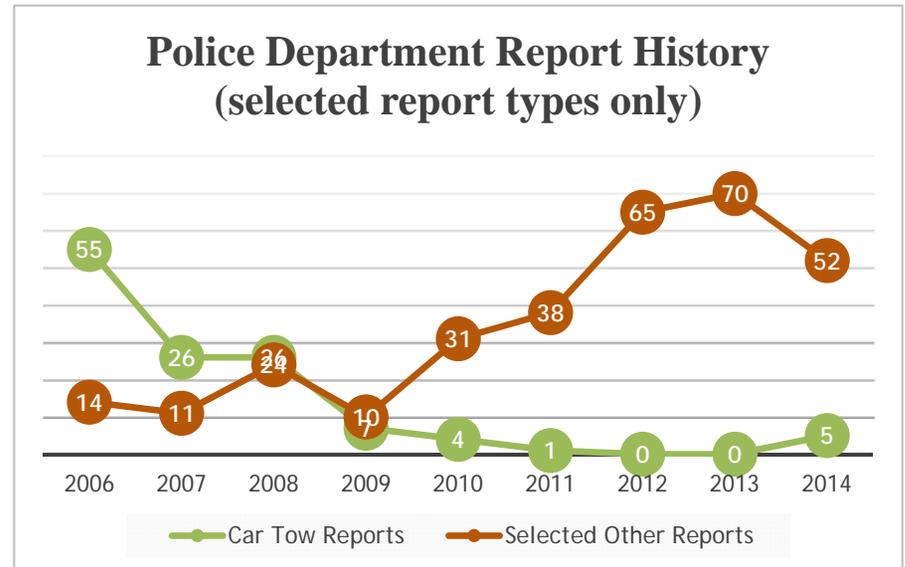
GENERAL GOVERNMENT – Police

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 Police Department is staffed by the Chief, one full time officer, one part time officer (25 hrs/wk) and six reserves who each volunteer at least 16 hours a month. In the previous two years the City has received grants from ODOT to cover highway patrol costs near construction, which has funded paid hours to the reserves. In the FY15-16 budget no ODOT grants are expected, and the paid hours for reserves are down to 80, to provide coverage at events or when an officer is out.

The E-ticket software is not budgeted for FY15-16, due to fewer tickets being written. The new report documentation and records management system, RegJIN, has replaced PPDS and will cost slightly less. A new account, Repairs and Main – Equipment, was created and budget reallocated from Professional Services so those costs can be clearly captured. Fuel costs are expected to decrease with fewer highway patrols. There are no expected purchases of non-capital equipment.

As noted in the Budget History section above the Police Department has shifted its focus away from highway patrol and traffic citations to crime occurring in town. The graph below shows two categories of reports generated by the Police Department: Car Tows (includes 4161 and Statue Tow) and Selected Other Reports (includes Criminal Mischief, Child Neglect, Child Abuse, Drug, Forgery, Theft, UEMV (breaking into cars) and Welfare (child welfare checks)). There are many other types of Police reports, but these reports were selected by the Chief to highlight how the department's focus has changed over the past nine years.



The new radio system is being planned for Washington and Clackamas counties, and the Police Department continues to transfer funds to the Vehicle/Equipment Reserve Fund in preparation for it. The actual cost and start date are not yet known, but the City is estimating \$21k in FY16-17.

POLICE 110-421		HISTORICAL DATA		CURRENT YEAR 2014-15			FY2015-16	FY2015-16	FY2015-16
Acct	Description	Actual 2012-2013	Actual 2013-2014	Budget	Actuals 4/24/15	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
110000	Salaries	139,938	142,201	136,767	102,650	136,061	139,857	135,767	135,767
120000	Hourly	-	33,663	29,722	25,191	31,145	34,147	32,199	32,199
125000	Reserves	33,108	18,660	27,245	11,605	13,491	2,001	1,981	1,981
210000	Employee Benefits	11,013	17,175	25,188	17,227	21,663	22,294	22,294	22,294
220000	Payroll Taxes	17,534	16,812	19,072	10,796	16,724	15,144	14,669	14,669
230000	Retirement	25,402	37,263	34,203	23,257	32,885	34,903	33,734	33,734
	PERSONAL SERVICES	226,995	265,774	272,197	190,726	251,969	248,345	240,644	240,644
	<i>FTE 2.7</i>								
300000	Education and Training	2,253	6,033	3,000	1,675	3,000	3,000	3,000	3,000
330000	Professional Services	5,630	4,596	4,000	3,532	4,000	2,000	2,000	2,000
330102	Prof Srv - Software	5,325	7,835	7,975	4,850	7,975	3,775	3,775	3,775
330108	Prof Srv - Wireless	4,260	4,451	5,500	4,958	6,058	5,500	5,500	5,500
330109	Prof Srv - Evid Storage	1,450	2,547	2,600	-	2,600	2,600	2,600	2,600
330912	WA County Dispatch	13,664	12,060	12,500	12,420	12,420	12,794	12,794	12,794
340000	Repairs and Main - Vehicles	9,575	8,217	7,000	6,583	7,000	7,000	6,000	6,000
340102	Repairs and Main - Equip	-	-	-	-	-	1,000	1,000	1,000
350000	Agency Memberships	480	1,496	1,000	901	1,000	1,000	1,000	1,000
370000	Rentals and Leases	25,301	34,534	21,041	21,040	21,041	21,041	21,041	21,041
610000	Supplies	19,845	15,322	12,000	8,275	12,000	12,000	11,000	11,000
610100	Uniforms	3,492	3,403	3,500	2,611	3,500	2,500	2,500	2,500
610224	Fuel	13,718	13,311	13,000	8,496	11,196	12,000	12,000	12,000
630000	Equipment (non-capital)	-	12,051	4,800	696	1,500	-	-	-
	MATERIALS AND SERVICES	104,993	125,855	97,916	76,039	93,291	86,210	84,210	84,210
820000	Court Pass Through	3,441	2,009	2,000	560	1,000	600	600	600
	SPECIAL PAYMENTS	3,441	2,009	2,000	560	1,000	600	600	600
810009	Transfers Out - Equip Res	-	5,200	6,400	6,400	6,400	4,670	4,670	4,670
	TRANSFERS OUT	-	5,200	6,400	6,400	6,400	4,670	4,670	4,670
POLICE DEPARTMENT TOTAL		335,429	398,838	378,513	273,725	352,660	339,825	330,124	330,124

(1)

(1) Appropriation level

Note: In FY2012-13 and FY2013-14 the Police Dept leased new vehicles. 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 FY2012-13 and FY2013-14.

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.

In FY14-15 the Public Works department did not replace a Utility Worker II when he left, and instead hired a temporary skilled laborer to allow time to assess the need for a third utility worker. That position has been vacant much of FY14-15 and is eliminated in FY15-16. Without this extra help the Public Works department will need to contract out jobs that require more than two workers.

Education and training specific to the Water Fund was relocated to that fund. City Engineer Plan Review expense has decreased due to fewer developments that will require infrastructure review by our engineering firm. Revenue has decreased correspondingly. Other line items were adjusted based on prior year and YTD actuals.

The department has built up a reserve of \$26k in the Vehicle Equipment Reserve Fund, and will use that to purchase City decals for all the Public Works vehicles and a 15kw generator in FY15-16. The remainder is planned for a dump truck and pickup, estimated to be purchased in FY19-20.

As discussed in the above Allocation of Shared Costs, the methodology has changed in FY15-16, which results in less personnel allocated and more materials and services allocated. This is shown below the subtotal of each category as a negative amount, which reduces the final amount being charged to this department.



Lit up cart at the 2014 Jingle

In the fall of 2014 the department implemented a leaf pick up program after the acquisition of a trailer mounted leaf vacuum. The program was well received and eliminated a lot of the plugged catch basin issues.

PUBLIC WORKS 110-433		HISTORICAL DATA		CURRENT YEAR 2014-15			FY2015-16	FY2015-16	FY2015-16
Acct	Description	Actual 2012-2013*	Actual 2013-2014	Budget	Actuals 4/24/15	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
110000	Salaries	246,505	241,229	232,739	168,026	213,371	204,572	159,290	159,290
210000	Employee Benefits	36,084	34,785	30,763	22,615	26,449	27,892	23,117	23,117
220000	Payroll Taxes	23,199	20,349	21,395	12,709	19,824	17,678	13,926	13,926
230000	Retirement	40,270	45,189	45,057	31,537	42,987	41,689	31,991	31,991
	Subtotal	346,058	341,552	329,954	234,887	302,631	291,831	228,324	228,324
	Allocated to other funds/depts	(259,544)	(333,224)	(222,003)	(111,740)	(200,297)	(274,321)	(214,624)	(214,624)
	PERSONAL SERVICES	86,514	8,329	107,951	123,147	102,333	17,510	13,699	13,699
	<i>FTE 0.2</i>								
300000	Education and Training	1,794	370	1,500	911	1,500	300	300	300
310000	Utilities	2,495	1,046	1,320	913	1,320	1,320	1,320	1,320
330000	Professional Services	377	354	500	-	500	500	500	500
330110	City Engineer Plan Review	-	9,937	10,000	4,417	9,417	5,000	5,000	5,000
340000	Repairs and Maintenance	15,985	7,935	10,000	6,751	10,000	8,000	8,000	8,000
610000	Supplies	2,372	4,318	5,500	4,029	5,500	5,500	4,500	4,500
610090	Uniforms	1,132	340	600	214	600	600	600	600
610224	Fuel	11,949	10,144	11,000	6,910	9,310	11,000	10,000	10,000
	Subtotal	36,104	34,444	40,420	24,145	38,147	32,220	30,220	30,220
	Allocated to other funds	(32,327)	(7,608)	(7,150)	(3,671)	(6,052)	(30,287)	(28,407)	(28,407)
	MATERIALS AND SERVICES	3,777	26,836	33,270	20,474	32,095	1,933	1,813	1,813
810009	Transfers Out - Veh Res	7,000	7,000	328	328	328	69	58	58
	TRANSFERS OUT	7,000	7,000	328	328	328	69	58	58
PUBLIC WORKS DEPARTMENT TOTAL		97,291	42,165	141,549	143,949	134,757	19,512	15,571	15,571

(1) Appropriation level

* This department was created in FY13 as part of the Internal Service Fund (ISF). In FY14 it was moved into the General Fund. FY13 ISF expenditures are shown here for comparable history.

