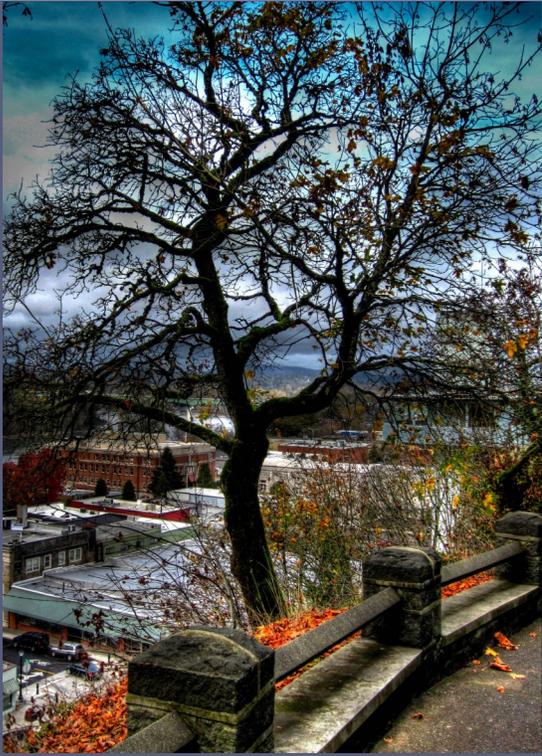


City of  
Oregon City,  
Oregon



Adopted 2013 - 2015 Biennial Budget  
Mid-Biennium Financial Update





## Executive Summary

This financial report summarizes the City of Oregon City's results of operations at the halfway point of the 2013-2015 Biennial Budget. It compares actual revenues and expenditures to the Budget and highlights significant variances. It is important to note that these are unaudited figures and year-end review is still in process, including closing entries for the fiscal year ended 2014. Financial analysis in this report is provided for all of the City's funds on a combined basis and individually for the City's major programs:

- ◆ General fund
  - Policy & Administration
  - Police Department
  - Community Services
  - Non-Departmental
- ◆ Public Works
  - Engineering
  - Street
  - Water
  - Wastewater
  - Stormwater
- ◆ Community Development
  - Planning
  - Building
- ◆ Library

Fiscal Year 2014 marks the end of the first year of the 2013-2015 biennium. The adopted biennial budget appropriated a total of \$132.4 million. The Commission approved budget adjustments increasing the total budget to \$132.8 million. While most items in the budget adjustments were reallocations within or between funds, certain grant and pass-through revenues and related expenditures created an overall increase to the budget. The budget remains balanced and in compliance with laws and regulations.

Oregon City continues to manage its resources in a fiscally prudent manner and continues to work toward goals established by the City Commission while maintaining positive fund balances, or reserves. Progress on City Commission goals is addressed in separate reports to the Commission, while this report focuses on financial status.

While funding City-wide services remains a challenge, the City must continue to be fiscally conservative in order to maintain adequate ending working capital balances. Preliminary long-range forecasts show that current revenue growth does not keep pace with the growth in operating and capital costs. Despite these challenges, the City is doing well overall and planning is underway across several departments, such as conducting rate studies and researching alternate funding sources, to assist the Commission and management with addressing these longer-term issues.

### Financial Summary

The following chart summarizes City resources and requirements across all funds and compares current balances to the biennial budget. Budget amounts may be slightly different from the Adopted Budget because this report includes the Commission approved budget adjustments mentioned above.

Revenues:

- ◆ Nearly all Revenues across funds are as or better than expected for the year.
- ◆ Property Taxes, Franchise Fees, Charges for Services, and Fines and Penalties have all met or exceed anticipated collections. Specifically, franchise and fine revenues have increased due to improved monitoring for compliance.
- ◆ System Development Charges have exceeded anticipated collections (74% of the budget has already been received), however the City has seen a slowing of activity from the previous year.

## Executive Summary (Continued)

- ◆ Licenses & Permits and Transfers (from other funds) are the only revenue sources which did not meet anticipated collections.

