OREGON CITY, OREGON

Proposed 2015 – 2017 Biennial Budget

July 1, 2015 through June 30, 2017

About our cover:

This photograph is of the Willamette Falls in Oregon City. The Willamette Falls Legacy Project is a major focus for the City and an integral part of this biennial budget. For further information on this project, visit www.rediscoverthefalls.com.

Willamette Falls

LEGACY PROJECT

CITY OF OREGON CITY, OREGON

Proposed 2015–2017 Biennial Budget

BUDGET COMMITTEE

CITY COMMISSIONERS	CITIZEN MEMBERS
Mayor Dan Holladay	Timothy Christopher
Carol Pauli	Chris Geiger
Brian Shaw	Joanne McCall
Rocky Smith, Jr.	Barb Streeter
Daphne Wuest	Laura Zentner

CITY STAFF

David W. Frasher, City Manager
Scott Archer, Community Services
Maureen Cole, Library
Jim Band, Police
Kattie Riggs, City Recorder
Tony Konkol, Community Development
John Lewis, Public Works
Jim Loeffler, Human Resources
Wyatt Parno, Finance
Eric Underwood, Economic Development

Willamette Falls
LEGACY PROJECT

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Oregon City

Oregon

For the Biennium Beginning

July 1, 2013

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Oregon City for its biennial budget for the period beginning July 1, 2013 and ending June 30, 2015. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device. This award is valid for a period of two years only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for the award

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OREGON CITY

Office of the City Manager

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BUDGET MESSAGE

April 13, 2015

Honorable Mayor Holladay and City Commissioners,
Budget Committee Members, and Citizens of Oregon City,

INTRODUCTION

It is my pleasure to present the Proposed 2015 - 2017 Biennial Budget for the City of Oregon City. The budget is balanced and has been prepared in accordance with Oregon budget law. For the period July 1, 2015 through June 30, 2017 the total budget is $165.1 million. Oregon City's biennial budget is specifically designed to coordinate with the City Commission election and goal setting process. In addition, budgeting every two years saves hundreds of hours of administrative time, allowing policy makers and staff more time to focus on important projects for the community.

This message provides an executive summary of the budget document and is divided into four sections. First is a presentation of budget changes, including an overview of the total biennial budget and significant changes from the prior period. The next section provides highlights from City Commission priorities and important department goals. The third section gives an overview of the City's major funds including summaries of revenues, expenditures and major programs. Finally, the message includes a description of the fiscal policies and assumptions that guided development of the budget.

I. BUDGET CHANGES

Comparative information is presented throughout the budget document in columnar format. Oregon budget law requires historical information to be presented on an *annual* basis for the first three periods after cities adopt a *biennial* budget. As this is the City's second biennial budget, the document includes two years of actual information on an annual basis and the current and proposed budgets on a biennial basis. In addition, the proposed budget represents the combination of two consecutive fiscal years over the biennium.

In accordance with budget law, the current biennial budget columns have been adjusted to include all supplemental budgets and adjustments that were approved by the City Commission during the current period and thus are titled 2013 - 2015 Amended Budget. As described below, an extraordinary budget adjustment was recently adopted to consolidate the City's fund accounting structure. Comparing the proposed budget to the current budget without the consolidation adjustment is the most effective approach to understanding operational differences between the two.

Oregon City Total Budget (in millions)

Current Budget		Proposed Budget	
Original	$ 132.4		
Adjustments	2.9		
Comparison	**$ 135.3**	**Proposed**	**$ 165.1**
Consolidation	124.4		
Amended	$ 259.7		

The proposed budget of $165.1 million is an increase of $29.8 million over the amended prior budget of $135.3 million (excluding the consolidation). In the General Fund, additional revenue is projected from user charges to electric and

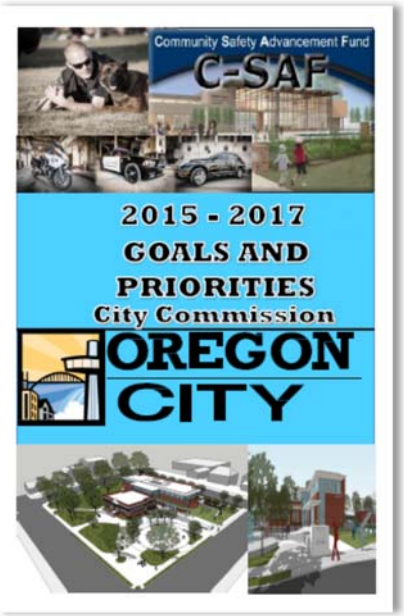
gas companies operating within the community rights-of-way. The City recently adjusted rates charged to those companies to market, consistent with other cities in the State. The new revenue, approximately $1.0 million, is dedicated fully to economic development (utility infrastructure for identified industrial areas and incentive programs for business development) and parks deferred maintenance projects. Additional General Fund property tax revenues of $1.9 million are dedicated to economic development incentives, much needed information technology systems (server replacements, a regional public safety and emergency system, and city-wide records management software).

The overall budget includes an additional $7.9 million in anticipated capital expenditures and savings (ending balance reserves) for public facilities. As discussed below, the largest portion of that increase is from a voter approved bond to construct the library expansion.

The most significant change in the budget is the addition of more than $20.5 million in city services provided across the utility funds. The Engineering Fund budget has $0.8 million in additional expenditures to support wastewater projects, the new rights-of-way management program, and improvements to general engineering operations to support commercial and residential customers. The Transportation Fund is increased by $1.8 million, with plans to complete several popular pavement maintenance projects. The Wastewater Fund has $8.4 million in additional expenditures, primarily to address a building moratorium, and to significantly strengthen a program focused on correcting subsurface water infiltration and inflow caused by aged pipes. The Water and Stormwater Fund budgets are $3.2 and $1.0 million higher than in the previous period, respectively. Several important pipe replacement and infrastructure maintenance projects are planned for the two programs. The System Development Fund has an additional $2.2 million budgeted for growth related capital projects, and is projected to increase more than $3 million from additional charges for services from new development.

Smaller changes are included throughout the overall budget as well. The general guidelines used for estimating personnel and materials costs are explained below in the Fiscal Policies and Budget Assumptions section.

The City Commission is committed to transparent financial reporting and stewardship of public funds. An important aspect of these goals is to maintain an accounting system that is easy to understand and allows for the segregation of restricted monies. Consistent with established accounting principles and Oregon Department of Revenue guidelines, the Finance Department consolidated several of the City's funds during the current period to reduce complexity within the financial reporting structure. While the adjustment was only administrative (did not affect any actual resources), it amended the 2013 - 2015 Budget by $124.4 million, primarily in transfers between funds and ending fund balances.



II. Budget Highlights

In January, the City Commission and executive staff participated in the biennial goal setting process and developed the **City Commission 2015 – 2017 Goals and Priorities**. The Commission emphasized two goals as the highest priorities for the City: 1) Maintain an Environment for Successful Economic Development and 2) Address Critical Facility Needs. The Commission identified several additional priorities as well. The Proposed Budget was developed with a focus on achieving those goals and priorities.

Major highlights from the City Commission Goals include ongoing support for the Willamette Falls Legacy Project, and funding to support the construction of utility infrastructure in the Beavercreek Industrial Area and for other incentive programs. Community facility projects include the Library expansion, a funding strategy for a new Police and Court facility, the allocation of additional resources to parks maintenance, and planning for improvements to the Public Works Operations Center. A complete presentation of the Commission's goals and priorities follows the budget message.

Economic Development

The City Commission has emphasized the importance of the Willamette Falls Legacy Project (WFLP) under **COMMISSION GOAL 1 – MAINTAIN AN ENVIRONMENT FOR SUCCESSFUL ECONOMIC DEVELOPMENT**, and the proposed budget reflects Oregon City's continued contribution of funding and staff resources to the project. It is one of the most important undertakings in our City's history. The 23-acre former industrial site along the Willamette River represents an opportunity to reconnect our community with Willamette Falls and to reclaim and repurpose a significant portion of the City's original downtown footprint.

For the last two years, the Community Development Department has focused on public engagement, recognizing the significance of the project to surrounding neighborhoods and to the region as a whole. Oregon City, in partnership with Metro, the State of Oregon, Clackamas County, and the property owner have been working together to advance the specific project values of public access, economic redevelopment, cultural and historic interpretation, and healthy habitat.

Willamette Falls Legacy Project Values

* Public Access
* Economic Redevelopment
* Cultural & Historical Interpretation
* Healthy Habitat

At numerous community engagement events, the public has strongly supported public access and identified it as the number one goal of the WFLP. In response, the community and project partners have identified the opportunity for a public walkway along the river. "The Riverwalk" will be a major accomplishment of the project. The State of Oregon has allocated $5.0 million in lottery backed bonds for The Riverwalk to provide assistance with land improvements, rehabilitation and enhancement of the area around the Falls. During the biennium, the City and partners will be preparing the initial design of the walkway and hope to complete a small portion of construction. Public easements have been successfully negotiated with the property owner and PGE for the design and construction area.

The above renderings display possibilities for "The Riverwalk" project.

Along with the City's commitment to the historic WFLP, the proposed budget includes significant resource allocations to support additional economic development. Plans include continuing efforts with identified developable areas and new development incentive programs.

Clackamette Cove and Former Landfill Site - The Economic Development Manager and supporting staff have worked diligently to advance development opportunities at the Cove and landfill sites. Additional developers have joined the Cove partnership and the City's Urban Renewal Commission has been supportive of proposed modifications to original disposition and development agreements, as well as a new soil excavation and site improvement agreement with the new partners. On April 1, 2015, the Urban Renewal Commission reached a landmark decision, approving both development and soil excavation agreements for the Cove project.

Over the past several years, commercial developers have expressed significant interest in the former landfill site off of Washington Street, next to Home Depot, but a project has yet to launch. Elected leaders and staff will continue to reach out to potential developers and coordinate with the current property owners to support a project.

Industrial Lands and Incentive Programs - As mentioned above, the budget includes new resource allocations to incentivize quality development. One focus for use of the funds is to provide leverage to obtain additional resources that would provide utility infrastructure improvements to the Beavercreek industrial area. The site is zoned campus industrial and consists of approximately 52 acres with easy access from Beavercreek Road and 650,000 square feet for potential build out. The right project could result in over 1,500 direct and indirect jobs for the community. The other focus for the funds is to create an economic development incentive program. The City's Urban Renewal Agency currently administers two very successful programs, and this project would allow for a City-wide program of gap funding for quality development projects that meet program criteria, which will include job creation.

Other economic development priorities for the biennium include a place-holder for a railroad quiet zone and enhancement of City-wide tourism promotion. The City has sufficient contingency funds to support railroad crossing mitigation efforts that would allow for quiet zones (where train horns are prohibited). These funds are available, on an as-needed basis, should an attractive mixed use residential development be proposed in the downtown area. The City is also planning an additional transient lodging surcharge that would be dedicated to promotion of tourism, including the many historic properties and attractions Oregon City has to offer.

Public Facility Investment

The City Commission's commitment to address critical facility needs is renewed this budget cycle. Included under **COMMISSION GOAL 2 - ADDRESS CRITICAL FACILITY NEEDS** is completion of the library expansion project, implementation of a funding strategy for a new community safety facility, the commitment of funds to address deferred maintenance in parks, and efforts to address deficiencies at the public works operations center and other city facilities.

Library Expansion - For more than a decade, residents have recognized the need for expanded library services to serve the growing community. The library employs the latest technology to provide reading and reference materials and educational programs for residents of all income levels, and demand for library services is as strong as ever.

The City has been fiscally responsible with library district revenues, setting aside funds each year for future construction. Voters affirmed commitment to the project in May of 2014 with Measure 3-435 which authorized up to $6 million in bonds for renovation and expansion of the library. Using reserve funds and committed future district revenues, the Library will be paid for with little or no additional tax dollars.

After reaching out to the community for input, and with recommendations from the Library Board, the Building Committee, the Parks and Recreation Advisory Board and the McLoughlin Neighborhood Association, the City Commission authorized the next phase of design for the Library Expansion Project with a two story addition centered behind the existing historic Carnegie building. The proposed budget includes funding to initiate and complete construction of the Library expansion.

Community Safety Facility - In the last budget cycle, the City Commission followed the recommendations of the 2004 Blue Ribbon Task Force and included funding for three new police officers. The Police Department has a talented group of dedicated professionals in place, and now it is time to create a facility that delivers the best public safety service possible. The current facility simply doesn't do that.

Federal standards require that essential needs facilities meet seismic standards by the year 2022. The existing facility was built in the 1960s and fails to meet even the minimum standards. The building was originally the City welfare office and has been home to several entities since. Intended as a temporary location, the Police Department was located in the building thirty years ago, and the size of the Department has since doubled. The building is woefully inadequate to serve the public. A new building will help the Department and the Municipal Court deliver the best customer service possible, and create a safe, user-friendly environment that is open and accessible to the community.

The Oregon City Police Department has undertaken an extensive community outreach program on a funding strategy for construction of the new building. Department representatives have met with neighborhood groups, the Oregon City Business Alliance, the Chamber of Commerce, and several other organizations and they have likewise shared information with larger multi-family property owners. The proposed budget includes a Community Safety Advancement Fund (C-SAF) utility fee that would pay for the new facility. The charge is a flat fee designed to have the least impact to commercial and residential customers. As currently proposed, the charge would be $6.50 per month, and it would be removed after fifteen years when the facility is paid off. The utility fee is estimated to save property tax payers more than 30% over a conventional property tax levy. Oregon City voters will be asked to approve the project and related debt service in the following biennium.

The City has a track record of keeping funding commitments and expiration of the C-SAF is no different. When our community voted to annex to the Clackamas Fire District in November of 2007, City leaders committed to a fixed property tax rate for five years, maintaining the rate at $0.8981 per thousand below the maximum allowed in the Oregon Constitution. The City not only kept that promise, but has maintained the tax rate at $0.6481 per thousand below the maximum for an additional two years. The cap will be maintained this biennium as well.

Parks Maintenance - The most significant challenge for our Community Services Department is deferred maintenance at park facilities. The issue exists because of the City's aging infrastructure and the lack of a sufficient, dedicated funding source. The proposed budget includes an additional $200,000 in each year for park maintenance and repairs to restrooms, play structures, irrigation systems and other facilities. A longer term solution will need to be considered for future years.

Public Works Operations Center - The Planning and City Commissions adopted the Public Works Center Master Plan in 2010, which recognized the existing Center Street location as an ideal site to expand the Public Works operation because of the established facility (lowest cost alternative) and strong surrounding bedrock foundation. However, the City Commission recognized that an expansion could impact residents of the nearby McLoughlin Neighborhood.

Over the last four years, the City Commission and staff have evaluated over fifty different locations for the Center. No successful alternative site could be found. The Public Works Director recently offered an alternative concept plan for the Center Street location that would substantially reduce the neighborhood footprint over the original Master Plan. As a result, use of the upper yard area and truck traffic on John Adams Street would be reduced substantially. The proposed budget includes continued funding that will allow consideration of the alternative plan at the existing Center Street location.

III. Major Funds Overview

General Fund

Property tax revenues are projected at $23 million for the biennium. This reflects estimated 4% increases in the assessed value of property for each of the two years, with 0.3% compression, and 94% collection rates after discounts and delinquencies. As described above, the proposed budget maintains a property tax rate

significantly below the maximum allowed under law. This is very rare for cities in Oregon and saves single family home owners in Oregon City more than $200 annually, based on the current median home prices.

The remaining major sources of revenue for the General Fund are: rights-of-way user fees in the amount of $6.7 million for the biennium, charges for services of $3.1 million, intergovernmental revenues of $2.7 million, and Municipal Court and other program fines and penalties of $1.9 million. Other revenues totaling $2.8 million include transfers in from other funds, licenses and permits, and miscellaneous income.

General Fund program expenditures are for Policy and Administration, Police Department, and Community Services. Policy and Administration is a collection of departments that provide governance services directly to the community and provide services and support to front-line operating departments throughout the City.

The Police Department, with a total budget of $18.2 million, is the largest department in the General Fund, representing 41% of expenditures. Policy and Administration (City Commission, City Manager, City Recorder, Finance, Municipal Court, Human Resources, Economic Development, Information Services and Legal) and Community Services (Parks and Cemetery Maintenance, Recreation and Aquatics, and Pioneer Community Center operations) have budgets of $9.9 million (22% of General Fund expenditures) and $7.8 million (17%), respectively. With the fund consolidation described earlier, Policy and Administration added several programs that were previously accounted for in separate funds, including tourism promotion and community enhancement grants, cable recording contracts and pass through payments for the Downtown Oregon City Association. The remaining 20% of the General Fund budget is composed of general government shared services, transfers, and ending fund balance reserves.

General Fund operations are budgeted within the means of available revenues. Total revenues (resources excluding beginning fund balance) are $40.3 million for the biennium. Expenditures for Policy and Administration Departments, Police, Community services, and the General Fund's share of General Government costs ($1.3 million) total $37.2 million. Street lighting costs add an additional $0.8 million for a total of $38 million.

The General Fund resources are being used to pay for services from other departments and partially to support their operations. Transfers are made to Community Development ($1.1 million), the Library ($0.4 million), Development Engineering ($0.2 million) and Building Operations ($0.2 million). The total of these transfers is $1.9 million. General government expenditures also include $0.4 million for the Willamette Falls Legacy Project.

At the conclusion of the biennium, the General Fund unrestricted fund balance (contingency) is budgeted at $1.0 million. The actual balance will likely exceed that amount given moderately forecasted revenues, potential return funding from the departments (vacant positions, unspent materials budgets, etc.), the likelihood that at least some projects will not fully expend allocated amounts, and from lower than anticipated employee benefits costs. An additional $0.9 million in "Reserved for Future Expenditures" represents the total ending balance of resources restricted for specific purposes (tourism promotion and community enhancement grants, for example).

Community Development Funds

The Community Development Department manages two major funds: the Community Development Fund and the Building Fund.

The Community Development Fund is budgeted at $3.5 million for the biennium and includes two programs; Planning and Geographic Information Systems (GIS). The largest source of funding for these programs is transfers in of $1.5 million, including $1.1 million from the General Fund and $0.4 million from direct charges for services to other departments. Planning provides significant general government services (long-range community planning, for example) and using General Fund resources to pay for those services is appropriate. However, with reduced economic activity the amount of funds transferred has increased over the past several years. Community Development is implementing a time tracking system to provide detailed information on the allocation of work performed for the General Fund, private developers and others. The department will also be

performing a development fee review to confirm that fees, indexed for inflation, have remained appropriate since the last update.

Charges for services and licenses and permits are budgeted at about $0.6 million in total. Land use applications and other plan reviews are the largest source of anticipated charges, including services to be provided for major projects at Clackamas Community College, Willamette Falls Legacy Hospital and the Clackamette Cove (a portion of the development). Pass-through revenues and expenditures total $1.2 million. The City collects school excise taxes on behalf of the Oregon City School District and remits the funds to the district for construction of school facilities. Additional ongoing residential development is anticipated as well, although at a slower pace than in the previous biennium.

In the prior biennium, Intergovernmental revenues of $0.7 million included contributions from partners for the WFLP. The funds were used to provide staffing and consultant services for a comprehensive community engagement and planning effort. As discussed above, a large portion of the next phase in development will be accomplished using contributions administered by Metro.

The Community Development Planning Division provides the following services: annexations, zone changes, master planning, site plan and design reviews, subdivisions and partitions, conditional use permits, sign permits, natural resource overlay district permits, floodplain protection, historic reviews and various other land use related services. The Planning budget is $1.8 million (after subtracting pass through payments). Personnel and materials costs are generally consistent with the prior biennium, other than the reduction of contracted planning costs for the Willamette Falls project. The GIS Division provides complex mapping support for the entire City and is budgeted at $0.4 million. At the conclusion of the biennium, the fund will have an ending balance (contingency) of approximately $20 thousand.

The Building Fund total budget is $2.6 million. Licenses and permits revenue of $1.7 million, General Fund transfers of $0.2 million and a portion of beginning balance reserves are projected to fund services for the biennium. Pass-through revenues of $0.4 million include State surcharge and Metro construction tax monies that are collected and remitted to those agencies.

Building revenues are inextricably tied to development activity and the City was forced to vacate two positions, a plans examiner and a building inspector, a few years ago. Two major residential developments sustained the fund subsequent to that; “The Landing” on Glen Oak Road and “Pavilion Park” near Pease Road. Inspection revenue from the College, Hospital and Cove projects are expected to sustain proposed service levels in the near-term; however due to market uncertainty, program activity and related expenditures will continue to be carefully monitored by management.

The building program ensures that new buildings constructed in the City are safe and structurally sound. Managing the program requires balancing immediate service needs and sustaining the program to provide long-term responsiveness for future development. Two changes proposed in the budget will support both objectives. First, a building inspector has been added to perform commercial electrical and plumbing inspections that are currently administered through a contract with Clackamas County. The change will create efficiencies in communication, reduce costs and allow more thorough inspection services, possibly increasing revenues as well. The second change is to provide one time funding for the purchase of a new permits system. The existing system is severely outdated and the upgrade will provide for better work flow and customer service. The cost of the permit system will be shared with the Public Works Engineering Division.

Library

The Library Fund is budgeted at $5.2 million for the biennium. District property taxes are projected conservatively at $4.0 million and comprise 76% of total resources. The remaining significant resources are beginning fund balance of $0.7 million and miscellaneous charges for services of $0.1 million, comprising 14% and 2% of total resources, respectively.

The fund accounts for all Library operations. The budget for staffing and materials purchases is $3.0 million. Principal and interest payments for the new library bond are $0.8 million, leaving $1.3 million in ending fund balance (contingency). The Library Reserve Fund was used in the past to account for money saved and bond

proceeds for the new Library facility. The City consolidated the reserve fund into the Community Facilities Fund in 2015, which now accounts for all City facility projects with segregated resources.

Public Works Funds

The Public Works Department operates in a series of funds, including the Engineering Fund and one for each of the City's utilities: Transportation, Water, Wastewater, and Stormwater. The utility systems each have unique operational and infrastructure replacement needs. To effectively manage the public investment in these systems, updated master planning has been completed for Transportation, Water and Wastewater; Stormwater master planning is proposed in the 2015-2017 biennium.

The Water master plan highlighted a significant need for replacement of older distribution lines, and the budget includes some funding for replacement projects. Capacity for water line replacement is limited by a rate cap in the City's charter. As a result, a major water line replacement effort will need to be undertaken at some point in the future beyond the proposed biennium. In addition, the Wastewater Plan identified capacity deficiencies within certain areas of the sanitary sewer collection system which have the potential to result in discharges of untreated sewage. Last year, the Commission authorized rate increases to fund the capital projects required to improve capacity. Funding to begin these projects is included in this budget.

Transportation

The Transportation Division is responsible for the construction and maintenance of roadways, pathways, sidewalks, traffic signalization, and guardrails. Funding was budgeted across three funds prior to the proposed biennium: Street Operations, Pavement Maintenance Utility, and Street System Development. Street Operations and Pavement Maintenance Utility are now combined into the Transportation Fund for improved project management and reporting. The Street System Development Fund has been combined with all other funds that collect system development charges. The new System Development Fund accounts for transportation, water, wastewater, stormwater and park development charges and will be discussed later in this section.

The Transportation Fund is financed by state gasoline taxes which are anticipated at $3.9 million for the biennium (including only slight increases in each year) and, in accordance with State law, fund system improvements, safety enhancements, and roadway maintenance. Transportation also collects revenues estimated at $4.4 million from the pavement maintenance utility. The revenue is restricted for use in implementing the City's annual pavement maintenance plan.

Expenses in the fund include $3.8 million for City-wide roadway reconstruction projects, $0.7 million for contracted roadway repairs such as slurry sealing, $0.6 million for transportation enhancement capital projects such as turn lanes, safety measures, signalization projects and sidewalk improvements, $0.1 million in engineering costs for plan updates and signalization studies, and $0.1 million in landscaping. Additionally, the fund will transfer $0.3 million for each of the Public Works building and fleet replacement reserves to provide for effective future programming.

Water

The Water Utility Division maintains the City's potable water distribution system. Division activities are accounted for in the Water Fund. Last year, the City made the final payment on water fund debt and closed the related rate stabilization fund, adding additional resources for operations.

The Water Fund is budgeted at $15.9 million for the biennium. Water utility charges are projected to be $12.0 million. Water rates are budgeted at current levels with inflationary increases of 3% in each year.

Operational costs include significant replacement projects such as the South End and Lawton area pipe replacement at a cost of $0.8 million, 15th Street from Main to Division Street at $0.7 million, Center Street pipe work of $0.3 million, and Main Street upgrades of $0.2 million. Smaller replacement projects totaling $0.6 million will be constructed as well, including the 99E Bluff pipe replacement, Boynton Reservoir fall

protection, Mountain View fence replacement and the Pope Lane/Forsythe Road project. Service contracts totaling $0.4 million are included in the budget for engineering, paving and patching, leak detection, and emergency repairs. Funding is also allocated for waterline replacements associated with the annual Pavement Maintenance Utility program. The most significant expenditure in the fund, budgeted at $3.3 million, is for purchases of treated water from South Fork Water Board, the partnership jointly owned by Oregon City and West Linn.

Wastewater

The Wastewater Division is responsible for the operation, maintenance and improvement of the City's sanitary sewer collection system. Division activities are accounted for in the Wastewater Fund.

The Wastewater Fund is projected to receive $10.4 million in utility revenue for the biennium. This includes rate increases of 15% in the first year and inflation of 3% in the second year. The 15% increase is required to fund the capital projects necessary to improve capacity and mitigate the sewer moratorium. For the biennium, approximately $0.4 million in rights-of-way usage charges are collected from the County's regional treatment plant and are allocated to support wastewater operations. The fund is budgeted to collect $7.8 million in pass-through charges as well. Those funds are collected from customers for the Clackamas County Tri-City Sewer District.

Significant projects in the Wastewater Fund include sewage pipe replacements at Linn Avenue, 13th Street, Division Street, 12th Street, Hazelwood Drive, and Washington Street totaling approximately $1.2 million. All but the last project are to address the sewer moratorium and will be completed or under construction by the end of the biennium. Additional projects include remaining Settlers Point Pump Station repairs at $0.1 million and other projects at $0.2 million. The budget includes staffing and $0.4 million in contract services for infiltration and inflow investigative activities, $0.1 million for inspection and leak detection and $0.1 million for repair services, as well as various other inspections and manhole installation projects.

Stormwater

The Stormwater Division is responsible for the operation, maintenance and improvement of the City's systems of water runoff conveyance, flood control, and pollution control. Division activities are accounted for in the Stormwater Fund.

The Stormwater Fund is budgeted to receive utility revenue of approximately $5.0 million. This includes scheduled rate increases of $0.25 per dwelling unit in each year of the biennium.

Expenditures are budgeted for 7.5 miles per year of video inspections and assessments as part of the "Pipe Assessment Condition Program." In addition, more than 1,400 catch basins will be cleaned annually, and the City's seventy five storm water quality retention ponds will undergo scheduled maintenance eighteen times each year. The following capital projects are proposed as well: Harding Boulevard is funded at $0.2 million, 14th Street at $0.1 million, Kathaway Court at $0.1 million, and several other culvert replacement and general reconstruction projects at $0.3 million.

System Development

System Development Charges (SDCs) are collected on new development to fund future capacity-increasing projects required to meet the demands of related growth. Charges fund projects in Transportation, Water, Wastewater, Stormwater, and Parks. Prior to 2015, the City accounted for each of the City's SDC activities in a separate fund. These have now been combined into one System Development Fund, while maintaining revenues and expenses for each function separately. The fund is budgeted at $17.7 million.

The Transportation Division is projected to receive $1.1 million in SDCs during the biennium. This is consistent with the prior budget and anticipated development. Project funding totals $2.1 million and includes concept planning for certain corridor improvements (street arterials and collectors). Examples of these

planning areas include Meyers Road (Highway 213 to High School Lane), Loder Road, and Holly Lane. Other expenditures include money match funds for important City projects, should the City be successful in securing grant funding. Top project priorities include Molalla Avenue Phase III, Main Street from 10th to 15th, and Meyers Road from High School Lane to Highway 213.

The Water Division anticipates $0.8 million in SDCs for the biennium and is addressing growth related infrastructure as prioritized in the master plan. Funding has been allocated for land acquisition for a new reservoir, pump station and force main on Beavercreek at $0.4 million and for capacity upgrades on 15th Street from Main to Division at $0.2 million. Other pipe upgrade projects include Taylor Street, Whitney Lane, and the Pope Lane I-205 undercrossing. Place-holders of $0.3 million are budgeted should additional development occur.

Wastewater Division SDC revenue is budgeted at $0.5 million for the biennium. Growth related sewer projects include expenditures of $2.7 million for design and construction of moratorium projects (also funded with wastewater rates) including 12th Street, 13th Street, Division Street, and Linn Avenue.

The Stormwater Division is anticipated to receive approximately $0.6 million for the biennium. Projects include the Coffee Creek drainage system improvements and completion of a City-wide Surface Water Management Master Plan and Capital Improvement Program, as well as the adoption of updated stormwater design standards.

IV. Fiscal Policies and Budget Assumptions

As discussed above, the Biennial Budget was developed with a focus on achieving City Commission goals and priorities and important departmental goals that are designed to provide efficient and quality services to our citizens. The following fiscal policies and assumptions were also used to guide the budget process.

Revenues

Revenues are forecasted moderately to maintain operations and support reasonable ending reserves. Major revenue assumptions include assessed value increases for property taxes in both years of 4%. Sewer rates are budgeted to increase 15% in the first year of the biennium and 3% in the second. Water, stormwater and pavement maintenance service charges include adjustments based on established Commission resolutions, with inflation of 2 to 3%. Other charges for services and general revenues are calculated based on a six year average with conservative adjustments as requested by departments.

The budget includes new revenue from the City's rights-of-way management program and implementation of the Community Safety Enhancement utility. As described above, those funds are primarily dedicated to economic development, parks maintenance, wastewater operations and savings for the proposed new Police and Court facility. Additional revenue is recognized as well from anticipated adjustments to the transient lodging tax and solid waste surcharge at the Metro Transfer Station. The money is dedicated to tourism promotion and community enhancement projects, respectively.

Expenditures

The City's budget guidelines typically require an identified new revenue source before positions can be added. The proposed budget includes a half time risk manager position in the Human Resources Department and a parks maintenance employee, both funded with rights-of-way revenue. In Community Development, a senior building inspector is added using savings from previously contracted work. The Public Works Department has three new positions, two in Wastewater to manage the moratorium and ongoing Infiltration and Inflow programs, as well as support the Stormwater program, and a third engineering position funded with savings from previously contracted work. Finally, two Information Technology positions are included in the budget utilizing anticipated savings from the City's service contract. The risk manager and Information Technology positions are dependent on upcoming needs analyses. To support our existing employees, 2% and 3% cost of living increases are included for salaries. Moderate increases are projects for PERS retirement and health care

benefits. The City recently learned that increases will be minimal, so there could be even stronger fund balances at the conclusion of the biennium.

Additional budget guidelines included inflation assumptions of 3% for materials and service contracts, and 2% for capital purchases, each year. Capital improvement/development fund budgets are exceptions to the capital guidelines because projects are often funded with non-operating resources such as grants and system development charges. Departments were directed to maintain existing service levels while continuing to provide the highest quality service possible.

CONCLUSION

The Budget was developed through many hours of in-depth analysis, discussion and cooperation among supervisory staff, the Executive Team, and my office. The result is a balanced budget that supports our Commission's goals and provides for vital municipal services that will benefit every citizen and visitor.

This document could not have been developed without the dedicated efforts of our entire City staff. The commitment demonstrated by our departments in support of our community continues to amaze me. The Department Directors work creatively and diligently as a team to accomplish the goals established by our Commission. They also strive to make their departments function more efficiently, often in small ways that add up significantly over time, even if they do not generate headlines. Our team strives to share resources and ideas while making the City a fun and challenging environment in which to work. The Finance Department deserves special recognition for the development of the budget. Finance Director, Wyatt Parno and Deputy Finance Director, Mireya McIlveen have taken the Department to new higher levels of performance that will pay enormous dividends to the City in its ability to provide services, sound fiscal analysis, and funding for capital needs.

Our Mayor and City Commissioners tirelessly demonstrate, through their volunteer service, the value of representative governance that has been a hallmark of Oregon City longer than any other in the western United States. Their dedication to establishing public policy, goals and priorities has provided clear direction and a solid foundation for this budget.

I want to thank the Budget Committee for assuming the important task of receiving this budget on behalf of our community. The time they take to review the budget, attend meetings, and stay informed about community issues is very much appreciated.

Sincerely,

David W. Frasher
City Manager

URBS CIVITATIS
NOSTRAE
PRIMA ET MATER
1829
CITY OF OREGON CITY
1844
END OF THE OREGON TRAIL

How to use This Budget Document

One of Oregon City's most important priorities is adopting a budget which establishes how the city plans on meeting the needs of its citizens. As such, the budget document serves four purposes:

- A policy document: Oregon City reviews the priorities and goals for the community for the next two years and establishes policy on which ones will be funded in the next biennium.
- A communication device: It is a resource for citizens to learn more about the operations of the city government; it summarizes significant budget issues (needs, economic factors, constraints), trends and choices made.
- A financial plan: It summarizes major revenues and expenditures and shows how the organization plans to fund the choices made.
- An operational guide: It identifies work programs and goals to be achieved for each department or unit in the coming fiscal year.

This budget document has been organized to ensure it meets those four functions. The document is arranged from a high level overall and fund summary, then to more detailed departmental and unit budgets. Oregon City's budget document is divided into the sections as shown below:

Introduction

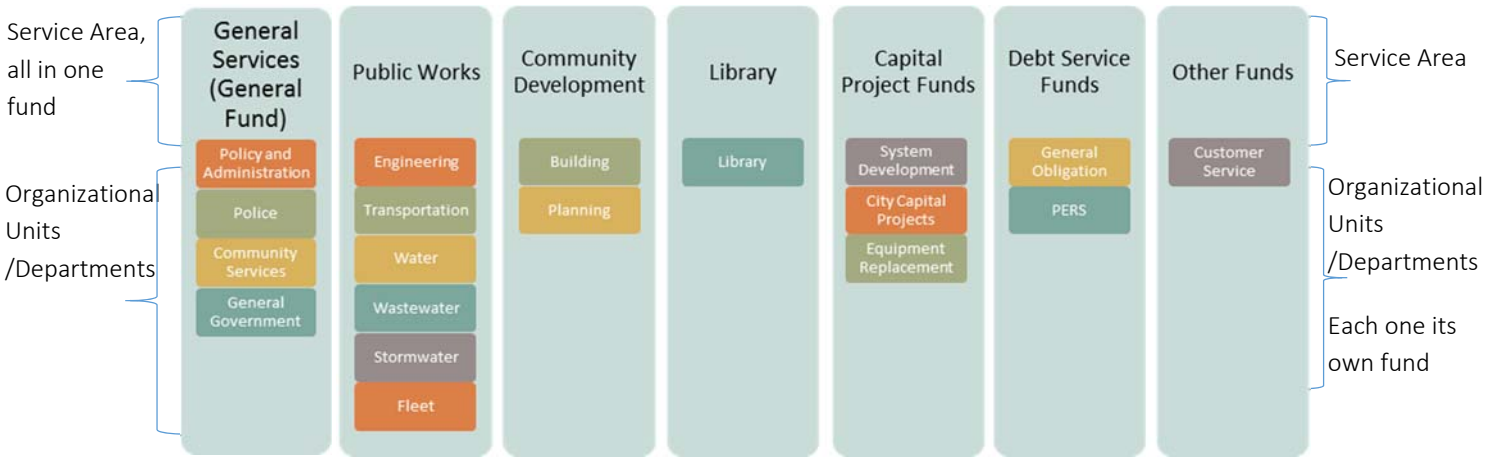
- Budget Message: Highlights the major provisions that have been included in the Adopted Budget, describes fiscal policies for the coming fiscal year and any significant changes, discusses the major changes from the previous year in appropriations and revenues and the major policy issues that were considered
- Budget Guide: Instructions on how to use the Budget Document
- Budget Process: Discussion of several specific steps that must be followed during the budgeting process, an overview of how Oregon City's budget is developed, and information on budgeted funds and their organization
- City at a Glance: Demographic and statistical information for Oregon City
- Economic Information and Assumptions: Analysis of trends and economic information that impact the budget
- Commission Goals: City goals and priorities which provide the foundation and direction for this budget
- Financial Policies: The City's major financial policies that shape or impact the budget process
- Citywide organization chart

Budget Summary

- Total Budget: This section gives the reader a snapshot of the City's entire budget. This section contains high level summaries and charts.
- Fund Summary: This section breaks down the City's budget by fund. Under budgeting law, expenditures are generally broken down first by fund, then by department and/or program, then by object classification. A fund is a balancing set of accounts set aside to carry on a specific activity or to meet certain objectives in accordance with a specific regulation. Later in this book, expenditures will be described by department, program and object classification.
- Revenue Assumptions and Trends: This section contains information about the City's primary sources of revenue across all funds, including historic trends. The section also provides a brief explanation of Oregon's property tax system and the City's property tax revenues and assessed valuation.

Funds and Departments

Oregon City's budget is organized by Service Area reflecting the major functions the city provides for its citizens. ***General Services***, which are all included in the General Fund, include the Policy and Administration, Police, Community Services, and General Government as organizational units. ***Public Works***, ***Community Development***, ***Library***, ***Capital Projects Funds***, ***Debt Service Funds***, and ***Other Funds*** are all broken down further into organizational units; each unit is contained within one fund. The graphic below illustrates how the budget is organized:



The information in the Funds and Departments section is organized as follows:

- Organization Chart
- Budget Overview: Provides a snapshot of revenues and expenditures including budgetary highlights
- Department Narrative: Provides an overview of the department and programs contained within, long term goals and objectives tied back to the organizational goals, accomplishments, selected performance measures, and significant budget changes
- Summary of Department and Program Expenditures: Additional information on departmental expenditures by Object Classification:
  - Personnel Services
  - Materials & Services
  - Capital Outlay
  - Special Payments
  - Debt Service
  - Transfers
  - Operating Contingency
  - Reserved for Future Expenditures
  - Unappropriated Ending Fund Balance

The City closed 26 funds in 2015; historical information about these funds is presented following the Funds and Departments section as required by Oregon Budget Law.

Supplemental Information

This final section contains a variety of other budget-related information that may be useful to the reader in understanding Oregon City's budget and policies. This section includes:

- Personnel: Summary of personnel changes, personnel by department, salary information and trends
- Capital Improvement Program: Overview of capital program and highlights of major capital projects
- Debt Administration: Debt outstanding, future debt service, compliance and limitation
- Closed Funds – The City closed 26 funds in 2015; historical information about these funds is presented as required by Oregon Budget Law
- Required compliance schedules and information (Oregon Budget Law)
- Glossary

THE BUDGET PROCESS

BUDGET DEVELOPMENT AND ADOPTION

According to its city charter and Oregon Law (ORS 294), the City of Oregon City must prepare and adopt annual balanced budgets. Local Budget law allows governments to budget either on a one-year or a two-year cycle, as approved by the governing body. The budget is presented in fund and department categories for a biennial (two-year) period. Spending in excess of appropriations in any category is prohibited and unexpended budget appropriations lapse at the end of the biennium.

This represents Oregon City's second biennial budget. A biennial budget period is a 24-month period beginning July 1 and ending June 30 of the second succeeding year. For this biennial budget, the period commences July 1, 2015 and ends June 30, 2017.

Staff begins preparing the biennial budget several months prior to adoption. Starting in December, staff forecasts revenues, expenditures and fund balances based on known future changes in fees, economic conditions, and other factors. In January, meetings are held with department heads, the Mayor, and City Commission to set goals and priorities for the upcoming year.

In January and February, department staff prepares their requested budgets to fulfill the City goals as set by the Commission. These goals and the necessary resources to accomplish them are included in the budget requests and roll up in to the overall budget and forecasts. After departments submit their requested budgets, Finance staff reviews the requests and meets with the departments. After analyses and reviews are completed, Finance and the departments meet with the City Manager in March to review the requested budgets. The City Manager makes decisions which are then incorporated into the proposed budget. Budget Committee meeting notices are published in March as well.

In April, a preliminary budget is prepared and presented to the Budget Committee, which, by law, comprises the Mayor, City Commission, and the same number of citizen members (in this case five). A summary of the recommended budget is published in the local newspaper and public meetings are held. At each budget meeting, time for public comment and input is provided. After all input has been received, the Budget Committee approves the budget with any changes and forwards it to the Commission for adoption.

The Commission holds a public hearing to review and adopt the final budget in June. If they propose any change that increases property taxes or expenditures within a fund by more than ten percent or $5,000, whichever is greater, the budget must be referred back to the Budget Committee. The City Commission adopts the budget by Resolution and levies taxes prior to June 30 each year. The adopted budget is filed with the county clerk and State of Oregon, and the Property Tax Levy is certified to the County Assessor by July 15 each year.

BUDGET MONITORING AND ADJUSTMENTS

During each year, expenditures and revenues are monitored for compliance with the adopted budget and state law. Monthly revenue and expenditure status reports, including budgetary information, as well as quarterly financial reports projecting fund and cash balances are provided to Management. Annually, an audit is performed and filed with the State of Oregon by an independent certified public accountant. This report includes comparisons of budgeted to actual revenues and expenditures, and documents the City's budgetary compliance.

Oregon Budget Law allows for amendments to the City budget for reasons unforeseen at the time of adoption. The Commission may adopt resolution changes that decrease one existing appropriation and increase another. Certain changes of ten percent or less to any fund require a supplemental budget. Supplemental budgets are adopted through a similar process used for the regular budget (including the use of public hearings but not requiring Budget Committee action.) Changes over ten percent to any fund require a budget process similar to the annual budget requiring the Budget Committee and a public hearing. Further detail is located in ORS 294.

BASIS OF BUDGETING

The City budgets all of the funds using the modified accrual basis of accounting in accordance with budgetary accounting practices and Generally Accepted Accounting Principles (GAAP) for governmental funds. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the

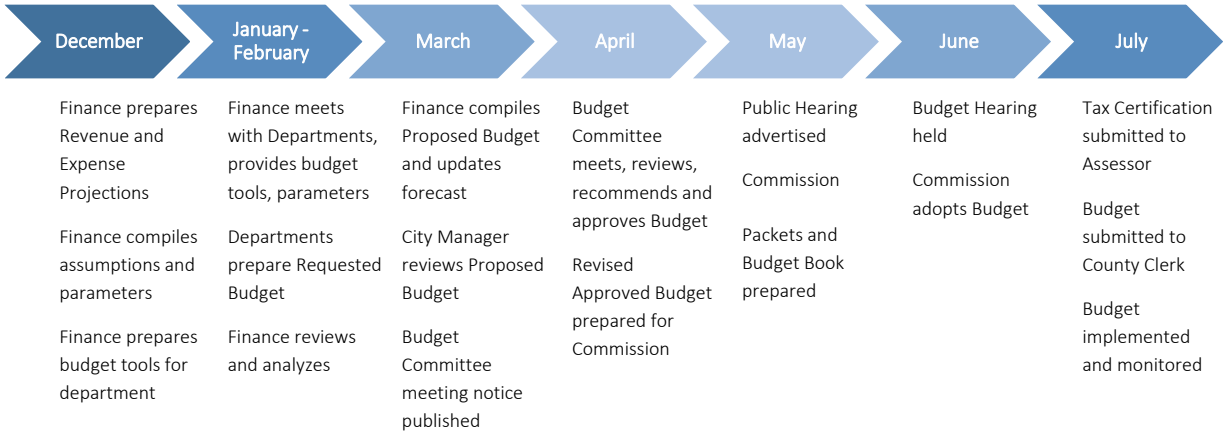
end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due.

For financial reporting purposes the enterprise funds are converted from the modified accrual basis to the accrual basis of accounting, but the budgetary enterprise statements are reported with the modified accrual basis of accounting. Additionally, the audit, as reported in the Comprehensive Annual Financial Report (CAFR), accounts for the City's Downtown Urban Renewal Agency (URA), a component unit of the City, as well as the assets and liabilities of an Agency fund, which does not have a budget. A component unit is a legally separate organization for which the elected officials of the City are financially accountable. The URA adopts a separate budget which may be obtained from the City, 625 Center Street, Oregon City, Oregon 97045. Pursuant to Budget law, this budget also includes historical information for various closed funds, which were closed in 2015.

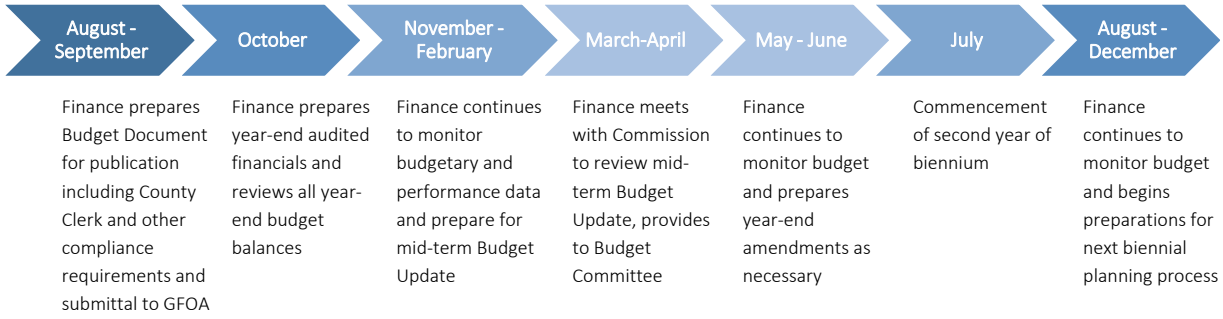
Budget Calendar

The City's Biennial Budget development cycle begins in December of even-numbered years and concludes in June of odd-numbered years. The second cycle (review, monitoring, and update) begins with August of odd- numbered years and ends in November of even-numbered years.

Phase 1



Phase 2



Budgeted Funds

Oregon City uses various funds to account for its revenues and expenditures. Each fund is categorized by type as prescribed by GAAP and Oregon Budget Law. Revenues in each fund may be spent only for the purpose specified by the fund with the exception of the General Fund which is used to account for general purpose, or unrestricted, revenues and operations of the city. Most of the city's principal operations are budgeted in the General fund as they are funded by general purpose

revenues (property taxes, franchise fees, certain state shared revenues). General fund operations include Administration, Court, Parks and Recreation, and the Police Department. Other city functions, such as the Library and Utilities are budgeted in separate funds due to the specified purpose of their revenues (library tax, water charges). The definitions for the fund types utilized and budgeted by the City are as follows:

Governmental Funds:

General Fund - accounts for all financial resources not accounted for in another fund

Special Revenue funds - account for proceeds and spending of specific revenues restricted or committed for specified purposes other than debt service or capital

Capital Projects funds - account for financial resources to be used for the acquisition or construction of capital equipment and facilities

Debt Service Funds - account for the accumulation of resources for, and the payment of, long-term debt principal and interest

Proprietary funds - account for activities where the emphasis is placed on net income determination

(These fund types predominantly use "charges for services" as their main revenue source. The City maintains two different types of proprietary funds: **Enterprise** and **Internal Service**.)

General
- General Fund

Special Revenue
- Building
- Community Development
- Engineering
- Library
- Transportation

Capital Projects
- System Development
- Community Facilities
- Fleet & Equipment Replacement

Debt Service
- General Obligation Bonds
- PERS Bonds

Enterprise
- Stormwater Operations
- Wastewater Operations
- Water Operations

Internal Service
- Fleet Services
- Utility Customer Service

BUDGET ORGANIZATION

The following chart further helps to illustrate the use of the different funds by department, with the exception of the Debt Service funds which do not relate to any specific department.

Use of Funds by Departments													
Department	Fund												
	G	B	CD	E	L	T	SD	CF	ER/F	SW	WW	W	UCS
Policy & Administration	X							X	X				X
Police	X							X	X				
Community Services	X						X	X	X				
Community Development		X	X						X				
Library					X			X	X				
Public Works				X		X	X	X	X	X	X	X	X
General Government	X												

G - General, B - Building, CD - Community Development, E - Engineering, L - Library, T - Transportation, SD - System Development, CF – Community Facilities, ER/F - Equipment Replacement & Fleet, SW - Stormwater, WW - Wastewater, W - Water, UCS - Utility Customer Service

Note: A major fund is defined as any fund whose revenues or expenditures, excluding other financing sources and uses, constitute more than 10% of the revenues or expenditures of the total budget. For the 2015-2017 biennium, the City's General Fund, Wastewater Fund, System Development Fund, and Community Facilities Fund are the only ones that meet these criteria.

CITY AT A GLANCE

City Information

Incorporated	1844
2013-15 Tax Rate (per $1,000)	4.409
Assessed Valuation, 2015	$2.69 billion
Bond Rating	AA

Demographics

Population

(As of July 1 each year, from Center for Population Research and Census, School of Urban and Public Affairs trend data, Year 2010 is from U.S. Census Bureau)

2010	31,995
2015 est.	34,594
2016 est.	34,895
2017 est.	35,199

Median Age	36.3
Median Income	$ 57,448
Median Property Value	$ 279,000

Sex Composition

Male	49.30%
Female	50.70%

Racial Composition

White	91.1%
Two or more races	3.1%
Asian	1.7%
American Indian	0.9%
Black	0.6%
Other	2.6%
Hispanic *	7.3%

* Hispanics may be of any race, so also are included in applicable race categories

Education

Education Attainment

Less than high school	13.79%
High school or higher	67.80%
Bachelor's degree	13.10%
Graduate or professional degree	5.31%

Schools

Elementary Schools	7
Middle Schools	2
High Schools	1
Charter and K-12	4

Service Statistics

Land Area	9.2 square miles

Public Works

Number of Water Customers	10,248
Cubic Feet Annual Water Consumption	15.4 million
Miles of Roads Maintained	136
Miles of Water Lines Maintained (City)	167
Miles of Sewer Lines Maintained (City)	132
Number of Drainage Basins (City)	22

Public Safety

Municipal Court Cases Processed	6,268
Police Calls for Service	26,970
Case Numbers Generated	5,296
Officer General Calls for Service (Traffic Stops, Suspicious Vehicle Stops, DUII Arrests, etc.)	10,226

Community Services

Number of Recreational Facilities	28
Number of Swimming Pool Annual Visits	141,295
Meals provided to Seniors	35,904

Library

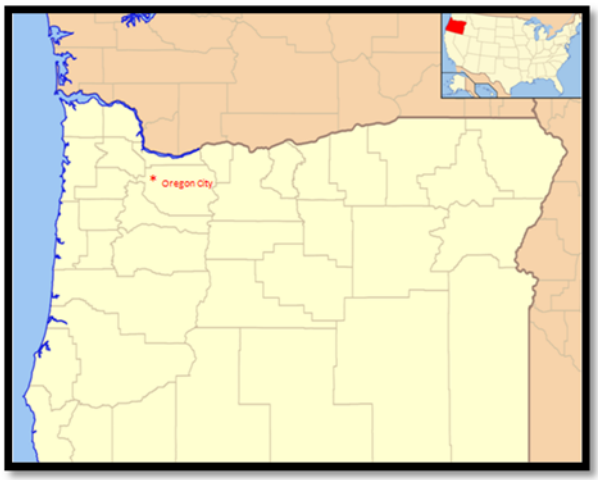
Attendance	191,934
Circulation	880,250

Municipal Government Employment Data

FTEs by Function

General Government	23.03
Police	56.5
Public Works & Utilities	47.45
Culture and Recreation	43.77
Planning & Building	12.34
Other	1.89
Total FTEs	***184.98***

CITY INFORMATION



Oregon City is the County seat of Clackamas County in Northwest Oregon, thirteen miles south of Portland, Oregon at the confluence of the Willamette and Clackamas Rivers. The City was established in 1829 and incorporated in 1844, becoming the capital of the Oregon Territory in 1894. It currently encompasses 9.2 square miles and has a current estimated population of 34,594.