Note: Allocation of shared costs have be re-categorized in FY14-15 and previous years to be comparable to FY15-16. Allocations are shown as a reduction of personal services and materials and services expense here.

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. Ten part-time employees (3.6 FTE) are able to keep the Library open 45 hours per week, the minimum state standard for our service area population. Besides basic check-in and checkout 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. Volunteers donated over 5,200 hours last fiscal year (2.5 FTE).

The Library is able to add about 1,600 new books and DVDs to the collection each year. Almost half of the materials budget is donated by the Friends of the North Plains Public Library, and this year, other donors have contributed an additional \$2,900 for materials. More programs are provided for children and adults in North Plains by the Library than by any other organization.

The Library Director has done an extensive revision of the budget, trimming in all areas possible to accommodate two major changes:

- Reclassification of Carol Aldrich from Volunteer Coordinator to Library Assistant (a lower wage) but with an increase in hours from 23 to 30+ per week and becoming benefits eligible.
- Changing janitorial service providers to obtain better service.

These changes were made possible in part by an additional \$8k from WCCLS “to be used for purposes that have positive patron impact in your local community during 2015.” They will allow the library to increase open hours, including possibly Sundays in the summer.

Costs of library office supplies and HVAC maintenance were previously combined with City Hall in General Government but will now be directly coded to the Library. This increase, approx. \$2,500, is offset by a decrease in General Government in those budget lines.

The Library is using the Vehicle Equipment Reserve Fund to save for new computers expected to be purchased in FY17-18.



LEGO Palooza

LIBRARY 110-455		HISTORICAL DATA		CURRENT YEAR 2014-15			FY2015-16	FY2015-16	FY2015-16
Acct	Description	Actual 2012-2013	Actual 2013-2014	Budget	Actuals 4/24/15	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
110000	Salaries	109,094	127,757	134,465	103,889	134,465	135,337	126,197	129,040
210000	Employee Benefits	824	222	-	-	-	10,759	10,759	7,582
220000	Payroll Taxes	13,096	11,826	14,685	8,506	14,685	14,880	14,164	14,805
230000	Retirement	14,667	13,433	15,084	11,289	15,084	15,767	14,442	14,088
	PERSONAL SERVICES	137,681	153,238	164,234	123,684	164,234	176,743	165,563	165,515
	<i>FTE 3.7</i>								
300000	Education and Training	492	815	800	424	800	600	600	600
300100	Donations	-	215	-	-	-	250	250	250
310000	Utilities	7,883	8,101	8,250	5,824	8,250	8,200	8,200	8,200
330000	Professional Services	-	967	1,110	1,084	1,147	1,125	1,125	1,130
330102	Prof Srv - Software	-	1,449	3,000	1,449	3,000	1,850	1,850	1,850
330106	Prof Srv - Janitorial	575	2,065	2,100	1,750	2,100	5,760	5,760	5,760
330107	Prof Srv - Security	1,100	987	860	834	834	850	850	850
340000	Repairs and Maintenance	-	502	1,250	1,725	1,725	1,200	1,200	1,200
340100	R&M - Copier	2,055	2,586	3,624	2,482	3,693	4,000	4,000	4,000
340101	R&M - HVAC	4,471	-	500	-	-	1,916	1,916	1,916
610000	Supplies	7,511	10,625	8,500	4,328	8,446	6,250	6,294	6,204
640000	Library Materials	13,078	13,572	12,500	10,939	12,500	14,800	14,800	14,933
	MATERIALS AND SERVICES	37,165	41,884	42,494	30,838	42,494	46,801	46,845	46,893
810009	Transfers Out - Veh/Equip Res	-	1,600	2,600	2,600	2,600	2,593	2,593	2,593
	TRANSFERS OUT	-	1,600	2,600	2,600	2,600	2,593	2,593	2,593
LIBRARY DEPARTMENT TOTAL		174,846	196,722	209,328	157,122	209,328	226,137	215,000	215,000

(1) Appropriation level

GENERAL FUND – Culture and Recreation

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

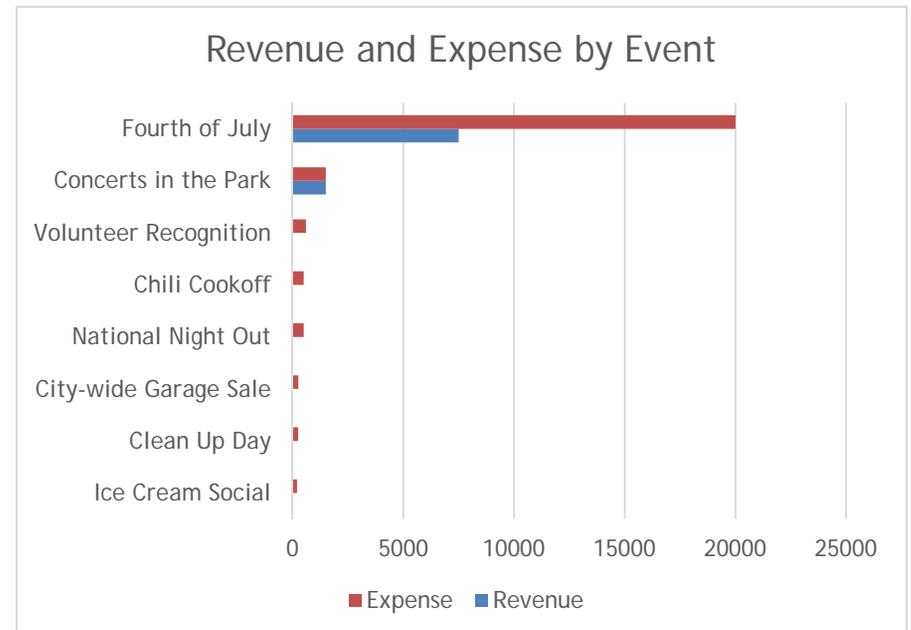
The main event is the Fourth of July celebration. As this event takes place just after the start of the new fiscal year there are some expenses incurred in the current year. The chart below details the budget for the entire event:

	FY14-15 budget for July 4, 2015	FY15-16 budget for July 4, 2015	FY15-16 budget for July 4, 2016
Revenue Goal	\$5,000	\$2,500	\$5,000
Contracted Planner	\$2,520	\$1,680	\$2,520
Event Expenses	\$0	\$5,000	\$800
Fireworks	\$2,500	\$7,500	\$2,500
Total Expense	\$5,020	\$14,180	\$5,820

The City has made an effort to find new revenues to cover the costs of these events. Concerts in the Park is expected to raise sufficient funds to cover their costs. The Fourth of July event continues to cost significantly more than it raises in revenue.



Face painting at the Fourth of July



CULTURE AND RECREATION 110-411		HISTORICAL DATA		CURRENT YEAR 2014-15			FY2015-16	FY2015-16	FY2015-16
Acct	Description	Actual 2012-2013*	Actual 2013-2014	Budget	Actuals 4/24/15	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
110000	Salaries	-	7,243	2,525	2,525	2,525	-	-	-
220000	Payroll Taxes	-	598	205	205	205	-	-	-
230000	Retirement	-	772	364	364	364	-	-	-
	PERSONAL SERVICES	-	8,613	3,094	3,094	3,094	-	-	-
300100	Community Events Supplies	9,841	1,348	-	-	-	-	-	-
300101	4th of July	14,828	22,326	20,020	17,461	20,020	20,000	20,000	20,000
300102	Concerts in the Park	-	2,054	1,832	1,832	1,832	1,500	1,500	1,500
300103	Dances	1,411	4,459	2,000	344	488	-	-	-
300106	Pumpkin Run	-	3,063	1,811	1,997	1,997	2,000	-	-
300107	Chili Cookoff	4	492	634	634	634	500	500	500
300108	National Night Out	-	384	699	699	699	500	500	500
300109	Playdates	205	38	-	-	-	-	-	-
300110	Volunteer Recognition	277	575	-	-	600	600	600	600
300111	Ice Cream Social	244	471	300	49	300	200	200	200
300113	Holiday Bazaar	2	85	-	-	-	-	-	-
300114	BBQ	-	12,156	-	1	-	-	-	-
300115	Adventures without Limits	-	716	-	-	-	-	-	-
300116	Garlic Festival	-	-	133	133	133	-	-	-
300117	Clean Up Day	-	-	-	-	-	250	250	250
300118	City-wide Garage Sale	-	-	-	-	-	260	260	260
	MATERIALS AND SERVICES	26,812	48,167	27,429	23,149	26,703	25,810	23,810	23,810
CULTURE AND RECREATION DEPT TOTAL		26,812	56,780	30,523	26,243	29,797	25,810	23,810	23,810

(1) Appropriation level

* This department was created in FY13 as part of the Internal Service Fund (ISF). In FY14 it was moved into the General Fund. FY13 ISF expenditures are shown here for comparable history.