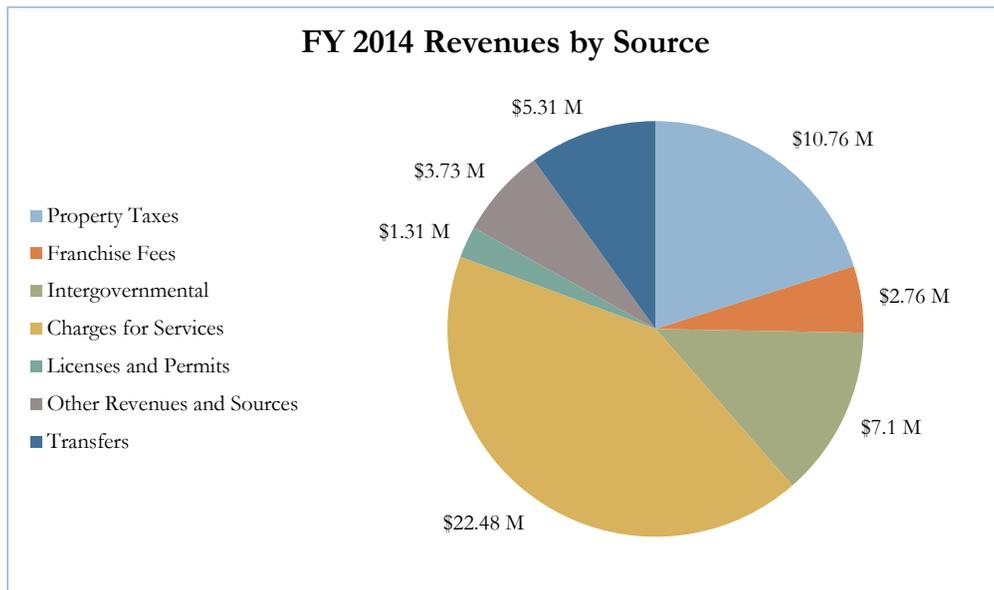
### Expenditures

- ◆ Personnel Expenditures are approximately as expected for the year. Slight variances are due to position vacancies existing throughout the year and lower salary and benefit costs than expected.
- ◆ Capital expenditures are lower than budgeted. Capital Outlay is one area of the budget where projects are forecasted at maximum amounts to allow operating flexibility, but actual overall expenditures are expected to be less than budgeted.
- ◆ Operating Materials & Services overall are within budget. Generally, more funding is allocated in the second half of the biennium to account for inflation. However, in some departments contractual services are scheduled so that the entire or majority of the expense occurs in the first year of the biennium. As examples, NPDES permitting occurs in the first year (every other year), and the City is performing certain utility rate analyses in year one of the biennium. For this reason, costs are expected to remain within budget for most programs.

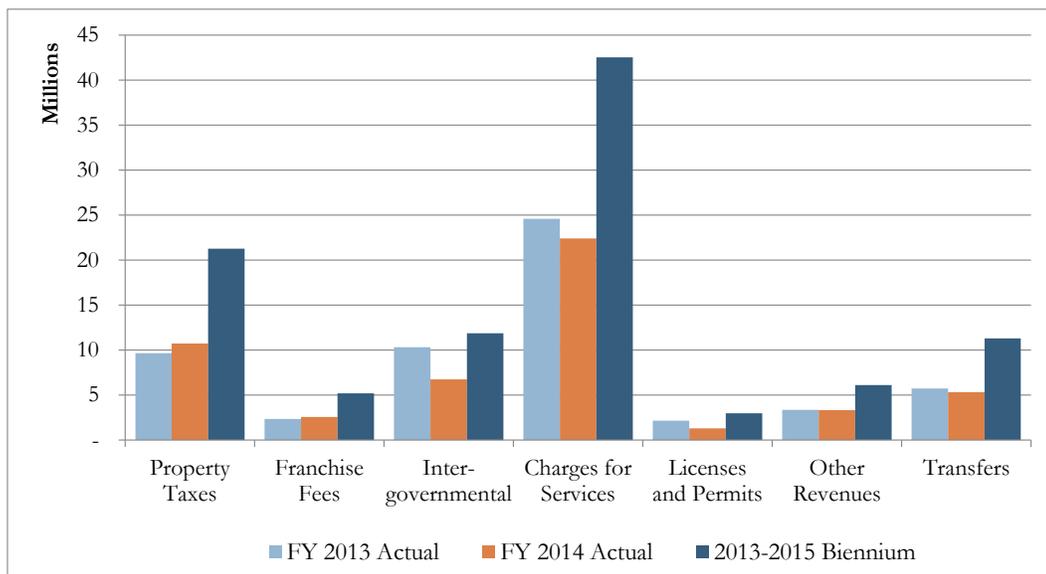
All Funds	2013-2015 Biennium	2013-2014 Actual	Variance	%
<b>Beginning Fund Balance</b>	<b>\$ 31,911,844</b>	<b>\$ 35,579,345</b>	<b>\$ 3,667,501</b>	<b>N/A</b>
<b>Revenues</b>				
Property Taxes	21,248,290	10,764,308	(10,483,982)	50.7%
Franchise Fees	5,184,623	2,759,690	(2,424,933)	53.2%
Intergovernmental	11,850,568	7,103,352	(4,747,216)	59.9%
Charges for Services	39,113,065	19,957,093	(19,155,972)	51.0%
System Development Charges	3,416,000	2,528,201	(887,799)	74.0%
Licenses & Permits	2,948,675	1,307,080	(1,641,595)	44.3%
Fines and Penalties	1,775,000	976,494	(798,506)	55.0%
Miscellaneous Income	3,119,856	2,125,612	(994,244)	68.1%
Transfers	11,027,816	5,311,476	(5,716,340)	48.2%
Other Financing Sources	1,214,028	628,055	(585,973)	51.7%
<b>Total Revenues</b>	<b>\$ 100,897,921</b>	<b>\$ 53,461,361</b>	<b>\$ (47,436,560)</b>	<b>53.0%</b>
<b>Total Resources</b>	<b>\$ 132,809,765</b>	<b>\$ 89,040,706</b>	<b>\$ (43,769,059)</b>	<b>N/A</b>
<b>Expenditures</b>				
Personnel Services	\$ 40,863,437	\$ 18,911,775	\$ (21,951,662)	46.3%
Operating Materials & Services	34,650,151	14,962,119	(19,688,032)	43.2%
Capital Outlay	25,452,520	3,519,692	(21,932,828)	13.8%
Debt Service	4,673,181	2,311,806	(2,361,375)	49.5%
Transfers	11,027,816	5,281,118	(5,746,698)	47.9%
<b>Total Expenditures</b>	<b>\$ 116,667,105</b>	<b>\$ 44,986,509</b>	<b>\$ (71,680,595)</b>	<b>38.6%</b>
<b>Contingency and Reserves</b>	<b>\$ 16,142,660</b>	<b>\$ 44,054,197</b>	<b>\$ 27,911,537</b>	<b>N/A</b>
<b>Total Requirements</b>	<b>\$ 132,809,765</b>	<b>\$ 89,040,706</b>	<b>\$ (43,769,059)</b>	<b>N/A</b>

