

BUDGET
FOR THE
CITY OF GARIBALDI
FISCAL YEAR 2014-2015

GARIBALDI CITY COUNCIL MEMBERS

Suzanne McCarthy - Mayor + Terry Kandle, Council President
Jerry Bartolomucci, Council Vice President + Marline Westerfield, Council Member
John Foulk, Council Member

BUDGET COMMITTEE MEMBERS

Emmy Lou Orahood + Denise Harrington + Richard Harrison
Michelle Aeder + James Jensen

John O'Leary, City Manager / Budget Officer

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GARIBALDI URBAN RENEWAL AGENCY

PROPOSED BUDGET FOR FISCAL YEAR 2014-2015

Budget Committee Meeting
Monday, May 5, 2014, 6:00 p.m.
Garibaldi Community Hall



GARIBALDI URBAN RENEWAL AGENCY (Est. June 19, 2006 by Ord. No. 292)
Everett Brown, Chair + Suzanne McCarthy, Vice Chair + Joe Wrabek + Valerie Folkema
Terry Kandle + John Foulk + Jerry Bartolomucci + Roberta Bettis + Marline Westerfield

BUDGET COMMITTEE MEMBERS

Emmy Lou Orahoad + Denise Harrington + Michelle Aeder + Richard Harrison
James Jensen + Herb Dorn + Christy Stumpf + Chris Miller

John O'Leary, City Manager / Budget Officer

BUDGET MESSAGE

FOR FISCAL YEAR 2014-2015

BACKGROUND

The City of Garibaldi formed the Garibaldi Urban Renewal Agency (GURA) on August 21, 2006, the first in Tillamook County. Though GURA is a separate quasi-municipal corporation and requires its own budget and fiscal accounting system, GURA is a “component” of the city’s government, and as a result is able to utilize city staff and resources. The GURA Budget Committee is made up of the ten members of the city’s budget committee (council plus five freeholder positions) and the nine members of GURA’s at-large budget committee (GURA members plus four freeholders). An eighteen member budget committee is large by any community’s standards and I appreciate all of you for participating.

To meet governmental auditing standards, GURA has two funds. The General Fund receives loans, grants and donations to construct capital improvement projects approved by GURA board members. All projects eligible for funding are identified in the Garibaldi Urban Renewal Plan. The Debt Service Fund receives taxes and services debt incurred by GURA to carry out the projects. GURA has an intergovernmental agreement (IGA) with the city to provide administrative services which is shown as debt. One of the city’s past auditors ruled that the IGA is a contracted obligation and may be treated as debt pursuant to ORS 457. The IGA states that GURA shall pay 7% of the received tax increment to the city for providing administrative services to GURA. The percentage was derived from the urban renewal consultant’s report to the city.

In 2008-09, GURA received a \$10,000 loan (6%, 2 yrs.) from the city’s room tax fund to fund gateway signs, a \$7,000 grant from the city’s room tax fund to fund gateway signs, a \$150,000 loan from Sterling Bank (4.75%, 5 years) to fund streetscape improvements at Fourth St. and Garibaldi Ave. and additional refinement planning for downtown, and a minor amount of interest to offset administrative costs. GURA repaid the loan from the city’s TRT fund last year, and the \$150,000 loan from Sterling Bank will be paid off in FY 13-14.

At the end of FY 10-11 GURA had received a total of \$144,000 in state grants for the construction improvements of the 4th Street and Hwy 101 intersection. This is the second GURA project after the gateway signs to be completed, and has resulted in a total debt of just over \$72,000 – this amount is part of the \$150,000 loan from Sterling Bank.

THIS YEAR’S BUDGET

This year the city is focused on renovating the city’s Community Hall, acquiring properties for parking, generating tourism and expanding our municipal water service to the Watseco-Barview Water District.

I am presenting a budget this year that appropriates 100% of taxes collected to the Debt Service line items – the appropriation to line items means that we intend to incur debt and justifies the collection of the tax. Appropriations in the General Fund allow for \$800,000 in loans to be taken out and expended. I’ve allocated those funds to the Pedestrian, Bike, Transit line item in Capital Outlay.

Because the budget committee adopts the budget by category, we are not exclusively limited to using this line item. Funds are budgeted to accommodate potential activities that may or may not occur in the coming fiscal year. Because of the various projects the city is working on at the moment, city staff probably will not initiate an urban renewal project exclusively, but there may be opportunities to incorporate an urban renewal component into one of the city's projects. I'd like the budget committee to keep in mind that this budget is about being prepared for a potential partnership.

GENERAL FUND

GURA's general fund does not actually receive taxes. This fund receives a modest amount of interest on the existing fund balance. In FY 13-14, GURA will have spent a small amount on bank fees and not much else. The budget for next year will support one or more projects, as well as have funds available for making grants and loans. We've had little interest expressed from local businesses in applying for grants and loans to date. However, I believe it makes sense to keep these funds available in case there is interest. The General Fund will start out with a balance of approximately \$66,286. Budgeted expenditures leave the fund balance at roughly \$2,156.

DEBT SERVICE FUND

This fund has the singular function of receiving taxes and paying off debt. According to the Tillamook County Assessor, the Garibaldi Urban Renewal Agency will see a slight increase in Assessed Values (AV), resulting in tax receipts of approximately \$45,446. The following table shows the diverted tax amounts to GURA from the other overlapping taxing entities over the last three years, what is expected in the current year, and what is projected to be diverted next year.

Agency	Total Increment Diverted to GURA					
	09/10	10/11	11/12	12/13	13/14	14/15
Tillamook County	4,372	5,987	6,707	7,096	7,446	7,669
School Dist. 56	10,300	14,206	16,015	17,063	18,127	18,671
NW Regional ESD	352	485	546	582	619	638
Tillamook Bay Community College	602	831	937	999	1,060	1,092
City of Garibaldi	8,111	11,147	12,053	12,801	13,568	13,975
Port of Garibaldi	598	826	932	992	1,054	1,085
4H - Extension	158	217	245	261	277	285
Tillamook 911	431	594	668	712	757	780
Tillamook Transportation	457	630	711	758	806	830
Tillamook Soil & Water Conservation Dist.	0	0	0	0	241	249
Total Amount Diverted	25,380	34,923	38,813	41,264	43,955	45,274
Projected Amount w/ Uncollectable	23,350	32,129	35,708	37,963	40,439	42,105
Actual Amount Collected	23,290	32,268	36,192	40,213		

SUMMARY

Before the end of the year I'll have a recommendation to for incurring debt to satisfy the legal requirements of the agency. I'll talk to the budget committee about this further at the meeting. I'd like to thank the Agency board and Budget Committee for your consideration of the FY 2013-2014 Garibaldi Urban Renewal Budget.

John O'Leary, Budget Officer
Garibaldi Urban Renewal Agency

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
1	100,628.00	69,761.00	66,249.51	73,488.00
2	118,820.00	287.00	444.00	360.00
3	0.00	0.00	0.00	0.00
4	117,689.87	0.00	0.00	0.00
5	170.30	286.75	444.30	360.00
6	960.13	0.00	0.00	0.00
7	219,448.00	70,048.00	66,693.51	73,848.00

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
8				
9	316.93	302.03	0.00	350.00
10	154.84	275.66	125.31	250.00
11		220.80	0.00	300.00
12		3,000.00	20.00	3,000.00
13	471.77	3,798.49	145.31	3,900.00
14				
15	149,215.66	0.00	0.00	0.00
16	0.00	0.00	0.00	0.00
18	0.00	0.00	0.00	0.00
19	0.00	0.00	0.00	0.00
20	0.00	0.00	0.00	0.00
21	149,215.66	0.00	0.00	0.00
22				
23	0.00	0.00	0.00	20,000.00
24	0.00	0.00	0.00	20,000.00
25	0.00	0.00	0.00	40,000.00
26	149,687.43	3,798.49	145.31	43,900.00
27	100.00	0.00	600.00	600.00
28	69,761.00	66,249.51	66,548.20	29,348.00
29			66,548.20	29,348.00
30	219,448.00	70,048.00	66,693.51	73,848.00

PROJECTED FY 13-14 COMMITTEE	GURA GENERAL FUND RESOURCES	PROPOSED BY BUDGET OFFICER TO BUDGET COMMITTEE
1	66,249.51	BEGINNING FUND BALANCE
2	398.00	66,286.51
3	0.00	TOTAL RECEIPTS
4	0.00	800,370.00
5	370.00	1330.300 Loan Received
6	28.00	1330.400 Grants Received
7	66,647.51	1330.500 Interest
		1330.600 Miscellaneous
		TOTAL RESOURCES:
		866,656.51

PROJECTED FY 13-14 COMMITTEE	GURA GENERAL FUND REQUIREMENTS	PROPOSED BY BUDGET OFFICER TO BUDGET COMMITTEE
8		MATERIALS & SERVICES
9	61.00	1341.020 Dues, Licenses & Subsc.
10	100.00	1341.030 Bank Fees, Charges
11	0.00	3141.040 Legal Notices
12	200.00	1341.050 Audit
13	361.00	C TOTAL MATERIALS & SERVICES
14		CAPITAL OUTLAY
15	0.00	1341.120 Fourth St. Improvements
16	0.00	1341.130 Planning
18	0.00	1341.150 Pedestrian, Bike, Transit
19	0.00	1341.160 Public Parking
20	0.00	1341.170 Property Acquisition
21	0.00	C TOTAL CAPITAL OUTLAY
22		GRANT/LOAN PROGRAM
23	0.00	1341.410 Urban Renewal Loans
24	0.00	1341.415 Urban Renewal Grants
25	0.00	C TOTAL GRANT/LOAN
26	361.00	TOTAL EXPENSES
27	600.00	863,900.00
28	66,286.51	C GENERAL FUND CONTINGENCY
29	66,286.51	C Components of Ending Fund Balance
30	66,647.51	Unassigned/Unappropriated
		2,156.51
		TOTAL REQUIREMENTS
		866,656.51

NOTES FOR COUNCIL BUDGET HEARING:

A Equals 15% of operating costs

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
31	19,910.00	15,900.00	18,786.00	5,518.00
32	33,226.29	37,512.00	40,212.78	43,680.00
33	32,268.11	36,191.99	38,284.69	41,760.00
34	958.18	1,320.01	1,928.09	1,920.00
35	0.00	0.00	0.00	0.00
36	0.00	0.00	0.00	0.00
37	53,136.29	53,412.00	58,998.78	49,198.00

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
38				
39	29,585.17	25,401.02	33,953.22	42,666.32
40	7,650.83	6,598.98	4,046.78	2,333.65
41	0.00	0.00	0.00	100.00
42	0.00	2,626.00	5,141.00	3,280.00
43	37,236.00	34,626.00	43,141.00	48,380.00
44	15,900.00	18,786.00	15,857.78	818.00
45			15,857.78	818.00
46	53,136.29	53,412.00	58,998.78	49,198.00

PROJECTED FY 13-14 COMMITTEE		GURA DEBT SERVICE FUND RESOURCES		PROPOSED BY BUDGET OFFICER TO BUDGET COMMITTEE
31	18,786.00	BEGINNING FUND BALANCE		14,066.00
32	43,560.00	TOTAL RECEIPTS		47,446.00
33	41,760.00	1430.100	Current Year's Taxes	45,446.00
34	1,800.00	1430.200	Prior Years' Taxes	2,000.00
35	0.00	1430.400	Interest	0.00
36	0.00	1430.500	Miscellaneous	0.00
37	62,346.00	TOTAL RESOURCES:		61,512.00

PROJECTED FY 13-14 COMMITTEE		GURA DEBT SERVICE FUND REQUIREMENTS		PROPOSED BY BUDGET OFFICER TO BUDGET COMMITTEE
38		DEBT SERVICE		
39	42,666.32	1441.210	Principal	57,852.00
40	2,333.65	1441.220	Interest	0.00
41	0.00	1441.230	Fees	100.00
42	3,280.00	A 1441.240	Contracted Requirements per ORS 457	3,560.00
43	48,280.00	C	TOTAL DEBT SERVICE:	61,512.00
44	14,066.00	C	Components of Ending Fund Balance	0.00
45	14,066.00		Restricted	0.00
46	62,346.00	TOTAL REQUIREMENTS		61,512.00

NOTES FOR COUNCIL BUDGET HEARING:

A 7% of tax collected per contract with the City, plus \$2,326 for FY 10-11 that was not transferred last June

FISCAL YEAR 2014-2015

BUDGET MESSAGE

INTRODUCTION

Honorable Mayor Suzanne McCarthy, members of the Garibaldi City Council and citizen free-holders of the Garibaldi Budget Committee, it is my privilege to submit for your consideration the Fiscal Year (FY) 2014-2015 Budget for the City of Garibaldi.

BUDGET DOCUMENT PRESENTATION

This year's budget message will present a narrative overview of how the city performed in the current fiscal year, expectations for next year, and information on issues relevant to next year's budget. Within the budget message you will find sections on personnel costs, shared expenses and information on estimated taxes. Following the budget message is a review of each fund combined with the proposed budget for the 2014-2015 fiscal year. The budget document used here is the very similar to the State of Oregon's LB format. This document provides actual numbers from FY 10/11, FY 11/12, FY 12/13, the budgeted and projected numbers for the current FY 13/14, and finally the proposed numbers for FY 14/15. The city now has eleven funds. This is one less fund than last year, and this is due to the closure of the Housing Rehabilitation Fund, which is explained later in the document. The budget for each fund is presented a line-item style with notes at the bottom of each page addressing significant information. The city's budget will be adopted by category, which means that over spending in a specific line item does not violate budget law. Please note the following information:

- There is a difference between what we budget and what we actually spend. As you look at actual amounts spent in previous years, keep in mind that amounts budgeted nearly always exceeded the amounts spent. Remember that staff's policy is to try and spend conservatively, budget safely and operate transparently. Please ask if you have questions about differences between what was budgeted and what was spent.
- Categories within a fund are identified by a **C**. This is found in front of the total budgeted amount at the bottom of each category. These categories are what the budget committee approves and the council adopts. As long the total amount spent in a category is at or less than the budgeted amount, spending within the category complies with Oregon's budget laws.
- For the purpose of meeting the Governmental Accounting Standards Board (GASB) 54 standard, some Ending Fund Balances are identified by one of five categories; Non-spendable, Restricted, Committed, Assigned, and Unassigned/Unappropriated. Not all five categories apply to every fund, so you will see Ending Fund Balances broken out into one or more of these categories at the bottom of each fund's budget.
- New line items will be identified and explained, and the item number and description will be **bolded** on the actual budget page.

- Over-spending or under-spending in specific line items may or may not be explained in the budget document – if you have specific questions or concerns please ask.
- The amount of supplemental information has been reduced from past years. Experience with this process has shown that some of this information is not relevant to committee members. Please let me know **prior to the meeting** if you need additional information on certain appropriations, revenue or expenditure projections, or details on service or project costs.
- I've excluded the Appendix section of budget altogether this year. Nearly all of the detail information that you typically receive is either in the budget message text or in the summary explanation accompanying the actual budget. If you would like more information on a specific item or category please let me know ahead of time – I'd be delighted to share it with you in great detail.
- In the narrative of each fund you will find tables that summarize information from past years and the proposed budget. **FTE, or Full Time Equivalent**, references a percentage of city staff time allocated to a department. These numbers are meant to provide a relationship between Personnel Costs and actual staff time.
- **This budget is balanced.** “Balanced” means that in no situation is any fund expending monies that would exceed the combination of its beginning cash balance and its projected revenues. In all situations, projected revenues and recommended expenditures are based on reasonable and defensible information at hand. You may notice receipts from prior years that are not expected to be received next year, and I can explain what why these are budgeted this way on a case by case basis.
- The council will adopt the final budget on June 16, 2014, during their regular meeting. Some adjustments to the budget may be made between the budget committee meeting and the council's adoption, but in no case can the council increase appropriations in the budget more than 10% without reconvening the budget committee.

PREPARATION

The FY 14-15 Budget has been prepared with the use of spending data, material and supply inventories and historical spending analysis. Whenever possible, line items have been determined through the use of actual spending patterns from previous years. It's also worth noting that some needs are not always supported by resources, and in many cases expenditures are budgeted to “fit” within the amount money available. I'll make notes throughout the document of expenditures that are being truncated for the purpose of making this year's budget balance. Throughout the budget, most appropriations have been deliberately rounded up or down.

FY 13/14 PERFORMANCE – CURRENT ISSUES

As of April 2014, expenditures and estimated revenues are generally within projections. Significant under-spending is usually associated with grants that the city has either not been awarded or has been unable to spend in the current fiscal year. Some expenditures are expected to exceed budgeted amounts, and in most cases this will be explained in the narrative for the relevant fund. Ending fund

balances in some funds will grow slightly on June 30, 2014, as a result of operational spending being less than actual revenues. However, carry-over balances in the General, Water, and Wastewater Fund will decrease this year. This is going to be associated increased operational costs and some expenditures in capital outlay, and will be explained later. The following items are specifically relevant to the current year's performance:

Personnel: Increases in personnel spending in the current year and next year are related to demands for these services in all of the operational funds. This year I'm proposing the creation of a personnel service category in the TRT Fund to afford a new half-time position created to facilitate tourism promotion in Garibaldi. Last year I increased staff in Public Works to accommodate current and future labor and service demands associated with the city's utility infrastructure. While some of the demand for increased staffing is a result of working towards an intertie with the Watseco-Barview Water District, the city's Water and Wastewater Departments require four full-time positions to effectively operate during replacement and repair work.

Utility Rates: In July of 2011 the council passed a resolution that changed water utility rates throughout the City to align commercial and residential rates with those found in other coastal cities in Oregon. This rate adjustment, coupled with temporary decreases in operational spending in the Water Fund, bought the city two years of fixed water rates. Utility revenues have behaved as expected for the most part in the current year. However, with increases in personnel, materials and service costs over the last two years, the Water and Wastewater Funds are suffering from decreasing reserves. In order to maintain healthy operating reserves next year the council will need to consider utility rate increases in 2014.

Review of the C-1, D-1 and Flood Damage Prevention Zoning Codes: This was placed high on the council's to-do list with the goal setting process last year. Council directed staff and the planning commission to review the city's existing land use codes relating to commercial development. The city was also required by FEMA to update its land use code relating to flood plain management within the City. This required a significant amount of the city's contract planner's time in the current year, and you can note this effect in the Planning Department of the General Fund.

Watsco-Barview Water District: The city is continuing to provide personnel services to the Watseco-Barview Water District. This is a small water supplier for just over 200 residential homes, Camp Magruder, Shorewood RV Park and Barview Jetty Park. The District is currently supplied with water by a ground water source (well) located in the county's park. The district employed a System Operator about three years ago until that person had to resign recently for health reasons. The district and city have been working towards a water system intertie for several years, and it seemed practical and intuitive that the city should provide personnel services to the district to operate their current system until the intertie can be constructed. This relationship requires our Public Works staff to operate their water treatment facility and manage their distribution system. The service equates to roughly a three-quarter time position for the city. Our current PW staff now amounts to four full-time employees, and the city has been successful in providing the required level of service to the district in the past year. The agreement to provide service to the district will generate roughly \$35,000 in revenue to the city this year, and this amount is expected to increase next year.

FISCAL YEAR 2014-2015 OVERVIEW

Increases in Costs: You'll find a few changes in the budget this year that are associated with expenditure trends from last year. The other thing you'll find is static numbers where you might expect to see increases. I've used budgetary numbers this year that are intended to keep the use of reserves down as much as possible. Certain increases in expenditures next year are unavoidable, and I'll be discussing utility rate increases with the council in the coming year. In some cases you're looking at numbers that should be higher, but will stay deliberately low until revenues can be increased. Costs such as electricity, fuel, insurance, treatment chemicals and other services and materials will increase where quantities of materials or services cannot be reduced or eliminated.

Recommended Reserves: In the table below I've identified recommended reserves for each fund necessary to operate a fund for a period of time without receiving any revenue. In the case of the General Fund, 65% of Operations & Maintenance expenditures would mean that all services provided through the General Fund would be able to operate from July 2014, until February 2014, without any money received from any revenue source. Since the primary source of revenue to the General Fund is property tax, which is remitted to the city in November, the suggested reserve would ensure sufficient cash is available to operate until those monies are received. In the case of the other three funds, revenues are received on a monthly basis, and each one has a suggested reserve adequate for four months of operation without any cash receipts. While cash carry-over balances are not directly required, this practice ensures continuity in service and reflects a responsible approach to business management for the city.

	General Fund	Street Fund	Wastewater Fund	Water Fund
<i>Ending Fund Balance</i> *	\$ 266,012.00	\$ 68,522.00	\$ 339,355.00	\$ 71,009.00
<i>Recommended Reserve</i>	\$ 246,300.00	\$ 43,500.00	\$ 407,800.00	\$ 93,500.00
<i>Surplus</i>	\$ 19,712.00	\$ 25,022.00		
<i>Deficit</i>			\$ 68,445.00	\$ 22,491.00

General Fund = 65% of Operations & Maintenance

Street Fund = 33% of Operation & Maintenance

Wastewater Fund = 33% of Operation & Maintenance, and 100% of Debt Requirement

Water Fund = 33% of Operation & Maintenance

** This amount assumes that contingency is not used*

Sinking Reserves: The issue that the city has to address this year is sinking reserves. From FY 07/08 to FY 11/12 the four operating fund have grown at a modest rate. Beginning in FY 12/13 these reserves began to decline, specifically in the Water and Wastewater Funds. This is a result in increased personnel costs that were budgeted and anticipated, as well as above average materials and service costs associated with system repairs that were not anticipated. While unanticipated expenses are manageable, the two factors combined have accelerated reserve losses in the last year. I'll note that the increase in public works staff probably helped keep these costs lower overall by way of not having to contract out any emergency work. Regardless, the city can expect material and service costs to increase in the next few years with additional system failures that will need to be addressed.

In the current year, reserves in the Water Fund are expected to decline about \$2,000 in relationship to operational costs vs. revenues. Reserves in the Wastewater Fund in the current year are expected to decline roughly \$26,000 in relationship to operational costs vs. revenues. Budgeted losses for next year are higher than this in the Water and Wastewater Funds – \$13,230 and \$39,570 respectively. While declines in these funds have been budgeted in the past, the current year is the first year since before FY 07/08 that the city has actually experienced reserve decline that can be attributed to operational costs. I'd like to make a distinction at this point; this is not to say that capital expenditures have not reduced reserves in any particular fund in the past. Capital expenditures are generally budgeted out of surplus funds, and often result in a net reduction in a fund's reserve. What we are experiencing right now is a point where operating costs are exceeding revenues dedicated to those costs. Specifically in the Water and Wastewater Funds, this situation needs to be corrected sooner than later. I will recommend that council raise the water and wastewater rates in the coming year after some further analysis and preparation. At this time I think it would be reasonable to prepare for 3% rate increase in both utility base rates, which would generate an additional \$13,000 in the Wastewater Fund and an additional \$7,000 in the Water Fund.

Reserve loss is also occurring in the General Fund; however, historical behavior of this fund and flexibility in how expenditures are made leaves me inclined reserve judgment. We've spent more in Materials and Services in the General Fund last year than usual in association with certain legal costs, technology issues and land use services associated with legislative actions. While I expect a loss in the General Fund next year I don't believe that this loss will pose an immediate threat to operational ability in the fund until next year. The General Fund appears to be stable at this point despite the budgeted loss. I feel that this needs to be monitored for another year before the city should consider any action.

Community Hall Remodel: At the recommendation of the city's tourism commission, the council has directed staff to develop and implement a remodel plan for the city's Community Hall. Based on preliminary costs and design work, I've budgeted an amount of \$350,000 for potential remodel construction, plus \$45,000 for potential engineering. I've also budgeted potential grants of \$380,000 to offset this amount in the General Fund. This project would revitalize the Community Hall, correct ADA issues that need to be addressed, and make improvements to the kitchen, council chambers and bathroom facilities that are desperately needed. The committee should also consider this project to be long term maintenance to a city asset that we are stewards of. Expenditures for this project are balanced against grant and loan revenues in the General Fund, so the budget is based on the assumption that we won't be using reserves for this project. We can and should discuss this further, but I feel that this particular project has excellent grant potential in the coming year and would constitute a wise and valid investment of General Fund resources.

Property Acquisition: The council has expressed a desire to purchase property adjacent to City Hall for the purpose of creating parking, and possibly to relocate the city's administrative offices. This potential purchase presents a singular opportunity to acquire these properties at very reasonable prices. While it's not absolutely certain that the city can negotiate a satisfactory price, I've budgeted for the potential purchase next year. Based on asking prices, I have budgeted a total of \$370,000 for property acquisition, and I'm proposing that these funds be loaned to the General Fund from the

city's SDC Fund. I've verified with the city's auditor that we can do this. However, I'm setting this up so that the General Fund can pay back the SDC fund within the year in case we need to get a conventional loan - SDC's are restricted in their use and I'm not sure that we can make a long term loan out of this fund. This interfund loan would allow the city to purchase property quickly after the first of the fiscal year. While the effect on the SDC Fund will be to reduce available funds for capital infrastructure improvements, staff does not anticipate this being an issue in the next year. I've also budgeted in loan receipts and expenditures of \$200,000 to accommodate remodel work and site improvements. We'll need to talk about this further during the meeting.

All initial purchase costs have been budgeted against projected grants and loans, which means that the actual capital outlay costs budgeted do not impact reserves. Debt service is, however, budgeted against current and known revenues, and reflects as a \$34,481 impact in operational spending in the General Fund as budgeted this year. As we discuss this during the meeting we can talk through the details of what this will mean to the city in the long term.

Watseco-Barview: \$1.8 million has been budgeted into the Water Fund for the purpose of extending the city's water infrastructure to the Watseco-Barview Water District. This amount assumes the city will incur 100% of the debt service associated with the construction of the water line, and also assumes that the city will receive payments from the district equal to the debt service, in addition to revenues associated with providing personnel services and water sales. The primary reason that the city should be willing to manage the debt for this project is that the city can get the best debt service for the district. This allows the city to control the construction of the project to its own standards, and keeps the engineering, project management and design preferences within the control of the city. This is important when considering that the city will be operating the district's water system for the foreseeable future. Expenditures for this project are balanced against anticipated loans and grants, and there is no net loss reflected in the Water Fund associated with this project.

Salmonberry Trail Project: The city has applied for an ODOT Connect V Grant at \$2.5 million to construct a bike/ped trail from Garibaldi to Watseco along the same route that will be used for the water system intertie. This is an ambitious project for the city; however, it has significant social and economic value to the city. This connection will help get the Salmonberry Corridor Trail project underway for the county, and the overall project is anticipated to significantly increase tourism to Tillamook County. The council considered this application last fall at the recommendation of staff, determined that it would have a positive social impact on the city, and directed staff to apply for the grant. At the time that I'm writing this document I'm aware that this project has substantial political support, and the possibility that the city is awarded this grant is fairly good. If awarded, staff intends to use in-kind services as a match. However, city staff will likely be "passing the hat" for other non-city monies to fulfill any match requirement that can't be reconciled through in-kind match. The position that staff and council is taking is that the city can afford to have staff contribute in-kind services in terms of engineering and construction management in conjunction with the construction of the water system intertie. There is no intention to utilize city funds to construct this project.