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, and safety inspection of play equipment.

For the past three years the Parks department has not shown personnel services, though the Public Works department performs Parks maintenance. A detailed review of Public Works timesheets showed that a significant amount of time is spent on Parks work, therefore an allocation of personnel and materials and services was added to Parks. This more accurately presents the costs of our Parks.

Parks materials and services have been increased based on historical and YTD actuals.



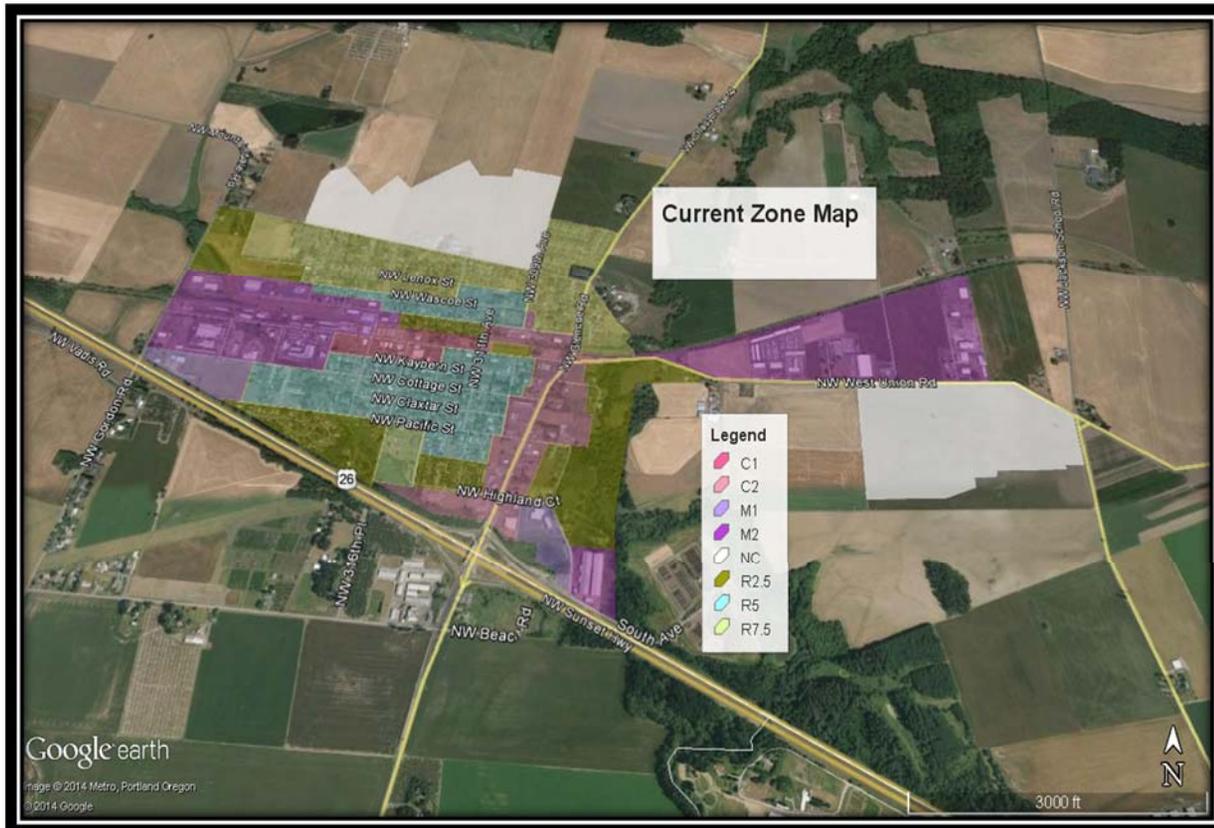
Pumpkin Run ending at Jessie Mays

PARKS 110-452		HISTORICAL DATA		CURRENT YEAR 2014-15			FY2015-16	FY2015-16	FY2015-16
Acct	Description	Actual 2012-2013	Actual 2013-2014	Budget	Actuals 4/24/15	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
	Public Works Allocation	-	-	-	-	-	78,794	50,231	50,231
	Personel Services	-	-	-	-	-	78,794	50,231	50,231
	<i>FTE 0.7</i>								
310000	Utilities	4,078	5,485	5,640	3,582	5,640	5,640	5,640	5,640
330000	Professional Services	359	-	600	-	-	600	600	600
340000	Repairs and Maintenance	7,693	7,650	4,000	4,136	4,536	7,000	4,000	4,000
610000	Supplies	5,666	4,946	2,850	810	2,850	2,850	2,850	2,850
	Public Works Allocation	-	-	-	-	-	8,699	6,648	6,648
	MATERIALS AND SERVICES	17,796	18,081	13,090	8,528	13,026	24,789	19,738	19,738
PARKS DEPARTMENT TOTAL		17,796	18,081	13,090	8,528	13,026	103,584	69,970	69,970

(1) Appropriation level

GENERAL FUND – Planning

The Planning department is primarily fees paid to the outside consultants for Planning assistance. A budget of \$40k is included for Cogan, Owens and Greene to continue with the visioning process for the City's Comprehensive Plan update. An additional budget of \$10k is included for 3J for routine planning review.



Current zoning

PLANNING 110-465		HISTORICAL DATA		CURRENT YEAR 2014-15			FY2015-16	FY2015-16	FY2015-16
Acct	Description	Actual 2012-2013*	Actual 2013-2014	Budget	Actuals 4/24/15	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
110000	Salaries	14,027							
210000	Employee Benefits	-							
220000	Payroll Taxes	1,699							
230000	Retirement	3,417							
	PERSONAL SERVICES	19,143							
300000	Education and Training	8	500	-	-	-	-	-	-
330000	Professional Services	5,216	4,543	45,000	11,525	45,000	50,000	50,000	50,000
360000	Advertising	2,690	805	1,000	613	1,000	1,000	1,000	1,000
	MATERIALS AND SERVICES	7,914	5,848	46,000	12,138	46,000	51,000	51,000	51,000
PLANNING DEPARTMENT TOTAL		27,057	5,848	46,000	12,138	46,000	51,000	51,000	51,000

(1) Appropriation level

Budget Detail Pages Street Fund

- **Street Fund Summary** – This page summarizes all Street Fund revenue and expense.

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 three components: Street Fee in Lieu, which was a previously collected fee to be used for improvements on specific streets, Recology Fund, which is where the annual \$10k transfer from the General Fund will be tracked in anticipation for improvements on Highland Court, and Unassigned, which is the remaining fund balance.

STREET FUND REVENUE

Street Fund revenues are primarily from State/County gas taxes, 62%, Transportation User Fee, 13%, and SDCs, 19%. State gas taxes are projected to increase 3%. SDCs are expected to increase based on an anticipated 60 builds.

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 23% of Public Works personnel and materials and services and 10% of General Government personnel and materials and services. Allocation of shared costs is discussed in detail above.

Street light expense is expected to increase slightly due to the new developments.

The contingency is \$10,000, to allow for unexpected changes during the year.

STREET FUND 111		HISTORICAL DATA		CURRENT YEAR 2014-15			FY2015-16	FY2015-16	FY2015-16
Acct	Description	Actual 2012-2013	Actual 2013-2014	Budget	Actuals 4/24/15	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	141,154	141,154
	Recology Fund	38,256	50,983	10,000	10,000	10,000	20,000	20,000	20,000
	Unassigned	380,254	378,099	29,902	29,902	29,902	56,313	49,781	49,781
	OPENING FUND BALANCE	580,964	570,236	181,056	181,056	181,056	217,467	210,935	210,935
REVENUES									
	Licenses, Permits, Fees								
435003	TUF	26,206	25,538	25,200	19,224	25,644	25,200	25,680	25,680
445000	SDCs	10,490	12,691	25,900	8,288	13,468	31,080	38,280	38,280
418109	Franchise Fees	22,727	-	-	-	-	-	-	-
		59,423	38,229	51,100	27,512	39,112	56,280	63,960	63,960
	Intergovernmental								
435001	Gas Tax - State	108,694	115,020	115,000	86,086	113,086	118,450	116,390	116,390
435002	Gas Tax - County	7,333	7,341	7,500	5,588	7,388	7,500	7,500	7,500
		116,027	122,361	122,500	91,674	120,474	125,950	123,890	123,890
431110	Grants	354,269	52,132	50,000	-	50,000	-	-	-
461000	Interest	3,220	1,210	1,030	626	926	1,000	1,000	1,000
440000	Miscellaneous	18,098	9,273	-	-	-	-	-	-
820110	Transfers In - Gen Fund	-	-	10,000	10,000	10,000	10,000	10,000	10,000
	TOTAL REVENUES	551,037	223,205	234,630	129,812	220,512	193,230	198,850	198,850
EXPENDITURES									
	General Government Allocation	32,697	53,494	47,273	25,051	46,926	31,841	26,879	26,879
	Public Works Allocation	86,515	67,278	49,493	25,351	45,395	58,366	52,514	52,514
	Personel Services	119,212	120,772	96,766	50,402	92,320	90,207	79,393	79,393
	<i>FTE 1.2</i>								
330000	Professional Services	-	20	2,000	765	2,000	2,000	2,000	2,000
610000	Supplies	3,858	2,917	3,000	2,653	3,000	3,000	3,000	3,000
640000	Street Lights	20,611	24,024	25,800	15,767	22,367	27,060	27,060	27,060
	General Government Allocation	37,173	10,559	18,095	11,775	18,721	20,298	18,978	18,978
	Public Works Allocation	10,776	2,536	1,650	847	1,397	6,444	6,951	6,951
	Materials and Services	72,418	40,056	50,545	31,807	47,485	58,802	57,988	57,988

