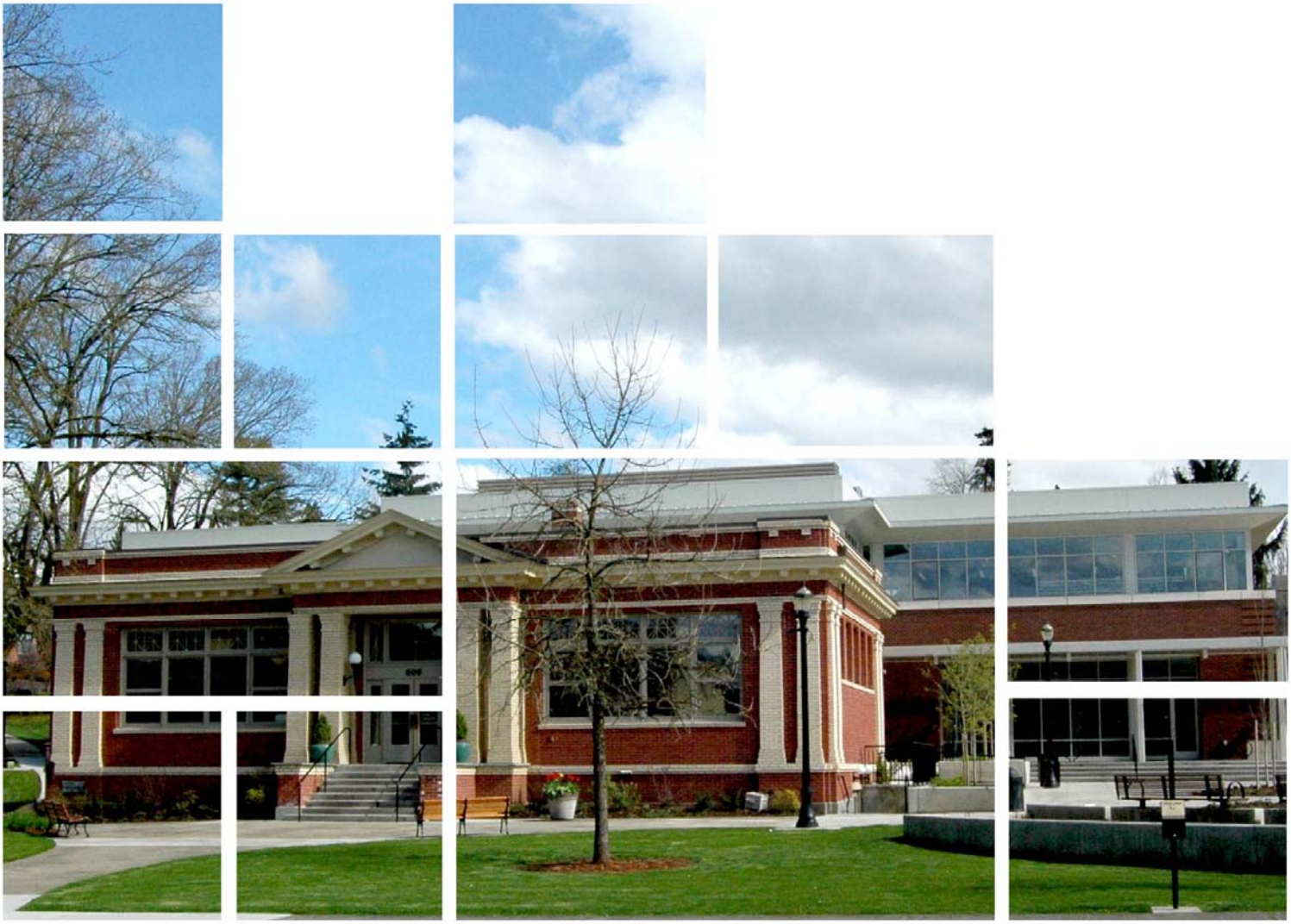


2017 – 2019

OREGON CITY, OREGON

Proposed Biennial Budget

CITY OF OREGON CITY, OREGON

Proposed 2017–2019 Biennial Budget

BUDGET COMMITTEE

CITY COMMISSIONERS	CITIZEN MEMBERS
Mayor Dan Holladay	Timothy Christopher
Nancy Ide	William Gifford
Renate Mengelberg	Rae Gordon
Frank O'Donnell	Dane Johnson
Brian Shaw	Joanne McCall