PERSONNEL COSTS

Total personnel costs in this budget have been increased over last year's budgeted numbers. Since most of the increases in costs are unavoidable, and the rest are strongly recommended to maintain stability within the organization, the budget committee needs to be aware of the issues to ensure that the fiduciary requirement of public oversight has been met. Here are the main points:

- The cost of PERS is absolutely beyond the city's control. We are a PERS member, and the only way to detach ourselves from PERS would be to offer a better retirement plan than what PERS offers – this is simply not cost effective. While this has been a political hot-button issue across the State, I want to remind the Committee that we are legally committed to providing this benefit to our employees and we need to accept this as a cost of doing business. There is no increase in PERS costs in FY 14/15; however, we will be seeing an increase in FY 15/16 that may be between 15% and 20%.
- The city added a fourth position in the current year in public works to adequately provide service to Watseco-Barview Water District, and still meet our own water system's service needs. Cory Perkins was hired in August of 2013 to the position of Utility Worker I, and is quickly learning the vast skill set required to perform his duties. I've set wages and benefits in the proposed budget to afford this position consistent the collective bargaining agreement with AFSCME. A portion of Cory's costs are being recaptured by the payments that the district is making to the city for the personnel services that we are providing them. Kylie Poklikuha was hired at half-time in April of this year to the Office Specialist – Tourism position recently created to facilitate tourism promotion for the city. This position is primarily funded out of TRT, with a smaller portion allocated to the other four operating funds. Kylie will be spending some of her time administering administrative functions related to Water, Wastewater, Street and General Fund tasks; however, the primary role of this position will be to staff the tourism promotion needs of the city. I'll also note that a small portion of the Assistant City Manager's time, as well as a small portion of my own, is being allocated out of TRT for management and oversight requirements.
- Last year I restructured public works to accommodate staff changes. I budgeted for a new position called System Operator to accommodate the current division of job duties among public works staff. This position is being held by Martin McCormick, who had previously held the title of Wastewater Treatment Plant Operator. Martin is now the responsible operator for both the water and wastewater systems in Garibaldi, and the requirements of this change in job duties warranted an increase in compensation. Blake Lettenmaier is serving as the Public Works Director, and is providing management services to the department, as well as engineering and surveying services to the city. You may notice significant decreases in engineering costs this year as opposed to previous years, and Blake is the reason for this. While the expenses in the budget don't show the fact, Blake has already provided engineering to the city that would have easily been in the tens of thousands in actual costs to the city. Blake's service to the city is also going to reduce the cost of connecting to Watseco-Barview, and the savings will be realized by the city as well as the district.

- Administrative salaries have been adjusted to keep them in line with other positions in our area. I've budgeted in modest salary increases for Admin staff to address cost of living increases. I've budgeted in an increase for my own salary; however, I'll remind the budget committee that any increase in salary for the City Manager position is decided by the council – the amount budgeted is not necessarily the amount of salary paid to this position.
- The City of Garibaldi currently has five full-time employees, two part-time employees, one volunteer Fire Chief who receives a stipend, and approximately eighteen volunteer firefighters that are classified as paid-on-call employees. I've increased the Fire Chief's stipend for next to be consistent with other employee wages, and personnel costs in this department reflect necessary employer costs associated with paying our volunteers.

COST COMPONENTS

City staff continually evaluates time spent on services and tasks. Time-data is reviewed periodically and changes in staff budgeting are made to adjust for how staff time is actually being used. This data analysis also gives management the ability to see where more time needs to be spent based on operational requirements and funding restrictions for services. Percentages of staff time are budgeted this year based on where staff time is intended to be spent. The following tables show percentages of personnel costs and actual costs by position and fund.

Wage Allocation By Fund										
Position	Admin	Tourism	Planning	Fire	Police	Property	Street	Wastewater	Water	Total %
City Manager	23%	3%	10%				12%	32%	21%	100%
Finance Officer/Asst Mgr	22%	3%	10%				9%	33%	23%	100%
PW Director						5%	15%	40%	40%	100%
Fire Chief				100%						100%
Systems Operator							10%	45%	45%	100%
Utility Worker I						5%	25%	25%	45%	100%
Utility Worker I						5%	25%	25%	45%	100%
Firefighters				100%						100%
Office Specialist	8%		3%				3%	45%	41%	100%
Office Specialist - Tourism	6%	80%					2%	7%	5%	100%

Position	Admin	Tourism	Planning	Fire	Police	Property	Street	Wastewater	Water	Total
City Manager	23,533	3,088	10,294				11,892	32,594	21,540	102,942
Finance Officer/Asst Mgr	18,629	2,572	8,575				7,787	28,469	19,715	85,747
PW Director						5,904	17,713	47,235	47,235	118,087
Fire Chief				17,700						17,700
Systems Operator							10,302	46,361	46,361	103,024
Utility Worker I						3,224	16,119	16,119	29,015	64,477
Utility Worker I						3,507	17,533	17,533	31,559	70,132
Firefighters				32,923						32,923
Office Specialist	2,801		1,103				1,170	16,498	15,183	36,755
Office Specialist - Tourism	1,329	18,818					555	1,722	1,099	23,522
Totals	46,293	24,479	19,972	50,623		12,635	83,072	206,531	211,707	655,310
\$ 153.60 GENERAL FUND - Additional Workers Comp for Non-Fire Department Volunteers (i.e. Council), Not shown in the above table.										

Salary and personnel costs are split based on a combination of actual staff time spent in a given fund and estimates of time allocation for next year. While these estimates will account for actual payroll allocation next fiscal year, the budget committee should be aware that actual staff time is determined by demand through the course of the year. These estimates are consistent with data tracking by staff

and are reasonable allocations based on past history and future estimates. Some efficiency is expected in administrative operations next year as a result of planned upgrades in utility billing and financial software. Staff will be spending time acclimating to this transition, and once that's done we can reevaluate workloads associated with billing and financial management services.

Personnel costs are the largest single component of the city's operational cost. The table on the next page is traditionally included with the budget to give the committee perspective on actual wages.

Position	Annual Hours	Hourly Wage Rate	Hourly Rate - Total City Cost	Annual Salary	Employer Cost	Workers Comp	Total Cost
City Manager	2080	32.26	49.35	67,104	35,536	302	102,942
Finance Officer/Asst Mgr	2080	25.91	41.11	53,892	31,613	243	85,747
PW Director	2080	36.59	55.92	76,116	40,205	1,766	118,087
Fire Chief	600	23.75	36.42	14,250	3,234	217	17,700
Systems Operator	2080	28.92	48.55	60,144	40,841	2,039	103,024
Utility Worker I	2080	19.67	30.05	40,908	21,606	1,964	64,477
Utility Worker I	2080	17.42	32.88	36,228	32,165	1,739	70,132
Firefighters	2228	8.53	11.09	19,000	5,715	108	24,823
Office Specialist	1352	17.82	25.17	24,096	12,551	79	36,726
Office Specialist - Tourism	1040	16.80	22.54	17,472	5,972	8,208	31,652
Totals	17,700			409,210	229,437	16,663	655,310

Administrative costs are split between the four typical operating funds; Water, Wastewater, Street and General. The split is based on real time spent, as well as by the assumption that a percentage of revenue generated within a fund justifies the allocation of administrative time to that fund. The following table shows the percentage allocation of administrative staff time that is either impractical or impossible to track.

	General	Street	Wastewater	Water	Total All Funds
<i>Revenue By Fund</i>	329,160	138,980	431,580	275,350	1,175,070
	28%	12%	37%	23%	

With the addition of the TRT Fund's new personnel services category this year, I have allocated portions of staff time consistent with service and personnel management. I have not included the TRT fund in my administrative service cost calculation for next year. The reason for this is that the use of TRT for personnel services is specific to tourism promotion. Actual administrative time spent out of the TRT fund will need to be tracked and documented through the course of the year for the city to demonstrate compliance with state law and its own policies.

SALARIES AND OTHER PERSONNEL COSTS

There are two classes of wages in the City of Garibaldi for employees; represented and non-represented. The represented employees are the Utility Worker I, System Operator (formerly the Wastewater Treatment Plant Operator), and Office Specialist. The non-represented employees are the City Manager, Finance Officer/ Assistant City Manager, and the Public Works Director. Wages for the represented employees are established through negotiations with the American Federation of State, County and Municipal Employees (AFSCME). The current wages for these employees are established in a six-step scale, and are agreed to increase each year between 2.5% and 5% of the Portland Consumer Price Index - Urban (CPI-U). This year the cost of living (COLA) increase was 2.8%. The non-represented employees negotiate their salaries with the City Manager, and the City Manager's salary is negotiated with the Council. Salary ranges are based on a combination of data that includes

the City of Manzanita’s 2011 Northern Oregon Coast Salary & Benefits Survey as well as more recent information solicited directly from other cities in our area. In comparing salaries and benefits between Garibaldi and other cities, budgeted figures are intended to compensate city employees based on comparable averages for other positions with similar duty and skill requirements. The tables on the next pages show the proposed wages and other relevant data for next year.

Actual Salary Costs by Fiscal Year									
Position	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	Proposed for FY	Comparable Highest Salary
City Manager	50,604	51,454	40,500	40,500	52,835	55,305	59,407	67,104	71,366
<i>Increase Over Previous Year</i>		1.68%	-21.29%	0.00%	30.46%	4.67%	7.42%	12.96%	94% of comparable
Finance Officer/Asst Mgrn	32,040	34,096	26,910	35,880	38,023	45,444	50,879	53,892	54,799
<i>Increase Over Previous Year</i>		6.42%	-21.08%	33.33%	5.97%	19.52%	11.96%	5.92%	98% of comparable
PW Director	47,270	48,990	48,990	48,990	53,359	67,669	71,919	76,116	92,395
<i>Increase Over Previous Year</i>		3.64%	0.00%	0.00%	8.92%	26.82%	6.28%	5.84%	82% of comparable
Fire Chief	11,682	12,108	12,108	12,385	12,397	12,780	13,861	14,250	Not Applicable
<i>Increase Over Previous Year</i>		3.65%	0.00%	2.29%	0.10%	3.09%	8.46%	2.81%	
Systems Operator*	43,836	45,434	45,434	45,434	49,508	51,891	58,504	60,144	63,355
<i>Increase Over Previous Year</i>		3.65%	0.00%	0.00%	8.97%	4.81%	12.74%	2.80%	95% of comparable
Utility Worker II	32,040	34,159	35,202	35,760	9,117	<i>* position vacated in September 2011</i>			Not Applicable
<i>Increase Over Previous Year</i>		6.61%	3.05%	1.58%					
Utility Worker I	30,272	31,371	31,371	31,371	34,584	35,585	39,792	40,908	38,169
<i>Increase Over Previous Year</i>		3.63%	0.00%	0.00%	10.24%	2.89%	11.82%	2.80%	107% of comparable
Utility Worker I							30,023	36,228	38,169
<i>Increase Over Previous Year</i>								20.67%	95% of comparable
Office Specialist						22,726	22,745	24,096	24,266
<i>Increase Over Previous Year</i>							0.08%	5.94%	99% of comparable
Office Specialist - Tourism								17,472	18,666
<i>Increase Over Previous Year</i>									94% of comparable
<i>Difference From Prior Year In Wages City Wide</i>		7,750.08	-18,140.09	9,247.25	26,144.71	50,694.28	55,729.91	43,080.10	

* This position was formerly the Wastewater Treatment Plant Operator position - actual employee remains the same

The “comparable” notation in the far right column shows an average salary for a similar position found in other cities. Since these are actual numbers, some of them only make sense when keeping in mind that a position may have been vacated at some point during the year, and there may have been a time delay in when it was filled.

The budget committee is not required to discuss these increases or their reasons. The committee can accept that these recommendations are valid and justifiable without having a detailed conversation. While increases in personnel costs are contributing the overall increase in operational costs, I want to point out that these are not the only costs that go up each year.

SHARED EXPENSES

Shared Expenses is a category of items that impacts multiple funds by a ratio. Different items are placed in Shared Expenses for different reasons. When an item is placed in this category, the actual expense incurred will be split by a predetermined percentage. These percentages are determined through various methods that are explained below.

Revenue-Share Split: Administrative expenses are difficult to accurately associate with a department or fund. Tracking these expenses generally requires more staff time than is practical for the amount of the expense. A simple way to split some of these expenses among the four operating funds is to base the split on a percentage of total revenues. The table below shows the projected revenues for each operating fund, less grants, and the percentage of each fund’s revenue to the total of all four.

	General	Street	Wastewater	Water	Total All Funds
<i>Revenue By Fund</i>	329,160	138,980	431,580	275,350	1,175,070
	28%	12%	37%	23%	

Most grants are excluded from these calculations because they are generally for capital improvement purposes and therefore don’t have an effect on actual operations. Most transfers are excluded since they are generally reallocations of true resources for capital expenditures. Aside from the exclusions noted, these calculations show the primary resources for each fund and their relative percentage of all four.

EXPENSE DESCRIPTIONS

Audit: This is a contracted service with additional fees to the Secretary of State and Tillamook County. This has always been split between the four operating funds.

Insurance: This is a combination of property, vehicle, general liability and personnel bond insurance. The City insures through City/County Insurance Services (CCIS), and we are brokered through Hudson Insurance of Tillamook. Vehicle and property insurance have been broken out by a percentage based on department ownership or use. General liability and personnel bonds have been allocated using the Revenue-Share Split. The total amount budgeted is actually a decrease from the current year. Actual amounts are expected to be slightly less than budgeted.

Office Supplies: This includes the copy paper, pens, binder supplies, labels, etc.... City Hall keeps a stock of just over \$4,000 in Office Supplies – this is based on inventories that are checked every year. Other departments keep a nominal stock around \$200. Amounts have been increased for next year to keep up with current spending patterns. Since the purchases typically made from this line item are administrative in nature, allocation is based on the Revenue-Share Split.

Postage & Shipping: This is a general cost for all postage and shipping for the city. Adjustments have been made this year to accommodate changes in mailing volume and potential increases in postage. The split on this item is also based on the Revenue-Share Split.

Fuel & Oil: This split was recalculated two years ago on actual usage by department. Past budget numbers have been higher than actual expenditures. This year I’ve lowered the amount to reflect anticipated usage combined with potential fuel cost increases.

Shop Supplies, Tools, Etc.: Shop Supplies include paper towels, latex gloves, soap, building paint, light bulbs, etc.... This line item also includes tools purchased by public works valued under \$5,000. Supplies and tools get used where they are needed, and tracking usage would waste time and effort. The budgeted figure is based on projected costs associated with inventories and past spending trends, and is budgeted slightly lower than last year.

IT Services: This was the **Internet** line item four years ago. The amount budgeted in is based on past purchase trends and expected service costs. This covers internet services and technical support for all

city computers. This line item also includes the cost of software for financial accounting, utility billing and website services. Allocation is based on the Revenue-Share Split.

I've made a significant increases in this line item for next year to accommodate the purchase of new financial software for the city. The software that we will be using is provided by a company call BIAS Software out of Spokane, WA. After a couple of years' research, staff has determined that this is the best, and most affordable, fund accounting and utility billing software solution available to the city. Net cost for all the software needed to handle the city's financial and accounting functions is going to cost the city \$8,400 annually, with no significant increases predicted from one year to the next. Comparable software packages run from \$20,000 to \$30,000 in initial purchase costs, and about \$2,000 for annual maintenance on average. One time software purchases usually require a complete upgrade after eight years or less, and these upgrades will usually cost as much as the initial purchase. The utility billing software that the city is currently using is not upgradable and will not work correctly on a Windows 8 platform (it doesn't seem to work well on any other platform either). The city is currently using QuickBooks for is financial accounting software, which is inadequate and has been the subject of more than a few negative comments from the city's auditor. Additionally, the cost of using QuickBooks has reached the \$1,200 point for total upgrades every four years with an additional \$500 annually for payroll support. While making an investment in new software is irritating, the increase in accuracy in both the utility billing and financial accounting processes, coupled with the anticipated increase in process efficiency, will likely compensate for the cost in current procedural time spent.

I've also included \$4,983 in this category to afford one of three payments on a new city website. Again, staff invested a lot of research in this and chose a site developer that deals with municipalities and offers a reasonable price for a quality product. Mary and I spent some time on this in the past year and half and made a decision that took a lot of factors into consideration. This solution offers the most efficient use of city staff time to achieve the best public-outreach possible. Long term, this is going to provide exceptional transparency for city operations, and reduce the impact of public records requests on staff time to level that will make the software pay for itself overtime. Since the issues associated with a good city website are somewhat complicated, we can talk about this during the meeting if anyone is interested.

Utilities: This is just electricity – no other utilities are associated with this line item. Amounts are determined by reviewing past consumption at different facilities and using that data to create a percentage-split. I'm lowering the amount from what was budgeted last year. I've yet to see a significant increase in electricity costs, and I'd like to get the budgeted amount closer to the current costs.

Telephone: This is another administrative cost that is difficult to associate with any specific department or purpose. The total cost has been increased to match current expenses. I've increased budgeted amounts to account for the new trend. Allocation is based on the Revenue-Share Split.

Bank Fees: Bank fees and charges are incurred by all the operational departments and these costs need to be allocated equitably. The increase is associated with increased credit card activity and other bank fees associated with city business. Allocation is based on the Revenue-Share Split.

Legal Service: All the operating funds benefit from the city's legal counsel. This past year, Joan Kelsey retired as a practicing attorney and the city chose the firm of Speer Hoyt LLC out of Eugene, OR. We are actually working with sub-group of this firm called Local Government Law Group. Our primary

legal counsel with the firm is Christy Monson; however, the city has access to a number of excellent attorneys in this firm who provide a wide range of services. Our hourly cost ranges from \$177 to \$285 per hour depending on the type of legal service that we receive, but the typical rate is \$182 per hour for Christy's time. I've increased legal costs for next year to accommodate the rate increase and potential demand. Staff typically makes every effort to keep the use of legal services to a minimum. The city Allocation is based on the Revenue-Share Split.

The following table shows the total amounts budgeted in Shared Expenses from the current year to next year.

<i>FY 14/15</i>	TOTAL	Admin	Fire	Planning	Police	Property	Street	Wastewater	Water
Audit (000.272)	12,000	3,361					1,419	4,407	2,812
Insurance (000.273)	32,800	984	9,840	984	656	3,608	2,296	10,824	3,608
Office Supplies (000.271)	5,000	1,401					591	1,836	1,172
Postage & Shipping (000.275)	4,000	1,120					473	1,469	937
Fuel & Oil (000.274)	22,000		2,420		4,180		2,640	8,360	4,400
Shop Supplies, etc. (000.276)	15,000						2,850	7,050	5,100
IT Services (000.215)	25,000	7,003					2,957	9,182	5,858
Utilities (000.211)	43,200					7,344	1,054	20,736	14,256
Telephone (000.212)	7,800	2,185					923	2,865	1,828
Bank Fees (000.218)	2,000	560					237	735	469
Legal Service (000.221)	16,000	4,482					1,892	5,876	3,749
Total		21,096	12,260	984	4,836	10,952	17,332	73,340	44,189

<i>FY 13/14</i>	TOTAL	Admin	Fire	Planning	Police	Property	Street	Wastewater	Water
Audit (000.272)	12,000	3,340					1,414	4,470	2,776
Insurance (000.273)	32,350	924	9,240	924	616	3,388	2,156	10,164	3,388
Office Supplies (000.271)	3,200	1,197					507	1,602	995
Postage & Shipping (000.275)	3,000	1,253					530	1,676	1,041
Fuel & Oil (000.274)	27,000		2,970		5,130		3,240	10,260	5,400
Shop Supplies, etc. (000.276)	15,400						3,420	8,460	6,120
IT Services (000.215)	9,500	3,062					1,296	4,098	2,544
Utilities (000.211)	48,000					8,160	1,171	23,040	15,840
Telephone (000.212)	6,000	2,088					884	2,794	1,735
Bank Fees (000.218)	1,400	501					212	671	416
Legal Service (000.221)	14,400	3,619					1,531	4,843	3,007
Total		15,984	12,210	924	5,746	11,548	16,361	72,078	43,262

TAXES

County Assessor Denise Vandecoevering will be given a copy of our budget this year with a form that certifies we want her to collect tax on our behalf. The rate is set at \$2.8468 per \$1,000 of assessed tax value for general operations, and general obligation bond of \$670,000 is collected at a rate of roughly \$0.51 per thousand. The city's assessed value last year was \$83,009,705, and the estimated assessed value of the city next year is \$84,526,160.

State law allows the permanent tax rate to increase 3% each year until it hits compression. The compression rate for local governments is \$10 per thousand. Garibaldi's taxing district has not reached compression as yet. Taxes collected by the Assessor are a combination of real property, personal property and public/private utility taxes. Personal property and utility infrastructure taxes can reduce or increase tax revenues for the city depending on how they are being taxed in a given year. This year we are still seeing reduced tax revenue as a result of depreciation on both of these values, and property tax revenues are estimated to increase 1.023% next year. This amounts to

roughly a \$4,200 increase from last year. While this increase is comparatively low, these trends change over time and the city can expect this percentage to increase in future years.

State taxes for fuel, liquor, cigarettes, and a portion of their general appropriations are shared with all the cities and counties in Oregon. These are calculated by taking what the State collects and dividing it by the population of all the cities and counties. Our population, according to Portland State University, is 790 last year. This is the revised number from the official 2010 census. I have projected revenues based on calculations provided by the League of Oregon Cities.

SUMMARY

This is lot to take in for one year's budget. I want to thank the budget committee for their patience while I worked on this document this year. I realize that you won't have a lot of time to review this before the meeting, so please don't hesitate to raise a question or concern during the meeting. Please remember that we can schedule a second meeting if the committee feels that more information is necessary or if you need more time to consider this proposed budget for 2014-2015. If you have any questions before the budget committee meeting please let me know.

Respectfully,

A handwritten signature in black ink, appearing to read 'John O'Leary', with a long, sweeping horizontal stroke extending to the right.

John O'Leary
City Manager/Budget Officer

GENERAL FUND

General Fund revenues are expected to come in slightly higher than predicted this year, and I've budgeted operational revenues for next year at roughly 88% of what is expected to be received this year. Property taxes are expected to increase 1.018% in 14/15. The reason we aren't expecting the statutory limit of 3% is a combination of the impact the city's urban renewal district has on the available tax base and reassessments of commercial and residential property over the last three years. Other revenues will vary slightly from last year. I'm anticipating a \$14,000 grant for Fire Department purchases next year and have budgeted a matching expenditure item. Any unanticipated grants received next year do not need to be budgeted in revenue, and can be expended through a supplemental budget that can be approved by the council if necessary. As noted in the budget message, there are significant revenues budgeted for loans and grants that may or may not be received. The following table shows next year's proposed revenues in comparison to previous years.

General Fund	Actual Revenues Received						Projected FY 13/14	Budgeted FY 14/15
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13		
Property Tax	202,667	210,801	209,213	215,346	218,179	226,196	220,700	225,800
GRFPD Contract Revenues	36,342	39,069	41,795	41,052	45,953	44,666	44,600	46,400
Land Use Revenue	3,740	5,660	5,364	1,550	2,215	2,953	4,800	5,000
Land Use Planning Grants	4,000	1,500	4,000	3,000	4,000	4,350	6,850	2,700
All Other Revenues	109,198	117,391	49,521	45,916	45,504	45,547	40,528	42,960
Grants for Capital Expenditures	13,384	141,289	14,012	36,682	0	148,278	149,850	394,000
Loans & Other Borrowings	0	0	0	0	0	0	0	570,000
Transfers	6,000	6,000	6,000	21,304	15,725	17,400	31,000	376,233
Total	375,332	521,709	329,905	364,849	331,576	489,391	498,328	1,663,093

In the grey section of this table are revenues and expenditures that can be considered typical from one year to the next. This does not include the new Debt Service category in the Property Department with a budgeted amount of \$34,481. While the budgeted figures for next year show a deficit, it's important to note that budget figures usually predict total revenues lower and total expenditures higher than actual numbers.

Total General Fund	Actual Amounts Spent						Projected FY 13/14	Budgeted FY 14/15
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13		
Personnel Services	103,756	106,965	84,047	102,389	95,303	108,702	118,162	129,684
Materials and Services	216,337	230,447	195,240	218,328	203,135	192,272	230,636	249,128
Capital Outlay	26,058	139,432	0	0	12,162	429,998	12,000	950,000
Total	346,151	476,844	279,287	320,717	310,600	730,972	360,798	1,328,812
<i>FTE Equivalent Units</i>				<i>2.31</i>	<i>2.20</i>	<i>2.22</i>	<i>2.16</i>	<i>2.20</i>
Typical Operating Revenues	361,947	380,420	315,893	328,167	331,576	341,113	348,478	329,160
Typical Operating Expenditures	320,093	337,412	279,287	320,717	298,438	300,974	348,798	378,812
Surplus/Deficit	41,854	43,008	36,606	7,450	33,138	40,139	-320	-49,652

Capital Outlay in the General fund this year will equal \$915,000 for potential property acquisition and improvements. This expenditure is balanced against equal revenues in grants and loans that have not yet been secured. These budgeted items are intended to address two specific action steps of the council's goals for 2014; acquire property for parking and make improvements the city's Community Hall.

The first action step may be accomplished by purchasing the one or both of the properties adjacent to City Hall that are currently for sale. If purchased, these properties would be able to accommodate public parking that would serve City Hall and the Community Hall, as well as provide increased parking utility for businesses in Garibaldi. Creating additional parking is a goal that has invaluable

long term benefits, assuming that when business development in Garibaldi reaches its capacity there will no longer be any property available for public parking at an affordable price. Acquiring the property formally known as Erickson’s Dive Shop offers the city an affordable option for relocating the city’s administrative offices.

The second action step is being developed, and would result in a comprehensive upgrade to the city’s Community Hall. The intention is to create a meeting/gathering space that can accommodate roughly one hundred or more for the purpose of attracting smaller conventions and conferences. From an economic development standpoint, increasing the use of the city’s Community Hall can have an indirect effect on local restaurants, shops, hotels and RV parks. This ultimately serves the purpose of promoting tourism by providing a facility that accommodates tourist functions.

If the budget is passed as proposed, staff will continue to pursue grant opportunities to afford improvements to the Community Hall. Any improvements made, either next year or in subsequent years, will need to be affordable to the city and not interfere the funding of normal operations by depleting existing or future reserves. Please keep in mind that just because its budgeted doesn’t mean the city is going to spend it – any expenditures made in capital outlay this year must be balanced against grants or other realistic revenues.

General Fund	Actual Change in Balance						Projected FY 13/14	Budgeted FY 14/15
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13		
Beginning Fund Balance	296,542	323,414	340,874	391,361	432,246	450,158	205,365	340,485
Income	375,332	521,709	329,905	364,849	331,576	489,391	498,328	1,258,160
Expenditures	348,460	504,252	279,420	323,963	313,663	734,186	363,208	1,336,672
Ending Fund Balance	323,414	340,874	391,361	432,246	450,158	205,365	340,485	261,973

The General Fund will start out on July 1, 2014 with approximately \$304,485. Normal revenues for next year will total approximately \$322,860. There is one transfer of \$6,300 into the General Fund from the TRT Fund for Police Department operations, and another potential transfer from the SDC Fund of \$369,993. Normal transfer will total \$329,160 in operational revenues. Grant and loan revenues for capital projects is anticipated at \$915,000, and \$14,000 is anticipated for Fire Department Material and Service purchases. Operational expenditures are budgeted for \$378,812, along with a 15% contingency of \$56,822. Capital expenditures in the General Fund are budgeted at \$915,000 in the Property Department, and there is a total of \$374,273 in budgeted transfers out of the General Fund, with \$369,933 going to the SDC fund to repay the interfund loan, and \$4,340 going towards the Payroll Liabilities Fund for unforeseen future payroll expenses. If all revenues expected are received and all budgeted expenditures are made, excluding the contingency, the fund will end with a balance of \$266,012 on June 30, 2015.