STREET FUND 111		HISTORICAL DATA		CURRENT YEAR 2014-15			FY2015-16	FY2015-16	FY2015-16
Acct	Description	Actual 2012-2013	Actual 2013-2014	Budget	Actuals 4/24/15	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
	Street Projects- Claxtar/Other	370,135	400,574	50,000	-	50,000	-	-	-
	Street Projects- Wascoe/Cottag	-	-	-	-	-	20,000	20,000	20,000
	Capital Outlay	370,135	400,574	50,000	-	50,000	20,000	20,000	20,000
	STREETS DEPARTMENT TOTAL	561,765	561,402	197,311	82,209	189,805	169,009	157,382	157,382
810009	Transfers Out - Veh Res	-	-	828	828	828	541	547	547
810110	Transfers Out - Gen Fund/Rec	-	50,983	-	-	-	-	-	-
	TRANSFERS	-	50,983	828	828	828	541	547	547
	CONTINGENCY	-	-	9,786	-	-	10,000	27,000	27,000
	TOTAL EXPENDITURES	561,765	612,385	207,925	83,037	190,633	179,550	184,929	184,929
	CHANGE IN FUND BALANCE	(10,728)	(389,180)	26,705	46,775	29,879	13,680	13,921	13,921
	UNAPPROPRIATED								
	ENDING FUND BALANCE	570,236	181,056	207,761	227,831	210,935	231,147	224,856	224,856
	Street Fee in Lieu	162,454	141,154	141,154	141,154	141,154	141,154	141,154	141,154
	Recology Fund	60,983	10,000	20,000	20,000	20,000	30,000	30,000	30,000
	Unassigned	346,799	29,902	46,607	66,677	49,781	59,993	53,702	53,702
	Total General Government Allocation	69,870	64,053	65,368	36,826	65,647	52,138	45,856	45,856
	Total Public Works Allocation	97,291	69,814	51,143	26,198	46,791	64,810	59,465	59,465
		167,161	133,867	116,511	63,024	112,438	116,949	105,322	105,322

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 SDC revenue and less capital projects, and Unassigned, which is the remaining fund balance.

WATER FUND REVENUE

Assumptions included in the water revenue calculation:

- Summer 2014 was hotter than normal and drove up water revenue in FY15. The estimate for FY16 is based on the average of the previous two years to limit swings from weather. With no other changes, water revenue would be less than FY15 due to last summer’s heat.
- An estimated 40 new homes will generate additional water revenue.
- A proposed rate change of 2% on consumption will slightly increase revenue, however it will be offset by an increased cost in water purchase. The City of Hillsboro will be increasing water purchase rates by 5% in FY15-16. Approximately 40% of consumption revenue is used for water purchase, therefore management has proposed a 2% increase. See table below.
- System Development Charges are also increasing, based on an estimated 60 new builds.

For the average residential customer, the 2% consumption increase would look like this:

	Base Rate	6 units Cons.	Monthly Total	Monthly Change	Annual Change
Current	\$48.93	\$24.18	\$73.11		
Proposed 2% Inc.	\$48.93	\$24.66	\$73.59	\$0.48	\$5.80

Water Fund Revenue (Continued)

The most recent water increases are:

- 3% base and consumption October 2013
- 2% base and consumption July 2012
- 5% base and consumption July 2010

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 49% of Public Works personnel and materials and services and 49% of General Government personnel and materials and services. Allocation of shared costs is discussed in detail above.

A 5% franchise fee has historically been charged from the General Fund to the Water Fund, for use of the City's right-of-way. Management considered this during the review of allocation methodology, and determined that since the Water Fund is integrated with the City and pays for an allocation of shared costs, no additional reimbursement for right-of-way usage is necessary. This also clarifies and streamlines how money is transferred between General and Water Funds.

The Water Fund performs certain maintenance on 2-3 year cycles. In FY14-15 this included tank cleaning and leak detection. In FY15-16 this includes valve replacement.

The City is expecting a 5% increase in the cost of water purchase from the City of Hillsboro. Overall consumption is expected to decrease slightly (due to FY14-15 being an extremely hot summer), however this price increase will cause total water purchase expense to go up.

No specific capital project has been identified, however the Water Fund typically incurs capital project expense as the need arises.

Special payments are the SDC pass through paid to the Joint Water Commission. It is a direct pass through and has no effect on the bottom line.

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

The transfer to the Vehicle/Equipment Reserve Fund is for a portion of the Public Works purchases: City decals for all the Public Works vehicles and a 15kw generator in FY15-16. The remainder is planned for a dump truck and pickup, estimated to be purchased in FY19-20.

The contingency is \$500,000, to allow for possible investment in land for a second water tank if an opportunity arises.

WATER FUND 210		HISTORICAL DATA		CURRENT YEAR 2014-15			FY2015-16	FY2015-16	FY2015-16
Acct	Description	Actual 2012-2013	Actual 2013-2014	Budget	Actuals 4/24/15	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
	Committed to Capital Projects	115,689	188,574	194,419	194,419	194,419	332,305	267,835	267,835
	Unassigned	684,812	723,536	848,318	848,318	848,318	1,010,193	1,009,257	1,009,257
OPENING FUND BALANCE		800,501	912,110	1,042,737	1,042,737	1,042,737	1,342,498	1,277,092	1,277,092
REVENUES									
444000	Charges, Fees, Fines	856,073	864,327	890,000	680,547	890,000	910,000	910,000	910,000
445000	SDCs (Capital)	87,035	116,045	214,900	68,768	111,748	257,880	296,160	296,160
446000	SDCs - Pass thru JWC	69,792	85,769	145,400	54,108	90,180	174,480	180,360	180,360
461000	Interest	4,438	4,657	4,275	3,673	5,477	5,445	5,445	5,445
440000	Miscellaneous	25,108	15	-	-	-	-	-	-
TOTAL REVENUES		1,042,446	1,070,813	1,254,575	807,096	1,097,405	1,347,805	1,391,965	1,391,965
EXPENDITURES									
	General Government Allocation	162,071	116,753	149,653	79,865	148,567	156,019	131,706	131,706
	Public Works Allocation	173,029	260,572	166,510	85,878	152,849	137,161	111,879	111,879
	Personel Services	335,100	377,325	316,163	165,743	301,415	293,180	243,585	243,585
	<i>FTE 3.6</i>								
300000	Education and Training	-	-	-	-	-	1,200	1,200	1,200
310000	Utilities	7,814	7,688	9,090	6,040	9,090	9,090	9,090	9,090
330000	Professional Services	5,244	864	2,000	761	2,000	2,000	2,000	2,000
330104	Prof Srv- Printing	-	-	6,000	4,315	5,315	6,000	6,000	6,000
330111	Prof Srv- Meter Reading	1,000	3,041	9,000	6,514	8,764	9,000	9,000	9,000
330112	Prof Srv- Water Analysis	1,166	1,177	2,000	611	2,000	2,250	2,250	2,250
330113	Prof Srv- Tank Cleaning	-	-	3,000	2,700	2,700	-	-	-
330114	Prof Srv- Leak Detection	-	-	3,500	3,450	3,450	-	-	-
330116	Prof Srv- Valve Replacement	-	-	-	-	-	4,500	4,500	4,500
340000	Repairs and Maintenance	22,737	3,619	10,000	3,087	10,000	10,000	10,000	10,000
350000	Agency Memberships	-	-	-	-	-	775	775	775
610000	Supplies	3,017	7,201	7,500	4,394	7,500	7,500	7,500	7,500
610600	Water Purchase	137,033	120,555	134,000	82,566	133,000	136,000	136,000	136,000
630000	New Water Service Materials	-	2,748	5,000	2,005	5,000	5,000	5,000	5,000
650000	Franchise Fee -Water	39,000	39,000	44,500	23,754	44,500	-	-	-
800000	Bad debt (sent to collections)	-	2,284	-	-	-	-	2,000	2,000
	General Government Allocation	121,669	39,311	56,699	36,894	58,660	99,459	92,991	92,991
	Public Works Allocation	21,551	5,072	5,500	2,824	4,655	15,143	14,808	14,808