The City operates under the provisions of its own charter and applicable state law with a Council-Manager form of government. The elected officials consist of the Mayor and four Commissioners who serve staggered four-year terms. All positions have term limits and no person shall hold office for more than two terms of four years in any ten year period. The Mayor and Commission vote on all ordinances and legislative matters, set policies for City government, hire, direct, and evaluate the City Manager. The City Manager is appointed by the City Commission to oversee the delivery of public services and is responsible for all administration and management.

The City provides a full range of municipal services to the community which includes police protection, traffic control and improvements, street maintenance and improvements, water, sewer and storm drain services, planning, zoning and building regulation and inspection, community library service, municipal court and parks and recreation. Fire protection is provided by the Clackamas County Fire District #1 which has its own tax rate.

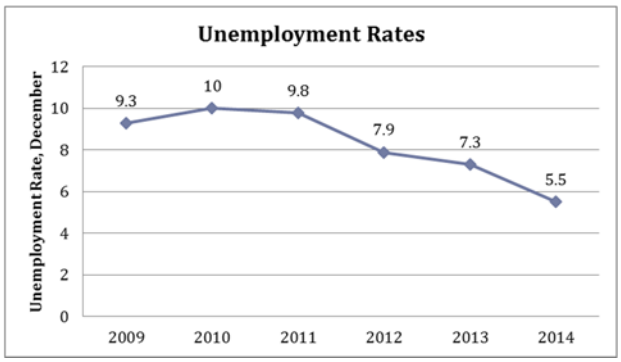
ECONOMIC CONDITION AND OUTLOOK

Oregon City's economy is linked with that of the entire Portland Metropolitan area, Clackamas County, and statewide economic trends. Clackamas County is located just south and east of the City of Portland and, together with neighboring Multnomah, Washington, and Yamhill counties, comprises the Portland Metropolitan Statistical Area. Together, these four counties include over 46.7 percent of the population of the State of Oregon according to U.S. Census estimates.

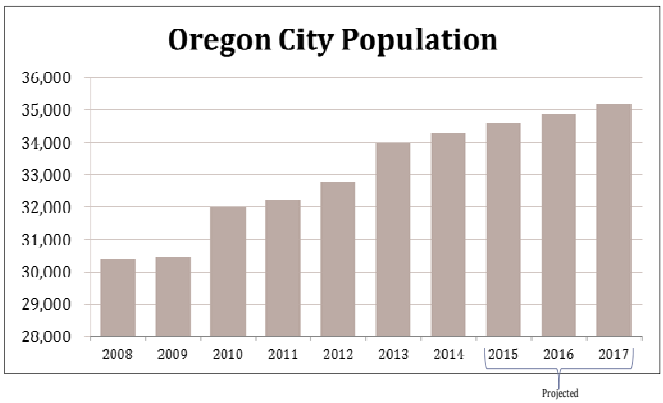
Fiscal Year 2014 continued to provide some positive signs that the local, regional and national economies may be on a path towards economic recovery. The county saw job gains for two years in a row, and Oregon overall is currently growing 1% faster than the average US state. Even though growth trends are improving in Oregon, however, the state and the region still has not fully recovered from the recession.

Oregon City's real property market value and assessed value has steadily increased after seeing declines since FY 2009; the assessed (or taxable) value, however, remains significantly lower than the real market value. Expectations call for continued slow growth over the next year.

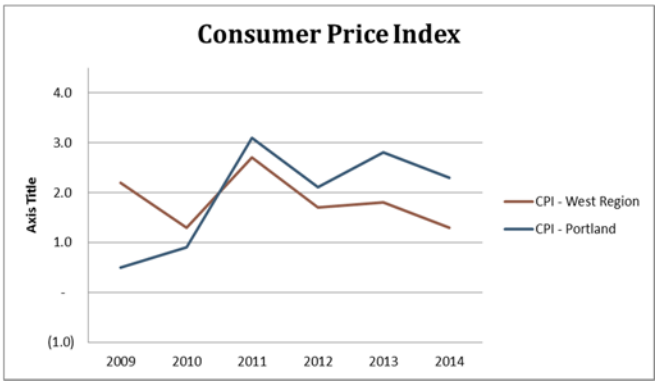
Job growth in Oregon remained relatively strong throughout 2014, and was revised upward for 2015 and 2016. As of December, 2014, the unemployment rate in Oregon City was 5.5%, significantly lower than the state average of 7.0%. The chart to the right illustrates the City's unemployment rates for the past six years. Along with an improving labor market, stronger personal income gains will come. Personal income is estimated to have increased by 3.5% over the past year.



The City continues to have population increases with nearly a 28% increase since 2000. Future growth will likely continue in the 1-2% range over the next few years as the City still contains undeveloped land within its Urban Growth Boundary. The state forecasts population to increase by slightly higher percentages than the rest of the country. The table below shows 10-year historic and projected population for Oregon City.



The Consumer Price Index (CPI) is a leading economic indicator that measures inflation and represents the changes in prices of all goods and services. This indicator is tracked and published by the U.S. Department of Labor's Bureau of Labor Statistics. The Portland metropolitan service area (MSA) CPI is comprised of Clackamas, Columbia, Marion, Multnomah, Polk, Washington, and Yamhill Counties in the state of Oregon. Portland MSA's CPI for the year ended December 31, 2014, was 2.6%. This means that in December 2014, goods as a whole cost 2.6% more than in December 2013. The chart highlights the Portland MSA and the U.S Western Region CPI for the past six years.



Economic Assumptions Used in Developing Budget

General

- The City's population will grow 1% in each of the next two years.
- Consumers will cautiously increase their spending in response to moderate gains in employment, income, and net worth.

Resources

- Assessed values, the basis of property tax revenues, will grow by 4.0% in each of the years in the biennium, 2016 and 2017, or $107.61 million in 2016 and $111.91 million in 2017.
- Property tax revenues are estimated to increase by approximately 8.0% over the two-year period due to the anticipated property value increase.
- Charges for services are scheduled to increase between 3% and 9% depending on previously approved indexing schedules.
- Interest rates on investments will be 0.54% based on prevailing rates and are not projected to increase in the biennium.
- All other revenue sources are estimated using trend analysis; further information on revenue trends is provided in the Budget Summary section.

Requirements

- Cost for goods and contracts are projected to increase 3% annually on average; exceptions or significant variances are explained under Budget Highlights of each Department budget.
- Capital outlay (projects and equipment) budgeted at projected acquisition or construction cost, generally projected at a 2% increase.
- Cost of Living increases are 2% to 3% for all employees; step increases are included on employees' anniversary dates.
- Health benefit costs are projected at 12% and 5% annual increases based on claims and premiums projections prepared by Oregon City's benefits broker
- Public Employees Retirement System (PERS) contributions rates (estimated for 2015-2017 biennium) provided by PERS.

COMMISSION GOALS
CITY COMMISSION GOALS AND PRIORITIES

In addition to their regular public meetings, the Oregon City Commissioners meet for an extended period every two years to develop, update and adopt City Goals. Priorities and milestones to be accomplished during the biennium are also developed and adopted. The City's long term goals should not be confused with the City's budget. The budget is the legal authority for spending and focuses on the near-term (the biennium). The City goals serve as the framework and help to identify long-term funding gaps as well as help management develop budget strategies and prioritize limited resources. The proposed budget is developed to support and meet those priorities during the biennium. Long-term goals continue beyond the two-year period.

OREGON CITY VISION

Embrace and advance Oregon City's historic role as a regional leader.

MISSION

Build a healthy community that leads the State in safety, economic opportunity, livability, and historic significance.

GOALS

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

Oregon City Commissioners
Rocky Smith, Carol Pauli, Mayor Dan Holladay, Daphne Wuest, and Brian Shaw

CITY COMMISSION GOALS AND PRIORITIES
2015 VISIONING AND PLANNING SESSION

GOAL 1: Maintain an Environment for Successful Economic Development	
Priority	**Milestones**
Cove Project and Former Landfill Site	Continue to advance development opportunities for the Cove and Former Landfill sites
Willamette Falls Legacy Project	Continue to advance the Willamette Falls Legacy Project by seeking funding and design for the Riverwalk
Railroad Quiet Zone	Pursue budget contingency for a railroad Quiet Zone
Industrial Lands in the Beavercreek Area	Construct public utility infrastructure for industrial lands in the Beavercreek area
Incentive Programs	Create economic development incentive programs
Enhance Tourism	Support opportunities to enhance tourism with modification to lodging tax

GOAL 2: Address Critical Facility Needs	
Priority	**Milestones**
Library Addition	Initiate and complete construction of Carnegie Library addition
New Police and Court Facility	Implement funding strategy for construction of new Police and Court facility, to commence July 2015
City Hall and Community Development Services	Complete further study regarding a consolidated location for City Hall and Community Development services
Public Works Center	Update the Oregon City Public Work Operations Center Master Plan at its current location and seek consensus to move forward with construction
Deferred Maintenance Issues – Community Services	Increase budgeted funding to address deferred maintenance for the City Parks and Recreation facilities, along with other Community Service Department needs

GOAL 3: Enhance the Livability of the Community	
Priority	**Milestones**
Tri-City Service District Governance	Change the Governance for the Tri-City Service District to include board members who reside within the District
Transit Service in Oregon City	Pursue working with TriMet to restore/enhance transit services in Oregon City
Sewer Moratorium Projects	Begin construction on Sewer Moratorium Projects
Stormwater Master Plan	Complete the Stormwater Master Plan & Development Standards as required by State and Federal regulations
Beavercreek Road Concept Plan	Re-adopt the Beavercreek Road Concept Plan
Waterfront Master Plan	Revisit the North end section of the Waterfront Master Plan

GOAL 4: Seek Opportunities to Maintain Communications with Citizens and Facilitate Citizen Participation	
Priority	**Milestones**
Ermatinger House	Encourage volunteer operations plan for the Ermatinger House and potential transfer to the U.S. National Park Service
Economic Development Developer Forums/Process	Continue to conduct Economic Development Developer Forums and other development process streamlining efforts
Electronic Records Management System	Implement an electronic records management system Citywide (HP TRIM / HPRM)

GOAL 5: Maintain Fiscal Health and Long Term Stability	
Priority	**Milestones**
IT Service and Permitting System	Implement IT service upgrades and permitting system
Annexation Strategy	Consider Annexation strategy and policy

Financial Policies

Goals and Purpose:

- Provide accurate and relevant financial information for the City Commission and management to enable them to make and implement policy
- Ensure the financial integrity of City operations
- Promote and assist with sound management of City government
- Protect and Enhance the City's bond rating
- Ensure accountability and transparency
- Ensure surplus cash is prudently invested
- Ensure that adequate reserves are maintained
- Provide adequate funds to operate desired programs and meet the City's debt provisions and obligations

Revenue Policy:

- The City will strive to maintain a diversified and stable revenue system to protect the city from fluctuations in any one revenue source.
- One-time revenues should not be used for ongoing expenditures, but instead for one-time expenditures.
- All City funds shall be safely invested to provide first a sufficient level of liquidity to meet cash flow needs and second to provide the maximum yield possible.
- Utility rates will be set at levels sufficient to cover operating expenditures, meet debt obligations and debt service requirements, and provide adequate levels of working capital.
- The City will periodically review and revise user fees to recover the costs of those services to the extent possible.
- The City will estimate its annual revenues objectively, analytically and conservatively.

Budget Policy:

- The City shall prepare, present, adopt and amend its operating budget in accordance with Oregon Local Budget Law.
- The City is required to prepare a balanced budget according to Oregon Administrative Rules which state that
    1. The budget must be constructed in such a manner that the total resources in a fund equal the total of expenditures and requirement for that fund, and
    2. The total of all resources of the City must equal the total of all expenditures and requirements for the City.
- The City will avoid budgetary procedures that balance current year expenditures at the expense of meeting future years' expenses.
- Departmental objectives will be integrated with the City's annual budget.
- The City Commission shall adopt the budget at the fund or department level (if a fund contains more than one department) as a total dollar amount for all appropriations except contingency, unappropriated ending fund balance and reserves, which shall be stated separately.
- Funding sources for capital projects will be identified and ongoing operating costs will be quantified.
- The City will plan for vehicle, equipment, and building replacement to ensure resources are available when needed.
- Cost analysis of salary increases will include the effect of increases on the City's share of related fringe benefits and will incorporate estimated market and/or merit adjustments as well as all union and other contract obligations.

- All non-salary benefits will be estimated and their impact on future budgets assessed annually.
- Monthly reports comparing actual to budgeted expenditures will be prepared by Finance Department and be distributed to the Management.
- The City will prepare budgets on a biennial basis to coincide with the Commission visioning however will provide annual updates including financial updates and operational progress.
- The City will submit the Adopted Budget Document for consideration for the Award for Distinguished Budget Presentation from the Government Finance Officers Association (GFOA) for each budget cycle.

CAPITAL IMPROVEMENT POLICY:

- The City will capitalize all fixed assets and improvements of a long term character which are continued to be held or used, such as land, buildings, improvements other than buildings, and machinery and equipment with a value of $5,000 or more.
- The City will develop a multi-year plan for capital improvements and update it annually.
- The future operating costs associated with new capital improvements will be projected and included in the operating budget forecast.
- The City will determine the most effective and efficient financing method for all new projects.
- System Development Charges will be used for infrastructure capacity expansion and improvements including in-house engineering and design.

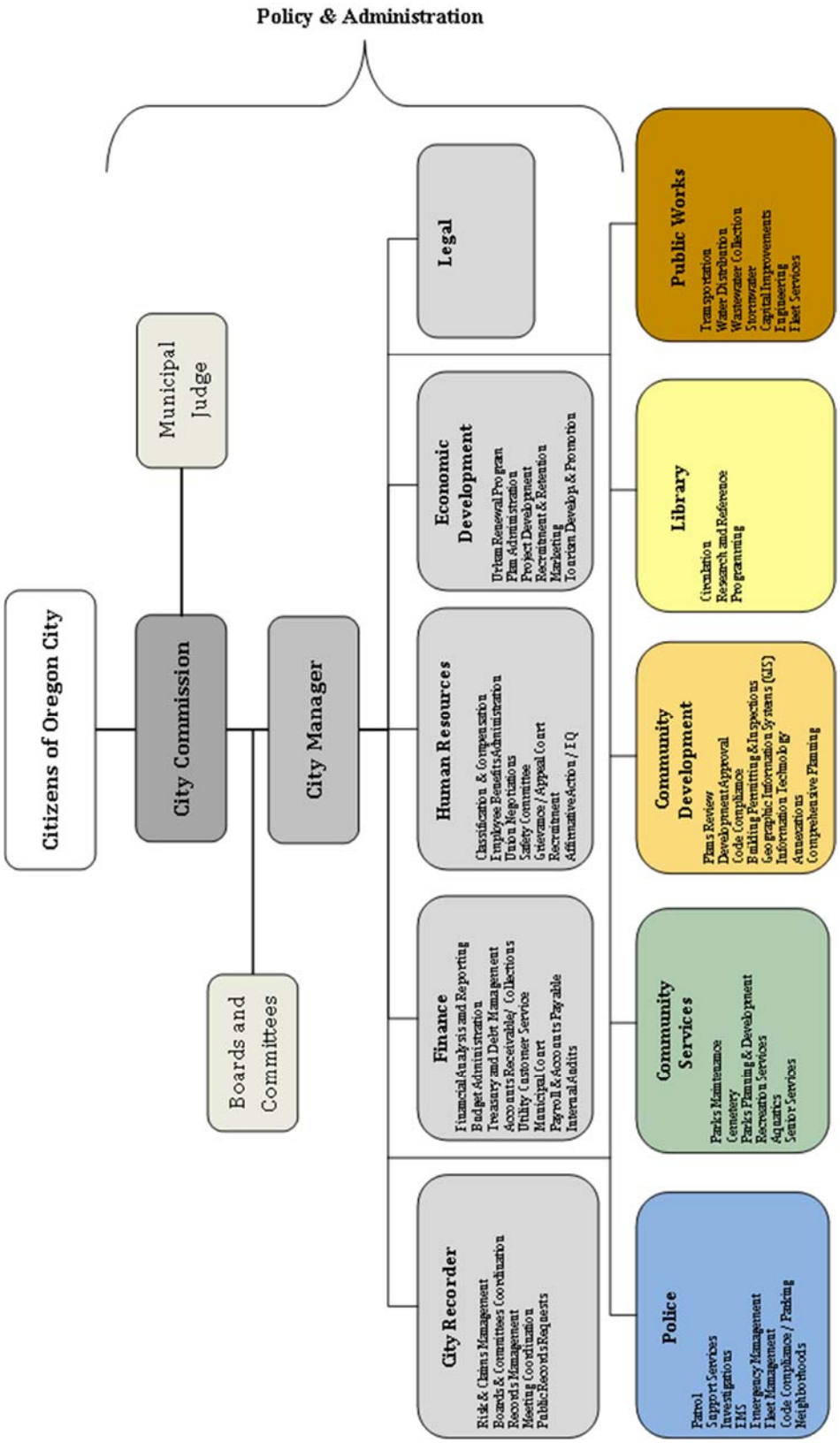
DEBT POLICY:

- The City will not use long-term debt for current operations.
- The City will follow a policy of full disclosure on every financial report and required debt disclosure.
- Capital projects financed through bond proceeds shall be financed for a period not to exceed the useful life of the project.
- The City shall review its outstanding debt periodically for the purpose of determining if the financial marketplace will afford the City the opportunity to lessen its debt service costs.
- The City shall periodically review possible actions to maintain or improve its bond ratings and maintain good communications with bond rating agencies about its financial condition.

RESERVE POLICY:

- The City shall establish a contingency reserve to provide for unanticipated expenditures of a nonrecurring nature and to meet unexpected increases in service delivery costs; these funds may not be directly disbursed from the contingency reserve but only in accordance with local budget law in the State of Oregon.
- The City will maintain an unallocated and unappropriated fund balance or retained earnings to provide working capital until sufficient revenues arrive to fund current operations equal to a minimum of two months of general operating expenditures.
- Contingency and unappropriated reserve calculations are based on adopted budget for all operating funds excluding debt service, capital project, internal service, and reserve funds.
- It is the intent of the City to use all surpluses generated to accomplish three goals: meet reserve policies, avoid future debt, and reduce outstanding debt.

Organization Chart



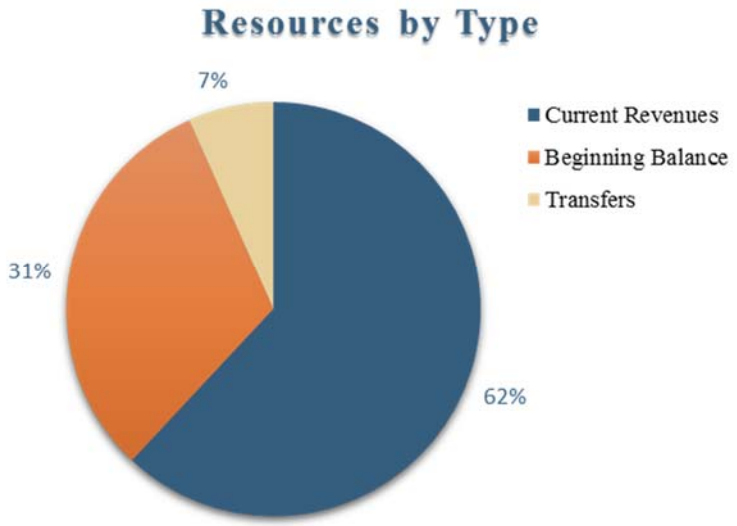
BUDGET SUMMARY – ALL FUNDS COMBINED

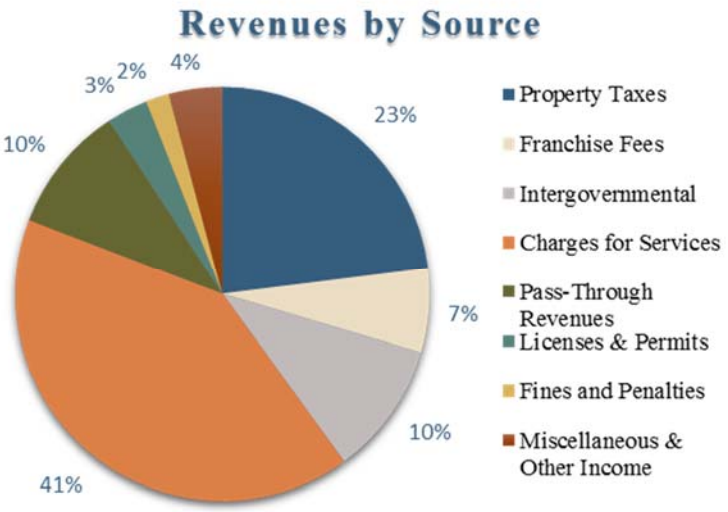
The chart below summarizes all resources and requirements by category for the 2015-2017 biennium and compares them to FY 2012 and 2013 actual totals as well as to the 2013-2015 biennial budget.

All Funds	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$22,893,643	$27,343,307	$ 48,542,478	51,770,802	29,488,088	51,770,802
Property Taxes	9,363,040	9,648,967	21,248,290	11,573,063	11,970,944	23,544,007
Franchise Fees	2,422,801	2,335,393	5,463,896	3,353,794	3,379,844	6,733,638
Intergovernmental	16,779,224	10,301,401	12,976,381	5,261,147	5,378,055	10,639,202
Charges for Services	16,106,542	20,061,133	49,833,496	20,609,649	21,163,882	41,773,531
Pass-Through Revenues	3,580,580	4,547,081	9,342,000	5,030,941	5,157,570	10,188,511
Licenses & Permits	1,748,495	2,126,311	3,116,436	1,620,841	1,663,165	3,284,006
Fines and Penalties	1,078,240	929,010	1,871,749	927,078	937,966	1,865,044
Other Taxes and Assessments	-	-	-	202,500	199,000	401,500
Miscellaneous Income	1,501,500	1,480,761	3,062,557	1,303,024	1,379,524	2,682,548
Interest Income	277,769	309,555	420,158	201,108	161,305	362,413
Other Financing Sources	602,279	621,434	7,561,223	473,164	355,858	829,022
Transfers In	5,440,734	5,692,059	96,302,805	5,552,209	5,455,999	11,008,208
Total Resources	**$81,794,847**	**$85,396,412**	**$259,741,469**	**$ 107,879,320**	**$ 86,691,200**	**$ 165,082,432**
Requirements						
Personnel Services	$17,238,654	$17,769,628	$ 40,863,437	22,056,950	22,755,769	44,812,719
Operating Materials & Services	9,928,551	10,591,150	25,293,150	12,764,829	12,844,870	25,609,699
Pass-Through Expenses	3,552,543	4,522,252	9,342,000	5,030,941	5,157,570	10,188,511
Capital Outlay	16,067,817	8,582,039	26,693,521	30,362,140	13,625,051	43,987,191
Debt Service	2,223,241	2,281,851	4,673,181	2,624,163	2,685,040	5,309,203
Transfers Out	5,440,734	5,692,059	96,302,805	5,552,209	5,455,999	11,008,208
Contingency	-	-	11,313,240	23,850,536	18,701,260	18,701,260
Reserved for Future Expenditure	4,298,623	5,045,713	45,260,135	5,637,552	5,465,641	5,465,641
Unappropriated Fund Balance	23,044,684	30,911,720	-	-	-	-
Total Requirements	**$81,794,847**	**$85,396,412**	**$259,741,469**	**$ 107,879,320**	**$ 86,691,200**	**$ 165,082,432**

WHERE THE MONEY COMES FROM – ALL FUNDS COMBINED

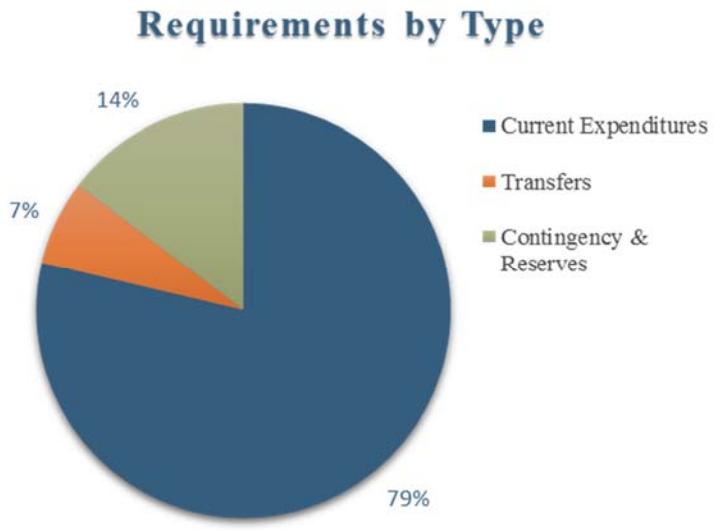
Resources to meet Oregon City's obligations and service needs are derived from three primary sources: beginning fund balance, current revenues, and transfers in from other funds. Beginning fund balance consists of revenues carried forward from previous fiscal years, including reserves for specific purposes (e.g., debt reserves and capital improvements) and monies used for working capital cash flow. Current revenues are those earned from city operations or taxes collected during the fiscal year. The third source is transfers between funds to pay for either direct or indirect costs. The first chart below compares the relative percentage of each source of revenue and the second chart breaks down current revenues (excluding beginning fund balance and transfers) for the biennium.

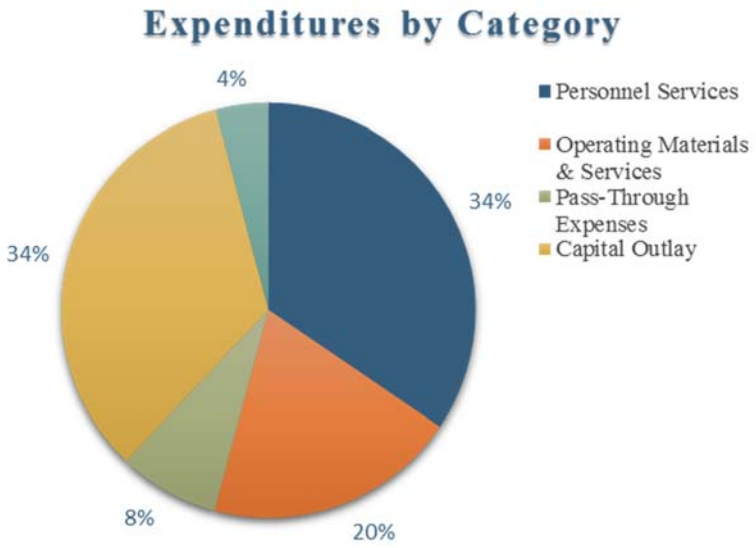




WHERE THE MONEY GOES – ALL FUNDS COMBINED

Oregon City's requirements fall into two primary categories: expenditures and contingency/reserves. Total requirements consist of all monies appropriated for use during the fiscal year plus contingency, which may be used to meet unanticipated operating needs, and reserve for future expenditures. The following charts break down total appropriations into expenditures and contingency, then further break down expenditures by category or function.





RESOURCES AND REQUIREMENTS – ALL FUNDS

The following table summarizes total resources/requirements for each fund, which equal by fund in a balanced budget.

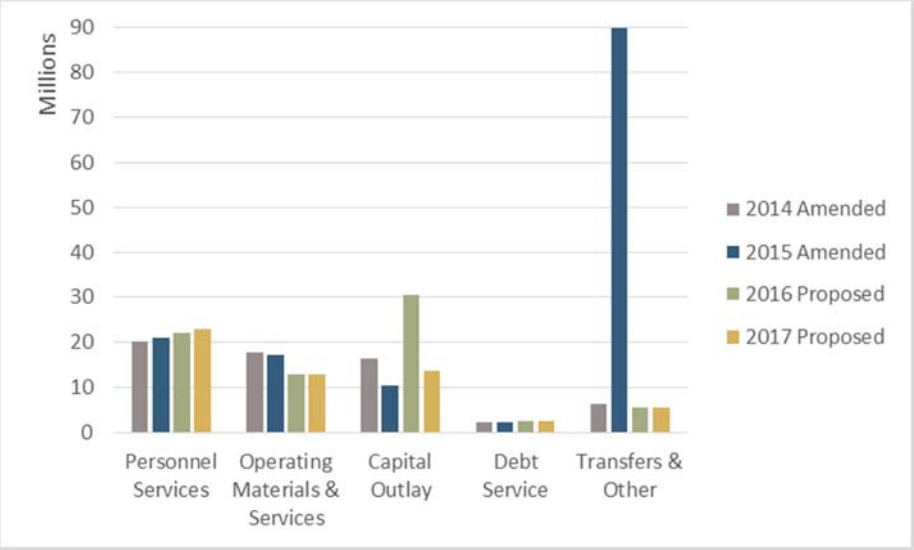
Fund	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
General Fund	$ 18,810,862	$ 19,636,608	$ 80,350,189	$ 24,518,427	$ 23,623,935	$ 44,912,993
Special Revenue Funds						
Building Operations	1,411,243	1,956,646	2,470,419	1,424,008	1,426,254	2,619,764
Community Development	1,388,013	1,591,678	3,994,114	1,796,365	1,757,465	3,487,968
Engineering	402,230	385,428	990,000	934,313	864,941	1,746,396
Library	2,913,954	2,830,118	4,350,679	2,915,928	3,352,158	5,187,308
Transportation	2,458,545	2,602,737	6,935,588	6,422,421	5,939,443	10,724,489
Capital Projects Funds						
System Development	-	-	18,000,000	15,830,581	13,290,998	17,729,090
General Capital Projects	-	-	19,332,000	20,010,000	2,575,000	22,485,000
Fleet& Equipment Replacement	2,539,877	3,088,989	6,340,612	4,132,971	3,592,315	5,014,921
Enterprise Funds						
Stormwater	2,432,031	2,675,146	5,044,111	3,506,514	3,387,821	6,093,488
Wastewater	5,897,086	6,962,942	15,134,921	12,285,657	12,855,718	21,575,290
Water	6,961,362	7,462,989	13,196,385	9,435,517	9,273,692	15,921,665
Internal Service Funds						
Fleet Services	252,710	205,386	296,500	155,429	163,792	314,564
Utility Customer Service	783,373	856,314	1,893,939	1,010,262	1,051,220	2,041,482
Debt Service Funds						
GO Bond Debt Service	424,367	424,911	812,883	448,875	421,363	818,238
PERS Bond	2,439,509	2,621,339	4,038,300	3,052,052	3,115,085	4,409,776
Closed Funds						
Business Development	101,943	77,948	160,350	-	-	-
Cable TV	216,646	231,600	477,000	-	-	-
City Cleanup Fund	429,521	415,580	762,073	-	-	-
Civic Improvement Trust Fund	83,746	99,889	362,000	-	-	-
Code Enforcement	249,307	269,118	595,349	-	-	-
Downtown Parking Fund	513,108	669,870	1,447,890	-	-	-
Economic Improvement District	105,519	118,055	240,000	-	-	-
Endowment Care Fund	103,920	104,495	110,000	-	-	-
Ermatinger House	250,222	327,899	781,000	-	-	-
Hopp Sewer Construction Fund	31,395	43,229	124,300	-	-	-
Library Reserves	1,345,371	2,313,545	14,594,556	-	-	-
Oregon City Enhancement	265,270	238,183	450,000	-	-	-
Parks & Recreation Trust	222,141	260,403	445,000	-	-	-
Parks Development SDC	1,892,119	2,662,646	6,340,699	-	-	-
Pavement Maintenance	2,278,584	2,823,397	6,052,740	-	-	-
Police Building Reserve	122,721	98,421	1,593,001	-	-	-
Police Services Reserve	367,606	629,385	1,100,000	-	-	-
Public Works Building Reserve Fund	4,132,692	5,309,177	15,482,692	-	-	-
Stormwater Development	349,527	491,971	1,644,887	-	-	-
Transportation Development	14,670,053	8,712,926	10,118,970	-	-	-
Upgrade Streets Annexed	189,940	190,991	200,000	-	-	-
Wastewater Development	1,964,198	2,372,600	5,712,208	-	-	-
Wastewater Rate Stabilization	623,252	623,252	623,252	-	-	-
Water Development	1,678,642	2,518,358	6,650,620	-	-	-
Water Rate Stabilization	492,242	492,242	492,242	-	-	-
Total Resources - All Funds	***$ 81,794,847***	***$ 85,396,412***	***$ 259,741,469***	***$ 107,879,320***	***$ 86,691,200***	***$ 165,082,432***

BUDGET TRENDS BY YEAR

The table below compares the proposed 2015-2017 biennial budget to the 2013-2015 biennial budget and the two previous years. The most significant change between the two biennia is due to the transfers required for the closing of funds that occurred in 2015. Major changes between ending fund balances and contingencies from year to year cause significant variations between each year as well. The following section compares budgeted expenditures by year, excluding transfers, fund balance and contingency. As shown below, overall expenditures increased in the proposed biennium. The main reason for the increase is due to capital projects which are being funded in the current year. The library expansion plus a focus on deferred capital maintenance is evident in many funds during this biennium. (Further discussion on the changes in fund balance is found in the Budget Message.)

	2011-2012 Actual	2012-2013 Actual	2013-2014 Amended Budget	2014-2015 Amended Budget	2013-2015 Amended Biennium	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Total Budget	$81,794,847	$85,396,412	$82,735,128	$ 197,215,549	$259,741,469	$ 107,879,320	$ 86,691,200	$ 165,082,432
Less Ending Fund Balance and Contingency	(27,343,307)	(35,957,433)	(20,209,208)	(56,573,375)	(56,573,375)	(29,488,088)	(24,166,901)	(24,166,901)
Less Transfers	(5,440,734)	(5,692,059)	(5,332,386)	(90,970,419)	(96,302,805)	(5,552,209)	(5,455,999)	(11,008,208)
Total Expenditures	**$49,010,806**	**$43,746,920**	**$57,193,534**	**$ 49,671,755**	**$106,865,289**	**$ 72,839,023**	**$ 57,068,300**	**$ 129,907,323**

The chart below compares each year of the proposed biennial budget (2016 and 2017) to each year of the prior year amended budgeted expenditures (2014 and 2015) by Category for all budgeted funds.



Personnel Services: Personnel costs increased by $3.9 million, or 9.7%, in the proposed biennium. This increase is mainly due to projected health insurance increases of 10% as well as additional personnel. In 2016, there is a proposed increase in personnel across various departments, partially to reduce contracted services or to focus on deferred maintenance. The increases include two Information Technology positions to eliminate need for contracted services, a senior building inspector to eliminate the need for contracted inspections, and maintenance and engineering personnel to deal with deferred maintenance in Parks, Utilities, and the Sewer moratorium. Further analysis of personnel costs and changes is found starting on page 129.

Operating Materials & Services: Operating costs increased by $300,000, or 1%, over the biennium. Savings for bringing services in house (increases for anticipated personnel) were offset by contractual service fee increases across all departments and new initiatives for city-wide electronic security and records management and updates to studies and master plans (signalization

study, infiltration and inflow inspections, stormwater master plan). These initiatives are discussed in more detail under the Departments section of the Budget.

Capital Outlay: The largest expenditure change is in Capital Outlay. Budgeted capital increased by $17.3 million, or 64.8%, over the biennium. Construction of the Oregon City Library expansion, funding initial work on the Public Works Operations Center and the Community Safety Facility, as well as catching up on some deferred capital in Water, Wastewater, and Parks are the reasons for the increase. These projects are explained in more detail in the Budget Message, in the respective funds budgeted and in the Capital Section starting on page 139.

Debt Service: Debt Service payments remained relatively stable throughout each year. While the water utility bond was paid off in 2015, the City acquired new voter approved debt for the Library in 2015. Information on the City's debt is located in the Debt Administration section of this budget.

Transfers & Other Uses: This category includes the closing of numerous funds in 2015, causing the spike in transfers. Transfers further decrease in 2016 from previous years due to the closing of funds eliminating the need for monies to be transferred back and forth.

REVENUE ASSUMPTIONS AND TRENDS

The City's major revenue sources are explained below, including the underlying assumptions for the revenue estimates and trend information. Revenues are forecasted conservatively in response to uncertainties about the regional and national economy.

Property Taxes (23%)

Property tax revenues are calculated by applying the City's tax rate, not to exceed the permanent rate, to the assessed value. At the beginning of each fiscal year, the Clackamas County Assessor determines assessed values of properties. With the approval of Measure 50 in 1997, assessed values on individual properties were rolled back to FY 1995-96 levels and then reduced by 10%.

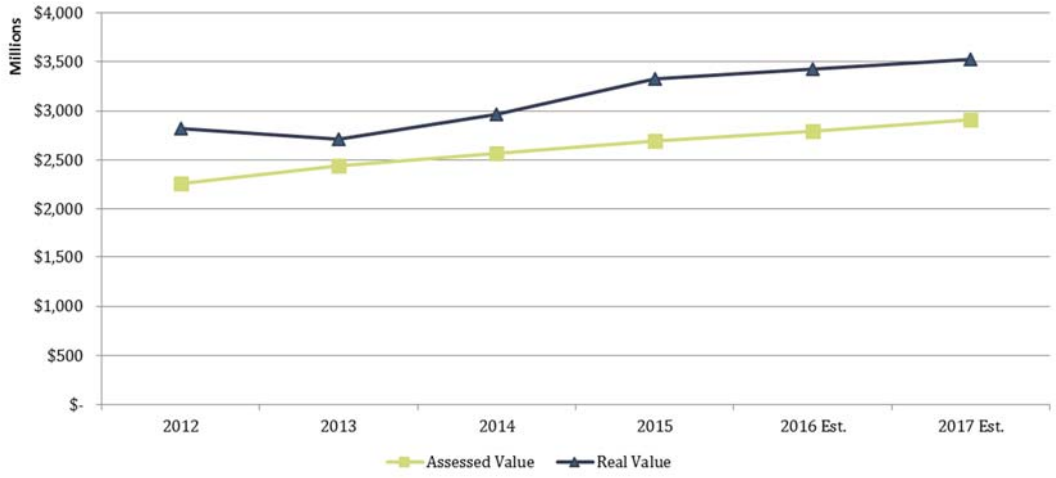
Assessed value increases are limited to 3% per year. Annual 4% increases in assessed value for property taxes are built into the calculation due to economic factors, valuation increase limits, anticipated new properties added to the tax roll, and county assessor information. For FY 2015, Oregon City's total assessed value was approximately 81% of the real market value. This gap widened as expected due to the cap on assessed value increases. Assessed value is used for spreading the operating levies, while market values are used to meet Measure 5 cap requirements, approved by voters in 1990, which limit tax rates to $15 per $1,000 of real market value ($5.00 for schools and an aggregate $10.00 for all other governments), and to spread debt service levies, which are exempt from Measures 5 and 50.

The maximum authorized (or permanent) tax rate for Oregon City is $5.0571 per $1,000 of assessed value. The budgeted rate of $4.409 per $1,000 is consistent with that approved during the last two years and is still below the City's Permanent Tax Rate.

The city's total projected assessed value is multiplied by its permanent or adopted tax rate per $1,000 of assessed value to calculate the anticipated property taxes to be received. Due to discounts and collection history, the city assumes a 94% collection rate on property taxes for the FY 2015-2017 biennium. This is in line with previous year's collection estimates and reflective of the current collection rate.

	2011-2012 Actual	2012-2013 Actual	2013-2014 Amended Budget	2014-2015 Amended Budget	2013-2015 Amended Biennium	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Property Taxes	$ 9,363,040	$ 9,648,967	$ 10,496,353	$ 10,751,937	$ 21,248,290	$ 11,573,063	$ 11,970,944	$ 23,544,007
Assessed Value (Millions)	$ 2,260.50	$ 2,442.13	$ 2,563.48	$ 2,690.17		$ 2,797.78	$ 2,909.69	

The table above shows property tax collections by year and compares them to assessed property value. The chart and table below show the historic and projected assessed values by year in comparison to real market property values from 2008 through the current biennium.

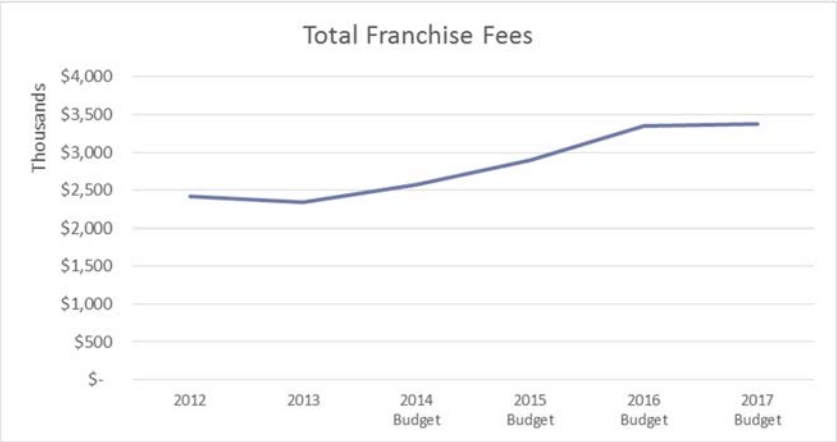


Year	Assessed Value	Real Value	Percentage of Real Value
2017 Est.	$2,909,686,821	$3,530,541,736	82%
2016 Est.	$2,797,775,789	$3,427,710,423	82%
2015	$2,690,169,028	$3,327,874,197	81%
2014	$2,563,482,092	$2,968,046,311	86%
2013	$2,442,131,136	$2,714,394,538	90%
2012	$2,260,500,253	$2,818,469,932	80%

Franchise Fees (7%)

Franchise fees are charged to private utilities for the use of publicly owned right-of-ways (ROW). Private franchised activities include electricity, telecommunications, natural gas, and cable television. Additionally, the City's water, wastewater and stormwater funds pay matching franchise fees. Franchise fees are charged as a percentage of gross proceeds generated within Oregon City's city limits. Revenues are estimated based on 6-year trend information assuming no growth in the projected year at the rates charged based on individual agreements with the different franchisees. Current franchise rates and projected revenues are shown below. The City adopted a new ROW Ordinance to capture previously uncharged utilities in 2014 and certain service rates were increased. Revenues in the biennium include a projection for this additional revenue.

Service	Rate	2011-2012 Actual	2012-2013 Actual	2013-2014 Amended Budget	2014-2015 Amended Budget	2013-2015 Amended Biennium	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Electricity	5.0%	$ 898,155	$ 840,445	$ 850,000	$ 850,000	$ 1,700,000	$ 1,285,130	$ 1,285,130	$ 2,570,260
Cable TV	5.0%	359,110	383,808	368,000	483,100	851,100	400,000	400,000	800,000
Water Utility	6.0%	297,823	306,757	317,861	327,396	645,257	256,550	264,247	520,797
Natural Gas	5.0%	285,539	249,761	280,000	280,000	560,000	368,000	368,000	736,000
Wastewater Utility	6.0%	160,000	160,000	189,960	203,244	393,204	238,900	246,067	484,967
Garbage	4.0%	190,875	199,461	192,000	368,173	560,173	210,000	210,000	420,000
Stormwater Utility	6.0%	93,024	93,024	134,070	138,092	272,162	134,100	138,123	272,223
Telecommunications	5.0%	138,275	81,137	125,000	125,000	250,000	158,000	161,800	319,800
Other ROWs	Various	-	21,000	116,000	116,000	232,000	303,114	306,477	609,591
Total Franchise Fees		***$ 2,422,801***	***$ 2,335,393***	***$ 2,572,891***	***$ 2,891,005***	***$ 5,463,896***	***$ 3,353,794***	***$ 3,379,844***	***$ 6,733,638***



Intergovernmental Revenues (10%)

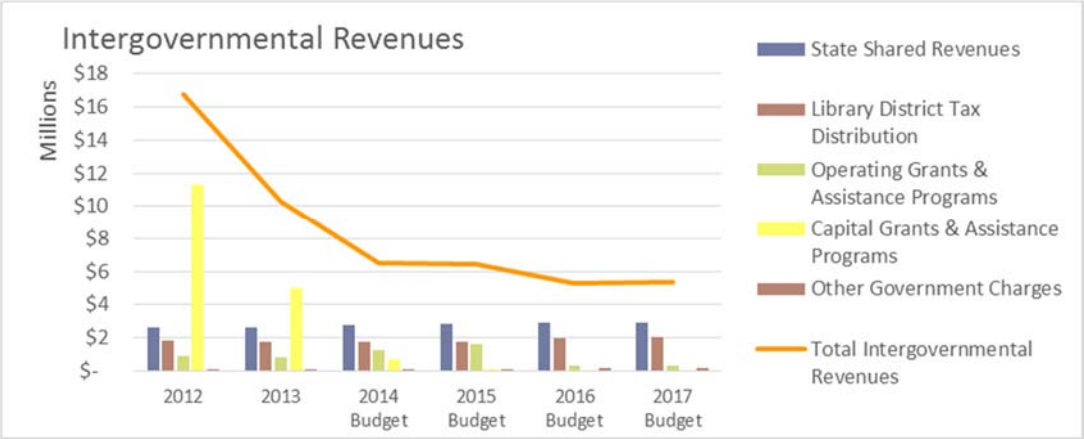
In the biennial budget, State Shared Revenues make up the majority of total intergovernmental revenues. State revenues are distributed to cities per Oregon Statutes; revenues are calculated using a formula based on population and income for the individual city. State shared revenues include general revenues, cigarette taxes, liquor taxes, and gas taxes. Revenues are forecasted based on data provided by the League of Oregon Cities.

The Oregon City Library is a member of the Clackamas County Library Tax District and as such receives an annual tax allotment based on population according to District estimates.

Grants and governmental assistance programs are awarded for operations (such as the Police Department's Crime Prevention grant) and capital programs (such as funding received for highway reconstruction). These are estimated based on approved grants and projected annual eligible grant spending. Other intergovernmental revenues include charges to governmental agencies for goods or services provided.

The biggest change over the years in Intergovernmental Revenues resulted from a capital grant received between 2011 and 2013 for the construction of the Jughandle Project.

Source	2011-2012 Actual	2012-2013 Actual	2013-2014 Amended Budget	2014-2015 Amended Budget	2013-2015 Amended Biennium	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
State Shared Revenues	$ 2,629,817	$ 2,605,344	$ 2,768,609	$ 2,858,443	$ 5,627,052	2,888,200	$ 2,941,814	$ 5,830,014
Library District Tax Distribution	1,798,798	1,756,310	1,770,416	1,770,416	3,540,832	1,949,107	2,007,580	3,956,687
Operating Grants & Assistance Programs	909,112	833,052	1,230,505	1,588,413	2,818,918	286,820	288,727	575,547
Capital Grants & Assistance Programs	11,314,274	5,012,268	660,000	110,000	770,000	-	-	-
Other Government Charges	127,223	94,427	110,723	108,856	219,579	137,020	139,934	276,954
Total Intergovernmental Revenues	**$ 16,779,224**	**$ 10,301,401**	**$ 6,540,253**	**$ 6,436,128**	**$ 12,976,381**	**$ 5,261,147**	**$ 5,378,055**	**$ 10,639,202**



Charges for Services (41%)

Charges for water, wastewater, pavement maintenance, and stormwater are charged to all utility customers throughout the City. These fees are established through resolution and are based on individual utility master plans and rate studies. The City Commission approves the rates based on costs to provide services according to City Charter. Revenues are estimated based on number of utility customers (total connections) times approved rates. Utility charges include adjustments based on currently established Commission resolutions or inflation of generally 2% to 3%.

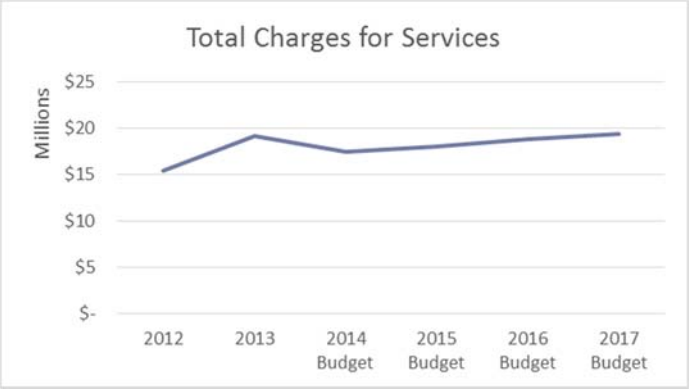
Charges for services also include fees charged to users of various city services, such as parks, library services and cemetery. Other charges for services not controlled by Commission action are calculated based on a six year average with conservative adjustments as requested by departments.

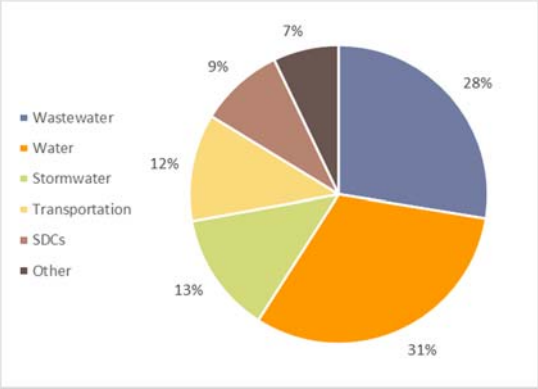
Revenues are based on projected users derived from previous trend analysis for the past six years assuming a 1% annual growth or other adjustments as requested by departments.

Further, services are provided between City departments daily. Each department providing a

service is reimbursed a "charge for service" which is then recorded as an expense in the department receiving that service. The City calculates these charges based on the approximate time spent and other associated fees. It is important that each City function recover its cost of service, even internally, so that funds entrusted by the public are used for intended purposes and in accordance with applicable laws and regulations. Various departments in the General Fund charge user fees associated with providing goods and services to external customers as well. Services provided by these departments are charged directly when the benefit is for specific customers rather than the entire community. A breakdown of Charges for Services is shown below. Excluding an uptick in 2013 resulting from some large developments, these revenues have been growing steadily from year to year with the utilities making up the largest share.

Type of Charge	2011-2012 Actual	2012-2013 Actual	2013-2014 Amended Budget	2014-2015 Amended Budget	2013-2015 Amended Biennium	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Wastewater	$ 2,842,238	$ 3,269,355	$ 3,200,150	$ 3,421,600	$ 6,621,750	$ 5,188,739	$ 5,338,401	$ 10,527,140
Water	5,172,178	5,370,394	5,490,419	5,649,349	11,139,768	5,926,122	6,103,906	12,030,028
Stormwater	2,062,977	2,221,541	2,247,500	2,314,535	4,562,035	2,460,389	2,534,201	4,994,590
Transportation	1,613,264	1,891,484	1,856,850	1,911,431	3,768,281	2,181,994	2,247,439	4,429,433
System Development Charges	2,476,280	5,153,994	3,416,000	3,416,000	6,832,000	1,721,519	1,770,964	3,492,483
Parks & Recreation User Fees	424,972	509,269	466,700	466,700	933,400	499,133	509,711	1,008,844
Planning & Review Fees	245,123	164,836	228,900	257,350	486,250	266,120	273,758	539,878
Parking	280,352	325,104	285,175	285,175	570,350	320,397	323,687	644,084
Cemetery Fees	230,920	278,106	240,000	240,000	480,000	261,000	261,000	522,000
Total Charges for Services	***$ 15,348,304***	***$ 19,184,083***	***$ 17,431,694***	***$ 17,962,140***	***$ 35,393,834***	***$ 18,825,413***	***$ 19,363,067***	***$ 38,188,480***





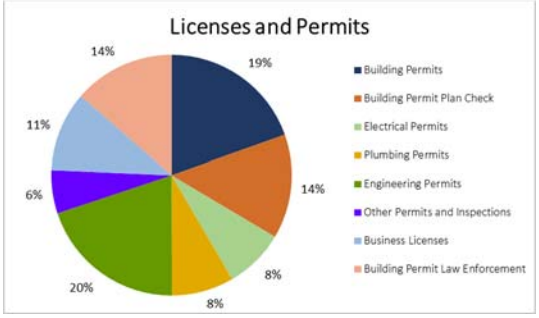
Pass-Through Revenues (10%)

A local government may collect taxes, fees, or charges on behalf of other governmental entities that are then paid, on a pass-through basis, to another local government through under an intergovernmental agreement or statute. The City is required to budget these collections as pass-through revenues and the remittances as special payments. The following chart shows the pass-through payments collected at the City and the funds where they are recorded.