# Executive Summary (Continued)

## Revenues



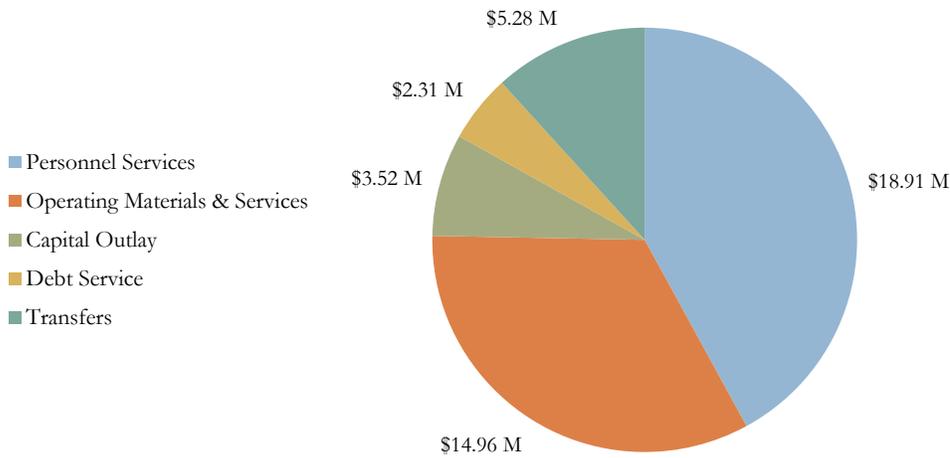
- ⇒ The largest source of revenue for the City is Charges for Services (\$22.5 million, 42% of total revenues), which include utility fees, recreation registrations, and system development charges (SDCs).
- ⇒ Property Taxes for the year are \$10.8 million, representing 20 % of total revenues.
- ⇒ As mentioned before, most revenues are trending positively with the exception of construction related revenues (SDCs, building permits).



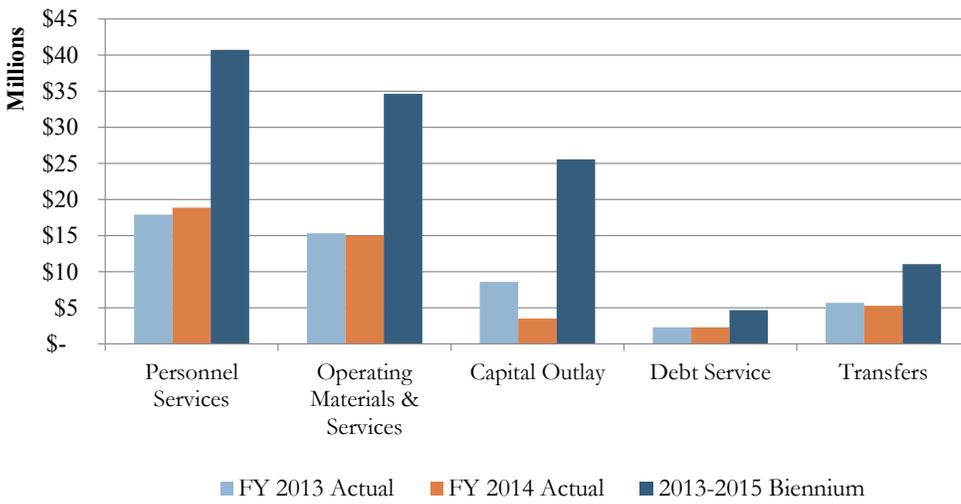
# Executive Summary (Continued)

## Expenditures

**FY 2014 Expenditures by Category**



- ⇒ Personnel costs remain the largest percentage of total expenditures in this service focused City. Costs to date are \$18.9 million, 42% of total spending.
- ⇒ Capital outlay spending is at \$3.5 million for the biennium so far, or 8% of total spending.
- ⇒ All scheduled debt service has been paid.



### Vision:

Celebrate Oregon City's historic role as a regional hub.

### Mission:

Build a sustainable, healthy community that promotes safety, economic opportunity, livability, environment, and uniqueness.