WATER FUND 210		HISTORICAL DATA		CURRENT YEAR 2014-15			FY2015-16	FY2015-16	FY2015-16
Acct	Description	Actual 2012-2013	Actual 2013-2014	Budget	Actuals 4/24/15	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
	Materials and Services	360,231	232,560	297,789	179,915	296,634	307,917	303,114	303,114
770000	PW Projects	14,150	110,200	38,332	34,332	38,332	51,000	51,000	51,000
	Capital Outlay	14,150	110,200	38,332	34,332	38,332	51,000	51,000	51,000
	WATER DEPARTMENT TOTAL	709,481	720,085	652,284	379,990	636,381	652,097	597,698	597,698
820000	SDC Pass Thru JWC	87,024	85,769	145,400	21,042	90,180	174,480	180,360	180,360
	SPECIAL PAYMENTS	87,024	85,769	145,400	21,042	90,180	174,480	180,360	180,360
500500	Debt Service - 2005 Bond	134,332	134,332	134,332	134,332	134,332	134,332	134,332	134,332
	DEBT SERVICE	134,332	134,332	134,332	134,332	134,332	134,332	134,332	134,332
810009	Transfers Out - Veh Res	-	-	2,156	2,156	2,156	2,545	2,549	2,549
	TRANSFERS	-	-	2,156	2,156	2,156	2,545	2,549	2,549
	CONTINGENCY	-	-	416,959	-	-	500,000	500,000	500,000
	TOTAL EXPENDITURES	930,837	940,186	1,351,131	537,520	863,049	1,463,454	1,414,940	1,414,940
	CHANGE IN FUND BALANCE	111,609	130,627	(96,556)	269,576	234,355	(115,649)	(22,975)	(22,975)
	UNAPPROPRIATED								
	ENDING FUND BALANCE	912,110	1,042,737	946,181	1,312,313	1,277,092	1,226,849	1,254,118	1,254,118
	Committed to Capital Projects	188,574	194,419	-	228,855	267,835	-	-	-
	Unassigned	723,536	848,318	946,181	1,083,458	1,009,257	1,226,849	1,254,118	1,254,118
	Total General Government Allocation	283,740	156,064	206,352	116,759	207,226	255,478	224,697	224,697
	Total Public Works Allocation	194,580	265,644	172,010	88,702	157,504	152,304	126,687	126,687
	Franchise Fee	39,000	39,000	44,500	23,754	44,500	-	-	-
		517,320	460,708	422,862	229,215	409,230	407,782	351,383	351,383

Water Fund Future Capital Projects Timeline

Category	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Distribution system							Pump Station #2				
Piping	12" Glencoe				12" Gordon						
	\$51,000	\$0	\$0	\$0	\$100,000	\$0	\$460,000	\$0	\$0	\$0	\$0
Maintenance				Maintenance				Maintenance		Maintenance	
	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0	\$150,000	\$0	\$150,000	\$0
Storage Facilities		Earthquake stabilization, existing res.					New 1.02 MG Tank, yr 1	New 1.02 MG Tank, yr 2			
	\$0	\$154,000	\$0	\$0	\$0	\$972,000	\$1,083,000	\$0	\$0	\$0	\$0
TOTAL	\$51,000	\$154,000	\$0	\$150,000	\$100,000	\$972,000	\$1,543,000	\$150,000	\$0	\$150,000	\$0

UR eligible
Development driven

Opening Fund Bal	1,340,000	1,696,880	1,907,780	2,100,760	2,143,740	2,193,740	1,371,740	(21,260)	(21,260)	128,740	128,740
SDCs	257,880	214,900	42,980	42,980	-	-	-	-	-	-	-
Capital Proj	(51,000)	(154,000)	-	(150,000)	(100,000)	(972,000)	(1,543,000)	(150,000)	-	(150,000)	-
Operating	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Ending Fund Bal	1,696,880	1,907,780	2,100,760	2,143,740	2,193,740	1,371,740	(21,260)	(21,260)	128,740	128,740	278,740

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 planned, however the entire proposed ending balance has been placed in contingency in case a project is identified. By placing these funds in contingency the City has access to them through Council resolution during the year.

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 is expected to begin next year, and \$200k has been budgeted as grant revenue and project expense. The timeline of the project is not yet set so this amount is an estimate.

In FY14-15 Woofter Architecture was engaged to create a conceptual plan for Jessie Mays Park. The project is expected to continue into FY15-16 and \$100k has been budgeted.

The entire proposed ending balance has been placed in contingency in case the Jessie Mays project moves quickly and Council chooses to allocate more funds. By placing these funds in contingency the City has access to them through Council resolution during the year.

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.

A pedestrian bridge project is budgeted at \$150k. In addition, the entire proposed ending balance has been placed in contingency in case that project is expanded or another one is identified. By placing these funds in contingency the City has access to them through Council resolution during the year.

TRANSP. DEVELOPMENT TAX FUND 130

Acct	Description	HISTORICAL DATA		CURRENT YEAR 2014-15			FY2015-16	FY2015-16	FY2015-16
		Actual 2012-2013	Actual 2013-2014	Budget	Actuals 4/24/15	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
OPENING FUND BALANCE		88,402	263,325	396,267	396,267	396,267	671,697	516,183	516,183
REVENUES									
415100	TDT	174,326	166,527	333,250	124,083	184,258	399,900	486,780	486,780
461000	Interest	597	1,706	1,795	1,508	2,308	3,000	3,000	3,000
TOTAL REVENUES		174,923	168,233	335,045	125,591	186,566	402,900	489,780	489,780
EXPENDITURES									
	General Government Allocation	-	1,307	-	-	-	-	-	-
	Public Works Allocation	-	1,307	-	-	-	-	-	-
	Personel Services	-	2,614	-	-	-	-	-	-
770000	PW Projects	-	32,677	66,650	-	66,650	-	-	-
	Capital Outlay	-	32,677	66,650	-	66,650	-	-	-
TDT DEPARTMENT TOTAL		-	35,291	66,650	-	66,650	-	-	-
CONTINGENCY		-	-	33,421	-	-	1,074,597	1,005,963	1,005,963
TOTAL EXPENDITURES		-	35,291	100,071	-	66,650	1,074,597	1,005,963	1,005,963
CHANGE IN FUND BALANCE		174,923	132,942	234,974	125,591	119,916	(671,697)	(516,183)	(516,183)
UNAPPROPRIATED ENDING FUND BALANCE		263,325	396,267	631,241	521,858	516,183	-	-	-

PARKS CAPITAL FUND 131		HISTORICAL DATA		CURRENT YEAR 2014-15			FY2015-16	FY2015-16	FY2015-16
Acct	Description	Actual 2012-2013	Actual 2013-2014	Budget	Actuals 4/24/15	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
OPENING FUND BALANCE		383,937	458,181	442,729	442,729	442,729	551,154	491,089	491,089
REVENUES									
431000	Grant	-	-	-	-	-	200,000	200,000	200,000
445000	SDCs	79,178	95,795	195,500	62,560	101,660	234,600	274,080	274,080
461000	Interest	2,192	2,346	2,580	1,506	2,166	2,500	2,500	2,500
TOTAL REVENUES		81,370	98,141	198,080	64,066	103,826	437,100	476,580	476,580
EXPENDITURES									
	General Government Allocation	-	4,067	4,000	511	2,054	-	-	-
	Public Works Allocation	-	4,067	4,000	511	2,054	-	-	-
	Personel Services	-	8,133	8,000	1,022	4,109	-	-	-
	General Government Allocation	491	-	-	-	-	-	-	-
	Materials and Services	491	-	-	-	-	-	-	-
77000X	PY Projects	6,635	105,460	-	-	-	-	-	-
770000	Jessie Mays	-	-	100,000	12,827	50,000	100,000	100,000	100,000
770001	Walking Trail	-	-	-	1,358	1,358	200,000	200,000	200,000
	Capital Outlay	6,635	105,460	100,000	14,185	51,358	300,000	300,000	300,000
PARKS CAPITAL DEPT TOTAL		7,126	113,593	108,000	15,207	55,467	300,000	300,000	300,000
CONTINGENCY		-	-	532,809	-	-	688,254	667,669	667,669
TOTAL EXPENDITURES		7,126	113,593	640,809	15,207	55,467	988,254	967,669	967,669
CHANGE IN FUND BALANCE		74,244	(15,452)	(442,729)	48,859	48,360	(551,154)	(491,089)	(491,089)
UNAPPROPRIATED									
ENDING FUND BALANCE		458,181	442,729	-	491,588	491,089	-	-	-

TRAFFIC IMPACT FEE FUND 132		HISTORICAL DATA		CURRENT YEAR 2014-15			FY2015-16	FY2015-16	FY2015-16
Acct	Description	Actual 2012-2013	Actual 2013-2014	Budget	Actuals 4/24/15	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
OPENING FUND BALANCE		286,034	287,669	289,210	289,210	289,210	290,610	290,610	290,610
REVENUES									
461000	Interest	1,635	1,541	1,400	987	1,400	1,445	1,445	1,445
TOTAL REVENUES		1,635	1,541	1,400	987	1,400	1,445	1,445	1,445
EXPENDITURES									
	General Government Allocation	-	-	2,000	-	-	-	-	-
	Public Works Allocation	-	-	2,000	-	-	-	-	-
	Personel Services	-	-	4,000	-	-	-	-	-
770000	PW Projects - West Union ped	-	-	50,000	-	-	-	150,000	150,000
	Capital Outlay	-	-	50,000	-	-	-	150,000	150,000
TIF DEPT TOTAL		-	-	54,000	-	-	-	150,000	150,000
CONTINGENCY		-	-	236,610	-	-	292,055	142,055	142,055
TOTAL EXPENDITURES		-	-	290,610	-	-	292,055	292,055	292,055
CHANGE IN FUND BALANCE		1,635	1,541	(289,210)	987	1,400	(290,610)	(290,610)	(290,610)
UNAPPROPRIATED ENDING FUND BALANCE		287,669	289,210	-	290,197	290,610	-	-	-