CITY STAFF

Tony Konkol, City Manager
Jim Band, Police
Maureen Cole, Library
John Lewis, Public Works
Phil Lewis, Community Services
Jim Loeffler, Human Resources
Wyatt Parno, Finance
Kattie Riggs, City Recorder
Laura Terway, Community Development
Eric Underwood, Economic Development

About the cover:

This photograph is of the Oregon City Public Library, courtesy of Carson Roberts. The Library was renovated and expanded at its current location, the site of the historic Carnegie building. For further information on the project, visit http://www.orcity.org/library/building-expansion.

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Oregon City

Oregon

For the Biennium Beginning

July 1, 2015

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, 2015 and ending June 30, 2017. 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.

Table of Contents

Introduction

i-xiv Budget Message
1-4 City Commission Goals and Priorities
5-6 Budget Guide
7-10 City Profile
11-13 Budget Process
14-15 Financial Policies
16 Organization Chart

Budget Summary

17 Budget Summary – All Funds Combined
18 Where the Money Comes From – All Funds Combined
19 Where the Money Goes – All Funds Combined
20 Resources and Requirements – All Funds
21 Overall Budget Highlights
21-22 Budget Trends by Year
23-28 Revenue Assumptions and Trends

General Fund

29-32 Overview
33-34 Policy and Administration
35 City Commission
36-37 City Manager
38-39 City Recorder
40-41 Finance
42-43 Municipal Court
44-45 Human Resources
46-47 Economic Development
48-49 Information Technology
50 Geographic Information Systems
51 General Government
53-54 Police
55-57 Police Operations
58-59 Code Enforcement and Parking
61-63 Community Services
64-65 Parks and Cemetery Maintenance
66-67 Recreation Aquatics
68-69 Pioneer Community Center
70-71 Recreation Programs
72 Dedicated Park Donations

Library

73-76 Library

Community Development

77-78 Overview
79-82 Planning
83-85 Building

Public Works

87-89 Overview
91-93 Engineering
95-98 Transportation
99-102 Water
103-106 Wastewater
107-110 Stormwater
111-116 System Development
117 Fleet Services

Other

119 Community Facilities
120 Equipment Replacement
121-122 Utility Customer Service
123 Debt Service

Additional Information

127-135 Personnel
137-141 Capital Improvement Program
142-143 Debt Administration
144-158 Closed Funds
159-166 Glossary

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

OREGON CITY

Office of the City Manager

625 Center Street | Oregon City OR 97045
Ph (503) 657-0891 | Fax (503) 657-7026

BUDGET MESSAGE

May 1, 2017

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

INTRODUCTION

It is my pleasure to present the 2017 - 2019 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, 2017 through June 30, 2019 the total budget is $190.9 million. Oregon City's biennial budget is 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.

As a result of the devotion and unwavering leadership of our City Commissioners, Oregon City is positioned to serve our residents more effectively than at any other time in recent history. The Commissioners, City staff and community volunteers have worked hard to achieve extraordinary goals the past few years. As discussed below and throughout the budget document, improvements have been made in every service area, and we are budgeting strategically to address any fiscal uncertainties.

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 budget 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 budget assumptions that guided development of the budget.

BUDGET CHANGES

Comparative information is presented throughout the budget document in columnar format. Oregon 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 third biennial budget, the document includes one column of actual historical information on an annual basis and the rest of the columns are presented on a biennial basis.

In accordance with budget law, the prior 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 2015 - 2017 Amended Budget.

The proposed budget of $190.9 million is an increase of $22.6 million over the amended current budget of $168.3 million. Resources supporting the increase include higher than anticipated ending balances from the current budget and anticipated increases to revenue in the proposed budget.

Oregon City Total Budget (in millions)

Current Budget 2015 - 2017		Proposed Budget 2017 - 2019	
Amended	$ 168.3	Proposed	$ 190.9
		Change	$ 22.6

Beginning fund balances in the proposed budget include $9.2 million in carryover amounts for capital projects in the utility funds. In addition, significant development activity has resulted in a higher beginning balance in the Building Fund, and savings in the current budget are planned for the General Fund and Library Fund.