Fund	Type of Charge	2011-2012 Actual	2012-2013 Actual	2013-2014 Amended Budget	2014-2015 Amended Budget	2013-2015 Amended Biennium	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Community Development	School Excise Tax	445,937	546,511	600,000	600,000	1,200,000	600,000	600,000	1,200,000
Building	Metro Excise Tax	61,527	88,117	55,500	58,500	114,000	90,000	90,000	180,000
Building	State Surcharge	103,476	137,141	73,000	77,000	150,000	120,000	120,000	240,000
Water	South Fork Development Charges	291,811	426,245	350,000	350,000	700,000	360,500	371,315	731,815
Wastewater	Tri-Cities Connections	477,129	765,127	700,000	700,000	1,400,000	250,000	257,500	507,500
Wastewater	Tri-Cities Service Charges	2,200,700	2,583,940	3,100,000	2,678,000	5,778,000	3,610,441	3,718,755	7,329,196
Total Pass-Through Payments		***$ 3,580,580***	***$ 4,547,081***	***$ 4,878,500***	***$ 4,463,500***	***$ 9,342,000***	***$ 5,030,941***	***$ 5,157,570***	***$ 10,188,511***

Licenses and Permits (3%)

The charts below show the various types of Licenses and Permits. Building permits make up the largest share of all permitting activity at 36%. The subsequent chart compares Building Permit Revenues over 10 years (inclusive of the biennium.) While there is a slight uptick in Building Department activity, revenues are not projected to be at the level they were before the recession. Permit estimates are based on historical information including number of permits issued and projected building activity based on number of building and engineering plans and land use applications submitted.



GENERAL FUND

FUND OVERVIEW

The General Fund is the principal operating fund of the city and is used to account for the C2ity's revenues and expenditures that are not required to be recorded in another fund. General Fund revenues include property taxes, fees and charges for services, revenue from other agencies, interest, and transfers in from other funds. General Fund expenditures include program costs for services provided by the City Commission, City Manager, City Recorder, Finance, Municipal Court, Human Resources, Economic Development and Information Services, as well as legal expenses (service area departments collectively shown as Policy and Administration), and the Police and Community Services Departments. Additional expenditures include transfers to other funds for capital improvements projects and to support programs in those funds.

In the General Fund, it is important to carry over enough unappropriated beginning fund balance (an amount not budgeted for spending in the previous year) to provide cash flow for specific operations until current year revenues are received; payroll and bills need to be paid for several months prior to when property taxes are collected in November. The amount needed is generally about 10-15 percent of the operating budget (or between $2.0 and $2.9 million). In addition, maintaining a fund balance provides stability to meet the City's current and future needs. The General Fund ending balance (reserved for future expenditure plus contingency) totals approximately $2.2 million at the end of the biennium, or approximately 11%.

Total resources and requirements in the General Fund for the past two years, the current budget biennium, and the proposed biennium are shown below.

General Fund	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 2,827,901	$ 3,628,399	$ 3,711,900	$ 4,585,309	$ 3,229,369	$ 4,585,309
Property Taxes	9,101,954	9,387,162	20,719,675	11,284,822	11,725,215	23,010,037
Franchise Fees	2,088,282	1,982,409	4,501,623	3,353,794	3,379,844	6,733,638
Intergovernmental	1,770,738	1,459,242	2,817,208	1,369,276	1,405,515	2,774,791
Charges for Services	1,041,544	1,146,471	2,080,871	1,558,692	1,584,191	3,142,883
Licenses & Permits	102,152	119,881	239,300	394,076	400,648	794,724
Fines and Penalties	912,675	749,974	1,410,000	927,078	937,966	1,865,044
Other Taxes and Assessments	-	-	-	190,000	190,000	380,000
Miscellaneous Income	10,316	90,731	2,000	51,500	51,500	103,000
Interest Income	118,406	137,406	138,158	57,220	49,626	106,846
Other Financing Sources	229,950	229,950	459,960	229,980	153,000	382,980
Transfers In	606,944	704,983	44,269,494	516,680	517,061	1,033,741
Total Resources	**$ 18,810,862**	**$ 19,636,608**	**$ 80,350,189**	**$ 24,518,427**	**$ 23,623,935**	**$ 44,912,993**
Requirements by Department						
Policy & Administration	$ 2,934,619	$ 3,225,067	$ 7,550,823	$ 4,875,665	$ 5,018,372	$ 9,894,037
Police	6,677,529	6,953,290	15,643,059	9,001,671	9,241,334	18,243,005
Community Services	3,069,733	2,994,539	6,957,207	3,854,697	3,928,961	7,783,658
General Government	1,287,759	1,478,307	3,383,632	1,800,359	1,725,465	3,525,824
Transfers Out	1,212,823	1,250,463	43,914,608	1,756,666	1,745,539	3,502,205
Contingency	-	-	2,900,860	2,323,293	1,058,188	1,058,188
Reserved for Future Expenditures	-	-	-	906,076	906,076	906,076
Unappropriated Fund Balance	3,628,399	3,734,942	-		-	-
Total Requirements	**$ 18,810,862**	**$ 19,636,608**	**$ 80,350,189**	**$ 24,518,427**	**$ 23,623,935**	**$ 44,912,993**

BUDGET HIGHLIGHTS

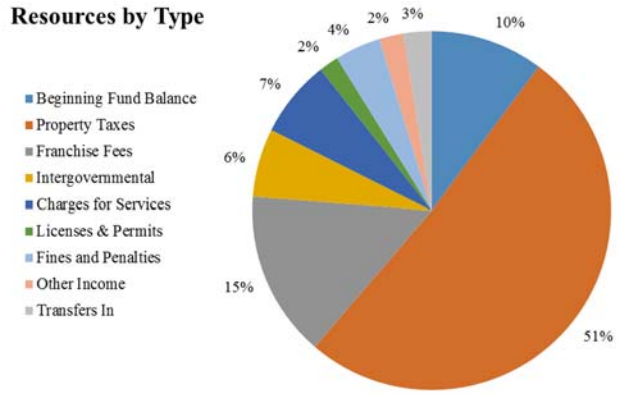
The 2015-2017 biennial proposed revenues (excluding beginning fund balance and transfers) increased over last biennial budget by a combined total of $6.9 million, or approximately 21.4%. Total expenditures increased by a combined total of $5.8 million, or approximately 17.3%.

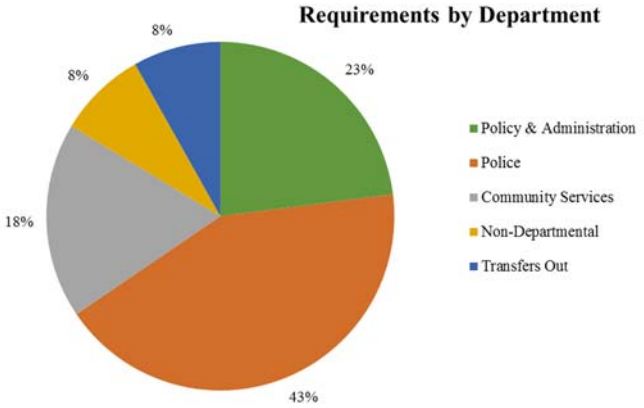
The main reason for increases in revenues and expenditures is due to the consolidation of funds into the General Fund. The combination of Code Enforcement, Parking, City Cleanup, Civic Improvement Trust, Oregon City Enhancement, Business Development, Police Services, Endowment Care, Parks and Recreation Donations, and Cable TV increased revenues and expenditures by approximately $3.9 million and $3.3 million, respectively.

Property tax growth makes up most of the remaining increase to revenues as these continue to be the largest revenue source for the general fund, at 52% of total resources. General Fund revenues on the whole are projected to have increases over the biennium consistent with those in the previous two years. Property tax revenues are expected to increase over the next two years due to a projected 4.0% increase in assessed value in each of the two years. Most other major revenues, including franchise fees (paid by utility companies for their use of public rights-of-way), charges for services, and intergovernmental revenues (state liquor and cigarette taxes, and grants for example) are projected to also increase slightly during the biennium due to some economic recovery paired with some rate increases.

Major increases to General Fund expenditures, aside from the consolidation of funds, can be attributable to projected personnel costs (projected 12% health insurance increase), focusing on capital projects, specifically deferred capital maintenance, and economic development.

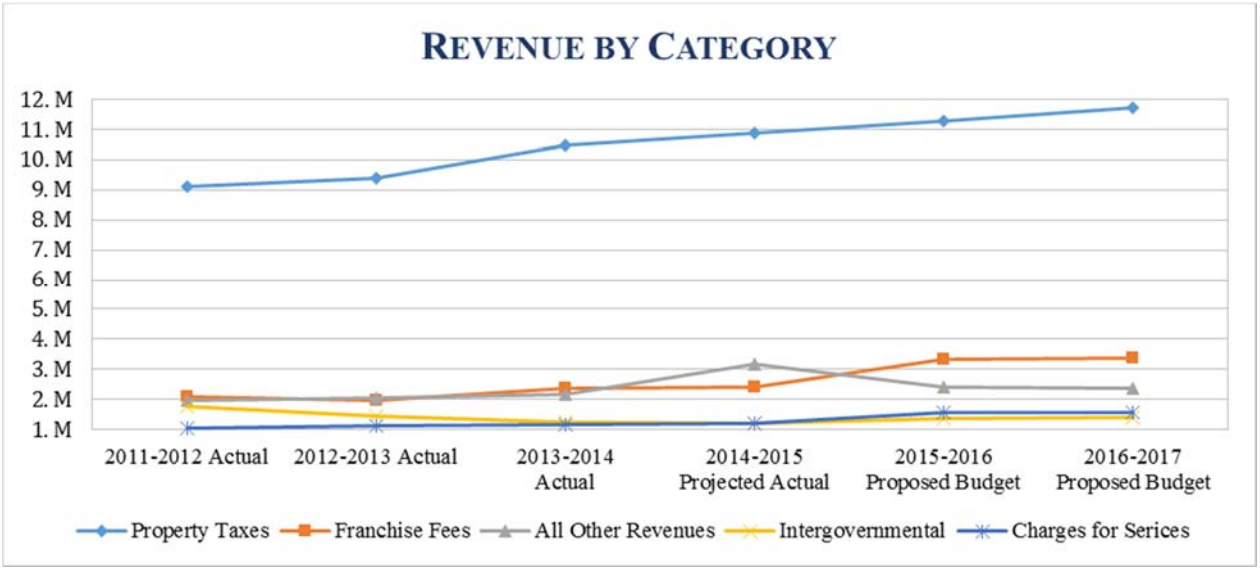
The charts below show the relative percentages of resources by type and requirements by department for the biennium.





GENERAL FUND REVENUES

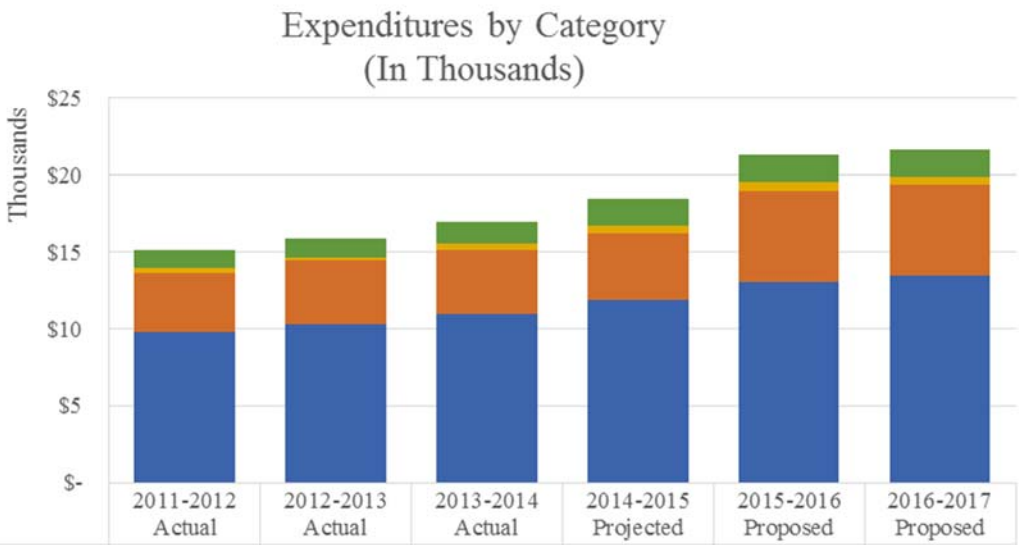
The chart below shows General Fund revenues by category over time.



GENERAL FUND EXPENDITURES

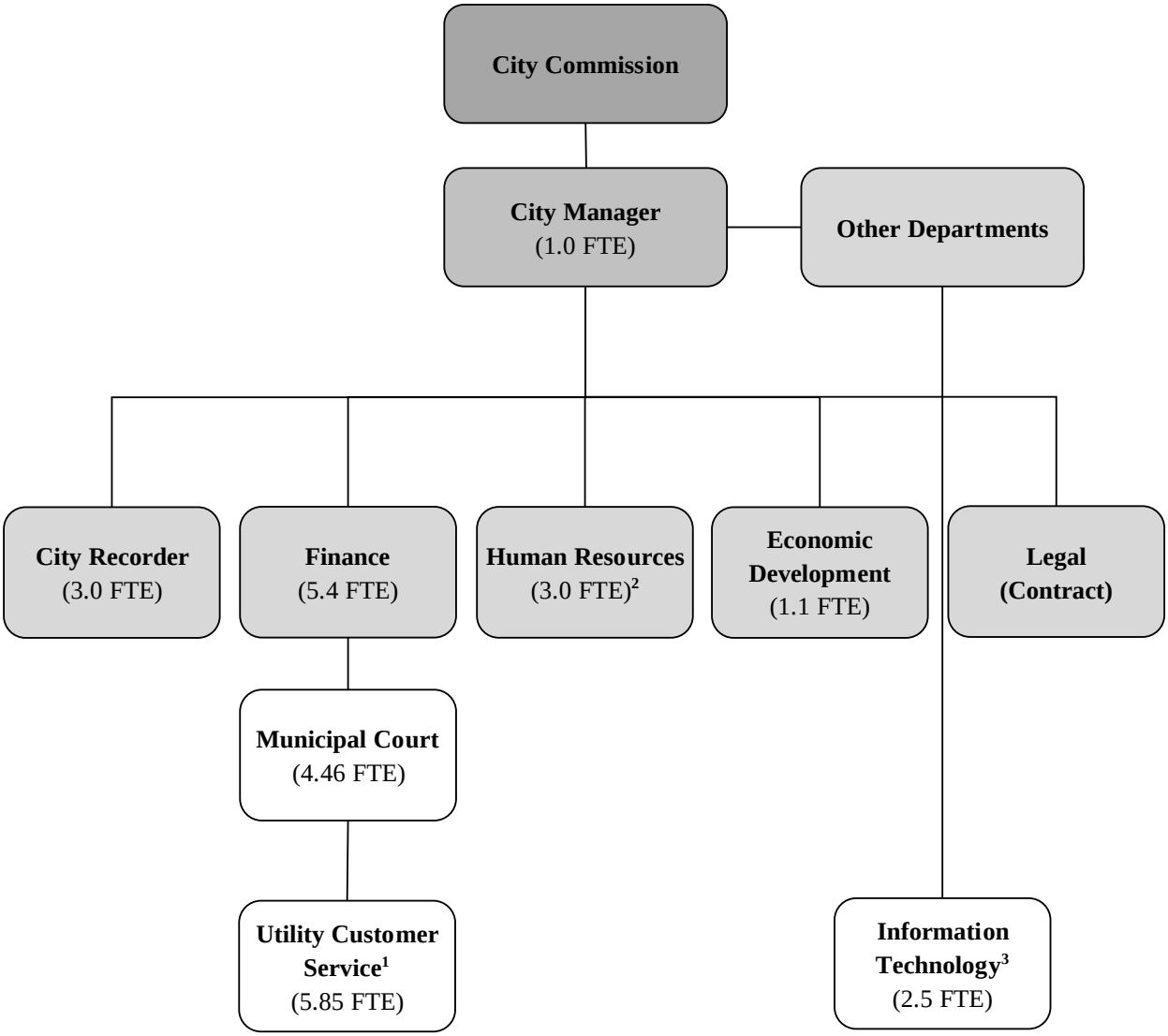
The following sections contain further detail on these expenditures by department.

General Fund	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Requirements by Category						
Personnel Services						
Salaries	$ 6,061,679	$ 6,384,329	$ 14,020,119	$ 7,780,444	$ 7,994,557	$ 15,775,001
Benefits	3,739,059	3,940,855	9,370,695	5,308,175	5,494,860	10,803,035
Total Personnel Services	9,800,738	10,325,184	23,390,814	13,088,619	13,489,417	26,578,036
Materials & Services						
Contract Services	1,414,533	1,573,661	3,338,298	2,129,778	2,184,381	4,314,159
Employee Costs	150,688	163,573	444,810	249,493	255,525	505,018
Maintenance Costs	515,688	501,577	1,147,905	580,810	599,328	1,180,138
Materials	50,139	67,206	171,834	146,019	150,278	296,297
Office Costs	187,025	174,738	423,338	220,017	225,594	445,611
Office Equipment	276,063	270,357	843,508	275,017	277,834	552,851
Operations Costs	414,447	402,967	783,426	406,898	418,725	825,623
Other & Miscellaneous Costs	191,152	198,258	494,981	236,671	243,628	480,299
Special Programs and Services	676,436	799,984	1,817,910	1,599,629	1,519,390	3,119,019
Total Materials & Services	3,876,171	4,152,321	9,466,010	5,844,332	5,874,683	11,719,015
Capital Outlay	292,731	173,698	677,897	599,441	550,032	1,149,473
Transfers and Other Uses	1,212,823	1,250,463	43,914,608	1,756,666	1,745,539	3,502,205
Contingency	-	-	2,900,860	2,323,293	1,058,188	1,058,188
Reserved for Future Expenditure	-	-	-	906,076	906,076	906,076
Unappropriated Fund Balance	3,628,399	3,734,942	-	-	-	-
Total General Fund	**$ 18,810,862**	**$ 19,636,608**	**$ 80,350,189**	**$ 24,518,427**	**$ 23,623,935**	**$ 44,912,993**



	2011-2012 Actual	2012-2013 Actual	2013-2014 Actual	2014-2015 Projected	2015-2016 Proposed	2016-2017 Proposed
Transfers Out	$1,213	$1,250	$1,406	$1,763	$1,757	$1,746
Capital	$293	$174	$399	$468	$599	$550
Materials	$3,876	$4,152	$4,211	$4,364	$5,844	$5,875
Personnel	$9,801	$10,325	$10,966	$11,891	$13,089	$13,489

Policy and Administration



Total FTE	26.06
Less IT in Community Development	-2.50
Total in Policy & Administration	**23.56**

[1] *Utility Customer Service function reports to Finance but is not in the General Fund; the FTE and budgeted expenses are reported within the Utility Billing Fund*
[2] *This represents an increase of 0.5 FTE from the prior biennium*
[3] *Information Technology reports in Community Development but is part of the General Fund*

POLICY AND ADMINISTRATION

OVERVIEW

The Policy and Administration departments connect the City with the public; they provide the organizational and business management foundation for the city. They include a wide variety of functions that encompass the areas of civic leadership, communication and engagement, administrative support, strategic planning, economic development, city management, financial management and services, customer service, municipal court, human resource and risk management, information technology, records management, and legal.

The City Commission and City Manager are the focal points of citizen requests for service. The City Manager, acting with the Commission's direction, guides the various departments.

DEPARTMENT GOALS

- To provide responsive leadership and governance, excellent customer service and engaging government, and to be transparent, efficient and effective with public funds.
- **TO OVERSEE AND IMPLEMENT THE COMMISSION GOALS AS ESTABLISHED FOR THE 2015-2017 BIENNIUM**

SIGNIFICANT BUDGET CHANGES

- Increased staffing by a part time Human Resources for Risk Management. This position will reduce the number of incidents which will save the City money through lower insurance costs and will assist in recovering costs of damages to City property.

POLICY AND ADMINISTRATION EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Personnel Services						
Salaries	$ 1,162,007	$ 1,296,069	$ 2,826,534	$ 1,617,525	$ 1,672,335	$ 3,289,860
Benefits	661,678	722,444	1,801,386	1,036,141	1,083,841	2,119,982
Total Personnel Services	1,823,685	2,018,513	4,627,920	2,653,666	2,756,176	5,409,842
Materials & Services						
Contract Services	668,064	772,408	1,551,200	975,422	1,008,806	1,984,228
Employee Costs	48,133	53,618	153,222	101,255	102,749	204,004
Maintenance Costs	-	534	1,255	210	300	510
Materials	3,494	1,774	6,000	2,050	2,100	4,150
Office Costs	45,143	40,663	93,466	49,349	50,378	99,727
Office Equipment	249,511	246,094	763,007	234,887	236,501	471,388
Operations Costs	5,996	7,909	33,394	17,378	17,461	34,839
Other & Miscellaneous Costs	28,179	26,845	131,833	47,998	49,296	97,294
Special Programs & Services	57,414	56,709	145,526	564,450	565,605	1,130,055
Total Materials & Services	1,105,934	1,206,554	2,878,903	1,992,999	2,033,196	4,026,195
Capital Outlay	5,000	-	44,000	229,000	229,000	458,000
Total Policy & Administration	$ 2,934,619	$ 3,225,067	$ 7,550,823	$ 4,875,665	$ 5,018,372	$ 9,894,037

Policy and Administration Performance Measures								
Commission Goal	**Milestone or Outcome**	**Measure**	**2012**	**2013**	**2014**	**2015**	**2016 Goal**	**2017 Goal**
Seek Opportunities to Maintain Communication with Citizens and Facilitate Citizen Participation	Maintain updated records in compliance and destroy records that have reached their retention requirement (currently stored at the offsite records storage facility)	Percentage of eligible records destroyed	10%	25%	45%	70%	100%	100%
	Maintain all Boards and Committee meeting minutes up to date (available at the following meeting)	Percentage of meeting minutes completed and available up to date	75%	90%	90%	100%	100%	100%
	Education in Records Management	Percentage of staff up to date with training	N/A	75%	85%	100%	100%	100%
	Internet Presence	Number of Unique Visitors Monthly	N/A	26K	26K	28K	30K	30K
Maintain Fiscal Health and Long Term Stability	Enhance financial reporting and stewardship	Number of accidents	N/A	N/A	N/A	N/A	N/A	N/A
		Time Loss	67	70	70	<80	<80	<80
		Unqualified Independent Auditor Opinion	Yes	Yes	Yes	Yes	Yes	Yes
		Number of Audit Adjustments	5	0	0	0	0	0
		Number of days after month-end to prepare financials	N/A	30	22	18	15	15
	Effective management of City's Right-of-Ways (ROW)	Percentage collection on identified ROWs	N/A	25%	75%	90%	100%	100%
	Maintain effective Municipal Court operations	Operating expenses per court case	$93	$92	$95	$94	<$100	<$100
Address Critical Facility Needs	Maintain and support electronic systems effectively and efficiently city-wide	IT Helpdesk response time: tickets closed within 10 days within 5 days	N/A N/A	76% 47%	76% 47%	75% 50%	75% 50%	75% 50%
	Complete deferred facility maintenance	Complete scheduled facility upgrades and maintenance	75%	70%	75%	80%	100%	100%

N/A = Data not available / not measured during the time period.

City Commission

Overview

The Oregon City Commission is comprised of the Mayor and four Commissioners elected by the citizens of Oregon City. The Commission provides legislative and policy leadership for City government. The Mayor and Commissioners are elected to four-year terms with a maximum of two terms of four-years each in any ten-year period. Elections are held in even numbered years, the next Mayoral election is scheduled for 2018. The City Commission also comprises five of the ten Budget Committee members, the other five citizen members are appointed. The Commissioners are also the governing board for the Oregon City Urban Renewal Commission, along with two appointed citizen members.

Every two years, the City Commission prepares goals for the upcoming biennium. These goals provide major policy direction for the coming years, specifically as they relate to budget and time allocations.

Regular Commission meetings occur twice a month with regular work sessions once a month. City Commissioners receive no compensation for their time. They are reimbursed for expenses incurred during their time of service.

Goals and Accomplishments

The Commission goals and accomplishments are listed in the Introduction Section of this budget as they relate to the organization as a whole and are reflected throughout this document.

CITY COMMISSION EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Materials & Services						
Contract Services	$ 5,672	$ 29,207	$ 85,000	$ 15,000	$ 40,000	$ 55,000
Employee Costs	24,964	25,227	71,398	49,800	50,280	100,080
Office Costs	1,004	886	2,176	1,236	1,273	2,509
Operations Costs	2,152	3,404	10,000	5,000	5,000	10,000
Other & Miscellaneous Costs	15,104	8,464	33,000	6,000	6,120	12,120
Special Programs & Services	57,414	56,709	145,526	78,450	79,605	158,055
Total City Commission	$ 106,310	$ 123,897	$ 347,100	$ 155,486	$ 182,278	$ 337,764

BUDGET HIGHLIGHTS

All expense categories remained consistent with the prior biennium. Major expenses include:

- Other & Miscellaneous Costs are composed of expenditures relating to community events and functions.
- Employee Costs include League of Oregon Cities annual membership and training.
- Contract Services include audiovisual contracts (e.g. video recording) and various consultants.

City Commission

Mayor Dan Holladay
Brian Shaw, Position 1
Rocky Smith, Jr., Position 2
Carol Pauli, Position 3
Daphne Wuest, Position 4

CITY MANAGER

OVERVIEW

The City Manager is appointed by the Commission and serves as the Chief Administrative Officer of the City. He is responsible for ensuring that the organization carries out the goals, objectives, policies and directions of the City Commission. It is the City Manager's responsibility to advise the City Commission in its deliberations on all business and policy matters. The City Manager assists the City Commission in developing their vision, goals, and policies. The City Manager is responsible for communicating the activities and actions of the City to the Commission, staff and the public. The City Manager is also charged with administering the day-to-day operations of the City, and for ensuring enforcement of the laws, regulations, and ordinances within the City's jurisdiction. Additionally, the City Manager serves as the City's Budget officer and as the Executive Director of the City's Urban Renewal Agency.

The City Manager's Office is dedicated to the principles of effective, democratic and transparent local government and to the highest ethical standards as adopted by the International City Management Association. The Office strives to deliver services fairly and sustainably, recognizing that the best interests of the entire community should be considered in each decision. The City Manager and staff acknowledge and respect the values of Oregon City as reflected in the decisions rendered through its governing body.

ACCOMPLISHMENTS

The accomplishments of the City Manager's Office are reflected through the efforts of the entire municipal organization. Each department and program strives to achieve the goals of the Commission as established for the entire City. It is the goal of this office to support achievement of those goals, while taking on specific projects and leadership where needed to obtain desired outcomes. The major accomplishments of the City are documented throughout each department and project. Overall, the City Manager's accomplishments were as follows:

- Project work plans were developed to support all major Commission goals and objectives
- Progress on Commission goals was monitored and communicated

GOALS AND PROJECTS

This department provides overall administration of the municipal organization. Thus, the goals of the Office are to implement the broad City-wide goals adopted by the City Commission. Specifically the goals of the City Manager are:

- To maintain City services and daily operations to meet the needs of the community
- To implement and complete the Commission goals throughout each City department within the required time frame
- To support the Mayor and City Commission activities
- To provide leadership, guidance and direction to every City department
- To ensure City departments are engaged and proactively manage issues and achieve stated goals
- To support and direct communication, internally and externally
- To pursue intergovernmental relationships and partnerships
- To promote and sustain community relationships and partnerships
- To evaluate, develop, and implement strategies to provide municipal services in a cost effective and efficient manner

CITY MANAGER EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Personnel Services						
Salaries	$ 206,761	$ 172,406	$ 357,346	$ 196,158	$ 199,844	$ 396,002
Benefits	100,613	77,491	181,508	92,107	94,431	186,538
Total Personnel Services	307,374	249,897	538,854	288,265	294,275	582,540
Materials & Services						
Office Costs	2,574	1,893	5,885	3,156	3,253	6,409
Office Equipment	3,495	3,736	9,300	3,090	3,183	6,273
Operations Costs	261	95	720	203	209	412
Other & Miscellaneous Costs	3,569	2,492	8,150	6,056	6,712	12,768
Employee Costs	5,735	6,600	14,200	7,390	7,662	15,052
Total Materials & Services	15,634	14,816	38,255	19,895	21,019	40,914
Capital Outlay	-	-	6,000	3,000	3,000	6,000
Total City Manager	$ 323,008	$ 264,713	$ 583,109	$ 311,160	$ 318,294	$ 629,454

BUDGET HIGHLIGHTS

The 2015-2017 proposed budget shows a combined increase over last biennial budget of approximately $46,000, or 4% annually, due to personnel costs. Total operating costs have been maintained at the same level, on average, over the two year period. Other and Miscellaneous Costs are composed of community functions, publications and subscriptions. Employee costs include training and memberships.

CITY RECORDER

OVERVIEW

The Mission of the City Recorder is to accurately maintain the proceedings of the City Commission; manage and provide accessibility to all official records of the City; administer regular and special municipal elections; provide for a City-wide records management program; coordinate the agenda process for City Commission and Urban Renewal Commission meetings; process City general liability insurance claims and keep records of legal proceedings; facilitate codification of the City Code; maintain the City's Seal; and manage the administration of City Boards and Committees.

ACCOMPLISHMENTS

- Began implementation of Oregon Records Management System "ORMS", with HPRM/TRIM, an electronic records management system to safeguard the City's records in a secure, accessible, and transparent system
- Implemented the City's Rights-of-Way (ROW) Ordinance
- Obtained approval of a 5-year strategic plan for records management
- Hired ROW personnel to manage the City's ROW program
- Filled 98% of openings on Boards and Committees
- Completed risk management training which continued to qualified the City for a 1% discount on general liability insurance

GOALS AND PROJECTS

- Full implementation of HPRM/TRIM City-wide
- Implement the 5-year Records Management Strategic Plan
- Increase access to public records for the public via the City's Website

CITY RECORDER EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Personnel Services						
Salaries	$ 128,484	$ 210,613	$ 496,587	$ 204,632	$ 214,923	$ 419,555
Benefits	86,035	132,788	338,558	146,011	153,030	299,041
Total Personnel Services	214,519	343,401	835,145	350,643	367,953	718,596
Materials & Services						
Office Costs	3,218	3,013	9,434	5,646	5,808	11,454
Office Equipment	-	-	20,000	-	-	-
Operations Costs	170	76	4,600	2,283	2,317	4,600
Other & Miscellaneous Costs	773	1,190	26,455	6,500	6,500	13,000
Employee Costs	3,093	3,077	10,487	7,050	7,073	14,123
Contract Services	48,611	51,123	142,000	188,760	194,063	382,823
Total Materials & Services	55,865	58,479	212,976	210,239	215,761	426,000
Total City Recorder	$ 270,384	$ 401,880	$ 1,048,121	$ 560,882	$ 583,714	$ 1,144,596

BUDGET HIGHLIGHTS

This biennial proposed budget includes an increase of $162,400 for the local programming and recording of the City Commission and Boards and Committees meetings. These expenses were previously recorded in a separate fund since they were paid from cable television franchise revenues. In the current biennium, we have recorded both revenues and expenses in the General Fund. This allows for greater transparency in reporting and simplifies accounting. The Public, Educational, and Government (PEG) access fee charged as part of the cable franchises is still recorded in a separate dedicated revenues fund to track capital expenses incurred for access development.

Additionally, operating expenses increased in the proposed budget for the HPRM/TRIM contract services of approximately $38,000 annually. In total, Contract Services consists of the following:

Recording of meetings	$162,400
Granicus: Agenda, meeting/minutes/ website license and maintenance	$81,200
HPRM/TRIM	$76,653
Codification update	$24,000
Records storage and supplies	$19,894
Minutes transcription	$13,398
General Code Corp	$3,045
Munimetrix annual maintenance	$2,233
Total Contract Services	***$382,823***

FINANCE

OVERVIEW

The Finance Department supports responsible planning and management of the City's financial resources. Core services include: financial analysis and reporting, budget administration, treasury and debt management, accounts receivable/collections, utility customer service, municipal court administration, payroll, accounts payable, and internal auditing.

Finance forecasts revenues and expenditures, and operating fund balances and reserves, to support policy decisions and guide in the development of the biennial budget. The department coordinates the budget process and provides analyst support to the City Manager for budget decisions.

Treasury and debt functions involve protecting and investing the City's cash assets, including banking and investment advisory services, and monitoring the City's debt portfolio and making recommendations on the structure of debt issuances. General accounting includes oversight of financial transactions, collection of utility payments and general revenues, and processing payments.

Finance prepares the City for annual financial audits required under Oregon law and Federal grant audits, and produces the Comprehensive Annual Financial Report (CAFR).

The Department performs internal audits on a rotating basis and recommends control procedures for operating departments. Finance also provides general accounting services for the South Fork Water Board and Oregon City Urban Renewal Agency.

ACCOMPLISHMENTS

- Received the City's first Award for Distinguished Budget Presentation
- Received Award for Excellence in Financial Reporting for the years ended June 30, 2012 and 2013; Submitted June 30, 2014 CAFR for award consideration
- Obtained bond rating upgrade to "AA" from "AA-"– which lowers the cost of borrowing
- Implemented cross training program for critical functions within the accounting division
- Developed forecasts for the General Fund and major operating funds

GOALS AND PROJECTS

- Improve efficiency through automation of several department processes
- Support opportunities to enhance tourism with modification to Lodging Tax
- Develop useful and timely financial information for City Residents including a Popular Annual Financial Report
- Adopt City-wide financial policies
- Develop and implement a formal Indirect Cost Allocation Plan

FINANCE EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Personnel Services						
Salaries	$ 299,880	$ 349,345	$ 796,329	$ 404,844	$ 420,891	$ 825,735
Benefits	179,900	194,087	522,136	272,282	283,388	555,670
Total Personnel Services	479,780	543,432	1,318,465	677,126	704,279	1,381,405
Materials & Services						
Office Costs	11,484	11,315	23,600	16,800	16,800	33,600
Office Equipment	43,017	40,822	125,000	63,000	63,000	126,000
Operations Costs	1,695	2,691	8,000	6,750	6,750	13,500
Other & Miscellaneous Costs	2,860	8,636	20,000	8,500	8,500	17,000
Employee Costs	6,724	3,328	18,000	12,600	12,600	25,200
Contract Services	200	28,176	26,000	5,000	10,000	15,000
Total Materials & Services	65,980	94,968	220,600	112,650	117,650	230,300
Total Finance	$ 545,760	$ 638,400	$ 1,539,065	$ 789,776	$ 821,929	$ 1,611,705

BUDGET HIGHLIGHTS

The Finance Department's budget has stayed fairly consistent over the biennium; only increases are CPI increases. Contractual cost increases are offset by decreases due to savings from automating and reorganizing some key processes, including some shared savings with the Utility Customer Service Division.

Office Equipment costs make up the largest share of the Materials and Services budget (60%). Financial software license, maintenance and support are budgeted at $60,000 annually and computer supplies and training make up the remaining $3,000 each year.

MUNICIPAL COURT

OVERVIEW

The Municipal Court functions to provide the judicial branch of City government. The Court's mission is to support the quality of life of the citizens of Oregon City by promoting public safety, traffic safety, and respect for the administration of justice by applying sanctions for violations of municipal ordinances.

The mission includes administration of: Subject Matter Jurisdiction, Territorial Jurisdiction, and Personal Jurisdiction. This is accomplished by processing the law enforcement efforts with Oregon City for the Motor Vehicle Code, Criminal Code and City violations. The mission also includes efficient and equal justice for all persons, as well as the protection of citizens' individual and property rights as outlined in the City Charter, Chapter V Powers and Duties of Officers, Section 22 Municipal Judge. This is in accordance with the City Commission's Mission Statement.

The Oregon Legislature sets maximum and minimum fines for all traffic tickets. The Municipal Court handles approximately 3,600 traffic cases annually. Additionally, the Court handles approximately 500 criminal cases annually. Services provided also include court-appointed attorneys for indigent defense on criminal cases and trials and traffic safety diversion programs for traffic citations.

ACCOMPLISHMENTS

- Implemented administrative fees to align with other municipalities, creating new revenue source
- Cross trained staff to allow greater efficiency and enhanced customer service
- Created job description and hired two bailiffs under new guidelines and training for increased safety
- Implemented INCODE Software program for better reporting, transparency and proficiency
- Executed policies for consistency, reduced redundancies, and ensuring proper warrant request procedures

GOALS AND PROJECTS

- Be represented at Oregon Association for Court Administration (OACA) and Judicial conferences, Oregon Law Enforcement Data Systems (LEDS) and INCODE trainings to ensure compliance of statutes, consistency with other municipalities, and explore trends to benefit court and the community served
- Expand Deferred Sentencing for distracted drivers to provide education to public, increase safety and increase revenue
- Hire on call employee to assist in employee absence to allow department to service customers and adhere to break/lunch standards for employees
- Streamline record retention process for better record retrieval and reduce cost
- Become virtually paperless for traffic cases by end of budget cycle

MUNICIPAL COURT EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Personnel Services						
Salaries	$ 241,874	$ 252,812	$ 513,562	$ 283,783	$ 291,651	$ 575,434
Benefits	150,835	154,948	358,216	194,236	201,347	395,583
Total Personnel Services	392,709	407,760	871,778	478,019	492,998	971,017
Materials & Services						
Office Costs	21,793	17,735	39,575	15,915	16,510	32,425
Office Equipment	1,914	5,024	92,707	15,615	16,415	32,030
Operations Costs	-	-	209	-	-	-
Other & Miscellaneous Costs	963	3,859	16,728	7,100	7,600	14,700
Maintenance Costs	-	489	1,255	210	300	510
Materials	3,494	1,774	6,000	2,050	2,100	4,150
Employee Costs	1,577	566	4,287	4,300	4,800	9,100
Contract Services	111,026	112,454	276,255	122,747	126,808	249,555
Total Materials & Services	140,767	141,901	437,016	167,937	174,533	342,470
Total Municipal Court	$ 533,476	$ 549,661	$ 1,308,794	$ 645,956	$ 667,531	$ 1,313,487

BUDGET HIGHLIGHTS

This biennial budget includes reductions to material services due to completion of software implementation during the prior biennium. It also proposes funding for staff costs offset by operational savings that would accomplish the following:

- Allow Spanish Speaking employee to become Certified Interpreter to negate need for court interpreters
- Create Lead position for Clerk assigned to criminal cases and back up for manager; this would eliminate use of out of class pay

Contract Services include the following:

Court Attorneys	$138,121
Prosecution	$96,784
Bailiff and judges	$8,500
Records	$4,390
Safety class and certification	$1,760
Total Contract Services	***$249,555***

HUMAN RESOURCES

OVERVIEW

The mission of the Human Resources Department is to perform as human resources professionals for the City of Oregon City. Human Resources core services and projects support the City Commission goal of financial management as well as supporting its primary customers, the user departments. These customers include the City Manager, department heads, line managers and employees.

Key service areas include management coaching, legal compliance, recruitment / selection, classification & compensation, training, benefits administration and cost containment, labor/employee relations, and other related human resources functions. Human Resources support the City's efforts to attract, develop, and retain a diverse and productive workforce that is capable of providing quality services to the citizens of Oregon City today and in the future. Additionally, they provide essential liaison relationships with Union representatives. The efficiency and effectiveness with which City services are delivered to the public depends, on a large part, on the quality and motivation of the workforce providing those services. The City's employees are its most important asset in accomplishing its varied goals and objectives.

ACCOMPLISHMENTS

- Received second League of Oregon Cities and CityCounty Insurance Services Employee Gold Safety Award, the highest level, for loss prevention programs and overall low accident and injury rates
- Decreased premiums for Workers' Compensation for sixth year in a row for overall safety initiatives and low incident rates
- Received certification in online applicant tracking and selection process system to allow the department to increase efficiency and effectiveness of the hiring process

GOALS AND PROJECTS

- Direct insurance renewal processes and employee open enrollment for all insurance contracts
- Complete Union contract negotiations
- Implement position control payroll processes to assist Finance Department with strengthening of internal controls

HUMAN RESOURCES EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Personnel Services						
Salaries	$ 163,481	$ 171,767	$ 363,320	$ 245,722	$ 250,866	$ 496,588
Benefits	85,730	89,594	222,064	155,878	160,170	316,048
Total Personnel Services	249,211	261,361	585,384	401,600	411,036	812,636
Materials & Services						
Office Costs	2,508	1,982	5,100	2,446	2,520	4,966
Office Equipment	-	-	-	52	53	105
Operations Costs	1,293	1,589	4,000	1,442	1,485	2,927
Other & Miscellaneous Costs	220	70	-	742	764	1,506
Maintenance Costs	-	46	-	-	-	-
Employee Costs	4,390	3,799	14,050	7,305	7,524	14,829
Contract Services	67,909	96,856	150,000	75,325	77,585	152,910
Total Materials & Services	76,320	104,342	173,150	87,312	89,931	177,243
Capital Outlay	-	-	-	4,000	4,000	8,000
Total Human Resources	$ 325,531	$ 365,703	$ 758,534	$ 492,912	$ 504,967	$ 997,879

BUDGET HIGHLIGHTS

The proposed biennial budget continues funding for safety and mandatory training as well as the City's wellness program. Proposed staffing includes an increase for a part-time Risk Specialist / HR Technician. This position will analyze incident trends over time and determine where mitigation or training is needed. Highly trained and skilled employees will reduce the number of internal incidents, which will save the City money through lower liability insurance and workers' compensation insurance premiums.

Contract Services make up the majority of the Materials and Services budget and are composed of the following:

Legal fees	$91,350
Classification & compensation study	$25,000
Employee assistance services	$12,000
Recruiting and advertising	$10,000
Supervisor and other training	$5,273
Required safety training	$5,227
Wellness and other programs	$4,060
Total Contract Services	***$152,910***

ECONOMIC DEVELOPMENT

OVERVIEW

The Economic Development Department is focused on working with key stakeholders to promote economic development throughout the City in an effort to make Oregon City the best place to do business. Realizing that partnerships are essential for the City's economic development success, the Department takes a comprehensive approach by forming these partnerships on the local, regional and State levels.

- Strategy development geared toward business recruitment and retention of targeted industries is an ongoing mission of the program. It is the Department's goal to develop these strategies in a manner that is consistent with City goals. When necessary, the Department will recruit consultants and specialists to assist in the implementation efforts that are focused on achieving these goals and to maximize the effectiveness of the economic development program.

ACCOMPLISHMENTS

- Formed a partnership with Clackamas Community College to market the Beavercreek industrial area
- Established the Vertical Housing Development Zone in the Mixed Use Downton zoning district
- Worked with property owners to assemble two large industrial sites in the Beavercreek Rd area
- Established an Enterprise Zone that encourages new capital and traded sector family wage jobs
- Completed an economic impact analysis for the large industrial sites recently assembled in the Beavercreek area
- Created the Developer Forums to open communication lines between the City and the developer community
- Created the Business Tool Kit
- Conducted a study to develop the Willamette Falls Legacy Project Infrastructure Financing Strategy
- Conducted a cost of development comparison study comparing Oregon City to other jurisdictions in the Portland metropolitan region
- Executed the Cove DDA

GOALS AND PROJECTS

- Construct public utility infrastructure to serve the industrial sites recently assembled in the south end industrial area
- Create a new City-wide economic development incentive program
- Continue the Developer Forums
- Create a marketing strategy for the Beavercreek industrial area with the community college
- Recruit three existing industrial companies to take advantage of the enterprise zone benefits

ECONOMIC DEVELOPMENT EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Personnel Services						
Salaries	$ 76,119	$ 92,816	$ 203,125	$ 104,713	$ 106,789	$ 211,502
Benefits	38,752	53,103	120,637	63,163	64,988	128,151
Total Personnel Services	114,871	145,919	323,762	167,876	171,777	339,653
Materials & Services						
Office Costs	431	251	1,100	750	750	1,500
Operations Costs	425	55	5,865	1,700	1,700	3,400
Other & Miscellaneous Costs	3,768	2,133	22,500	10,600	10,600	21,200
Employee Costs	1,551	8,798	16,800	8,610	8,610	17,220
Contract Services	6,199	13,440	150,000	120,000	120,000	240,000
Special Programs & Services	-	-	-	486,000	486,000	972,000
Total Materials & Services	12,374	24,677	196,265	627,660	627,660	1,255,320
Capital Outlay	-	-	-	175,000	175,000	350,000
Total Economic Development	$ 127,245	$ 170,596	$ 520,027	$ 970,536	$ 974,437	$ 1,944,973

BUDGET HIGHLIGHTS

Proposed funding for this biennium includes two new initiatives: an Economic Development Incentive Grant Program ($75,000 annually) and investment in public utility infrastructure (Beavercreek, $350,000 total) funded by dedicated ROW increased revenues. Contract Services also includes continued funding for market analyses, surveys and other consulting costs. Contract funding for Main Street Oregon City is also proposed, funded by a portion of dedicated Business License revenues.

INFORMATION TECHNOLOGY

OVERVIEW

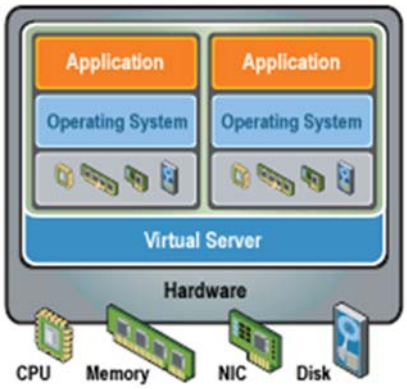
The City employs an Information Technology Supervisor who supervises technical staff in GIS, Asset Management, and contracted IT services. Other IT services include website management and support, application development, database administration, and technical user support to all departments. Information Technology supports hardware, software, networking, wireless networks, mobile infrastructure and strategic technical plans. Supported services include email and webmail, Virtual Private Network (VPN), which allows secure access to the network from the internet, active directory administration, archiving, enterprise database management, and departmental-specific application support. Certain networking activities require cooperation with other Regional, County, and State agencies. Security activities include firewalls, use of Secure Sockets Layer (SSL) certificates for secure internet communication, secure online payment processing, virus protection, data backup and disaster-recovery.

ACCOMPLISHMENTS

- Developed a virtualized server (Vmware) environment to support immediate and long-term server requirements
- Implemented a redundant fiber switching core at the Emergency Operations Center and added fiber strands between facilities to add redundancy and prioritize network traffic
- Completed Police information systems audit and brought hardware and software into Criminal Justice Information Systems (CJIS) compliance
- Consolidated the city's server rack and decommissioned 4 older servers
- Supported 100+ desktops and end-user hardware and software, deployed Office 365 accross the user base
- Deployed Sharepoint and Lync collaboration services and utilized Mimecast email management system for archived records searches of email, and improved document and cross-departmental communication

GOALS AND PROJECTS

- Create a 5-year strategic plan to address IT investment and staffing
- Investigate the conversion of all city facilities to Dark Fiber, which will reduce monthly costs and increase band width
- Expand use and access to Document Management system, email records, and public records request
- Add Mobile technology as a resource for employee work and public feedback tool



INFORMATION TECHNOLOGY EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Personnel Services						
Salaries	$ 45,408	$ 46,310	$ 96,265	$ 177,673	$ 187,371	$ 365,044
Benefits	19,813	20,434	58,267	112,464	126,487	238,951
Total Personnel Services	65,221	66,744	154,532	290,137	313,858	603,995
Materials & Services						
Office Costs	2,131	3,589	6,596	3,400	3,464	6,864
Office Equipment	201,085	196,512	516,000	153,130	153,850	306,980
Other & Miscellaneous Costs	922	-	5,000	2,500	2,500	5,000
Employee Costs	99	2,223	4,000	4,200	4,200	8,400
Contract Services	38,123	33,510	100,945	68,840	60,600	129,440
Total Materials & Services	242,360	235,834	632,541	232,070	224,614	456,684
Capital Outlay	5,000	-	38,000	47,000	47,000	94,000
Total Information Technology	$ 312,581	$ 302,578	$ 825,073	$ 569,207	$ 585,472	$ 1,154,679

BUDGET HIGHLIGHTS

The Information Technology budget includes funding to accomplish the major goals of increasing responsiveness and mobility. It includes funding for two new positions: Network Administrator and Application Specialist. These positions would be new hires in lieu of renewing a third-party contract. The contract for the biennium is estimated at $480,000 (increased from $390,000 currently). If the positions are not funded, the contract will have to be renewed.

LEGAL

OVERVIEW

Contracting legal services provides the City with access to expert advice that specialized in-house counsel may not be able to provide. A firm of lawyers can coordinate areas of expertise and availability without the City incurring the expense of having to staff a full legal department. Activities include preparing contracts and ordinances, providing legal advice and support, representing the City in all civil litigation and appellate cases, attendance at all City Commission meetings to monitor the proceedings. Control of the expenditures for legal services resides with the City Manager.

ACCOMPLISHMENTS

- Successfully assisted in the development and adoption of the City's Right of Way Ordinance

GOALS AND PROJECTS

- Continue to provide expert legal advice to Commission and City Departments
- Continue to monitor legal expenses and reimbursements

LEGAL EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Materials & Services						
Contract Services	$ 390,324	$ 407,639	$ 621,000	$ 379,750	$ 379,750	$ 759,500
Total Materials & Services	390,324	407,639	621,000	379,750	379,750	759,500
Total Legal	$ 390,324	$ 407,639	$ 621,000	$ 379,750	$ 379,750	$ 759,500

LEGAL EXPENDITURES BY TYPE

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
City Commission Meetings	$ 68,821	$ 55,631	$ 110,000	$ 65,000	$ 65,000	$ 130,000
City Manager	17,864	6,946	20,000	8,000	8,000	16,000
City Recorder	14,726	16,058	32,000	10,000	10,000	20,000
City Ordinances	18,094	4,141	20,000	20,000	20,000	40,000
ROW Issues	-	-	-	50,000	50,000	100,000
Personnel and Labor Issues	7,860	3,186	6,000	3,000	3,000	6,000
Finance and Purchasing	26,245	22,194	30,000	6,250	6,250	12,500
Land Issues	-	-	-	10,000	10,000	20,000
Community Development	93,570	126,785	180,000	90,000	90,000	180,000
Court	210	63	2,000	1,000	1,000	2,000
Police and Public Safety	10,972	4,219	8,000	4,000	4,000	8,000
Library	10,168	1,209	60,000	15,000	15,000	30,000
Parks & Recreation	19,741	15,017	33,000	7,500	7,500	15,000
Public Works	25,027	54,271	65,000	36,530	36,561	73,091
Urban Renewal	34,781	30,096	15,000	-	-	-
Cable TV	38,174	62,623	30,000	-	-	-
Other	963	-	-	51,970	51,939	103,909
Out of Pocket Costs	3,108	5,200	10,000	1,500	1,500	3,000
Total Legal	$ 390,324	$ 407,639	$ 621,000	$ 379,750	$ 379,750	$ 759,500

GENERAL GOVERNMENT

OVERVIEW

Expenditures that relate to all General Fund Departments or the City as a whole are reported as "General Government". These include city hall building maintenance and utilities, citywide insurance, annual audit costs, postage, and streetlights. Important community-wide projects and expenditures are included as well.