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 AND EQUIPMENT RESERVE FUND		HISTORICAL DATA		CURRENT YEAR 2014-15			FY2015-16	FY2015-16	FY2015-16
Acct	Description	Actual 2012-2013	Actual 2013-2014	Budget	Actuals 4/24/15	Year End Estimate	Initial Proposal	Approved by Budget Comm.	Adopted by City Council
OPENING FUND BALANCE		46,348	25,580	39,560	39,560	39,560	47,037	47,037	47,037
REVENUES									
461000	Interest	232	180	195	172	238	235	235	235
	Transfers								
820110	Transfers In - GF/Gen Govt	-	-	3,000	3,000	3,000	2,047	2,047	2,047
820110	Transfers In - GF/Police	-	5,200	6,400	6,400	6,400	4,670	4,670	4,670
820110	Transfers In - GF/Public Works	7,000	7,000	328	328	328	69	58	58
820110	Transfers In - GF/Library	-	1,600	2,600	2,600	2,600	2,593	2,593	2,593
820111	Transfers In - Street/Gen Govt	-	-	500	500	500	499	499	499
820111	Transfers In - Street/Public Works	-	-	328	328	328	42	48	48
820210	Transfers In - Water/Gen Govt	-	-	1,500	1,500	1,500	2,447	2,447	2,447
820210	Transfers In - Water/Public Works	-	-	656	656	656	98	102	102
		7,000	13,800	15,312	15,312	15,312	12,466	12,466	12,466
TOTAL REVENUES		7,232	13,980	15,507	15,484	15,550	12,701	12,701	12,701
EXPENDITURES									
770300	Public Works Equipment	-	-	8,500	8,073	8,073	13,175	13,175	13,175
	Capital Outlay	-	-	8,500	8,073	8,073	13,175	13,175	13,175
	VEH/EQUIP RES DEPT TOTAL	-	-	8,500	8,073	8,073	13,175	13,175	13,175
810110	Transfers Out - Gen Fund	28,000	-	-	-	-	-	-	-
	TRANSFERS	28,000	-	-	-	-	-	-	-
	CONTINGENCY	-	-	-	-	-	10,000	10,000	10,000
TOTAL EXPENDITURES		28,000	-	8,500	8,073	8,073	23,175	23,175	23,175
CHANGE IN FUND BALANCE		(20,768)	13,980	7,007	7,410	7,477	(10,474)	(10,474)	(10,474)
UNAPPROPRIATED									
ENDING FUND BALANCE		25,580	39,560	46,567	46,970	47,037	36,563	36,563	36,563
	Police	-	5,200	11,600	11,659	11,659	16,390	16,390	16,390
	Public Works	25,580	32,760	25,767	26,131	26,131	3,223	3,223	3,223
	Library	-	1,600	4,200	4,221	4,221	6,873	6,873	6,873
	General Government	-	-	5,000	5,026	5,026	10,077	10,077	10,077

VEHICLE AND EQUIPMENT RESERVE FUND 009
Replacement Schedule

	Opening Balance	Reserve in FY					Total to be Reserved	Purchase in FY					Total to be Purchased
		2016	2017	2018	2019	2020		2016	2017	2018	2019	2020	
PUBLIC WORKS													
Dump Truck	7,956	9	9	9	9	9	8,000	-	-	-	-	8,000	8,000
1 Ton Pickup	5,000	200	200	200	200	200	6,000	-	-	-	-	6,000	6,000
City decals for trucks	3,175	-	-	-	-	-	3,175	3,175	-	-	-	-	3,175
15kw Generator	10,000	-	-	-	-	-	10,000	10,000	-	-	-	-	10,000
	26,131	209	209	209	209	209	27,175	13,175	-	-	-	14,000	27,175
Reserved by													
General Fund	28%	58	58	58	58	58							
Street Fund	23%	48	48	48	48	48							
Water Fund	49%	102	102	102	102	102							
		209	209	209	209	209							
GENERAL GOVERNMENT													
Server	5,026	4,994	4,994	4,994	4,994	-	25,000	-	-	-	25,000	-	25,000
Reserved by													
General Fund	41%	2,047	2,047	2,047	2,047	-							
Street Fund	10%	499	499	499	499	-							
Water Fund	49%	2,447	2,447	2,447	2,447	-							
		4,994	4,994	4,994	4,994	-							
POLICE													
New radio system	11,659	4,670	4,670	-	-	-	21,000	-	21,000	-	-	-	21,000
LIBRARY													
18 PCs	4,221	2,593	2,593	2,593	-	-	12,000	-	-	12,000	-	-	12,000
TOTAL	47,037	12,466	12,466	7,795	5,202	209	85,175	13,175	21,000	12,000	25,000	14,000	85,175
Reserved by													
General Fund		9,369	9,369	4,699	2,106	58							
Street Fund		547	547	547	547	48							
Water Fund		2,549	2,549	2,549	2,549	102							
		12,466	12,466	7,795	5,202	209							

CLOSED FUNDS

These funds are now closed but are included because they have history in one of the two preceding years.

WATER SYSTEMS IMPROVEMENT FUND

This fund was closed and rolled into the Water Fund in FY13.

Account Description	Actual 2012-2013
EXPENDITURES	
Pass Through Revenues	-
MATERIALS AND SERVICES	-
Debt Service	-
DEBT SERVICE	-
Transfers Out	115,689
TRANSFERS OUT	115,689
TOTAL EXPENDITURES	115,689

INTERNAL SERVICE FUND

This fund was closed and departments reallocated in FY14.

Account Description	Actual 2012-2013
EXPENDITURES - BY DEPT	
610-411 City Council	28,322
610-412 City Attorney	21,202
610-413 City Manager	112,932
610-414 City Recorder	9,830
610-415 Finance	233,320
610-416 City Engineer	4,907
610-419 General Government	168,228
610-433 Public Works	382,162
Transfers Out	7,000
TOTAL EXPENDITURES	967,903

Capital Improvement Program (CIP)

Introduction

The Capital Improvement Plan (CIP) is a planning tool that forecasts the City's capital needs over a five-year period based on City-adopted long-range plans, goals and policies. The CIP includes planned expenditures for replacing, improving, and expanding a City's infrastructure. The City of North Plains' CIP encompasses the City's civic and cultural facilities, transportation system, park system, drinking water system, storm drainage system, and the streets system. The CIP includes detailed descriptions of every Capital Project the City anticipates to initiate during the five-year period.

The City should update its CIP annually. The CIP is structured on a fiscal year basis (July 1 to June 30) like the operating budget. It is common for CIP projects to overlap several years, as the process of engineering, bidding, and construction cannot always be achieved with 12 months.

Purpose

The CIP is a business document and does not amend or replace any of the City's master plans. It identifies programs and schedules and presents a financing strategy for capital improvements. The CIP utilizes various infrastructure master plans (i.e. parks facilities, water) to develop an inclusive list of potential capital projects so that funding for these projects may be considered comprehensively. This "level playing field" approach to project prioritization and capital financing allows the City to better assess and plan for its capital needs.

Complex projects which overlap project groups/categories, such as transportation and utilities may be constructed concurrently resulting in project efficiencies that help to hold down costs.

The CIP is a long-term document that gives citizens and other stakeholders a set of predictable expectations of both capital needs and concurrent financial requirements. The City's annual budget sets the appropriation authority levels for the subsequent year. The annual budget is a shorter-term document with respect to capital projects and only incorporates the most immediate year of the CIP.

Source of funds

The major sources of funds available for capital projects are dedicated funds that must be used for a particular purpose. For the most part, these funds are accounted for in the City's special revenue, capital projects, and enterprise funds. The City may also receive direct funding for a project from other governments or through grants and donations. Proceeds of a bond issue are often restricted to a limited number of projects or activities.

CIP Goals

The goals of the CIP are to:

- Provide a balanced program for capital improvements given anticipated funding revenues over a five-year planning period.
- Enable the community to take a long-range view of needed improvements to determine responsibilities for future development.
- Enhance opportunities for participation in federal and/or state grant and loan programs.
- Enable the City Council to evaluate the needs of the entire City objectively.

- Anticipate needed capital improvements in advance, rather than being overlooked until critically needed.
- Provide a plan for capital improvements that can be used in preparing the Capital Budget for the coming fiscal year.

Year		Project	Proj #	Amount
2015-16	Parks	Ghost Creek / Galloway Trails (ODOT funded)	1474	200,000
2015-16	Parks	Jessie Mays Community Hall improvements	1473	100,000
2015-16	Water	Main Replacement Program	1651	51,000
2015-16	Streets	Wascoe and Cottage improvements		20,000
2015-16	TIF	West Union bicycle and pedestrian improvements		150,000
2015-16 TOTAL				\$521,000
2016-17	Water	Earthquake stabilization on existing reservoir		154,000
2016-17	Parks	McKay Creek Trail		25,000
2016-17	Parks	Ghost Creek / Galloway Trails (ODOT funded)	1474	800,000
2016-17 TOTAL				\$979,000
2018-19	Street	Lenox (Timeric to terminus)	1624	96,000
2018-19	Storm	(3) 72" Corrugated culvert Pacific west of Main	1425	138,000
2018-19	Water	Maintenance on water mains		150,000
2018-19 TOTAL				\$384,000
2019-20	Water	12" Gordon		100,000
2019-20 TOTAL				\$100,000

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

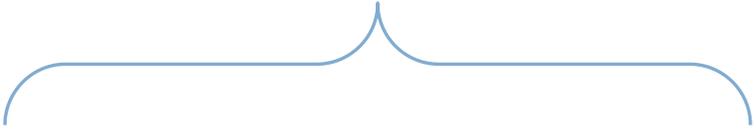
I. Policy Statement

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:

- adopt the budget,
- make appropriations, and impose and categorize taxes; and will adopt a five-year Capital Improvement Plan, no later than June 30th.
- stating the City's eligibility for, and intention to receive State Shared Revenues.
- 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.