### Goals:

- ⇒ Implement Economic Development Strategy and Maintain an Environment for Success
- ⇒ Address Critical Facility Needs
- ⇒ Enhance the Livability of the Community
- ⇒ Seek Opportunities to Maintain Communications with Citizens and Facilitate Citizen Participation
- ⇒ Maintain Fiscal Health & Long Term Stability

# General Fund

The General Fund is the principal operating fund of the City. Revenues include property taxes, charges for services, revenues from other agencies, transfers from other funds, and interest. The general fund provides core, day to day operations in the areas of public safety, municipal court, parks and recreation, and economic development (outside of urban renewal areas). The fund also provides most general governance services. General Fund programs include:

- ◆ Policy & Administration (City Commission, City Manager, City Recorder, Finance, Municipal Court, Human Resources, Economic Development, Information Services and Legal)
- ◆ Police Department
- ◆ Community Services (Parks & Cemetery, Recreation, Aquatics)
- ◆ Non-Departmental

The chart below summarizes General Fund revenues and expenditures by category. Revenues are trending better than expected with additional revenues from property taxes (due to recent residential housing construction), franchise fees (from increased collections activity and a new rights of way management program), and charges for services (Community Services activities and a new Police safety program). Intergovernmental revenues are primarily grant revenues; the majority of which are expected to be received in the second half of the biennium. Miscellaneous income is higher than expected due to a large grant obtained by Public Works to convert streetlights to LED.

As noted below and in the chart on the following page (which summarizes expenditures by program), costs are lower than expected for the first half of the biennium. This is primarily attributable to lower than anticipated retirement benefit costs and retirement salary savings. The additional revenue and cost savings have provided some relief from the expectation that heavy use of reserves would be required in each year of the biennium. However, management will continue to closely monitor reserves during the second half of the period.

General Fund	2013-2015 Biennium	2013-2014 Actual	Variance	%
<b>Beginning Balance</b>	<b>\$ 3,511,900</b>	<b>\$ 3,734,942</b>	<b>\$ 223,042</b>	<b>N/A</b>
<b>Revenues</b>				
Property Taxes	20,719,675	10,476,424	(10,243,251)	50.6%
Franchise Fees	4,501,623	2,390,299	(2,111,324)	53.1%
Intergovernmental	2,817,208	1,231,619	(1,585,589)	43.7%
Charges for Services	2,080,871	1,184,936	(895,935)	56.9%
Licenses & Permits	239,300	140,060	(99,240)	58.5%
Fines and Penalties	1,410,000	824,511	(585,489)	58.5%
Miscellaneous Income	140,158	307,152	166,994	219.1%
Other Financing Sources	459,960	229,950	(230,010)	50.0%
Transfers In	1,242,000	679,714	(562,286)	54.7%
<b>Total Revenues</b>	<b>\$33,610,795</b>	<b>\$17,464,665</b>	<b>\$ (16,146,130)</b>	<b>52.0%</b>
<b>Total Resources</b>	<b>\$37,122,695</b>	<b>\$21,199,607</b>	<b>\$ (15,923,088)</b>	<b>57.1%</b>
<b>Expenditures by Category</b>				
Personnel Services	\$23,390,814	\$11,010,181	\$(12,380,633)	47.1%
Materials and Services	9,466,010	4,241,693	(5,224,317)	44.8%
Capital Outlay	677,897	399,148	(278,749)	58.9%
Transfers Out	2,967,114	1,405,824	(1,561,290)	47.4%
<b>Total Expenditures</b>	<b>\$36,501,835</b>	<b>\$17,056,845</b>	<b>\$ (19,444,990)</b>	<b>46.7%</b>
<b>Contingency and Reserves</b>	<b>\$ 620,860</b>	<b>\$ 4,142,762</b>	<b>3,521,902</b>	<b>N/A</b>
<b>Total Requirements</b>	<b>\$37,122,695</b>	<b>\$21,199,607</b>	<b>\$ (15,923,088)</b>	<b>N/A</b>

## General Fund (Continued)

General Fund	2013-2015 Biennium	2013-2014 Actual	Variance	%
<b>Expenditures by Program</b>				
Policy & Administration	\$ 7,550,823	\$ 3,503,845	\$ (4,046,978)	46.4%
Police Department	15,643,059	7,526,655	(8,116,404)	48.1%
Community Services	6,957,207	3,193,067	(3,764,140)	45.9%
Non-Departmental	3,383,632	1,427,454	(1,956,178)	42.2%
Transfers Out	2,967,114	1,405,824	(1,561,290)	47.4%
<b>Total Expenditures</b>	<b>\$36,501,835</b>	<b>\$17,056,845</b>	<b>\$ (19,444,990)</b>	<b>46.7%</b>

## Community Development Funds

The Community Development Department operates in two funds. The Planning Fund (formerly Community Development Fund) accounts for current and long-range planning, development review and mapping and database services. The Building Fund accounts for building review services.

### Planning:

In the Planning Fund, Community Development's focus on the Willamette Falls Legacy Project is shown by early use of the fund's materials and services budget (contracts) and related intergovernmental revenues (grants). The early activity was expected. Program revenues (charges for services, and licenses & permits) are slightly below projected estimates due to slowed development review activity. Community Development has implemented a time tracking system that will help with upcoming fee reviews and to better determine costs associated with providing other City services. Transfers out shows reimbursements to the general fund for complex land use legal reviews. Depending on upcoming activity, a budget adjustment may be needed so that costs do not exceed legally appropriated amounts.