This biennium includes contingency of approximately $1.05 million. In Oregon budget law, contingency is an appropriation within an operating fund to cover unforeseen events that may occur during the budget year. This amount, for example, would allow for pursuit of a railroad quiet zone, estimated between $350,000 and $500,000, should development occur.

GENERAL GOVERNMENT EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Personnel Services						
Salaries	$ 80,151	$ 84,624	$ 187,858	$ 98,818	$ 100,653	$ 199,471
Benefits	243,604	247,562	650,854	339,091	341,618	680,709
Total Personnel Services	323,755	332,186	838,712	437,909	442,271	880,180
Materials & Services						
Office Costs	30,683	16,741	79,450	26,000	26,210	52,210
Office Equipment	16,785	19,066	53,795	27,000	27,810	54,810
Operations Costs	1,801	2,127	8,120	5,500	5,665	11,165
Other & Miscellaneous Costs	39,179	64,043	70,000	37,500	38,625	76,125
Special Programs & Services	422,835	531,085	1,136,750	605,200	516,606	1,121,806
Maintenance Costs	96,099	107,469	312,560	119,000	122,570	241,570
Materials	-	-	-	-	-	-
Employee Costs	390	145	2,030	3,250	3,348	6,598
Contract Services	356,232	392,551	857,215	519,000	532,360	1,051,360
Total Materials & Services	964,004	1,133,227	2,519,920	1,342,450	1,273,194	2,615,644
Transfers & Other Uses	988,823	961,909	43,385,608	1,204,666	1,190,839	2,395,505
Capital Outlay	-	12,894	25,000	20,000	10,000	30,000
Contingency	3,628,399	3,734,942	2,900,860	2,323,293	1,058,188	1,058,188
Reserved for Future Expenditure	-	-	-	906,076	906,076	906,076
Total General Government	$ 5,904,981	$ 6,175,158	$ 49,670,100	$ 6,234,394	$ 4,880,568	$ 7,885,593

BUDGET HIGHLIGHTS

The General Government proposed budget increases in this biennium include general city-wide insurance (property and casualty, general liability) of approximately $228,000 higher premiums. These increased costs are partially offset by savings in street lights due to LED light replacement completed in the last biennium.

Special Programs and Services proposed are as follows:

Street lighting	$761,250
Blue Heron	$350,000
Other projects	$10,556
Total	***$1,121,806***

Contract Services for the biennium include the following:

Insurance expense and deductibles	$945,980
Annual audit	$73,080
Needs assessment	$32,300
Total	***$1,051,360***

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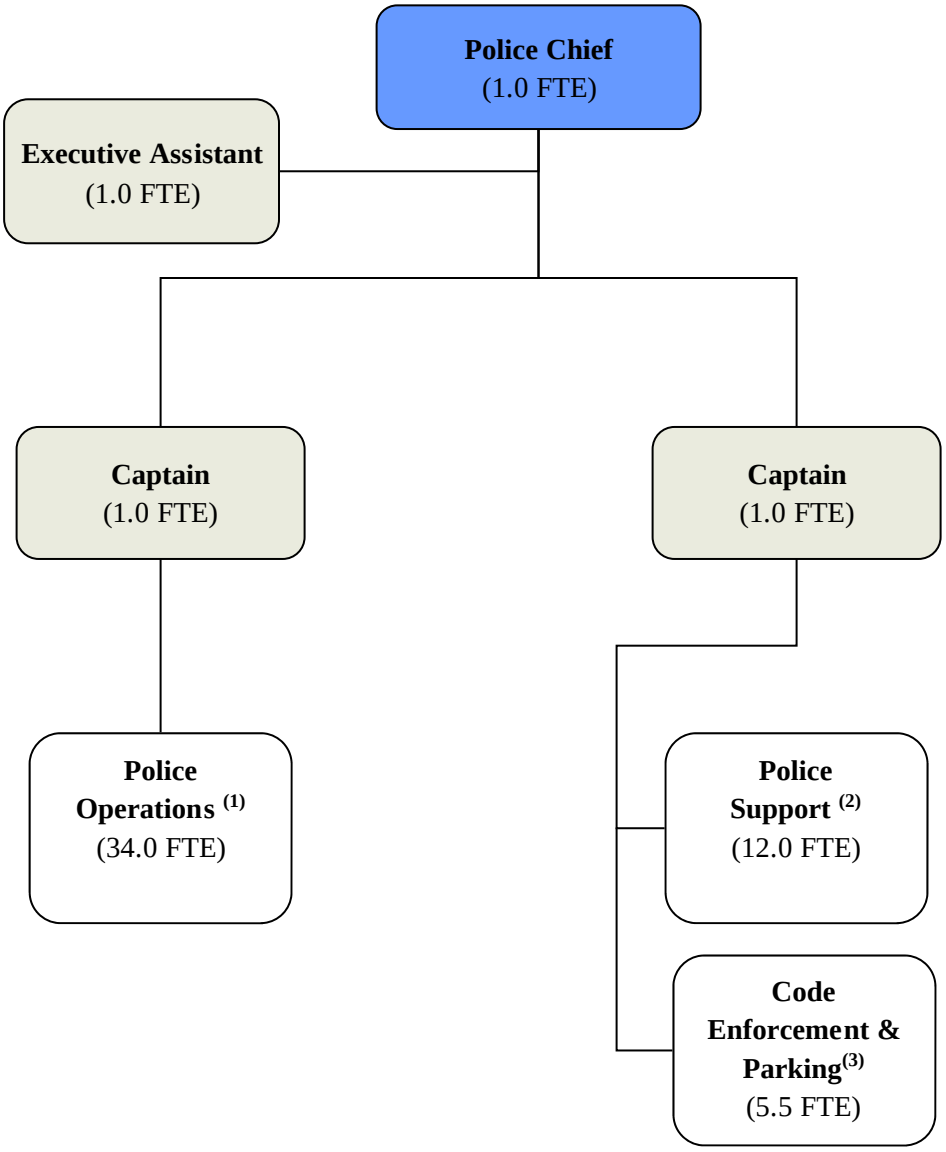
Police



Total 55.5 FTE

(1) All sworn positions, includes 6 patrol sergeants, 1 transit officer, 1 school resource officer, 25 patrol officers, and a traffic officer

(2) Consists of 6 sworn and 6 non-sworn positions, includes 5 detectives and a sergeant, along with 6 records and administrative support personnel.

(3) *Code and Parking functions reported to the Police Department but their financial transactions were not recorded in the General Fund prior to the current biennium (they were recorded in separate funds which have been closed).*

Overview

The Police Department provides quality and professional law enforcement services to the citizens of Oregon City by working with the community and the neighborhoods to help identify and rectify conditions that may lead to the occurrence of crime; by providing efficient and effective officer response to emergencies and requests for assistance; by providing community education in crime prevention and awareness; by providing internal leadership, strategic planning, and staff and policy development; by cooperating and liaising with the municipal court, state and federal law enforcement; by enhancing traffic safety; and by investigating and clearing crimes and violations of the City's codes and ordinances.

The Department is part of the community and serves its citizens with integrity, courage, professionalism, excellence and commitment.

Mission

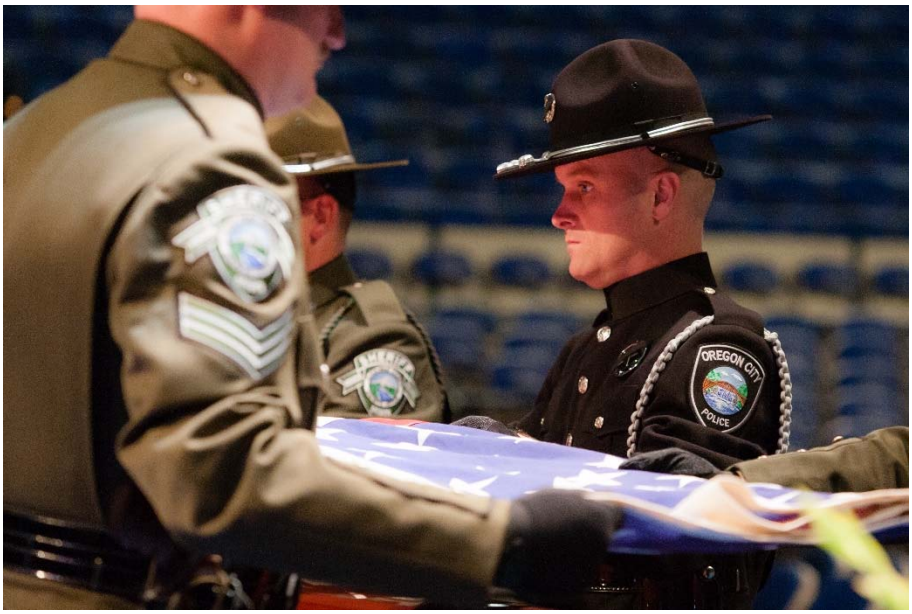
The department strives for a safe community, positive community relationships through excellent customer service, well-trained employees who are committed to teamwork, and a satisfying work environment where employees are empowered and have a voice.

Department Goals

- **Goal 2 Address Critical Facility Needs**
  - Implement funding strategy for construction of new Police, Code Enforcement, and Court facility, to commence July 2015
- **Goal 3 Enhance the Livability of the Community**
  - Enhance Community Appearance and Property Values through increased and more efficient code enforcement
- **Goal 4 Seek Opportunities to Maintain Communications with Citizens and Facilitate Citizen Participation**
  - Implement an electronic records management system: RegJIN, a multi-agency paperless reporting system

Significant Budget Changes

- Purchased Mt. Pleasant site for future location of Police Department, Code Enforcement, and Municipal Court.



POLICE OPERATIONS AND SUPPORT

OVERVIEW

The Police Department maintains public order and protects lives and property in our City through partnering with the community and promoting public safety and crime prevention through education and enforcement.

The Police Department includes 43 sworn officers and 12 non-sworn personnel. The sworn staff, at full strength, consists of the Chief of Police, 2 Captains, 6 patrol Sergeants, 1 Tri-Met Officer, 1 school resource Officer, 25 patrol Officers and one traffic Officer. Officers from the patrol division include 2 canine units and 3 members of the Clackamas County Sheriff's Office Multi-Agency SWAT team. 5 Detectives and a Detective Sergeant are also included. We also have an Administrative Sergeant position, who acts as our Public Information Officer (PIO), training Sergeant and performs other administrative duties in support of the department.

The sworn police staff are supported by 7 non-sworn personnel responsible for administrative functions such as technological support, training, evidence control, communications liaison, policy and procedures, and community service / public education coordination. Emergency (911) dispatch is handled by a dispatch contract with Clackamas County Communications (C-Com).

Officers per thousand is currently at 1.2. The Blue Ribbon Task Force recommendation was 1.5 (the State average at the time) by the year 2014. That would require 10 additional officers. This task force was formed by the Oregon City Commission in 2004.

The Code Enforcement and Parking Division includes 5 total staff; which includes one supervisor.

ACCOMPLISHMENTS

- Implemented EVADD Class (Education on Vehicle Awareness and Defensive Driving): 465 Attendees; Class offered in lieu of a traffic fine for offenders with good driving records, designed and is taught by our traffic officer
- Held National Night Out at the Mt. Pleasant School site for the first time. Attended by over 1,000 people
- Assigned officers to each of the 12 neighborhood associations; each attended several meetings throughout the year
- Established first ever Community Court program, in cooperation with the municipal court, district attorney's office and several safety-net organizations; program is a new approach to curbing the effects of the transient population in our community; requiring offenders to get necessary services (like mental health services) in lieu of jail
- Commenced major shift to paperless report writing and maintenance system RegJIN, in conjunction with nearly every police agency in the Portland Metro area and SW Washington
- Investigated 583 cases of child abuse
- Deployed Property Detective in May, 2014; closed 18 cases; including identity theft, burglary, elder abuse, and 2 child abuse cases, plus 4 callouts and 9 assists with other cases
- Facilitated and instructed active shooter training with the Oregon City School District and several fire departments throughout the year
- Mandated patrol rifles to all officers, including purchase of weapons and an 8 hour mandatory training course
- Continued Growth of Community outreach program by creating a Loss Prevention Network among local business owners and outreach to construction companies to minimize theft
- Established Administrative Sergeant Position to coordinate all training opportunities, reserve program, policies and Officers in Charge
- Completed due diligence and purchase of Mt. Pleasant School purchase
- Started Neighborhood Watch program, organized by Community Outreach Coordinator Chris Wadsworth; 5 Neighborhood Watches established and

10 more Neighborhoods are in the process

- Implemented barcode scanning system for property room

Goals and Projects

- Develop the Community Safety Advancement Fund (CSAF) to begin saving for a new Police, Court, and Code Enforcement building; facility will include an efficient Emergency Operations Center (EOC) and a large community meeting space
- Fully implement RegJIN, a multi-agency paperless reporting system including training all of our officers and records staff in its use
- Develop comprehensive traffic safety plan in order to decrease our traffic crash statistics through a combination of focused enforcement, education and technology
- Improve efficiencies and continuity of operations in the Police Department by hiring a full time City Information Technology (IT) position (Half of this person's time would be dedicated to police issues and the other half to issues elsewhere in the City)
- Maintain community awareness and involvement: attending neighborhood association meetings, establishing new neighborhood watch groups, citizen's academy, shred events and National Night out
- Train the remainder of our officers that have not yet received Crisis Intervention Training (CIT) in preparation for dealing with the mentally ill
- Maintain Mt. Pleasant School site until the building project begins
- Develop the use of our new Administrative Sergeant position to improve staff efficiencies and minimize overtime
- Educate first offense drivers by offering "Education on Vehicle Awareness and Defensive Driving" (EVADD) class
- Explore the possibility of deploying a third canine, which would be a drug detection dog
- Improve resources and efficiencies for Officers by purchasing individually issued MDC's (Mobile Data Computers)
- Look for grant funding to outfit patrol cars with AED's (Automatic External Defibrillator)
- Deploy Naloxone program; training and outfitting Officers

POLICE EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Personnel Services						
Salaries	$ 3,524,551	$ 3,631,502	$ 8,050,958	$ 4,167,891	$ 4,267,023	$ 8,434,914
Benefits	2,143,828	2,228,172	5,161,585	2,703,935	2,795,095	5,499,030
Total Personnel Services	5,668,379	5,859,674	13,212,543	6,871,826	7,062,118	13,933,944
Materials & Services						
Contract Services	383,144	403,111	835,385	510,000	514,100	1,024,100
Employee Costs	74,396	85,223	227,909	104,961	108,110	213,071
Maintenance Costs	68,498	74,399	171,129	109,361	112,641	222,002
Materials	1,022	2,208	3,045	1,500	1,500	3,000
Office Costs	50,596	54,298	120,358	57,344	59,063	116,407
Office Equipment	8,839	4,420	17,375	7,066	7,276	14,342
Operations Costs	280,266	275,641	575,833	293,742	302,554	596,296
Other & Miscellaneous Costs	112,544	93,406	249,312	127,537	131,363	258,900
Special Programs & Services	29,845	31,890	120,670	56,491	57,679	114,170
Total Materials & Services	1,009,150	1,024,596	2,321,016	1,268,002	1,294,286	2,562,288
Capital Outlay	-	69,020	109,500	34,722	35,416	70,138
Transfers & Other Uses	84,000	135,000	271,000	440,000	440,000	880,000
Total Police	$ 6,761,529	$ 7,088,290	$15,914,059	$ 8,614,550	$ 8,831,820	$17,446,370

BUDGET HIGHLIGHTS

Materials and Supplies remained fairly consistent this biennial budget. The increase in contract services includes combining support and operations accounts, Clackamas County 911 dispatch, Clackamas Radio Group, and implementation of RegJIN, a multi-agency paperless reporting system.

Operation costs include equipment, building and vehicle maintenance. Materials include fuel, investigation, crime prevention and the Police reserve program. Employee costs include training materials and classes, uniforms, and laundry costs.

Contract Services are broken out below:

911 Dispatch (CCOM)	$690,000
Clackamas Radio Group	90,000
Telephones	76,000
RegJIN records management	72,000
License plate reader (ALPR)	21,000
Law Enforcement scheduling software (Schedule Express)	15,000
Secure mobile connection (Net Motion)	13,000
Advanced Public Safety (APS)	8,100
Sonitrol security system	7,000
Cellbrite	6,500
Lexipol law enforcement training	6,000
Oregon Accreditation Alliance	3,500
Other contracts	16,000
Total Contract services	***$1,024,100***

Code Enforcement and Parking

Overview

This program enhances community livability through fair and efficient enforcement of Oregon City Municipal Code. Responsibilities include responding to complaints and assisting citizens in finding solutions to code violations.

Additionally, this program is responsible for downtown parking operations, maintenance, and enforcement of regulated parking areas.

The garbage pickup services franchise fee agreement stipulates that 4% of gross receipts would be designated for city-wide clean-up related activities. These revenues fund the city garbage collection contract, clean up activities, and nuisance abatement of hazardous conditions throughout the City.

Accomplishments

- Continued implementation of the Parking Plan
- Continued collection of unpaid parking citations through ticketing, collection agency, and boot ordinance
- Coordinated City's tree lighting ceremony
- Provided support for the winter and summer Farmer's Market
- Increased efficiency of Code Enforcement by implementing scanning of citations and other archived documents; increased productivity with the ability to retrieve records electronically rather than manually
- Responded to over 1,200 complaints and worked with other departments to resolve issues
- Cleaned up of 19 illegal dump sites and abated 4 nuisance properties

Goals and Projects

- Continue implementation of **parking study recommendations**
- Provide routine monitoring, chalking, and citations for parking violations
- Provide meter maintenance and parts inventory
- Continue meeting with downtown business groups, discuss parking issues, parking plan, and promote future success
- Contribute to seasonal activities that promote downtown
- Work with all departments in enforcing code
- Work with neighborhood associations and the business community to identify code enforcement priorities to improve community and neighborhood livability, including enhancement projects
- Continue public education, neighborhood meetings, code enforcement presentations to inform the community about code enforcement issues

CODE ENFORCEMENT AND PARKING EXPENDITURES

Description	2011-2012 Actual *	2012-2013 Actual *	2013-2015 Amended Budget *	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Personnel Services						
Salaries	$ -	$ -	$ -	$ 327,652	$ 336,169	$ 663,821
Benefits	-	-	-	229,594	237,407	467,001
Total Personnel Services	-	-	-	557,246	573,576	1,130,822
Materials & Services						
Office Costs	-	-	-	18,866	19,432	38,298
Office Equipment	-	-	-	824	849	1,673
Operations Costs	-	-	-	14,067	14,489	28,556
Other & Miscellaneous Costs	-	-	-	2,555	2,632	5,187
Materials	-	-	-	4,072	4,194	8,266
Employee Costs	-	-	-	3,911	4,029	7,940
Special Programs & Services	-	-	-	96,000	97,050	193,050
Contract Services	-	-	-	109,180	112,455	221,635
Total Materials & Services	-	-	-	249,475	255,130	504,605
Capital Outlay	-	-	-	20,400	20,808	41,208
Transfers & Other Uses	-	-	-	22,000	22,000	44,000
Total Code Enforcement & Parking	$ -	$ -	$ -	$ 849,121	$ 871,514	$ 1,720,635

* The Code Enforcement, Parking and Clean-up programs for the City were recorded in three separate fund prior to the current biennium. Please see the section on Closed Funds for historical information.

BUDGET HIGHLIGHTS

Materials and Services expenses remained relatively consistent in the proposed biennium; a slight decrease is shown in vehicle maintenance and fuel. The significant decrease is in interfund transfers; the programs were recorded across three different funds in previous years and revenues were transferred across the different funds for operations.

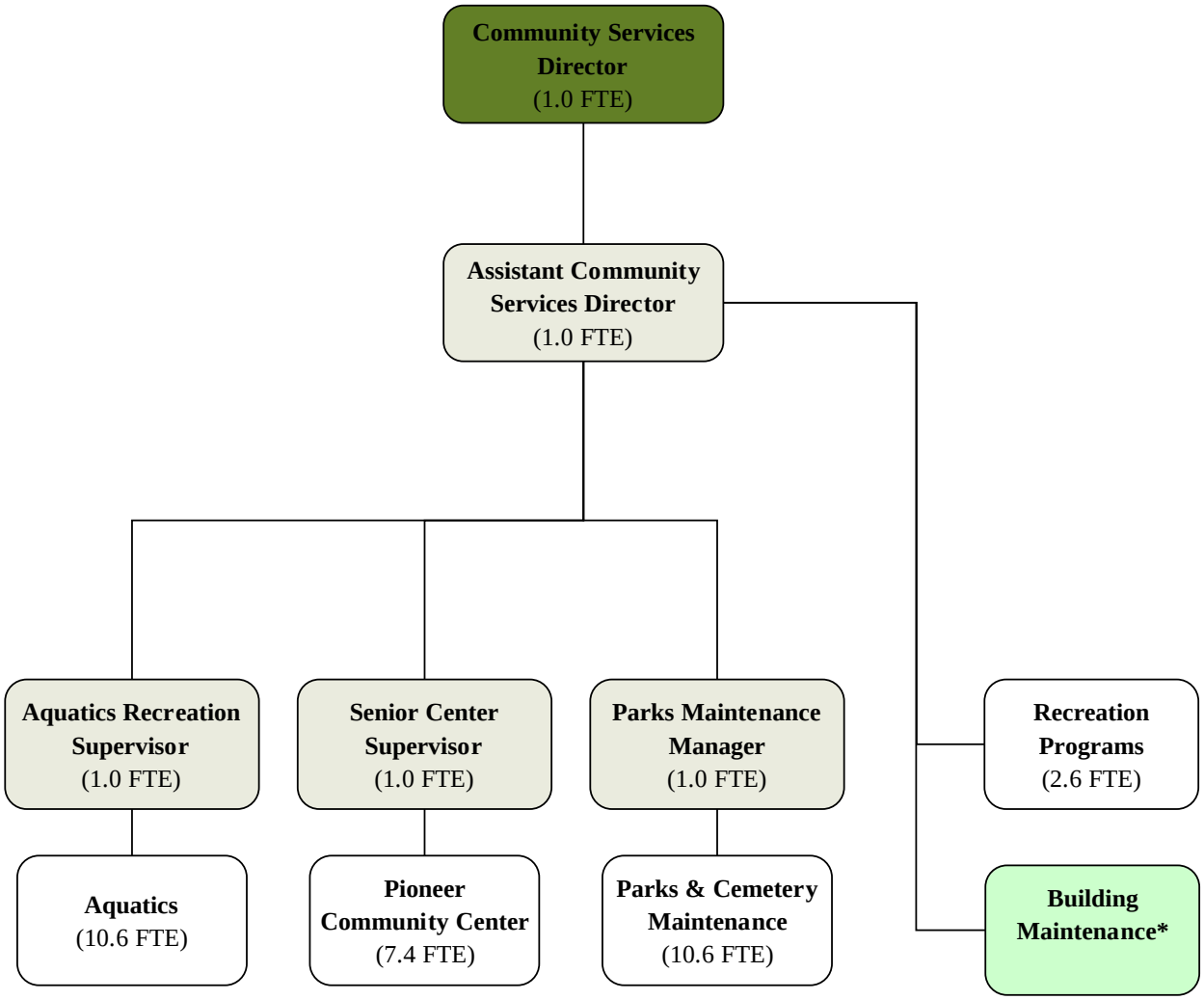
Special Programs & Services are composed of:

Flower basket program	$80,000
Parking program supplies	$50,750
Nuisance abatement	$40,000
Parking area beautification	$20,300
Other clean-up	$2,000
Total Special Programs & Services	***$193,050***

Contract Services are broken out below:

City garbage collection	$163,090
Parking Stations	$36,000
City prosecutor	$10,000
Equipment contracts	$7,500
Other various	$5,045
Total Contract services	***$221,635***

Community Services



Total 36.2 FTE

* *Building Maintenance function reports to Assistant Community Services Director. However, the FTE and budgeted expenses are reported within Policy and Administration Department as General Government*

Community Services Overview

The Community Services Department creates community in the City through people, parks, and programs. The Department provides space to learn and play as well as programs, services and activities for groups of all ages. The department promotes health and wellness through its recreational facilities and programming; it also maintains the cemetery. The functions of the Community Services Department are assigned to five major programs: Parks Operations Maintenance, Aquatics, Recreation, Pioneer Adult Community Center, and Mountain View Cemetery.

Mission

To create recreation, leisure and cultural opportunities by providing high quality parks, facilities, programming and support services to people of all ages. We enhance the quality of life within the community.

Department Goals

- **Goal 2 Address Critical Facility Needs**
  - Utilize increased Right of Way revenues to address deferred maintenance items
  - Identify and repair or replace aged infrastructure throughout park system including trails, sidewalks, play equipment, facilities
- **Goal 4 Seek Opportunities to Maintain Communications with Citizens and Facilitate Citizen Participation**
  - Raise community awareness and historical significance of Mountain View Cemetery
- **Goal 5 Maintain Fiscal Health and Long Term Stability**
  - Complete master plan for Clackamette RV Park and seek funding implementation of improvements
  - Seek grant funds for various projects
  - Continue exploration of a Parks & Open Spaces Utility Fee

Significant Budget Changes

- Proposed budget includes using the increased Right of Way revenues to address deferred maintenance items
- Proposed budget includes an increase of $50,000 to build fiber connections to the pool and parks/cemetery office, per IT recommendations; amount funded across Parks Operations, Aquatics, and Recreation
- Converted part time assistant to full time

Community Services Department Performance Measures

Commission Goal	Milestone or Outcome	Measure	2012	2013	2014	2015	2016 Goal	2017 Goal
Address Critical Facility Needs	Complete key facility upgrades	% of scheduled projects completed	N/A	N/A	N/A	N/A	N/A	N/A
	Complete Parks Master Plan	Master Plans Completed	N/A	N/A	N/A	N/A	N/A	N/A
Enhance the Livability of the Community	Community outreach	Number of meals served (congregate and Meals on Wheels)	40,539	N/A	N/A	N/A	N/A	N/A
	Recreational opportunities	Annual Senior recreation registrations	40,539	N/A	N/A	N/A	N/A	N/A
		Annual pool visits	120,434	N/A	N/A	N/A	N/A	N/A

N/A = Data not available / not measured during the time period.

DEPARTMENT EXPENDITURES (COMBINED)

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Personnel Services						
Salaries	$ 1,294,970	$ 1,372,133	$ 2,954,769	$ 1,568,558	$ 1,618,377	$ 3,186,935
Benefits	689,949	742,676	1,756,870	999,414	1,036,899	2,036,313
Total Personnel Services	1,984,919	2,114,809	4,711,639	2,567,972	2,655,276	5,223,248
Materials & Services						
Contract Services	7,093	5,593	94,498	16,176	16,660	32,836
Employee Costs	27,769	24,587	61,649	36,115	37,289	73,404
Maintenance Costs	351,091	319,175	662,961	352,239	363,817	716,056
Materials	45,623	63,224	162,789	138,397	142,484	280,881
Office Costs	60,603	63,036	130,064	68,459	70,511	138,970
Office Equipment	928	776	9,331	5,241	5,398	10,639
Operations Costs	126,384	117,290	166,079	76,211	78,556	154,767
Other & Miscellaneous Costs	11,250	13,964	43,836	21,080	21,712	42,792
Special Programs & Services	166,342	180,301	414,964	277,488	282,450	559,938
Total Materials & Services	797,083	787,946	1,746,171	991,406	1,018,877	2,010,283
Capital Outlay	287,731	91,784	499,397	295,319	254,808	550,127
Transfers & Other Uses	140,000	153,554	258,000	90,000	92,700	182,700
Total Community Services	$ 3,209,733	$ 3,148,093	$ 7,215,207	$ 3,944,697	$ 4,021,661	$ 7,966,358

Parks & Amenities	Basketball Courts	BBQ's	Benches	Boat Dock	Boat Launch	Child's Play Area	Dog Pots	Drinking Fountains	Electricity	Horseshoe Pits	Park Host	Parking Spaces	Picnic Tables	Skate Park	Soccer Fields	Softball Diamonds	Spray Park	Tennis Courts	Trail/Walking Path	Restrooms (seasonal)	Walk Bridge/ Observation	Volleyball Court
Abernethy Creek												■										
Atkinson		■				■	■					■	■						■	■		
Barclay Hills	■					■																
Canemah Childrens	■		■			■							■						■	■		
Chapin		■	■			■	■	■	■		■	■	■		■	■			■	■		
Carnegie			■			■		■									■		■			
Clackamette		■	■		■	■		■	■	■	■	■	■	■					■	■		
Clackamette Cove Trail			■										■						■			
D.C. Lattourette	■		■															■	■			
End of the Trail			■									■	■						■			
Hartke	■																	■	■			
Hazelwood						■																
Hillendale	■	■	■			■		■	■		■	■	■		■	■		■	■	■	■	■
Jon Storm			■	■				■					■						■	■	■	
McLoughlin Promenade			■																■			
Old Canemah													■						■			
Park Place			■			■		■				■							■			
Richard Bloom Sr. Tot Lot			■			■													■	■		
River Access Trail							■					■							■			
Rivercrest	■	■	■			■	■	■	■	■		■	■			■	■	■		■		
Shenandoah																						
Singer Creek																			■			
Sportcraft			■	■	■														■	■		
Stafford			■										■									
Waterboard Park			■																■			
Wesley Lynn		■	■			■		■	■		■	■	■		■	■			■	■		

Parks and Cemetery Maintenance

Overview

Parks and Cemetery Maintenance provide the community with a system of neighborhood, community, and regional parks, which include play equipment, sports facilities and open green spaces. They ensure these facilities are safe, clean and green and provide picnic facilities, shelters, restrooms and other facilities to support an active recreation program.

Cemetery Operations provide families with their needs for loved ones in a pleasant and serene surrounding. The city cemetery, including the historically important Pioneer Cemetery, is maintained, enhanced and protected. Operations of the Mountain View Cemetery include full body burials, cremations garden, mausoleum, and grounds maintenance.

Accomplishments

- Identified and removed hazard trees as budget allows
- Continued partnering with Oregon City High School Construction Corps with improvements to Oregon City Parks
- Continued to identify sites and plant trees and native plant material as part of re-forestation goals
- Completed installation of new playground at Chapin Park
- Maintained park system including repairs to fencing at John Storm Park, updates to outdated signage, and decreased invasive vegetation throughout park system

Goals and Projects

- Maintain city parks and open spaces to the highest possible standards with our available resources
- Configure funding options and construction of shops
- Chapin Park restroom replacement
- Support initiation of re-forestation goal.
- Apply for grants to design and start construction of new cremation niche garden
- Provide outstanding customer service to individuals and families
- Complete repairs to Chapin Park-drainage, ball fields, facilities
- Continue training office staff to facilitate sales and customer service
- Continue expanding burial options: design new nature walk/cremation area; natural area cremation scattering
- Design and install new landscaping throughout cemetery grounds to improve appearance and sales
- Continue invasive plant species eradication and re-plant with native species
- Create an approach for repairs to Singer Creek
- Landscape installation at Ermatinger House
- Coordinate projects with volunteer groups and individuals to support our parks management system

PARKS AND CEMETERY MAINTENANCE EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Personnel Services						
Salaries	$ 521,523	$ 548,019	$ 1,180,425	$ 608,875	$ 631,824	$ 1,240,699
Benefits	318,834	330,135	768,423	446,507	464,842	911,349
Total Personnel Services	840,357	878,154	1,948,848	1,055,382	1,096,666	2,152,048
Materials & Services						
Contract Services	6,510	1,735	87,438	15,062	15,512	30,574
Employee Costs	12,323	10,331	23,921	16,007	16,578	32,585
Maintenance Costs	118,081	92,485	181,216	119,783	124,388	244,171
Materials	34,918	49,325	137,402	125,130	128,819	253,949
Office Costs	17,603	18,388	37,427	19,286	19,863	39,149
Office Equipment	928	776	9,331	5,241	5,398	10,639
Operations Costs	73,346	81,374	119,174	44,712	46,113	90,825
Other & Miscellaneous Costs	484	-	16,035	8,380	8,631	17,011
Special Programs & Services	63,689	62,309	143,547	85,420	86,150	171,570
Total Materials & Services	327,882	316,723	755,491	439,021	451,452	890,473
Capital Outlay	236,731	-	241,890	185,000	128,100	313,100
Transfers & Other Uses	140,000	153,554	258,000	90,000	92,700	182,700
Total Parks & Cemetery Maintenance	$ 1,544,970	$ 1,348,431	$ 3,204,229	$ 1,769,403	$ 1,768,918	$ 3,538,321

BUDGET HIGHLIGHTS

This proposed budget overall shows an 11% increase, due to funding of deferred parks maintenance costs. Additionally, an additional Parks Maintenance Worker is being proposed. These increases are funded with the additional ROW revenues anticipated in this biennium.

Significant expenses are highlighted below:

Maintenance Costs: Expenditures are broken down as follows:

Grounds Maintenance	$112,020
Utilities	$69,414
Building Maintenance	$62,737
Total Maintenance Costs	***$244,171***

Materials Costs account for materials purchased for both parks and the cemetery operations including chemicals, boxes and liners, headstones, and name plates.

Operations Costs refer to supplies and equipment maintenance; vehicle maintenance, at $45,000, accounts for the majority of these costs.

Special Programs include the Waterway Land Lease and the Transient Room Tax; the Tree Replacement Program, at $100,000 for the biennium, accounts for the majority of these costs.

Capital Outlay includes $240,000 for deferred park improvements and capital maintenance funding, $17,000 for partial funding of the dark fiber connecting the pool, recreation, and parks and cemetery facilities, $45,000 for replacement of playground equipment at Barclay Hills, and $11,100 in park replacement equipment.

Recreation Aquatics

Overview

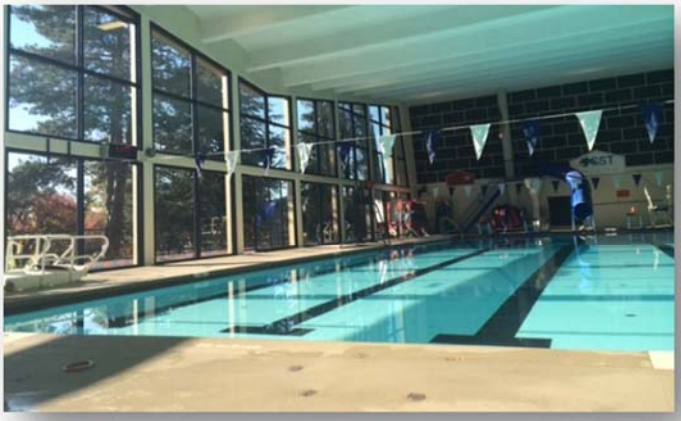
The Aquatics Program strives to meet high standards in aquatic safety, service and facility maintenance by providing the community with a fun, well supervised facility; offering programs for youth and families, avenues for adults to build lifelong fitness skills, and a place for seniors to maintain good health.

Accomplishments

- Exceeded revenue projections and at almost 100% full attendance for our school lesson swim program
- Hired an Office Specialist which increased customer service and facility operations
- Continued to receive positive feedback from patrons
- Increased our social media outreach and advertising
- Completed the natatorium curtain wall window project with improved safety and our esthetic appeal

Goals and Projects

- Complete family changing room project and front office reconfiguration to meet ADA compliancy
- Continue to increase revenue for upgrades to the facilities; current year biennial goal of $300,000
- Bring back our school lesson program to full capacity
- Seek additional partnerships within the community
- Improve our online registration system and Point of Sale



RECREATION AQUATICS PROGRAM EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Personnel Services						
Salaries	$ 308,876	$ 336,926	$ 702,277	$ 387,968	$ 395,058	$ 783,026
Benefits	135,428	136,490	331,114	194,134	199,317	393,451
Total Personnel Services	444,304	473,416	1,033,391	582,102	594,375	1,176,477
Materials & Services						
Employee Costs	4,966	3,442	9,196	4,806	4,950	9,756
Maintenance Costs	141,159	119,620	262,180	137,018	141,128	278,146
Materials	10,705	13,898	25,387	13,267	13,665	26,932
Office Costs	19,765	19,715	43,453	22,709	23,391	46,100
Operations Costs	5,601	3,942	8,850	4,625	4,763	9,388
Other & Miscellaneous Costs	2,251	2,196	8,309	2,513	2,589	5,102
Special Programs & Services	3,142	4,974	19,654	10,271	10,579	20,850
Total Materials & Services	187,589	167,787	377,029	195,209	201,065	396,274
Capital Outlay	51,000	91,784	235,000	82,840	115,000	197,840
Total Recreation Aquatics	$ 682,893	$ 732,987	$ 1,645,420	$ 860,151	$ 910,440	$ 1,770,591

BUDGET HIGHLIGHTS

This biennial budget proposes an increase for staffing costs including the Office Specialist position. This enables the department to remain open the same number of hours while ensuring the safety of our patrons.

The budget also includes $197,840 funding for remodeling patio and hallway bathrooms for ADA compliance, and repairing, partial funding of the dark fiber connection between recreations, parks and cemetery and the pool, and patching the pool deck for concrete damages. These items are recorded in Capital Outlay.

Maintenance Costs include building maintenance, janitorial supplies, and utilities.

PIONEER COMMUNITY CENTER

OVERVIEW

The Pioneer Adult Community Center is a multi-purpose facility offering nutritional, recreational, educational, and social services to adults in the community. The primary responsibility of the Center is to enhance the quality of life for older adults and disabled citizens of the community, and provide an opportunity for the elderly to maintain an independent lifestyle.

The program serves approximately 31,000 meals on wheels, 11,000 congregate meals, and provides 11,200 rides annually. Additionally, approximately 26,000 attendants participate in the Center's recreational opportunities. The Pioneer Center is a highly used facility and continues to try and accommodate as many users as possible. It is at capacity for the staff currently assigned to this department. The Department continually seeks to co-sponsor events and activities to utilize outside resources as much as possible.

ACCOMPLISHMENTS

- Replaced lighting in parking lot
- Monitored customer requests and modified program offerings to meet needs of community
- Added additional seminars for healthy eating/Tai Chi
- Purchased new bus
- Added new signage in parking lots, tree removal and replanting
- Resurfaced ballroom floor
- Purchased exercise equipment for weight room
- Replaced fire system

GOALS AND PROJECTS

- Maintain and enhance programs and services, to provide full use of the Pioneer Center and meet the needs of the aging and disabled population, and the community at large
- Manage budget to support services to seniors and disabled in the most productive way by increasing staffing without an increase in budget dollar request
- Monitor customer needs; add or eliminate needed programs and underutilized programs
- Address needed parking lot repairs
- Work toward meeting public's request for meal options

PIONEER COMMUNITY CENTER PROGRAM EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Personnel Services						
Salaries	$ 383,565	$ 402,130	$ 850,929	$ 441,204	$ 458,168	$ 899,372
Benefits	196,472	235,567	562,353	292,290	304,260	596,550
Total Personnel Services	580,037	637,697	1,413,282	733,494	762,428	1,495,922
Materials & Services						
Employee Costs	3,518	4,136	10,281	5,374	5,535	10,909
Maintenance Costs	89,871	96,939	192,148	95,128	97,982	193,110
Office Costs	17,748	15,034	35,274	17,238	17,755	34,993
Operations Costs	24,686	31,260	38,055	26,874	27,680	54,554
Other & Miscellaneous Costs	8,515	11,608	19,492	10,187	10,492	20,679
Special Programs & Services	43,293	47,995	93,126	48,169	49,614	97,783
Total Materials & Services	187,631	210,214	388,376	202,970	209,058	412,028
Capital Outlay	-	-	22,507	11,479	11,708	23,187
Total Pioneer Community Center	$ 767,668	$ 847,911	$ 1,824,165	$ 947,943	$ 983,194	$ 1,931,137

BUDGET HIGHLIGHTS

Maintenance Costs include vehicle maintenance of $44,618, building maintenance of $70,060 and janitorial services of $52,273.

Special Programs & Services include nutrition expenses of $71,091 and activities and classes totaling $24,045.

Recreation Programs

Overview

Recreation provides a full range of recreational activities and opportunities to the citizens of Oregon City in settings which are safe, sustainable, green and clean, preserving our past and building for our future. The recreation budget supports overall department administration functions, including the positions of Community Services Director and Assistant Parks & Recreation Director. The objective of the department is to provide overall direction and support and administration of Community Services, implement major park acquisition and development projects per the Park Master Plan and plan, develop and maintain recreation programs.

Accomplishments

- Continued to offer additional recreational opportunities for the community
- Increased contracted classes and programs to meet community needs
- Increased sponsorship amount for Concerts in the Park, allowing us to continue to improve the programming

Goals and Projects

- Maintain recreation programs as possible with staffing limitations
- Be a strong and reliable resource of recreational events for the community
- Identify community needs in regard to recreation programs and add/modify programs based on findings
- Improve electronic connectivity to pool building to parks and cemetery offices

RECREATION PROGRAM EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Personnel Services						
Salaries	$ 81,006	$ 85,058	$ 221,138	$ 130,511	$ 133,327	$ 263,838
Benefits	39,215	40,485	94,980	66,483	68,480	134,963
Total Personnel Services	120,221	125,543	316,118	196,994	201,807	398,801
Materials & Services						
Contract Services	583	616	7,060	1,114	1,148	2,262
Employee Costs	6,962	6,679	18,251	9,928	10,226	20,154
Maintenance Costs	-	34	-	311	320	631
Office Costs	5,487	9,899	13,910	9,225	9,502	18,727
Operations Costs	22,751	713	-	-	-	-
Other & Miscellaneous Costs	-	160	-	-	-	-
Special Programs & Services	47,574	65,023	158,637	82,628	85,106	167,734
Total Materials & Services	83,357	83,124	197,858	103,206	106,302	209,508
Capital Outlay	-	-	-	16,000	-	16,000
Total Recreation Programs	$ 203,578	$ 208,667	$ 513,976	$ 316,200	$ 308,109	$ 624,309

BUDGET HIGHLIGHTS

This proposed budget includes an increase of $16,000 to build fiber connections to the pool and parks/cemetery office, per IT recommendations.

Special Programs are composed of the following:

Trail News	$62,309
Summer Concerts	$33,454
Programs	$32,827
Crafts & Project Supplies	$18,939
Ermatinger House	$14,820
Events	$5,385
Total Special Programs	***$167,734***

DEDICATED PARK DONATIONS

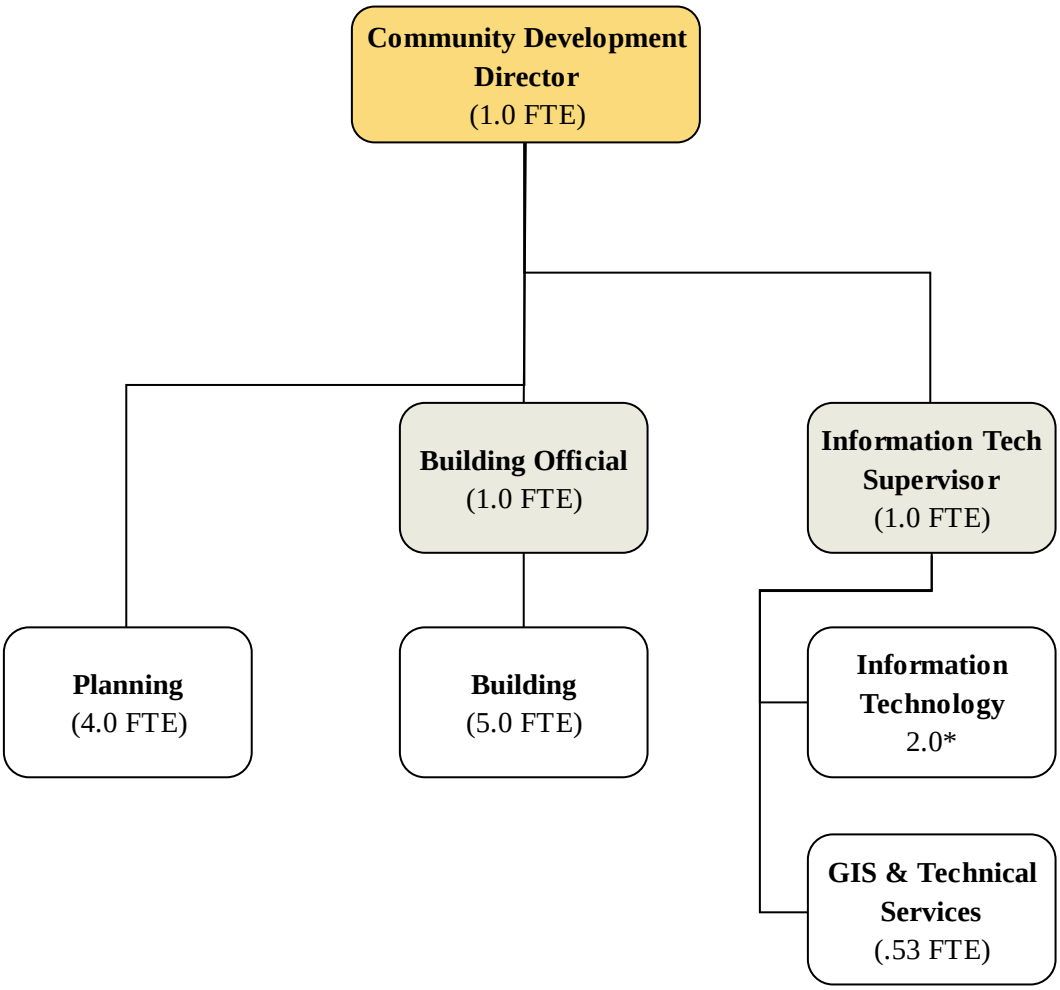
This division account for fundraisers, collection fees and community and private donations to specific events or facilities and expenditures as designated by the revenue source.

These funds help offset the cost of community-developed projects, community fundraising events and activities, facility upgrades and events, and special recreational and Heritage events. Additionally, Pioneer Center and Meals on Wheels donations are used to purchase materials for those programs.

All donations received are accounted for separately by donor restriction or purpose.

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Materials & Services						
Special Programs & Services	$ -	$ -	$ -	$ 51,000	$ 51,000	$ 102,000
Total Dedicated Donations	$ -	$ -	$ -	$ 51,000	$ 51,000	$ 102,000

Community Development



Total 14.53 FTE

* Information Technology reports to Community Development but is in the General Fund. The revenues and expenses are reported under Policy and Administration

COMMUNITY DEVELOPMENT

OVERVIEW

The Community Development Department manages the Planning and Building functions for the City. The Department oversees the Planning Commission, Historic Review Board and Natural Resource Committee and attends community events as required or requested.

The Planning Division performs long-range planning projects and community outreach; interprets and applies Land Development Code standards and appropriate Comprehensive Plan policies to proposed development projects; interprets and applies construction codes and standards to approved projects; and implements the City's development policies and programs. Additionally, it houses the City's Geographic Information Systems function. The Building Division performs inspections and issues permits to ensure safe building.

MISSION

To facilitate orderly growth and development in Oregon City through coordinated programs of planning, building safety, technology, education, and service to the public.

DEPARTMENT GOALS

- **GOAL 2 ADDRESS CRITICAL FACILITY NEEDS**
  - Continue to investigate alternative locations for the Department
- **GOAL 3 ENHANCE THE LIVABILITY OF THE COMMUNITY**
  - Complete the Riverwalk design and engineering
  - Implement the Sign Code once adopted by the City Commission
  - Adopt the Beavercreek Road concept plan
- **GOAL 4 SEEK OPPORTUNITIES TO MAINTAIN COMMUNICATIONS WITH CITIZENS AND FACILITATE CITIZEN PARTICIPATION**
  - Develop a stakeholders group that will be used to discuss Building Division related issues that can be used to help determine when and if changes are needed in the development review process
  - Coordinate an increase to the City's tree canopy in a cost effective manner
  - Consider annexation strategy and policy

SIGNIFICANT BUDGET CHANGES

- Additional Senior Building Inspector is proposed to be funded by reduction in contract costs for commercial electrical and plumbing, currently administered through a contract with Clackamas County.

Community Development Department Performance Measures

Commission Goal	Milestone or Outcome	Measure	2012	2013	2014	2015	2016 Goal	2017 Goal
Address Critical Facility Needs	Identify underground pipe assets for replacement or maintenance (GIS in conjunction with Public Works))	% of water pipes identified	N/A	63%	68%	73%	80%	85%
		% of sewer pipes identified	N/A	6%	11%	16%	75%	80%
		% of storm conduits identified	N/A	5%	10%	15%	20%	40%
Enhance the Livability of the Community	Meet Statutory requirements	Average number of days to complete plan completeness review (30)	N/A	20	30	30	<30	<30
	Provide efficient service	Average number of days to issue decision (120)	N/A	68	80	80	<90	<90
		Percentage of review completed within 20 days	N/A	35%	50%	50%	60%	65%

N/A = Data not available / not measured during the time period.

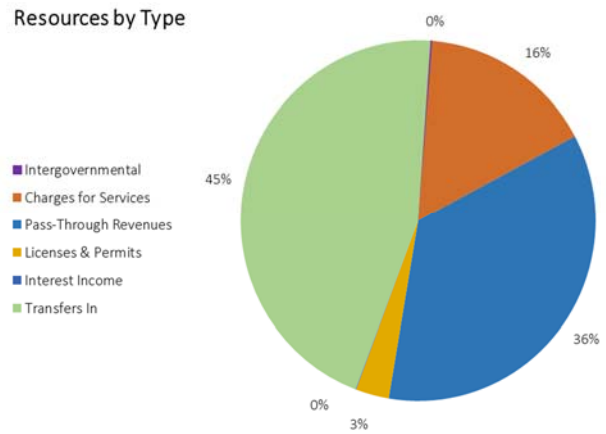
COMMUNITY DEVELOPMENT FUND

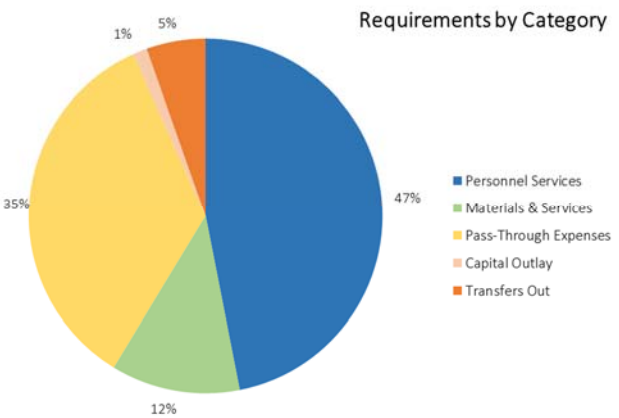
FUND OVERVIEW

Planning and Geographic Information Systems (GIS) are reported in the Community Development Fund. The fund accounts for the City's long range and current planning as well as the City's mapping and database needs.

The following table includes revenues and expenditures for the proposed biennium, the budget for the prior biennium and actual data for the two previous years. The largest source of revenues are transfers in from other funds, followed by pass-through revenues (excise taxes collected on behalf of the Oregon City School District). The largest expenditure is personnel as expected for a customer service department.