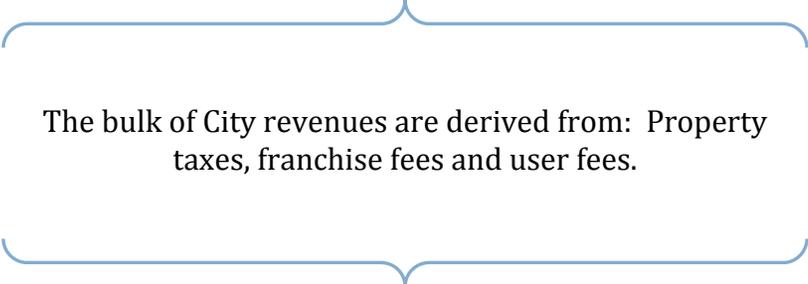
Dedicated revenue streams may only be used for the purpose for which they are being collected.

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.

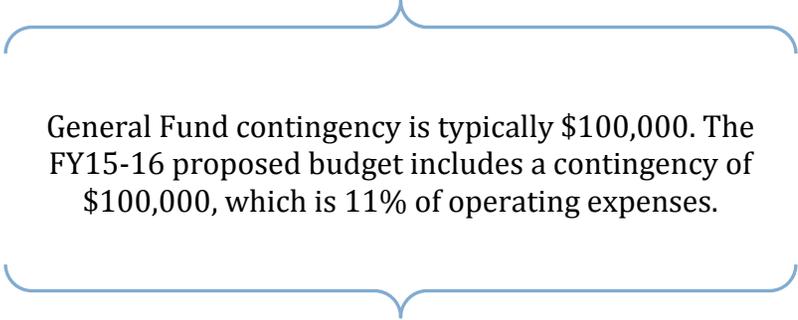
The City Manager will take immediate corrective action if, at any time during a fiscal year, revised revenue and expenditure estimates project a year-end deficit net of beginning fund balance, and will advise the Council at the next regularly scheduled City Council meeting.

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.

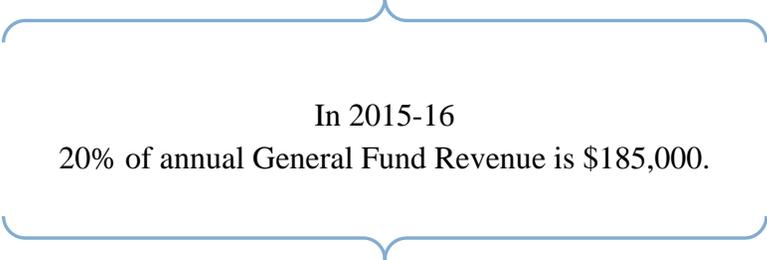


General Fund contingency is typically \$100,000. The FY15-16 proposed budget includes a contingency of \$100,000, which is 11% of operating expenses.

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.

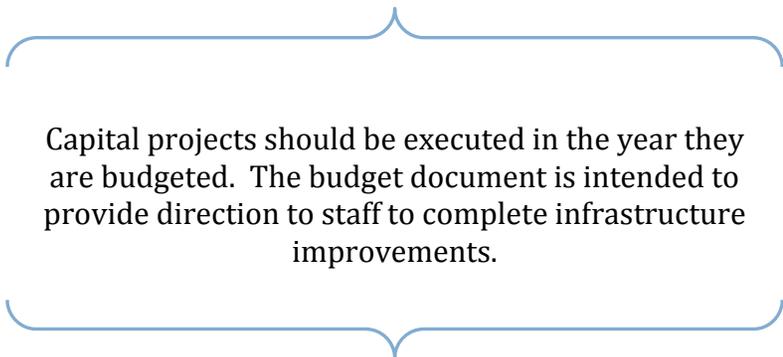
The City Manager and Public Works Director will identify the estimated costs, potential funding sources, and project schedule for each capital project proposal before it is submitted to the City Council.

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

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%.

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%)

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.

basis to ensure that they are consistent with current desires and policies of the City Council.

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

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 by 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 be 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.

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.

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

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



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



Manager for review first. Only the City Manager or a Department Head may execute a contract for service.

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.

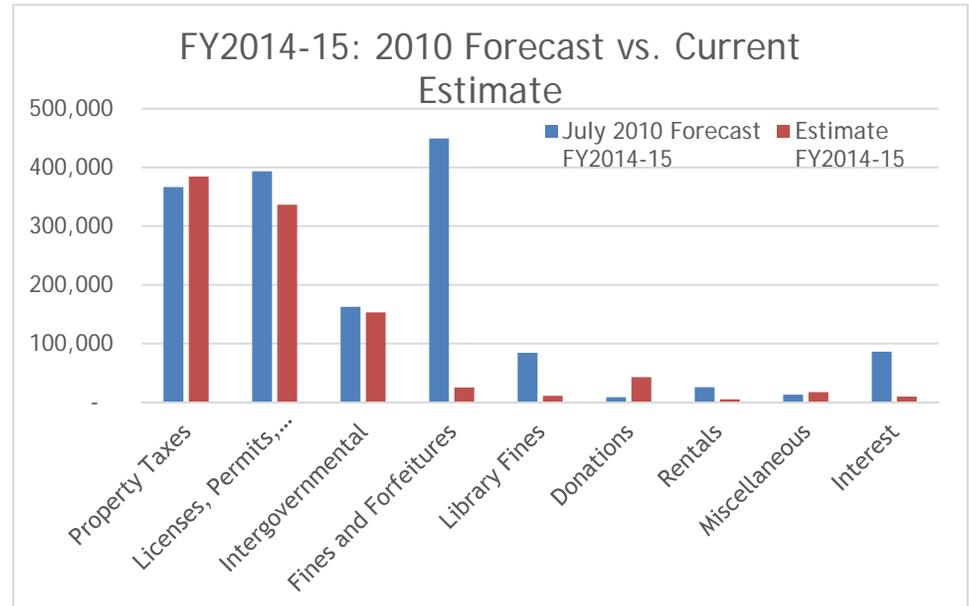
Budget Message

April 13, 2015

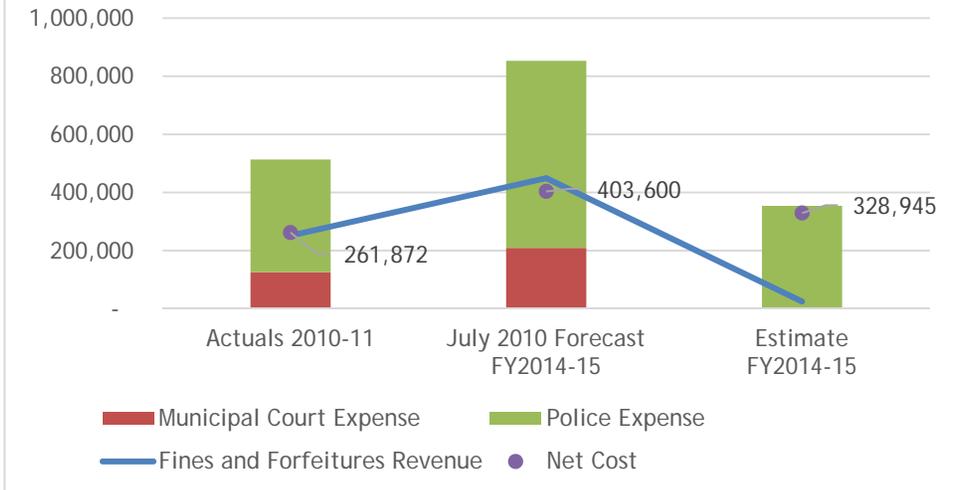
Honorable Mayor, City Councilors, and Budget Committee Members,

The budget is one of the most extensive documents the City prepares during the year, and it is done with you and the public in mind. It includes our plan for next year, long term forecasts of capital projects and narrative descriptions of each department and what they offer to the City. The Appendix includes our charter and financial policies. However, at over 100 pages and thousands of numbers, it can be exhausting. To relieve some of that we have included graphs that visually describe important areas, expanded explanations on central issues such as Budget History and Allocation of Shared Costs, and included photos of City events throughout to remind us what a fun and special city this is.

In July 2010 a report titled *General Fund: Cash Flow History & Forecast* was prepared by Economic & Financial Analysis and presented to the City Council. That report projected increased costs: new full time staff in Police, Public Works (20% charged to General Fund), General Government, and a new police vehicle. With those new costs the report projected a deficit in the General Fund starting in FY2014-15. Now we're in FY2014-15 and faced with a deficit, however most of those new costs were not implemented. Instead, it's that revenues have decreased significantly, primarily in Fines and Forfeitures.