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
1	391,361.00	432,246.00	450,158.00	185,667.00
2	21,304.00	15,725.00	17,400.00	20,000.00
3	1,750.00	0.00	0.00	0.00
4	19,554.00	8,424.00	4,500.00	6,000.00
5	0.00	0.00	0.00	0.00
6		7,301.00	12,900.00	14,000.00
7				
8	343,545.00	315,851.00	471,991.00	462,545.00
9	203,666.24	206,303.44	213,732.55	209,200.00
10	11,679.56	11,875.41	12,463.93	10,300.00
11	4,895.98	5,527.27	3,183.36	3,500.00
12	0.00	0.00	200.00	0.00
13	596.37	0.00	0.00	0.00
14	1,549.58	2,214.63	2,952.86	2,500.00
15	7,720.00	8,640.00	9,020.00	8,000.00
16	0.00	0.00	2,626.00	3,280.00
17	41,052.00	45,953.21	44,666.47	44,600.00
18	1,282.13	1,154.27	1,115.84	1,100.00
19	11,299.60	9,707.26	10,534.69	11,300.00
20	6,898.80	6,908.11	7,458.41	7,000.00
21	3,000.00	2,500.00	4,350.00	2,700.00
22	3,022.00	1,549.00	1,734.00	1,600.00
23	0.00	0.00	0.00	0.00
24	8,378.17	11,372.92	8,024.40	5,000.00
25	72.00	0.00	94.10	0.00
26	1,750.94	2,145.57	1,556.04	2,000.00
27	36,682.00	0.00	148,277.90	150,465.00
28				
29	756,210.00	763,822.00	939,549.00	668,212.00

FY 14-15

PROJECTED FY 13-14 COMMITTEE		GENERAL FUND REVENUE	PROPOSED BY BUDGET OFFICER TO BUDGET COMMITTEE
1	205,365.00	BEGINNING FUND BALANCE	340,485.00
2	31,000.00	TRANSFERS IN	376,233.00
3	0.00	130.073 From TRT for Fire Grants	0.00
4	6,000.00	130.074 From TRT for Police	6,300.00
5	0.00	130.075 From TRT for Grants	0.00
6	25,000.00	130.078 From TRT for Promotional Costs	0.00
7		130.079 From SDC Fund - Interfund Loan	369,933.00
8	467,328.00	TOTAL RECEIPTS	1,286,860.00
9	210,000.00	130.011 Current Year's Taxes	214,200.00
10	10,700.00	130.012 Prior Years' Taxes	11,600.00
11	2,000.00	130.021 Fines & Forfeitures	3,500.00
12	0.00	130.022 Police Vehicle Impounds	0.00
13	0.00	130.031 Building Permit Fees	0.00
14	4,800.00	130.032 Planning Fees	5,000.00
15	9,200.00	130.034 Business & Licenses	9,000.00
16	3,280.00	130.039 GURA Contract	3,560.00
17	44,600.00	130.039 Rural Fire District Contract	46,400.00
18	1,200.00	130.041 State Cigarette Taxes	1,000.00
19	11,400.00	130.042 State Liquor Revenue	11,300.00
20	7,200.00	130.043 State Revenue Sharing	7,100.00
21	3,700.00	130.051 DLCD Planning Grant	2,700.00
22	1,500.00	130.060 Hall Rental	1,600.00
23	0.00	130.061 Donations	0.00
24	6,800.00	130.062 Misc. Revenue	5,000.00
25	748.00	130.063 Reimbursements	0.00
26	350.00	130.071 Interest	900.00
27	149,850.00	130.090 Other Grants	394,000.00
28		130.091 Property / Improvement Loan	570,000.00
29	703,693.00	TOTAL GENERAL FUND RESOURCES	2,003,578.00

ADMINISTRATIVE

The Administrative Department of the city functions as a cooperative management service for all operating funds and departments. Admin provides all meeting administration for all public bodies such as the council, Planning commission, tourism commission, urban renewal board and budget committees. Admin is also responsible for all municipal record management (Recorder’s Office), personnel management, financial management, budget development, accounts payable, accounts receivable, public reception, risk management, and many other functions. The department consists of the City Manager, Assistant City Manager and, now, two part-time Office Specialist. This department oversees legal consultation services to the city and reports to the council on all business and city management issues. All salaries and major expenditures associated with admin are shared between the General, Street, Wastewater, Water and TRT Funds. Costs within the department are either allocated to the city’s operational funds based on actual services provided, or by percent of total operating revenues to the city. The following table shows these percentages.

	General	Street	Wastewater	Water	Total All Funds
<i>Revenue By Fund</i>	329,160	138,980	431,580	275,350	1,175,070
	28%	12%	37%	23%	

Total budgeted expenditures in this department are increasing from this year to next by roughly \$8,000. I’m continuing to budget funds on computer equipment for next year as a safe guard while transitioning software in the office – we may find that a computer or some peripheral device needs to be replaced to make the new system work. I have increased the Travel/Training item for next year slightly to support council training and the annual LOC conference. Printing and Advertising is increased to handle newsletter costs, although staff is working with NW Media to find a way to reduce this cost for next year. The Shared Expense category in this department is incurring the highest increase of any other department or fund as a result of IT and Legal cost projections and their specific relationship to the admin department. Other expenses are budgeted to be consistent with the current year. The following table shows expenditure history since FY 07/08.

Administrative Department	Actual Amounts Spent						Projected FY 13/14	Budgeted FY 14/15
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13		
Personnel Services	36,858	34,420	28,245	29,919	36,673	43,008	47,818	46,449
<i>Percent Change From Previous Year</i>		-7.08%	-21.86%	5.60%	18.42%	14.73%	23.31%	-2.95%
Materials and Services	51,631	44,033	42,575	31,187	34,758	30,931	39,350	52,296
<i>Percent Change From Previous Year</i>		-17.26%	-3.42%	-36.52%	10.27%	-12.37%	11.67%	24.76%
Capital Outlay	0	0	0	0	0	0	0	0
Total	88,489	78,453	70,820	61,106	71,431	73,939	87,168	98,745
<i>FTE Equivalent Units</i>				<i>0.47</i>	<i>0.59</i>	<i>0.55</i>	<i>0.51</i>	<i>0.52</i>

While not specifically shown for the admin department, admin staff has been increased by a half-time position that is working out of the recorder’s office. This additional person requires a workstation and computer, and will generate a small amount of additional operational cost to the city. We’ll monitor the actual impact in terms of supplies, materials, etc...; although, I think the initial costs associated with getting Kylie set up was more significant at approximately \$2,500.

While the budget committee meeting isn’t really the forum for such complaints, I’d like to note that office work space at City Hall is sort of cramped and not very conducive to promoting tourism.

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
30				
31				
32	18,381.00	23,665.00	26,758.00	28,318.00
33	7,627.53	7,780.73	10,961.09	11,565.00
34	10,167.53	13,080.19	13,334.36	14,760.00
35		2,804.08	2,462.56	1,993.00
36	585.52	0.00	0.00	0.00
37	11,538.00	13,008.00	16,250.00	17,086.00
38	10,790.05	12,178.93	15,129.98	15,898.00
39	748.11	829.16	1,120.28	1,188.00
40	29,919.00	36,673.00	43,008.00	45,404.00
41				
42	16,139.00	17,132.00	15,731.00	26,200.00
43	4,766.41	5,758.85	7,561.64	5,600.00
44	2,887.36	3,563.02	1,340.14	3,400.00
45	3,365.51	3,800.17	3,101.71	3,600.00
46	3,344.58	2,144.78	2,860.90	7,000.00
47	925.96	90.99	11.22	1,000.00
48	840.32	597.41	307.22	600.00
49	9.26	1,176.37	547.85	5,000.00
50	1,470.00	2,657.00	1,950.00	3,000.00
51	1,469.98	2,657.38	1,949.70	3,000.00
52	0.00	0.00	0.00	0.00
53	13,578.00	14,969.00	13,250.00	16,100.00
54	2,861.38	2,846.64	2,150.95	2,104.00
55	866.02	2,560.66	2,424.61	3,086.00
56	252.07	375.33	574.77	505.00
57	2,020.33	2,858.34	2,736.02	3,647.00
58	1,816.86	1,118.59	1,455.11	1,206.00
59	3,879.78	3,267.16	1,809.87	3,366.00
60	934.37	858.84	990.18	924.00
61	946.71	1,082.97	1,108.65	1,262.00
62	31,187.00	34,758.00	30,931.00	45,300.00
63	61,106.00	71,431.00	73,939.00	90,704.00
64				
65	0.00	0.00	0.00	0.00
66	0.00	0.00	0.00	0.00
67	0.00	0.00	0.00	0.00
68	61,106.00	71,431.00	73,939.00	90,704.00

PROJECTED
FY 13-14
COMMITTEE

**GENERAL FUND
EXPENSES**

PROPOSED
BY BUDGET OFFICER
TO BUDGET COMMITTEE

30		ADMINISTRATIVE DEPT.	
31		PERSONAL SERVICES	
32	32,453.00	Admin. Personnel	29,653.00
33	11,565.00	144.102 Finance Officer/Assn. City Manager	11,625.00
34	13,475.00	146.111 City Manager	15,226.00
35	7,413.00	146.115 Office Specialist	2,802.00
36	0.00	146.131 Admin. Extra Labor	0.00
37	15,365.00	Admin. Dept. Personnel Costs	16,796.00
38	14,560.00	146.190 Admin. Personnel Costs	16,166.00
39	805.00	146.191 Admin/Vol. Worker's Comp.	630.00
40	47,818.00	C TOTAL PERSONNEL	46,449.00
41		MATERIALS & SERVICES	
42	20,200.00	Supplies & Services	28,200.00
43	8,000.00	146.214 Printing, Advertising & Notices	8,000.00
44	4,700.00	146.217 Admin. Travel & Training	5,000.00
45	3,000.00	146.219 Admin. Dues, Licenses & Subs.	3,600.00
46	2,500.00	146.220 Admin. Contracted Services	5,000.00
47	1,000.00	146.234 Council Expense	1,000.00
48	500.00	146.239 Meeting Expenses / Admin Supplies	600.00
49	500.00	146.279 Admin. Refunds	5,000.00
50	3,000.00	Maint. & Repair	3,000.00
51	3,000.00	146.255 Office Minor Equipment	3,000.00
52	0.00	146.260 Office Equipment Repair	0.00
53	16,150.00	Shared Expenses	21,096.00
54	2,209.20	146.212 Telephone	2,185.00
55	3,394.60	146.215 IT Services	7,003.00
56	530.25	146.218 Bank Charges	560.00
57	3,647.00	146.221 Legal Services	4,482.00
58	1,025.10	146.271 Office Supplies	1,401.00
59	3,366.00	146.272 Audit	3,361.00
60	905.52	146.273 Insurance	984.00
61	1,072.70	146.275 Postage & Shipping	1,120.00
62	39,350.00	C TOTAL MATERIALS & SERVICES	52,296.00
63	87,168.00	TOTAL OPERATION & MAINTENANCE	98,745.00
64		CAPITAL OUTLAY	
65	0.00	146.320 Equipment / Software	0.00
66	0.00	146.340 System Improvements	0.00
67	0.00	C TOTAL CAPITAL OUTLAY	0.00
68	87,168.00	TOTAL ADMINISTRATIVE DEPT.:	98,745.00

FIRE

Our Fire Department provides fire suppression, technical rescue and some limited medical first response services. The department responds to an average of one hundred emergency service calls each year. The department consists of a part-time salaried Fire Chief that is responsible for operational management, service delivery and compliance with state regulations.

The Chief's current year's salary is \$13,861, and I've budgeted in a 2.8% increase for next year. The department is staffed by volunteers who get paid a small amount per hour for calls and drills. Total expenditures for volunteer compensation each year range between \$20,000 and \$25,000.

At the Chief's request I've budgeted an additional \$6,000 for contracted services next year to afford a contract training coordinator for the department. This service would take some of the workload off of the chief and other volunteers to conduct training and keep up on state and OSHA standards. There is a \$14,000 expenditure budgeted in for Supplies and Services to accommodate potential grants. Other expenditures are consistent with last year.

An important difference between actual numbers for past years and what is budgeted for next year is volunteer pay. Since the amount budgeted is based on potential calls, it's very difficult to anticipate the amount that will actually be spent. The amount normally budgeted can range anywhere from 5% to 15% more than actual. The following table shows expenditure history since FY 07/08.

Fire Department	Actual Amounts Spent						Projected	Budgeted
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15
Personnel Services	37,933	38,570	35,219	35,912	36,222	37,446	45,005	50,624
<i>Percent Change From Previous Year</i>		1.65%	-9.51%	1.93%	0.86%	3.27%	16.80%	11.10%
Materials and Services	32,383	62,325	41,592	75,375	39,694	33,552	48,757	51,960
<i>Percent Change From Previous Year</i>		48.04%	-49.85%	44.82%	-89.89%	-18.31%	31.19%	6.16%
Capital Outlay	0	139,432	0	0	0	0	0	0
Total	70,316	240,328	76,810	111,287	75,915	70,998	93,762	102,584
<i>Tax Ratio (\$2.8468 Per \$1,000)</i>	<i>\$0.4772</i>	<i>\$0.3414</i>	<i>\$0.4765</i>	<i>\$0.5220</i>	<i>\$0.3910</i>	<i>\$0.3314</i>	<i>\$0.6341</i>	<i>\$0.5318</i>
<i>FTE Equivalent Units</i>				1.26	1.26	1.26	1.30	1.30

The bottom of the table above shows the cost per thousand in property taxes, with most grant revenues and expenditures backed out. This ratio also backs out the Garibaldi Rural Fire Protection district's payments to the city for contracted services as well, and expresses the amount of property tax that is being allocated to fire protection services within the city. This does not account for purchases out of the PSE fund, or contributions made to the PSE out of TRT. The following table shows the percentage of service being afforded by the city and the district.

Total Personnel	50,624.00
* Total Materials & Services	37,960.00
Total Fire Department Cost	88,584.00
2014 Projected Assessed Value - City	84,526,160
2014 Projected Assessed Value - Rural	101,415,586
City Share - Calculated	45% 40,269.00
Rural Share - Calculated	55% 48,315.00
City Share - Actual	48% 42,184.00
Rural Share - Actual	52% 46,400.00
Disproportion	1,915.00

* \$14,000 has been excluded for potential grant revenues --
this is not an amount incurred by the City or GRFPD

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
69				
70				
71	28,127.00	28,188.00	28,548.00	32,861.00
72	12,385.49	12,397.26	12,780.00	13,861.00
73	15,741.75	15,790.50	15,767.75	19,000.00
74	7,785.00	8,034.00	8,898.00	17,382.00
75	4,725.50	4,800.56	4,832.46	8,910.00
76	3,059.55	3,233.83	4,065.37	8,472.00
77	35,912.00	36,222.00	37,446.00	50,243.00
78				
79	15,297.00	20,607.00	15,379.00	31,900.00
80	0.00	0.00	0.00	0.00
81	101.79	226.15	3,853.00	400.00
82	85.00	285.00	285.00	300.00
83	8,184.31	4,816.08	4,488.50	5,000.00
84	1,351.13	1,463.84	3,942.69	1,200.00
85	1,689.67	1,402.17	2,271.61	4,500.00
86	376.40	75.31	0.00	500.00
87	3,508.24	12,338.23	538.63	20,000.00
88	49,531.00	8,568.00	7,288.00	6,600.00
89	75.18	0.00	660.60	0.00
90	11,731.18	813.42	2,480.48	2,600.00
91	1,410.32	7,754.12	4,146.69	4,000.00
92	36,314.24	0.00	0.00	0.00
93	10,547.00	10,520.00	10,885.00	12,210.00
94	8,823.93	8,588.33	9,006.22	9,240.00
95	1,722.88	1,931.33	1,878.34	2,970.00
96	75,375.00	39,694.00	33,552.00	50,710.00
97	111,287.00	75,916.00	70,998.00	100,953.00
98				
99	0.00	0.00	0.00	0.00
100	0.00	0.00	0.00	0.00
101	0.00	0.00	0.00	0.00
102	0.00	0.00	0.00	0.00
103	111,287.00	75,916.00	70,998.00	100,953.00

PROJECTED
FY 13-14
COMMITTEE

**GENERAL FUND
EXPENSES**

PROPOSED
BY BUDGET OFFICER
TO BUDGET COMMITTEE

69		FIRE DEPT.	
70		PERSONAL SERVICES	
71	30,361.00	Fire Personnel	33,250.00
72	13,861.00	142.110 Fire Chief	14,250.00
73	16,500.00	142.141 Fire Dept. Call Persons	19,000.00
74	14,644.00	Fire Dept. Personnel Costs	17,374.00
75	8,900.00	142.190 Fire Personnel Costs	8,949.00
76	5,744.00	142.191 Fire Worker's Comp.	8,425.00
77	45,005.00	C TOTAL PERSONNEL	50,624.00
78		MATERIALS & SERVICES	
79	30,065.00	Supplies & Services	33,100.00
80	0.00	142.214 Fire Printing, Ads'. & Notices	0.00
81	400.00	142.217 Fire Travel & Training	400.00
82	250.00	142.219 Fire Dues, Licenses & Subscriptions	300.00
83	5,000.00	142.220 Fire Contracted Services	11,000.00
84	1,200.00	142.230 Fire Dept. Supplies	1,200.00
85	4,500.00	142.235 Fire Dept. Protective Clothing	5,700.00
86	250.00	142.236 Community Emergency Response Supplies	500.00
87	18,465.00	142.245 Fire Dept. S&S Grant Share	14,000.00
88	7,273.00	Maint. & Repair	6,600.00
89	112.00	142.251 Fire Hall Bldg. & Grounds	200.00
90	4,661.00	142.255 Fire Minor Equipment	2,600.00
91	2,500.00	142.260 Fire Equipment Repair	3,800.00
92	0.00	142.265 Fire Dept. M&R Grant Share	0.00
93	11,419.00	Shared Expenses	12,260.00
94	9,043.00	142.273 Insurance	9,840.00
95	2,376.00	142.274 Fuel & Oil	2,420.00
96	48,757.00	C TOTAL MATERIALS & SERVICES	51,960.00
97	93,762.00	TOTAL OPERATION & MAINTENANCE	102,584.00
98		CAPITAL OUTLAY	
99	0.00	142.310 Engineering	0.00
100	0.00	142.320 Equipment	0.00
101	0.00	142.335 Fire Dept. Grant Share	0.00
102	0.00	C TOTAL CAPITAL OUTLAY	0.00
103	93,762.00	TOTAL FIRE DEPT.:	102,584.00

PLANNING

The Planning Department is responsible for regulating the city's land use code. Departmental functions include land use permitting within the city, land use code development, and planning commission administration. The city processes anywhere between a dozen and thirty land use permits each year. This department is staffed by a contract land use planner who serves in the position of City Planner, and is supported by the city's administrative personnel for permit processing, scheduling and meeting administration.

The city is contracting with Jay Sennwald for his services as City Planner. Services are at a rate of \$65 per hour plus travel expenses, and are incurred as needed. I've increased Contracted Planning Services to accommodate about 230 hours Jay's time for next year. Because revenues associated with land use permits have remained low for several years, I'm not anticipating revenues to offset Planner costs. In all, the city can expect anywhere from \$5,000 to \$10,000 of General Fund revenues to subsidize contracted planning services.

Planning Department	Actual Amounts Spent						Projected	Budgeted
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15
Personnel Services	26,142	31,030	20,257	31,328	14,970	16,459	17,104	19,974
<i>Percent Change From Previous Year</i>		15.75%	-53.18%	35.34%	-109.27%	9.05%	3.77%	14.37%
Materials and Services	23,244	16,849	22,125	14,301	16,321	15,678	17,460	16,484
<i>Percent Change From Previous Year</i>		-37.95%	23.85%	-54.71%	12.38%	-4.10%	10.21%	-5.92%
Capital Outlay	0	0	0	0	0	0	0	0
Total	49,386	47,879	42,382	45,629	31,290	32,137	34,564	36,458
<i>Tax Ratio (\$2.8468 Per \$1,000)</i>	<i>\$0.5850</i>	<i>\$0.5499</i>	<i>\$0.4493</i>	<i>\$0.5431</i>	<i>\$0.3272</i>	<i>\$0.3126</i>	<i>\$0.2956</i>	<i>\$0.3626</i>
<i>FTE Equivalent Units</i>				<i>0.50</i>	<i>0.22</i>	<i>0.21</i>	<i>0.21</i>	<i>0.22</i>

Total Personnel Costs in Planning are budgeted slightly higher next year. The intention with this is to have more planning work performed by city staff instead of expending funds on the city's contract planner. I'll be asking the council and planning commission to hold off on further land use amendments for one year to help build General Fund reserves.

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
104				
105				
106	19,932.00	9,570.00	10,472.00	11,972.00
107	9,522.24	3,422.06	4,110.41	4,581.00
108	9,824.54	5,811.86	6,111.55	7,146.00
109		336.50	250.06	245.00
110	585.52	0.00	0.00	0.00
111	11,396.00	5,400.00	5,987.00	6,734.00
112	11,356.72	5,381.64	5,962.52	6,695.00
113	39.06	18.52	24.90	39.00
114	31,328.00	14,970.00	16,459.00	18,706.00
115				
116	13,414.00	15,462.00	14,769.00	14,500.00
117	218.20	6.00	686.70	500.00
118	2,120.29	0.00	200.00	0.00
119	0.00	0.00	0.00	0.00
120	9,250.00	15,456.25	13,050.00	14,000.00
121	1,825.80	0.00	0.00	0.00
122	0.00	0.00	0.00	0.00
123	0.00	0.00	831.80	0.00
124	0.00	0.00	0.00	0.00
125	0.00	0.00	0.00	0.00
126	0.00	0.00	0.00	0.00
127	887.00	859.00	909.00	924.00
128	887.12	858.84	909.18	924.00
129	14,301.00	16,321.00	15,678.00	15,424.00
130	45,629.00	31,292.00	32,137.00	34,130.00
131				
132	0.00	0.00	0.00	0.00
133	0.00	0.00	0.00	0.00
134	45,629.00	31,292.00	32,137.00	34,130.00

PROJECTED
FY 13-14
COMMITTEE

**GENERAL FUND
EXPENSES**

PROPOSED
BY BUDGET OFFICER
TO BUDGET COMMITTEE

		PLANNING DEPT.			
104					
105			PERSONAL SERVICES		
106	11,298.00		Planning Personnel		12,824.00
107	4,581.00	144.102	Finance Officer/Assn. City Manager		5,390.00
108	6,489.00	144.111	City Manager		6,711.00
109	228.00	144.115	Office Specialist		723.00
110	0.00	144.131	Planning Extra Labor		0.00
111	5,806.00		Planning Personnel Costs		7,150.00
112	5,780.00	144.190	Planning Personnel Costs		7,092.00
113	26.00	144.191	Planning Worker's Comp.		58.00
114	17,104.00	C	TOTAL PERSONNEL		19,974.00
115			MATERIALS & SERVICES		
116	16,537.00		Supplies & Services		15,500.00
117	500.00	144.214	Printing, Advertising & Notices		500.00
118	0.00	144.217	Planning Travel & Training		0.00
119	0.00	144.219	Planning Dues, Licenses & Subs.		0.00
120	16,000.00	144.223	Contr. Services (Planner)		15,000.00
121	0.00	144.224	Contr. Services (Bldg. Inspections)		0.00
122	0.00	144.225	Contr. Services (Other)		0.00
123	12.00	144.230	Planning Supplies		0.00
124	25.00	144.255	Planning Minor Equipment		0.00
125	0.00	144.260	Demolition/Abatement		0.00
126	0.00	144.265	Planning S&S Grant Share		0.00
127	923.00		Shared Expenses		984.00
128	923.00	144.273	Insurance		984.00
129	17,460.00	C	TOTAL MATERIALS & SERVICES		16,484.00
130	34,564.00		TOTAL OPERATION & MAINTENANCE		36,458.00
131			CAPITAL OUTLAY		
132	0.00	144.320	Equipment		0.00
133	0.00	C	TOTAL CAPTIAL OUTLAY		0.00
134	34,564.00		TOTAL PLANNING DEPT.:		36,458.00

POLICE

The Police Department is funded and operated by the city, and is staffed with a contract employee provided by the Tillamook County Sheriff's Department. Prior to 2001, the city employed sworn officers in this department. Staffing of this department was reduced from 1.5 FTEs to 1 FTE in 2009. This year, Deputy Robert Pippenger took a promotion within the department and is now a sergeant in the jail. In April, Aaron Miller started in Garibaldi as our new full time deputy. Aaron has several years' experience with Tillamook Police Department, and is familiar city police work.

Police Department	Actual Amounts Spent						Projected	Budgeted
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15
Materials and Services	98,279	96,898	76,973	78,762	97,149	96,943	105,699	107,936
<i>Percent Change From Previous Year</i>		-1.43%	-25.89%	2.27%	18.93%	-0.21%	8.28%	2.07%
Capital Outlay	0	0	0	0	0	0	0	0
Total	98,279	96,898	76,973	78,762	97,149	96,943	105,699	107,936
<i>Tax Ratio (\$2.8468 Per \$1,000)</i>	<i>\$1.3805</i>	<i>\$1.3086</i>	<i>\$1.0474</i>	<i>\$1.0412</i>	<i>\$1.2676</i>	<i>\$1.2201</i>	<i>\$1.3634</i>	<i>\$1.3608</i>

Total appropriations to this department are increasing slightly from last year. The city council and the sheriff's office entered into a six month extension on the current contract, which means that service will run at \$42.75 per regular hour, and 64.12 per overtime hour (which they usually don't charge us for) for up to six months of next fiscal year. I'll be negotiating the next agreement with the sheriff as soon as they have completed their own union negotiations this year. The sheriff's office provides service with no other markup in cost beyond wages and benefit compensation, making this one of the more valuable contracted services provided to the city. The notable effect of this arrangement is that increases in wages and benefits must be completely passed on to the City, and cost of service can be expected to increase between 3% and 5% annually. No other significant changes can be noted.