Planning Fund	2013-2015 Biennium	2013-2014 Actual	Variance	%
<b>Beginning Balance</b>	<b>\$ 185,000</b>	<b>\$ 3,332</b>	<b>(181,668)</b>	<b>N/A</b>
<b>Revenues</b>				
Intergovernmental	695,000	650,946	(44,054)	93.7%
Charges for Services	486,250	237,975	(248,275)	48.9%
Pass-through Revenues	1,200,000	267,324	(932,676)	22.3%
Licenses & Permits	43,750	15,274	(28,476)	34.9%
Miscellaneous Income	2,000	-	(2,000)	0.0%
Transfers In	1,382,114	625,725	(756,389)	45.3%
<b>Total Revenues</b>	<b>\$ 3,809,114</b>	<b>\$ 1,797,244</b>	<b>\$ (2,011,870)</b>	<b>47.2%</b>
<b>Total Resources</b>	<b>\$ 3,994,114</b>	<b>\$ 1,800,576</b>	<b>\$ (2,193,538)</b>	<b>45.1%</b>
<b>Expenditures by Category</b>				
Personnel Services	\$ 1,532,690	\$ 701,656	\$ (831,034)	45.8%
Materials and Services	896,595	622,943	(273,652)	69.5%
Pass-through Payments	1,200,000	267,324	(932,676)	22.3%
Transfers Out	191,250	143,349	(47,901)	75.0%
<b>Total Expenditures</b>	<b>\$ 3,820,535</b>	<b>\$ 1,735,271</b>	<b>\$ (2,085,264)</b>	<b>45.4%</b>
<b>Contingency and Reserves</b>	<b>\$ 173,579</b>	<b>\$ 65,305</b>	<b>(108,274)</b>	<b>N/A</b>
<b>Total Requirements</b>	<b>\$ 3,994,114</b>	<b>\$ 1,800,576</b>	<b>\$ (2,193,538)</b>	<b>N/A</b>

## Community Development Funds (Continued)

### Building:

In the Building Fund, revenues fell short of expectations during the first half of the biennium due to lack of activity across all permit types. All significant revenue categories are less than planned for fiscal year 2014.

Personnel expenditures are also less than planned for the year due to vacancies, however key positions have been or are in the process of being filled. Materials and services purchases are slightly higher than anticipated because the City was required to contract for inspection services, due to the aforementioned vacancies. The City recently hired a new building official who, along with the department director, has implemented changes to Building's staffing structure. These changes will save the program money by reallocating budgeted positions to focus on inspection services, the program's heaviest workload area at this time.

<b>Building Fund</b>	<b>2013-2015 Biennium</b>	<b>2013-2014 Actual</b>	<b>Variance</b>	<b>%</b>
<b>Beginning Balance</b>	\$ 143,034	\$ 612,454	469,420	N/A
<b>Revenues</b>				
Charges for Services	155,060	69,249	(85,811)	44.7%
Pass-through Revenues	114,000	38,813	(75,187)	34.0%
Licenses & Permits	1,880,325	725,777	(1,154,548)	38.6%
Miscellaneous Income	2,000	3,351	1,351	167.5%
Transfers In	176,000	88,000	(88,000)	50.0%
<b>Total Revenues</b>	<b>\$ 2,327,385</b>	<b>\$ 925,190</b>	<b>\$ (1,402,195)</b>	<b>39.8%</b>
<b>Total Resources</b>	<b>\$ 2,470,419</b>	<b>\$ 1,537,644</b>	<b>\$ (932,775)</b>	<b>62.2%</b>
<b>Expenditures by Category</b>				
Personnel Services	\$ 1,400,519	\$ 522,926	\$ (877,593)	37.3%
Materials and Services	753,675	406,970	(346,705)	54.0%
Pass-through Payments	114,000	37,261	(76,739)	32.7%
Transfers Out	114,000	57,000	(57,000)	50.0%
<b>Total Expenditures</b>	<b>\$ 2,382,194</b>	<b>\$ 1,024,157</b>	<b>\$ (1,358,037)</b>	<b>43.0%</b>
<b>Contingency and Reserves</b>	<b>\$ 88,225</b>	<b>\$ 513,487</b>	<b>425,262</b>	<b>N/A</b>
<b>Total Requirements</b>	<b>\$ 2,470,419</b>	<b>\$ 1,537,644</b>	<b>\$ (932,775)</b>	<b>N/A</b>

## Public Works

Public Works encompasses various programs throughout several funds. Revenues and expenditures for the following major programs are reviewed in this section:

- ◆ Engineering—Responsible for planning, design, construction and mapping of public infrastructure including City capital improvement and development projects
- ◆ Street—Maintains the public transportation system which includes roadways, pathways, sidewalks, traffic signalization, and guardrails
- ◆ Water Utility—Maintains the public water distribution system and pays for water treatment
- ◆ Wastewater Utility—Maintains the public wastewater collection system and includes pass-through costs for the County’s sewer treatment plant
- ◆ Stormwater Utility—Maintains the public storm drainage system which includes conveyance, flood control, and pollution remediation and reduction

### Engineering:

The chart below summarizes Engineering revenues and expenditures. Revenues are approximately as expected for the first year of the biennium.

Personnel services are slightly below budget due to short vacancy periods and lower than expected benefits costs. Materials and services expenditures are higher than anticipated, specifically contractual services, which have been used to support a very heavy workload. In addition to performing routine functions, engineering staff have been providing support for several critical City initiatives relating to water, wastewater and rights of way infrastructure. In addition, positions for the Public Works Director, City Engineer and Engineer in charge of development oversight and fees were all recently hired (due to retirements). The positions have been filled with top quality staff that are learning City specific procedures and reviewing work procedures to make best practices improvements.