Community Development	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 151,275	$ 87,933	$ 185,000	$ 103,188	$ 65,862	$ 103,188
Intergovernmental	9,000	151,165	695,000	2,500	2,500	5,000
Charges for Services	245,123	164,836	486,250	266,120	273,758	539,878
Pass-Through Revenues	445,937	546,511	1,200,000	600,000	600,000	1,200,000
Licenses & Permits	17,609	45,050	43,750	51,000	51,480	102,480
Interest Income	1,244	1,297	2,000	1,000	1,000	2,000
Transfers In	517,825	594,886	1,382,114	772,557	762,865	1,535,422
Total Resources	**$ 1,388,013**	**$ 1,591,678**	**$ 3,994,114**	**$ 1,796,365**	**$ 1,757,465**	**$ 3,487,968**
Requirements by Category						
Personnel Services	$ 610,821	$ 640,339	$ 1,532,690	$ 802,018	$ 824,644	$ 1,626,662
Materials & Services	142,710	398,296	896,595	189,735	219,258	408,993
Pass-Through Expenses	445,937	546,510	1,200,000	600,000	600,000	1,200,000
Capital Outlay	-	-	-	45,000	-	45,000
Transfers Out	100,612	3,201	191,250	93,750	93,750	187,500
Contingency	-	-	173,579	65,862	19,813	19,813
Unappropriated Fund Balance	87,933	3,332	-	-	-	-
Total Requirements	**$ 1,388,013**	**$ 1,591,678**	**$ 3,994,114**	**$ 1,796,365**	**$ 1,757,465**	**$ 3,487,968**





PLANNING

OVERVIEW

The Community Development Department's Planning Division is a combination of current and long range planning. Current planning is responsible for reviewing private and public development within the City, including: annexations, zone changes, master plans, detailed development plans, site plan and design reviews, subdivisions and partitions, conditional use permits, sign permits, natural resource overlay district permits, floodplain protection, historic reviews and various other land use related reviews.

Staff address daily planning and land use inquiries from the general public through phone calls, emails and staffing of the department counter, working closely with the Building and Engineering divisions to coordinate permit review.

Long range planning includes concept and neighborhood plans and research, development of new codes, and studies needed to support comprehensive plan amendments, urban growth boundary adjustments and to maintain compliance with regional and state requirements. This division also assists in economic development and planning projects, particularly as they relate to development of the regional center, and provides city representation to Metro and for other statewide planning and policy decisions.

ACCOMPLISHMENTS

- Completed the listing of the Promenade, Elevator and Carnegie Library on the National Register of Historic Places
- In 2013, Planning staff processed 460 land use related permits, including 167 residential house permits and 111 street tree permits
- In 2014, Planning staff processed 353 land use related permits, including 104 residential house permits and 65 street tree permits
- Completed the South End Concept Plan and Willamette Falls Legacy Project framework master plan
- Secured a $5,000,000 appropriation from the State for the Willamette Falls Legacy Project

GOALS AND PROJECTS

- Continue to support the Willamette Falls Legacy Project and coordinate with the property owners to identify economic development opportunities

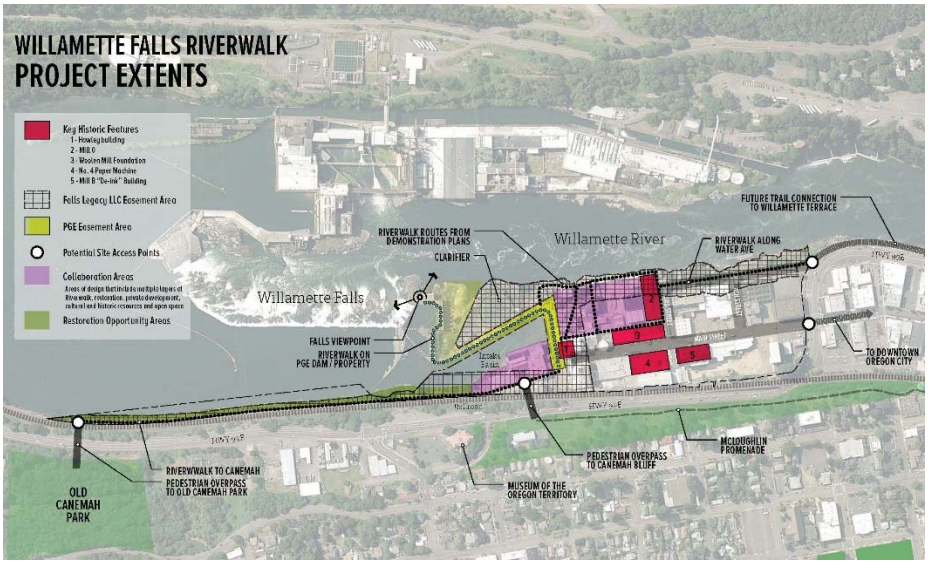
Planning Division Permit Activity				
	2012 Results	**2013 Estimated**	**2014 Projected**	**2015 Projected**
Total Number of Permits	520	530	500	500
Single Family Site Plan	305	315	300	300
Street Tree	85	90	80	80
Sign Permits	36	35	30	30
Pre-applications	32	30	30	30
Land Use Applications	31	30	30	30
Other (Type I, annexations)	31	30	30	30

PLANNING EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Personnel Services						
Salaries	$ 281,944	$ 327,660	$ 748,877	$ 390,450	$ 400,741	$ 791,191
Benefits	175,807	182,751	491,148	259,681	268,432	528,113
Total Personnel Services	457,751	510,411	1,240,025	650,131	669,173	1,319,304
Materials & Services						
Office Costs	13,971	13,393	26,250	10,550	10,867	21,417
Office Equipment	5,219	6,695	12,000	6,500	6,695	13,195
Operations Costs	3,072	4,392	11,100	4,350	4,481	8,831
Other & Miscellaneous Costs	52,058	45,355	117,500	57,500	59,225	116,725
Special Programs & Services	175	196,965	526,000	35,000	35,000	70,000
Pass-Through Expenses	445,937	546,511	1,200,000	600,000	600,000	1,200,000
Materials	9,985	13,946	22,750	14,250	14,670	28,920
Employee Costs	4,414	2,906	6,500	3,250	3,250	6,500
Contract Services	11,706	23,143	41,500	4,500	4,635	9,135
Total Materials & Services	546,537	853,306	1,963,600	735,900	738,823	1,474,723
Transfers & Other Uses	100,612	55,521	191,250	93,750	93,750	187,500
Capital Outlay	-	-	-	45,000	-	45,000
Contingency	87,933	3,332	173,579	65,862	19,813	19,813
Total Planning	$ 1,192,833	$ 1,422,570	$ 3,568,454	$ 1,590,643	$ 1,521,559	$ 3,046,340

BUDGET HIGHLIGHTS

The proposed budget includes a decrease in Special Programs and Services due to the completion of the Blue Heron grant program in the prior biennium. The prior biennium included consulting costs for a feasibility study and industrial lands research. This biennial budget focuses on the Willamette Falls Legacy Project, routine operations in the department, and a tree replacement program ($70,000 funding).



Geographic Information Systems

Overview

The Geographic Information Systems (GIS) program is responsible for developing, maintaining, and distributing maps, applications, and other databases serving citywide needs. GIS provides digital data, application development, maps, analysis, and web management/updates necessary for the operation of mapping services in the City.

The GIS Division works closely with: Public Works, which provides utility services; Building, which provides address and permit information; Planning provides zoning amendments, development, and resource information while Engineering provides as-built drawings, plat maps, and annexation information. (The resources produced and provided by the GIS team benefit all City departments, the general public and the business community.) GIS is also a central component of developing enterprise technology solutions for the City.

Accomplishments

- Developed a web mapping "portal", including several low-cost, project-based web mapping applications to increase the distribution of information to City staff and to the public
- Implemented the Storm Module to Lucity Asset Management System, resulting in more cost-effective infrastructure maintenance
- Researched and began development of a prototype field mapping application for tablets/smart phones, with the goal of reducing reliance on expensive "ruggedized" field laptops
- Continued ongoing mapping updates, spatial data analysis, and map production to support all City departments

Goals and Projects

- Embed GIS functions throughout the city website, where they can be accessed independently from the web mapping site
- Implement a web-based tablet application to allow the utility crews to use Lucity in the field
- Develop a high accuracy 3-D model of the street corridors using advanced LIDAR(Light Detection and Ranging)/ photo mapping
- Develop additional project-based web mapping applications for easy, intuitive access to GIS data
- Upgrade to ArcGIS Server v10.1, which will allow much greater power and flexibility for web mapping

2011 Traffic Counts
Web Mapping Application

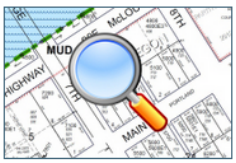
2014 Traffic Counts
Web Mapping Application

Am I within Oregon City Limi...
Web Mapping Application

Compare Aerial Photos
Web Mapping Application

OCWebMaps
Web Mapping Application

Property Report
Web Mapping Application



Taxmap Finder
Web Mapping Application

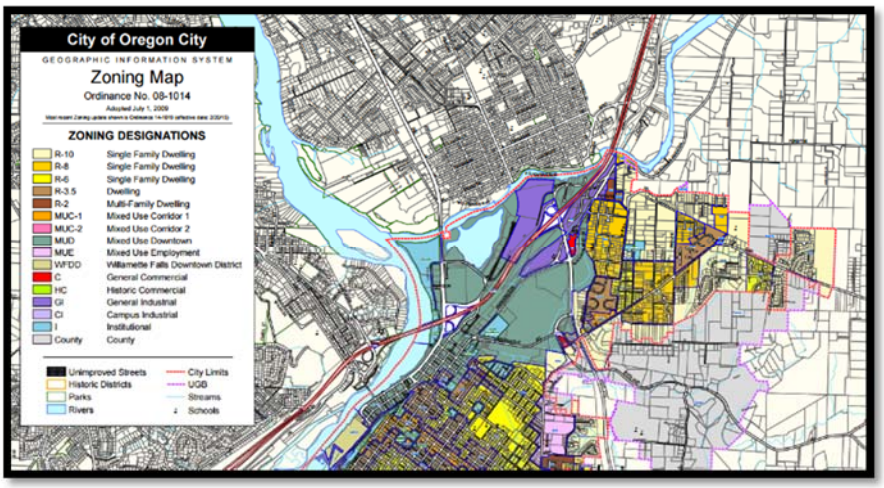
What Zone am I in?
Web Mapping Application

GIS EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Personnel Services						
Salaries	$ 99,399	$ 85,835	$ 179,590	$ 92,581	$ 94,418	$ 186,999
Benefits	53,671	44,094	113,075	59,306	61,053	120,359
Total Personnel Services	153,070	129,929	292,665	151,887	155,471	307,358
Materials & Services						
Office Costs	1,797	1,553	4,250	2,800	2,950	5,750
Office Equipment	25,155	25,499	45,600	24,800	34,300	59,100
Operations Costs	-	-	975	1,860	1,860	3,720
Other & Miscellaneous Costs	33	934	11,300	1,800	4,300	6,100
Materials	2,601	1,663	3,100	1,500	1,600	3,100
Employee Costs	5,641	4,758	14,270	13,075	11,425	24,500
Contract Services	6,883	4,772	53,500	8,000	24,000	32,000
Total Materials & Services	42,110	39,179	132,995	53,835	80,435	134,270
Total GIS	$ 195,180	$ 169,108	$ 425,660	$ 205,722	$ 235,906	$ 441,628

BUDGET HIGHLIGHTS

This proposed budget is fairly consistent from the previous biennium. A slight increase in Operations Costs is due to the transition to LIDAR mapping, offset by other contractual reductions.



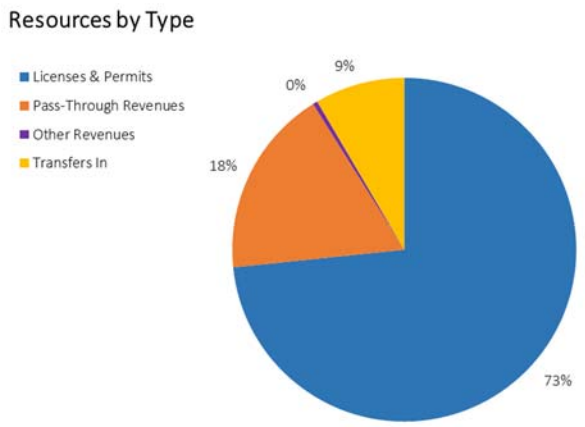
BUILDING FUND

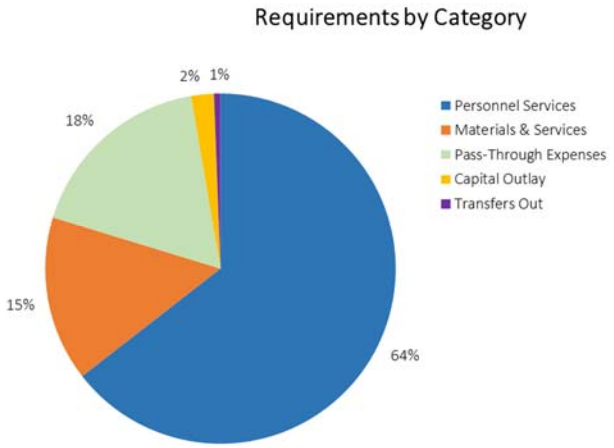
FUND OVERVIEW

The Building Division, while housed in the Community Development Department, operates under dedicated funding that requires revenues generated by permits to be utilized for Building Division expenses only. Total Resources and Total Requirements in the Building Fund are shown below by type and by expenditure category (including beginning and ending fund balances).

The highest source of revenues is from Licenses and Permits, specifically Building permits at 73% of revenues. Pass through revenues are monies collected and remitted to the State and Metro.

Building	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 44,187	$ 203,440	$ 143,034	$ 254,492	$ 230,498	$ 254,492
Licenses & Permits	1,194,896	1,524,227	1,880,325	854,666	880,306	1,734,972
Pass-Through Revenues	165,003	225,258	264,000	210,000	210,000	420,000
Charges for Services	5,720	25	5,060	3,850	3,850	7,700
Interest Income	1,437	3,696	2,000	1,000	1,600	2,600
Transfers In	-	-	176,000	100,000	100,000	200,000
Total Resources	**$ 1,411,243**	**$ 1,956,646**	**$ 2,470,419**	**$ 1,424,008**	**$ 1,426,254**	**$ 2,619,764**
Requirements by Category						
Personnel Services	$ 704,017	$ 639,540	$ 1,400,519	$ 769,480	$ 810,546	$ 1,580,026
Materials & Services	273,971	342,526	603,675	181,910	185,400	367,310
Pass-Through Expenses	163,815	220,894	264,000	210,000	210,000	420,000
Capital Outlay	-	-	-	25,000	-	25,000
Transfers Out	66,000	141,232	114,000	7,120	7,245	14,365
Contingency	-	-	88,225	230,498	213,063	213,063
Unappropriated Fund Balance	203,440	612,454	-	-	-	-
Total Requirements	**$ 1,411,243**	**$ 1,956,646**	**$ 2,470,419**	**$ 1,424,008**	**$ 1,426,254**	**$ 2,619,764**





BUILDING

OVERVIEW

The overall mission of the Building Division is to assist in ensuring safety, usability, energy efficiency, accessibility, and code compliance in an economically responsible fashion, in the building environment.

The program mission is accomplished by the utilization of a large variety of adopted standards including the Oregon Structural, Residential, Electrical, Plumbing, Mechanical, Energy, Accessibility and Solar Codes, as well as a number of national and state standards. These standards are implemented through the use of comprehensive plan review and progress inspections on commercial, industrial and residential developments. A portion of this process, specifically commercial plumbing and all electrical inspections, are currently accomplished utilizing the use of a contract with Clackamas County.

ACCOMPLISHMENTS

- Expanded the hours of operation for the Building Division, allowing permits to be purchased and inspections to be performed 5 days a week
- Issued 1,485 permits during the 2012-2013 fiscal year, including 154 new single-family homes and 89 townhomes
- Collected approximately $1,500,000 in building permit fees during 2012-2013. Collected approximately $750,000, during 2013-2014, a 52% decrease
- Issued 1,300 permits during the 2013-2014 fiscal year, including 111 single-family homes
- Provided digital plans for inspectors in the field to have direct access to the building permit system, increasing efficiency and reducing paper use

GOALS AND PROJECTS

- Complete the Building Department Operating Plan for approval by the State Building Codes Division
- Investigate the opportunity to hire a plan reviewer and/or multi-certified inspector
- Improve staff efficiency and customer experience by investigating a new permitting system for the processing and tracking of development permits and collections
- Develop a stakeholders group that will be used to discuss Building Division related issues that can be used to help determine when and if changes are needed in the development review process
- Continue progress toward a paperless building submittal, review and inspection process

Building Division Permit Activity

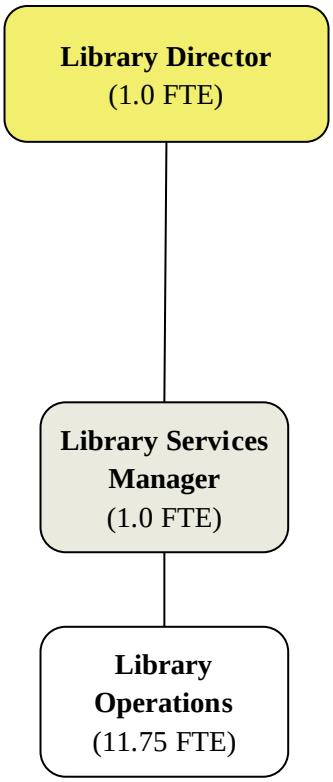
	2012 Results	2013 Estimated	2014 Projected	2015 Projected
Total Number of Permits	N/A	2,191	2,000	2,000
Building Permits	N/A	403	350	350
Single Family Unit	N/A	233	200	200
Single Family Addition	N/A	26	25	25
Single Family Alteration	N/A	44	35	35
New Commercial	N/A	5	5	5
Tenant Improvement	N/A	95	85	85
Mechanical Permits	N/A	586	535	535
Plumbing Permits	N/A	523	485	485

BUILDING EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Personnel Services						
Salaries	$ 441,486	$ 392,871	$ 840,972	$ 452,870	$ 472,117	$ 924,987
Benefits	262,531	246,669	559,547	316,610	338,429	655,039
Total Personnel Services	704,017	639,540	1,400,519	769,480	810,546	1,580,026
Materials & Services						
Contract Services	523	31,355	90,000	10,000	10,000	20,000
Employee Costs	9,397	10,845	14,250	7,350	7,350	14,700
Materials	133,827	178,264	191,750	16,500	16,500	33,000
Office Costs	13,094	14,156	27,300	14,010	14,425	28,435
Office Equipment	24,611	21,606	71,500	27,250	27,250	54,500
Operations Costs	91,134	84,366	204,875	104,800	107,875	212,675
Other & Miscellaneous Costs	1,385	1,934	4,000	2,000	2,000	4,000
Pass-Through Expenses	163,815	220,894	264,000	210,000	210,000	420,000
Total Materials & Services	437,786	563,420	867,675	391,910	395,400	787,310
Capital Outlay	-	-	-	25,000	-	25,000
Transfers & Other Uses	66,000	141,232	114,000	7,120	7,245	14,365
Contingency	203,440	612,454	88,225	230,498	213,063	213,063
Total Building	$ 1,411,243	$ 1,956,646	$ 2,470,419	$ 1,424,008	$ 1,426,254	$ 2,619,764

BUDGET HIGHLIGHTS

The proposed budget includes an increase in personnel expenses and a decrease in contract services due to the addition of a building inspector for commercial inspections. The inspector will perform work formerly contracted to Clackamas County. This will help the department to become more efficient, reduce operating costs, and possibly increase revenues with more thorough inspection work.


Library Director
(1.0 FTE)
Library Services Manager
(1.0 FTE)
Library Operations
(11.75 FTE)

LIBRARY FUND

FUND OVERVIEW

The entire operations of Oregon City's Library are accounted for in the Library Fund. Approximately 88% of its funding comes from Clackamas County Library District tax revenues, which pay for personnel and materials costs. Savings were set aside in a separate Capital Projects Fund and along with voter-approved bond financing are now funding the expansion and construction of a much needed expanded library facility. The debt payments (principal and interest) for these bonds are included in the Library Fund while the construction costs are recorded in the Capital Projects Fund discussed later in the budget.

The table below compares Total Resources and Total Requirements for the Library Fund for the past two years, the current budget biennium, and the proposed biennium.

Library	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 1,068,418	$ 1,019,821	$ 687,842	$ 704,521	$ 1,080,778	$ 704,521
Intergovernmental						
District Property Taxes	1,790,846	1,756,310	3,540,832	1,949,107	2,007,580	3,956,687
Other Intergovernmental	7,952	8,133	37,905	8,700	9,000	17,700
Charges for Services	41,919	41,636	80,100	48,800	49,900	98,700
Miscellaneous Income	4,819	4,218	4,000	4,800	4,900	9,700
Transfer In	-	-	-	200,000	200,000	400,000
Total Resources	**$ 2,913,954**	**$ 2,830,118**	**$ 4,350,679**	**$ 2,915,928**	**$ 3,352,158**	**$ 5,187,308**
Requirements by Category						
Personnel Services	$ 946,802	$ 989,567	$ 2,130,729	$ 1,130,170	$ 1,160,269	$ 2,290,439
Materials & Services	187,163	218,788	977,205	279,083	437,183	716,266
Principal & Interest	-	-	-	405,747	406,687	812,434
Transfers Out	760,168	751,209	920,000	20,150	20,305	40,455
Contingency	-	-	322,745	1,080,778	1,327,714	1,327,714
Unappropriated Fund Balance	1,019,821	870,554	-	-	-	-
Total Requirements	**$ 2,913,954**	**$ 2,830,118**	**$ 4,350,679**	**$ 2,915,928**	**$ 3,352,158**	**$ 5,187,308**

LIBRARY

OVERVIEW

To provide a public library program that affords the residents of the library's service area access to the information, knowledge, experience, wisdom, and dreams of humanity in order to enrich their lives and assist them in meeting the challenges of a rapidly changing world. The Library serves the entire community through its collections, reference services, programs and electronic resources. Opportunities for personal, educational, cultural, and recreational enrichment are offered. The library hosts approximately 190,000 annual visits and provides over 200 children's programs.

ACCOMPLISHMENTS

- The library bond passed, enabling the project to move forward
- All consultants for the library expansion project were hired
- Staff and consultants visited with all of the neighborhood associations and multiple advisory groups
- The Library continued to provide multiple events and educational opportunities for the community
- Door traffic hovered between 13,000-17,000 per month
- Completed digitization of historic Oregon City newspapers with grant funds, offering an excellent resource
- Expanded story times and had a successful Summer Reading program including over 1,000 children, teens, and adults

GOALS AND PROJECTS

- **GOAL 2 ADDRESS CRITICAL FACILITY NEEDS**
  - Break ground on project, build addition, renovate Carnegie buildings
  - Manage and provide library services during construction
  - Work on all projects necessary to align with new building in areas such as policies, collections, staffing, etc.
- **GOAL 3 ENHANCE THE LIVABILITY OF THE COMMUNITY**
  - Explore events and educational opportunities for community using local resources and partnerships
  - Explore partnership for 'Community Wide Read' with schools
  - Improve children's early literacy and learning opportunities and activities. Explore events and collections previously impossible due to space
  - Continue to enhance events; ensure a 'signature' series is started
  - Ensure youth literacy and educational resources are robust

Community Development Department Performance Measures

Commission Goal	Milestone or Outcome	Measure	2012	2013	2014	2015	2016 Goal	2017 Goal
Enhance the Livability of the Community	Increase circulation available and overall borrowers	Annual Circulation	502,083	880,250	900,000	920,000	920,000	920,000
		Registered Borrowers	20,983	19,830	20,000	20,200	20,200	20,200
		Circulation per Registered Borrower	23.9	44.4	45.0	45.5	45.5	45.5
	Provide high quality, well attended programming	Programs Provided	186	275	285	300	300	300
		Program Attendees	4,622	6,363	6,500	7,000	7,000	7,000

N/A = Data not available / not measured during the time period.

LIBRARY EXPENDITURES

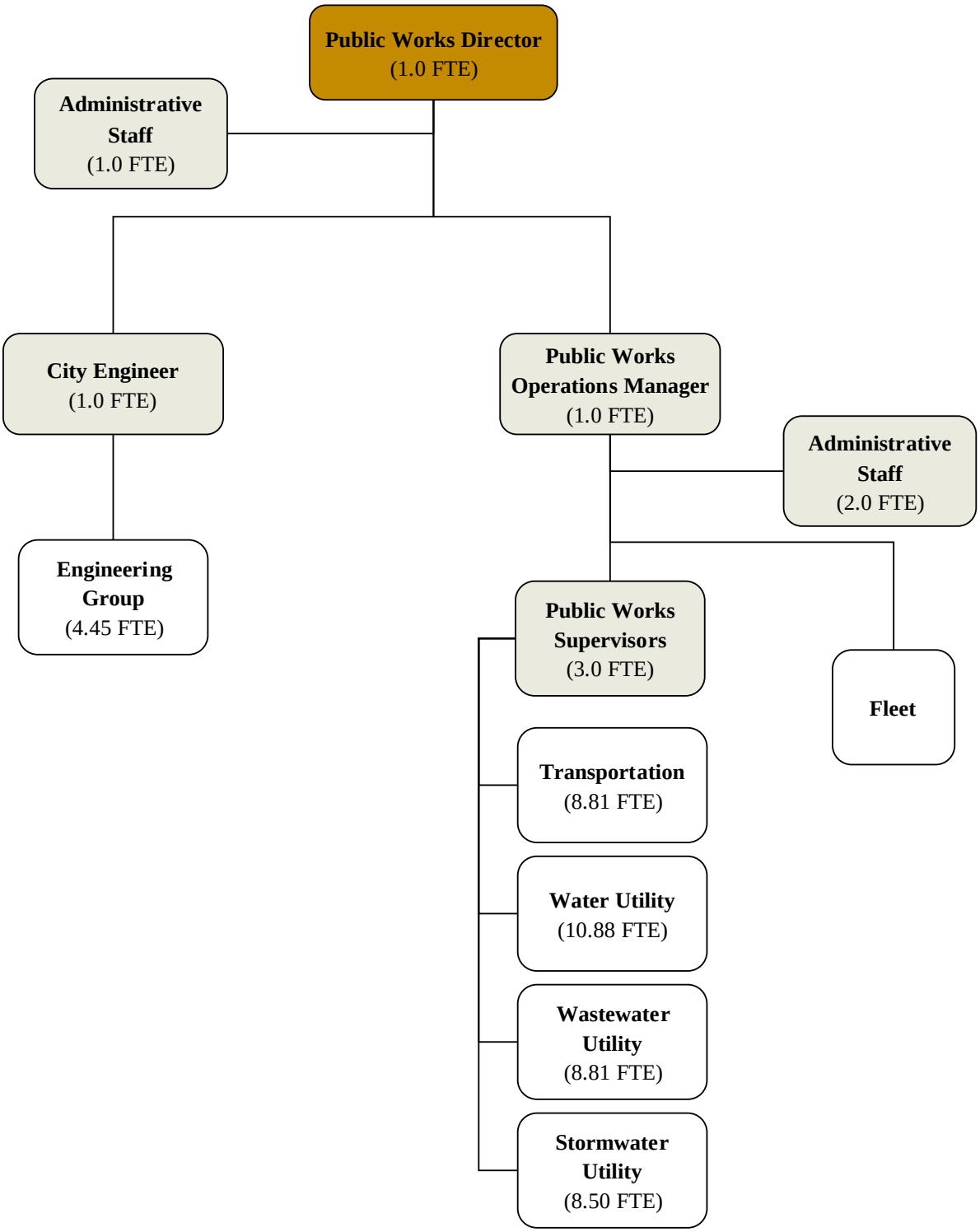
Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Personnel Services						
Salaries	$ 619,516	$ 649,508	$ 1,335,259	$ 702,943	$ 719,559	$ 1,422,502
Benefits	327,286	340,059	795,470	427,227	440,710	867,937
Total Personnel Services	946,802	989,567	2,130,729	1,130,170	1,160,269	2,290,439
Materials & Services						
Contract Services	1,760	27,987	400,000	-	-	-
Employee Costs	3,956	1,723	15,100	7,550	7,550	15,100
Maintenance Costs	45,379	45,164	114,000	57,500	161,000	218,500
Materials	92,204	101,858	290,305	139,633	162,133	301,766
Office Costs	11,685	7,612	18,800	9,400	11,500	20,900
Office Equipment	5,588	4,029	16,000	6,500	11,000	17,500
Operations Costs	-	-	5,000	1,500	1,500	3,000
Other & Miscellaneous Costs	23,333	23,327	102,000	47,000	64,500	111,500
Special Programs & Services	3,258	7,088	16,000	10,000	18,000	28,000
Total Materials & Services	187,163	218,788	977,205	279,083	437,183	716,266
Transfers & Other Uses	760,168	751,209	920,000	20,150	20,305	40,455
Principal & Interest	-	-	-	405,747	406,687	812,434
Contingency	-	-	322,745	1,080,778	1,327,714	1,327,714
Unappropriated Fund Balance	1,019,821	870,554	-	-	-	-
Total Library	$ 2,913,954	$ 2,830,118	$ 4,350,679	$ 2,915,928	$ 3,352,158	$ 5,187,308

BUDGET HIGHLIGHTS

The proposed biennial budget includes the opening of the new building in late summer of 2016. With the expanded facilities come higher costs, including the repayment of the bonds that helped fund the library expansion. Additionally, the budget proposes a children's librarian to be hired in 2016.

In previous years, the library was funding architectural and design services for the library expansion; these services are not proposed in this biennium.

Public Works



50.45 FTE

PUBLIC WORKS FUNDS

FUNDS OVERVIEW

The Public Works Department is one of the largest within the city with 50.45 FTE. The department contains various funds and programs split between the following groups:

The Engineering Group is responsible for the planning, design, construction, and database mapping for Oregon City public infrastructure including capital improvement projects, development projects, and asset management.

The Operational Group is responsible for operating and maintaining the Oregon City public infrastructure systems, including Transportation, Water Utility, Wastewater (Sewer) Utility, and Stormwater Utility as well as managing the City's fleet.

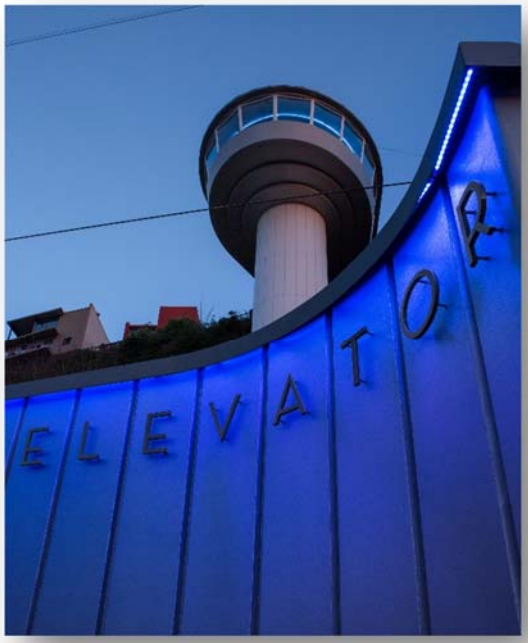
The Public Works staff plans, constructs, and maintains these systems with a close eye on high quality, progressive practices, controlling costs, and customer service.

MISSION

To operate and maintain existing public infrastructure; plan and construct capital improvements; and protect public health and safety, water quality, and natural resources to assure the community is provided with safe, sustainable, and financially sound systems for potable water distribution, wastewater collection, surface water management, and multi-modal transportation.

DEPARTMENT GOALS

- **GOAL 2 ADDRESS CRITICAL FACILITY NEEDS**
  - Address Public Works Facility needs for the Operations Group by acquiring a site and designing concepts and financing
  - Continue to deliver safe and reliable sewer, storm water, transportation, and potable water systems in an efficient and fiscally responsible manner
- **GOAL 5 MAINTAIN FISCAL HEALTH AND LONG TERM STABILITY**
  - Review strategic planning timeline for master plan updates and rate studies for all Oregon City Public Works utilities



Public Works Performance Measures								
Commission Goal	**Milestone or Outcome**	**Measure**	**2012**	**2013**	**2014**	**2015**	**2016 Goal**	**2017 Goal**
Address Critical Facility Needs	Deliver safe and reliable sewer, storm water, transportation, and potable water systems efficiently	Citywide average Pavement Condition Index (PCI)	60	60	> 60	> 60	> 60	> 60
		Complete scheduled projects under annual pavement maintenance plan	100%	100%	100%	100%	100%	100%
		Drinking water and stormwater samples in compliance with regulations	100%	100%	100%	100%	100%	100%
		Complete scheduled projects under leak detection program	100%	100%	100%	100%	100%	100%
		Complete scheduled projects under video inspections and line cleaning program	100%	100%	100%	100%	100%	100%
Maintain Fiscal Health and Long Term Stability	Provide timely and efficient service	Average time to act in response to a citizen request	1.6 days	< 2.0 days	< 2.0 days	< 2.0 days	< 2.0 days	< 2.0 days
		Average time to respond to an afterhours call for service	2.0 hours	< 2.0 hours	< 2.0 hours	< 2.0 hours	< 2.0 hours	< 2.0 hours
	Track permitting and land use decisions to ensure effective and efficient staff	Total Right-of way permits issued	211	210	210	210	210	210
		Total Land Use decisions that resulted in an issued permit (non ROW Permits)	27	27	25	25	25	25
		Total pre-application conferences	38	40	40	40	40	40

ENGINEERING

FUND OVERVIEW

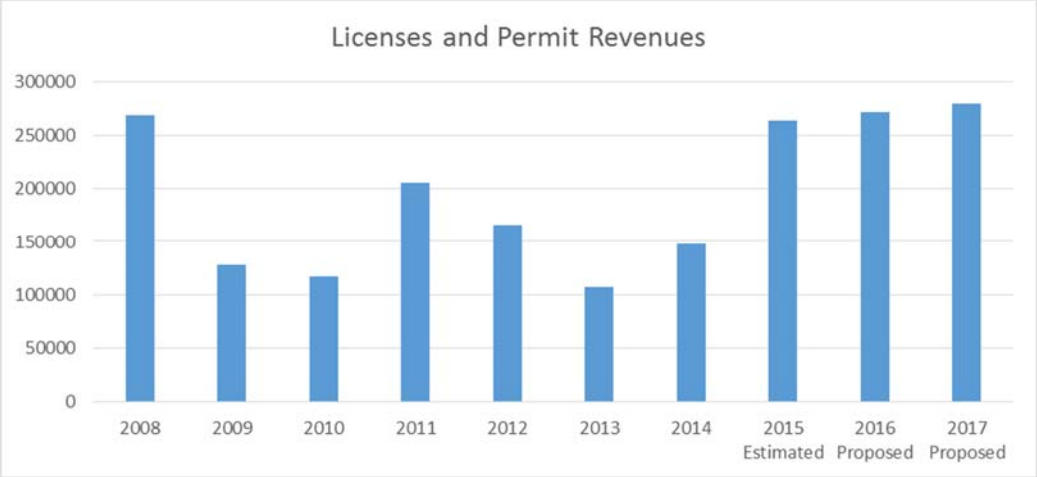
Engineering accounts for all fees charged and expenditures incurred associated with engineering technical plan checks, construction monitoring/inspection for private development such as site plans and subdivisions and partitions, subdivision and partition plat reviews, new home site plan review, right-of-way and fill/grading permits, and street/easement vacations.

The table below compares Total Resources and Total Requirements in the Engineering Fund for the past two years, the current budget year, and the proposed biennium.

The only significant change proposed in Engineering for this biennium is additional personnel to handle the sewer moratorium, to be funded from sewer revenues. Further discussion on the sewer moratorium is discussed in the Wastewater Fund section.

Revenues are projected to increase in the coming biennium to the pre-recession levels due to various projects that are currently in the application or review phase.

Engineering	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 6,636	$ 45,616	$ 43,000	$ 24,075	$ 52,858	$ 24,075
Charges for Services	61,956	54,911	121,200	13,030	13,420	26,450
Licenses & Permits	166,057	106,721	253,800	271,098	279,232	550,330
Interest Income	470	2,198	2,000	1,030	1,061	2,091
Transfers In	167,111	175,982	570,000	625,080	518,370	1,143,450
Total Resources	**$ 402,230**	**$ 385,428**	**$ 990,000**	**$ 934,313**	**$ 864,941**	**$ 1,746,396**
Requirements by Category						
Personnel Services	$ 320,320	$ 307,969	$ 901,786	$ 558,523	$ 589,736	$ 1,148,259
Materials & Services	22,294	61,888	84,960	186,232	167,470	353,702
Capital Outlay	-	-	-	133,200	14,300	147,500
Transfers	14,000	2,428	-	3,500	3,500	7,000
Contingency	-	-	3,254	52,858	89,935	89,935
Unappropriated Fund Balance	45,616	13,143	-	-	-	-
Total Requirements	**$ 402,230**	**$ 385,428**	**$ 990,000**	**$ 934,313**	**$ 864,941**	**$ 1,746,396**



ENGINEERING

OVERVIEW

Engineering is the main Public Works point of contact for citizens, title companies, engineering firms, utility companies, and construction firms. It also functions as the Public Works administrative arm and provides all System Development Charge (SDC) calculations for building permits.

ACCOMPLISHMENTS

- Finalized LID Stormwater Manual update to include adding "green" features and standards
- Participated in the completion and adoption of the Sanitary Sewer Master Plan update
- Finalized the SDC Code amendments to clarify time allowed for utilization of credits

GOALS AND PROJECTS

- Provide assistance to public requiring engineering assistance to answer inquiries, locate utility connections to homes and businesses, discuss the City's design and construction standards and requirements, and discuss utilities, streets, and lot layout with homeowners and developers who want to develop certain properties in the city. These public contacts rarely result in any revenue and are therefore funded by the General Fund
- Process no-fee permits for work in the right-of-way by franchise utilities and conduct related inspections (Funded by General Fund – ROW Fees)
- Review and process land use applications and design plans for compliance with Oregon City Public Works standards, master plans, NPDES requirements, and the municipal code
- Monitor/inspect construction of approved private development plans
- Provide SDC calculations for all development projects
- Provide assistance and guidance with the implementation of the Sanitary Sewer Moratorium project design and project approval
- Participate in the Stormwater Master Plan Update
- Recruit, hire and train a new in-house Development Engineer
- Solicit, purchase, and implement a qualified computerized permit management system
- Fully implement a paperless environment including digital plan reviews and digital files associated with Oregon Records Management Solution
- Continue to increase ROW revenues through telecom, wireless and other ROW service agreements

ENGINEERING EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Personnel Services						
Salaries	$ 202,398	$ 182,654	$ 536,907	$ 327,696	$ 343,993	$ 671,689
Benefits	117,922	125,315	364,879	230,827	245,743	476,570
Total Personnel Services	320,320	307,969	901,786	558,523	589,736	1,148,259
Materials & Services						
Contract Services	11,064	53,635	60,000	167,000	148,950	315,950
Office Costs	4,095	4,440	9,205	6,383	6,574	12,957
Office Equipment	3,675	3,011	9,800	3,000	3,090	6,090
Operations Costs	1,163	29	1,795	927	955	1,882
Other & Miscellaneous Costs	2,297	495	2,700	6,506	5,412	11,918
Total Materials & Services	22,294	61,888	84,960	186,232	167,470	353,702
Capital Outlay	-	-	-	133,200	14,300	147,500
Transfers & Other Uses	14,000	2,428	-	3,500	3,500	7,000
Contingency	-	-	3,254	52,858	89,935	89,935
Unappropriated Fund Balance	45,616	13,143	-	-	-	-
Total Engineering	$ 402,230	$ 385,428	$ 990,000	$ 934,313	$ 864,941	$ 1,746,396

BUDGET HIGHLIGHTS

This division's proposed budget includes an increase in FTE and in funding for the sewer moratorium mentioned previously. This position is partially funded with sewer rate revenues.

Contract Services decreased in the proposed budget for Civil Engineering work previously being performed by outside engineering firms to be completed in-house.

Capital Outlay consists of funding for permitting software upgrades. Costs are split between Planning, Building and Engineering.

Contract Services includes the following:

ROW management	$150,000
Audit expenses	$131,950
Civil engineering	$20,000
Geotechnical	$8,000
Electrical	$3,000
Environmental consulting/testing	$3,000
Total Contract Services	***$315,950***

TRANSPORTATION FUND

OVERVIEW

The Transportation Division maintains the City's transportation system which includes roadways, pathways, sidewalks, traffic signalization, guardrails, in order to improve public safety and livability. Operations are performed to enhance mobility while protecting the surrounding environment.

The Transportation Fund accounts for general transportation expenditures including staffing, materials and services for general maintenance and construction, funded mainly by gas tax revenues.

It also contains Pavement Maintenance fees which fund the annual pavement repair and roadway reconstruction contracts. Prior to the 2015-2017 biennium, Pavement Maintenance fees and related expenditures were recorded in a separate fund. They are included in the Transportation Fund for this biennium for better reporting and efficiency. The revenues and expenses are still kept segregated for accountability. Any amounts remaining at year end (revenues exceeding expenditures) are restricted for future years' transportation projects.

The table below compares Total Resources and Total Requirements in the Transportation Fund for the past two years, the current budget year, and the proposed biennium.

Tranportation	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 254,745	$ 615,590	$ 544,847	$ 2,207,886	$ 1,637,375	$ 2,207,886
Intergovernmental	1,748,752	1,773,805	3,709,623	1,931,564	1,953,460	3,885,024
Charges for Services	149,089	18,704	75,000	2,181,994	2,247,439	4,429,433
Transfers In	130,158	175,701	2,600,118	94,577	94,577	189,154
Miscellaneous Income	173,962	15,482	-	-	-	-
Interest Income	1,839	3,455	6,000	6,400	6,592	12,992
Total Resources	**$ 2,458,545**	**$ 2,602,737**	**$ 6,935,588**	**$ 6,422,421**	**$ 5,939,443**	**$ 10,724,489**
Requirements by Category						
Personnel Services	$ 908,546	$ 943,705	$ 2,200,557	$ 1,201,127	$ 1,224,684	$ 2,425,811
Materials & Services	633,013	494,961	1,263,640	1,102,035	1,024,711	2,126,746
Capital Outlay	44,321	201,188	586,000	2,121,700	2,295,075	4,416,775
Transfers Out	257,075	323,850	548,100	360,184	360,579	720,763
Contingency	-	-	137,291	688,358	193,671	193,671
Reserved for Future Expenditures	-	-	2,200,000	949,017	840,723	840,723
Unappropriated Fund Balance	615,590	639,033	-	-	-	-
Total Requirements	**$ 2,458,545**	**$ 2,602,737**	**$ 6,935,588**	**$ 6,422,421**	**$ 5,939,443**	**$ 10,724,489**

TRANSPORTATION

OVERVIEW

The Transportation division encompasses pavement maintenance and improvement, traffic management and safety improvements, signalization and pavement markings, landscape maintenance of highways, street trees, and medians, maintenance of guardrails and street furnishings, emergency response, city beautification, and municipal elevator maintenance. Approximately 136 miles of roads, 135 miles of sidewalks, 1,125 miles of right-of-ways, and 37 detention tanks are maintained.

The objective is to utilize industry leading best management practices to adaptively manage the City's street and transportation system and infrastructure. To accomplish this, the Transportation division utilizes a Five Year Pavement Maintenance Plan which rates, ranks and prioritizes roadways for maintenance. The plan includes asphalt paving, pavement milling and overlays. Additionally, each year the division repairs and/or seals street crack, potholes, and asphalt skin patches.

ACCOMPLISHMENTS

- Maintained and upgraded street signs per FHWA-required plan
- Completed the Main Street pedestrian alley improvements
- Purchased two additional solar powered speed monitoring assemblies
- Continued to increase citizen communication to enhance public awareness about street tree maintenance on residential properties
- Issued permits and provided, resources, for various community and film events
- Accomplished "Illuminate OC" a tourism/art/lighting project involving the OC Municipal Elevator
- Refurbished the OC Municipal Elevator Exterior and Railroad Avenue entrance with new paint signage and lighting
- Purchased and installed two LED pedestrian assemblies (7th Street/John Adams Street & Washington Street/12th Street)
- Completed the annual pavement management contracts and in-house paving using fees collected for that purpose
- Completed an update to the 5-year pavement maintenance system planning including a new project list, review of commercial utility accounts, and rate study

GOALS AND PROJECTS

- Maintain and upgrade street signs per FHWA-required plan
- Implement signal optimization recommendations
- Maintain pavement legends and markings and streetlights
- Manage Oregon City Municipal Elevator service and maintenance
- Complete Gaffney Lane sidewalks preliminary engineering for possible in-house work
- Complete a Citywide pavement condition Analysis
- Contract services to maintain a variety of right-of-way features, including guard rails, street trees, landscape medians, highway moving, etc.
- Provide staff and resources for the City's hanging flower basket program, banners, public art, and holiday decorations, for traffic control during parades, community events, and emergency road conditions
- Provide routine inspection and maintenance of Amtrak station
- Respond to customer and system emergencies (maintain 24/7 on-call service)
- Provide staff and equipment for the City's in-house crack sealing, slurry sealing, and pavement maintenance programs
- Complete an update to the Center Street Operation Center Master Plan
- Begin a Citywide Signalization Optimization Study
- Complete interior lighting improvements in the Elevator Observation Deck)

TRANSPORTATION EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Personnel Services						
Salaries	$ 553,965	$ 572,221	$ 1,263,578	$ 690,487	$ 700,540	$ 1,391,027
Benefits	354,581	371,484	936,979	510,640	524,144	1,034,784
Total Personnel Services	908,546	943,705	2,200,557	1,201,127	1,224,684	2,425,811
Materials & Services						
Contract Services	143,371	107,194	206,100	175,725	156,000	331,725
Employee Costs	11,350	10,600	14,935	8,225	8,436	16,661
Maintenance Costs	11,446	13,091	24,000	12,000	12,360	24,360
Materials	1,947	7,894	44,600	7,000	7,210	14,210
Office Costs	9,619	10,494	17,500	9,560	9,847	19,407
Office Equipment	10,079	7,914	22,120	8,938	9,647	18,585
Operations Costs	318,808	198,975	472,170	236,019	240,519	476,538
Elevator	116,137	117,718	422,370	145,288	149,646	294,934
Other & Miscellaneous Costs	10,256	21,081	39,845	16,800	16,800	33,600
Total Materials & Services	633,013	494,961	1,263,640	619,555	610,465	1,230,020
Capital Outlay	44,321	201,188	586,000	221,700	395,075	616,775
Transfers & Other Uses	257,075	323,850	548,100	353,845	354,200	708,045
Contingency	-	-	137,291	688,358	193,671	193,671
Unappropriated Fund Balance	615,590	639,033	-	-	-	-
Reserved for Future Expenditures	-	-	2,200,000	-	-	-
Total Transportation	$ 2,458,545	$ 2,602,737	$ 6,935,588	$ 3,084,585	$ 2,778,095	$ 5,174,322

BUDGET HIGHLIGHTS

This division's proposed budget continues transfers to Community Facilities Fund of $300,000 for the Public Works Operations Center savings as well as fleet replacement reserve funding for a total of $228,000 for the biennium.

The following Transportation Enhancement Capital Projects are proposed in the Transportation Fund:

Turn Lanes and Safety Measures	$147,500
Pavement Maintenance Related	$125,000
Signalization Projects	$110,000
Main Street – 14th to 15th Street	$82,075
Hwy 99E	$50,000
Gaffney Lane sidewalks	$25,000
Elevator Improvements	$20,000
Other improvements	$57,000
Total Capital Projects	***$616,775***

Contract Services budget includes the following items:

Landscaping contract	$80,000
Engineering Plan updates	$63,000
Signalization study	$51,000
Operations Master Plan update	$50,000
Environmental	$30,000
Main Street Concept Plan	$11,725
Civil engineering	$8,000
Electrician	$6,000
Surveying	$4,000
Geotechnical	$3,000
Other	$25,000
Total Contract Services	***$331,725***

PAVEMENT MAINTENANCE EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Materials & Services						
Contract Services	$ -	$ -	$ -	$ 369,860	$ 308,622	$ 678,482
Materials	-	-	-	100,000	103,000	203,000
Office Costs	-	-	-	120	124	244
Other & Miscellaneous Costs	-	-	-	12,500	2,500	15,000
Total Materials & Services	-	-	-	482,480	414,246	896,726
Capital Outlay	-	-	-	1,900,000	1,900,000	3,800,000
Transfers & Other Uses	-	-	-	6,339	6,379	12,718
Reserved for Future Expenditures	-	-	-	949,017	840,723	840,723
Total Transportation	$ -	$ -	$ -	$ 3,337,836	$ 3,161,348	$ 5,550,167

BUDGET HIGHLIGHTS

This budget was in a separate fund in previous years. It has been included within the Transportation fund to better reflect the operations of the division and the true costs of the program. These expenditures show the City's annual pavement management and maintenance plan (both through contracts and in-house paving) using fees collected and deposited specifically for that purpose.

The following shows how this program has and continues to be funded for historical purposes only.

Pavement Maintenance	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 708,997	$ 945,482	$ 965,730	$ 1,189,942	$ 949,017	$ 1,189,942
Street Maintenance Bills	1,464,175	1,872,780	5,080,210	2,144,494	2,208,829	4,353,323
Miscellaneous Income	102,221	775	-	-	-	-
Interest Income	3,191	4,360	6,800	3,400	3,502	6,902
Total Resources	**$ 2,278,584**	**$ 2,823,397**	**$ 6,052,740**	**$ 3,337,836**	**$ 3,161,348**	**$ 5,550,167**
Requirements by Category						
Materials & Services	$ 288,072	$ 247,344	$ 613,240	$ 482,480	$ 414,246	$ 896,726
Capital Projects	990,730	1,514,573	3,246,900	1,900,000	1,900,000	3,800,000
Transfers Out	54,300	95,750	2,192,600	6,339	6,379	12,718
Ending Balance - Restricted	945,482	965,730	-	949,017	840,723	840,723
Total Requirements	**$ 2,278,584**	**$ 2,823,397**	**$ 6,052,740**	**$ 3,337,836**	**$ 3,161,348**	**$ 5,550,167**

WATER FUND

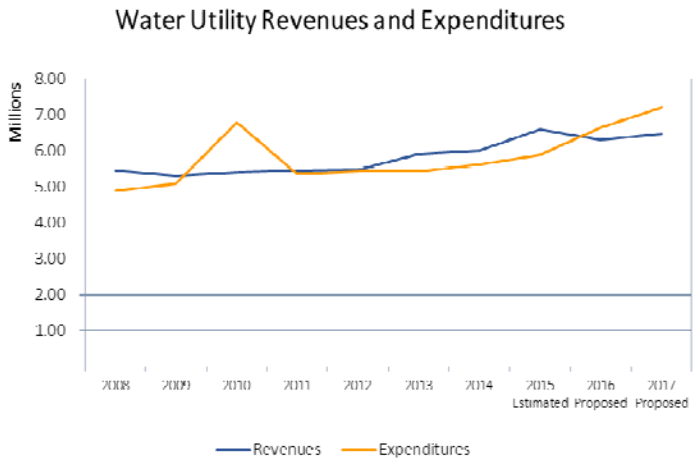
OVERVIEW

The Water Utility Division maintains the City's potable water supply system including distribution and system maintenance. Operations in this division are accounted for in the **Water fund**.

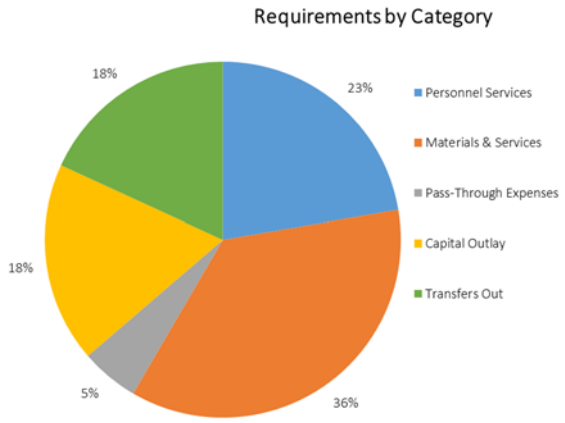
The table below compares Total Resources and Total Requirements in the Water Operations Fund for the past two years, the current budget year, and the proposed biennium. Revenues in this fund are projected to increase due to a 3% annual increase in rates.