Increases to revenue include the impacts of recent and anticipated development activity that will result in $7.9 million of new building, system development charge and utility revenue. In addition, property taxes and rights-of-way revenues are expected to increase by $3.3 million, and pass through revenues by $1.4 million.

The proposed budget includes new and continued service area enhancements, as well as planned one-time spending of accumulated reserves. The Police budget is increased by $2.2 million and includes a new Homeless Liaison Officer, a new School Resource Officer and an enhanced traffic safety team. The Oregon City School District is contributing funding for the new resource officer. The budget also reflects an adjustment that was necessary to bring department wages in line with those of surrounding local agencies which were negotiated as part of the three year contract with the Police Union.

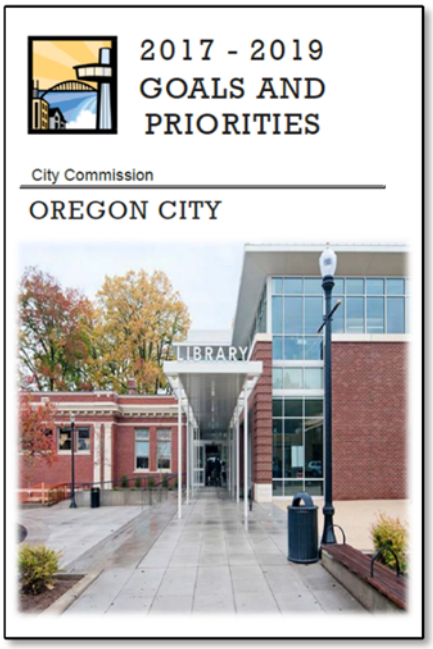
Enhancements in other areas include a full biennium of funding for the Economic Development Coordinator and Citizen Engagement Coordinator that were added midway through the current budget. In addition, newer rights-of-way revenue will remain dedicated to parks deferred maintenance, including the parks operations specialist that was added during the current budget.

The proposed budget also includes use of $2.2 million in reserves for one-time expenditures as planned during the City Commission goal setting process. Projects include replacement of the deteriorated parks maintenance building, relocation of the Community Development Department from leased property to a City-owned facility (for long-term savings), and replacement of outdated finance and permitting software systems.

The most significant increase in the budget is the addition of more than $12.6 million in utility fund projects as described in the Major Funds Overview below. Pass through revenues to Clackamas County for the regional wastewater treatment plant increased by $1.4 million. Lastly, at the conclusion of the biennium it is anticipated that there will be a $4.0 million increase in combined utility fund reserves.

BUDGET HIGHLIGHTS

The City Commission holds a formal goal setting process every two years to establish policy direction and goals for the upcoming biennium. The proposed budget is then prepared based on achieving those goals. This budget includes all of the Commission's priorities and meets legal and departmental operating requirements.