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
135				
136				
137	72,051.00	91,182.00	91,458.00	101,300.00
138	72,050.50	90,817.59	91,458.43	101,000.00
139	0.00	363.99	0.00	300.00
140	2,175.00	2,059.00	1,634.00	1,800.00
141	91.49	0.00	597.62	300.00
142	2,083.75	2,059.15	1,036.62	1,500.00
143	4,536.00	3,908.00	3,850.00	5,746.00
144	591.41	572.55	605.82	616.00
145	3,944.71	3,335.94	3,244.43	5,130.00
146	78,762.00	97,149.00	96,943.00	108,846.00
147				
148	0.00	0.00	0.00	0.00
149	0.00	0.00	0.00	0.00
150	78,762.00	97,149.00	96,943.00	108,846.00

PROJECTED
FY 13-14
COMMITTEE

**GENERAL FUND
EXPENSES**

PROPOSED
BY BUDGET OFFICER
TO BUDGET COMMITTEE

135		POLICE DEPT.	
136		MATERIALS & SERVICES	
137	99,180.00	Supplies & Services	101,300.00
138	98,980.00	A 145.220 Police Contracted Services	101,000.00
139	200.00	145.230 Police Supplies	300.00
140	1,800.00	Maint. & Repair	1,800.00
141	300.00	145.255 Police Minor Equipment	300.00
142	1,500.00	145.260 Police Equipment Repair	1,500.00
143	4,719.00	Shared Expenses	4,836.00
144	615.00	145.273 Insurance	656.00
145	4,104.00	145.274 Fuel & Oil	4,180.00
146	105,699.00	C TOTAL MATERIALS & SERVICES	107,936.00
147		CAPITAL OUTLAY	
148	0.00	145.320 Equipment	0.00
149	0.00	C TOTAL CAPITAL OUTLAY	0.00
150	105,699.00	TOTAL POLICE DEPT.:	107,936.00

PROPERTY

This department manages the maintenance and operations of property and structures owned by the General Fund. This includes City Hall, the two gateway signs into town and a few undeveloped lots owned by the city. The primary expense is City Hall, and this fund is responsible for all costs associated with its maintenance and operating costs.

Property Department	Actual Amounts Spent						Projected	Budgeted
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15
Personnel Services	2,823	2,945	326	5,230	7,438	11,789	8,235	12,637
<i>Percent Change From Previous Year</i>		4.14%	-803.37%	93.77%	29.69%	36.91%	-43.16%	34.83%
Materials and Services	10,800	10,342	11,975	18,703	15,213	15,168	19,370	20,452
<i>Percent Change From Previous Year</i>		-4.43%	13.64%	35.97%	-22.94%	-0.30%	21.69%	5.29%
Capital Outlay	26,058	0	0	0	12,162	429,998	12,000	950,000
Debt Service	0	0	0	0	0	0	0	34,481
Total	39,681	13,287	12,293	23,934	34,813	456,955	39,605	1,017,570
<i>FTE Equivalent Units</i>				<i>0.08</i>	<i>0.13</i>	<i>0.20</i>	<i>0.14</i>	<i>0.15</i>

Costs in this department include janitorial services, utilities, insurance and some labor from the Public Works Department for building maintenance and upkeep. You can see budgeted increases in both Personnel Services and Materials and Services next year, and these are consistent with last year's costs.

This year I've added a Debt Service Fund, and budgeted 100% of the amount that we could potentially transfer into the General Fund. The city has not incurred any debt as yet; this is just a place holder in the budget in case we can and choose to take on debt next year for property acquisition and/or improvements.

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
151				
152				
153	3,408.00	4,684.00	8,242.00	6,006.00
154	1,373.84	3,772.80	8,241.90	4,568.00
155	1,448.85	911.68	0.00	0.00
156				1,438.38
157	585.52	0.00	0.00	0.00
158	1,822.00	2,753.00	3,547.00	4,266.00
159	1,698.09	2,413.36	3,047.51	3,956.00
160	124.18	339.94	499.15	310.00
161	5,230.00	7,438.00	11,789.00	10,272.00
162				
163	7,799.00	3,442.00	4,206.00	4,400.00
164	3,224.61	2,918.27	4,138.53	3,900.00
165	4,574.52	523.98	67.02	500.00
166	1,361.00	1,944.00	784.00	5,000.00
167	1,358.25	1,943.75	709.31	5,000.00
168	0.00	0.00	74.95	0.00
169	3.00	0.00	0.00	0.00
170	9,543.00	9,827.00	10,178.00	11,548.00
171	6,290.00	6,678.25	6,845.92	8,160.00
172	3,252.76	3,149.06	3,332.44	3,388.00
173	18,703.00	15,213.00	15,168.00	20,948.00
174	23,933.00	22,651.00	26,957.00	31,220.00
175				
176	0.00	12,161.50	68,799.61	0.00
177	0.00	0.00	0.00	0.00
178	0.00	0.00	361,197.61	12,000.00
179	0.00	0.00	0.00	0.00
180	0.00	0.00	0.00	0.00
181	0.00	12,162.00	429,998.00	12,000.00

PROJECTED
FY 13-14
COMMITTEE

**GENERAL FUND
EXPENSES**

PROPOSED
BY BUDGET OFFICER
TO BUDGET COMMITTEE

PROPERTY DEPT.			
151			
152			
153	5,627.00		
154	4,189.00	A	
155	0.00		
156	1,438.00		
157	0.00		
158	2,608.00		
159	2,398.00		
160	210.37		
161	8,235.00		
162			
163	4,050.00		
164	3,800.00		
165	250.00		
166	5,000.00		
167	5,000.00		
168	0.00		
169	0.00		
170	10,320.00		
171	6,936.00		
172	3,384.00		
173	19,370.00		
174	27,605.00		
175			
176	0.00		
177	0.00		
178	12,000.00	B	
179	0.00		
180	0.00		
181	12,000.00		
			PERSONAL SERVICES
			City Hall Personnel
141.101	Utility Worker I		7,664.00
141.108	Utility Worker II		3,858.00
141.109	Public Works Director		0.00
141.131	Property Extra Labor		3,805.80
			0.00
			4,973.00
			City Hall Payroll Expenses
141.190	Property Dept. Personnel Costs		4,699.00
141.191	Property Dept. Worker's Comp.		274.00
C	TOTAL PERSONNEL		12,637.00
			MATERIALS & SERVICES
			Supplies & Services
141.220	Property Dept. Contracted Services		4,500.00
141.230	Property Dept. Supplies		4,000.00
			500.00
			5,000.00
			Maint. & Repair
141.251	City Hall Bldg. & Grounds		5,000.00
141.255	Property Minor Equipment		0.00
141.260	Equipment Repair		0.00
			10,952.00
			Shared Expenses
141.211	City Hall Utilities		7,344.00
145.273	Insurance		3,608.00
C	TOTAL MATERIAL & SERVICES		20,452.00
			TOTAL OPERATION & MAINTENANCE
			33,089.00
			CAPITAL OUTLAY
141.310	Engineering		45,000.00
141.320	Equipment		0.00
141.330	Land & Buildings		905,000.00
141.331	Entrance Signs		0.00
141.340	System Replacement		0.00
C	TOTAL CAPTIAL OUTLAY		950,000.00

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
182				
183				
184				
185				
186				
187				
188				
189				
190	23,933.00	34,813.00	456,955.00	43,220.00
191	40,886.00	17,913.00	-244,795.00	102,282.00
192	0.00	12,162.00	429,998.00	12,000.00
193	320,717.00	298,439.00	300,974.00	365,853.00
194				
195	320,717.00	310,601.00	730,972.00	377,853.00
196				
197	3,246.00	3,062.00	3,214.00	2,410.00
198	1,504.00	1,713.00	1,960.00	1,466.00
199	1,517.00	701.00	726.00	578.00
200	225.00	648.00	528.00	366.00
201				
202				
203	3,246.00	3,062.00	3,214.00	2,410.00
204				
205	38,346.00	48,937.00	15,978.00	54,878.00
206	432,246.00	450,159.00	205,365.00	233,071.00
207			205,365.00	233,071.00
208	756,210.00	763,822.00	939,549.00	668,212.00

PROJECTED
FY 13-14
COMMITTEE

**GENERAL FUND
EXPENSES**

PROPOSED
BY BUDGET OFFICER
TO BUDGET COMMITTEE

182		DEBT SERVICE	
183		Construction - City Hall / Parking	12,098.36
184	141.291	Principal	3,348.36
185	141.292	Interest	8,750.00
186		Land Acquisition - City Hall / Parking	22,381.96
187	141.293	Principal	6,194.46
188	141.294	Interest	16,187.50
189	C	TOTAL GENERAL DEBT DEPT.:	34,481.00
190	39,605.00	TOTAL PROPERTY DEPT.:	1,017,570.00
191	135,120.00	TOTAL NET CHANGE IN FUND	-74,473.00
192	12,000.00	TOTAL GENERAL FUND CAPITAL OUTLAY	950,000.00
193	348,798.00	TOTAL GENERAL FUND O&M	378,812.00
194		TOTAL GENERAL FUND DEBT SERVICE	34,481.00
195	360,798.00	TOTAL GENERAL FUND EXPENSES	1,363,293.00
196		INTERFUND TRANSFERS	
197	2,410.00	149.491 To Payroll Liabilities Fund	4,340.00
198	1,466.00	for Admin.	2,521.00
199	578.00	for Planning	1,073.00
200	366.00	for Property	746.00
201		149.491 To SDC Fund -- Interfund Loan -- Principal	369,933.00
202		149.492 To SDC Fund -- Interfund Loan -- Interest	0.00
203	2,410.00	C TOTAL INTERFUND TRANSFERS	374,273.00
204			
205	43,878.00	C GENERAL FUND CONTINGENCY	56,822.00
206	340,485.00	B C Components of Ending Fund Balance	209,190.00
207	340,485.00	Unassigned/Unappropriated	209,190.00
208	703,693.00	TOTAL GENERAL FUND	2,003,578.00

NOTES FOR COUNCIL BUDGET HEARING:

- A Equals 15% of operating costs -- \$35,000 was appropriated in the current year
- B Assuming that contingency is not spent the unappropriated ending fund balance will be \$266,012

STREET FUND

The Street Department is responsible for the maintenance and reconstruction of streets, sidewalks, storm water infrastructure and traffic control devices. This department also maintains unimproved right of ways, parking lots and other properties owned by the city and that are used for transportation purposes. The city has a little over seven miles of paved road surface and another couple of miles of gravel road. In addition, the city has about three miles of unimproved right of way that is any condition from open grass land to heavily timbered. System maintenance includes patching and sealing asphalt, maintaining storm water systems, and mowing and managing vegetation in unimproved right of ways. Most services are not mandated through specific funding sources; however, the state's gas tax is obligated towards roads and road improvements, and a small portion of that tax is obligated towards bicycle and pedestrian improvements - less than a \$1,000 in any given year usually. Other funding sources include franchise fees collected by the city from public and private utilities that utilize the city's right of ways, and occasionally grants for transportation improvements. Most grant funds are typically available through ODOT for capital construction projects, and the city has received and expended such grants in the past.

Street Fund	Actual Revenues Received						Projected	Budgeted
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15
Gas Tax	39,720	34,570	36,966	41,665	42,599	42,877	44,900	45,200
Franchise Fees	28,783	25,682	77,941	81,365	82,603	81,101	80,000	80,000
Grants	0	0	25,000	0	25,000	100,000	0	2,550,000
All Other Revenues	4,924	8,692	1,331	412	435	1,974	1,300	1,180
Transfers	0	0	0	7,596	8,500	9,000	12,000	12,600
Total	73,427	68,944	141,238	131,037	159,138	234,951	138,200	2,688,980

Next year's revenues will be consistent with current and past years. Franchise revenues are staying fairly static, and I've budgeted the same amount as the current year for next. Fuel tax projections were on target this year, and projections for next year are based on the state's formula for distribution of shared revenues. I've budgeted for an ODOT-SCA grant next year at \$50,000, and, if received, the city would be able to expend about \$65,000 on street repaving either next spring or the following fiscal year.

Street Department	Actual Amounts Spent						Projected	Budgeted
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15
Personnel Services	14,280	14,596	39,456	48,399	66,010	69,256	75,282	85,074
<i>Percent Change From Previous Year</i>		<i>2.16%</i>	<i>63.01%</i>	<i>18.48%</i>	<i>26.68%</i>	<i>4.69%</i>	<i>8.00%</i>	<i>11.51%</i>
Materials and Services	30,656	28,528	25,115	33,670	31,135	32,708	35,002	46,507
<i>Percent Change From Previous Year</i>		<i>-7.46%</i>	<i>-13.59%</i>	<i>25.41%</i>	<i>-8.14%</i>	<i>4.81%</i>	<i>6.55%</i>	<i>24.74%</i>
Capital Outlay	0	1,545	52,934	20,450	57,334	171,666	0	2,565,000
Total	44,936	44,669	117,505	102,519	154,479	273,630	110,284	2,696,581
<i>FTE Equivalent Units</i>				<i>0.72</i>	<i>0.93</i>	<i>0.89</i>	<i>0.96</i>	<i>0.99</i>
Typical Operating Revenues	73,427	68,944	116,238	123,441	125,637	125,951	126,200	126,380
Typical Operating Expenditures	44,936	43,124	64,571	82,069	97,145	101,964	110,284	131,581
Surplus/Deficit	28,491	25,820	51,667	41,372	28,492	23,987	15,916	-5,201

Personnel Costs have been increased by \$7,666 from last year. Total Materials and Services have been increased by \$1,213 in Shared Expenses, and all other expenditures are remaining at last year's levels. \$15,000 will be available for street repair and right of way maintenance. No significant changes in operational expenditures are expected next year.

You'll notice the additional \$2.5 million in grants budgeted for next year. As noted in the budget message, this is intended to fund a bicycle/pedestrian trail improvement from Garibaldi to Watseco-

Barview. I've budgeted an equal amount in Capital Outlay, and there is no intention to use the city's cash resources to construct this project. The intention is to use in-kind services as a match; specifically, Blake's engineering, surveying and construction management time. This project will complement the construction of the water system intertie with Watseco-Barview and should provide a significant tourism amenity for Garibaldi.

The Street Fund will start out on July 1, 2014 with approximately \$81,357. Normal revenues for next year will total approximately \$126,380, with one transfer of \$12,600 into the Street Fund from the TRT Fund for street construction/reconstruction. Normal operational revenues are expected to total \$138,980. \$2,565,000 in grants is anticipated for capital construction projects. Operational expenditures are budgeted for \$131,581, along with a 15% contingency of \$19,737. Capital expenditures in the Street Fund are budgeted at \$2,500,000 for the Salmonberry Trail - Garibaldi Addition and \$65,000 for street paving. There is a total of \$5,234 in budgeted transfers out of the Street Fund, with \$3,152 going to the PWE fund and \$4,340 going towards the Payroll Liabilities Fund for unforeseen future payroll expenses. If all revenues expected are received and all budgeted expenditures are made, excluding the contingency, the fund will end with a balance of \$68,522 on June 30, 2015.

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
209	81,869.00	100,311.00	100,391.00	54,235.00
210	7,596.00	8,500.00	9,000.00	12,000.00
211	7,596.00	8,500.00	9,000.00	12,000.00
212	123,441.00	150,638.00	225,951.00	126,280.00
213	81,364.68	82,602.88	81,100.82	80,000.00
214	0.00	0.00	0.00	0.00
215	41,664.61	42,599.32	42,876.70	44,900.00
216	0.00	0.00	0.00	0.00
217	0.00	0.00	1,720.88	1,080.00
218	412.18	435.23	253.03	300.00
219	0.00	25,000.00	100,000.00	0.00
220	212,906.00	259,449.00	335,342.00	192,515.00

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
221				
222				
223	30,084.00	41,444.00	45,630.00	46,376.00
224	4,121.40	9,809.28	14,317.45	19,029.00
225	2,614.87	2,941.72	4,567.12	4,816.00
226	6,884.33	9,406.48	9,859.35	0.00
227				5,851.00
228	4,346.54	1,458.69	0.00	0.00
229	8,359.12	11,738.87	10,346.11	10,238.00
230	3,172.57	4,966.99	5,556.04	4,611.94
231		1,121.72	985.00	830.00
232	585.52	0.00	0.00	1,000.00
233	18,315.00	24,566.00	23,626.00	31,032.00
234	17,456.56	23,155.40	22,032.89	29,382.00
235	858.28	1,410.99	1,593.29	1,650.00
236	48,399.00	66,010.00	69,256.00	77,408.00

PROJECTED FY 13-14 COMMITTEE		STREET FUND REVENUE		PROPOSED BY BUDGET OFFICER TO BUDGET COMMITTEE
209	57,250.00	BEGINNING FUND BALANCE		81,357.00
210	12,000.00	TRANSFERS IN		12,600.00
211	12,000.00	230.072	From TRT for Street Improvements	12,600.00
212	126,200.00	TOTAL RECEIPTS		2,676,380.00
213	80,000.00	230.033	Franchise Fees	80,000.00
214	0.00	230.035	Machinery Rent/Matls. Sale	0.00
215	44,900.00	230.044	State Highway Fund Revenue Sharing	45,200.00
216	0.00	230.062	Misc. Revenue	0.00
217	1,000.00	230.063	Reimbursements	880.00
218	300.00	230.071	Interest	300.00
219	0.00	230.090	Grants	2,550,000.00
220	195,450.00	TOTAL STREET FUND REVENUE:		2,770,337.00

PROJECTED FY 13-14 COMMITTEE		STREET FUND EXPENSES		PROPOSED BY BUDGET OFFICER TO BUDGET COMMITTEE
221		STREET OPERATIONS DEPT.		
222		PERSONAL SERVICES		
223	47,719.00	Street Personnel		52,579.00
224	19,029.00	241.101	Utility Worker I	19,284.00
225	4,816.00	241.102	Finance Officer/Assn. City Manager	4,908.00
226	0.00	241.106	Wastewater Treatment Plant Operator	0.00
227	5,851.00	241.107	Systems Operator	6,015.00
228	0.00	241.108	Utility Worker II	0.00
229	10,238.00	241.109	Public Works Director	11,418.00
230	4,381.34	241.111	City Manager	7,771.00
231	830.00	241.115	Office Specialist	1,183.00
232	2,574.00	241.131	Extra Labor	2,000.00
233	27,563.00	Street Dept. Personnel Costs		32,495.00
234	26,443.80	241.190	Street Personnel Costs	31,094.00
235	1,119.04	241.191	Street Worker's Comp.	1,401.00
236	75,282.00	C	TOTAL PERSONNEL COST	85,074.00

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
237				
238	7,721.00	7,065.00	7,120.00	8,175.00
239	44.34	0.00	173.92	0.00
240	1,107.98	263.73	16.50	500.00
241	100.00	149.75	198.31	500.00
242	0.00	38.00	55.65	300.00
243	6,468.89	6,613.75	6,675.76	6,875.00
244	13,913.00	11,482.00	15,399.00	21,000.00
245	12,380.83	10,606.61	7,998.18	15,000.00
246	200.00	0.00	2,030.70	0.00
247	1,332.60	875.82	5,370.22	6,000.00
248	12,036.00	12,588.00	10,187.00	16,119.00
249	1,061.51	944.25	982.43	1,171.00
250	916.92	1,217.96	816.87	876.00
251	278.39	909.76	921.49	1,285.00
252	78.06	133.82	218.82	210.00
253	647.30	1,015.75	1,039.69	1,519.00
254	582.41	378.22	553.52	502.00
255	1,242.57	1,160.69	687.34	1,402.00
256	2,069.93	2,003.92	2,120.81	2,156.00
257	3,483.85	2,106.90	2,049.11	3,240.00
258	303.27	385.20	421.04	338.00
259	1,371.53	2,331.74	375.76	3,420.00
260	33,670.00	31,135.00	32,708.00	45,294.00
261	82,069.00	97,145.00	101,964.00	122,702.00

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
262				
263	4,203.70	20,712.05	4,981.53	0.00
264	0.00	0.00	0.00	0.00
265	0.00	0.00	0.00	0.00
266	16,246.21	36,622.26	166,683.63	0.00
267	20,450.00	57,334.00	171,666.00	0.00
268	102,519.00	154,479.00	273,630.00	122,702.00
269				
270				
271	8,603.00	2,367.00	2,432.00	3,152.00
272	1,473.00	2,210.00	2,032.00	657.00
273	10,076.00	4,577.00	4,464.00	3,809.00
274				
275	38,965.00	39,296.00	5,625.00	18,664.00
276	100,311.00	100,391.00	57,250.00	47,340.00
277				16,490.00
278			57,250.00	30,850.00
279	212,906.00	259,449.00	335,342.00	192,515.00

PROJECTED
FY 13-14
COMMITTEE

**STREET FUND
EXPENSES**

PROPOSED
BY BUDGET OFFICER
TO BUDGET COMMITTEE

		CAPITAL OUTLAY			
262					
263	0.00	241.310	Engineering		0.00
264	0.00	241.320	Equipment		0.00
265	0.00	241.340	System Replacement		0.00
266	0.00	241.341	Street Re/Construction		2,565,000.00
267	0.00	C	TOTAL CAPITAL OUTLAY		2,565,000.00
268	110,284.00		TOTAL STREET OPERATIONS DEPT.:		2,696,581.00
269					
270			INTERFUND TRANSFERS		
271	3,152.00	241.422	To PWE Res. Fund		3,152.00
272	657.00	241.491	To Payroll Liabilities Fund		2,082.00
273	3,809.00	C	TOTAL INTERFUND TRANSFERS		5,234.00
274					
275	18,664.00	A C	STREET FUND CONTINGENCY		19,737.00
276	81,357.00	B C	Components of Ending Fund Balance		48,785.00
277	16,490.00		Restricted		12,600.00
278	64,867.00		Committed		36,185.00
279	195,450.00		TOTAL STREET FUND:		2,770,337.00

NOTES FOR COUNCIL BUDGET HEARING:

- A Equals 15% of operating costs -- 100% of Contingency was appropriated in the current year
- B Assuming that contingency is not spent the unappropriated ending fund balance will be \$68,522

SEWER DISCOUNT FUND

The city created this Low Income Senior Citizen Sewer Discount Program in 2002. The fund receives donations and issues subsidies - there are no significant changes in operation from prior years.

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
280	4,979.00	4,858.00	4,786.00	4,714.00
281	1,514.00	1,608.00	1,608.00	1,825.00
282	1,488.00	1,582.37	1,582.37	1,800.00
283	26.00	25.27	25.27	25.00
284	6,493.00	6,466.00	6,394.00	6,539.00

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
285				
286	1,635.50	1,680.00	1,680.00	
287	1,635.50	1,680.00	1,680.00	
288				
289				
290				2,100.00
291				2,100.00
292				
293	4,858.00	4,786.00	4,714.00	4,439.00
294			4,714.00	4,439.00
295	6,493.00	6,466.00	6,394.00	6,539.00

PROJECTED FY 13-14 COMMITTEE	SEWER DISCOUNT FUND REVENUE	PROPOSED BY BUDGET OFFICER TO BUDGET COMMITTEE	
280	4,714.00	BEGINNING FUND BALANCE	4,849.00
281	2,235.00	TOTAL RECEIPTS	2,240.00
282	2,200.00	320.061 Donations	2,200.00
283	35.00	320.071 Interest	40.00
284	6,949.00	TOTAL SEWER DISCOUNT FUND REVENUE:	7,089.00

PROJECTED FY 13-14 COMMITTEE	SEWER DISCOUNT FUND FUND EXPENSES	PROPOSED BY BUDGET OFFICER TO BUDGET COMMITTEE	
285		SPECIAL PAYMENTS	
286		321.250 Discounts Applied	
287		C TOTAL SPECIAL PAYMENTS:	
288			
289		INTERFUND TRANSFERS	
290	2,100.00	341.491 To Wastewater Fund	2,300.00
291	2,100.00	C TOTAL INTERFUND TRANSFERS	2,300.00
292			
293	4,849.00	C Components of Ending Fund Balance	4,789.00
294	4,849.00	Restricted	4,789.00
295	6,949.00	TOTAL SEWER DISCOUNT FUND:	7,089.00

WASTEWATER FUND

The Wastewater Department is responsible for the management and reconstruction of the city's municipal wastewater collection and treatment system. This includes just over eight miles of sanitary sewer mains, five sewage pump stations and a wastewater treatment plant. The city's wastewater system is regulated by the Oregon Department of Environmental Quality (DEQ), and the system and its employees must meet minimum operating standards established by that agency. Operational functions included treatment, testing and disposal of wastewater by-products; inspection and cleaning of the collection system, testing for infiltration of ground and surface water into the collection system, permitting and inspection of new connections to the system, reporting to the State, and infrastructure replacement when necessary. The department is operated out of its own fund and is normally funded through user fees for service. The city finished construction of a new Wastewater Treatment Plant in 2007, and revenues at that time included loans and grants for construction.

Wastewater Fund	Actual Revenues Received						Projected	Budgeted
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15
Sewer System Charges	361,764	388,979	406,280	429,442	428,459	420,803	425,442	430,000
All Other Revenues	120,970	53,851	5,917	3,816	3,824	3,543	3,211	1,580
Total	482,734	442,830	412,197	433,258	432,283	424,346	428,653	431,580

Wastewater system charges will come in about 3% below projections in the current year – this is the second year in a row that I've underestimated these revenues. Part of the reason for the underestimated revenues in the past two years has to do with adjustments for certain accounts after confirming significant water leaks. After some analysis this year I've budgeted 1% increase over the current year for next. Other revenues are behaving normally in the current year.

Wastewater Department	Actual Amounts Spent						Projected	Budgeted
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15
Personnel Services	155,994	163,189	147,829	157,105	154,308	161,768	194,478	207,534
<i>Percent Change From Previous Year</i>		4.41%	-10.39%	5.90%	-1.81%	4.61%	16.82%	6.29%
Materials and Services	94,304	99,511	89,385	104,552	106,181	100,293	117,092	121,370
<i>Percent Change From Previous Year</i>		5.23%	-11.33%	14.51%	1.53%	-5.87%	14.35%	3.52%
Capital Outlay	1,045	7,961	6,541	1,200	5,235	29,235	5,000	15,000
Debt Service	143,226	142,632	147,034	146,183	145,311	144,394	143,092	142,246
Total	394,569	413,293	390,789	409,040	411,035	435,690	459,662	486,150
<i>FTE Equivalent Units</i>				2.33	2.23	2.19	2.36	2.35
Typical Operating Revenues	482,734	442,830	412,197	433,258	432,283	424,346	428,653	431,580
Typical Operating Expenditures	393,524	405,332	384,248	407,840	405,800	406,455	454,662	471,150
Surplus/Deficit	89,210	37,498	27,949	25,418	26,483	17,891	-26,009	-39,570

Expenditures in Personnel Services are increasing \$2,175 over the budgeted amount for current year. Total Materials and Services expenditures in the fund are also increasing \$9,095 over the current year. \$15,000 is budgeted into Capital Outlay for next year to meet our DEQ loan requirement. Most expenditures in the budget for next year are consistent with the current year. A significant amount is expected to be expended out of System Maintenance in by the end of the current year as a result of equipment and technology breakdowns in the wastewater treatment plant.

Wastewater Fund	Actual Change in Balance						Projected	Budgeted
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15
Beginning Fund Balance	378,944	412,848	422,928	436,495	446,175	459,814	440,804	403,591
Income	482,734	442,830	412,197	433,258	432,283	424,346	428,653	431,580
Expenditures/Transfers	535,214	432,750	398,628	423,577	418,646	443,353	465,866	495,816
Ending Fund Balance	326,464	422,928	436,497	446,176	459,812	440,807	403,591	339,355

Debt Service in the Wastewater Fund is responsible for the repayment of three loans made to the City for infrastructure upgrades dating back to 1996. The tables below show abbreviated debt service schedules and relevant totals.