The graph highlights water revenues and expenditures over time (excluding beginning balances and contingency). Capital reserves were accumulated in 2013 and 2014 for deferred capital projects. In addition, the water bond was paid off in 2015, releasing the required debt reserve (bond documents required a reserve to be set aside during the life of the bonds). These reserves are proposed to be spent in the biennium on deferred capital projects (as indicated by the expenditures exceeding revenues in the biennium).

Water Operations	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 1,488,705	$ 1,539,138	$ 843,775	$ 3,138,286	$ 2,787,544	$ 3,138,286
Charges for Services	5,172,178	5,370,394	11,139,768	5,926,122	6,103,906	12,030,028
Pass-Through Revenues:						
South Fork SDC Collections	291,811	426,246	700,000	360,500	371,315	731,815
Interest Income	8,668	11,113	20,600	10,609	10,927	21,536
Miscellaneous Income	-	116,098	-	-	-	-
Transfers In	-	-	492,242	-	-	-
Total Resources	**$ 6,961,362**	**$ 7,462,989**	**$ 13,196,385**	**$ 9,435,517**	**$ 9,273,692**	**$ 15,921,665**
Requirements by Category						
Personnel Services	$ 1,287,507	$ 1,292,897	$ 2,987,817	$ 1,522,271	$ 1,568,612	$ 3,090,883
Materials & Services	2,161,433	2,245,733	5,024,156	2,472,528	2,522,277	4,994,805
Pass-Through Expenses	291,811	426,246	700,000	360,500	371,315	731,815
Capital Outlay	418,636	225,135	941,500	1,035,000	1,480,000	2,515,000
Debt Service	199,138	201,893	397,664	-	-	-
Transfers Out	1,063,698	1,041,296	2,358,569	1,257,674	1,255,669	2,513,343
Contingency	-	-	786,679	2,787,544	2,075,819	2,075,819
Unappropriated Fund Balance	1,539,139	2,029,789	-	-	-	-
Total Requirements	**$ 6,961,362**	**$ 7,462,989**	**$ 13,196,385**	**$ 9,435,517**	**$ 9,273,692**	**$ 15,921,665**



The chart below shows the relative percentages of resources by type and requirements by category for the biennium. Materials and services, which include wholesale water purchases account for the majority of expenditures.



WATER

OVERVIEW

The Water Utility distributes and maintains Oregon City's potable water supply and protects public health by closely monitoring the system and complying with all safe drinking water standards.

The City's water distribution system includes 167 miles of water mains, 5 water reservoirs, 1,430 fire hydrants, 23 pressure reducing valves, and services over 10,300 customers over 4,134 acres. The division includes 10.88 FTEs plus shared supervisory and administrative personnel.

The source of supply for the City is surface water from the lower Clackamas River which is supplied by the South Fork Water Board (the Board). The Board is a wholesale water supplier that is equally owned by Oregon City and the city of West Linn. The Board operates an intake and pumping station just to the north of the City which delivers raw water to the Board-owned treatment plant and then distributes water to the City at five different locations.

Annual projects include water quality compliance, backflow and cross-connection program, mainline replacement and upgrades program, system flushing and valve, hydrant, reservoir, pump station maintenance programs, and a leak detection program. The City maintains benchmarks for service quality used to measure performance of the water utility including water quality, pressure, and minimum supply levels for fire protection.

ACCOMPLISHMENTS

- Completed the City's Water Rate Analysis
- Completed public awareness effort to prepare the City and Commission with sufficient information so that a public vote of the people amended the Charter to avoid a water rate rollback
- Completed annual pipe replacements
- Completed the annual leak detection program for 1/3 of the City to reduce potential unaccounted for water
- Completed In-house water system line replacements and improvements:
  - 225 feet of 6" CI pipe replaced along Brighton Avenue between Ogden Drive and McKinley Avenue
  - 850 feet of 6" CI water main replacement along Brighton Avenue

between Summit Street and Jersey Avenue

- Distributed 15,000 state required annual drinking water quality reports

Goals and Projects

- In-house water system line replacements and improvements:
  - 175 feet of 8" DI along Polk Street between 15th and end of street
  - 275 feet of 4" DI along Lincoln Street between 12th and end of street
  - 1,000 feet of 8" DI along Madison Street between 12th and 15th Street
  - 950 feet of 8" DI along Jersey Avenue between Charman Street and Brighton Avenue
- Replace one large meter per year
- Complete scheduled annual pipe replacements and pavement improvement-related water line upgrades
- Continue planning and public awareness to prepare City Commission to increase water rates to a level that help to address unfunded capital needs (old pipe replacement program)
- Remain compliant with State / Federal / local water quality rules and regulations including annual water quality report for distribution system
- Continue to communicate with the community and businesses to enhance public awareness about water service backflow prevention and winter preparedness to avoid frozen waterlines
- Continue with annual leak detection program for 1/3 of the City (50 miles per year) to reduce potential unaccounted for water

WATER EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Personnel Services						
Salaries	$ 781,511	$ 765,522	$ 1,749,642	$ 881,108	$ 905,311	$ 1,786,419
Benefits	505,996	527,375	1,238,175	641,163	663,301	1,304,464
Total Personnel Services	1,287,507	1,292,897	2,987,817	1,522,271	1,568,612	3,090,883
Materials & Services						
Contract Services	154,908	226,411	514,800	187,225	173,665	360,890
Employee Costs	7,436	10,803	15,225	8,730	8,992	17,722
Maintenance Costs	11,724	15,483	20,850	10,500	10,815	21,315
Materials	177,259	83,682	301,800	140,813	145,038	285,851
Office Costs	20,598	17,709	31,500	16,800	17,304	34,104
Office Equipment	15,934	10,640	43,520	23,338	14,158	37,496
Operations Costs	86,775	68,518	82,270	58,000	59,740	117,740
Other & Miscellaneous Costs	16,574	19,063	29,100	19,850	9,811	29,661
Pass-Through Expenses	291,811	426,246	700,000	360,500	371,315	731,815
Special Programs & Services	1,372,402	1,486,667	3,339,834	1,761,048	1,830,118	3,591,166
Franchise Fees	297,823	306,757	645,257	246,224	252,636	498,860
Total Materials & Services	2,453,244	2,671,979	5,724,156	2,833,028	2,893,592	5,726,620
Capital Outlay	418,636	225,135	941,500	1,035,000	1,480,000	2,515,000
Principal & Interest	199,138	201,893	397,664	-	-	-
Transfers & Other Uses	1,063,698	1,041,296	2,358,569	1,257,674	1,255,669	2,513,343
Contingency	1,539,139	2,029,789	786,679	2,787,544	2,075,819	2,075,819
Total Water	$ 6,961,362	$ 7,462,989	$ 13,196,385	$ 9,435,517	$ 9,273,692	$ 15,921,665

BUDGET HIGHLIGHTS

Operating expenses have remained fairly consistent as compared to the prior biennium.

Special Programs and Services includes the following items:

Water purchases	$3,312,700
Pump station operations	$244,008
Water testing	$34,458
Total Special Programs & Services	***$3,591,166***

Contract Services includes funding for the following:

Capital construction engineering	$90,000
Paving & patching	$60,000
Environmental	$54,390
Inspections and leak detection	$34,000
Civil engineering	$30,000
Pump and general maintenance	$30,000
Control systems (SCADA)	$17,000
Electrical	$14,000
Other	$31,500
Total Contract Services	***$360,890***

As mentioned before, the Water fund has built up reserves to take care of deferred capital projects such as water pipe replacements. This proposed budget represents a one-time spending of capital reserves on these projects. Regular annual funding in future years will tie into revenue projections. Capital Outlay includes $15,000 of equipment plus capital projects as shown below:

South End and Lawton Area Pipe Replacement Project	$775,000
15th Street (Main to Division Street)	$700,000
Center Street (5th to 7th Street)	$250,000
Main Street (10th to 15th Street)	$150,000
99E Bluff pipe replacement	$115,000
Oregon City Reconstruction	$100,000
Boynton Reservoir Fall Protection	$100,000
Mountain View Fence Replacement	$80,000
Large Meter Replacement Project	$65,000
I-205 Undercrossing	$60,000
Pope Lane/Forsythe Road	$40,000
Other Projects	$65,000
Total Capital Projects	***$2,500,000***

WASTEWATER FUND

OVERVIEW

The Wastewater (Sewer) Utility Division maintains the City's wastewater collection system in accordance with regulatory standards. Funds in this division are accounted for in the **Wastewater fund.**

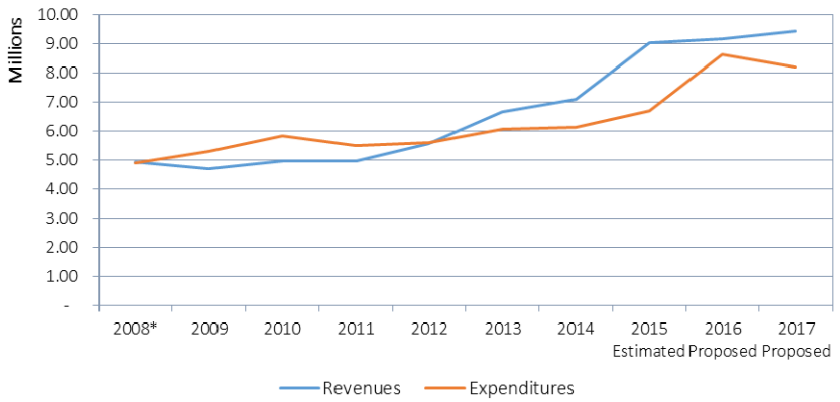
Over the last two years, the City has been evaluating the City's sanitary sewer system and developing a new Sanitary Sewer Master Plan which provides detailed collection system modeling results and the capital improvement project plans for existing and future development needs.

The Plan identifies certain areas within the City's existing sanitary sewer collection system which currently have capacity deficiencies during wet weather. The deficiencies may result in limited overflows which would discharge inadequately treated sewage into surface water. As a result, the City Commission enacted an Ordinance declaring a moratorium on land development and building and sewer permit approvals in these areas due to the lack of system capacity.

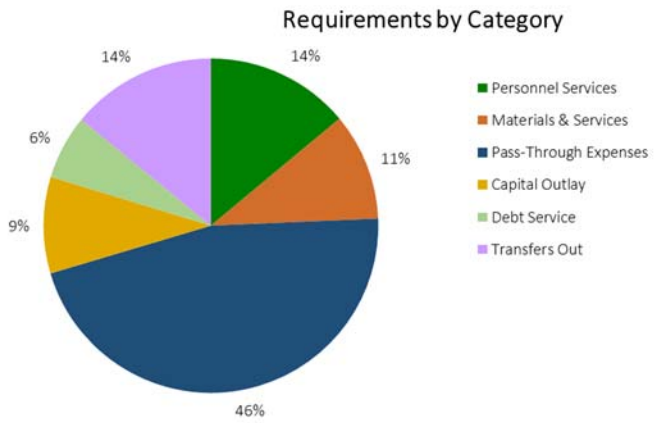
The Commission authorized rate increases of 18% and 15% in 2015 and 2016, respectively, in order to fund the capital projects required to improve capacity. The biennium includes funding to start construction of these projects.

Wastewater Operations	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 345,429	$ 309,974	$ 456,919	$ 3,255,479	$ 3,566,085	$ 3,255,479
Charges for Services	2,842,238	3,269,355	6,621,750	5,149,587	5,298,072	10,447,659
Pass-Through Revenues:						
Tri-City Collections	2,677,829	3,349,068	7,178,000	3,860,441	3,976,256	7,836,697
Interest Income	5,057	6,470	10,000	7,650	6,305	13,955
Miscellaneous Income	6,533	18,075	11,000	-	-	-
Other Taxes and Assessments	-	-	-	12,500	9,000	21,500
Transfers In	20,000	10,000	743,252	-	-	-
Other Financing Sources	-	-	114,000	-	-	-
Total Resources	**$ 5,897,086**	**$ 6,962,942**	**$ 15,134,921**	**$ 12,285,657**	**$ 12,855,718**	**$ 21,575,290**
Requirements by Category						
Personnel Services	$ 802,260	$ 753,684	$ 1,812,744	$ 1,162,360	$ 1,210,783	$ 2,373,143
Materials & Services	565,401	474,478	1,208,424	885,441	881,027	1,766,468
Pass-Through Expenses	2,650,980	3,328,601	7,178,000	3,860,441	3,976,255	7,836,696
Capital Outlay	160,248	138,680	1,092,000	1,090,500	497,050	1,587,550
Debt Service	531,838	531,219	1,056,063	526,850	529,975	1,056,825
Transfers Out	876,385	811,754	1,751,284	1,193,980	1,201,036	2,395,016
Contingency	-	-	904,759	2,911,085	3,904,592	3,904,592
Reserved for Future Expenditure	-	-	131,647	655,000	655,000	655,000
Unappropriated Fund Balance	309,974	924,526	-	-	-	-
Total Requirements	**$ 5,897,086**	**$ 6,962,942**	**$ 15,134,921**	**$ 12,285,657**	**$ 12,855,718**	**$ 21,575,290**

Wastewater Utility Revenues and Expenditures



The chart below shows the relative percentages of resources by type and requirements by category for the biennium. As shown, the largest share of the expenditures are pass-through expenses, which are costs collected and remitted to Tri-City Service District for sewage treatment.



WASTEWATER

OVERVIEW

The Wastewater Operations Utility Program protects public safety through the operation, maintenance and improvement of its wastewater system. The wastewater collection system includes pump stations, mainlines, laterals and manholes. They also respond to emergency system bypasses to reduce hazards to human health and the environment. They are responsible for the implementation of best management practices while performing operations to protect the surrounding environment and meets or exceeds regulatory standards.

The City's wastewater collection system includes 12 pump stations, 136 miles of pipes; both force main and gravity, and serves over 10,300 customers. The division includes 8.81 FTEs, plus shared administrative and supervisory personnel. This represents an increase of two employees: a maintenance specialist and a project engineer to assist with the sewer moratorium issues.

Once the wastewater is collected, it is treated by the Tri-City Service District (Tri-City). Tri-City provides wastewater treatment services at the Tri-City Water Pollution Control Plant, located in Oregon City, Oregon, to the cities of Gladstone, Oregon City and West Linn. Daily operations are managed by a department of Clackamas County. Each of the three partner cities is responsible for its own collection and conveyance system as well as billing customers for services.

ACCOMPLISHMENTS

- Completed scheduled small works improvements projects
- Completed the design, contract documents, and land use planning for the Barclay Hills pump station improvement project
- Main Street manhole installations for improved access
- Provided Oregon City citizens with an efficient and environmentally safe wastewater collection system
- Completed the hydraulic modeling needed for the Sanitary Sewer Master Plan update
- Completed routine operations and maintenance of critical facilities using the SCADA system, weekly pump station records, and cleaning
- Completed sewer system inspections and sewer separation associated with the annual street improvement list

GOALS AND PROJECTS

- Improvements to Barclay Hills pump station
- Upgrades to Hidden Creek pump station
- Implementation of a infiltration and inflow reduction investigation program including TV Inspection, smoke testing, public education, and public policy
- Initiation of the Linn Avenue Moratorium Project Design Phase Services
- Annual small works, pipe replacement, and separation projects per SSMP and CIP through routine operations and maintenance, such as:
  - Line cleaning, TV inspections, and root intrusion control
  - Infiltration of subsurface water and surface water inflow abatement
  - Facility management of 18 wastewater pump stations (including 6 step systems)
  - Oversee the City's SCADA software and radio communication systems
  - Annual pipe repairs (small works) identified through routine inspections and emergency response
- Communication with citizens to enhance public awareness about sewer connection responsibilities and maintenance

WASTEWATER EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Personnel Services						
Salaries	$ 488,424	$ 447,190	$ 1,064,588	$ 675,517	$ 698,280	$ 1,373,797
Benefits	313,836	306,494	748,156	486,843	512,503	999,346
Total Personnel Services	802,260	753,684	1,812,744	1,162,360	1,210,783	2,373,143
Materials & Services						
Contract Services	144,119	85,696	280,400	319,800	319,975	639,775
Employee Costs	4,307	4,898	11,445	6,450	6,606	13,056
Maintenance Costs	11,462	11,969	21,650	11,900	12,257	24,157
Materials	10,835	13,325	67,500	33,500	34,325	67,825
Office Costs	10,989	9,738	19,975	9,903	10,191	20,094
Office Equipment	13,885	10,648	59,760	26,288	16,905	43,193
Operations Costs	98,076	60,004	122,700	60,570	62,297	122,867
Other & Miscellaneous Costs	11,912	19,163	28,790	23,150	12,775	35,925
Pass-Through Expenses	2,650,980	3,328,601	7,178,000	3,860,441	3,976,255	7,836,696
Special Programs & Services	99,816	99,037	203,000	103,000	106,090	209,090
Franchise Fees	160,000	160,000	393,204	290,880	299,606	590,486
Total Materials & Services	3,216,381	3,803,079	8,386,424	4,745,882	4,857,282	9,603,164
Capital Outlay	160,248	138,680	1,092,000	1,090,500	497,050	1,587,550
Principal & Interest	531,838	531,219	1,056,063	526,850	529,975	1,056,825
Transfers & Other Uses	876,385	811,754	1,751,284	1,193,980	1,201,036	2,395,016
Contingency	-	-	904,759	2,911,085	3,904,592	3,904,592
Reserved for Future Expenditure	-	-	131,647	655,000	655,000	655,000
Unappropriated Fund Balance	309,974	924,526	-	-	-	-
Total Wastewater	$ 5,897,086	$ 6,962,942	$ 15,134,921	$ 12,285,657	$ 12,855,718	$ 21,575,290

BUDGET HIGHLIGHTS

The following Capital Projects are proposed in this fund:

Linn Avenue	$371,300
13th Street	$275,200
Division Street	$272,000
12th Street	$232,050
Settlers Point Pump Station	$114,000
Hazelwood Drive	$82,500
Washington Street	$60,000
Hidden Creek Pump Station	$60,000
Other Projects	$120,500
Total Capital Projects	***$1,587,550***

Contract Services includes funding for the following:

Infiltration & Inflow (I&I) investigative Activities	$364,000
Master Plan development	$50,000
Underground testing and repair	$50,000
Inspection and leak detection	$40,000
Paving & patching	$30,000
Other consulting	$20,000
General maintenance	$16,000
SCADA	$10,000
Landscape and trees	$8,500
Traffic control	$8,000
Electrical	$5,000
Other contracts	$38,275
Total Contract Services	***$639,775***

STORMWATER FUND

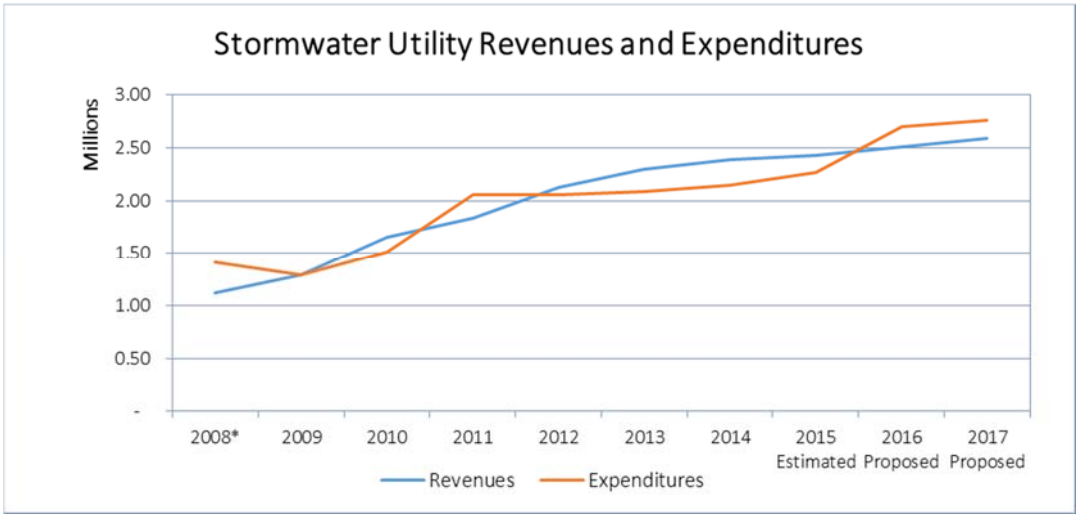
OVERVIEW

The Stormwater (Storm drain) Utility Division maintains the City's stormwater management system which includes conveyance, flood control, and pollution remediation and reduction. Funds in this division are accounted for in the **Stormwater fund**.

Pursuant to adopted Resolution, revenues in this fund are projected to increase during the biennium. There is a scheduled rate increase of $0.30 per Dwelling Unit each year of the biennium on January 1, 2016 and 2017. Billed revenues are expected to increase by approximately $233,000 over the biennium due to this rate change.

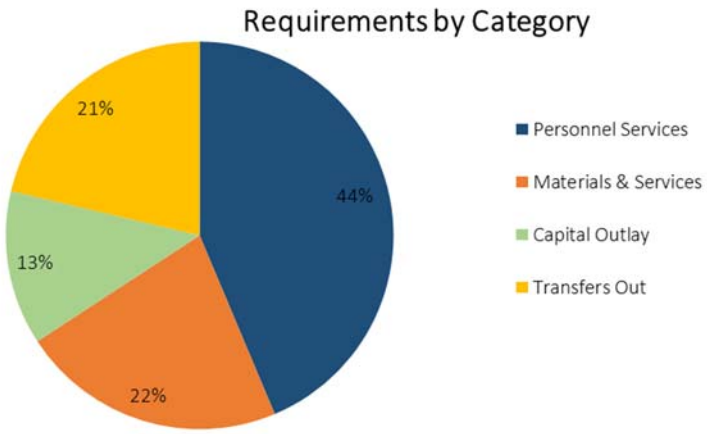
The graph below highlights stormwater revenues and expenditures over time. As shown, expenditures over time, and in the projected future, exceed utility revenues. While revenues are sufficient to cover operations, there is a growing amount of deferred maintenance due to this funding shortage.

Stormwater Operations	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 304,441	$ 377,026	$ 378,176	$ 994,889	$ 800,847	$ 994,889
Charges for Services	2,062,977	2,221,541	4,562,035	2,460,389	2,534,201	4,994,590
Licenses & Permits	57,657	58,193	101,500	50,000	51,500	101,500
Interest Income	870	2,049	2,400	1,236	1,273	2,509
Miscellaneous Income	-	16,337	-	-	-	-
Other Financing Sources	6,086	-	-	-	-	-
Total Resources	**$ 2,432,031**	**$ 2,675,146**	**$ 5,044,111**	**$ 3,506,514**	**$ 3,387,821**	**$ 6,093,488**
Requirements by Category						
Personnel Services	$ 978,424	$ 929,346	$ 2,236,355	$ 1,177,670	$ 1,211,458	$ 2,389,128
Materials & Services	411,266	472,450	1,115,304	562,291	648,685	1,210,976
Capital Outlay	121,308	85,919	598,500	383,800	321,000	704,800
Transfers Out	544,007	596,378	1,005,284	581,906	585,011	1,166,917
Contingency	-	-	88,668	800,847	621,667	621,667
Unappropriated Fund Balance	377,026	591,053	-	-	-	-
Total Requirements	**$ 2,432,031**	**$ 2,675,146**	**$ 5,044,111**	**$ 3,506,514**	**$ 3,387,821**	**$ 6,093,488**



The chart below shows the relative percentages of resources by type and requirements by category for the biennium.

As shown, Personnel accounts for the largest portion of Stormwater expenditures.



STORMWATER

OVERVIEW

The Storm Drain Utility operates and maintains the City's stormwater system for proper conveyance, flood control, and pollution control. It also implements watershed protection and restoration actions that consistently promote surface water quality and stream health. Its main goals are that of stormwater quality and flow control.

The Utility manages the stormwater collection and treatment systems within the city limits of Oregon City including 22 drainage basins, 53 detention ponds, 4,400 catch basins, 30 miles of streams, and 37 underground detention tanks. There are 8.5 FTEs funded in the proposed budget plus shared administrative and supervisory personnel. Annually, pipes and storm lines are inspected for structural integrity, root intrusion and service line connections. Storm lines are cleaned every year and debris and sediment are removed, any damaged lines are repaired or replaced. The entire conveyance system is maintained through mowing, trash pickup, and grate cleaning on detention ponds and swales throughout the City.

In addition to providing customer service and 24-hour emergency response, the division operates a "Healthy Streams Plan" by taking the lead in coordinating the implementation of healthy streams including tree planting and stream restoration projects, identifying and recommending culvert replacements and outfall retrofits, all for improved water quality/quantity and fish passage.

ACCOMPLISHMENTS

- Swept 3,147 curb miles and collected 685 cubic yards debris and leaves
- Completed over 250 erosion control inspections and issued 4 notices of non-compliance
- Obtained DEQ new Municipal Separate Storm Sewer System Permit (MS4)
- Completed Municipal Separate Storm Sewer System Permit (MS4) Requirements as scheduled
- Developed & implemented private storm water quality facility inspection program
- Developed Commercial / Industrial inspection program
- Completed inventory of municipal facilities and develop pollution reduction strategies

- Continued coordinated stormwater sampling program (adding pesticide & mercury) with Clackamas County Service District #1 and co-permittees
- Performed flood control, cleaning, maintenance & repair of the City's stormwater system as reported in 2012 NPDES Annual Report
- Repaired 4 storm mains, 2 culverts, 2 manholes
- Cleaned 15,500 feet of pipe and video-inspected 15,500 feet of pipe
- Maintained 75 detention ponds, mowed 17 drainage ditches and bioswales (7700 feet)
- Inspected and/or cleaned 1,491 catch basins removing debris; 45 pollution control manholes removing 82.5 cubic yards of debris
- Screened 685 cubic yards of street sweeping debris; recycled and blended to make high quality topsoil
- Completed underground utility locate services

GOALS AND PROJECTS

- Utilize industry leading best management practices to adaptively manage the stormwater collection system work programs and infrastructure to comply with the newly issued NPDES MS4 permit
- Formalize storm maintenance evaluation & assessment program
- Complete video inspections – 7.5 miles per year; transition video assessment to standardized "Pipe Assessment Condition Program" codes
- Clean lines as needed based on video inspection assessment
- Develop pipe replacement needs based on video inspection assessment
  - Catch Basin Cleaning – 1,476 catch basins per year, 4,430 catch basins every 3 years
  - Pollution Control Manholes/Vault & Detention Pipe Cleaning – 42 per year or 84 every 2 years
  - Maintain 75 storm water quality ponds 18 times per year
- Utilize consultant services to assist with new permit implementation including, sampling and lab fees, annual reporting, permit fees, public outreach, Stormwater Management Plan implementation, and system regulation and evaluation
- Complete new Municipal Separate Storm Sewer System Permit (MS4) Requirements
  - Update post-construction stormwater standards & codes and ensure enforcement strategies are in place
  - Update City erosion manual or adopt Clackamas County manual and ensure enforcement strategies are in place
  - Develop hydro modification assessment plan & retrofit strategy
  - Evaluate TMDL (temperature/shade) program
  - Continue coordinated stormwater sampling program (adding pesticide & mercury) with Clackamas County Service District #1 and co-permittees
- Complete scheduled pipe repair, replacement, and system upgrades
  - 1101 14th Street – Storm replacement
  - Van Buren Street, (8th Street to 9th Street) - Storm replacement
  - Harding Boulevard – Storm extension
- Upgrade storm systems in conjunction with pavement maintenance schedule
- Continue public education of stormwater quality/watershed health through cooperative efforts with co-permittees such as KOIN 6 – Do the right thing ads, trail news articles, storm drain decals & stencils
- Continue work to finalize and implement Low Impact Construction Design Standards for storm water management

STORMWATER EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Personnel Services						
Salaries	$ 593,279	$ 557,408	$ 1,310,214	$ 686,316	$ 703,772	$ 1,390,088
Benefits	385,145	371,938	926,141	491,354	507,686	999,040
Total Personnel Services	978,424	929,346	2,236,355	1,177,670	1,211,458	2,389,128
Materials & Services						
Contract Services	122,690	188,763	479,000	237,864	324,729	562,593
Employee Costs	8,733	7,037	11,500	5,200	5,200	10,400
Maintenance Costs	9,959	11,012	17,250	8,723	8,850	17,573
Materials	20,805	26,762	119,000	54,930	55,889	110,819
Office Costs	8,157	8,687	14,712	8,400	8,448	16,848
Office Equipment	11,862	6,965	23,330	12,038	12,738	24,776
Operations Costs	123,341	113,361	149,750	75,526	75,629	151,155
Other & Miscellaneous Costs	12,695	16,839	28,600	17,375	10,700	28,075
Franchise Fees	93,024	93,024	272,162	142,235	146,502	288,737
Total Materials & Services	411,266	472,450	1,115,304	562,291	648,685	1,210,976
Capital Outlay	121,308	85,919	598,500	383,800	321,000	704,800
Transfers & Other Uses	544,007	596,378	1,005,284	581,906	585,011	1,166,917
Contingency	-	-	88,668	800,847	621,667	621,667
Unappropriated Fund Balance	377,026	591,053	-	-	-	-
Total Stormwater	$ 2,432,031	$ 2,675,146	$ 5,044,111	$ 3,506,514	$ 3,387,821	$ 6,093,488

BUDGET HIGHLIGHTS

The following Capital Projects are proposed in this fund:

Harding Boulevard extension	$161,000
14th Street replacement	$143,800
Kathaway Court reroute	$100,000
Coffee Creek replacement	$95,000
Other projects	$190,000
Equipment	$15,000
Total Capital Projects	***$704,800***

Contract Services includes the following:

Environmental, water quality, testing	$249,500
Landscape and tree management	$205,495
Paving & patching	$40,000
Construction engineering	$30,000
General & other	$37,598
Total Contract Services	***$562,593***

SYSTEM DEVELOPMENT FUND

OVERVIEW

System Development Charges (SDC's) are charged as part of the permitting process for new development. The purpose of the charges is to fund future capacity-increasing projects as required due to growth. Oregon City imposes and expends system development charges according to Oregon law (ORS 223.297-314) and the Oregon City Municipal Code.

Charges are collected for the following functions:

- Transportation
- Water
- Wastewater
- Stormwater
- Parks

Prior to the current biennium, each of the above functions was recorded in its own fund. Historical information for each of the system development funds is in the "Closed Funds" section of the budget. The table below shows total resources and requirements for the System Development Fund in total for the past two years, the current budget year, and the biennium. The following pages will show the development charges broken out by function, including historical information for comparative purposes only.

System Development	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ -	$ -	$ -	$ 13,984,577	$ 11,392,489	$ 13,984,577
Charges for Services	-	-	-	1,721,519	1,770,964	3,492,483
Interest Income	-	-	-	57,763	59,421	117,184
Miscellaneous Income	-	-	-	46,722	48,124	94,846
Transfers In	-	-	18,000,000	20,000	20,000	40,000
Total Resources	$ -	$ -	$ 18,000,000	**$ 15,830,581**	**$ 13,290,998**	**$ 17,729,090**
Requirements by Category						
Operating Materials & Services	$ -	$ -	$ -	$ 582,079	$ 400,958	983,037
Capital Outlay	-	-	-	3,605,284	5,088,100	8,693,384
Transfers	-	-	-	250,729	156,765	407,494
Contingency	-	-	-	11,127,395	7,380,081	7,380,081
Reserved for Future Expenditures	-	-	18,000,000	265,094	265,094	265,094
Total Requirements	$ -	$ -	$ 18,000,000	**$ 15,830,581**	**$ 13,290,998**	**$ 17,729,090**

TRANSPORTATION SYSTEM DEVELOPMENT

OVERVIEW

Provide transportation system improvements that add system capacity or increase level of service to accommodate orderly growth and development in Oregon City.

ACCOMPLISHMENTS

- Adopted Transportation System Plan update (ODOT TGM grant)
- Completed Phase 2 McLoughlin Boulevard Enhancement Project
- Completed Citywide Traffic Count and Speed Inventory
- Completed Linn, Leland, Meyers Road Corridor Study including the Intersection Control analysis for Leland/Linn/Warner Parrot/Warner Milne/Central Point Intersection
- Entered into an agreement with ODOT for the Maple Lane ROW and Surplus Property

GOALS AND PROJECTS

- Continue to seek $8.5 million federal authorization funding for the final OR 213/Redland Road lane improvements project
- Continue to seek $2.5 million federal appropriations funding for Main Street (10th to 15th Street) sidewalk project construction
- Complete the Meyers Road (Hwy 213 to High School Lane) concept plan
- Continue to seek $3 million in federal appropriations funding for Molalla Avenue Phase III; 15/16 - Raise community support and reinforce project goals for future enhancements; obtain a grant
- Complete the Loder Road and Holly Lane Concept Plans
- Complete construction of the left turn pocket lengthening on Beavercreek Road at Highway 213; Match with Development funding
- Complete signal improvements, including Intelligent Transportation System funding
- Continue to participate and remain updated on ODOT High Speed Rail Study
- Contribute with ODOT as needed to complete the Hwy 99E (Between Main Street and S 2nd Street) safety improvements associated with the impacts expected from the WFLP

Transportation Development	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 2,833,942	$ 1,775,660	$ 3,542,478	$ 5,037,427	$ 4,129,872	$ 5,037,427
Intergovernmental	11,312,916	4,741,060	430,000	-	-	-
Charges for Services	498,215	2,138,956	6,085,492	566,500	583,495	1,149,995
Interest Income	11,958	13,883	24,500	20,000	20,600	40,600
Miscellaneous Income	13,022	43,367	36,500	19,055	19,627	38,682
Transfers In	-	-	-	20,000	20,000	40,000
Total Resources	**$ 14,670,053**	**$ 8,712,926**	**$ 10,118,970**	**$ 5,662,982**	**$ 4,773,594**	**$ 6,306,704**
Requirements by Category						
Materials & Services	70,195	33,765	384,060	327,765	161,560	489,325
Capital Outlay	12,789,757	5,296,962	2,446,175	1,160,654	918,400	2,079,054
Transfers	34,441	141,580	6,045,684	44,691	25,625	70,316
Contingency	-	-	977,957	3,864,778	3,402,915	3,402,915
Reserved for Future Expenditures	655,094	-	265,094	265,094	265,094	265,094
Unappropriated Fund Balance	1,120,566	3,240,619	-	-	-	-
Total Requirements	**$ 14,670,053**	**$ 8,712,926**	**$ 10,118,970**	**$ 5,662,982**	**$ 4,773,594**	**$ 6,306,704**

Note: Historical information provided for comparative purposes only

WATER SYSTEM DEVELOPMENT

OVERVIEW

Provide water system improvements outside of those obligated by new development that add system capacity or increase level of service to accommodate orderly growth and development in Oregon City.

ACCOMPLISHMENTS

- Completed waterline replacement and upgrades

GOALS AND PROJECTS

- Initiate a Fairway Downs Pressure Zone new reservoir siting study via joint venture with Clackamas River Water District or Oregon City on its own
- Initiate a long term service area agreement with CRW
- Initiate design and construction of a portion of the 15th Street Pipe Upgrade project

Water Development	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 964,378	$ 1,607,467	$ 2,449,237	$ 3,139,514	$ 2,678,957	$ 3,139,514
Charges for Services	707,810	898,988	4,181,383	372,104	383,267	755,371
Interest Income	6,454	11,903	20,000	10,300	10,609	20,909
Total Resources	**$ 1,678,642**	**$ 2,518,358**	**$ 6,650,620**	**$ 3,521,918**	**$ 3,072,833**	**$ 3,915,794**
Requirements by Category						
Materials & Services	18,441	36,621	128,200	87,164	37,228	124,392
Capital Outlay	20,038	-	789,250	700,000	730,000	1,430,000
Transfers	32,696	32,500	4,071,973	55,797	37,003	92,800
Contingency	-	-	1,661,197	2,678,957	2,268,602	2,268,602
Unappropriated Fund Balance	1,607,467	2,449,237	-	-	-	-
Total Requirements	**$ 1,678,642**	**$ 2,518,358**	**$ 6,650,620**	**$ 3,521,918**	**$ 3,072,833**	**$ 3,915,794**

Note: Historical information provided for comparative purposes only

WASTEWATER SYSTEM DEVELOPMENT

OVERVIEW

Provide sanitary sewer (wastewater collection) system improvements outside of those obligated by new development that add system capacity or increase level of service to accommodate orderly growth and development in Oregon City.

ACCOMPLISHMENTS

- Updated Sanitary Sewer Master Plan
- Upgraded Barclay Hills pump station
- Initiated the design related to the Sewer Moratorium projects
- Upgraded Settlers Point pump station

GOALS AND PROJECTS

- Complete the 12th Street, 13th Street, and Division Street Moratorium Projects
- Initiate the design of the Linn Avenue sewer moratorium project
- Provide services necessary to manage the hydraulic modelling needs of the City and complete SDC justification and ongoing development related calculations

Wastewater Development	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 1,583,447	$ 1,679,693	$ 2,181,331	$ 2,411,996	$ 2,039,839	$ 2,411,996
Charges for Services	371,993	681,505	3,324,877	257,500	265,225	522,725
Interest Income	8,758	11,402	20,000	10,300	10,609	20,909
Other Financing Sources	-	-	186,000	-	-	-
Total Resources	**$ 1,964,198**	**$ 2,372,600**	**$ 5,712,208**	**$ 2,679,796**	**$ 2,315,673**	**$ 2,955,630**
Requirements by Category						
Materials & Services	27,909	94,736	171,300	25,650	670	26,320
Capital Outlay	223,900	63,147	1,241,750	559,430	2,115,700	2,675,130
Transfers	32,696	33,386	3,065,196	54,877	36,065	90,942
Contingency	-	-	1,233,962	2,039,839	163,238	163,238
Unappropriated Fund Balance	1,679,693	2,181,331	-	-	-	-
Total Requirements	**$ 1,964,198**	**$ 2,372,600**	**$ 5,712,208**	**$ 2,679,796**	**$ 2,315,673**	**$ 2,955,630**

Note: Historical information provided for comparative purposes only

Stormwater System Development

Overview

Provide stormwater system improvements outside of those obligated by new development that add system capacity or increase level of service to accommodate orderly growth and development in Oregon City.

Accomplishments

- Updated the City's Stormwater Standards
- Updated the City's Erosion Control Manual
- Complied with regulatory requirements associated with the NPDES MS4 Permit
- Completed the design and bid packages for the Coffee Creek drainage system improvements
- Completed the design and bid packages for the 1101 14th Street drainage system improvements

Goals and Projects

- Address infrastructure needs as needed in existing Stormwater and Drainage Basin Master Plans
- Adopt updated low impact development stormwater design standards
- Comply with regulatory capital improvement requirements associated with the NPDES MS4 Permit
- Complete a Citywide Surface Water Management Plan
- Seek out a property acquisition of the Johnston property for future basin surface water management
- Complete construction of the Coffee Creek drainage system improvements
- Complete construction of the 1101 14th Street drainage system improvements

Stormwater Development	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 211,343	$ 303,188	$ 456,234	$ 549,968	$ 239,562	$ 549,968
Charges for Services	136,800	186,504	1,185,653	110,000	111,100	221,100
Interest Income	1,384	2,279	3,000	2,500	2,500	5,000
Total Resources	**$ 349,527**	**$ 491,971**	**$ 1,644,887**	**$ 662,468**	**$ 353,162**	**$ 776,068**
Requirements by Category						
Materials & Services	-	3,237	225,220	60,000	120,000	180,000
Capital Outlay	13,643	-	240,000	315,200	204,000	519,200
Transfers	32,696	32,500	1,056,342	47,706	28,750	76,456
Contingency	-	-	123,325	239,562	412	412
Unappropriated Fund Balance	303,188	456,234	-	-	-	-
Total Requirements	**$ 349,527**	**$ 491,971**	**$ 1,644,887**	**$ 662,468**	**$ 353,162**	**$ 776,068**

Note: Historical information provided for comparative purposes only

PARKS SYSTEM DEVELOPMENT

FUND OVERVIEW

The City collects System Development Charges (SDCs) for Parks Development to construct projects which provide additional capacity and increase parks and open space facilities and resources. The Park and Recreation Master Plan and Capital Improvement Plan identify and prioritize projects that are eligible for SDC funding, as defined through Municipal Code. Planning for growth related system improvements is also considered eligible for SDC funding.

ACCOMPLISHMENTS

- Completed Glen Oak and Filbert Run Parks Master Plans
- Updated Trails Plan

GOALS AND PROJECTS

- Utilize Parks and Recreation Master Plan to begin developing strategies for acquisition and development recommendations, pending available funding, to implement
- Develop master plan for Glen Oak Road park property
- Finalize master plans for Filbert Run park property
- Explore funding for the restroom facility at Chapin Park
- Support eligible portions of Riverwalk project (Willamette Falls Legacy Project)
- Complete Trails Master Plan refinement (for use in planning specific improvements and seeking funding opportunities)

Parks Development	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 1,097,263	$ 1,125,565	$ 2,259,467	$ 2,845,672	$ 2,304,259	$ 2,845,672
Intergovernmental	1,358	253,900	200,000	-	-	-
Charges for Services	761,462	1,248,041	3,507,732	415,415	427,877	843,292
Interest Income	5,532	11,731	23,500	14,663	15,103	29,766
Miscellaneous Income	26,504	23,409	350,000	27,667	28,497	56,164
Total Resources	**$ 1,892,119**	**$ 2,662,646**	**$ 6,340,699**	**$ 3,303,417**	**$ 2,775,736**	**$ 3,774,894**
Requirements by Category						
Materials & Services	33,119	33,620	234,000	81,500	81,500	163,000
Capital Outlay	706,435	339,559	1,760,000	870,000	1,120,000	1,990,000
Transfers	27,000	30,000	4,052,420	47,658	29,322	76,980
Contingency	-	-	294,279	2,304,259	1,544,914	1,544,914
Unappropriated Fund Balance	1,125,565	2,259,467	-	-	-	-
Total Requirements	**$ 1,892,119**	**$ 2,662,646**	**$ 6,340,699**	**$ 3,303,417**	**$ 2,775,736**	**$ 3,774,894**

Note: Historical information provided for comparative purposes only

FLEET SERVICES

OVERVIEW

The Fleet Division of Oregon City Public Works purchases and maintains the City's fleet including dump trucks, vactor trucks, street sweepers, excavators, pickups, and fleet vehicles. There are two mechanics responsible for the maintenance of the City's fleet. The goal is to provide a manageable level of repair and maintenance to the City's fleet that will keep the vehicles and equipment functional and safe in an efficient manner.

Fleet operates as an internal service fund, meaning it pays for and provides the services to all other city funds and charges those funds for the goods and services provided. Some of the charges are paid for on an actual dollar for dollar basis (for example, tires installed on a vehicle) while other expenses are allocated on a budgetary basis based on expected and historical use (for example, oil).

Fleet	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 3,234	$ 12,865	$ -	$ 929	$ 4,657	$ 929
Charges for Services	249,463	192,491	296,500	154,500	159,135	313,635
Interest Income	13	30	-	-	-	-
Total Resources	**$ 252,710**	**$ 205,386**	**$ 296,500**	**$ 155,429**	**$ 163,792**	**$ 314,564**
Requirements by Category						
Materials & Services	$ 234,845	$ 194,357	$ 260,756	$ 135,163	$ 139,218	$ 274,381
Capital Outlay	-	-	20,300	10,609	10,927	21,536
Transfers	5,000	5,000	10,000	5,000	5,000	10,000
Contingency	-	-	5,444	4,657	8,647	8,647
Unappropriated Fund Balance	12,865	6,029	-	-	-	-
Total Requirements	**$ 252,710**	**$ 205,386**	**$ 296,500**	**$ 155,429**	**$ 163,792**	**$ 314,564**

FLEET DETAIL EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Materials & Services						
Contract Services	134,683	81,892	105,500	55,105	56,758	111,863
Employee Costs	1,088	1,090	2,091	1,093	1,126	2,219
Materials	86,230	94,747	141,000	72,615	74,794	147,409
Office Equipment	-	552	-	-	-	-
Operations Costs	9,169	9,537	-	-	-	-
Other & Miscellaneous Costs	3,675	6,539	12,165	6,350	6,540	12,890
Total Materials & Services	234,845	194,357	260,756	135,163	139,218	274,381
Capital Outlay	-	-	20,300	10,609	10,927	21,536
Transfers & Other Uses	5,000	5,000	10,000	5,000	5,000	10,000
Contingency	-	-	5,444	4,657	8,647	8,647
Unappropriated Fund Balance	12,865	6,029	-	-	-	-
Total Fleet	$ 252,710	$ 205,386	$ 296,500	$ 155,429	$ 163,792	$ 314,564

COMMUNITY FACILITIES FUND

The City established a general facilities capital projects fund to account for the acquisition and construction of facilities. Funds saved annually for this purpose are maintained in this fund and segregated by purpose. At this time, the fund houses funds for the following:

- Community Safety Building: The Police Department has established funds through annual savings to assist with the construction of a new Police building. Transfers from Police Operations are the primary source of revenue.
- Library: Library Reserves include funding for the expansion of the library facility out of funds previously set aside for such purpose as well as proceeds from borrowing.
- Public Works: These funds were set aside from the various Public Works funds for construction of a new Public Works Operations Center.
- General Government: The City has commenced savings for general governmental facilities from annual budgetary savings.

The monies above were all maintained in separate funds prior to the proposed biennium. They are now accounted for in a single fund for improved accounting efficiency. The first chart below shows the proposed biennial budget while the second one shows funds set aside for each of the above projects.

Community Facilities	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Biennium
Resources						
Beginning Fund Balance	$ -	$ -	$ -	$ 17,505,300	$ 100,000	$ 17,505,300
Charges for Services	-	-	-	1,105,000	1,105,000	2,210,000
Interest Income	-	-	-	29,700	-	29,700
Transfers In	-	-	19,332,000	1,370,000	1,370,000	2,740,000
Total Resources	$ -	$ -	**$ 19,332,000**	**$ 20,010,000**	**$ 2,575,000**	**$ 22,485,000**
Requirements by Category						
Capital Outlay	$ -	$ -	$ -	$ 19,910,000	$ 2,375,000	$ 22,285,000
Restricted for Future Expenditure	-	-	19,332,000	100,000	200,000	200,000
Total Requirements	**$ -**	**$ -**	**$ 19,332,000**	**$ 20,010,000**	**$ 2,575,000**	**$ 22,485,000**

	Beginning Funds Available	Biennium Resources / Additions	Biennium Requirements / Uses	Restricted Funds
Community Safety Building	$ 80,300	$ 2,250,000	$ 2,330,300	$ -
Library Expansion	10,350,000	29,700	10,379,700	-
Public Works Operations Center	7,075,000	2,500,000	9,575,000	-
General Facilities	-	200,000	-	200,000
	$ 17,505,300	**$ 4,979,700**	**$ 22,285,000**	**$ 200,000**

FLEET AND EQUIPMENT RESERVES FUND

Public Works, in conjunction with the user departments, are responsible for evaluating the City's overall fleet purchasing strategy and recommends new vehicles or replacement vehicles based on use, age, and safety requirements. Additionally, different departments have the need to set aside funds for future major equipment replacement. Vehicles and equipment are initially purchased by the operating department. Once the initial purchase is made, the vehicle is then charged back to that department on annual installments through a savings fund established for future vehicle or equipment replacement purchases.

Fleet & Equipment Reserve	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Biennium
Resources						
Beginning Fund Balance	$ 1,873,525	$ 2,259,254	$ 4,937,262	$ 3,249,871	$ 2,710,365	$ 3,249,871
Miscellaneous Income	-	20,444	48,000	-	-	
Interest Income	61,352	42,863	40,000	20,000	20,000	40,000
Transfers In	605,000	766,428	1,315,350	863,100	861,950	1,725,050
Total Resources	**$ 2,539,877**	**$ 3,088,989**	**$ 6,340,612**	**$ 4,132,971**	**$ 3,592,315**	**$ 5,014,921**
Requirements						
Capital Outlay	$ 260,623	$ 363,419	$ 1,000,000	$ 1,402,606	$ 993,567	$ 2,396,173
Transfers Out	20,000	$ 20,000	$ 40,000	20,000	20,000	40,000
Reserved for Future Expenditures	2,259,254	2,705,570	5,300,612	2,710,365	2,578,748	2,578,748
Total Requirements	**$ 2,539,877**	**$ 3,088,989**	**$ 6,340,612**	**$ 4,132,971**	**$ 3,592,315**	**$ 5,014,921**

Capital Outlay consists of the purchases to be made by each department or division as follows:

Transportation	$289,487
Water	$250,275
Sewer	$635,290
Stormwater	$303,159
Parks	$302,839
Cemetery	$75,123
Police	$540,000
Total Capital Outlay	***$2,396,173***

UTILITY CUSTOMER SERVICE

FUND OVERVIEW

The Utility Customer Service program acts as an internal service fund to the City. Revenues are from charges to other funds for billing and collection of user charges and general customer service to Oregon City citizens. Internal services are provided primarily to Water, Wastewater, Pavement Maintenance and Stormwater utilities. Consolidation of these services provides the most economical program and minimizes the number of referrals for users with questions.

ACCOMPLISHMENTS

- Outsourced utility bill mailings to save $13,000 annually and improved the bill format
- Adjusted rate charged to Water Environment Services for billing and customer support services which increased utility revenue by $12,500 annually
- Implemented utility hardship proof requirement to ensure fairness which increased utility revenue by $53,000 annually

GOALS AND PROJECTS

- Continue to improve efficiencies by automating various processes
- Enhance customer service quality with increased training and new approaches

Utility Customer Service	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Biennium
Resources						
Beginning Fund Balance	$ 2,872	$ 7,609	$ -	$ -	$ 20,000	$ -
Charges for Services	8,666	12,406	36,300	20,047	20,047	40,094
Interest Income	168	214	500	-	-	-
Transfers In	771,667	836,085	1,857,139	990,215	1,011,173	2,001,388
Total Resources	**$ 783,373**	**$ 856,314**	**$ 1,893,939**	**$ 1,010,262**	**$ 1,051,220**	**$ 2,041,482**
Requirements						
Personnel Services	$ 525,290	$ 509,847	$ 1,262,870	$ 644,712	$ 665,620	$ 1,310,332
Materials & Services	250,474	321,059	603,000	344,000	344,000	688,000
Transfers	-	1,429	3,000	1,550	1,600	3,150
Contingency	-	-	25,069	20,000	40,000	40,000
Unappropriated Fund Balance	7,609	23,979	-	-	-	-
Total Requirements	**$ 783,373**	**$ 856,314**	**$ 1,893,939**	**$ 1,010,262**	**$ 1,051,220**	**$ 2,041,482**

UTILITY CUSTOMER SERVICE EXPENDITURES

Description	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-16 Proposed	2016-17 Proposed	2015-17 Biennium Proposed
Personnel Services						
Salaries	$ 322,498	$ 301,952	$ 736,025	$ 370,256	$ 381,101	$ 751,357
Benefits	202,792	207,895	526,845	274,456	284,519	558,975
Total Personnel Services	525,290	509,847	1,262,870	644,712	665,620	1,310,332
Materials & Services						
Contract Services	75,046	94,110	156,000	158,500	158,500	317,000
Employee Costs	1,075	-	4,000	3,000	3,000	6,000
Office Costs	140,350	187,197	360,000	155,500	155,500	311,000
Office Equipment	20,890	21,036	44,000	21,000	21,000	42,000
Operations Costs	2,040	1,936	4,000	3,000	3,000	6,000
Other & Miscellaneous Costs	11,073	16,780	35,000	3,000	3,000	6,000
Total Materials & Services	250,474	321,059	603,000	344,000	344,000	688,000
Transfers & Other Uses	-	1,429	3,000	1,550	1,600	3,150
Contingency	7,609	23,979	25,069	20,000	40,000	40,000
Total Utility Customer Service	$ 783,373	$ 856,314	$ 1,893,939	$ 1,010,262	$ 1,051,220	$ 2,041,482

BUDGET HIGHLIGHTS

This Biennial Budget includes costs and related savings for outsourcing the printing and mailing of utility bills. Costs are shown in Contract Services for the fees charged for bill printing and mailing. Savings are reflected in the budget by a reduction in part-time hours, postage, and office equipment and supplies. In total, the department is saving net $13,000 annually and is more efficient overall.