<b>Engineering</b>	<b>2013-2015 Biennium</b>	<b>2013-2014 Actual</b>	<b>Variance</b>	<b>%</b>
<b>Beginning Balance</b>	\$ 43,000	\$ 13,143	(29,857)	N/A
<b>Revenues</b>				
Charges for Services	\$ 121,200	\$ 55,494	\$ (65,706)	45.8%
Licenses & Permits	253,800	147,965	(105,835)	58.3%
Miscellaneous Income	2,000	837	(1,163)	41.9%
Transfers In	570,000	282,000	(288,000)	49.5%
<b>Total Revenues</b>	<b>\$ 947,000</b>	<b>\$ 486,296</b>	<b>\$ (460,704)</b>	<b>51.4%</b>
<b>Total Resources</b>	<b>\$ 990,000</b>	<b>\$ 499,439</b>	<b>\$ (490,561)</b>	<b>50.4%</b>
<b>Expenditures by Category</b>				
Personnel Services	\$ 901,786	386,803	\$ (514,983)	42.9%
Materials and Services	\$ 84,960	82,993	(1,967)	97.7%
Transfers Out	-	1,822	1,822	0.0%
<b>Total Expenditures</b>	<b>\$ 986,746</b>	<b>\$ 471,618</b>	<b>\$ (515,128)</b>	<b>47.8%</b>
<b>Contingency and Reserves</b>	<b>\$ 3,254</b>	<b>\$ 27,821</b>	<b>\$ 24,567</b>	<b>N/A</b>
<b>Total Requirements</b>	<b>\$ 990,000</b>	<b>\$ 499,439</b>	<b>\$ (490,561)</b>	<b>N/A</b>

## Public Works (Continued)

### Street Funds:

The chart below summarizes revenues and expenditures in the two Street Funds: Street Operations and Pavement Maintenance. In total, revenues are higher than estimated for the year. Specifically, street maintenance charges are exceeding targeted amounts. Intergovernmental revenues, mainly comprised of gas taxes, are on target for the year.

Expenses are slightly lower than anticipated. Ongoing projects, both operational and capital, are expected to be expended at a higher rate in fiscal year 2015. It is also typical to budget capital projects at higher levels than expected for budget flexibility.

Street Funds	2013-2015 Biennium	2013-2014 Actual	Variance	%
<b>Beginning Balance</b>	\$ 1,059,795	\$ 1,604,763	544,968	N/A
<b>Revenues</b>				
Charges for Services	\$ 3,768,281	\$ 2,061,019	\$ (1,707,262)	54.7%
Intergovernmental	3,709,623	1,885,885	(1,823,738)	50.8%
Miscellaneous Income	12,800	12,935	135	101.1%
Transfers In	400,118	215,541	(184,577)	53.9%
<b>Total Revenues</b>	<b>\$ 7,890,822</b>	<b>\$ 4,175,380</b>	<b>\$ (3,715,442)</b>	<b>52.9%</b>
<b>Total Resources</b>	<b>\$ 8,950,617</b>	<b>\$ 5,780,143</b>	<b>\$ (3,170,474)</b>	<b>64.6%</b>
<b>Expenditures by Category</b>				
Personnel Services	\$ 2,200,557	\$ 1,011,496	\$ (1,189,061)	46.0%
Materials and Services	1,876,880	859,717	(1,017,163)	45.8%
Capital Outlay	3,832,900	1,351,661	(2,481,239)	35.3%
Transfers Out	740,700	309,182	(431,518)	0.0%
<b>Total Expenditures</b>	<b>\$ 8,651,037</b>	<b>\$ 3,532,056</b>	<b>\$ (5,118,981)</b>	<b>40.8%</b>
<b>Contingency and Reserves</b>	<b>\$ 299,580</b>	<b>\$ 2,248,087</b>	<b>\$ 1,948,507</b>	<b>N/A</b>
<b>Total Requirements</b>	<b>\$ 8,950,617</b>	<b>\$ 5,780,143</b>	<b>\$ (3,170,474)</b>	<b>N/A</b>

## Public Works (Continued)

### Water Fund:

Charges for services in the Water Fund are higher than anticipated for the year due to conservative budget estimates on water usage. Pass-through Revenues are comprised of SDC fees that are collected on behalf of South Fork Water Board, are remitted to the Board each month, and are not available to fund the operations of the water utility.

Expenditures are higher than estimated in Capital Outlay due to some projects being completed (and paid for) ahead of schedule. Fiscal year 2015 expenditures are expected to be lower than anticipated for the year due to this advanced capital programming.