DEQ Rev Loan for \$405k -- for Infrastructure upgrades

Fiscal Year	Acc Principal	Principal	Acc Interest	Interest/fees	Total Payment
13/14	\$ 259,352.00	\$ 23,390.00	\$ 203,446.00	\$ 6,570.00	\$ 29,960.00
14/15	\$ 283,632.00	\$ 24,280.00	\$ 209,067.00	\$ 5,621.00	\$ 29,901.00
15/16	\$ 308,836.00	\$ 25,204.00	\$ 214,007.00	\$ 4,940.00	\$ 30,144.00
16/17	\$ 334,999.00	\$ 26,163.00	\$ 217,862.00	\$ 3,855.00	\$ 30,018.00
17/18	\$ 362,158.00	\$ 27,159.00	\$ 220,590.00	\$ 2,728.00	\$ 29,887.00
18/19	\$ 390,351.00	\$ 28,193.00	\$ 222,148.00	\$ 1,558.00	\$ 29,751.00
19/20	\$ 404,831.00	\$ 14,480.00	\$ 222,493.00	\$ 345.00	\$ 14,825.00
Principal Paid to Date	\$ 259,352.00		Principal Debt on July 1, 2014	\$ 145,479.00	
Interest Paid to Date	\$ 203,446.00		Interest Debt on July 1, 2014	\$ 19,047.00	
Total Amount Paid	\$ 462,798.00		Total Debt on July 1, 2014	\$ 164,526.00	

OECD Water/Wastewater Revolving Loan: For WWTP

Fiscal Year	Acc Principal	Principal	Acc Interest	Interest	Total Payment
13/14	\$ 185,967.00	\$ 18,155.00	\$ 300,860.73	\$ 18,034.38	\$ 36,189.38
14/15	\$ 204,287.00	\$ 18,320.00	\$ 317,941.97	\$ 17,081.24	\$ 35,401.24
15/16	\$ 222,782.00	\$ 18,495.00	\$ 334,061.41	\$ 16,119.44	\$ 34,614.44
16/17	\$ 241,277.00	\$ 18,670.00	\$ 350,180.85	\$ 15,157.47	\$ 33,829.92
17/18	\$ 259,772.00	\$ 18,845.00	\$ 366,300.29	\$ 14,195.50	\$ 33,045.39
18/19	\$ 278,267.00	\$ 19,020.00	\$ 382,419.73	\$ 13,233.53	\$ 32,260.86
19/20	\$ 296,762.00	\$ 19,195.00	\$ 398,539.17	\$ 12,271.56	\$ 31,476.33
20/21	\$ 315,257.00	\$ 19,370.00	\$ 414,658.61	\$ 11,309.59	\$ 30,691.80
21/22	\$ 333,752.00	\$ 19,545.00	\$ 430,778.05	\$ 10,347.62	\$ 29,907.27
22/23	\$ 352,247.00	\$ 19,720.00	\$ 446,897.49	\$ 9,385.65	\$ 29,122.74
23/24	\$ 370,742.00	\$ 19,895.00	\$ 463,016.93	\$ 8,423.68	\$ 28,338.21
24/25	\$ 389,237.00	\$ 20,070.00	\$ 479,136.37	\$ 7,461.71	\$ 27,553.68
25/26	\$ 500,000.00	\$ 35,934.00	\$ 423,476.31	\$ 1,976.37	\$ 37,910.37
Principal Paid to Date	\$ 174,213.00		Principal Debt on July 1, 2014	\$ 314,033.00	
Interest Paid to Date	\$ 300,860.73		Interest Debt on July 1, 2014	\$ 122,615.58	
Total Amount Paid	\$ 475,073.73		Total Debt on July 1, 2014	\$ 436,648.58	

USDA Loan for WWTP - 2006

Fiscal Year	Acc Principal	Principal	Acc Interest	Interest	Total Payment
13/14	\$ 141,407.00	\$ 20,275.00	\$ 474,137.00	\$ 56,668.00	\$ 76,943.00
14/15	\$ 162,518.00	\$ 21,111.00	\$ 529,969.00	\$ 55,832.00	\$ 76,943.00
15/16	\$ 184,500.00	\$ 21,982.00	\$ 584,930.00	\$ 54,961.00	\$ 76,943.00
16/17	\$ 206,482.00	\$ 22,853.00	\$ 639,891.00	\$ 54,090.00	\$ 76,943.00
17/18	\$ 228,464.00	\$ 23,724.00	\$ 694,852.00	\$ 53,219.00	\$ 76,943.00
18/19	\$ 250,446.00	\$ 24,595.00	\$ 749,813.00	\$ 52,348.00	\$ 76,943.00
45/46	\$ 1,494,900.00	\$ 73,448.00	\$ 1,582,354.00	\$ 3,029.00	\$ 76,477.00
Principal Paid to Date	\$ 141,407.00		Principal Debt on July 1, 2013	\$ 1,353,493.00	
Interest Paid to Date	\$ 474,137.00		Interest Debt on July 1, 2013	\$ 1,108,217.00	
Total Amount Paid	\$ 615,544.00		Total Debt on July 1, 2013	\$ 2,461,710.00	

The Wastewater Fund will start out on July 1, 2014 with approximately \$403,591. Normal revenues for next year will total approximately \$431,580. Operational expenditures are budgeted for \$328,370, along with a 15% contingency of \$49,336. Capital expenditures in the Wastewater Fund are budgeted at \$15,000. \$142,246 is budgeted in Debt Service. There is a total of \$9,666 in budgeted transfers out of the Wastewater Fund, with \$3,548 going to the PWE fund and \$6,118 going towards the Payroll Liabilities Fund for unforeseen future payroll expenses. If all revenues expected are received and all budgeted expenditures are made, excluding the contingency, the fund will end with a balance of \$339,355 on June 30, 2015.

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
296	436,495.00	446,175.00	459,814.00	436,926.00
297	323,080.00	321,330.00	312,108.00	289,221.00
298	113,415.00	124,845.00	147,705.00	147,705.00
299	433,258.00	432,283.00	424,346.00	440,180.00
300	111.69	0.00	140.00	0.00
301	0.00	0.00	0.00	0.00
302	429,442.00	428,459.00	420,803.23	438,600.00
303	682.49	682.49	354.33	0.00
304	0.00	0.00	0.00	0.00
305	0.00	43.75	48.25	0.00
306	0.00	0.00	0.00	0.00
307	2,121.54	2,329.00	2,300.62	920.00
308	899.81	768.58	699.34	660.00
309	0.00	0.00	0.00	0.00
310	0.00	0.00	0.00	0.00
311	869,753.00	878,458.00	884,160.00	877,106.00

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
312				
313				
314	96,886.00	97,237.00	103,503.00	126,824.00
315	11,333.95	13,582.08	13,599.89	18,269.00
316	10,631.82	14,452.22	16,441.64	17,875.00
317	24,324.57	26,239.13	27,502.39	0.00
318				26,327.00
319	14,488.46	1,732.20	0.00	0.00
320	23,602.06	18,141.89	15,990.36	29,976.00
321	11,919.70	18,714.90	19,445.91	22,162.00
322		4,374.08	10,522.99	11,215.00
323	585.52	0.00	0.00	1,000.00
324	60,219.00	57,071.00	58,265.00	78,535.00
325	57,535.10	54,592.32	55,491.53	75,493.00
326	2,683.99	2,478.76	2,773.32	3,042.00
327	157,105.00	154,308.00	161,768.00	205,359.00

PROJECTED FY 13-14 COMMITTEE		WASTEWATER FUND REVENUE	PROPOSED BY BUDGET OFFICER TO BUDGET COMMITTEE
296	440,804.00	BEGINNING FUND BALANCE	403,591.00
297	293,099.00	Unrestricted	247,968.43
298	147,705.00	Loan Reserves	155,622.57
299	428,653.00	TOTAL RECEIPTS	431,580.00
300	55.00	330.032 Planning Surcharges (Wastew.)	0.00
301	0.00	330.035 Machinery Rent/Matls. Sale	0.00
302	425,442.00	330.036 Sewer System Charges	430,000.00
303	31.00	330.037 Connection Fees	0.00
304	0.00	330.061 Donations	0.00
305	200.00	330.062 Misc. Revenue	0.00
306	125.00	330.063 Reimbursements	0.00
307	2,100.00	330.071 Interest	880.00
308	700.00	330.076 Finance/Late Fees	700.00
309	0.00	330.080 Other Borrowings	0.00
310	0.00	330.090 Other Grants	0.00
311	869,457.00	TOTAL WASTEWATER FUND REVENUE:	835,171.00

PROJECTED FY 13-14 COMMITTEE		WASTEWATER FUND EXPENSES	PROPOSED BY BUDGET OFFICER TO BUDGET COMMITTEE
312		WASTEWATER OPERATIONS DEPT.	
313		PERSONAL SERVICES	
314	124,466.00	Wastewater Personnel	129,145.00
315	17,263.22	341.101 Utility Worker I	19,284.00
316	17,875.00	341.102 Finance Officer/Assn. City Manager	17,936.00
317	0.00	341.106 Wastewater Treatment Plant Operator	0.00
318	26,327.00	341.107 Systems Operator	27,065.00
319	0.00	341.108 Utility Worker II	0.00
320	29,976.00	341.109 Public Works Director	30,447.00
321	21,053.90	341.111 City Manager	21,306.00
322	11,215.00	341.115 Office Specialist	12,107.00
323	756.00	341.131 Wastewater Extra Labor	1,000.00
324	70,012.00	Wastewater Personnel Costs	78,389.00
325	67,950.00	341.190 Wastewater Personnel Costs	75,783.00
326	2,061.92	341.191 Wastewater Worker's Comp.	2,606.00
327	194,478.00	C TOTAL PERSONNEL	207,534.00

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
328				
329	26,160.00	27,270.00	25,520.00	34,410.00
330	12,859.90	12,880.78	12,622.72	14,310.00
331	0.00	0.00	35.88	0.00
332	1,319.99	1,660.00	1,500.00	1,700.00
333	456.80	1,534.10	58.50	1,200.00
334	3,315.07	3,118.85	2,840.80	5,900.00
335	132.00	521.00	667.65	800.00
336	8,076.41	7,555.60	7,794.48	10,500.00
337	24,446.00	20,241.00	20,281.00	8,000.00
338	18,562.51	17,260.57	6,420.22	3,500.00
339	1,012.30	539.30	373.25	500.00
340	400.00	0.00	7,769.95	0.00
341	4,471.48	2,440.72	5,718.00	4,000.00
342	53,946.00	58,670.00	54,489.00	72,040.00
343	18,606.20	18,856.21	19,329.63	23,040.00
344	3,581.74	3,488.82	2,824.03	2,789.00
345	1,084.41	3,268.42	3,183.49	4,090.00
346	310.96	478.92	754.79	669.00
347	2,528.55	3,648.94	3,592.50	4,834.00
348	2,274.66	1,490.06	1,910.52	1,599.00
349	4,855.37	4,170.34	2,375.71	4,462.00
350	9,758.28	9,447.12	9,996.40	10,164.00
351	5,478.77	6,671.86	6,488.85	10,260.00
352	1,185.05	1,382.42	1,487.86	1,673.00
353	4,282.33	5,767.10	2,545.02	8,460.00
354	104,552.00	106,181.00	100,293.00	114,450.00
355	261,657.00	260,489.00	262,061.00	319,809.00
356				
357	0.00	125.00	0.00	0.00
358	0.00	0.00	0.00	0.00
359	0.00	0.00	6,000.00	0.00
360	0.00	0.00	0.00	0.00
361	0.00	0.00	0.00	0.00
362	1,200.00	5,110.31	23,235.24	15,000.00
363	1,200.00	5,235.00	29,235.00	15,000.00
364				
365	262,857.00	265,724.00	291,296.00	334,809.00

PROJECTED
FY 13-14
COMMITTEE

**WASTEWATER FUND
EXPENSES**

PROPOSED
BY BUDGET OFFICER
TO BUDGET COMMITTEE

328		MATERIALS & SERVICES	
329	24,879.00	Supplies & Services	30,030.00
330	12,879.00	341.213 Wastewater Franchise Fees	14,030.00
331	0.00	341.214 Wastewater Printing, Ads'. & Notices	0.00
332	900.00	341.216 Wastewater Testing & Sampling	1,500.00
333	400.00	341.217 Wastewater Travel & Training	1,200.00
334	3,000.00	341.219 Wastewater Dues, Licenses & Subs.	3,000.00
335	700.00	341.220 Wastewater Contracted Services	800.00
336	7,000.00	341.233 Wastewater Treatment Chemicals	9,500.00
337	31,100.00	Maintenance & Repair	18,000.00
338	21,000.00	341.250 Wastewater System Maintenance	15,000.00
339	500.00	341.251 Wastewater Bldg. & Grounds Expense	500.00
340	600.00	341.255 Wastewater Minor Equipment	0.00
341	9,000.00	341.260 Wastewater Equipment Repair	2,500.00
342	61,113.00	Shared Expenses	73,340.00
343	19,584.00	341.211 Utilities	20,736.00
344	2,928.45	341.212 Telephone	2,865.00
345	4,499.00	341.215 IT Services	9,182.00
346	702.45	341.218 Bank Charges	735.00
347	4,834.00	341.221 Legal Services	5,876.00
348	1,359.15	341.271 Office Supplies	1,836.00
349	4,462.00	341.272 Audit	4,407.00
350	10,152.94	341.273 Insurance	10,824.00
351	8,208.00	341.274 Fuel & Oil	8,360.00
352	1,422.05	341.275 Postage & Shipping	1,469.00
353	2,961.00	341.276 Shop Supplies, Tools, etc.	7,050.00
354	117,092.00	C TOTAL MATERIALS & SERVICES	121,370.00
355	311,570.00	TOTAL OPERATION & MAINTENANCE	328,904.00
356		CAPITAL OUTLAY	
357	0.00	341.310 Engineering	0.00
358	0.00	341.320 Equipment	0.00
359	0.00	341.330 Land & Buildings	0.00
360	0.00	341.340 System Replacement	0.00
361	0.00	341.342 Main Extension	0.00
362	5,000.00	341.343 Inflow & Infiltration Control	15,000.00
363	5,000.00	C TOTAL CAPITAL OUTLAY	15,000.00
364			
365	316,570.00	TOTAL WASTEWATER OPERATING DEPT.:	343,904.00

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
366				
367				
368	30,708.00	30,604.00	30,495.00	29,960.00
369	20,911.00	21,707.00	22,532.00	23,390.00
370	8,627.00	7,831.00	7,006.00	6,148.00
371	1,170.00	1,066.00	957.00	422.00
372	38,531.84	37,764.00	36,956.22	36,189.38
373	17,708.00	17,847.00	17,977.00	18,155.00
374	20,823.84	19,917.00	18,979.22	18,034.38
375	76,943.00	76,943.00	76,943.00	76,943.00
376	16,565.00	18,700.00	19,471.86	20,275.00
377	60,378.00	58,243.00	57,471.14	56,668.00
378	146,183.00	145,311.00	144,394.00	143,092.00
379				
380	4,855.00	4,947.29	4,926.00	3,548.00
381	9,682.00	2,664.00	2,737.00	2,656.00
382	14,537.00	7,611.00	7,663.00	6,204.00
383				
384	44,272.00	44,774.00	46,412.00	50,221.00
385	124,845.00	136,275.00	147,705.00	155,622.57
386	446,175.00	459,813.00	440,804.00	187,157.43
387			147,705.00	155,622.57
388			293,099.00	31,534.86
389	869,753.00	878,458.00	884,160.00	877,106.00

WATER FUND

The City's Water Department is responsible for the treatment and distribution of the city's municipal water supply. There is roughly thirteen and a half miles of water mains in the city's system, along with an assortment of valves, reservoirs, booster pumps and fire hydrants. There are currently 548 metered connections to our water system.

The City sold about 5.4 million gallons of water last year. Operation of the Water Department is regulated by the Oregon Health Division – Drinking Water Program. This means the system and its employees must meet minimum requirement established by OHD. Department functions include treating, testing and distributing the city's municipal drinking water, inspecting and repairing water leaks in the system, permitting and inspecting water system connections, reporting to the State, and infrastructure replacement as necessary. The department is operated out of its own fund and is generally dependent on user fees for water service.

In FY 08/09 the city transferred \$25,000 from the General Fund into the Water Fund to stabilize carry-over balances that had been depleting since 2005. The city also received a grant that year to replace mainline along the Miami River Road that had been compromised during a storm event in 2007. In addition to traditional revenues, contracted services that are now provided to Watseco-Barview Water District are expected to generate \$35,000 or in the current year.

Water Fund	Actual Revenues Received						Projected FY 13/14	Budgeted FY 14/15
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13		
Water System Charges	206,209	221,176	209,035	217,606	217,930	220,735	228,000	230,000
Contracted Service Revenues	0	0	0	0	0	12,582	35,000	40,000
Grants/Transfers	0	109,000	0	0	0	0	0	20,000
Loans & Other Borrowings	0	0	0	0	0	0	0	1,800,000
All Other Revenues	16,489	11,519	7,388	9,521	5,790	7,903	6,415	94,350
Total	222,698	341,695	216,423	227,127	223,720	241,221	269,415	2,184,350

Water system fee revenue is on target for the anticipated amount in the current year. Service revenues associated with Watseco-Barview is expected to be about \$5,000 less than anticipated in the current year. Other revenues are slightly above projections for the current year. Projections for next year are relatively static, and staff is not expecting development fees or planning on new connections. \$1.8 million is anticipated in some combination of loans and grants to construct the water system intertie with Watseco-Barview in the next year. An additional \$109,000 is budgeted for managing debt service; however, this is probably not going to be received or expended until the following fiscal year.

Water Department	Actual Amounts Spent						Projected FY 13/14	Budgeted FY 14/15
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13		
Personnel Services	159,660	166,782	136,185	124,876	120,838	123,348	202,186	212,711
<i>Percent Change From Previous Year</i>		4.27%	-22.47%	-9.06%	-3.34%	2.03%	38.99%	4.95%
Materials and Services	61,736	61,383	65,596	57,304	68,234	68,374	69,313	70,519
<i>Percent Change From Previous Year</i>		-0.58%	6.42%	-14.47%	16.02%	0.20%	1.35%	1.71%
Capital Outlay	33,335	94,008	0	0	8,000	45,935	16,600	1,820,000
Debt Service	0	0	0	0	0	0	0	109,000
Total	254,731	322,173	201,781	182,180	197,072	237,657	288,099	2,212,230
<i>FTE Equivalent Units</i>				1.91	1.71	1.71	2.53	2.50
Typical Operating Revenues	222,698	232,695	216,423	227,127	223,720	241,221	269,415	270,000
Typical Operating Expenditures	221,396	228,165	201,781	182,180	189,072	191,722	271,499	283,230
Surplus/Deficit	1,302	4,530	14,642	44,947	34,648	49,499	-2,084	-13,230

Personnel Costs have been increased by \$1,049 from the current year's budgeted amounts to next year's. Expenditures budgeted for next year in Materials and Services are comparable to the current

year. \$1.8 million is budgeted for the water system intertie, and an additional \$20,000 is budgeted for meter replacement next year. A new Debt Service fund has been created to accommodate funding the water system intertie project, and \$109,000 is budgeted as a conservatively high first payment, that will most likely not be needed.

Water Fund	Actual Change in Balance						Projected FY 13/14	Budgeted FY 14/15
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13		
Beginning Fund Balance	93,676	61,643	71,700	78,004	112,773	133,202	131,166	107,479
Income	222,698	341,695	216,423	227,127	223,720	241,221	269,415	2,184,350
Expenditures/Transfers	254,731	331,638	210,117	192,359	203,294	243,258	293,102	2,220,820
Ending Fund Balance	61,643	71,700	78,006	112,772	133,199	131,165	107,479	71,009

While the highlight of next year’s budget is the amount appropriated for the water intertie project, I want to convey to the budget committee that staff is planning to replace about one hundred residential water meters next year with radio-read meters. The majority of the water meters in the system right now are reaching the end of their useful life, and this is an opportune time to implement a radio-read meter system. This was discussed with the council last fall, and the council authorized an initial purchase of software and equipment for this purpose. The fiduciary benefit to the city is better accuracy in meter reading, less staff time to read the meters, and staff safety in that they won’t be jumping out of a truck along Hwy 101 to read a meter located in a dirt-bank two feet off of the fog line (yes, that’s correct). The system that the city has chosen is produced by Badger Meters. Public Works staff spent the past year researching this issue and selected a system that offers the best value and functionality to the city. Conservative estimates show that the savings experienced in five years in staff time associated with radio-read meter reading will equal the cost of replacing all the city’s existing meters. The total cost of replacing all the meters in our system, along with the software and equipment being purchased this year, will be just under \$100,000. Staff is planning to make this investment over the course of four of five years.

The Water Fund will start out on July 1, 2014 with approximately \$107,479. Normal revenues for next year will total approximately \$275,350. Operational expenditures are budgeted for \$283,230, along with a 15% contingency of \$42,485. Capital expenditures in the Water Fund are budgeted at \$1.82. \$109,000 is budgeted in a new Debt Service department within the Water Fund. There is a total of \$8,590 in budgeted transfers out of the Water Fund, with \$2,339 going to the PWE fund and \$6,251 going towards the Payroll Liabilities Fund for unforeseen future payroll expenses. If all revenues expected are received and all budgeted expenditures are made, excluding the contingency, the fund will end with a balance of \$71,009 on June 30, 2015.

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
390	78,004.00	112,773.00	133,202.00	138,687.00
391	227,127.00	223,720.00	241,221.00	293,280.00
392	55.00	0.00	0.00	0.00
393	0.00	0.00	0.00	0.00
394	217,606.27	217,929.90	220,735.45	228,000.00
395	1,527.51	0.00	0.00	0.00
396	997.72	600.00	699.43	500.00
397			12,582.14	40,000.00
398	0.00	0.00	0.00	0.00
399	1,974.28	0.00	978.78	0.00
400	0.00	0.00	0.00	0.00
401	589.02	762.45	747.23	670.00
402	4,377.37	4,428.13	5,478.14	4,110.00
403	0.00	0.00	0.00	0.00
404	0.00	0.00	0.00	20,000.00
405				
406	305,131.00	336,493.00	374,423.00	431,967.00

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
407				
408				
409	77,195.00	75,213.00	80,102.00	128,868.00
410	17,516.01	10,591.27	14,911.48	34,253.00
411	5,362.20	9,426.17	9,590.96	12,062.00
412	14,686.42	13,862.19	14,529.54	0.00
413				26,327.00
414	15,937.31	5,014.27	0.00	0.00
415	17,209.90	23,477.74	20,693.24	30,268.00
416	5,898.92	10,261.31	11,111.96	14,745.00
417		2,579.55	9,265.14	10,213.00
418	584.59	0.00	0.00	1,000.00
419	47,681.00	45,625.00	43,246.00	82,794.00
420	45,179.61	43,040.87	40,874.37	78,798.00
421	2,501.73	2,584.44	2,371.26	3,996.00
422	124,876.00	120,838.00	123,348.00	211,662.00

PROJECTED FY 13-14 COMMITTEE		WATER FUND REVENUE	PROPOSED BY BUDGET OFFICER TO BUDGET COMMITTEE
390	131,166.00	BEGINNING FUND BALANCE	107,479.00
391	269,415.00	TOTAL RECEIPTS	2,184,350.00
392	55.00	430.032 Planning Surcharges (Water)	0.00
393	0.00	430.035 Machinery Rent/Matls. Sale	0.00
394	228,000.00	430.036 Water System Charges	230,000.00
395	720.00	430.037 Connection Fees	0.00
396	650.00	430.038 Shutoff/Turn-on Fees	500.00
397	35,000.00	430.060 Contract Service - WB	40,000.00
398	0.00	430.061 Donations	0.00
399	100.00	430.062 Misc. Revenue	0.00
400	100.00	430.063 Reimbursements	0.00
401	690.00	430.071 Interest	650.00
402	4,100.00	430.076 Finance & Late Charges	4,200.00
403	0.00	430.081 Borrowings	1,800,000.00
404	0.00	430.091 Grants	0.00
405		430.099 Debt Mgmt - Watseco-Barview	109,000.00
406	400,581.00	TOTAL WATER FUND RESOURCES:	2,291,829.00

PROJECTED FY 13-14 COMMITTEE		WATER FUND EXPENSES	PROPOSED BY BUDGET OFFICER TO BUDGET COMMITTEE
407		WATER OPERATIONS DEPT.	
408		PERSONAL SERVICES	
409	125,618.00	Water Personnel	130,499.00
410	31,860.00	441.101 Utility Worker I	34,712.00
411	12,042.00	441.102 Finance Officer/Assn. City Manager	12,419.00
412	0.00	441.106 Wastewater Treatment Plant Operator	0.00
413	26,327.00	341.107 Systems Operator	27,065.00
414	0.00	441.108 Utility Worker II	0.00
415	30,268.00	441.109 Public Works Director	30,447.00
416	14,007.75	441.111 City Manager	14,079.00
417	10,213.00	441.115 Office Specialist	10,777.00
418	900.00	441.131 Extra Labor	1,000.00
419	76,568.00	Water Dept. Personnel Costs	82,212.00
420	73,860.00	441.190 Water Personnel Costs	78,865.00
421	2,708.24	441.191 Water Worker's Comp.	3,347.00
422	202,186.00	C TOTAL PERSONNEL	212,711.00

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
423				
424	15,071.00	15,929.00	14,790.00	15,160.00
425	6,617.60	6,690.17	6,823.94	7,560.00
426	500.00	623.10	18.40	200.00
427	3,616.00	1,064.00	1,327.80	1,700.00
428	706.40	167.38	869.66	1,400.00
429	978.50	2,006.75	1,041.30	1,000.00
430	688.68	466.00	2,214.40	1,000.00
431	1,963.44	4,911.11	2,494.95	2,300.00
432	12,498.00	19,782.00	18,737.00	12,000.00
433	8,726.50	17,954.01	11,636.28	10,000.00
434	394.54	0.00	70.48	0.00
435	425.40	0.00	4,657.39	0.00
436	2,951.50	1,828.40	2,372.57	2,000.00
437	29,735.00	32,523.00	34,848.00	43,234.00
438	14,101.65	12,805.08	13,112.08	15,840.00
439	1,781.69	1,725.08	1,458.50	1,731.00
440	539.94	1,607.52	1,644.24	2,539.00
441	151.95	235.80	390.56	416.00
442	1,257.50	1,793.47	1,856.49	3,001.00
443	1,131.88	787.27	1,067.45	993.00
444	2,415.28	2,050.31	6,978.58	2,770.00
445	3,252.76	3,149.03	3,329.68	3,388.00
446	2,588.01	3,511.50	3,415.19	5,400.00
447	589.57	685.07	752.36	1,036.00
448	1,924.51	4,172.47	842.50	6,120.00
449	57,304.00	68,234.00	68,374.00	70,394.00
450	182,180.00	189,072.00	191,722.00	282,056.00
451				
452	0.00	3,000.00	2,681.50	20,000.00
453	0.00	0.00	0.00	0.00
454	0.00	0.00	4,000.00	0.00
455	0.00	0.00	0.00	0.00
456	0.00	4,999.96	39,253.75	35,000.00
457	0.00			0.00
458	0.00	8,000.00	45,935.00	55,000.00
459	182,180.00	197,072.00	237,657.00	337,056.00