The budget includes increases of $72,000 in bank service, online payment charges and credit card merchant service charges. In prior years, banking charges had been offset by interest earnings on deposit balances, however earnings over the past few years have been reduced substantially due to economic conditions. As such, net banking charges have increased substantially. In addition, electronic customer transactions have increased (online and check free payments, transfers and ACH transactions, etc.) as have the number of customers paying utility bills with credit cards (web based and point of sale).

Prior period budgets allocated a portion of these costs to the General Fund; however charges are more appropriately budgeted in the fund providing services to utility customers.

Office Costs include the following:

Merchant card services	$180,000
Bank charges	$105,000
Postage	$6,000
Office supplies	$8,000
Telephone	$12,000
Total Office Costs	***$311,000***

Contract Services includes the following:

Meter reading contractor	$165,000
Bill printing and mailing	$152,000
Total Contract Services Costs	***$317,000***

DEBT SERVICE FUNDS

The City maintains two debt service funds. Further information on the City's debt is included in a separate section later in this budget.

GENERAL OBLIGATION BOND

In 1998, the City issued Fire Bonds to build a new fire station, renovate two others and buy fire equipment. The buildings and equipment were sold to Clackamas Fire District upon annexation in 2008. Dedicated tax revenues and loan payments from Clackamas Fire District pay for the debt service in this fund. This bond matures in 2017.

Fire Debt Service	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Biennium
Resources						
Beginning Fund Balance	$ 39,201	$ 38,904	$ 37,000	$ 37,000	$ 52,000	$ 37,000
Property Tax	261,086	261,804	528,615	288,241	245,729	533,970
Interest Income	946	1,069	1,000	500	500	1,000
Other Financing Sources	123,134	123,134	246,268	123,134	123,134	246,268
Total Resources	**$ 424,367**	**$ 424,911**	**$ 812,883**	**$ 448,875**	**$ 421,363**	**$ 818,238**
Requirements by Category						
Debt Service	$ 385,463	$ 398,313	$ 782,101	$ 396,875	$ 401,363	$ 798,238
Debt Reserves	38,904	26,598	30,782	52,000	20,000	20,000
Total Requirements	**$ 424,367**	**$ 424,911**	**$ 812,883**	**$ 448,875**	**$ 421,363**	**$ 818,238**

PERS BOND

The Public Employee Retirement System (PERS) Unfunded Actuarial Liability Bonds were issued by the City in 2005 in the amount of $17 million to fund its PERS actuarial liability. These bonds mature in 2028. Revenues to pay the bonds come from resources set aside annually from savings on employer contributions. Additionally, South Fork Water Board borrowed $2.28 million from Oregon City in 2010. Principal and interest are repaid monthly and deposited into this fund. The loan to SFWB matures in 2017.

PERS Debt Service	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Biennium
Resources						
Beginning Fund Balance	$ 1,250,026	$ 1,332,307	$ 1,685,953	$ 1,725,000	$ 1,757,361	$ 1,725,000
Miscellaneous Income	1,038,151	1,159,828	2,094,347	1,200,002	1,275,000	2,475,002
Interest Income	31,282	9,154	18,000	7,000	3,000	10,000
Other Financing Sources	120,050	120,050	240,000	120,050	79,724	199,774
Total Resources	**$ 2,439,509**	**$ 2,621,339**	**$ 4,038,300**	**$ 3,052,052**	**$ 3,115,085**	**$ 4,409,776**
Requirements by Category						
Debt Service	$ 1,107,202	$ 1,150,427	$ 2,437,353	$ 1,294,691	$ 1,347,015	$ 2,641,706
Contract Services	-	-	15,000	-	-	-
Contingency	-	-	1,585,947	1,757,361	1,768,070	1,768,070
Unappropriated Fund Balance	1,332,307	1,470,912	-	-	-	-
Total Requirements	**$ 2,439,509**	**$ 2,621,339**	**$ 4,038,300**	**$ 3,052,052**	**$ 3,115,085**	**$ 4,409,776**

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SUPPLEMENTARY INFORMATION

- Personnel
  - Overview of Personnel Changes
  - Personnel Trends
  - Personnel Costs
  - Personnel by Department
- Capital Improvement Program
  - FY 2015-2017 Capital Budget
  - Tangible Personal Property
- Debt Administration
- Closed Funds
- Glossary

PERSONNEL

OVERVIEW OF PERSONNEL CHANGES

The proposed biennial budget increases Full Time Equivalent (FTE) positions with funding from additional revenues. Fiscal Year (FY) 2016 positions increase by 11.10 FTEs and FY 2017 positions increase by 0.03 FTEs for a net increase of 11.13 FTEs for the biennium.

Policy and Administration: Net Decrease of 0.47 FTE

City Recorder – Decrease of 1.0 FTE
The Risk Management Coordinator position previously funded in the 2013-2015 biennium by the City Recorder has been reallocated to Human Resources in the proposed biennium.

Human Resources – Net increase of 0.56 FTE
The proposed budget includes funding for a part-time Risk Specialist.

Other Departments: Net decrease of 0.03 FTE
Due to a reallocation and rearranging part-time hours there has been an overall reduction of hours in the proposed budget.

Police: Net Decrease of 0.52 FTE

Police – Net increase of .25 FTE
As part of the development of a comprehensive traffic safety plan in order to decrease the City's traffic crash statistics, the proposed budget includes funding for a part-time Traffic Officer which represents an increase of 0.45 FTE in 2016. The equivalent of 0.20 FTE of one Police Lieutenant's staff hours has been allocated to help oversee Code and Parking Operations.

Code Enforcement and Parking – Decrease of 0.77 FTE
Code and Parking Operations did not hire the additional Code Enforcement Officer (1.0 FTE) position proposed in the 2013-2015 biennium. The position is not funded in the proposed biennium. An increase of part-time hours for parking operations (0.03 FTE) and the equivalent of 0.20 FTE of one Police Lieutenant's staff hours has been allocated to help oversee Code and Parking Operations.

Community Services: Net Increase of 4.27 FTE

Parks & Cemetery Maintenance – Net increase of 1.87 FTE
An additional Parks Maintenance Specialist (1.0 FTE) is proposed for 2015 to assist with deferred maintenance. The position will be funded with additional Right-of-Way (ROW) revenues. Two new part-time Office Specialist positions have been converted from pooled hours to help support administrative functions.

Pioneer Community Center and Recreation Programs – Increase of 2.40 FTE
Reorganization of part time hours between the Pioneer Community Center, Aquatics and Recreation and an increase of 1.90 FTEs for facility rentals and a part-time Food Service Worker (.50 FTE) is proposed. The additional part-time hours will be funded by savings realized from staff retirements and reorganization. One full time Office Specialist position has been added to help support administrative functions. Programming revenues offset staffing costs.

Community Development: Increase of 3.0 FTE

Planning – Increase of 1.0 FTE
The proposed budget includes funding for a Senior Building Inspector which is currently outsourced to Clackamas County. The position will be funded by the savings from outsourcing.

Information Technology – Increase of 2.0 FTE
Information Technology includes funding for a Network Specialist (1.0 FTE) and an Application Specialist (1.0 FTE). A third party IT contract will not be renewed to fund the new positions.

Library: Increase of 1.84 FTE

The proposed budget includes increases to part-time Library Assistant hours and a new Children's Librarian for the expanded building.

The additional hours and the new position will be funded by increased District revenues.

Public Works: Increase of 3.01 FTE

Engineering Group Development Services – Increase of 1.0 FTE
In conjunction with the implementation of the Sewer Moratorium project an additional Project Engineer will be added to assist with the plan. The position will be funded from sewer revenues.

Wastewater – Increase of 2.0 FTE
The proposed budget includes two full time positions for an additional Maintenance Specialist and Associate Development Engineer to assist with the implementation of the Sewer Moratorium project. The positions will be funded from sewer revenues.

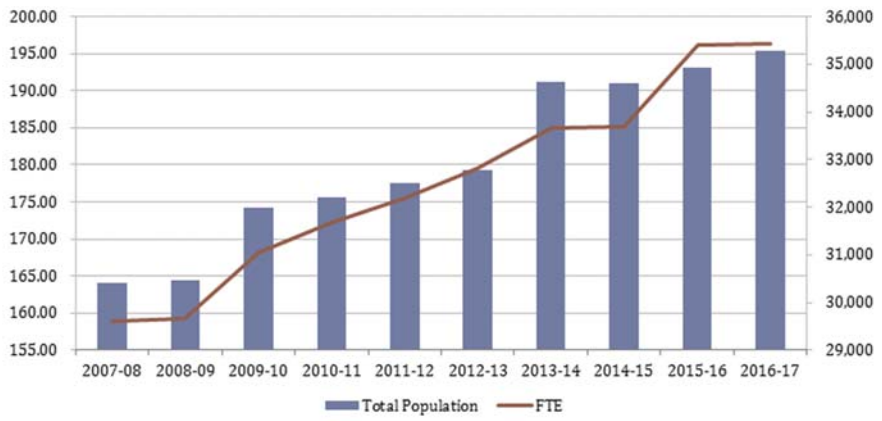
PERSONNEL TRENDS

COMPARISON OF PERSONNEL CHANGES BY DEPARTMENT

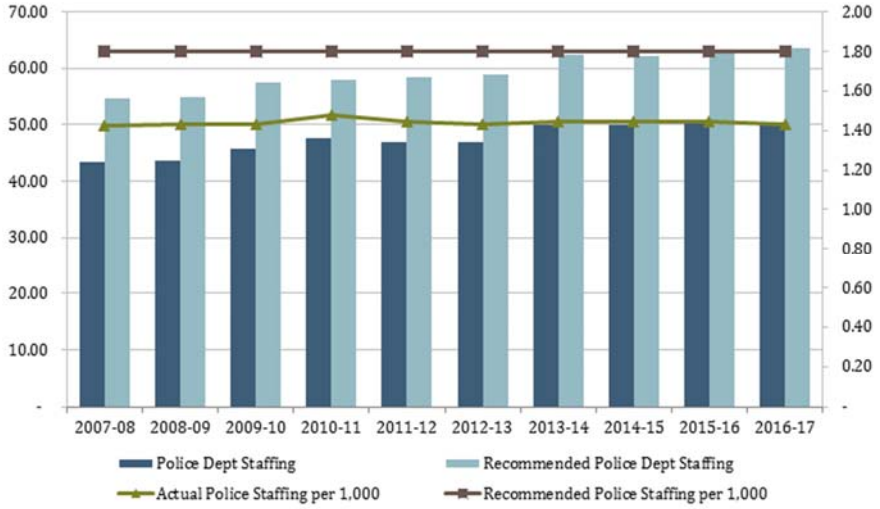
Department	2011-12 Actual	2012-13 Actual	2013-15 Budget	2015-17 Proposed	Change
Policy & Administration	22.23	23.23	24.03	23.56	-0.47
Police Department	52.63	53.63	56.50	55.98	-0.52
Community Services	30.81	31.43	31.87	36.14	4.27
Community Development	12.62	11.26	11.54	14.53	3.00
Library	11.69	11.90	11.90	13.74	1.84
Public Works	43.70	46.21	47.45	50.46	3.01
General Government	1.89	1.89	1.89	1.89	0.00
Total FTEs	***175.57***	***179.55***	***185.18***	***196.30***	***11.13***

As cities grow in population, the demand for public safety and law enforcement services, utility maintenance, and parks and recreation also increase. While the ratio of Oregon City's staff to population has been fairly consistent, the ratio in the Police Department remains low as compared to existing demand for service and recommended state and national staffing standards. The United States Department of Justice recommends a staffing level of 1.8 officers per 1,000 residents while the Blue Ribbon Task Force recommends a staffing level of 1.5 officers per 1,000 residents for cities our size. At 1.2 officers per 1,000 in FY 2015, the City is short by approximately 10 officers.

TOTAL FULL TIME EQUIVALENT (FTE) TO POPULATION

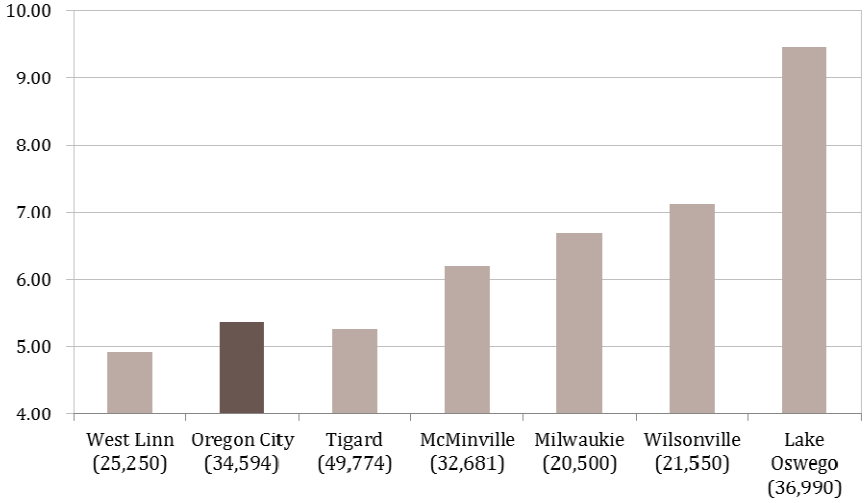


POLICE DEPARTMENT STAFFING TO POPULATION



As shown in the chart below, Oregon City maintains one of the lowest ratios of FTEs to population for similar sized Oregon cities.

COMPARISON OF STAFFING TO POPULATION BY CITY (EMPLOYEES PER CAPITA)



PERSONNEL COSTS

Total anticipated wage and overtime costs, excluding fringe benefits, are approximately $44.8 million in 2015-2017 biennium. This represents an increase of $3.9 million as compared to the 2013-2015 biennium. Increases in wages are a result of a proposed 2% COLA, step increases called for in the labor contracts, and the proposed new positions. The City has three bargaining units, City of Oregon City Employees Local 350-2 Council 75, of the American Federation of State County and Municipal Employees, AF1-CIO, and the Oregon City Police Employees' Association, which represents approximately 75% of all City positions. The current union contracts will expire on June 30, 2016. Fringe benefits are projected at approximately $18.3 million for the biennium. Health insurance makes up the largest percentage

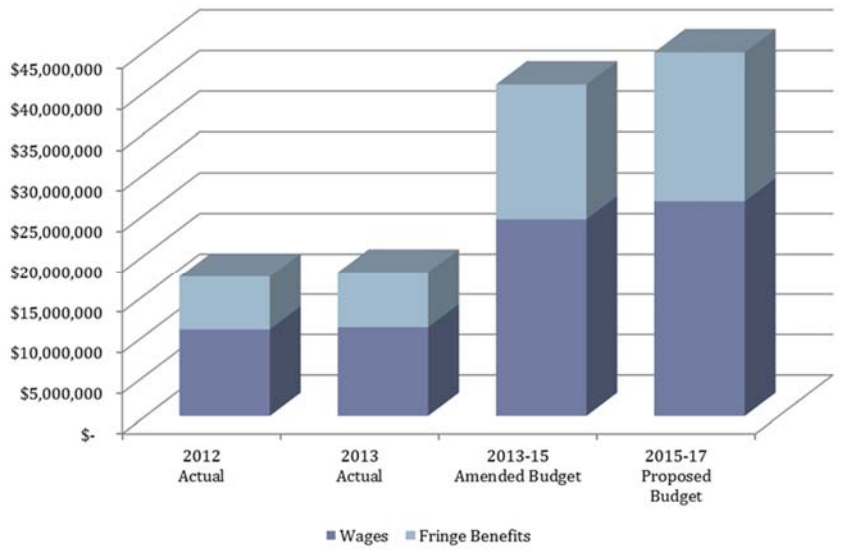
of fringe benefit costs and is projected to increase by 12% in 2016 and 5% in 2017. Including fringe benefits, anticipated total personnel costs are approximately $22.1 million in 2016 and $22.7 million in 2017.

PERSONNEL EXPENSES BY DEPARTMENT

Department	2011-12 Actual	2012-13 Actual	2013-15 Budget	2015-17 Proposed	Change
Policy & Administration	$ 1,823,685	$ 2,018,513	$ 4,627,920	$ 5,409,842	$ 781,922
Public Works	4,297,057	4,227,599	10,139,259	11,427,224	1,287,965
Public Safety	5,668,379	5,859,675	13,212,543	15,064,766	1,852,223
Community Development	1,314,838	1,279,880	2,933,209	3,206,688	273,479
Community Services	1,984,919	2,114,810	4,711,639	5,223,248	511,609
Library	946,802	989,569	2,130,729	2,290,439	159,710
General Government	1,202,974	1,279,582	3,108,138	2,190,514	(917,624)
Total Wages and Benefits	***$ 17,238,654***	***$ 17,769,628***	***$ 40,863,437***	***$ 44,812,721***	***$ 3,949,284***

PERSONNEL EXPENSES BY CATEGORY

	2011-12 Actual	2012-13 Actual	2013-15 Budget	2015-17 Proposed	Change
Wages	$ 10,673,383	$ 10,939,091	$ 24,351,316	$ 26,553,955	$ 2,202,639
Fringe Benefits	6,565,271	6,830,537	16,512,121	18,258,766	1,746,645
Total Wages and Benefits	***$ 17,238,654***	***$ 17,769,628***	***$ 40,863,437***	***$ 44,812,721***	***$ 3,949,284***



PERSONNEL BY DEPARTMENT

The table below shows FTEs by department for the previous two years, the biennium, and the proposed biennium.

Department and Position	2011-12 Actual	2012-13 Actual	2013-15 Budget	2015-16 Proposed	2016-17 Proposed	Change 2013-2015
Policy and Administration						
City Manager						
City Manager	1.00	1.00	1.00	1.00	1.00	0.00
Assistant to City Manager	1.00	0.00	0.00	0.00	0.00	0.00
Total City Manager	***2.00***	***1.00***	***1.00***	***1.00***	***1.00***	***0.00***
City Recorder						
City Recorder	1.00	1.00	1.00	1.00	1.00	0.00
Assistant to City Manager	0.00	1.00	1.00	1.00	1.00	0.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	0.00
Risk & Contract Coordintor	0.00	0.00	1.00	0.00	0.00	(1.00)
Total City Recorder	***2.00***	***3.00***	***4.00***	***3.00***	***3.00***	***(1.00)***
Municipal Court						
Municipal Court Manager	1.00	1.00	1.00	1.00	1.00	0.00
Municipal Court Judge PT	0.22	0.22	0.22	0.22	0.22	0.00
Court Records Specialist	2.00	2.00	2.00	3.00	3.00	1.00
Court/Collections Clerk	1.00	1.00	1.00	0.00	0.00	(1.00)
Bailiffs	0.00	0.00	0.22	0.24	0.24	0.02
Total Municipal Court	***4.22***	***4.22***	***4.44***	***4.46***	***4.46***	***0.02***
Human Resources						
Human Resources Director	1.00	1.00	1.00	1.00	1.00	0.00
Human Resources Technician	1.00	1.00	1.00	1.00	1.00	0.00
Risk Specialist	0.00	0.00	0.00	0.75	0.75	0.75
Hourly - Personnel	0.19	0.19	0.19	0.00	0.00	(0.19)
Total Human Resources	***2.19***	***2.19***	***2.19***	***2.75***	***2.75***	***0.56***
Finance Department						
Finance Director	0.70	0.70	0.80	0.80	0.80	0.00
Assistant Finance Director	0.00	1.00	0.70	0.60	0.60	(0.10)
Accountant	0.00	0.00	0.00	1.00	1.00	1.00
Accounting Technician, Senior	2.55	2.55	2.55	1.75	1.75	(0.80)
Business Analyst	0.50	0.50	0.50	0.50	0.50	0.00
Office Specialist II	0.60	0.60	0.60	0.50	0.50	(0.10)
Finance Administrative PT Hourly	0.00	0.00	0.08	0.25	0.25	0.17
Total Finance Department	***4.35***	***5.35***	***5.23***	***5.40***	***5.40***	***0.17***
Utility Customer Service						0.00
Finance Director	0.30	0.30	0.20	0.20	0.20	0.00
Assistant Finance Director	0.00	0.00	0.30	0.40	0.40	0.10
Accounting Technician, Senior	0.45	0.45	0.45	0.25	0.25	(0.20)
Customer Accounting Coordinator	1.00	1.00	1.00	1.00	1.00	0.00
Utility Customer Service Rep	2.00	2.00	2.00	3.00	3.00	1.00
Customer Accounting Clerk	1.00	1.00	1.00	0.00	0.00	(1.00)
Office Specialist II	0.40	0.40	0.40	0.50	0.50	0.10
Business Analyst	0.50	0.50	0.50	0.50	0.50	0.00
Finance Administrative PT Hourly	0.82	0.82	0.20	0.00	0.00	(0.20)
Total Utility Customer Service	***6.47***	***6.47***	***6.05***	***5.85***	***5.85***	***(0.20)***
Economic Development						
Economic Development Manager	1.00	1.00	1.00	1.00	1.00	0.00
Finance Administrative PT Hourly	0.00	0.00	0.12	0.10	0.10	(0.02)
Total Economic Development	***1.00***	***1.00***	***1.12***	***1.10***	***1.10***	***(0.02)***
Total Policy & Administration	***22.23***	***23.23***	***24.03***	***23.56***	***23.56***	***(0.47)***

Department and Position	2011-12 Actual	2012-13 Actual	2013-15 Budget	2015-16 Proposed	2016-17 Proposed	Change 2013-2015
General Government						
Maintenance Custodian	1.00	1.00	1.00	1.00	1.00	0.00
Parks Mechanical Specialist	0.75	0.75	0.75	0.75	0.75	0.00
Custodian PT	0.14	0.14	0.14	0.14	0.14	0.00
Total General Government	***1.89***	***1.89***	***1.89***	***1.89***	***1.89***	***0.00***
Total General Government	***1.89***	***1.89***	***1.89***	***1.89***	***1.89***	***0.00***
Police Department						
Police Operations						
Public Safety Director	1.00	1.00	1.00	1.00	1.00	0.00
Police Lieutenant	2.00	2.00	2.00	1.80	1.80	(0.20)
Police Sergeant	7.00	7.00	7.00	8.00	8.00	1.00
Police Officer	30.00	30.00	33.00	32.00	32.00	(1.00)
Senior Administrative Assistant	1.00	1.00	1.00	1.00	1.00	0.00
Police Records Manager	1.00	1.00	1.00	1.00	1.00	0.00
Police Records Specialist	3.00	3.00	3.00	2.00	2.00	(1.00)
Community Service Officer	1.00	1.00	1.00	1.00	1.00	0.00
CSO /Forensics	0.00	0.00	0.00	1.00	1.00	1.00
CSO / Property-Evidence Officer	1.00	1.00	1.00	1.00	1.00	0.00
Part Time Traffic Officer	0.00	0.00	0.00	0.45	0.45	0.45
Total Police Operations	***47.00***	***47.00***	***50.00***	***50.25***	***50.25***	***0.25***
Code Enforcement & Parking Operations						
Police Lieutenant	0.00	0.00	0.00	0.20	0.20	0.20
Code Enforcement Manager	1.00	1.00	1.00	1.00	1.00	0.00
Code Compliance Officer	1.00	2.00	3.00	2.00	2.00	(1.00)
Parking Enforcement Officer	1.00	1.00	1.00	1.00	1.00	0.00
Office Specialist II	1.00	1.00	1.00	1.00	1.00	0.00
Code Enforcement PT Hourly	0.13	0.13	0.00	0.00	0.00	0.00
Parking Operations PT Hourly	0.50	0.50	0.50	0.50	0.53	0.03
Drivers PT Hourly	1.00	1.00	0.00	0.00	0.00	0.00
Total Code Enforcement & Parking Operations	***5.63***	***6.63***	***6.50***	***5.70***	***5.73***	***(0.77)***
Total Police Department	***52.63***	***53.63***	***56.50***	***55.95***	***55.98***	***(0.52)***
Community Services						
Parks Maintenance						
Community Services Director	0.40	0.40	0.40	0.40	0.40	0.00
Parks Maintenance Manager	1.00	1.00	1.00	1.00	1.00	0.00
Assistant Parks & Rec Director	0.25	0.25	0.25	0.25	0.25	0.00
Parks Maintenance Specialist III	3.00	3.00	3.00	3.00	3.00	0.00
Park Maintenance Specialist II	2.00	2.00	2.00	1.00	1.00	(1.00)
Park Maintenance Specialist I	0.00	0.00	0.00	2.00	2.00	2.00
Office Specialist II	0.80	0.80	1.00	1.00	1.00	0.00
Office Specialist I PT	0.00	0.00	0.00	1.00	1.00	1.00
Parks Maintenance PT Hourly	2.60	2.70	2.70	2.57	2.57	(0.13)
Total Parks Maintenance	***10.05***	***10.15***	***10.35***	***12.22***	***12.22***	***1.87***
Recreation Aquatics						
Community Services Director	0.20	0.20	0.20	0.20	0.20	0.00
Assistant Parks & Rec Director	0.25	0.25	0.25	0.25	0.25	0.00
Aquatics Recreation Supervisor	1.00	1.00	1.00	1.00	1.00	0.00
Building/Facility Maintenance Specialist	0.50	0.50	0.50	0.50	0.50	0.00
Office Specialist I	0.00	0.00	0.00	0.50	0.50	0.50
Recreation Aquatics PT Hourly	8.71	8.76	8.76	9.61	9.61	0.85
Total Recreation Aquatics	***10.66***	***10.71***	***10.71***	***12.06***	***12.06***	***1.35***

Department and Position	2011-12 Actual	2012-13 Actual	2013-15 Budget	2015-16 Proposed	2016-17 Proposed	Change 2013-2015
Community Services (ctd.)						
Pioneer Community Center						
Community Services Director	0.20	0.20	0.20	0.20	0.20	0.00
Senior Center Supervisor	1.00	1.00	1.00	1.00	1.00	0.00
Assistant Parks & Rec Director	0.25	0.25	0.25	0.25	0.25	0.00
Client Services Coordinator	1.00	1.00	1.00	1.00	1.00	0.00
Meals on Wheels Coordinator	1.00	1.00	1.00	1.00	1.00	0.00
Senior Center Program Assistant PT	0.95	0.95	0.95	0.95	0.95	0.00
Senior Center Nutrition Coordinator PT	0.82	0.82	0.82	0.83	0.83	0.01
Senior Center Van Driver PT Hourly	1.50	1.50	1.50	1.55	1.55	0.05
Food Service Worker	0.00	0.00	0.00	0.50	0.50	0.50
Office Specialist I PT	0.62	0.94	0.94	0.94	0.94	0.00
Pioneer Center PT Temporary Hourly	0.50	0.67	0.60	0.60	0.60	0.00
Total Pioneer Community Center	***7.84***	***8.33***	***8.26***	***8.82***	***8.82***	***0.56***
Recreation Programs						
Community Services Director	0.20	0.20	0.20	0.20	0.20	0.00
Assistant Parks & Rec Director	0.25	0.25	0.25	0.25	0.25	0.00
Senior Center Nutrition Coordinator PT	0.01	0.01	0.01	0.00	0.00	(0.01)
Office Specialist I PT	0.00	0.00	0.00	0.50	0.50	0.50
Recreation Programs PT Hourly	1.81	1.78	2.09	2.09	2.09	0.00
Total Recreation Programs	***2.27***	***2.24***	***2.55***	***3.04***	***3.04***	***0.49***
Total Community Services	***30.81***	***31.43***	***31.87***	***36.14***	***36.14***	***4.27***
Community Development						
Planning						
Community Development Director	0.625	0.625	0.625	0.625	0.625	0.00
Senior Planner	0.00	0.00	1.00	1.00	1.00	0.00
Assistant Planner	1.00	1.73	1.00	1.00	1.00	0.00
Planner	2.00	2.00	2.00	2.00	2.00	0.00
Total Planning	***3.63***	***4.36***	***4.63***	***4.63***	***4.63***	***0.00***
Technical Services						
Information Tech Supervisor	0.50	0.50	0.50	0.50	0.50	0.00
GIS Coordinator	0.50	0.50	0.50	0.50	0.50	0.00
Temporary	0.03	0.03	0.03	0.03	0.03	0.00
Total Technical Services	***1.03***	***1.03***	***1.03***	***1.03***	***1.03***	***0.00***
Information Technology						
Information Tech Supervisor	0.50	0.50	0.50	0.50	0.50	0.00
Application Specialist	0.00	0.00	0.00	1.00	1.00	1.00
Network Specialist	0.00	0.00	0.00	1.00	1.00	1.00
Total Information Technology	***0.50***	***0.50***	***0.50***	***2.50***	***2.50***	***2.00***
Building						
Community Development Director	0.375	0.375	0.375	0.375	0.375	0.00
Building Official	1.00	1.00	1.00	1.00	1.00	0.00
Senior Building Inspector	0.00	0.00	0.00	1.00	1.00	1.00
Building Inspector II	2.00	1.00	1.00	1.00	1.00	0.00
Permit Technician	2.00	1.00	1.00	1.00	1.00	0.00
Permit Coordinator	1.00	1.00	1.00	1.00	1.00	0.00
Plans Examiner - Senior	1.00	1.00	1.00	0.00	0.00	(1.00)
Customer Accounting Coordinator	0.00	0.00	0.00	1.00	1.00	1.00
Building PT Hourly	0.09	0.00	0.00	0.00	0.00	0.00
Total Building	***7.47***	***5.38***	***5.38***	***6.38***	***6.38***	***1.00***
Total Community Development	***12.62***	***11.26***	***11.54***	***14.53***	***14.53***	***3.00***

Supplementary Information – Personnel

Department and Position	2011-12 Actual	2012-13 Actual	2013-15 Budget	2015-16 Proposed	2016-17 Proposed	Change 2013-2015
Library Services						
Library Director	1.00	1.00	1.00	1.00	1.00	0.00
Library Services Manager	1.00	1.00	1.00	1.00	1.00	0.00
Librarian	0.91	0.91	0.90	0.92	0.92	0.02
Library Assistant I	0.75	0.75	0.75	0.45	0.45	(0.30)
Library Assistant II	2.47	2.19	2.18	2.68	2.68	0.50
Library Assistant III	3.00	3.00	3.00	3.00	3.00	0.00
Parks Mechanical Specialist	0.25	0.25	0.25	0.25	0.25	0.00
Reference Librarian PT	0.53	0.33	0.35	0.33	0.33	(0.02)
Hourly Library Assistants	0.54	1.66	1.65	3.29	3.29	1.64
Hourly Shelvers	1.24	0.82	0.82	0.82	0.82	0.00
Total Library	***11.69***	***11.90***	***11.90***	***13.74***	***13.74***	***1.84***
Public Works						
Engineering Group - Development Services						
Public Works Director	0.00	0.00	0.10	0.10	0.10	0.00
City Engineer	0.00	0.00	0.30	0.30	0.30	0.00
Construction Services Manager	0.70	0.70	0.70	0.70	0.70	0.00
R-O-W Coordinator	0.00	0.00	1.00	1.00	1.00	0.00
Engineering Technician III	1.00	1.00	1.00	1.00	1.00	0.00
Project Engineer	0.00	0.00	0.00	1.50	1.50	1.50
Associate Development Engineer	0.00	0.00	0.50	0.00	0.00	(0.50)
Development Review Manager	1.00	1.00	0.00	0.00	0.00	0.00
Engineering Group - PT Hourly	0.15	0.00	0.25	0.25	0.25	0.00
Total Engineering - Development Services	***2.85***	***2.70***	***3.85***	***4.85***	***4.85***	***1.00***
Tramsportation						
Public Works Director	0.25	0.25	0.26	0.26	0.26	0.00
City Engineer	0.00	0.00	0.18	0.18	0.18	0.00
Public Works Operations Manager	0.25	0.25	0.25	0.25	0.25	0.00
Public Works Operations Supervisor	1.00	1.00	1.00	1.00	1.00	0.00
Administrative Assistant, Sr	0.50	0.50	0.50	0.50	0.50	0.00
Utility Maintenance Team Leader	1.00	1.00	1.00	1.00	1.00	0.00
Lead Mechanic	0.25	0.25	0.25	0.25	0.25	0.00
Utilities Maintenance Spec II	1.50	1.50	1.50	2.50	2.50	1.00
Utilities Maintenance Spec I	3.00	3.00	3.00	2.00	2.00	(1.00)
Mechanic	0.25	0.25	0.25	0.25	0.25	0.00
Engineering Technician III	0.10	0.10	0.10	0.00	0.00	(0.10)
Project Engineer	0.15	0.15	0.15	0.27	0.27	0.12
Associate Development Engineer	0.10	0.10	0.12	0.00	0.00	(0.12)
GIS Coordinator	0.05	0.05	0.05	0.05	0.05	0.00
GIS Technician	0.00	0.00	0.00	0.10	0.10	0.10
Asset Management Specialist	0.25	0.25	0.25	0.25	0.25	0.00
Office Specialist III	0.25	0.25	0.25	0.25	0.25	0.00
Engineering Intern	0.00	0.05	0.05	0.05	0.05	0.00
Streets - PT Hourly	1.30	2.10	2.10	2.10	2.10	0.00
Total Transportation	***10.20***	***11.05***	***11.26***	***11.26***	***11.26***	***0.00***
Water Utility						
Public Works Director	0.25	0.25	0.21	0.21	0.21	0.00
City Engineer	0.00	0.00	0.18	0.18	0.18	0.00
Public Works Operations Manager	0.25	0.25	0.25	0.25	0.25	0.00
Construction Services Manager	0.10	0.10	0.10	0.10	0.10	0.00
Public Wks Operations Supervisor	1.00	1.00	1.00	1.00	1.00	0.00
Administrative Assistant, Sr	0.50	0.50	0.50	0.50	0.50	0.00
Lead Mechanic	0.25	0.25	0.25	0.25	0.25	0.00
Utilities Maint Team Leader	1.00	1.00	1.00	1.00	1.00	0.00
Utilities Maintenance Spec III	2.00	2.00	2.00	5.00	5.00	3.00
Utilities Maintenance Spec II	2.00	2.00	2.00	0.00	0.00	(2.00)
Utilities Maintenance Spec I	1.00	1.00	1.00	0.00	0.00	(1.00)
Water Quality Coordinator	1.00	1.00	0.60	0.60	0.60	0.00

Department and Position	2011-12 Actual	2012-13 Actual	2013-15 Budget	2015-16 Proposed	2016-17 Proposed	Change 2013-2015
Public Works (ctd.)						
Water Utility (ctd.)						
Mechanic	0.25	0.25	0.25	0.25	0.25	0.00
Engineering Technician III	0.30	0.30	0.30	0.00	0.00	(0.30)
Environmental Technician I	0.50	0.50	0.70	0.70	0.70	0.00
Project Engineer	0.50	0.50	0.50	0.63	0.63	0.13
Associate Development Engineer	0.30	0.30	0.13	0.00	0.00	(0.13)
GIS Coordinator	0.15	0.15	0.15	0.15	0.15	0.00
GIS Technician	0.00	0.00	0.00	0.30	0.30	0.30
Asset Management Specialist	0.25	0.25	0.25	0.25	0.25	0.00
Office Specialist III	0.25	0.25	0.25	0.25	0.25	0.00
Engineering Intern	0.10	0.15	0.15	0.15	0.15	0.00
Water - PT Hourly	0.84	1.50	1.50	1.50	1.50	0.00
Total Water Utility	***12.79***	***13.50***	***13.27***	***13.27***	***13.27***	***0.00***
Wastewater (Sewer) Utility						
Public Works Director	0.25	0.25	0.22	0.22	0.22	0.00
City Engineer	0.00	0.00	0.18	0.18	0.18	0.00
Public Works Operations Manager	0.25	0.25	0.25	0.25	0.25	0.00
Construction Services Manager	0.10	0.10	0.10	0.10	0.10	0.00
Public Wks Operations Supervisor	0.50	0.50	0.50	0.50	0.50	0.00
Administrative Assistant, Sr	0.50	0.50	0.50	0.50	0.50	0.00
Lead Mechanic	0.25	0.25	0.25	0.25	0.25	0.00
Utility Maint Team Leader	0.50	0.50	0.50	0.50	0.50	0.00
Utilities Maint Spec III	1.00	1.00	1.00	1.00	1.00	0.00
Utilities Maint Spec II	1.00	1.00	1.00	1.00	1.00	0.00
Utilities Maint Spec I	1.00	1.00	1.00	2.00	2.00	1.00
Mechanic	0.25	0.25	0.25	0.25	0.25	0.00
Engineering Technician III	0.30	0.30	0.30	0.00	0.00	(0.30)
Project Engineer	0.43	0.43	0.42	0.56	0.56	0.14
Associate Development Engineer	0.30	0.30	0.13	1.00	1.00	0.87
GIS Coordinator	0.15	0.15	0.15	0.15	0.15	0.00
GIS Technician	0.00	0.00	0.00	0.30	0.30	0.30
Asset Management Specialist	0.25	0.25	0.25	0.25	0.25	0.00
Office Specialist III	0.25	0.25	0.25	0.25	0.25	0.00
Engineering Intern	0.10	0.15	0.15	0.15	0.15	0.00
Sewer - PT Hourly	0.80	1.30	1.30	1.30	1.30	0.00
Total Wastewater (Sewer) Utility	***8.18***	***8.73***	***8.70***	***10.71***	***10.71***	***2.01***
Stormwater (Storm drain) Utility						
Public Works Director	0.25	0.25	0.21	0.21	0.21	0.00
City Engineer	0.00	0.00	0.16	0.16	0.16	0.00
Public Works Operations Manager	0.25	0.25	0.25	0.25	0.25	0.00
Construction Services Manager	0.10	0.10	0.10	0.10	0.10	0.00
Public Wks Operations Supervisor	0.50	0.50	0.50	0.50	0.50	0.00
Administrative Assistant, Sr	0.50	0.50	0.50	0.50	0.50	0.00
Utility Maint Team Leader	0.50	0.50	0.50	0.50	0.50	0.00
Utilities Maintenance Spec II	1.50	1.50	1.50	1.50	1.50	0.00
Utilities Maintenance Spec III	1.00	1.00	1.00	2.00	2.00	1.00
Water Quality Coordinator	0.00	0.00	0.40	0.40	0.40	0.00
Lead Mechanic	0.25	0.25	0.25	0.25	0.25	0.00
Mechanic	0.25	0.25	0.25	0.25	0.25	0.00
Engineering Technician III	0.30	0.30	0.30	0.00	0.00	(0.30)
Environmental Technician I	0.50	0.50	0.30	0.30	0.30	0.00
Utilities Maintenance Spec I	1.00	1.00	1.00	0.00	0.00	(1.00)
Project Engineer	0.93	0.93	0.93	1.05	1.05	0.12
Associate Development Engineer	0.30	0.30	0.12	0.00	0.00	(0.12)
GIS Coordinator	0.15	0.15	0.15	0.15	0.15	0.00
GIS Technician	0.00	0.00	0.00	0.30	0.30	0.30
Asset Management Specialist	0.25	0.25	0.25	0.25	0.25	0.00
Office Specialist III	0.25	0.25	0.25	0.25	0.25	0.00
Engineering Intern	0.10	0.15	0.15	0.15	0.15	0.00
Stormwater - PT Hourly	0.80	1.30	1.30	1.30	1.30	0.00
Total Stormwater (Storm drain) Utility	***9.68***	***10.23***	***10.37***	***10.37***	***10.37***	***0.00***
Total Public Works	***43.70***	***46.21***	***47.45***	***50.46***	***50.46***	***3.01***
Total Oregon City	***175.57***	***179.55***	***185.18***	***196.27***	***196.30***	***11.13***

CAPITAL IMPROVEMENT PROGRAM

OVERVIEW

Capital Outlay Expenditures involve the acquisition or construction of equipment, land, and capital facilities. The Capital Improvement Program (CIP) establishes Oregon City's annual budget for capital projects. A capital project is that which improves or adds value to the city's capital facilities, costs $5,000 or more, and has a useful life or extends the useful life of infrastructure for 5 years or more. Oregon City's capital facilities include roads and pathways, parks and cemetery facilities, water distribution system, sanitary sewer collection system, stormwater drainage system, and public and operations buildings. Fixed assets and tangible personal property (TPP) replacements with a cost over $5,000 each and a useful life of more than 1 year are also included in the annual capital budget. Guiding policies and financing strategies for the CIP are included earlier in this document under the Financial Policies discussion.

The estimated useful lives of the various categories of capital assets (facilities and TPP) are as follows:

- Buildings and other Facilities 30-40 years
- Equipment and Fixtures 8-20 years
- Roads and Pathways 20-50 years
- Utility Systems 20-50 years

Total spending for the city's CIP in the 2015-2017 biennium is budgeted at $43,987,191 across all funds. Approximately $41.1 million of the projected spending is on capital projects while $2.9 million is for TPP.

Approximately $10.9 million, or 26%, of Oregon City's capital projects represent routine or ongoing capital renewal and replacements. These expenditures are included in almost every budget and will have no significant impact on the operating budget. These projects include annually scheduled roadway or pathway improvements (repaving, reconstruction, or repair), park structure replacement, annually scheduled waterline or wastewater line replacements or upgrades, and stormwater drainage and water quality improvements. In some instances, these projects may generate operating savings in reduced risks and maintenance costs.

A total of $30.2 million, or 74%, of budgeted capital projects are for either new construction or significant improvements or upgrades to the City's infrastructure assets. The majority of these expenditures are for construction of Community Facilities; together they account for 54% of the total capital projects budget:

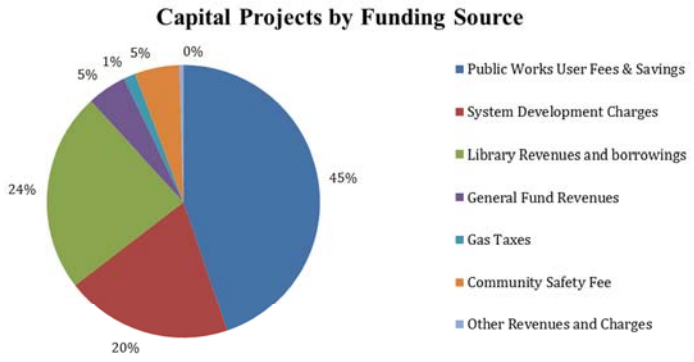
- Oregon City Library – One of the City's major goal has been to locate or build a larger library facility that would adequately meet the needs of library patrons. After years of searching for a new library site, the City agreed to expand the facility at its current site at Carnegie Center. The total cost for the library is estimated at approximately $10.4 million; the 2015-2017 biennial budget includes $4.4 million in funding set aside from prior years' library revenues towards the construction of this facility and $6 million in General Obligation bond proceeds. These bonds are to be paid from current library revenues; no additional revenue from taxpayers is expected. Estimated increases to the ongoing operational budget (operating impact) of the facility once complete are approximately $200,000 in staffing, materials, and operations.
- Public Works Operations Center – The budget includes funding in the amount of $9.6 million for the much needed replacement of the Public Works facility. Funding was obtained from savings across all public works funds. The current facility is in poor condition, is inadequately sized and has no room for growth; a new facility would consolidate public works management and staff, will improve efficiency and operational responsiveness. Estimated operating impact once complete is approximately $50,000 in utilities and maintenance.

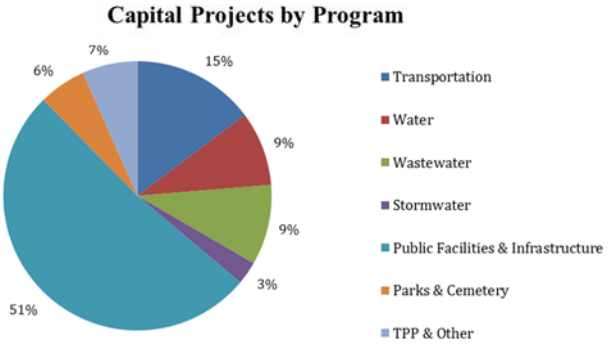
- Community Safety Building – The current police facility was built in the late 1960's and has been home to several different entities since then. The Police Department still remains in the same space utilized over 30 years ago; despite the fact the department has grown exponentially and continues to grow. Additionally, there is a government requirement for essential needs facilities (the police department) to meet certain seismic standards by the year 2022. The existing facility cannot be upgraded nor it can it continue to be used by the Police Department in an operational capacity in the future because it does not meet these seismic requirements. Further, the current courtroom was never designed as such. It is frequently unable to accommodate everyone on trial days, forcing people to wait in the lobby or in the parking lot. The City purchased a property from the School District in 2015 for the site of the new Public Safety facility, to house Police, Court, and Code Enforcement. The proposed budget includes initial funding for needed upgrades to the purchased building in the amount of $2.3 million. Operating impact is anticipated at $35,000 for utilities and maintenance costs.

The City previously maintained an "unfunded" projects category to track projects without certain funding or those reduced in scope due to funding shortfalls. The capital projects list for the 2015-2017 Biennium includes projects that were on the "unfunded" projects list as the City tries to complete these previously deferred projects. These include additional funding for water line repairs and upgrades, parks deferred capital maintenance, and sewer moratorium related pipe upgrades.

WHERE MONEY COMES FROM / WHERE MONEY GOES

The charts below highlight capital expenditure by funding source and by program for the 2015-2017 Biennium. Generally, funding for capital projects falls into one of several categories: public works user fees (pavement maintenance, water, wastewater, stormwater) library revenues, system development charges, gas taxes, capital grant funds, and general fund revenues (ad valorem property taxes and franchise fees). Capital expenditures are categorized into one of the following programs: transportation, water, wastewater, stormwater, public facilities, parks and cemetery facilities, TPP and other.





OPERATING IMPACT

The operating and capital budget differ in that the operating budget includes expenses that are generally of a recurring nature and are appropriated for one year or biennium only. Capital budgets include one-time costs for projects and may be appropriated over various years. Their connection, however, is that the operating budget assumes the cost of maintaining and operating the facilities and infrastructure that are built under the capital budget. The operating budget impact estimates for capital projects are important for future planning and are included in budget projections used in the annual budget process. According to City policy, these ongoing operating costs are identified and budgeted as applicable. With new construction, these costs would be phased in; the costs would be included in a future year when the asset comes on-line. Other capital improvements will actually decrease maintenance costs, such as pipe replacements and roadway improvements. Long-term operational and maintenance costs resulting from the CIP are estimated concurrently with project identification where adequate information is available and a reasonably accurate determination is possible.

Key projects completed in 2013-2015 Biennium

Barclay Hills Pump Station Improvements
Clairmont Way Roadway and Water Line
Water and Wastewater Pipe Replacements
Chapin Park Playground Improvements
Main Street Alleyway Pedestrian Improvements
Elevator Refurbishing
Roadway Reconstruction Projects

FY 2015-2017 CAPITAL BUDGET

The following chart itemizes the FY 2015-2017 capital budget. Projects are grouped by program as defined above. Project information includes project description, annual operating impact, and total dollar amount of capital expenditures for each year of the biennium and the biennial total, and project type as shown below:

- *Routine / Capital Renewal and Replacement:* Costs part of ongoing renewal and replacement programs such as roadway reconstruction or waterline improvements. These projects either have zero operating impact or will over time reduce operating costs.
- *Improvements and Upgrades*: These represent expansion or upgrade projects, such as extension of water line for improved connectivity or increased capacity of a roadway to improve traffic flow. These projects usually have no impact on the operating budget or also may overtime reduce certain indirect costs (fewer requests for service, reduced traffic congestion and accidents).
- *New Construction:* These represent either the expansion or replacement of a facility (building or infrastructure).

The following pages contain detail project information for all capital projects (routine, improvements and new construction) in excess of $500,000. Projects are grouped by Program.