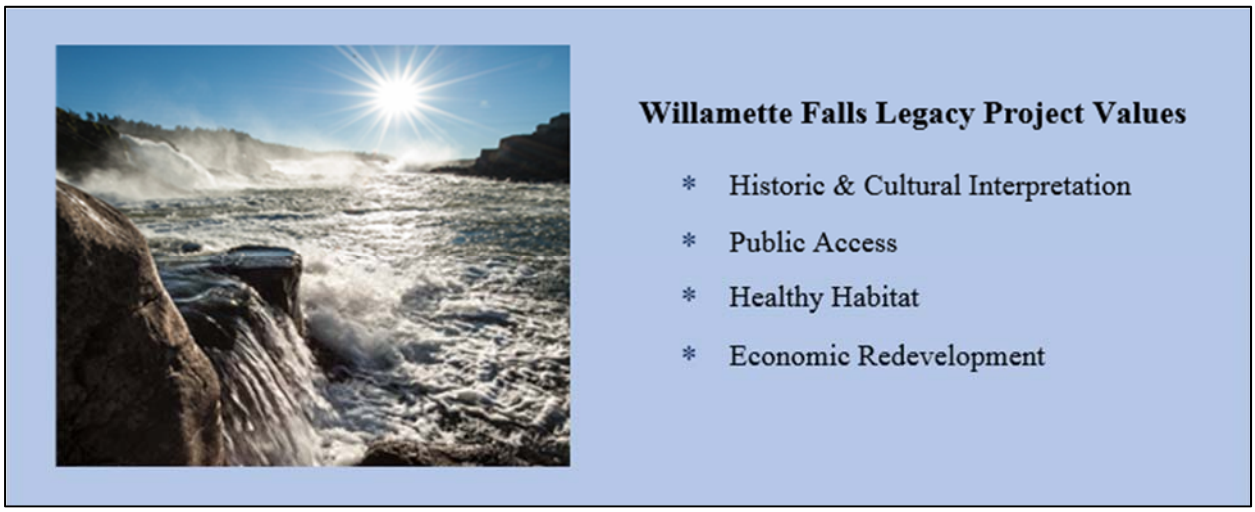
The City Commission and executive staff participated in the goal setting process in January of this year and developed the **CITY COMMISSION 2017 – 2019 GOALS AND PRIORITIES**. A complete presentation of the Commission's goals and priorities, including specific milestones can be found immediately following this budget message. In addition, copies of the Goal and Priorities booklet is available at City Hall.

Highlights of the proposed budget include ongoing funding for economic development opportunities including the Willamette Falls Legacy Project, construction of infrastructure for industrial lands in the Beavercreek Employment Area, further development of the City's tourism plan and stakeholder partnerships, general economic development planning, and specific projects. The budget also includes investment in public facilities that are insufficient to serve the City's increasing population, some of which are in serious disrepair.

The proposed budget also entails continued and new funding to enhance livability for our residents and to improve citizen engagement while ensuring fiscal stability.

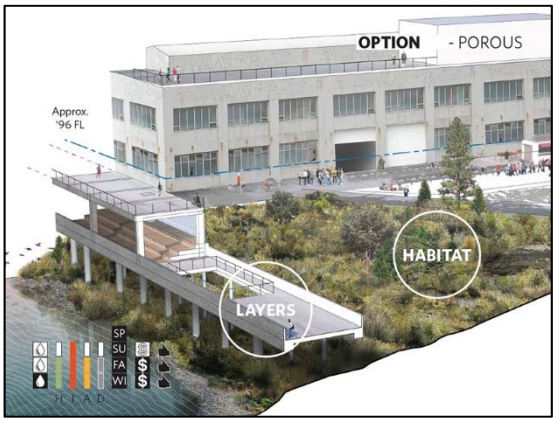
Economic Development

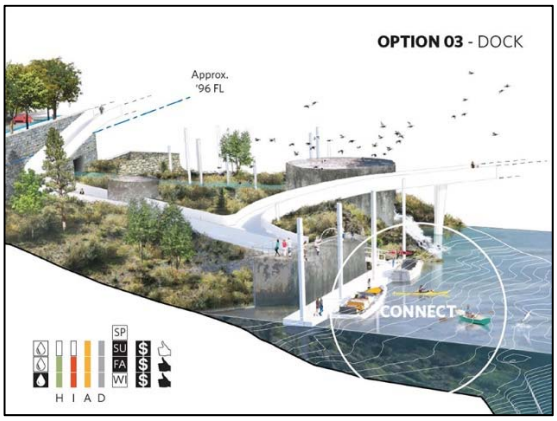
Willamette Falls Legacy Project - One of the most important undertakings in our City's history is our ongoing commitment to shape the future of Willamette Falls, the second most powerful waterfall in North America and a historical and cultural treasure in our community. Development of the 23-acre former industrial site along the river represents an opportunity to provide public access to the falls for the first time in 150 years. In addition, the project provides an opportunity to reclaim a significant portion of the City's original downtown footprint.



Through an extensive stakeholder and community engagement process, public access was identified as the number one goal of the Willamette Falls Legacy Project. In response, the community and project partners have identified the opportunity for a public walkway along the river. "The Riverwalk" will be a major achievement for the community.