PROJECTED
FY 13-14
COMMITTEE

**WATER FUND
EXPENSES**

PROPOSED
BY BUDGET OFFICER
TO BUDGET COMMITTEE

423				
424	13,460.00		MATERIALS & SERVICES	
425	7,560.00		Supplies & Services	14,330.00
426	200.00	441.213	Water Franchise Fees	7,630.00
427	1,000.00	441.214	Water Printing, Ads' & Notices	200.00
428	900.00	441.216	Water Testing & Sampling	1,700.00
429	1,000.00	441.217	Water Travel & Training	1,000.00
430	500.00	441.219	Water Dues, Licenses & Subscriptions	1,000.00
431	2,300.00	441.220	Water Contracted Services	500.00
432	20,000.00	441.233	Water Treatment Chemicals	2,300.00
433	12,000.00		Maintenance & Repair	12,000.00
434	200.00	441.250	Water System Maintenance	10,000.00
435	1,300.00	441.251	Water Bldg. & Grounds Expense	0.00
436	6,500.00	441.255	Water Minor Equipment	0.00
437	35,853.00	441.260	Water Equipment Repair	2,000.00
438	13,464.00		Shared Expenses	44,189.00
439	1,817.55	441.211	Utilities	14,256.00
440	2,792.90	441.212	Telephone	1,828.00
441	436.80	441.215	IT Services	5,858.00
442	3,001.00	441.218	Bank Charges	469.00
443	844.05	441.221	Legal Services	3,749.00
444	2,770.00	441.271	Office Supplies	1,172.00
445	3,384.31	441.272	Audit	2,812.00
446	4,320.00	441.273	Insurance	3,608.00
447	880.60	441.274	Fuel & Oil	4,400.00
448	2,142.00	441.275	Postage & Shipping	937.00
449	69,313.00	441.276	Shop Supplies, Tools, etc.	5,100.00
450	271,499.00	C	TOTAL MATERIALS & SERVICES	70,519.00
451			TOTAL OPERATION & MAINTENANCE	283,230.00
452	1,200.00		CAPITAL OUTLAY	
453	0.00	441.310	Engineering	0.00
454	0.00	441.320	Equipment	0.00
455	0.00	441.330	Land & Buildings	0.00
456	15,400.00	441.331	Treatment Plant Project	0.00
457	0.00	441.340	System Replacement	20,000.00
458	16,600.00	441.342	Main Extension	1,800,000.00
		C	TOTAL CAPITAL OUTLAY	1,820,000.00
459	288,099.00		TOTAL WATER OPERATING DEPT.:	2,103,230.00

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
460				
461				
462				
463				
464				
465				
466	6,383.00	1,756.00	1,804.00	2,339.00
467	3,796.23	4,466.00	3,797.00	2,664.00
468	10,179.00	6,222.00	5,601.00	5,003.00
469				
470	31,368.00	34,480.00	8,302.00	50,559.00
471	112,773.00	133,202.00	131,166.00	39,349.00
472			131,166.00	39,349.00
473	305,131.00	336,493.00	374,423.00	431,967.00

PROJECTED
FY 13-14
COMMITTEE

**WATER FUND
EXPENSES**

PROPOSED
BY BUDGET OFFICER
TO BUDGET COMMITTEE

460		WATER DEBT DEPT.	
461		IFA - Loan Payment	109,000.00
462		441.291 Principal	30,200.00
463		441.292 Interest	78,800.00
464		C TOTAL WATER DEBT DEPT.:	109,000.00
465		INTERFUND TRANSFERS	
466	2,339.00	441.422 To PWE Res. Fund	2,339.00
467	2,664.00	441.491 To Payroll Liabilities Fund	6,251.00
468	5,003.00	C TOTAL INTERFUND TRANSFERS:	8,590.00
469			
470	45,559.00	C WATER FUND CONTINGENCY	42,485.00
471	107,479.00	B C Components of Ending Fund Balance	28,524.00
472	107,479.00	Committed	28,524.00
473	400,581.00	TOTAL WATER FUND:	2,291,829.00

NOTES FOR COUNCIL BUDGET HEARING:

- A Equals 15% of operating costs -- \$25,000 was appropriated in the current year
- B Assuming that contingency is not spent the unappropriated ending fund balance will be \$71,009

SYSTEM DEVELOPMENT FUND

The System Development Fund is a capital asset reserve fund for the construction of projects identified in various infrastructure and public improvement plans adopted by the city. In most cases, the funds are only available for the construction of projects that have been identified on the city's capital improvement lists found in the city's various infrastructure master plans. The projects identified in these plans were used to develop the SDC charge methodology. This past year the city revised its methodology in consultation with Curt McLeod of Curran-McLeod, Inc., who developed the original methodologies for the city in 2005.

The City received about \$55,000 in SDC revenue in the current year as result of the new car/boat wash built on American Ave. The city isn't expecting any development next year, so no revenues are expected.

SDC Fund	Actual Change in Balance						Projected FY 13/14	Budgeted FY 14/15
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13		
Beginning Fund Balance	442,877	359,209	391,973	430,825	410,085	399,773	404,641	457,463
Income	130,582	82,964	48,108	17,901	2,270	4,868	56,927	2,470
Expenditures/Transfers	214,250	50,199	9,256	38,642	12,580	0	4,104	459,933
Ending Fund Balance	359,209	391,974	430,825	410,084	399,775	404,641	457,464	0

This year I've created an Interfund Transfer category for this fund for the purpose of loaning the General Fund monies for property acquisition. I've verified with the city's auditor that the city can loan itself money out of the SDC fund; however, additional research is going to be needed to ensure that this can be a long term loan. I've budgeted as if this were to be a long term loan from the SDC Fund to the General Fund - meaning over a year. If the city can't loan itself SDC for over a year, this will give us the ability to move quickly on property purchases and then secure conventional loans to address the long term debt requirement. I've budgeted expenditures out of the remaining funds to accommodate potential infrastructure improvements needs next year; however, this would be highly unlikely.

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
474	<i>430,825.00</i>	<i>410,085.00</i>	<i>399,773.00</i>	<i>404,371.00</i>
475	<i>180,749.00</i>	<i>187,883.00</i>	<i>183,332.00</i>	<i>186,830.00</i>
476	<i>124,761.00</i>	<i>88,943.00</i>	<i>82,484.00</i>	<i>82,934.00</i>
477	<i>67,756.00</i>	<i>71,569.00</i>	<i>71,944.00</i>	<i>72,290.00</i>
478	<i>40,702.00</i>	<i>43,644.00</i>	<i>43,873.00</i>	<i>44,082.00</i>
479	<i>16,857.00</i>	<i>18,046.00</i>	<i>18,141.00</i>	<i>18,235.00</i>
480	<i>17,901.00</i>	<i>2,270.00</i>	<i>4,868.00</i>	<i>2,120.00</i>
481	<i>2,486.00</i>	<i>0.00</i>	<i>2,576.00</i>	<i>0.00</i>
482	<i>3,693.76</i>	<i>150.00</i>	<i>20.90</i>	<i>0.00</i>
483	<i>2,198.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
484	<i>1,099.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
485	<i>3,455.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
486	<i>2,725.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
487	<i>2,244.52</i>	<i>2,119.75</i>	<i>2,270.90</i>	<i>2,120.00</i>
488	<i>954.59</i>	<i>969.32</i>	<i>1,045.20</i>	<i>950.00</i>
489	<i>625.67</i>	<i>451.95</i>	<i>467.12</i>	<i>480.00</i>
490	<i>357.99</i>	<i>375.14</i>	<i>407.40</i>	<i>370.00</i>
491	<i>216.63</i>	<i>228.76</i>	<i>248.45</i>	<i>220.00</i>
492	<i>89.64</i>	<i>94.58</i>	<i>102.73</i>	<i>100.00</i>
493				
494				
495				
496				
497				
498				
499				
500				
501				
502				
503	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
504	<i>448,726.00</i>	<i>412,355.00</i>	<i>404,641.00</i>	<i>406,491.00</i>

PROJECTED
FY 13-14
COMMITTEE

**SYSTEM DEV. FUND
REVENUE**

PROPOSED
BY BUDGET OFFICER
TO BUDGET COMMITTEE

474	404,641.00	BEGINNING FUND BALANCE	457,463.00
475	186,974.00	for Water	195,133.00
476	82,951.00	for Wastewater	93,678.00
477	72,351.00	for Streets	89,337.00
478	44,121.00	for Storm Sewer	61,782.00
479	18,244.00	for Parks	17,533.00
480	56,927.00	TOTAL RECEIPTS	2,470.00
481	7,920.00	530.001 Water SDC	0.00
482	15.00	530.005 Water Improvement Fee	0.00
483	11,020.00	530.021 Sewer SDC	0.00
484	0.00	530.041 Parks SDC	0.00
485	17,400.00	530.061 Streets SDC	0.00
486	18,240.00	530.081 Storm Drainage SDC	0.00
487	2,332.00	530.998 INTEREST	2,470.00
488	1,045.00	for Water	1,100.00
489	528.00	for Wastewater	560.00
490	407.00	for Streets	430.00
491	242.00	for Storm Sewer	260.00
492	110.00	for Parks	120.00
493		530.110 Loan Repayment Principal - Water	0.00
494		530.111 Loan Repayment Interest - Water	0.00
495		530.112 Loan Repayment Principal - Wastewater	0.00
496		530.113 Loan Repayment Interest - Wastewater	0.00
497		530.114 Loan Repayment Principal - Street	0.00
498		530.115 Loan Repayment Interest - Street	0.00
499		530.116 Loan Repayment Principal - Stormwater	0.00
500		530.117 Loan Repayment Interest - Stormwater	0.00
501		530.118 Loan Repayment Principal - Parks	0.00
502		530.119 Loan Repayment Interest - Parks	0.00
503	0.00	530.999 MISCELLANEOUS	0.00
504	461,568.00	TOTAL FUND REVENUE:	459,933.00

NOTES FOR COUNCIL BUDGET HEARING:

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
505				
506				
507	0.00	5,670.00	0.00	0.00
508	0.00	0.00	0.00	0.00
509	0.00	0.00	0.00	0.00
510	0.00	0.00	0.00	187,780.00
511	0.00	0.00	0.00	0.00
512	0.00	5,670.00	0.00	187,780.00
513				
514				
515	0.00	5,759.55	0.00	0.00
516	0.00	0.00	0.00	0.00
517	0.00	0.00	0.00	0.00
518	38,641.80	1,150.91	0.00	83,414.00
519	0.00	0.00	0.00	0.00
520	38,641.80	6,910.46	0.00	83,414.00
521				
522				
523	0.00	0.00	0.00	0.00
524	0.00	0.00	0.00	0.00
525	0.00	0.00	0.00	0.00
526	0.00	0.00	0.00	72,660.00
527	0.00	0.00	0.00	72,660.00
528				
529				
530	0.00	0.00	0.00	0.00
531	0.00	0.00	0.00	0.00
532	0.00	0.00	0.00	0.00
533	0.00	0.00	0.00	44,302.00
534	0.00	0.00	0.00	0.00
535	0.00	0.00	0.00	44,302.00
536				
537				
538	0.00	0.00	0.00	0.00
539	0.00	0.00	0.00	0.00
540	0.00	0.00	0.00	0.00
541	0.00	0.00	0.00	18,335.00
542	0.00	0.00	0.00	18,335.00
543	38,641.80	12,580.46	0.00	406,491.00

PROJECTED
FY 13-14
COMMITTEE

**SYSTEM DEV. FUND
EXPENSES**

PROPOSED
BY BUDGET OFFICER
TO BUDGET COMMITTEE

505		WATER DEPT.	
506		CAPITAL OUTLAY	
507	820.80	544.310 Engineering	0.00
508	0.00	544.320 Equipment	0.00
509	0.00	544.330 Land & Buildings	0.00
510	0.00	544.340 System Improvements	35,000.00
511	0.00	544.342 Main Extension	0.00
512	820.80	C TOTAL WATER DEPT.:	35,000.00
513		WASTEWATER DEPT.	
514		CAPITAL OUTLAY	
515	820.80	543.310 Engineering	0.00
516	0.00	543.320 Equipment	0.00
517	0.00	543.330 Land & Buildings	0.00
518	0.00	543.340 System Improvements	20,000.00
519	0.00	543.342 Main Extension	0.00
520	820.80	C TOTAL WASTEWATER DEPT.:	20,000.00
521		STREET DEPT.	
522		CAPITAL OUTLAY	
523	820.80	542.310 Engineering	0.00
524	0.00	542.320 Equipment	0.00
525	0.00	542.330 Land & Buildings	0.00
526	0.00	542.340 System Improvements	20,000.00
527	820.80	C TOTAL STREET DEPT.:	20,000.00
528		STORMWATER DEPT.	
529		CAPITAL OUTLAY	
530	820.80	545.310 Engineering	0.00
531	0.00	545.320 Equipment	0.00
532	0.00	545.330 Land & Buildings	0.00
533	0.00	545.340 System Improvements	10,000.00
534	0.00	545.342 Main Extension	0.00
535	820.80	C TOTAL STORMWATER DEPT.:	10,000.00
536		PARKS DEPT.	
537		CAPITAL OUTLAY	
538	820.80	541.310 Engineering	0.00
539	0.00	541.320 Equipment	0.00
540	0.00	541.330 Land & Buildings	0.00
541	0.00	541.340 System Improvements	5,000.00
542	820.80	C TOTAL PARKS DEPT.:	5,000.00
543	4,104.00	TOTAL SDC FUND EXPENSES:	90,000.00

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
544				
545				
546				
547				
548				
549				
550	0.00	0.00	0.00	0.00
551	0.00	0.00	0.00	0.00
552	187,883.00	183,332.00	186,974.00	0.00
553	88,943.00	82,484.00	82,951.00	0.00
554	71,569.00	71,944.00	72,351.00	0.00
555	43,644.00	43,873.00	44,121.00	0.00
556	18,046.00	18,141.00	18,244.00	0.00
557	410,085.00	399,774.00	404,641.00	0.00
558			404,641.00	0.00
559	448,726.00	412,355.00	404,641.00	406,491.00

PROJECTED
FY 13-14
COMMITTEE

**SYSTEM DEV. FUND
EXPENSES**

PROPOSED
BY BUDGET OFFICER
TO BUDGET COMMITTEE

		INTERFUND TRANSFERS		
544				
545		541.401	Parks SDC - Loan to General Fund	12,653.00
546		542.401	Street SDC - Loan to General Fund	69,767.00
547		543.401	Wastewater SDC - Loan to General Fund	74,238.00
548		544.401	Water SDC - Loan to General Fund	161,233.00
549		545.401	Storm Water SDC - Loan to General Fund	52,042.00
550	0.00	C	TOTAL INTERFUND TRANSFERS	369,933.00
551	0.00	C	SDC FUND CONTINGENCY	0.00
552	195,133.00	544.399	UEFB Water	0.00
553	93,678.00	543.399	UEFB Wastewater	0.00
554	89,337.00	542.399	UEFB Street	0.00
555	61,782.00	545.399	UEFB Storm	0.00
556	17,533.00	541.399	UEFB Parks	0.00
557	457,463.00	C	Components of Ending Fund Balance	0.00
558	457,463.00		Restricted	0.00
559	461,568.00		TOTAL SYSTEMS DEVEL. FUND:	459,933.00

NOTES FOR COUNCIL BUDGET HEARING:

A As established in past budgets, all available funds are being appropriated for use. Any use of these funds will require Council action.

HOUSING REHABILITATION FUND

There is no budget for this fund in FY 14/15. The reason for this is that the city received a notice from the state's Infrastructure Finance Authority (IFA) in March of last year that essentially notified the city that it had to turn over our housing rehab loan funds to Community Action Team (CAT) out of Astoria. The Federal Government changed some rules relating to the funds they provided the state years ago for certain Community Development Block Grants (CDBGs). One of these grants was the initial funding source of our Housing Rehab Loan Fund. The IFA decided that, based on the rule changes, individual cities could no longer manage these specific CDBG funds for subsidized rehabilitation loans. Last year we remitted the entire balance of the fund to CAT, and we are not expecting any revenues associated with this fund next year.

I've left the budget for the fund in the budget document because the budget committee needs to see what was budgeted, received and expended in the last two fiscal years.

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
560	58,461.00	98,475.00	98,991.00	166.00
561	40,014.00	516.00	561.00	141,690.00
562	37,605.00	0.00	0.00	133,990.00
563	409.03	516.19	560.59	700.00
564	2,000.00	0.00	0.00	7,000.00
565	98,475.00	98,991.00	99,552.00	141,856.00

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
566				
567	0.00	0.00	9,931.50	14,185.60
568	0.00	0.00	9,932.00	14,186.00
569				
570				
571	0.00	0.00	89,620.00	127,670.00
572	0.00	0.00	89,620.00	127,670.00
573				
574	0.00	0.00	99,552.00	141,856.00
575				
576	98,475.00	98,991.00	0.00	0.00
577				
578	98,475.00	98,991.00	99,552.00	141,856.00

PROJECTED FY 13-14 COMMITTEE	HOUSING REHAB FUND REVENUE	PROPOSED BY BUDGET OFFICER TO BUDGET COMMITTEE
560	0.00	BEGINNING FUND BALANCE 0.00
561	0.00	TOTAL RECEIPTS 0.00
562	0.00	630.067 Loans Repaid
563	0.00	630.071 Interest
564	0.00	630.075 Reconveyance Fees
565	0.00	TOTAL FUND REVENUE: 0.00

PROJECTED FY 13-14 COMMITTEE	HOUSING REHAB FUND EXPENSES	PROPOSED BY BUDGET OFFICER TO BUDGET COMMITTEE
566		MATERIALS & SERVICES
567	0.00	641.229 Program Administration
568	0.00	C TOTAL MATERIALS & SERVICES 0.00
569		
570		LOANS MADE
571	0.00	641.350 Loans Made
572	0.00	C TOTAL LOANS MADE 0.00
573		
574	0.00	TOTAL PROGRAM EXPENSES: 0.00
575		
576	0.00	C Components of Ending Fund Balance 0.00
577		Restricted 0.00
578	0.00	TOTAL HOUSING REHAB. FUND: 0.00

TRANSIENT ROOM TAX

The TRT Fund was established by the city in 1990, and serves the purpose of receiving and expending lodging tax within the city. This fund was originally created by the city to fund equipment reserves, pay for police department equipment and services, fund streets, fund Fire Department operations and equipment replacement, and help offset certain community expenses such as Lumbermen’s Park. Over the years, the city has gradually used more and more of the fund for promoting tourism. Under Oregon law the city cannot reduce the percentage of tax revenues actually expended on tourism promotion or tourism related facilities. The city has established that 51% of TRT revenues must be spent on tourism promotion activities, while the other 49% can be spent elsewhere if qualified by the city’s ordinance.

This year I’m proposing to create a Tourism Promotion Department within the fund to define this function from the other. I’ve developed a Personnel Services and Materials and Services category, and appropriated a total of \$70,681 for funding tourism promotions services for next year. This past April the city hired Kylie Poklikuha to the position of Office Specialist –Tourism to provide the majority of staffing for this department.

TRT Fund	Actual Revenues Received						Projected FY 13/14	Budgeted FY 14/15
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13		
Tax Collected	87,455	58,104	55,425	81,509	98,770	113,368	126,000	126,000
All Other Revenues	24,339	35,113	620	11,880	13,866	12,111	22,952	33,300
Total	111,794	93,217	56,045	93,389	112,636	125,479	148,952	159,300

TRT revenues on track for projected numbers this year. This appears to be a steady trend for right now, and revenues can be expected to increase slightly next year.

TRT Department	Actual Amounts Spent						Projected FY 13/14	Budgeted FY 14/15
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13		
Tourism Promotion Services	15,930	16,216	13,810	19,738	41,012	49,183	66,200	46,200
Personnel Services - Tourism Promotion	0	0	0	0	0	0	0	24,481
Fire Department Transfers	40,300	51,100	30,024	40,750	12,000	27,000	36,000	37,800
Police Department Transfers	2,700	2,000	1,900	20,831	14,684	9,000	12,000	12,600
Street Department Transfers	0	0	0	7,596	8,500	9,000	12,000	12,600
Capital Outlay	1,795	35,982	0	0	0	0	0	25,000
All Other Expenditures	25,375	15,301	4,750	12,130	9,295	12,666	37,500	32,500
Total	86,100	120,599	50,484	101,045	85,491	106,849	163,700	191,181
FTE Equivalent Units								0.46
Promotional Services	19%	13%	27%	20%	48%	46%	40%	37%
Fire Department Transfers	47%	42%	59%	40%	14%	25%	22%	20%
Police Department Transfers	3%	2%	4%	21%	17%	8%	7%	7%
Street Department Transfers	0%	0%	0%	8%	10%	8%	7%	7%
Other Uses	32%	43%	9%	12%	11%	12%	23%	30%
% of TRT to Tourism Promotion	18%	28%	25%	24%	42%	43%	53%	56%

Expenditures associated with this fund are on track for the current year, and expenditures and transfers budgeted for next year are consistent council and tourism commission goals. Event Expenses is balanced against Event Revenue. Appropriations out of the existing Community Expense Department funded with a combination of actual tax revenue and revenues generated by city-sponsored events. All appropriations of tax revenues are subject to Garibaldi Municipal Code Section 3.05.150. Appropriations this year are consistent with this section of code. While some of the line items have been moved around, budgeted expenditures are still consistent with historical uses and amounts. The real change is how these line items are broken out into new categories. We can walk through the changes at the meeting if the committee wants spend some time on this.

TRT Fund	Actual Change in Balance						Projected	Budgeted
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15
Beginning Fund Balance	70,601	96,296	68,913	74,474	66,818	93,964	112,593	139,045
Income	111,794	93,217	56,045	93,389	112,636	125,479	148,952	159,300
Expenditures/Transfers	86,100	120,599	50,484	101,045	85,491	106,849	142,500	191,181
Ending Fund Balance	96,295	68,914	74,474	66,818	93,963	112,594	119,045	107,164

The TRT Fund will start out on July 1, 2014 with approximately \$139,045. Normal revenues for next year will total approximately \$159,300. Operational expenditures are budgeted for \$103,181, along with a 15% contingency of \$15,470. Capital expenditures in the TRT Fund are budgeted at \$25,000 for potential property acquisition/improvement. There is a total of \$63,000 in budgeted transfers out of the TRT Fund into the General, Street and PSE Funds for operational costs and asset replacement. If all revenues expected are received and all budgeted expenditures are made, excluding the contingency, the fund will end with a balance of \$107,164 on June 30, 2015.

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
579	74,474.00	66,818.00	93,964.00	114,741.00
580				80,021.00
581				14,000.00
582	93,389.00	112,636.00	125,479.00	145,800.00
583		1,000.00	1,010.00	0.00
584	81,509.02	98,769.90	113,368.15	58,800.00
585				61,200.00
586	11,236.00	0.00	0.00	0.00
587	644.07	591.00	827.81	800.00
588	0.00	0.00	0.00	0.00
589		12,180.27	10,272.57	25,000.00
590				
591	0.00	95.00	0.00	0.00
592	167,863.00	179,454.00	219,443.00	260,541.00

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
593				
594				
595				
596				
597				
598				
599				
600				
601				
602				
603				
604				
605				
606	19,738.07	25,000.00	23,517.87	25,000.00
607			12,765.44	16,200.00
608				
609	19,738.00	25,000.00	36,283.00	41,200.00
610	19,738.00	25,000.00	36,283.00	41,200.00

PROJECTED FY 13-14 COMMITTEE	TRANSIENT ROOM TAX FUND REVENUE	PROPOSED BY BUDGET OFFICER TO BUDGET COMMITTEE
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579	112,593.00		BEGINNING FUND BALANCE	139,045.00
580	89,958.00		Non-Committed	89,958.00
581	22,634.00		Committed to Tourism Promotion	22,634.00
582	148,952.00		TOTAL RECEIPTS	159,300.00
583	400.00		730.061 Donations - Tourism Promotion	0.00
584	61,740.00		730.064 Transient Room Tax - Non-Com. Use (49%)	61,740.00
585	64,260.00		730.065 Transient Room Tax - Com. Tourism (51%)	64,260.00
586	0.00		731.067 Loans Repaid	0.00
587	800.00		730.071 Interest	800.00
588	0.00		730.076 Penalties/Fees	0.00
589	20,000.00		730.080 Event Revenue	25,000.00
590			730.085 Promotional/Publication Revenues	7,500.00
591	1,752.00		730.099 Misc. Revenue (Grants, etc.)	0.00
592	261,545.00		TOTAL TRT FUND REVENUE:	298,345.00

PROJECTED FY 13-14 COMMITTEE	TRANSIENT ROOM TAX FUND EXPENSES	PROPOSED BY BUDGET OFFICER TO BUDGET COMMITTEE
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593			TOURISM PROMOTION DEPT.	
594			PERSONAL SERVICES	
595			Admin. Personnel	
596			741.102 Finance Officer/Assn. City Manager	17,609.00
597			741.111 City Manager	1,617.00
598			741.115 Office Specialist	2,014.00
599			741.131 Admin. Extra Labor	13,978.00
600			Admin. Dept. Personnel Costs	0.00
601			741.190 Tourism Personnel Costs	6,872.00
602			741.191 Tourism Worker's Comp.	6,791.86
603			C TOTAL PERSONNEL	80.00
604			MATERIALS & SERVICES	24,481.00
605			741.225 Contracted Services	5,000.00
606	25,000.00		741.226 Promotional Media Reimbursement Program	20,000.00
607	16,200.00		741.238 Community Promotion - Media	16,200.00
608			741.245 Promotional Services	5,000.00
609	41,200.00		C TOTAL MATERIALS & SERVICES	46,200.00
610	41,200.00		TOTAL TOURISM PROMOTION DEPT.:	70,681.00

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
611				
612				
613				5,000.00
614	1,750.00	4,000.00	6,583.66	4,000.00
615	2,880.00	3,000.00	0.00	3,000.00
616	7,500.00	6,295.25	1,240.00	12,500.00
617		4,710.40	4,842.58	15,000.00
618	12,130.00	18,006.00	12,666.00	39,500.00
619				
620	0.00	0.00	0.00	0.00
621	0.00	0.00	0.00	0.00
622	0.00	0.00	0.00	0.00
623	0.00	0.00	0.00	0.00
624				
625	0.00	0.00	0.00	0.00
626	0.00	0.00	0.00	0.00
627	12,130.00	18,006.00	12,666.00	39,500.00
628				
629	1,750.00	0.00	0.00	0.00
630	19,554.00	8,424.00	4,500.00	6,000.00
631		7,301.00	12,900.00	14,000.00
632	7,596.00	8,500.00	9,000.00	12,000.00
633	39,000.00	12,000.00	27,000.00	36,000.00
634	1,277.00	6,260.00	4,500.00	6,000.00
635	69,177.00	42,485.00	57,900.00	74,000.00
636	0.00	0.00	8,175.00	12,100.00
637	66,818.00	93,964.00	112,593.00	93,741.00
638			22,634.00	14,000.00
639			89,958.00	79,741.00
640	167,863.00	179,454.00	219,443.00	260,541.00