Project Description	Type	Annual Operating Impact	FY 2015-2016 Adopted Budget	FY 2016-2017 Adopted Budget	2015-2017 Adopted Biennium
Transportation					
Oregon City Roadway Reconstruction Projects	Routine/Capital Renewal & Replacement	$0 or reduction	$ 1,900,000	$ 1,900,000	$ 3,800,000
Transportation Enhancement - Walking/Biking/Shared Use	Routine/Capital Renewal & Replacement	$0 or reduction	52,354	22,400	74,754
Main Street - 14th to 15th Street	Routine/Capital Renewal & Replacement	$0 or reduction	-	82,075	82,075
Elevator improvements	Routine/Capital Renewal & Replacement	$0 or reduction	20,000	-	20,000
Gaffney Lane sidewalks	Routine/Capital Renewal & Replacement	$0 or reduction	25,000	-	25,000
Gardiner Middle School sidewalks	Routine/Capital Renewal & Replacement	$0 or reduction	-	104,000	104,000
Warner Milne Rd sidewalks	Routine/Capital Renewal & Replacement	$0 or reduction	-	90,000	90,000
Linn Avenue sidewalks	Routine/Capital Renewal & Replacement	$0 or reduction	-	90,000	90,000
Meyers Road Extension	New Construction	$0 or reduction	500,000	-	500,000
Highway 99E and Railroad Avenue	Improvements and Upgrades	$0 or reduction	-	50,000	50,000
OR 213, Beavercreek Road improvements	Improvements and Upgrades	$0 or reduction	45,000	-	45,000
99E Safety Measures	Improvements and Upgrades	$0 or reduction	100,000	150,000	250,000
7th Street and Molalla Ave	Improvements and Upgrades	$0 or reduction	-	50,000	50,000
Cove - Main Street Extension Round-a-bout	Improvements and Upgrades	$0 or reduction	450,000	450,000	900,000
SDC Other	Improvements and Upgrades	$0 or reduction	50,000	50,000	100,000
ADA Ramps	Improvements and Upgrades	$0 or reduction	75,000	50,000	125,000
Signal Improvements	Improvements and Upgrades	$0 or reduction	45,000	105,000	150,000
ITS Infrastructure	Improvements and Upgrades	$0 or reduction	20,000	20,000	40,000
Water					
Main Street - 10th to 15th Street	Routine/Capital Renewal & Replacement	$0 or reduction	$ -	$ 300,000	$ 300,000
15th Street - Main to Division	Routine/Capital Renewal & Replacement	$0 or reduction	400,000	700,000	1,100,000
Center Street - 5th to 7th	Routine/Capital Renewal & Replacement	$0 or reduction	250,000	-	250,000
South End and Lawton Area	Routine/Capital Renewal & Replacement	$0 or reduction	200,000	575,000	775,000
99E Bluff	Routine/Capital Renewal & Replacement	$0 or reduction	115,000	-	115,000
Pope Lane / Forsythe Road	Routine/Capital Renewal & Replacement	$0 or reduction	-	130,000	130,000
Boynton Reservoir Fall Protection	Routine/Capital Renewal & Replacement	$0 or reduction	100,000	-	100,000
Mt. View Fence Replacement	Routine/Capital Renewal & Replacement	$0 or reduction	-	80,000	80,000
I-205 Undercrossing	Routine/Capital Renewal & Replacement	$0 or reduction	-	120,000	120,000
Small Works Capital Projects	Routine/Capital Renewal & Replacement	$0 or reduction	30,000	5,000	35,000
Taylor Street Pipe Upgrade Project	Routine/Capital Renewal & Replacement	$0 or reduction	-	60,000	60,000
Pavement Related Improvements	Routine/Capital Renewal & Replacement	$0 or reduction	25,000	75,000	100,000
New Reservoir, Pump Station, and Force Main Beavercreek	Improvements and Upgrades		400,000	-	400,000
SDC Other	Improvements and Upgrades	$0 or reduction	150,000	150,000	300,000
Smart Meter	Improvements and Upgrades	$0 or reduction	65,000	-	65,000

Project Description	Type	Annual Operating Impact	FY 2015-2016 Adopted Budget	FY 2016-2017 Adopted Budget	2015-2017 Adopted Biennium
Wastewater					
Pavement Related Improvements	Routine/Capital Renewal & Replacement	$0 or reduction	$ 25,000	$ 2,500	$ 27,500
Washington Street Pipes	Routine/Capital Renewal & Replacement	$0 or reduction	-	60,000	60,000
12th Street Pipes	Routine/Capital Renewal & Replacement	$0 or reduction	266,000	-	266,000
13th Street Pipes	Routine/Capital Renewal & Replacement	$0 or reduction	430,000	-	430,000
Division Street Pipes	Routine/Capital Renewal & Replacement	$0 or reduction	396,680	-	396,680
Linn Avenue Pipes	Routine/Capital Renewal & Replacement	$0 or reduction	69,250	400,750	470,000
Hazelwood Drive Pipes	Routine/Capital Renewal & Replacement	$0 or reduction	-	154,500	154,500
Emergency Repairs	Routine/Capital Renewal & Replacement	$0 or reduction	25,000	25,000	50,000
Hidden Creek Pump	Routine/Capital Renewal & Replacement	$0 or reduction	60,000	-	60,000
Terrace Avenue Pipe	Routine/Capital Renewal & Replacement	$0 or reduction	28,000	-	28,000
Settlers Point Pump Station	Routine/Capital Renewal & Replacement	$0 or reduction	300,000	-	300,000
Meyers Road Sewer Extension projects	Improvements and Upgrades	$0 or reduction	-	940,000	940,000
Beavercreek Road Sewer Extension projects	Improvements and Upgrades	$0 or reduction	-	965,000	965,000
SDC Other	Improvements and Upgrades		50,000	50,000	100,000
Stormwater					
Harding Boulevard	Improvements and Upgrades	$0 or reduction	$ 50,000	$ 180,000	$ 230,000
14th Street	Routine/Capital Renewal & Replacement	$0 or reduction	204,000	-	204,000
Coffee Creek Culvert	Routine/Capital Renewal & Replacement	$0 or reduction	130,000	-	130,000
Kathaway Court	Routine/Capital Renewal & Replacement	$0 or reduction	-	100,000	100,000
Center Street - 5th to 7th	Routine/Capital Renewal & Replacement	$0 or reduction	25,000	-	25,000
Pavement Related Improvements	Routine/Capital Renewal & Replacement	$0 or reduction	75,000	75,000	150,000
Cemetery Outfall and Ditch Improvements	Routine/Capital Renewal & Replacement	$0 or reduction	30,000	-	30,000
Holcomb and Swan Outfall	Routine/Capital Renewal & Replacement	$0 or reduction	60,000	-	60,000
Small Works Projects	Routine/Capital Renewal & Replacement	$0 or reduction	5,000	5,000	10,000
South End Property Acquisition	Improvements and Upgrades	$0 or reduction	120,000	-	120,000
SDC Other	Improvements and Upgrades	$0 or reduction	-	100,000	100,000
Meyers Road Extension	Improvements and Upgrades	$0 or reduction	-	50,000	50,000
Public Facilities and Infrastructure					
Community Safety Building	New Construction	$35,000	1,205,300	1,125,000	2,330,300
Library New Construction	New Construction	$200,000	10,379,700	-	10,379,700
Public Works Operations Center	New Construction	$50,000	8,325,000	1,250,000	9,575,000
Public Utility Infrastructure	Improvements and Upgrades	$0 or reduction	175,000	175,000	350,000
General Government Improvements	Improvements and Upgrades	$0 or reduction	20,000	10,000	30,000
Parks & Cemetery Facilities					
Aquatic Center Improvements	Routine/Capital Renewal & Replacement	$0 or reduction	$ 57,840	$ 107,000	$ 164,840
Clackamette Park Improvemnts	Routine/Capital Renewal & Replacement	$0 or reduction	3,000	3,100	6,100
Park Improvements	Routine/Capital Renewal & Replacement	$0 or reduction	120,000	120,000	240,000
Replace Barklay Hills Play Structure	Routine/Capital Renewal & Replacement	$0 or reduction	40,000	-	40,000
ADA entrances for Pool, Community Center	Routine/Capital Renewal & Replacement	$0 or reduction	8,000	8,000	16,000
Dark Fiber Connections	New Construction	reduction of $10,000	50,000	-	50,000
Community Park Construction	New Construction	$15,000	600,000	850,000	1,450,000
Land	New Construction	N/A	100,000	100,000	200,000
Riverfront Development	New Construction	$1,000	100,000	100,000	200,000
Trail Development	New Construction	$1,000	50,000	50,000	100,000
Community Project	New Construction	$0 or reduction	20,000	20,000	40,000
Total Capital Projects			$ 28,620,124	$ 12,434,325	$ 41,054,449
TPP					
Public Works	Fixed Asset	$0 or reduction	$ 826,700	$ 696,510	$ 1,523,210
Police Department	Fixed Asset	$0 or reduction	304,722	305,416	610,138
Parks & Cemetery	Fixed Asset	$0 or reduction	322,385	88,765	411,150
Other Fleet	Fixed Asset	$0 or reduction	10,609	10,927	21,536
Code Enforcement & Parking	Fixed Asset	$0 or reduction	20,400	20,808	41,208
Building	Fixed Asset	$0 or reduction	25,000	-	25,000
Community Development	Fixed Asset	$0 or reduction	45,000	-	45,000
Engineering	Fixed Asset	$0 or reduction	133,200	14,300	147,500
IT	Fixed Asset	$0 or reduction	47,000	47,000	94,000
Total TPP			$ 1,735,016	$ 1,183,726	$ 2,918,742
Other Items not Included in CIP					
Miscellaneous	Routine		7,000	7,000	14,000
Total Capital Outlay Expenditures			**$ 30,362,140**	**$ 13,625,051**	**$ 43,987,191**

TANGIBLE PERSONAL PROPERTY (TPP)

TPP are specific items of property excluding real estate that are tangible in nature, have an expected life longer than one year and have a value of $5,000 or more. The Capital Program includes planning for TPP replacements, and new purchases of vehicles, equipment and furnishings. Depending on the asset type, most assets are expected to have a useful life of 8 to 20 years. As a result, planned maintenance and periodic replacement is essential. Vehicles, equipment and furnishings are reviewed for replacement once the asset is 7 years old and then annually until replaced. Each department prepares a list of any assets requiring replacement including a description, location, original cost and estimated budget for the item. These requests are submitted to and budgeted in Fleet Operations. Vehicles and motorized equipment are also evaluated by the Fleet while computer replacements are recommended by Information Technology. New fixed asset requests include full description, cost, quotes and justification for the additional assets. The following is a list of requested TPP.

Description	Replacement or New Asset		Cost
Public Works & Engineering Equipment			
Vehicles - Street	Replacement	$	165,510
Vehicles - Storm	Replacement		43,886
Vehicles - Water	Replacement		250,275
Vehicles - Wastewater	Replacement		80,790
Vehicles - Wastewater	New		32,500
Paver - Street	Replacement		123,977
Sweeper - Storm	Replacement		259,272
Vac-Con - Wastewater	Replacement		361,000
TV Van and Equipment - Wastewater	Replacement		161,000
Upgrade Building Permit Software - Engineering	Replacement		147,500
Other Equipment			45,000
		$	***1,670,710***
Police Department			
Vehicles (inlcuding gear)	Replacement	$	540,000
Other Police Equipment	Replacement		70,138
		$	***610,138***
Other Fleet			
Vehicles	Replacement	***$***	***21,536***
Parks & Cemetery			
Vehicles	Replacement	$	65,000
Mowers	Replacement	$	253,733
Other Equipment	Replacement	$	92,417
		$	***411,150***
Code Enforcement & Parking			
Other Equipment	New	***$***	***41,208***
Community Development			
Upgrade Building Permit Software	Replacement	***$***	***45,000***
Building			
Upgrade Building Permit Software	Replacement	***$***	***25,000***
IT			
Network Switches	New	$	25,000
Server (SAN)	New		60,000
Conference Room Computers	New		4,000
Firewall	New		5,000
		$	***94,000***
TOTAL TPP		***$***	***2,918,742***

DEBT ADMINISTRATION

DEBT SUMMARY

Oregon City will have an estimated $23.59 million in debt outstanding at the beginning of this budget biennium, or as of June 30, 2015, as described below and consisting of the following:

- Fire General Obligation Bonds: Voter approved General Obligation Refunding bonds issued 11/16/2006 in order to receive a savings in total debt service requirements; matures in 2017.
- Library General Obligation Bonds: Voter approved General Obligation bonds issued 01/07/2015 in order to renovate and expand the Oregon City Library at Carnegie Center; matures in 2034.
- Public Employee Retirement System (PERS) Unfunded Actuarial Liability Bonds: City issued $17 million in bonds dated 9/28/2005, to fund its PERS actuarial liability; matures in 2028.
- Sewer Revenue Bonds: Revenue Refunding bonds issued 07/03/2007; required to be paid back from sewer system net revenues and are not general obligations of the city; matures in 2020.

	Original Debt Amount	Interest Rates	Beginning Balance as of July 1, 2015	Less: Principal Due	Ending Balance as of June 30, 2016	Less: Principal Due	Ending Balance as of June 30, 2017
General Obligation Bonds							
Fire General Obligation Bonds	$ 3,105,000	4.21-5%	$ 750,000	$ 365,000	$ 385,000	$ 385,000	$ -
Library General Obligation Bonds	$ 6,000,000	3.08%	$ 5,902,596	$ 223,947	$ 5,678,649	$ 231,785	$ 5,446,864
Limited Obligation Bonds							
2005 PERS UAL Bond	$ 17,030,000	3.75-4.25%	$ 14,590,000	$ 570,000	$ 14,020,000	$ 650,000	$ 13,370,000
Revenue Bonds							
2007 Sewer Refunding Bond	$ 5,245,000	4.25-5%	$ 2,350,000	$ 425,000	$ 1,925,000	$ 450,000	$ 1,475,000
Total Debt	***$31,380,000***		***$23,592,596***	***$1,583,947***	***$22,008,649***	***$1,716,785***	***$20,291,864***

COMPLIANCE

All city-issued debt contains various legal requirements including debt and rate and revenue covenants as well as mandatory reserves. The City is in compliance with all such requirements and covenants. The City received a bond rating upgrade to AA in 2014 from Standard & Poor's for the general obligation debt. The outstanding sewer revenue bonds have bond insurance provided by Financial Guaranty Insurance Company and this raises the rating to the highest level, AAA.

DEBT LIMITATION

The legal debt limit for fiscal years 2016 and 2017 cannot be determined until November 2015 and 2016, respectively, when the tax assessor distributes property tax information. Under Oregon Revised Statutes, general obligation (property-tax supported) debt is limited to three percent of real market value of all taxable property within the City's boundaries. The City's outstanding general obligation debt of $6.65 million as of June 30, 2015, is significantly below the debt limitation of $89.0 million.

FUTURE DEBT SERVICE REQUIREMENTS

The following provides a summary of debt service (principal and interest) requirements for Oregon City's bonds.

TOTAL DEBT SERVICE BY FUND							
Fund	2016	2017	2018	2019	2020	Thereafter	Total Debt Service
GENERAL OBLIGATION BONDS FUND							
Fire General Obligation Bonds							
Principal	$ 365,000	$ 385,000	$ -	$ -	$ -	$ -	$ 750,000
Interest	31,875	16,363	-	-	-	-	$ 48,238
LIBRARY FUND							
Library General Obligation Bonds							
Principal	223,947	231,785	239,897	248,293	256,984	4,701,690	$ 5,902,596
Interest	181,800	174,902	167,763	160,375	152,727	1,166,731	$ 2,004,298
PERS BONDS FUND							
2005 PERS UAL Bond							
Principal	570,000	650,000	735,000	825,000	925,000	10,885,000	$ 14,590,000
Interest	724,711	697,015	665,432	629,718	589,631	2,565,050	$ 5,871,557
WASTEWATER UTILITY FUND							
2007 Sewer Refunding Bond							
Principal	425,000	450,000	470,000	490,000	515,000	-	$ 2,350,000
Interest	101,850	79,975	56,975	34,200	11,588	-	$ 284,588
Total Principal	$ 1,583,947	$ 1,716,785	$ 1,444,897	$ 1,563,293	$ 1,696,984	$ 15,586,690	$ 23,592,596
Total Interest	1,040,236	968,255	890,170	824,293	753,946	3,731,781	8,208,681
TOTAL DEBT SERVICE	***$ 2,624,183***	***$ 2,685,040***	***$ 2,335,067***	***$ 2,387,586***	***$ 2,450,930***	***$ 19,318,471***	***$ 31,801,277***

Oregon City closed unnecessary funds in fiscal year 2015 to increase transparency in financial reporting. Residual balances were closed to the General Fund. The City established two new funds and reallocated closing fund resources from the General fund to new and existing funds to ensure proper segregation of restricted resources. This section includes the following closed funds:

- Civic Improvement Trust
- Business Development
- Economic Improvement District
- Oregon City Enhancement
- Cable TV Operations
- Police Service Reserve
- City Cleanup
- Downtown Parking
- Code Enforcement
- Endowment Care
- Parks and Recreation Trust
- Upgrade Streets Annexed
- Pavement Maintenance
- Transportation SDC
- Water SDC
- Wastewater SDC
- Stormwater SDC
- Park SDC
- Police Building Reserve
- Ermatinger House
- Library Reserve
- Public Works Building Reserves
- Water Rate Stabilization
- Wastewater Rate Stabilization
- HOPP Sewer Construction

CIVIC IMPROVEMENT TRUST

FUND OVERVIEW

This fund included revenues from Tourism Action Plan grants as well as from Hotel and Motel Taxes. The expenditures were primarily in the form of grants to local organizations for tourism enhancing activities as well as Oregon City promotional contracts.

Resources and Requirements of this fund are now recorded in the General Fund.

Civic Improvement Trust	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 8,499	$ 15,787	$ 26,195	$ -	$ -	$ -
Intergovernmental Revenues	20,000	20,000	40,000	-	-	-
Miscellaneous Income						
Hotel Receipts	55,222	64,048	295,805	-	-	-
Other Miscellaneous Income	25	54	-	-	-	-
Total Resources	**$ 83,746**	**$ 99,889**	**$ 362,000**	**$ -**	**$ -**	**$ -**
Requirements						
Materials & Services						
Tourist Promotions	$ 40,500	$ 51,463	$ 122,000	$ -	$ -	$ -
Tourism Action Grants	27,205	21,990	40,000	-	-	-
Other	254	241	-	-	-	-
Transfers Out	-	-	200,000	-	-	-
Unappropriated Fund Balance	15,787	26,195	-	-	-	-
Total Requirements	**$ 83,746**	**$ 99,889**	**$ 362,000**	**$ -**	**$ -**	**$ -**

BUSINESS DEVELOPMENT

FUND OVERVIEW

This fund was established to account for the 2001 increase in the City's Business License fee which was designated to be used for business development. It represented 25% of the total license fee. The remaining 75% was revenue to the General Fund.

Resources and Requirements of this fund are now recorded in the General Fund.

Business Development	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 70,166	$ 41,811	$ 27,853	$ -	$ -	$ -
Licenses & Permits	31,625	36,061	132,397	-	-	-
Miscellaneous Income	152	76	100	-	-	-
Total Resources	**$ 101,943**	**$ 77,948**	**$ 160,350**	**$ -**	**$ -**	**$ -**
Requirements						
Materials & Services						
Business Promotions	$ 60,000	$ 50,000	$ 100,000	$ -	$ -	$ -
Other Materials & Services	132	95	350	-	-	-
Transfers Out	-	-	60,000	-	-	-
Unappropriated Fund Balance	41,811	27,853	-	-	-	-
Total Requirements	**$ 101,943**	**$ 77,948**	**$ 160,350**	**$ -**	**$ -**	**$ -**

ECONOMIC IMPROVEMENT DISTRICT

FUND OVERVIEW

This fund was established by Ordinance No. 11-1001 to account for funds assessed in the Downtown Economic Development District. Resources and Requirements of this fund are now recorded in the General Fund.

Economic Improvement District	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 15,738	$ 3,494	$ 5,055	$ -	$ -	$ -
Other Financing Sources - Assessments	89,713	114,460	234,695	-	-	-
Miscellaneous Income	68	101	250	-	-	-
Total Resources	**$ 105,519**	**$ 118,055**	**$ 240,000**	**$ -**	**$ -**	**$ -**
Requirements						
Materials & Services - Management Contract	$ 102,025	$ 113,000	$ 230,000	$ -	$ -	$ -
Transfers Out	-	-	10,000	-	-	-
Unappropriated Fund Balance	3,494	5,055	-	-	-	-
Total Requirements	**$ 105,519**	**$ 118,055**	**$ 240,000**	**$ -**	**$ -**	**$ -**

OREGON CITY ENHANCEMENT

FUND OVERVIEW

This fund was used to account for money received from $0.50 per ton of garbage dumped at a local site. Money was expended through grants to organizations for community enhancement projects.

Resources and Requirements of this fund are now recorded in the General Fund.

Oregon City Enhancement	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 146,113	$ 111,925	$ 83,187	$ -	$ -	$ -
Intergovernmental Franchise	113,662	120,378	365,813	-	-	-
Miscellaneous Income	5,495	5,880	1,000	-	-	-
Total Resources	**$ 265,270**	**$ 238,183**	**$ 450,000**	**$ -**	**$ -**	**$ -**
Requirements						
Materials & Services - Community Grants	$ 121,345	$ 122,996	$ 140,000	$ -	$ -	$ -
Transfers & Other Uses	32,000	32,000	310,000	-	-	-
Unappropriated Fund Balance	111,925	83,187	-	-	-	-
Total Requirements	**$ 265,270**	**$ 238,183**	**$ 450,000**	**$ -**	**$ -**	**$ -**

CABLE TV OPERATIONS

FUND OVERVIEW

The Cable TV Systems Improvement Fund received a franchise fee of 1.6% of cable TV revenues in Oregon City. This translated to 32% of the current franchise fee; the other portion was recorded in the General Fund. These funds were utilized for local programming and access development. The recording of the City Commission meetings was paid from this fund. Capital equipment to facilitate training and communication by use of this medium was also purchased from this fund.

Resources and Requirements of this fund are now recorded in the General Fund.

Cable TV Operations	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 72,613	$ 77,814	$ 74,300	$ -	$ -	$ -
Franchise Fees	143,644	153,523	402,100	-	-	-
Miscellaneous Income	389	263	600	-	-	-
Total Resources	**$ 216,646**	**$ 231,600**	**$ 477,000**	**$ -**	**$ -**	**$ -**
Requirements						
Materials & Services - Local Programming	$ 97,778	$ 95,589	$ 120,000	$ -	$ -	$ -
Capital Outlay	880	1,742	20,000	-	-	-
Transfers Out	40,174	64,623	337,000	-	-	-
Unappropriated Fund Balance	77,814	69,646	-	-	-	-
Total Requirements	**$ 216,646**	**$ 231,600**	**$ 477,000**	**$ -**	**$ -**	**$ -**

POLICE SERVICES RESERVE

FUND OVERVIEW

This fund recorded revenue set aside by the Police Department out of police fees to fund future law enforcement positions.

Resources and Requirements of this fund are now recorded in the General Fund.

Police Services Reserve	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 187,690	$ 367,606	$ 629,386	$ -	$ -	$ -
Licenses & Permits	178,500	259,000	465,364	-	-	-
Miscellaneous Income	1,416	2,779	5,250	-	-	-
Total Resources	**$ 367,606**	**$ 629,385**	**$ 1,100,000**	**$ -**	**$ -**	**$ -**
Requirements						
Transfers Out	$ -	$ -	$ 1,100,000	$ -	$ -	$ -
Reserved for Future Expenses	367,606	629,385		-	-	-
Total Requirements	**$ 367,606**	**$ 629,385**	**$ 1,100,000**	**$ -**	**$ -**	**$ -**

CITY CLEANUP

FUND OVERVIEW

This fund accounted for garbage franchise fees, which, per a garbage pickup services franchise fee agreement, stipulates that 4% of gross receipts (rather than free pickup of City containers) is to be accounted for separately and restricted to clean up related activities. Thus, the funds are used to pay for the pickup of City containers, the City's flower basket program, and to partially fund a Code Enforcement position through a transfer to the Code Enforcement fund. This fund also accounted for abatement of hazardous conditions throughout the City which were then charged back to the site owner.

Resources and Requirements of this fund are now recorded in the General Fund.

City Cleanup	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 237,619	$ 215,260	$ 200,000	$ -	$ -	$ -
Franchise Fees	190,875	199,461	560,173	-	-	-
Miscellaneous Income	1,027	859	1,900	-	-	-
Total Resources	**$ 429,521**	**$ 415,580**	**$ 762,073**	**$ -**	**$ -**	**$ -**
Requirements						
Contract Services - City Garbage	$ 65,592	$ 68,581	$ 149,573	$ -	$ -	$ -
Flower Basket Program	15,706	23,229	96,000	-	-	-
Transfers Out	132,963	132,000	514,000	-	-	-
Other Costs	-	2,444	2,500	-	-	-
Unappropriated Fund Balance	215,260	189,326	-	-	-	-
Total Requirements	**$ 429,521**	**$ 415,580**	**$ 762,073**	**$ -**	**$ -**	**$ -**

DOWNTOWN PARKING

FUND OVERVIEW

Downtown parking operations, maintenance, and enforcement of regulated parking areas were all recorded in the Downtown Operations Fund. This fund also included the Trolley operations.

Resources and Requirements of this fund are now recorded in the General Fund.

Downtown Parking	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 70,410	$ 91,656	$ 139,575	$ -	$ -	$ -
Charges for Services	280,352	325,104	960,715	-	-	-
Fines and Penalties	156,564	171,605	345,000	-	-	-
Transfers In	-	80,000	-	-	-	-
Intergovernmental	4,000	100	-	-	-	-
Miscellaneous Income	1,782	1,405	2,600	-	-	-
Total Resources	**$ 513,108**	**$ 669,870**	**$ 1,447,890**	**$ -**	**$ -**	**$ -**
Requirements						
Personnel Services	$ 226,013	$ 274,291	$ 611,621	$ -	$ -	$ -
Materials & Services	120,439	108,356	206,269	-	-	-
Capital Outlay	-	120,000	40,000	-	-	-
Transfers Out	75,000	75,000	590,000	-	-	-
Unappropriated Fund Balance	91,656	92,223	-	-	-	-
Total Requirements	**$ 513,108**	**$ 669,870**	**$ 1,447,890**	**$ -**	**$ -**	**$ -**

CODE ENFORCEMENT

FUND OVERVIEW

This program enhances community livability through fair and efficient enforcement of Oregon City Municipal Code. Responsibilities include responding to complaints and assisting citizens in finding solutions to code violations.

Resources and Requirements of this fund are now recorded in the General Fund.

Code Enforcement	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 65,004	$ 91,128	$ 85,000	$ -	$ -	$ -
Charges for Services	4,861	50	600	-	-	-
Fines and Penalties	9,001	7,431	116,749	-	-	-
Miscellaneous Income	441	509	3,000	-	-	-
Transfers	170,000	170,000	390,000	-	-	-
Total Resources	**$ 249,307**	**$ 269,118**	**$ 595,349**	**$ -**	**$ -**	**$ -**
Requirements						
Personnel Services	$ 127,916	$ 163,257	$ 394,935	$ -	$ -	$ -
Materials & Services	25,263	36,513	90,414	-	-	-
Transfers & Other Uses	5,000	5,000	110,000	-	-	-
Contingency	91,128	64,348	-	-	-	-
Total Requirements	**$ 249,307**	**$ 269,118**	**$ 595,349**	**$ -**	**$ -**	**$ -**

ENDOWMENT CARE

FUND OVERVIEW

This fund accounted for previously collected customer charges designated for perpetual care of gravesites.

Resources and Requirements of this fund are now recorded in the General Fund.

Endowment Care	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 103,394	$ 103,920	$ 108,900	$ -	$ -	$ -
Interest Income	526	575	1,100	-	-	-
Total Resources	**$ 103,920**	**$ 104,495**	**$ 110,000**	**$ -**	**$ -**	**$ -**
Requirements						
Transfers Out	$ -	$ -	$ 110,000	$ -	$ -	$ -
Endowment Care Reserve	103,920	104,495	-	-	-	-
Total Requirements	**$ 103,920**	**$ 104,495**	**$ 110,000**	**$ -**	**$ -**	**$ -**

PARKS AND RECREATION TRUST

FUND OVERVIEW

This fund accounted for fundraisers, collection fees and community and private donations to specific events or facilities and expenditures as designated by the revenue source.

These funds helped offset the cost of community-developed projects, community fundraising events and activities, facility upgrades and events, and special recreational and Heritage events. Additionally, Pioneer Center and Meals on Wheels donations were used to purchase materials for those programs.

Resources and Requirements of this fund are now recorded in the General Fund.

Parks & Recreation Trust	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 172,270	$ 207,784	$ 224,195	$ -	$ -	$ -
Miscellaneous Income	49,871	52,619	220,805	-	-	-
Total Resources	**$ 222,141**	**$ 260,403**	**$ 445,000**	**$ -**	**$ -**	**$ -**
Requirements						
Contract Services	$ -	$ 20,389	$ 20,000	$ -	$ -	$ -
Materials Costs	14,357	15,819	60,000	-	-	-
Capital Outlay	-	-	15,000	-	-	-
Transfers Out	-	-	350,000	-	-	-
Unappropriated Fund Balance	207,784	224,195	-	-	-	-
Total Requirements	**$ 222,141**	**$ 260,403**	**$ 445,000**	**$ -**	**$ -**	**$ -**

UPGRADE STREETS ANNEXED

FUND OVERVIEW

This fund was used to account for money received from Clackamas County when County roads were given to the City. Revenues covered the amount required to upgrade those roads to City standards.

Resources and Requirements of this fund are now recorded in the Transportation Fund.

Upgrade Streets Annexed	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 188,975	$ 189,940	$ 191,000	$ -	$ -	$ -
Miscellaneous	965	1,051	9,000	-	-	-
Total Resources	**$ 189,940**	**$ 190,991**	**$ 200,000**	**$ -**	**$ -**	**$ -**
Requirements						
Transfers Out	$ -	$ -	$ 200,000	$ -	$ -	$ -
Unappropriated Fund Balance	189,940	190,991	-	-	-	-
Total Requirements	**$ 189,940**	**$ 190,991**	**$ 200,000**	**$ -**	**$ -**	**$ -**

PAVEMENT MAINTENANCE

FUND OVERVIEW

This fund was used to account for the transportation utility fee revenue. Street-related capital outlay was the primary use of this revenue.

Resources and Requirements of this fund are now recorded in the Transportation Fund.

Pavement Maintenance	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 708,997	$ 945,482	$ 965,730	$ -	$ -	$ -
Charges for Services	1,464,175	1,872,780	5,080,210	-	-	-
Miscellaneous Income	105,412	5,135	6,800	-	-	-
Total Resources	**$ 2,278,584**	**$ 2,823,397**	**$ 6,052,740**	**$ -**	**$ -**	**$ -**
Requirements						
Materials & Services	$ 288,072	$ 247,344	$ 613,240	$ -	$ -	$ -
Capital Outlay	990,730	1,514,573	3,246,900	-	-	-
Transfers Out	54,300	95,750	2,192,600	-	-	-
Unappropriated Fund Balance	945,482	965,730	-	-	-	-
Total Requirements	**$ 2,278,584**	**$ 2,823,397**	**$ 6,052,740**	**$ -**	**$ -**	**$ -**

System Development Funds

Overview

System Development Charges (SDC's) are charged as part of the permitting process for new development. The purpose of the charges is to fund future capacity-increasing projects as required due to growth. Oregon City imposes and expends system development charges according to Oregon law (ORS 223.297-314) and the Oregon City Municipal Code.

Charges are collected for the following functions:

- Transportation
- Water
- Wastewater
- Stormwater
- Parks

Resources and Requirements of these fund are now recorded in the System Development Fund.

Transportation Development	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 2,833,942	$ 1,775,660	$ 3,542,478	$ -	$ -	$ -
Intergovernmental	11,312,916	4,741,060	430,000	-	-	-
Charges for Services	498,215	2,138,956	6,085,492	-	-	-
Miscellaneous Income	24,980	57,250	61,000	-	-	-
Total Resources	**$ 14,670,053**	**$ 8,712,926**	**$ 10,118,970**	**$ -**	**$ -**	**$ -**
Requirements						
Materials & Services	$ 70,195	$ 33,765	$ 384,060	$ -	$ -	$ -
Capital Outlay	12,789,757	5,296,962	2,446,175	-	-	-
Transfers Out	34,441	141,580	6,045,684	-	-	-
Contingency	-	-	977,957	-	-	-
Reserved for Future Expenditures	655,094	-	265,094	-	-	-
Unappropriated Fund Balance	1,120,566	3,240,619	-	-	-	-
Total Requirements	**$ 14,670,053**	**$ 8,712,926**	**$ 10,118,970**	**$ -**	**$ -**	**$ -**

Water Development	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 964,378	$ 1,607,467	$ 2,449,237	$ -	$ -	$ -
Charges for Services	707,810	898,988	4,181,383	-	-	-
Interest Income	6,454	11,903	20,000	-	-	-
Total Resources	**$ 1,678,642**	**$ 2,518,358**	**$ 6,650,620**	**$ -**	**$ -**	**$ -**
Requirements						
Materials & Services	$ 18,441	$ 36,621	$ 128,200	$ -	$ -	$ -
Capital Outlay	20,038	-	789,250	-	-	-
Transfers Out	32,696	32,500	4,071,973	-	-	-
Contingency	-	-	1,661,197	-	-	-
Unappropriated Fund Balance	1,607,467	2,449,237	-	-	-	-
Total Requirements	**$ 1,678,642**	**$ 2,518,358**	**$ 6,650,620**	**$ -**	**$ -**	**$ -**

Supplementary Information – Closed Funds

Wastewater Development	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 1,583,447	$ 1,679,693	$ 2,181,331	$ -	$ -	$ -
Charges for Services	371,993	681,505	3,324,877	-	-	-
Loan Proceeds	-	-	186,000	-	-	-
Miscellaneous Income	8,758	11,402	20,000	-	-	-
Total Resources	**$ 1,964,198**	**$ 2,372,600**	**$ 5,712,208**	**$ -**	**$ -**	**$ -**
Requirements						
Materials & Services	$ 27,909	$ 95,621	$ 171,300	$ -	$ -	$ -
Capital Outlay	223,900	63,147	1,241,750	-	-	-
Transfers Out	32,696	32,500	3,065,196	-	-	-
Contingency	-	-	1,233,962	-	-	-
Unappropriated Fund Balance	1,679,693	2,181,332	-	-	-	-
Total Requirements	**$ 1,964,198**	**$ 2,372,600**	**$ 5,712,208**	**$ -**	**$ -**	**$ -**

Stormwater Development	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 211,343	$ 303,188	$ 456,234	$ -	$ -	$ -
Charges for Services	136,800	186,504	1,185,653	-	-	-
Miscellaneous Income	1,384	2,279	3,000	-	-	-
Total Resources	**$ 349,527**	**$ 491,971**	**$ 1,644,887**	**$ -**	**$ -**	**$ -**
Requirements						
Materials & Services	$ -	$ 3,237	$ 225,220	$ -	$ -	$ -
Capital Outlay	13,643	-	240,000	-	-	-
Transfers Out	32,696	32,500	1,056,342	-	-	-
Contingency	-	-	123,325	-	-	-
Unappropriated Fund Balance	303,188	456,234	-	-	-	-
Total Requirements	**$ 349,527**	**$ 491,971**	**$ 1,644,887**	**$ -**	**$ -**	**$ -**

Parks Development	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 1,097,263	$ 1,125,565	$ 2,259,467	$ -	$ -	$ -
Intergovernmental	1,358	253,900	200,000	-	-	-
Charges for Services	761,462	1,248,041	3,507,732	-	-	-
Miscellaneous Income	32,036	35,140	373,500	-	-	-
Total Resources	**$ 1,892,119**	**$ 2,662,646**	**$ 6,340,699**	**$ -**	**$ -**	**$ -**
Requirements						
Materials & Services	$ 33,119	$ 33,620	$ 234,000	$ -	$ -	$ -
Capital Outlay	706,435	339,559	1,760,000	-	-	-
Transfers Out	27,000	30,000	4,052,420	-	-	-
Contingency	-	-	294,279	-	-	-
Unappropriated Fund Balance	1,125,565	2,259,467	-	-	-	-
Total Requirements	**$ 1,892,119**	**$ 2,662,646**	**$ 6,340,699**	**$ -**	**$ -**	**$ -**

POLICE BUILDING RESERVE

FUND OVERVIEW

The Police Department established funds through annual savings to assist with the construction of a new Police building.

Resources and Requirements of this fund are now recorded in the Community Facilities Fund.

Police Building Reserve	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 122,188	$ 98,154	$ 53,001	$ -	$ -	$ -
Miscellaneous Income	533	267	-	-	-	-
Transfers In	-	-	1,540,000	-	-	-
Total Resources	**$ 122,721**	**$ 98,421**	**$ 1,593,001**	**$ -**	**$ -**	**$ -**
Requirements						
Materials & Services	$ -	$ -	$ 10,000	$ -	$ -	$ -
Capital Outlay	24,567	57,776	1,501,001	-	-	-
Transfers Out	-	-	82,000	-	-	-
Reserved for Future Expenses	98,154	40,645	-	-	-	-
Total Requirements	**$ 122,721**	**$ 98,421**	**$ 1,593,001**	**$ -**	**$ -**	**$ -**

ERMATINGER HOUSE

FUND OVERVIEW

These funds provided for the Ermatinger House Restoration project.

This project is expected to be completed in 2015.

Ermatinger House	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ -	$ 209,274	$ 490,000	$ -	$ -	$ -
Intergovernmental Revenues	-	17,308	140,000	-	-	-
Transfers In	250,000	100,000	150,000	-	-	-
Miscellaneous	222	1,317	1,000	-	-	-
Total Resources	**$ 250,222**	**$ 327,899**	**$ 781,000**	**$ -**	**$ -**	**$ -**
Requirements						
Ermatinger House Restoration	$ 40,948	$ 90,432	$ 531,000	$ -	$ -	$ -
Transfers Out	-	-	250,000	-	-	-
Unappropriated Fund Balance	209,274	237,467	-	-	-	-
Total Requirements	**$ 250,222**	**$ 327,899**	**$ 781,000**	**$ -**	**$ -**	**$ -**

LIBRARY RESERVE

FUND OVERVIEW

These funds were set aside for construction of a new public library.

Resources and Requirements of this fund are now recorded in the Community Facilities Fund.

Library Reserves	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 388,742	$ 1,345,371	$ 6,253,460	$ -	$ -	$ -
Intergovernmental	-	-	1,000,000	-	-	-
Miscellaneous Income	4,600	10,084	56,000	-	-	-
Bond Proceeds	-	-	6,000,000	-	-	-
Transfers In	952,029	958,090	1,285,096	-	-	-
Total Resources	**$ 1,345,371**	**$ 2,313,545**	**$ 14,594,556**	**$ -**	**$ -**	**$ -**
Requirements						
Capital Outlay						
Land	$ -	$ -	$ 900,000	$ -	$ -	$ -
New Construction	-	-	2,694,556	-	-	-
Transfers Out	-	-	11,000,000	-	-	-
Unappropriated Fund Balance	1,345,371	2,313,545	-	-	-	-
Total Requirements	**$ 1,345,371**	**$ 2,313,545**	**$ 14,594,556**	**$ -**	**$ -**	**$ -**

PUBLIC WORKS BUILDING RESERVES

FUND OVERVIEW

This fund was used to account for money set aside for construction of a new Public Works Center.

The source of revenues was transfers from other funds.

Resources and Requirements of this fund are now recorded in the Community Facilities Fund.

Public Works Building Reserves	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 2,864,229	$ 4,132,692	$ 13,282,692	$ -	$ -	$ -
Transfers In	1,250,000	1,150,000	2,200,000	-	-	-
Miscellaneous Income	18,463	26,485	-	-	-	-
Total Resources	**$ 4,132,692**	**$ 5,309,177**	**$ 15,482,692**	**$ -**	**$ -**	**$ -**
Requirements						
Materials & Services	$ -	$ 1,518	$ 100,000	$ -	$ -	$ -
Capital Outlay						
Land	-	-	4,500,000	-	-	-
New Construction	-	-	2,382,692	-	-	-
Transfers Out	-	-	8,500,000	-	-	-
Unappropriated Fund Balance	4,132,692	5,307,659	-	-	-	-
Total Requirements	**$ 4,132,692**	**$ 5,309,177**	**$ 15,482,692**	**$ -**	**$ -**	**$ -**

WATER RATE STABILIZATION

FUND OVERVIEW

These funds were reserved pursuant to Oregon City Resolution requiring funds to be set aside in the same amount as the Debt Service reserve. The bonds were paid off in 2015 and the reserve is no longer required. The fund balance was absorbed into the Water Fund. As mentioned in the Water Fund section, these monies are proposed to be used to pay for deferred water construction and maintenance.

Water Rate Stabilization	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 492,242	$ 492,242	$ 492,242	$ -	$ -	$ -
Total Resources	**$ 492,242**	**$ 492,242**	**$ 492,242**	**$ -**	**$ -**	**$ -**
Requirements						
Transfers Out	$ -	$ -	$ 492,242	$ -	$ -	$ -
Unappropriated Fund Balance	492,242	492,242	-	-	-	-
Total Requirements	**$ 492,242**	**$ 492,242**	**$ 492,242**	**$ -**	**$ -**	**$ -**

WASTEWATER RATE STABILIZATION

FUND OVERVIEW

These funds were reserved in the same amount as the Debt Service reserve. There is no legal requirement to maintain this separate balance, however the funds have been restricted in the Wastewater Fund for future payment of debt service upon initial maturity of the bonds.

Wastewater Rate Stabilization	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 623,252	$ 623,252	$ 623,252	$ -	$ -	$ -
Total Resources	**$ 623,252**	**$ 623,252**	**$ 623,252**	**$ -**	**$ -**	**$ -**
Requirements						
Transfers Out	$ -	$ -	623,252	$ -	$ -	$ -
Unappropriated Fund Balance	623,252	623,252	-	-	-	-
Total Requirements	**$ 623,252**	**$ 623,252**	**$ 623,252**	**$ -**	**$ -**	**$ -**

HOPP Sewer Construction

Fund Overview

The HOPP Sewer Construction Fund contained assessment revenues to finance the sewering of the Holcomb/Overlook/Park Place (HOPP) neighborhood, annexed in 1989. These costs were funded through loans which are being repaid by assessments to benefited property owners. The assessments to repay this debt were recorded here with funds transferred to the Wastewater Fund, which paid for the Debt Service. The assessment period is complete; all unpaid assessments are now delinquent. While collection efforts are ongoing, only minimal payments are expected in the future.

Resources and Requirements of this fund are now recorded in the Wastewater Fund

HOPP Sewer Construction	2011-2012 Actual	2012-2013 Actual	2013-2015 Amended Budget	2015-2016 Proposed Budget	2016-2017 Proposed Budget	2015-2017 Proposed Biennium
Resources						
Beginning Fund Balance	$ 4,534	$ 9,265	$ 44,000	$ -	$ -	$ -
Other Financing Sources	26,813	33,833	80,300	-	-	-
Miscellaneous Income	48	131	-	-	-	-
Total Resources	**$ 31,395**	**$ 43,229**	**$ 124,300**	**$ -**	**$ -**	**$ -**
Requirements						
Materials & Services	$ 130	$ 39	$ 300	$ -	$ -	$ -
Transfers Out	22,000	12,000	124,000	-	-	-
Contingency	9,265	31,190	-	-	-	-
Total Requirements	**$ 31,395**	**$ 43,229**	**$ 124,300**	**$ -**	**$ -**	**$ -**

GLOSSARY

Accrual Basis The recording of the financial transactions of a government, and other events and circumstances that have cash consequences for the government, in the periods in which those transactions, events and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

ADA Acronym for the Americans with Disabilities Act of 1990.

Adopted Budget Proposed budget after approval by the Budget Committee becomes the adopted budget after City Commission takes action on it. The adopted budget becomes effective July 1 and includes all Commission adopted changes through the year.

Ad Valorem Tax A property tax based on the assessed value of a property.

Agency Fund A fund normally used to account for assets held by government as an agent for individuals, private organizations or other governments and/or other funds.

Amortization The portion of the cost of a limited-life or intangible asset charged as an expense during a particular period.

Appropriation Legal authorization granted by the City Commission to make expenditures and to incur obligations for specific purposes.

Approved Budget Proposed budget as amended and approved by the Budget Committee and recommended to the City Commission for adoption.

APWA Acronym for the American Public Works Association, an international educational and professional association of public agencies, private sector companies, and individuals in the public works fields.

Assessed Valuation A valuation set upon real estate or other property by a government as a basis of levying taxes.

Asset Resource having a monetary value and that is owned or held by an entity.

Audit An annual financial report prepared by an independent auditing firm.

Balanced Budget The State of Oregon defines a balanced budget as “the total resources in a fund equal the total of expenditures and requirements for that fund”.

Basis of Accounting A term used to refer to when revenues, expenditures, expenses, and transfers – and the related assets and liabilities – are recognized in the accounts and reported in the financial statements.

Budget A financial operational plan including an estimate of proposed expenditures and the means of financing them for a given period.

Budget Calendar The schedule of key dates which a government follows to prepare and adopt the budget.

Budget Committee A group comprised of the elected officials plus an equal number of citizens for the purpose of reviewing the proposed budget and recommending changes leading to an approved budget. As

dictated by Oregon State Statute, the budget committee consists of the governing body and a like number of appointed citizens.

Budget Document A written report showing a government's comprehensive financial plan for a specified period, typically one or two years, that includes both capital and operations.

Budget Message Discussion and explanation of the submitted budget presented by the City Manager as part of the budget document. It includes the City's financial priorities and goals for the coming budget period as well as a summary of changes from prior years.

Budgetary Basis Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP), with the exception that neither depreciation nor amortization is budgeted for proprietary funds and bond principal in the enterprise funds is subject to appropriation.

Capital Assets Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Capital assets, also referred to as fixed assets, include land, right-of-way, buildings, improvements, infrastructure and equipment costing over $5,000 with an estimated life of one year or more.

Capital Budget A plan of proposed capital outlays and the means of financing them.

Capital Improvement Program (CIP) A plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from the long-term work program or other capital needs.

Capital Improvement Project Expenditures which result in the acquisition of land, improvements to existing facilities, and construction of streets, sewers, storm drains and other public facilities.

Capital Outlay Expenditures that result in the acquisition or addition of a capital asset or increase the capacity, efficiency, span of life, or economy of operating as an existing capital asset. It includes expenditures relating to land, buildings, infrastructure, facilities, machinery and equipment.

Capitalization Policy The criteria used by the government to determine which outlays should be reported as fixed assets. For an item to qualify as a capital outlay expenditure it must meet all of the following requirements: (1) have an estimated useful life of more than one year; (2) have a cost of $5,000 or more per item; and (3) be a betterment or improvement. Replacement of a capital item is classified as capital outlay under the same code as the original purchase.

Capital Projects Fund A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Cash Basis A basis of accounting under which transactions are recognized only when cash is received or disbursed.

Cash Management Management of cash necessary to pay for government services while investing temporary cash excesses in order to earn investment income.

Charges for Service Includes a wide variety of fees charged for services provided to the public and other agencies.

Comprehensive Annual Financial Report The annual audit document publishing the City's financial results including notes, statistics, and the auditor's opinion and comments.

Contingency A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted. Contingency may be appropriated for a specific purpose by the City Commission by resolution.

Consumer Price Index A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

Debt An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants and notes.

Debt Limit The maximum amount of outstanding gross or net debt legally permitted.

Debt Service Fund A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Debt Service Requirements The amount of money required to pay interest on outstanding debt, serial maturities of principal for serial bonds and required contributions to accumulate monies for future retirement of term bonds.

Deferred Revenue Amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

Delinquent Taxes Taxes remaining unpaid on or after the date to which a penalty for nonpayment is attached. Even though the penalty may be subsequently waived and a portion of the taxes may be abated or cancelled, the unpaid balances continue to be delinquent taxes until abated, canceled, paid or converted into tax liens.

Department The combination of organizational units of the City headed by a general manager with a specific and unique set of goals and objectives (i.e., Policy and Administration, Police, Community Development, Public Works, etc.)

Depreciation An accounting convention used to charge the expiration in the service life of a fixed asset to the period it benefits.

Employee Benefits Benefits include social security, retirement, group health, dental and life insurance, workers' compensation, and disability insurance.

Enterprise Fund A fund established to account for operations financed and operated in a manner similar to private business enterprises (e.g., water, airport, sewer).

Expenditures Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental grants, entitlements and shared revenues.

Fees Charges for specific services in connection with providing a service, permitting an activity or imposing a fines.

Fiduciary Fund Type The Trust and Agency funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other government units and/or other funds

Financial Resources Cash or other assets that, in the normal course of operations, will become cash.

Fiscal Year A twelve month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations.

Fixed Assets Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Fixed assets, also referred to as capital assets, include land, right-of-way, buildings, improvements, infrastructure and equipment costing over $5,000 with an estimated life of one year or more.

Franchise A special privilege granted by a government, permitting the continued use of public property, and usually involving the elements of monopoly and regulation.

Franchise Fee Charged to all utilities operating within the City and is a reimbursement to the General Fund for the utility's use of City streets and right-of-ways.

FTE Abbreviation for Full Time Equivalent. Staffing levels are measured in FTE's to give a consistent comparison from year to year. In most instances an FTE is one full time position filled for the entire year, however, in some instances an FTE may actually consist of several part time positions.

Fund A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance The difference between fund assets and fund liabilities.

Fund Type Category into which all funds are classified in governmental accounting. Types are: general, special revenue, debt service, capital projects, enterprise, internal service, and trust and agency.

General Fund The fund used to account for all financial resources, except those required to be accounted for in another fund.

Generally Accepted Accounting Principles (GAAP) Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures.

Governmental Fund Types Funds used to account for the acquisition, use and balances of expendable financial resources and the related current liabilities – except those accounted for in proprietary funds and fiduciary funds.

Grants Contributions or gifts of cash or other assets from another government to be used or expended for a specified purpose, activity, or facility.

Infrastructure Assets Public domain fixed assets such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, and similar assets that are immovable and of value only to the government unit.

Interfund Transfers All interfund transactions except loans.

Intergovernmental Revenues Revenues from other governments in the form of grants, shared revenues, financing agreements, or payments in lieu of taxes.

Internal Service Fund A fund used to account for the financing of goods and services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost reimbursement basis.

Levy Gross amount of property taxes imposed on the assessed value of taxable property. The net amount received by a government will be less than the gross levy as a result of delinquent or uncollectible payments or early payment discounts. Budgets are developed on the basis of the projected amount of property taxes receivable.

Liabilities Probable future sacrifices of economic benefits, arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events.

Local Budget Law Oregon Revised Statutes (ORS) dictates local budgeting practices. ORS Chapter 294 contains Local Budget Law provisions.

Local Option Levy Ability provided by ORS to ask voters for temporary authority to increase taxes. The maximum length of time for a local option levy is 10 years for capital purposes or 5 years for operations. A local option levy must be approved by a majority of voters.

Materials and Services Object classification to account for purchases of materials and services excluding capital outlay, personnel and debt service.

Measure 5 A constitutional limit on property taxes passed by voters in the State of Oregon in November 1990. This law sets maximum tax rates on individual properties of no more than $5 per real market value for education taxing districts and $10 for general government taxing districts.

Measure 50 A 1997 voter approved initiative which rolled back assessed values to 90 percent of their levels in fiscal year FY 1995-96 and limits future annual increases to three percent, except for major improvements. Property tax rates are now considered permanent and not subject to change.

Mission Primary purpose of the City which guides city-wide policies, decisions, and activities.

Modified Accrual Basis of accounting in which expenditures other than accrued interest on general long-term debt are recorded at the time liabilities are incurred and revenues are recorded when received. All governmental funds are accounted for using the modified accrual basis of accounting.

Net Bonded Debt Gross bonded debt less any cash or other assets available and earmarked for its retirement and less all self-supporting debt (e.g., revenue bonds).

NPDES The federal Clean Water Act requires that all municipal, industrial and commercial facilities that discharge wastewater or stormwater directly from a point source (a discrete conveyance such as a pipe, ditch or channel) into a water of the United States (such as a lake, river, or ocean) must obtain a **National Pollutant Discharge Elimination System** (NPDES) permit.

ODOT Abbreviation for Oregon Department of Transportation.

Operating Budget Planned, current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending and service delivery activities of a government are controlled.

Ordinance A formal legislative enactment by the governing body of a municipality. The difference between an ordinance and a resolution is that the later requires less legal formality and has a lower legal status.

Organizational Unit A responsibility center within a government.

Overlapping Debt The proportionate share, property within each government must bear of the debts of all local governments located wholly or in part within the geographic boundaries of the reporting government.

PERS Abbreviation for the State of Oregon Public Employees Retirement System.

Performance Measure Data collected to determine how the effectiveness or efficiency of a department, program, or activity is doing in achieving its objectives.

Permanent Tax Rate (See Measure 50) Taxing districts were assigned a permanent tax rate maximum in fiscal year 1997-98. This permanent tax rate applies to property taxes for core operations.

Personal Services Object classification to account for compensation to City employees in the form of salaries, wages and employee benefits.

Program A group of related activities to accomplish a major service or function for which the local government is responsible.

Proposed Budget The budget proposed by the City Manager and submitted to the Budget Committee prior to their deliberations.

Property Tax Based off of the assessed value of property times the permanent tax rate and are used as the source of monies to pay general obligation debt and core city services.

Proprietary Fund Types Sometimes referred to as income determination or commercial-type funds, the classification used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector (i.e., enterprise and internal service funds).

Requirements Total expenditures and unappropriated fund balance.

Reserved Fund Balance The portion of fund balance that is not appropriable for expenditure or that is legally segregated for a specific future use.

Resolution A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Resources Total amounts available for appropriation consisting of the estimated beginning carryover balance plus anticipated revenues.

Restricted Assets Monies or other resources, the use of which is restricted by legal or contractual requirements.

Retained Earnings An equity account reflecting the accumulated earnings of an enterprise or internal service fund.

Revenues (1) Increases in the net current assets of a governmental fund type from other than expenditure refunds and residual equity transfers. (2) Increases in the net total assets of a proprietary fund type from other than expense refunds, capital contributions and residual equity transfers.

Shared Revenues Revenues levied by one government but shared on a predetermined basis, often in proportion to the amount collected at the local level, with another government or class of governments.

Special Assessment A compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Special Revenue Fund A fund used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specific purposes.

Supplemental Budget Prepared to meet unexpected needs or to spend revenues not anticipated at the time the regular budget was adopted. The supplemental budget cannot be used to increase a tax levy.

Systems Development Charges (SDC's) Fees charged to join or to extend or improve an existing utility system.

Tax Base Oregon law allows cities within the State, with voter approval, to establish a dollar amount of property tax that may be levied on property within the city.

Taxes Compulsory charges levied by taxing districts for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges, such as water service.

Tax Levy The total amount of property taxes needed to pay for basic government operations as well as sufficient amounts to pay for principal and interest on voter-approved bond issues.

Tax Rate The amount of tax levied for each $1,000 of assessed valuation.

Unappropriated Ending Fund Balance Resources not appropriated but budgeted to account for the cash flow requirements of operations and to preclude the necessity for short-term borrowing of funds prior to receipt of budgeted revenues, or in the event of a declared emergency.

User Fees Charges for services to the specific entity that directly benefits.