Fines and Forfeitures and related costs

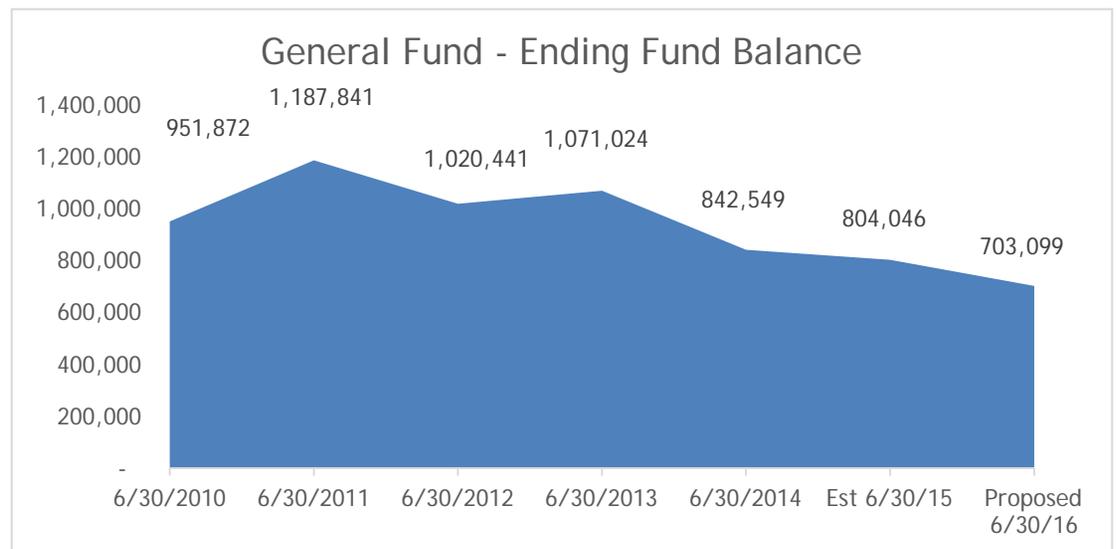


Fines and Forfeitures are police generated revenues. To fairly evaluate this we must consider that in July 2010 we still had a municipal court, so there were additional costs the City was incurring to process those fines. The chart at the left shows revenue (blue line) has fallen since the court was closed, but also shows that expense (stacked column) has decreased. The net cost for the Police Department (purple dot) is higher than it was in 2010-11, the last full year of court, but it is less than the July 2010 projection of FY2014-15.

While some of our court revenue is now retained by Washington County for their processing costs, the majority of this decrease is due to a change in the focus of the Police Department, away from highway patrols and ticket writing.

This is discussed more in the Police Department section of this document. The July 2010 projection for FY2014-15 included the assumption of a third officer, however even with that it's not clear if that revenue projection could be obtained; at \$449k it is nearly 60% of what the City of Hillsboro raised in fines and forfeitures in FY2013-14, with a \$26.8 million police budget and 80 member staff. North Plains did successfully add a half time officer in FY2013-14 which is included in the projected expenses.

Maintaining a healthy fund balance in the General Fund is needed to weather tougher economic circumstances. At the current level of revenues the General Fund cannot meet expense requests of all departments, the Council and other community groups. The Fund Balance and has run a slight deficit since FY2013-14. The lack of balance this year is mostly attributed to the expanded Community Vision process and planning expenses. In the past two years Council authorized significant reductions in expenses, including staff, where management felt reductions



could be made without a major impact on services. Both Police and Library services were expanded during that time. Expenses in the FY2015-16 budget were again closely reviewed, and have decreased in all departments except the Library, which is the least costly department for the General Fund. In this first budget draft a deficit is still projected. At this point staff is turning to the Budget Committee, including the Council, for discussion and direction in where to take the budget. As requested by the City Council a list of items that could be removed or reduced has been included at the end of the General Fund budget section. Elimination of these items will have a major impact on City services, and input from the Budget Committee is essential before making these decisions.

Council has the discretion to allow the ending balance to change from year to year. There are adequate funds in the City's coffers to continue operations as they are today; however it will erode the total cash available in the ending fund balance on June 30th if expenses are allowed to exceed revenues.

When observing the general decline in the ending fund balance of \$703,099 for FY2015-16, it is important to recall that the General Fund loaned \$185,000 to the Urban Renewal Agency in FY2013-14 and that cash will be returned to the General Fund within 10 years. In the meantime, the investment is yielding about \$5,000 in annual interest. This is a unique investment as the Council sitting as the Board of Urban Renewal Agency can determine when the repayment of all or a portion of the loan occurs. Thus the City continues to have a healthy reserve of cash and investments.

Respectfully submitted,

Martha DeBry
City Manager

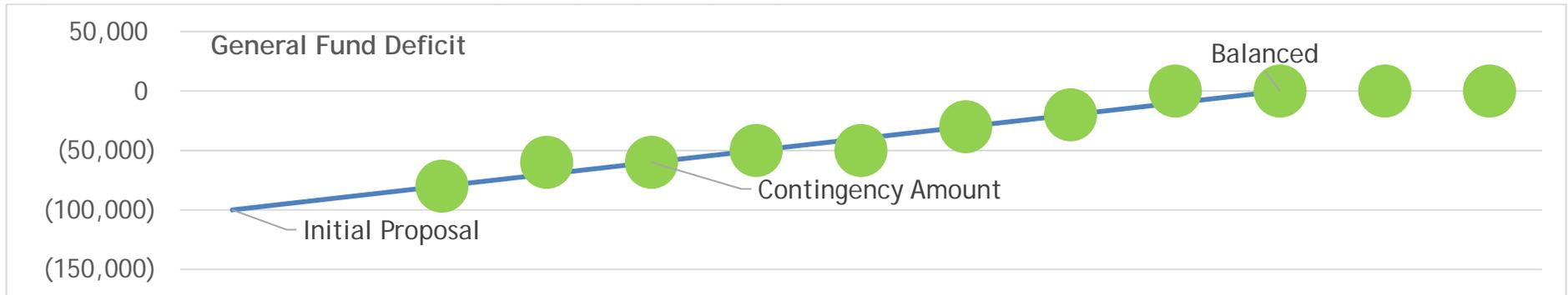
Budget Message

May 11, 2015

Honorable Mayor, City Councilors, and Budget Committee Members,

The FY2015-16 budget has been revised for this third meeting of the Budget Committee. The changes reflect items discussed at the previous two budget committee meetings, as well as the City Council’s decision to not renew the City Manager’s contract for FY2015-16. Detailed changes are noted and explained below.

At the second meeting of the Budget Committee we did an exercise with colored dots, to allow for each committee member to express his/her opinion and to provide a visual of where the committee was leaning. The first chart asked the committee, “Where do you want to see the General Fund budget surplus/(deficit) this year?” The results are below.



The revised budget has a proposed deficit of \$30k. This amount was set as a goal after looking at the chart above and noting some allowance for a deficit. The amount was determined by halving the initial contingency amount of \$60k. The contingency amount is included in total expenditures, and thus impacts the surplus/(deficit). A contingency is included to allow for unforeseen expenditures, as the ending fund balance (aka reserve) cannot be used during the year. However, the contingency is for unknown expenses which might not occur; in the past three years the City has spent less than half of it each year.

	Contingency Budget	Contingency Used
FY2014-15, YTD	\$100,000	\$46,000
FY2013-14	\$100,000	\$15,000
FY2012-13	\$100,000	\$0

The revised budget includes a contingency of \$100k: \$60k from the initial proposal and an increase of \$40k if the Council decides to reinstate the full time City Manager position (more on that below). To explain how usage of the contingency affects the surplus/(deficit), potential year-end scenarios are shown below. These scenarios assume all revenue and expenditure line items end the year exactly as budgeted, so the only impact on the surplus/(deficit) is the change in how much contingency is used.

General Fund - Contingency Usage Scenarios

	Proposed Budget	No contingency used	Contingency used to hire new City Manager	Contingency used to hire new City Manager and cover \$30k in other expenses	Entire contingency used
Revenue	975,243	975,243	975,243	975,243	975,243
Expenditures	1,005,534	905,534	945,534	975,534	1,005,534
Surplus/(Deficit)	(30,291)	69,709	29,709	(291)	(30,291)

Significant changes were needed to bring the proposed deficit from \$100k to \$30k. Fortunately, some were relatively painless as after a review of updated revenues from the current year, FY2014-15, certain revenue lines were able to be increased. This was primarily in franchise fees and other use charges due to the revised fee schedule approved by Council. In addition, the police citations were increased based on review and input by the Chief.

Most of the change came from reduced expenditures. Discussions of the Committee and priorities indicated in the colored dot exercise directed these changes. The Library budget was reduced approx. \$11k, and time spent on Parks maintenance was shifted to Water and Street maintenance. Attorney costs were reduced, and COLA and merit

What do you believe should be the top two priorities of the City?								
Police - current coverage is approx 125 hrs/wk, including reserves.								
①	①	①	①	①	①	①	①	①
②	②							(.5)
Library - open 45 hrs/wk.								
②	②	②						
①	①	①						
②	②	②	②	②	②			
Parks - current maintenance is approx 30 hrs/wk.								
②	②							
②	(.5)							

increases removed. In addition, other materials and services line items in Police and Public Works were reduced.

The final change in the revised budget is elimination of the full time City Manager position. For now the Public Works Director has accepted the Interim City Manager position, and will retain his Public Works responsibilities, effectively combining the two positions. In the budget his salary and benefits cost have been split 50/50 between General Government and Public Works, and allocated at the same percentages. This was an overall savings of approx. \$117k; by fund the savings are \$40k General Fund, \$17k Street Fund, and \$60k Water Fund. Higher savings are seen in the Water Fund because effectively both City Manager and Public Works Director costs were reduced, and the Public Works Director position is primarily allocated to Water. Another result of this change is a proposed title, salary and hours change for the Clerical Assistant, to allow that position to support to the Interim City Manager and reallocate some responsibilities to her from the City Recorder. This will help in the transition time and provide more stability for City Hall.

This has been a challenging budget year, however I am proud of the revised proposal and hope the Committee will see where we have found balance between revenue and expenditures, and service and fiscal responsibility.

Sincerely,

Rachael Lembo
Finance Manager