PROJECTED
FY 13-14
COMMITTEE

**TRANSIENT ROOM
TAX FUND EXPENSES**

PROPOSED
BY BUDGET OFFICER
TO BUDGET COMMITTEE

611		COMMUNITY EXPENSE DEPT.	
612		MATERIALS & SERVICES	
613	500.00	741.220 Contracted Services	0.00
614	4,000.00	741.232 Fireworks	4,000.00
615	3,000.00	741.235 Lumbermen's Pk. Expenses	3,000.00
616	15,000.00	741.236 Community Expenses	500.00
617	15,000.00	741.240 Event Expenses	25,000.00
618	37,500.00	C TOTAL MATERIALS & SERVICES	32,500.00
619		CAPITAL OUTLAY	
620	0.00	741.330 Land & Cap. Impr.	25,000.00
621	0.00	741.342 Street, Parking & Pub. Wks.	0.00
622	0.00	741.399 Grant Matching Funds	0.00
623	0.00	C TOTAL CAPITAL OUTLAY	25,000.00
624		RESERVES/SPECIAL PAYMENTS (Loans)	
625	0.00	741.350 Loans Made to GURA	0.00
626	0.00	C TOTAL RESERVES/PAYMENTS	0.00
627	37,500.00	TOTAL COMMUNITY EXPENSE DEPT.:	57,500.00
628		INTERFUND TRANSFERS	
629	0.00	741.403 General Fund for Fire Grants	0.00
630	6,000.00	741.404 General Fund for Police O&M	6,300.00
631	25,000.00	741.408 General Fund for Promotional Costs	0.00
632	12,000.00	741.410 Street Fund for Capital Improvements	12,600.00
633	36,000.00	741.412 PSE Reserve Fund (Fire)	37,800.00
634	6,000.00	741.415 PSE Res. Fund (Police)	6,300.00
635	85,000.00	C TOTAL INTERFUND TRANSFERS	63,000.00
636	1,100.00	C TRT FUND CONTINGENCY	15,470.00
637	139,045.00	C Components of Ending Fund Balance	91,694.00
638	20,694.00	Committed to Tourism Promotion	16,213.00
639	118,351.00	Unassigned/Unappropriated	75,481.00
640	261,545.00	TOTAL TRANSIENT ROOM TAX FUND:	298,345.00

NOTES FOR COUNCIL BUDGET HEARING:

A Assuming that contingency is not spent the unappropriated ending fund balance will be \$107,164

WASTEWATER DEBT SERVICE FUND

This fund services a General Obligation bond (GO bond) issued by the city in 1998 for improvements to the city's wastewater collection system. The reason that this debt is separate from the Wastewater Fund is because it's funded through property taxes. The set rate for the current year is \$0.5216 per \$1,000 of assessed value. The rate goes up and down depending on assessed value in the city. Because we need to collect an amount equal to the annual payment, the city has the county assessor will levy \$43,000 next year, which is the amount of the payment with a 9% uncollectable rate for county taxes. The reserve will slowly build from one year to the next as a result of collecting slightly more than we spend, and all that really means is that we will stop collecting the tax somewhere around 2023 and pay off the debt. I've included the debt service schedule below for reference

GO Sewer bond issued in 1998 - funded by USDA

Principal Amount \$ 670,000.00
 Total Interest \$ 634,047.75 at 5.125% Interest Annually

Fiscal Year	Reduced Principal	Principal Payment	Acc Interest	Interest	Total Payment
13/14	\$ 366,831.39	\$ 19,898.11	\$ 491,191.45	\$ 19,819.89	\$ 39,718.00
14/15	\$ 345,913.50	\$ 20,917.89	\$ 509,991.55	\$ 18,800.11	\$ 39,718.00
15/16	\$ 323,923.56	\$ 21,989.93	\$ 527,719.62	\$ 17,728.07	\$ 39,718.00
16/17	\$ 300,806.64	\$ 23,116.92	\$ 544,320.70	\$ 16,601.08	\$ 39,718.00
17/18	\$ 276,504.99	\$ 24,301.66	\$ 559,737.04	\$ 15,416.34	\$ 39,718.00
18/19	\$ 250,957.87	\$ 25,547.12	\$ 573,907.92	\$ 14,170.88	\$ 39,718.00
19/20	\$ 224,101.46	\$ 26,856.41	\$ 586,769.51	\$ 12,861.59	\$ 39,718.00
20/21	\$ 195,868.66	\$ 28,232.80	\$ 598,254.71	\$ 11,485.20	\$ 39,718.00
21/22	\$ 166,188.92	\$ 29,679.73	\$ 608,292.98	\$ 10,038.27	\$ 39,718.00
22/23	\$ 134,988.11	\$ 31,200.82	\$ 616,810.17	\$ 8,517.18	\$ 39,718.00
23/24	\$ 102,188.25	\$ 32,799.86	\$ 623,728.31	\$ 6,918.14	\$ 39,718.00
24/25	\$ 67,707.40	\$ 34,480.85	\$ 628,965.45	\$ 5,237.15	\$ 39,718.00
25/26	\$ 31,459.40	\$ 36,248.00	\$ 632,435.46	\$ 3,470.00	\$ 39,718.00
26/27	\$ -	\$ 31,459.40	\$ 634,047.75	\$ 1,612.29	\$ 33,071.69
Principal Paid to Date	\$ 303,168.55		Principal Debt on July 1, 2014	\$ 366,831.39	
Interest Paid to Date	\$ 491,191.45		Interest Debt on July 1, 2014	\$ 142,856.31	
Total Amount Paid	\$ 794,360.00		Total Debt on July 1, 2014	\$ 509,687.69	

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
641	66,604.00	78,965.00	86,236.00	66,576.00
642	52,079.00	46,989.00	44,135.00	45,630.00
643	2,803.97	3,456.27	3,924.02	1,950.00
644	48,970.60	43,314.52	39,747.27	43,300.00
645	304.82	218.68	464.04	380.00
646	0.00	0.00	0.00	0.00
647	118,683.00	125,954.00	130,371.00	112,206.00

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
648				
649	<u>39,718.00</u>	<u>39,718.00</u>	<u>39,718.00</u>	<u>39,718.00</u>
650	19,544.00	18,005.28	20,789.95	19,898.11
651	20,174.00	21,712.72	18,928.05	19,819.89
652	39,718.00	39,718.00	39,718.00	39,718.00
653	0.00	0.00	0.00	0.00
654	78,965.00	86,236.00	90,653.00	72,488.00
655			90,653.00	72,488.00
656	118,683.00	125,954.00	130,371.00	112,206.00

PROJECTED FY 13-14 COMMITTEE		WASTEWATER DEBT FUND REVENUE	PROPOSED BY BUDGET OFFICER TO BUDGET COMMITTEE
641	66,604.00	BEGINNING FUND BALANCE	73,186.00
642	46,300.00	TOTAL RECEIPTS	45,545.00
643	2,600.00	830.011 Prior Years' Taxes	2,165.00
644	43,300.00	830.012 Current Year's Taxes	43,000.00
645	400.00	830.071 Interest	380.00
646	0.00	830.099 Miscellaneous	0.00
647	112,904.00	TOTAL W/W DEBT FUND REVENUE:	118,731.00

PROJECTED FY 13-14 COMMITTEE		WASTEWATER DEBT FUND EXPENSES	PROPOSED BY BUDGET OFFICER TO BUDGET COMMITTEE
648		DEBT SERVICE	
649	39,718.00	SEWER BOND (\$609,222, 5.125%, 40y)	39,718.00
650	19,898.11	841.297 Bond Payment--Principal	20,917.89
651	19,819.89	841.298 Bond Payment--Interest	18,800.11
652	39,718.00	C TOTAL W/W DEBT FUND EXPENSES:	39,718.00
653	0.00	C W/W DEBT FUND CONTINGENCY	0.00
654	73,186.00	C Components of Ending Fund Balance	79,013.00
655	73,186.00	Restricted	79,013.00
656	112,904.00	TOTAL WASTEWATER DEBT FUND:	118,731.00

PAYROLL LIABILITIES

The Payroll Liability Fund was established to address the city's existing payroll liability associated with vacation time, sick leave and compensatory time (unpaid overtime). An amount of 3% of the city's total personnel cost is traditionally transferred into this fund each year. As a result of regular transfers and nominal usage, 100% of the city's current liability will be funded next year. The table below shows the proposed transfers into the Payroll Liabilities fund for next year

	General	Street	Wastewater	Water
Total Liability	24,923.44	7,982.95	24,561.15	26,237.05
Transfer Amount	4,340.68	2,081.80	6,117.77	6,250.83
Fund Balance	24,108.31	7,721.86	23,757.87	25,378.96
<i>Funded as of June 30, 2014</i>	<i>97%</i>	<i>97%</i>	<i>97%</i>	<i>97%</i>

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
657	48,827.00	63,387.00	72,665.00	47,573.00
658	13,370.00	14,686.00	13,972.00	8,387.00
659	3,246.00	3,062.00	3,214.00	2,410.00
660	1,473.00	2,211.00	2,032.00	657.00
661	4,855.00	4,947.00	4,929.00	2,656.00
662	3,796.00	4,466.00	3,797.00	2,664.00
663	1,242.00	1,833.00	411.00	320.00
664	988.20	1,526.00	0.00	0.00
665	253.72	307.00	411.49	320.00
666	63,439.00	79,906.00	87,048.00	56,280.00

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
667				
668	52.00	7,239.85	30,173.00	56,280.00
669	52.00	7,239.85	30,173.00	56,280.00
670	63,387.00	72,665.00	56,875.00	0.00
671			56,875.00	0.00
672	63,439.00	79,906.00	87,048.00	56,280.00

PROJECTED FY 13-14 COMMITTEE	PAYROLL LIABILITIES FUND REVENUE	PROPOSED BY BUDGET OFFICER TO BUDGET COMMITTEE
657	<u>56,875.00</u>	BEGINNING FUND BALANCE <u>61,876.00</u>
658	8,387.00	TRANSFERS IN <u>18,791.00</u>
659	2,410.00	930.021 from General Fund <u>4,340.00</u>
660	657.00	930.022 from Street Fund <u>2,082.00</u>
661	2,656.00	930.023 from Waste Fund <u>6,118.00</u>
662	2,664.00	930.024 from Water Fund <u>6,251.00</u>
663	507.00	TOTAL RECEIPTS <u>300.00</u>
664	207.00	930.062 Misc. Revenue <u>0.00</u>
665	300.00	930.071 Interest <u>300.00</u>
666	<u>65,769.00</u>	TOTAL PAYROLL LIABILITIES FUND REVENUE: <u>80,967.00</u>

PROJECTED FY 13-14 COMMITTEE	PAYROLL LIABILITIES FUND EXPENSES	PROPOSED BY BUDGET OFFICER TO BUDGET COMMITTEE
667		PERSONAL SERVICES
668	<u>3,892.92</u>	941.194 Avail. to pay Pers. Comp. <u>80,967.00</u>
669	3,892.92	TOTAL PERSONNEL EXPENSES: <u>80,967.00</u>
670	<u>61,876.00</u>	Components of Ending Fund Balance <u>0.00</u>
671	61,876.00	Committed <u>0.00</u>
672	<u>65,769.00</u>	TOTAL PAYROLL LIABILITIES FUND: <u>80,967.00</u>

PUBLIC SAFETY EQUIPMENT RESERVE FUND

The Public Safety Equipment Reserve Fund was created by the city as a savings account for the replacement of fire and police vehicles. While police department vehicles have been successfully funded in the past, fire department vehicles and equipment have been difficult to fund due to their cost.

Transfers into this fund are currently adequate to replace police department's patrol car, and staff has already ordered a new vehicle this year. At this time staff expects the total replacement cost to be around \$35,000, and we should be able to receive around \$2,000 in surplus for the old vehicle.

PSE Fund	Actual Change in Balance						Projected FY 13/14	Budgeted FY 14/15
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13		
Beginning Fund Balance	146,367	190,078	255,377	34,750	75,206	93,860	93,860	99,440
Income	43,711	67,057	134,575	40,456	18,654	32,032	42,580	44,700
Expenditures	0	1,758	355,202	0	0	0	37,000	144,140
Ending Fund Balance	190,078	255,377	34,750	75,206	93,860	125,892	99,440	0

The committee is generally aware that transfers are not adequate to replace fire apparatus. Recent upgrades in fire department equipment have resolved the urgency of the issue; however, there is no long term solution. Actual amounts necessary to be reserved on an annual basis are simply unsustainable for the General Fund or the TRT Fund. As equipment nears the age that replacement is necessary, staff will continue to pursue grant opportunities. We will need to replace the department's rescue vehicle next year if possible – current estimates put this purchase at \$75,000.

PUBLIC SAFETY EQUIPMENT RESERVE FUND AMORITIZATION CHART

Equipment	Purchased On	Replace By	Useful Life	Years Left	Purchase Cost	Projected Replacement	Amortized Value	Savings From Extended Service	Required Fund Balance
2003 Kenworth 3k Tender - 31-21	6/1/2003	6/1/2033	30	20	\$ 129,900.00	\$ 246,900.00	\$ 8,230.00	\$ -	\$ 82,300.00
1997 Spartan Pumper - 31-12	6/1/1998	6/1/2028	30	15	\$ 225,607.00	\$ 428,700.00	\$ 14,290.00	\$ -	\$ 214,350.00
1996 Ford 350 Rescue - 31-49	11/1/1995	11/1/2010	15	0	\$ 26,206.00	\$ 38,000.00	\$ 2,533.33	\$ 10,133.33	\$ 38,000.00
2005 Hum-V - 31-91	2/1/2011	2/1/2026	15	12	\$ 5,000.00	\$ 7,300.00	\$ 486.67	\$ -	\$ 1,460.00
2008 Crimson Pumper - 31-14	1/1/2010	1/2/2040	30	26	\$ 353,882.00	\$ 672,400.00	\$ 22,413.33	\$ -	\$ 89,653.33
2006 Crown Victoria	2/28/2006	3/1/2011	5	0	\$ 27,174.00	\$ 31,300.00	\$ 6,260.00	\$ 18,780.00	\$ 31,300.00
Totals					\$ 767,769.00	\$ 1,424,600.00	\$ 54,213.33	\$ 28,913.33	\$ 457,063.33

	Total	Fire	Police
Maximum Transfer (Amortized Value + Difference in Fund Balance)	\$ 411,837.00	\$ 377,872.00	\$ 33,965.00
Amortized Transfer (Amortized Value)	\$ 54,213.00	\$ 47,953.00	\$ 6,260.00
Minimum Transfer (modified to accommodate available resources)	\$ 25,300.00	\$ 37,800.00	\$ 6,300.00

Fund Balance as of June 30, 2014 - Fire	\$ 95,845.00	Fund Balance as of June 30, 2014 - Police	\$ 3,595.00
Required Fund Balance as June 30, 2014 - Fire	\$ 425,763.00	Required Fund Balance as June 30, 2014 - Police	\$ 31,300.00
Difference	\$ 329,918.00	Difference	\$ 27,705.00

Budgeted appropriations total the available balance of the fire and police reserve funds to accommodate opportunities to replace equipment at a significant value to the city, either through a grant or a special purchase price, of in case of catastrophic equipment failure that makes replace more cost effective than repair. If the city replaces the fire department's rescue vehicle this year we will most likely be able to share the cost with the Garibaldi Rural Fire Protection District.

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
673	34,750.00	75,206.00	93,860.00	125,864.00
674	8,156.00	47,198.00	59,445.00	86,841.00
675	26,594.00	28,008.00	34,415.00	39,023.00
676	40,277.00	18,260.00	31,500.00	42,000.00
677	1,277.00	6,260.00	4,500.00	6,000.00
678	39,000.00	12,000.00	27,000.00	36,000.00
679	179.00	394.00	532.00	550.00
680	179.00	394.00	532.00	550.00
681	42.00	247.39	336.65	379.00
682	137.00	146.82	194.89	171.00
683	75,206.00	93,860.00	125,892.00	168,414.00

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
684				
685	0.00	0.00	0.00	87,016.00
686	0.00	0.00	0.00	38,988.00
687	0.00	0.00	0.00	126,004.00
688				
689	0.00	0.00	0.00	126,004.00
690				
691	47,198.00	59,445.00	86,782.00	0.00
692	28,008.00	34,415.00	39,110.00	0.00
693	75,206.00	93,860.00	125,892.00	0.00
694				
695			125,892.00	0.00
696	75,206.00	93,860.00	125,892.00	168,414.00

PROJECTED FY 13-14 COMMITTEE		PUBLIC SAFETY EQUIP. RES. FUND REVENUE	PROPOSED BY BUDGET OFFICER TO BUDGET COMMITTEE
673	93,860.00	BEGINNING FUND BALANCE	99,440.00
674	59,445.00	Dedicated to Fire	95,845.00
675	34,415.00	Dedicated to Police	3,595.00
676	42,000.00	TRANSFERS IN	44,100.00
677	6,000.00	1130.047 from TRT Fund (Police)	6,300.00
678	36,000.00	1130.042 from TRT Fund (Fire)	37,800.00
679	580.00	TOTAL RECEIPTS	600.00
680	580.00	1130.071 Interest	600.00
681	400.00	Fire Interest	578.00
682	180.00	Police Interest	22.00
683	136,440.00	TOTAL PSE RESERVE FUND REVENUE:	144,140.00

PROJECTED FY 13-14 COMMITTEE		PUBLIC SAFETY EQUIP. RES. FUND EXPENSE	PROPOSED BY BUDGET OFFICER TO BUDGET COMMITTEE
684		CAPITAL OUTLAY	
685	0.00	1141.322 Fire Equipment	134,223.00
686	37,000.00	1141.325 Police Equipment	9,917.00
687	37,000.00	C TOTAL CAPITAL OUTLAY	144,140.00
688			
689	37,000.00	TOTAL PSE RESERVE FUND EXPENSES:	144,140.00
690		FUND RESERVES	
691	95,845.00	Reserved for Future Fire Expend.	0.00
692	3,595.00	Reserved for Future Police Expend.	0.00
693	99,440.00	C TOTAL RESERVES	0.00
694		C Components of Ending Fund Balance	
695	99,440.00	Committed	0.00
696	136,440.00	TOTAL PSE RESERVE FUND:	144,140.00

PUBLIC WORKS EQUIPMENT RESERVE FUND

Transfers budgeted into the PWE from the Water, Wastewater and Street Funds are intended to provide for equipment and vehicle purchases for the public works department. As with the PSE, budgeted expenditures total the balance of the fund to accommodate potential opportunities in the year to replace certain equipment at a significant value, or in case replacement of equipment is less expensive than repairs.

I wanted to note that the staff in public works was able to purchase a 1978 International dump truck this past year for \$250. Because of the condition that it's in it would be realistic to think that we could get ten to fifteen years out of the vehicle. It happens to be a perfect size and configuration for the department, and I wanted to share my appreciation for their initiative with the budget committee.

I've had the public works department working to replace the city's current street sweeper (it's really an attachment for a CASE skid loader, but it's all we've got right now) and they've made some progress in locating a unit that may work for the city in terms of need and cost. The city may purchase a street sweeper this year if the opportunity presents itself.

PUBLIC WORKS EQUIPMENT RESERVE FUND AMORITIZATION CHART

<i>Equipment</i>	<i>Purchased On</i>	<i>Replace By</i>	<i>Useful Life</i>	<i>Years Left</i>	<i>Purchase Cost</i>	<i>Projected Replacement</i>	<i>Amortized Value</i>	<i>Savings From Extended Service</i>	<i>Required Fund Balance</i>
<i>BIG EQUIPMENT</i>									
Chevy Silverado 3500	Jun-06	Jun-21	15	7	\$ 30,766.00	\$ 42,000.00	\$ 2,800.00	\$ -	\$ 22,400.00
Sludge Tank	Feb-06	Mar-31	25	17	\$ 31,827.00	\$ 48,000.00	\$ 1,920.00	\$ -	\$ 15,360.00
Kubota M8540 Tractor	Jun-06	Jun-26	20	12	\$ 25,462.00	\$ 36,000.00	\$ 1,800.00	\$ -	\$ 14,400.00
Backhoe	Oct-04	Oct-19	15	5	\$ 68,959.00	\$ 90,000.00	\$ 6,000.00	\$ -	\$ 60,000.00
1994 Hook-lift International (used)	Jan-01	Jan-16	15	2	\$ 85,000.00	\$ 110,500.00	\$ 7,366.67	\$ -	\$ 95,766.67
Jet rodder (used)	Apr-92	Apr-07	15	0	\$ 30,900.00	\$ 40,170.00	\$ 2,678.00	\$ 18,746.00	\$ 40,170.00
Chevy Silverado	Jan-09	Jan-24	15	10	\$ 28,000.00	\$ 36,400.00	\$ 2,426.67	\$ -	\$ 12,133.33
<i>SMALL EQUIPMENT</i>									
Leroy 150 Air Compressor/Trailer	Jan-95	Jan-10	15	0	\$ 9,030.00	\$ 17,500.00	\$ 1,166.67	\$ 5,833.33	\$ 17,500.00
1974 Ford Flail mower (used)	Jul-94	Jul-09	15	0	\$ 9,698.00	\$ 18,798.00	\$ 1,253.20	\$ 6,266.00	\$ 18,798.00
Submersible pumps (2)	Oct-95	Oct-10	15	0	\$ 5,946.00	\$ 11,536.00	\$ 769.07	\$ 3,076.27	\$ 11,536.00
Chipper & trailer (used)	Apr-94	Apr-09	15	0	\$ 6,571.00	\$ 12,731.00	\$ 848.73	\$ 4,243.67	\$ 12,731.00
Joint knuckle-boom unit	Jan-03	Jan-18	15	4	\$ 15,940.00	\$ 30,900.00	\$ 2,060.00	\$ -	\$ 22,660.00
Pickup Sweeper Attachment	Jul-06	Jul-16	10	2	\$ 4,621.00	\$ 8,961.00	\$ 896.10	\$ -	\$ 7,168.80
Case Skid Steer/Loader* (used)	Jan-04	Jan-19	15	5	\$ 15,940.00	\$ 30,900.00	\$ 2,060.00	\$ -	\$ 20,600.00
Boring Equipment	Dec-06	Dec-21	15	8	\$ 15,450.00	\$ 15,450.00	\$ 1,030.00	\$ -	\$ 7,210.00
Kubota Meter Reader	Feb-08	Feb-18	10	4	\$ 10,815.00	\$ 10,815.00	\$ 1,081.50	\$ -	\$ 6,489.00

	Total	Street	Wastewater	Water
Total Liability (Amortized Value + Difference in Fund Balance)	\$ 224,191.00	\$ 78,187.00	\$ 87,995.00	\$ 58,009.00
Basic Transfer (Amortized Value)	\$ 36,157.00	\$ 12,610.00	\$ 14,192.00	\$ 9,356.00
Recommended Transfer (25% of Basic Transfer)	\$ 9,039.00	\$ 3,152.00	\$ 3,548.00	\$ 2,339.00

Percentage of equipment ownership by fund not shown

Total Purchase Cost	\$ 394,925.00
Total Projected Replacement Cost	\$ 560,661.00
Fund Balance as of June 30, 2013	\$ 196,889.00
Required Fund Balance As of June 30, 2013	\$ 384,923.00
Difference	\$ 188,034.00
Savings From Extended Service	\$ 38,165.00

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
697	145,760.00	171,180.00	178,864.00	189,787.00
698	24,668.00	6,787.00	6,973.00	9,039.00
699	8,603.00	2,367.00	2,432.00	3,152.00
700	9,682.00	2,664.00	2,737.00	3,548.00
701	6,383.00	1,756.00	1,804.00	2,339.00
702	752.00	897.00	1,013.00	1,000.00
703	0.00	0.00	0.00	0.00
704	751.78	897.26	1,013.00	1,000.00
705	0.00	0.00	0.00	0.00
706	171,180.00	178,864.00	186,850.00	199,826.00

	ACTUAL 3 Years Ago FY 10-11	ACTUAL 2 Years Ago FY 11-12	ACTUAL 1 Year Ago FY 12-13	BUDGETED THIS YEAR FY 13-14
707				
708	0.00	0.00	0.00	186,483.00
709	0.00	0.00	0.00	186,483.00
710				
711	171,180.00	178,864.00	186,850.00	13,343.00
712				
713			186,850.00	13,343.00
714	171,180.00	178,864.00	186,850.00	199,826.00

PROJECTED FY 13-14 COMMITTEE		PUBLIC WORKS EQUIP. RES. FUND REVENUE		PROPOSED BY BUDGET OFFICER TO BUDGET COMMITTEE	
697	186,850.00	BEGINNING FUND BALANCE			196,889.00
698	9,039.00	TRANSFERS IN			9,039.00
699	3,152.00	1230.082	from Street Fund		3,152.00
700	3,548.00	1230.083	from Waste Fund		3,548.00
701	2,339.00	1230.084	from Water Fund		2,339.00
702	1,000.00	TOTAL RECEIPTS			1,000.00
703	0.00	1230.062	Misc. Revenue		0.00
704	1,000.00	1230.071	Interest		1,000.00
705	0.00	1230.079	Surplus Sales		0.00
706	196,889.00	TOTAL PWE RESERVE FUND REVENUE:			206,928.00

PROJECTED FY 13-14 COMMITTEE		PUBLIC WORKS EQUIP. RES. FUND EXPENSE		PROPOSED BY BUDGET OFFICER TO BUDGET COMMITTEE	
707		CAPITAL OUTLAY			
708	0.00	A 1241.320	Equipment		206,928.00
709	0.00	C	TOTAL CAPITAL OUTLAY		206,928.00
710					
711	196,889.00	C	FUND RESERVES		0.00
712		C	Components of Ending Fund Balance		
713	196,889.00		Committed		0.00
714	196,889.00	TOTAL PWE RESERVE FUND:			206,928.00



Accuity, LLC
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS**

The Honorable Suzanne McCarthy, Mayor
and Members of the City Council
City of Garibaldi
Garibaldi, Oregon 97118

We have audited the basic financial statements of the City of Garibaldi as of and for the year ended June 30, 2013, and have issued our report thereon dated December 23, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether the City of Garibaldi's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures, which included, but were not limited to, the following:

Accounting records

Deposit of public funds with financial institutions (ORS Chapter 295)

Indebtedness limitations, restrictions, and repayment

Budgets legally required (ORS Chapter 294)

Insurance and fidelity bonds in force or required by law

Programs funded from outside sources

Highway revenues used for public highways, roads, and streets

Authorized investment of surplus funds (ORS Chapter 294)

Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)

In connection with our testing, nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except for the following:

1. The City expended funds in excess of the amounts appropriated, which is in violation of ORS 294.100. The following appropriations were over-expended for the fiscal year ended June 30, 2013:

<u>Fund</u>	<u>Function</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
Street	Personnel services	\$ 69,250	\$ 69,256	\$ 6
Wastewater	Interfund transfers	7,663	7,666	3
Housing Rehabilitation	Special payments	89,393	99,551	10,158

OAR 162-010-0230 Internal Control

In planning and performing our audit, we considered the City of Garibaldi’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Garibaldi’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Garibaldi’s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We consider the deficiencies described in the accompanying schedule of findings and management's response as items 13-01 through 13-06 to be significant deficiencies in internal control over financial reporting.