<b>Water Fund</b>	<b>2013-2015 Biennium</b>	<b>2013-2014 Actual</b>	<b>Variance</b>	<b>%</b>
<b>Beginning Balance</b>	\$ 843,775	\$ 1,973,810	1,130,035	N/A
<b>Revenues</b>				
Charges for Services	\$ 11,139,768	\$ 5,753,478	\$ (5,386,290)	51.6%
Pass-through Revenues	700,000	239,444	(460,556)	34.2%
Miscellaneous Income	20,600	9,843	(10,757)	47.8%
<b>Total Revenues</b>	<b>\$ 11,860,368</b>	<b>\$ 6,002,765</b>	<b>\$ (5,857,603)</b>	<b>50.6%</b>
<b>Total Resources</b>	<b>\$ 12,704,143</b>	<b>\$ 7,976,575</b>	<b>\$ (4,727,568)</b>	<b>62.8%</b>
<b>Expenditures by Category</b>				
Personnel Services	\$ 2,987,817	1,431,102	(1,556,715)	47.9%
Materials and Services	5,024,156	2,165,198	(2,858,958)	43.1%
Pass-through Payments	700,000	239,444	(460,556)	34.2%
Capital Outlay	941,500	531,267	(410,233)	56.4%
Debt Service	397,664	198,179	(199,485)	49.8%
Transfers Out	2,358,569	1,112,923	(1,245,646)	47.2%
<b>Total Expenditures</b>	<b>\$ 12,409,706</b>	<b>\$ 5,678,113</b>	<b>(6,731,593)</b>	<b>45.8%</b>
<b>Contingency and Reserves</b>	<b>\$ 294,437</b>	<b>\$ 2,298,462</b>	<b>2,004,025</b>	<b>N/A</b>
<b>Total Requirements</b>	<b>\$ 12,704,143</b>	<b>\$ 7,976,575</b>	<b>(4,727,568)</b>	<b>N/A</b>

## Public Works (Continued)

### Wastewater Fund:

Charges for services in the Wastewater Fund are higher than anticipated for the year due to conservative budget usage estimates. Pass-through Revenues are for wastewater treatment and connection charges collected and remitted to Clackamas County for operation of the regional treatment plant; the revenues are not available to fund the operations of the City's wastewater utility. Differences between Pass-through Revenues and Payments are due to timing of the receipts and subsequent disbursement.

Wastewater utility expenditures are much lower than estimated in Capital Outlay due to some projects having just commenced, such as the Barclay Hills Pump Station. Additional funds are expected to be spent during the second year of the biennium. It is also typical to budget capital projects at higher levels than expected for budget flexibility.

Wastewater Fund	2013-2015 Biennium	2013-2014 Actual	Variance	%
<b>Beginning Balance</b>	\$ 456,919	\$ 658,362	201,443	N/A
<b>Revenues</b>				
Charges for Services	\$ 6,621,750	\$ 3,765,380	\$ (2,856,370)	56.9%
Pass-through Revenues	7,178,000	3,310,784	(3,867,216)	46.1%
Miscellaneous Income	21,000	6,282	(14,718)	29.9%
Transfers In	20,000	10,000	(10,000)	50.0%
<b>Total Revenues</b>	<b>\$ 13,840,750</b>	<b>\$ 7,092,446</b>	<b>\$ (6,748,304)</b>	<b>51.2%</b>
<b>Total Resources</b>	<b>\$ 14,297,669</b>	<b>\$ 7,750,808</b>	<b>\$ (6,546,861)</b>	<b>54.2%</b>
<b>Expenditures by Category</b>				
Personnel Services	\$ 1,812,744	\$ 817,976	\$ (994,768)	45.1%
Materials and Services	1,208,424	544,465	(663,959)	45.1%
Pass-through Payments	7,178,000	3,085,593	(4,092,407)	43.0%
Capital Outlay	978,000	85,450	(892,550)	8.7%
Debt Service	1,056,063	529,475	(526,588)	50.1%
Transfers Out	1,751,284	852,244	(899,040)	48.7%
<b>Total Expenditures</b>	<b>\$ 13,984,515</b>	<b>\$ 5,915,203</b>	<b>\$ (8,069,312)</b>	<b>42.3%</b>
<b>Contingency and Reserves</b>	<b>\$ 313,154</b>	<b>\$ 1,835,605</b>	<b>\$ 1,522,451</b>	<b>N/A</b>
<b>Total Requirements</b>	<b>\$ 14,297,669</b>	<b>\$ 7,750,808</b>	<b>\$ (6,546,861)</b>	<b>N/A</b>

## Public Works (Continued)

### Stormwater Fund:

Major revenues in the Stormwater Fund are as expected for the year. The small negative amount in Miscellaneous income is due to refunds relating to revenues collected in the prior year.

Stormwater utility major capital projects budgeted during the biennium have not yet started, as indicated by the unspent capital outlay budget. It is typical to budget capital projects at higher levels than expected for budget flexibility and the projects will be completed as needed.