The State of Oregon has allocated $12.5 million for the design and construction of Phase 1 of The Riverwalk. The City's proposed budget includes staffing support from the Community Development Department for project management and $1.0 million in funding, $0.3 million in ongoing and carryover funds from the General Fund and $0.7 million from Public Works Funds to support Transportation and Parks infrastructure. In late spring, a design celebration is scheduled at the Oregon Museum of Science and Industries and the goal is to begin construction on Phase 1 by mid-2018.



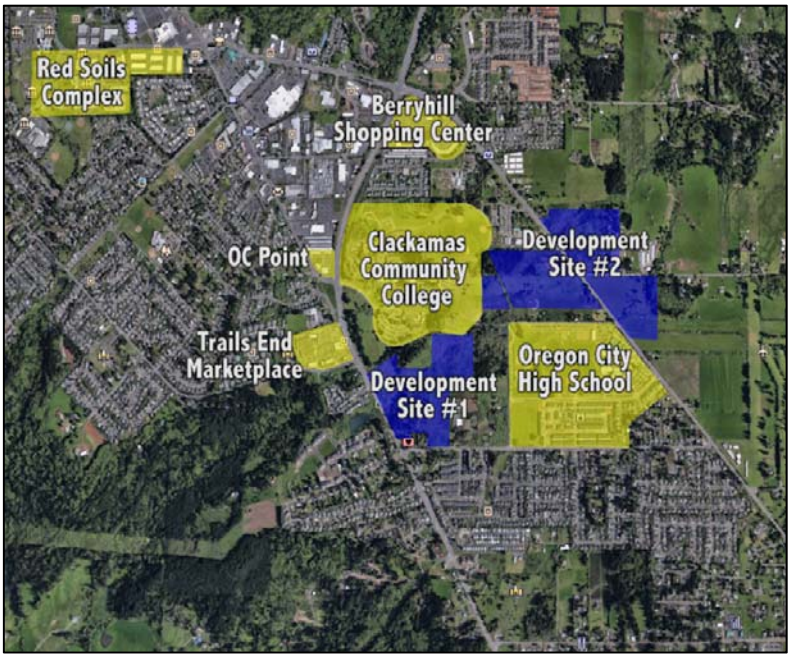


Renderings Displaying Possibilities for "The Riverwalk"

Beavercreek Industrial Lands - In partnership with Clackamas Community College and other agencies, the City has started the Beavercreek Employment Area marketing initiative, "Putting Education to Work", with the goal of attracting development on more than 80 acres of industrial land along Beavercreek Road. The Area's unique competitive advantages meet the needs of growing industries such as advanced manufacturing, high technology, agriculture and food processing, professional services, and software production. The strategic location is ready for business investment with access to developable land, commercial and utility infrastructure, supportive business partnerships, and advanced workforce training resources.

The Area includes the only significant employment land available within Oregon City. There are two development sites, which are zoned campus industrial. The first site consists of 41 acres of land, with 28 available for development, and is located between OR 213 and Beavercreek Road. The second site is bisected by Beavercreek Road and includes a new road alignment for Loader Road. It totals 58 acres, with 53 acres of developable land.

In late 2014, the City established an Enterprise Zone that encompasses industrial areas along Beavercreek, including the two development sites. The designation provides limited tax abatement incentives for businesses that build or expand facilities or machinery and increase full-time, permanent employment.



Beavercreek Employment Area

The proposed budget includes funding to complete construction of a sanitary sewer line that will serve the two development sites and surrounding areas. In the prior biennium, the Economic Development Department secured a design grant for the project. The design effort is nearing completion with a preliminary cost estimate of $1.1 million for the project. Wastewater system development charges will be used to pay for 90% of the project with the remaining costs paid by the General Fund. With other utility infrastructure already in place and incentive programs and amenities offered in the Beavercreek Employment Area, the two development sites will be ready to support industrial business location.

Tourism Plan - Oregon City is a national tourist destination because of its historical significance as the official end of the Oregon Trail and the first incorporated City west of the Rockies. With access to Willamette Falls, unique heritage attractions, and a wide array of recreational destinations the City's tourism industry is expected to grow even more in the next several years. In late 2016, the City Commission adopted a resolution to support establishment of a formal tourism strategy.