This report is intended solely for the information and use of the city council and management of the City of Garibaldi and the Oregon Secretary of State, and is not intended to be, and should not be used by anyone other than these parties.

A handwritten signature in blue ink that reads "Accuity, LLC". The signature is stylized and cursive.

Accuity, LLC

Albany, Oregon
December 23, 2013



Accuity, LLC
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Honorable Suzanne McCarthy, Mayor
and Members of the City Council
City of Garibaldi
Garibaldi, Oregon 97118

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Garibaldi as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 23, 2013.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City of Garibaldi, Oregon's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Garibaldi, Oregon's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Garibaldi, Oregon's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We did identify certain deficiencies in internal control over financial reporting, as described in the accompanying schedule of findings and responses as items 13-01 through 13-04 and 13-06, which we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Garibaldi's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, that is described in the accompanying schedule of findings and responses as item 13-05.

City of Garibaldi, Oregon's Response to Findings

The City of Garibaldi, Oregon's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City of Garibaldi, Oregon's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Accuity, LLC". The signature is written in a cursive, flowing style.

Accuity, LLC

Albany, Oregon
December 23, 2013

CITY OF GARIBALDI
Tillamook County, Oregon

SCHEDULE OF FINDINGS AND MANAGEMENT'S RESPONSE

For the Year Ended June 30, 2013

<u>Finding Number</u>	<u>Finding</u>
13-01	Due to the limited number of available personnel, it is not always possible for the City to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records or to all phases of a transaction.
13-02	The City lacks personnel with the ability to prepare financial statements in accordance with the accounting method selected by the City (modified cash).
13-03	The City failed to follow its internal control policies requiring the completion and review of a monthly financial summary checklist
13-04	The City failed to transmit its payroll tax deposit for the month of March 2013 and the error wasn't caught or corrected until October 2013.
13-05	The City expended funds in excess of the amounts appropriated
13-06	The City's current accounting program is inadequate to meet the needs of an entity with as much diversity as the City; as such, it creates inefficiencies in conducting day-to-day operations of the City, as well as requiring additional man hours during the annual budget process.
Management's response:	Management concurs with the findings described above.



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THE CITY OF GARIBALDI IS AN EQUAL OPPORTUNITY PROVIDER

GARIBALDI URBAN RENEWAL AGENCY BUDGET COMMITTEE MEETING MINUTES

Monday, May 6, 2013, 6:00 p.m.

Garibaldi Community Hall

ATTENDEES:

Michelle Aeder, Budget Committee Member
Richard Harrison, Budget Committee Member
Emmy Lou Orahood, Budget Committee Member
James Jensen, Budget Committee Member
Christy Stumpf, GURA Budget Committee Member
Chris Miller, GURA Budget Committee Member

Suzanne McCarthy, Mayor - GURA Vice Chair
Jerry Bartolomucci, Council Vice President
John Foulk, Council Member
Marlene Westerfield, Council Member
Everett Brown, GURA Chair (*Arrived at 6:03 p.m.*)
Valerie Folkema, GURA Member
Joe Wrabek, GURA Member
Roberta Bettis, GURA Member

John O'Leary, City Manager / Budget Officer
Mary DeLoria, Assistant City Manager / Finance Officer
Blake Lettenmaier, Public Works Director
Eugene Tish, Tourism Commissioner / Planning Commissioner

I. CALL TO ORDER

GURA Vice Chair Suzanne McCarthy called the meeting to order at 5:58 pm.

II. ELECTION OF CHAIR

Vice-Chair McCarthy opened the floor for nomination of a Chair of the GURA Budget Committee and noted that this person must not be a GURA Board Member. **MOTION made by Valerie Folkema to elect Joe Wrabek as Chair. Seconded by Roberta Bettis. AYES: Michelle Aeder, Richard Harrison, Emmy Lou Orahood, James Jensen, Christy Stumpf, Chris Miller, Suzanne McCarthy, Jerry Bartolomucci, John Foulk, Marlene Westerfield, Valerie Folkema, Joe**

Wrabek, and Roberta Bettis. NAYS: None. MOTION PASSED.

III. ELECTION OF SECRETARY

Chair Wrabek opened the floor for nomination of Secretary of the GURA Budget Committee. Chair Wrabek noted that Mary DeLoria would act as Recorder Pro-Tem for the purpose of taking minutes. **MOTION made by Suzanne McCarthy to elect Valerie Folkema as Secretary. Seconded by Michelle Aeder. AYES: Michelle Aeder, Richard Harrison, Emmy Lou Orahod, James Jensen, Christy Stumpf, Chris Miller, Suzanne McCarthy, Jerry Bartolomucci, John Foulk, Marlene Westerfield, Valerie Folkema, Joe Wrabek, and Roberta Bettis. NAYS: None. MOTION PASSED.**

IV. PUBLIC COMMENT ON THE PROPOSED BUDGET

Chair Wrabek asked if there was any public comment on the proposed budget. Hearing none, Chair Wrabek closed public comment at 6:00 p.m. and gave the floor to the Budget Officer.

V. RECEIPT OF BUDGET MESSAGE AND PROPOSED BUDGET

O'Leary discussed the budget message document, noting that the budget is much the same as last year's. O'Leary will recommend that the agency incur new debt next year in order to collect 100% of taxes it is eligible for. O'Leary explained that he would present the GURA board with options for capital improvement projects in the next year that would match funding opportunities available to the agency.

VI. BUDGET APPROVAL

MOTION made by Valerie Folkema to approve the Fiscal Year 2013-2014 Urban Renewal General / Debt Service Fund Budget as presented. Seconded by Roberta Bettis. AYES: Michelle Aeder, Richard Harrison, Emmy Lou Orahod, James Jensen, Christy Stumpf, Chris Miller, Suzanne McCarthy, Jerry Bartolomucci, John Foulk, Marlene Westerfield, Everett Brown, Valerie Folkema, Joe Wrabek, and Roberta Bettis. NAYS: None. MOTION PASSED.

VII. ADJOURNMENT

Chair adjourned at 6:07 p.m.

Everett Brown, Chair

ATTEST:

John O'Leary, City Manager/Budget Officer



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THE CITY OF GARIBALDI IS AN EQUAL OPPORTUNITY PROVIDER

CITY OF GARIBALDI BUDGET COMMITTEE MEETING MINUTES

Monday, May 7, 2012, 6:00 p.m.

Meeting Room, Garibaldi Fire Hall

ATTENDEES:

Emmy Lou Orahood, Budget Committee Member

Michelle Aeder, Budget Committee Member

Denise Harrington, Budget Committee Member (*arrived at 6:55 p.m.*)

Richard Harrison, Budget Committee Member

James Jensen, Budget Committee Member

Suzanne McCarthy, Mayor

Jerry Bartolomucci, Council Vice President

John Foulk, Council Member

Marlene Westerfield, Council Member

John O'Leary, City Manager / Budget Officer

Mary DeLoria, Assistant City Manager / Finance Officer

Blake Lettenmaier, Public Works Director

Valerie Folkema, Urban Renewal Agency

Joe Wrabek, Urban Renewal Agency

Eugene Tish, Tourism / Planning Commissioner

I. CALL TO ORDER

Mayor Suzanne McCarthy called the meeting to order at 6:08 p.m.

II. ELECTION OF CHAIR

Mayor McCarthy opened the floor for motion for Chair of the Garibaldi Budget Committee. **MOTION made by Emmy Lou Orahood to elect Michelle Aeder as Chair. Seconded by Joe Wrabek. AYES: Emmy Lou Orahood, Michelle Aeder, Richard Harrison, James Jensen, Suzanne McCarthy, Jerry Bartolomucci, John Foulk, Marlene Westerfield. NAYS: None. MOTION PASSED.**

III. ELECTION OF SECRETARY

Chair opened the floor for motion for Secretary of the Garibaldi Budget Committee. Mary DeLoria to act as Recorder Pro-Tem for the purpose of taking minutes. **MOTION made by Suzanne McCarthy to elect Emmy Lou Orahood as Secretary. Seconded by Joe Wrabek. AYES: Emmy Lou Orahood, Michelle Aeder, Richard Harrison, James Jensen, Suzanne McCarthy, Jerry Bartolomucci, John Foulk, Marlene Westerfield. NAYS: None. MOTION PASSED.**

IV. PUBLIC HEARING ON STATE REVENUE SHARING

Chair opened the hearing at 6:09 p.m. and asked if anyone present wished to comment on the proposed use of State Revenues. Hearing no comments made by the public, the Chair closed Hearing at 6:10 p.m.

V. PUBLIC COMMENT ON THE PROPOSED BUDGET

Chair opened the floor for public comment at 6:10 p.m. Hearing none, Chair Aeder gave the floor to the Budget Officer.

VI. REVIEW OF THE BUDGET MESSAGE AND PROPOSED BUDGET

General Fund – O’Leary discussed the capital improvement projects of the past year and their impact on reserves. O’Leary reported on the service agreement with Watseco-Barview Water District and discussed the resulting changes to staffing in the Public Works department. O’Leary noted staff’s intentions to have the City purchase a street sweeper and a new police cruiser next year out of reserve funds.

O’Leary reported that projected revenues include a \$10,000 grant that may be awarded to the Fire Department. Expenditures include approximately \$12,000 in capital outlay for the City Hall building. Administrative and Fire Department costs will be about the same as the current fiscal year, with the additional expense of paying PERS on Fire Department volunteers. Planning costs will be reduced slightly. Costs for the Police Department are project to increase three to five percent. Property costs will be about the same as the current fiscal year with Public Works Director time-costs added in this area. O’Leary explained that total personnel costs would increase next year.

MOTION made by Cn Jerry Bartolomucci to approve the General Fund Budget by category as presented. Seconded by Richard Harrison. AYES: Emmy Lou Orahod, Michelle Aeder, Richard Harrison, James Jensen, Suzanne McCarthy, Jerry Bartolomucci, John Foulk, Marlene Westerfield. NAYS: none. MOTION PASSED.

Street Fund – O’Leary reported that this fund is doing well, with the reserve increasing. Depletion during the current fiscal year was caused by cost overrun on the 12th Street project.

MOTION made by Emmy Lou Orahod to approve the Street Fund Budget by category as presented. Seconded by Richard Harrison. AYES: Emmy Lou Orahod, Michelle Aeder, Richard Harrison, James Jensen, Suzanne McCarthy, Jerry Bartolomucci, John Foulk, Marlene Westerfield. NAYS: None. MOTION PASSED.

Sewer Discount Fund – O’Leary reported that the fund is operating as designed. Staff confirmed that ten recipients are receiving monthly sewer discount during the current fiscal year.

MOTION made by Richard Harrison to approve the Sewer Discount Fund Budget by category as presented. Seconded by Emmy Lou Orahod. AYES: Emmy Lou Orahod, Michelle Aeder, Richard Harrison, James Jensen, Suzanne McCarthy, Jerry Bartolomucci, John Foulk, Marlene Westerfield. NAYS: None. MOTION PASSED.

Wastewater Fund – O’Leary noted the current debt and the associated debt payments within this fund. He reported on budgeted costs in capital outlay for inflow and infiltration control in the wastewater system. O’Leary noted that personnel increases in this fund will reduce reserve balances by approximately \$44,000 next year, and that he will most likely recommend an increase in wastewater rates to offset this affect.

MOTION made by Cn Jerry Bartolomucci to approve the Wastewater Fund Budget by category as presented. Seconded by Emmy Lou Orahod. AYES: Emmy Lou Orahod, Michelle Aeder, Richard Harrison, James Jensen, Suzanne McCarthy, Jerry Bartolomucci, John Foulk, Marlene Westerfield. NAYS: None. MOTION PASSED.

Water Fund – O’Leary commented on the proposed budget and amounts in Personnel and Capital Outlay. O’Leary explained that the proposed budget would result in a depletion of the reserve balance in the amount of \$48,000, and noted that he would most likely recommend an increase in water rates in the next year.

MOTION made by Richard Harrison to approve the Water Fund Budget by category as presented. Seconded by Emmy Lou Orahod. AYES: Emmy Lou Orahod, Michelle Aeder, Richard Harrison, James Jensen, Suzanne McCarthy, Jerry Bartolomucci, John Foulk, Marlene Westerfield. NAYS: None. MOTION PASSED.

Housing Rehab Fund – O’Leary discussed state’s requirement that the funds be moved to Community Action Team for management and noted that the funds will continue to be available to qualified applicants. O’Leary noted that a number of loans were retired through reverse mortgages, which makes those homeowners ineligible for subsequent assistance through the program.

MOTION made by Cn Jerry Bartolomucci to approve the Housing Rehab Fund Budget by category as presented. Seconded by Emmy Lou Orahod. AYES: Emmy Lou Orahod, Michelle Aeder, Richard Harrison, James Jensen, Suzanne McCarthy, Jerry Bartolomucci, John Foulk, Marlene Westerfield. NAYS: None. MOTION PASSED.

System Development Fund – O’Leary summarized his budget message, noting the available balance will be appropriated to allow for construction of projects associated with potential development.

MOTION made by Richard Harrison to approve the System Development Fund Budget by category as presented. Seconded by Emmy Lou Orahod. AYES: Emmy Lou Orahod, Michelle Aeder, Richard Harrison, James Jensen, Suzanne McCarthy, Jerry Bartolomucci, John Foulk, Marlene Westerfield. NAYS: None. MOTION PASSED.

Transient Room Tax Fund - O’Leary noted that the Tourism Commission had made recommendations on the development of this budget. O’Leary expected the fund balance to increase during FY 2013-2014. He noted that the past two Garibaldi Days festivals generally broke even and that last year’s Visitors Guide publication generated more money than it cost. O’Leary commended the efforts of the Tourism Commission and its volunteers.

O'Leary discussed splitting of revenues between 'Non-Committed' funds and funds 'Committed to Tourism Promotion' and the additional transfer line item for funds dedicated to promotional cost.

MOTION made by Emmy Lou Orahod to approve the Transient Room Tax Fund Budget by category as presented. Seconded by Richard Harrison. AYES: Emmy Lou Orahod, Michelle Aeder, Richard Harrison, James Jensen, Suzanne McCarthy, Jerry Bartolomucci, John Foulk, Marlene Westerfield. NAYS: None. MOTION PASSED.

Wastewater Debt Fund – O'Leary reported a beginning balance of \$45, 000.

MOTION made by Emmy Lou Orahod to approve the Wastewater Debt Fund Budget by category as presented. Seconded by Richard Harrison. AYES: Emmy Lou Orahod, Michelle Aeder, Richard Harrison, James Jensen, Suzanne McCarthy, Jerry Bartolomucci, John Foulk, Marlene Westerfield. NAYS: None. MOTION PASSED.

Payroll Liabilities Fund – O'Leary reported that as of June 30, 2014, the fund will be fully-funded. The Payroll Liabilities Fund is used to cash out vacation accrual when an employee leaves city employment. O'Leary credited previous City Administrator Joe Wrabek with development of the fund.

MOTION made by Cn Jerry Bartolomucci to approve the Payroll Liabilities Fund Budget by category as presented. Seconded by Richard Harrison. AYES: Emmy Lou Orahod, Michelle Aeder, Denise Harrington, Richard Harrison, James Jensen, Suzanne McCarthy, Jerry Bartolomucci, John Foulk, Marlene Westerfield. NAYS: None. MOTION PASSED.

Public Safety Equipment Reserve Fund – O'Leary reported that funds will be used this year to replace the police cruiser that is beyond the end of its expected useful life.

MOTION made by Emmy Lou Orahod to approve the Public Safety Equipment Reserve Fund Budget by category as presented. Seconded by Richard Harrison. AYES: Emmy Lou Orahod, Michelle Aeder, Denise Harrington, Richard Harrison, James Jensen, Suzanne McCarthy, Jerry Bartolomucci, John Foulk, Marlene Westerfield. NAYS: None. MOTION PASSED.

Public Works Equipment Reserve Fund – O'Leary recommended the purchase of a street sweeper and noted that within the next few years the Jet Rodder will need to be replaced.

MOTION made by Richard Harrison to approve the Public Works Equipment Reserve Fund Budget by category as presented. Seconded by Emmy Lou Orahod. AYES: Emmy Lou Orahod, Michelle Aeder, Denise Harrington, Richard Harrison, James Jensen, Suzanne McCarthy, Jerry Bartolomucci, John Foulk, Marlene Westerfield. NAYS: None. MOTION PASSED.

MOTION made by Cn Jerry Bartolomucci to approve the Fiscal Year 2013-2014 Budget by category as presented. Seconded by Richard Harrison. AYES: Emmy Lou Orahod, Michelle Aeder, Denise Harrington, Richard Harrison, James

Jensen, Suzanne McCarthy, Jerry Bartolomucci, John Foulk, Marlene Westerfield. NAYS: None. MOTION PASSED.

VII. TAX APPROVAL

MOTION made by Emmy Lou Orahoad to approve taxes for the 2013-14 fiscal year at the rate of \$2.8468 per \$1,000 assessed value for operating purposes in the General Fund, and in the amount of \$43,300 for payment of general obligation bond principal and interest in the Wastewater Debt Fund. Seconded by Richard Harrison. AYES: Emmy Lou Orahoad, Michelle Aeder, Denise Harrington, Richard Harrison, James Jensen, Suzanne McCarthy, Jerry Bartolomucci, John Foulk, Marlene Westerfield. NAYS: None. MOTION PASSED.

VIII. ADJOURNMENT

Chair adjourned at 7:05 p.m.

Hon. Suzanne McCarthy, Mayor

ATTEST:

John O'Leary, City Manager/ Budget Officer



CITY HALL -- 107 SIXTH ST. (P.O. BOX 708) -- GARIBALDI, OREGON 97118
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2014-2015 BUDGET CALENDAR

(to be adopted at 1/21/2014 Council Meeting)

- | | |
|---------------------|--|
| Tuesday, January 21 | <u>Regular City Council Meeting.</u> Adoption of Calendar |
| Monday, February 10 | Department head meeting to discuss budget process |
| Monday, February 24 | Department budget proposals due to Budget Officer |
| Friday, April 4 | <u>Deadline</u> for first "Notice of Budget Committee Meeting" in April 9 th edition of <i>Headlight Herald</i> |
| Friday, April 11 | <u>Deadline</u> for second notice in April 16 th edition of <i>Headlight Herald</i> |
| Monday, April 21 | Proposed budget published for Committee Members |
| Monday, May 5 | <u>Budget Committee Meeting #1.</u> The committee will elect a chair and secretary, hold first hearing on proposed uses of revenue sharing , officially receive budget message from Budget Officer, and take citizen input. 6:00 p.m. in City's Community Hall. |
| Tuesday, May 6 | <u>Budget Committee Meeting #2 (if necessary).</u> 6:00 p.m. Community Hall |
| Monday, May 19 | <u>Regular City Council and GURA Meeting.</u> Council will hold the second hearing on proposed uses of revenue sharing. |
| Friday, June 6 | <u>Deadline</u> for "Notice of Budget Hearing and Summary(LB-1)" in City of Garibaldi News Letter. |
| Monday, June 16 | <u>Regular City Council and Special GURA Meeting.</u> Budget Hearing by Council and GURA Board. Council and GURA will adopt by Resolution their respective budgets, making appropriations, levying and categorizing taxes, and also adopts resolution(s) transferring funds as budgeted for FY 2013-2014. (<i>Must be done before June 30th.</i>) |
| Monday, July 1 | Notice of levy and categorization certification (LB-50) submitted to Tillamook County Assessor and copy of budget to County Clerk (<i>Due July 15</i>). |

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GURA BUDGET COMMITTEE MEETING AGENDA NOTES

Monday, May 5, 2014, 6:00 p.m. (Tuesday, May 6, 6:00 p.m. *if necessary)
Community Hall - Garibaldi City Hall, 107 6th Street, Garibaldi

I. CALL TO ORDER

The Chair will call the meeting to order and then ask for a motion to elect a Chair. Only free-holders (not council or GURA board members) may be elected to these three positions. **THIS MEETING WILL BE RECORDED**

II. ELECTION OF CHAIR

Someone will need to make a **MOTION** TO ELECT _____ AS CHAIR OF THE GURA BUDGET COMMITTEE. A second and vote will fulfill the election. At this time, the Chair takes over the meeting. The Chair will then ask for a motion to elect a Secretary.

III. ELECTION OF SECRETARY

Someone will need to make a **MOTION** TO ELECT _____ AS SECRETARY OF THE GURA BUDGET COMMITTEE. A second and vote will fulfill the election. Mary DeLoria will take minutes as the Recorder Pro-Tem.

IV. PUBLIC COMMENT ON THE PROPOSED BUDGET

The Chair should ask if there is anyone from the public interested in making a statement on the proposed budget. Past practice has been to allow the public to comment during the proceedings, but there should be a formal invitation of the public to make comment. One other note (since the GURA and City budget meetings are together), make the sure public comment is intended for the GURA budget and not the City budget.

V. RECEIPT OF BUDGET MESSAGE AND PROPOSED BUDGET

This is where we begin the review of the budget message and message. I have planned on a half hour, but feel free to take as much time as you like.

VI. BUDGET COMMITTEE WORK SCHEDULE

If it looks like the Committee will need more time to consider the budget then, before you recess, the group will need to schedule additional meetings. This is the time to do it and we can meet Tuesday night (May 6th) if you'd like. You can spend as much time as you like, but a budget must be approved by May 15th to give the Budget Officer time to prepare the budget for publication and distribution. If you need more time than this evening, then the Chair can declare a recess and then state a time to reconvene.

Once the Committee is satisfied with the budget as either presented or amended, I would recommend that a Committee member make a **MOTION to approve the budget for GENERAL/DEBT SERVICE fund by category as PRESENTED/AMENDED**. You'll need to make a motion for each fund.

VII. ADJOURNMENT

Upon completion of the Committee's work, the Chair can adjourn the meeting. Please note time for the record. GURA at-large board and budget Committee members can leave, the rest of you get to stay.

CITY BUDGET COMMITTEE MEETING AGENDA NOTES

Monday, May 5, 2014, 6:00 p.m. - (or when the GURA meeting ends, Tuesday, May 6, 6:00 p.m. if necessary)
Community Hall - Garibaldi City Hall, 107 6th Street, Garibaldi

I. CALL TO ORDER

The Mayor will call the meeting to order and then ask for a motion to elect a Chair. Only free-holders (not council members) may be elected to these three positions.

II. ELECTION OF CHAIR

Someone will need to make a ***MOTION*** TO ELECT _____ AS CHAIR OF THE 2014-15 GARIBALDI BUDGET COMMITTEE. A second and vote will fulfill the election. At this time, the Chair takes over the meeting. The Chair will then ask for a motion to elect a Secretary.

III. ELECTION OF SECRETARY

Someone will need to make a ***MOTION*** TO ELECT _____ AS SECRETARY OF THE 2014-15 GARIBALDI BUDGET COMMITTEE. A second and vote will fulfill the election. Mary DeLoria will take minutes as the Recorder Pro-Tem.

IV. PUBLIC HEARING FOR STATE REVENUE SHARING

The newly elected Chair will need to call the Public Hearing to order for the purpose of determining where state revenue sharing money should be spent. Chair should note the time the hearing begins. The Chair should ask any public in attendance if they have any comments on the proposed use of these funds.

This agenda item is required by state law in order for the City to receive the state revenue sharing dollars. This money is used for general operation of the City, which includes Fire, Police, Planning, etc... What I've done is budget receipt of the Liquor Tax, Cigarette Tax and General Revenue Sharing funds into General Fund to offset operational costs, and budgeted in the receipt of Gas Tax funds into the Street Fund for those operational costs. If there are any requests made at the meeting for this money we should discuss it after public comment. I'm not going to recommend that we disperse these funds outside of the City, but it is the decision of the Budget Committee and ultimately the Council. After input from the Committee and the public, the Chair can close the hearing again noting the time for the record.

V. PUBLIC COMMENT ON THE PROPOSED BUDGET

The Chair should ask if there is anyone from the public interested in making a statement on the proposed budget. Past practice has been to allow the public to comment during the proceedings, but there should be a formal invitation of the public to make comment.

VI. REVIEW OF BUDGET MESSAGE AND PROPOSED BUDGET

This is where we begin the page-by-page review of the budget. This will take the majority of the meeting. Traditionally we skip the TRT and General funds until the end; however, recent years' budgets have gone rather quickly. I would suggest that the Chair poll the Committee for concerns and find out what particular

funds may need significant discussion. The other possibility is a general discussion regarding personnel issues that may take precedent over a specific section of the budget.

Wherever the Committee decides to start, I'd like to see what people want to talk about. Assuming we start with the General Fund, I'll start by noting the departments, what they do, and then state the amount of money the fund is going to receive and expend in total. At that point I'll go through each department and discuss details briefly, and then ask if there are any questions. If questions about Personnel Costs come up at the beginning of the meeting, I'd like to get the whole discussion out of the way at once. If there aren't too many questions I'll pick up the pace on my presentation, but I would like to at least state what each fund is going to start out with, what it should receive, what I've budgeted for it to expend, and then state what I expect the ending fund balance to be.

Normally, the Budget Committee will review and approve/amend each fund. Once it appears that the Committee has finished discussion on an individual fund, the Chair should ask for a MOTION TO APPROVE THE (GENERAL/WATER/WASTEWATER/ETC.) FUND BY CATEGORY AS (PRESENTED OR AMENDED). After review and discussion of the entire budget, and it appears that the Committee has a budget that it can support, the Chair should ask for a MOTION TO APPROVE THE FISCAL YEAR 2014-15 BUDGET BY CATEGORY AS (PRESENTED OR AMENDED). Once the motion is made, we'll need a second and a vote. This motion and the one approving the taxes need approval by a majority of the entire Budget Committee. In other words, six out of the ten members will need to approve the motion. If only six people arrive for the meeting, then all six need to approve the motion.

VII. BUDGET COMMITTEE WORK SCHEDULE

If it looks like the Committee will need more time to consider the budget then, before you recess, the group will need to schedule additional meetings. This is the time to do it and we can meet Tuesday night (May 6th) if you'd like. You can spend as much time as you like, but a budget must be approved by May 15th to give the budget officer time to prepare the budget for publication and distribution. If you need more time than this evening, then the Chair can declare a recess and then state a time to reconvene.

VIII. TAX APPROVAL

Before adjourning the Committee also needs to approve the tax base. The Chair should ask for a MOTION TO APPROVE TAXES FOR THE 2014-15 FISCAL YEAR AT THE RATE OF \$2.8468 PER \$1,000 ASSESSED VALUE FOR OPERATING PURPOSES IN THE GENERAL FUND, AND IN THE AMOUNT OF \$43,000 FOR PAYMENT OF GENERAL OBLIGATION BOND PRINCIPAL AND INTEREST IN THE WASTEWATER DEBT FUND. Once the motion is made, we'll need a second and a vote.

IX. ADJOURNMENT

Upon completion of the Committee's work, the Chair can simply adjourn the meeting and note the time for the record.

Please take the budget documents if you wish to keep them; otherwise, just leave them on the table. And, again, thank you for your involvement in this year's budget Committee.

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