<b>Stormwater Fund</b>	<b>2013-2015 Biennium</b>	<b>2013-2014 Actual</b>	<b>Variance</b>	<b>%</b>
<b>Beginning Balance</b>	\$ 378,176	\$ 551,416	173,240	N/A
<b>Revenues</b>				
Charges for Services	\$ 4,562,035	\$ 2,368,827	\$ (2,193,208)	51.9%
Licenses and permits	101,500	28,671	(72,829)	28.2%
Miscellaneous Income	2,400	(7,232)	(9,632)	-301.3%
<b>Total Revenues</b>	<b>\$ 4,665,935</b>	<b>\$ 2,390,266</b>	<b>\$ (2,275,668)</b>	<b>51.2%</b>
<b>Total Resources</b>	<b>\$ 5,044,111</b>	<b>\$ 2,941,682</b>	<b>\$ (2,102,428)</b>	<b>58.3%</b>
<b>Expenditures by Category</b>				
Personnel Services	\$ 2,236,355	\$ 982,205	\$ (1,254,150)	43.9%
Materials and Services	1,115,304	589,833	(525,471)	52.9%
Capital Outlay	598,500	96,537	(501,963)	16.1%
Transfers Out	1,005,284	487,929	(517,355)	48.5%
<b>Total Expenditures</b>	<b>\$ 4,955,443</b>	<b>\$ 2,156,504</b>	<b>\$ (2,798,939)</b>	<b>43.5%</b>
<b>Contingency and Reserves</b>	<b>\$ 88,668</b>	<b>\$ 785,178</b>	<b>\$ 696,511</b>	<b>N/A</b>
<b>Total Requirements</b>	<b>\$ 5,044,111</b>	<b>\$ 2,941,682</b>	<b>\$ (2,102,428)</b>	<b>N/A</b>

# Library

Library operations are accounted for in the Library Fund. Major funding comes from district property tax revenues. Actual revenues are better than anticipated for the year and the Library Director has continued to maintain operating costs at conservative levels in anticipation of the upcoming library expansion.

The Library Reserves Fund contains moneys transferred from both Library operation savings and from the General Fund to help save for the Library renovation. Additionally, the Library District provided \$1 million in funding for the project. There is approximately \$3.7 million in reserves for the project. An additional \$646 thousand is expected to be transferred to the reserves in fiscal year 2015.

Library	2013-2015 Biennium	2013-2014 Actual	Variance	%
<b>Beginning Balance</b>	\$ 687,842	\$ 870,554	182,712	N/A
<b>Revenues</b>				
Intergovernmental	3,578,737	1,868,659	(1,710,078)	52.2%
Charges for Services	80,100	49,925	(30,175)	62.3%
Miscellaneous Income	4,000	5,240	1,240	131.0%
<b>Total Revenues</b>	<b>\$ 3,662,837</b>	<b>\$ 1,923,824</b>	<b>\$ (1,739,013)</b>	<b>52.5%</b>
<b>Total Resources</b>	<b>\$ 4,350,679</b>	<b>\$ 2,794,378</b>	<b>\$ (1,556,301)</b>	<b>64.2%</b>
<b>Expenditures by Category</b>				
Personnel Services	\$ 2,130,729	\$ 1,045,298	\$ (1,085,431)	49.1%
Materials and Services	977,205	376,714	(600,491)	38.6%
Capital Outlay	-	9,999	9,999	N/A
Transfers Out	920,000	442,897	(477,103)	48.1%
<b>Total Expenditures</b>	<b>\$ 4,027,934</b>	<b>\$ 1,874,908</b>	<b>\$ (2,153,026)</b>	<b>46.5%</b>
<b>Contingency and Reserves</b>	<b>\$ 322,745</b>	<b>\$ 919,470</b>	<b>596,725</b>	<b>N/A</b>
<b>Total Requirements</b>	<b>\$ 4,350,679</b>	<b>\$ 2,794,378</b>	<b>\$ (1,556,301)</b>	<b>N/A</b>
<b>Library Reserves</b>				
	2013-2015 Biennium	2013-2014 Actual	Variance	%
<b>Beginning Balance</b>	\$ 2,303,460	\$ 2,313,545	10,085	N/A
<b>Revenues</b>				
Intergovernmental	-	1,000,000	1,000,000	100.0%
Miscellaneous Income	6,000	13,402	7,402	223.4%
Transfers In	1,285,096	639,333	(645,763)	49.7%
<b>Total Revenues</b>	<b>\$ 1,291,096</b>	<b>\$ 1,652,735</b>	<b>\$ 361,639</b>	<b>128.0%</b>
<b>Total Resources</b>	<b>\$ 3,594,556</b>	<b>\$ 3,966,280</b>	<b>\$ 371,724</b>	<b>110.3%</b>
<b>Expenditures by Category</b>				
Capital Outlay	3,594,556	231,450	(3,363,106)	6.4%
<b>Total Expenditures</b>	<b>\$ 3,594,556</b>	<b>\$ 231,450</b>	<b>\$ (3,363,106)</b>	<b>6.4%</b>
<b>Contingency and Reserves</b>	<b>\$ -</b>	<b>\$ 3,734,830</b>	<b>3,734,830</b>	<b>N/A</b>
<b>Total Requirements</b>	<b>\$ 3,594,556</b>	<b>\$ 3,966,280</b>	<b>\$ 371,724</b>	<b>N/A</b>

## Other Funds

The City utilizes various other funds to account for specific revenues or operations. These include debt service funds, grant pass-through funds, and small program, capital and trust funds. The funds are designed to break even each year. Each fund has been reviewed and all are operating as expected at this point of the biennium.

Information on other funds, as well as detailed information on any of the City's finances, is available through the Finance Department. Additionally, the City will publish its audited Comprehensive Annual Financial Report within the next few months. The report includes an audited detailed accounting of every City fund and will be made available at City Hall and on the City's website.

Questions on this document can be addressed to the City's Finance Director:

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