In the proposed budget, proceeds from lodging taxes are dedicated to advancement of the Oregon City Tourism Plan. The development process will involve stakeholders from historical facilities, as well as outdoor recreation facilitators and other important tourist segments. Objectives include development of an Oregon City Tourism Stakeholder Group, refinement of the existing concept Tourism Plan, coordination between heritage assets, and development of national promotional campaigns. To further this effort, lodging tax dollars have been set aside as startup funding to support operation of the Ermatinger House, the recently restored location of the original coin toss that determined the name of neighboring city, Portland.

Economic Development Opportunities - The proposed budget includes funding to develop a city-wide economic development plan. Resources are also dedicated to support specific mixed use developments,

including additional phases at Clackamette Cove, the former landfill site off of Washington Street, and developments in the downtown area. Design work is planned for railroad crossing mitigation efforts that would allow for quiet zones (where train horns are prohibited) in the downtown area.

Public Facility Investment

The City Commission Goals include recognition of the need for operating facilities that are adequate to support the services provided to residents. The City recently celebrated the reopening of the Library, which is already paying back to the community. The proposed budget supports plans to hold a new election for the Police Facility, renovate the Public Works Operations Center and reconstruct the deteriorated Parks Maintenance Building.

Oregon City Public Library - The Oregon City Public Library celebrated its grand opening in October of 2016. Through overwhelming community support the City completed the expansion project to add a two-story, 14,500 square foot addition to the back of the existing Carnegie Library building. The $10.5 million renovation came in on time and on budget.

Since the reopening, average visits to the library have doubled from 15,500 per month before the renovation to 30,000 per month this year, with a record 37,000 visits in March. The expanded building allows significantly enhanced services for the community, including the popular programs Lego Lab, Teen Make It, First Friday Films and the annual May the Fourth Be with You event.

Special appreciation is deserved by the Oregon City Library Foundation and the Friends of the Library. The Foundation donated $0.5 million in community contributions to the project. The new library is featured on the cover of the budget document.

Oregon City Public Library

Police and Municipal Court Facility - With a history of inadequate funding and the impacts of recent population growth, public safety has been a priority for the City Commission. For several years, the Police

Department was understaffed during work shifts, which caused longer response times and made it difficult to respond to simultaneous calls.

Following the recommendations of the 2004 Blue Ribbon Task Force, the Commission was able to dedicate funding for three new police officers in 2013. Since then, based on requests from the City's Transportation Advisory Committee and neighborhood associations, the Department developed a comprehensive Traffic Safety Plan and was able to add two safety officers without increasing the City's tax rate.

The above changes improved shift coverage substantially with an increase from three to four officers on average per shift prior to 2013, to four to six officers per shift today. As mentioned above, the proposed budget includes two new positions, a Homeless Liaison Officer and a second School Resource Officer to address those specific needs.

The Police Department is a talented group of dedicated professionals that are committed to our community. The City prides itself on Community Policing; the Department has a dedicated Community Policing Liaison and officers regularly attend neighborhood association meetings and community events.

Even with strong community support for our Police, the City was unsuccessful in passing a measure last November that would have allowed issuance of bonds to fund a new Police and Municipal Court facility.

State 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 Police Department to deliver the best customer service possible, and create a safe, user-friendly environment that is open and accessible to the community.

Police and Municipal Court Facility Rendering

Three years ago, the Police Chief was given direction by the City Commission to seek public input on whether to implement a utility fee or a conventional property tax bond as a means of paying for the new building. A utility fee is charged to all households and businesses using utilities while a conventional bond is paid for by property owners only. Through neighborhood association meetings, community group meetings, and an open house, the community expressed more interest in a utility fee because of the fairness of the utility fee and the fact that everybody paid a little, versus property owners paying the entire cost.

The fee is $6.50 per month, whereas the average homeowner would have to pay $10 per month for a conventional property tax bond. People also liked that the fee would end once the project was completed. The Chief reported this preference to the Commission in May of 2015, at which time it was decided to move forward with the utility fee. The fee was implemented in January of 2016 and the funds have been going into a restricted reserve for the future project.

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 four years. The cap is proposed to be maintained this biennium as well.

At the City Commission retreat, direction was given to staff to proceed with a new election in September of this year. The structure of the financing has been changed from a general obligation bond to a basic revenue bond, removing the need to include language required by the State that is contradictory to the funding source the City will be utilizing to pay the debt service. In addition, Police Department staff will continue to work with community associations to inform residents on why the C-SAF fee was implemented.

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 the preferred site to expand the Public Works Operations Center because of the established facility, ownership of the property (lowest cost alternative) and central location to the older neighborhoods and infrastructure in our community. However, the City Commission recognized that an expansion could impact residents of the nearby McLoughlin Neighborhood.

Over four years, the City Commission and staff evaluated over fifty different locations for the Center. No successful alternative site could be found. The Public Works Director then 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 budget includes continued funding that will allow consideration of the alternative plan at the existing Center Street location.

Parks Operations Facility - Parks operations and maintenance staff are responsible for maintaining parks, trails and grounds at 37 park and recreation facilities and close to 300 acres of property across the City. Staff are currently housed on the cemetery site in a temporary construction trailer with equipment stored in various disjointed locations. The crew has been working in the trailer for four years, since the former facility was condemned due to unsafe conditions. The proposed budget includes $0.6 million for construction of a modest facility to house the staff.

Parks Maintenance - The most significant challenge for our Community Services Department is deferred maintenance at parks facilities. The issue exists because of the lack of a sufficient, dedicated funding source. The adopted budget includes an additional $0.3 million for park deferred maintenance. While additional funding is needed, the City's General Fund is limited in its available resources. A longer term solution of new funding will need to be considered for future years.

MAJOR FUNDS OVERVIEW

General Fund

The General Fund includes programs that are funded by property taxes and general revenues, rather than specific dedicated revenue sources. Police and parks are the primary service areas, as well as economic development and departments that provide city-wide support.

Property tax revenues are projected at $25.4 million for the biennium. This reflects estimated increases of 4% and 4.5% in the assessed value of property for each of the two years, with 0.3% compression, and 94% collection rates after discounts and delinquencies. The 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 $160 annually, based on a typical new home's taxable assessed value of approximately $250,000.

The remaining major sources of revenue for the General Fund are: rights-of-way user (franchise) fees in the amount of $7.1 million for the biennium, intergovernmental revenues of $3.3 million, charges for services (park programs and parking revenues) of $3.1 million, and Municipal Court and other program fines and penalties of $2.3 million. Other revenues totaling $3.3 million include internal service charges to other departments, licenses and permits, assessments and other (lodging) taxes, and interest income. Transfers in are from departments for their share of a new financial system upgrade. In biennium 2013-2015, transfers in were abnormally high due to the consolidation of unnecessary funds that period (the law requires all closed funds be passed through the General Fund).

As mentioned above, General Fund expenditures are for Policy and Administration, Police, and Community Services. Policy and Administration is a collection of departments that provide governance services directly to the community and provide support for operating departments throughout the City.

The Police Department, with a total budget of $21.0 million, is the largest department in the General Fund, representing 44% of expenditures. Policy and Administration (City Commission, City Manager, City Recorder, Finance, Municipal Court, Human Resources, Economic Development and Information Services) has a budget of $11.2 million (23% of General Fund expenditures). The Economic Development budget includes the tourism and community enhancement grant programs, as well as pass through payments for the Downtown Oregon City Association. Community Services (Parks and Cemetery Maintenance, Recreation and Aquatics, and Pioneer Community Center operations) has a budget of $9.0 million (19%).

General government expenditures are budgeted at $4.5 million (9%) and include overall community enhancements (Willamette Falls Legacy Project, street lighting on City roads, investments in heritage assets and elevator operation) and shared City services (including facilities maintenance and general liability insurance). Transfers out comprise the remaining expenditures with payments into equipment and facility reserve funds, for elevator operations and to support the Library, Planning, and Development Engineering service areas.

Ending Reserves - At the conclusion of the biennium, ending fund balance reserves (contingency) are budgeted at $2.7 million. These reserves are necessary to provide working capital for the beginning of the next budget cycle and to provide protection against unexpected changes in financial condition. General Fund reserves are particularly important to municipalities in Oregon because of limitations on ability to increase tax revenues.

Through strong fiscal management, the City has been able to increase anticipated reserves by $1.6 million from the prior budget. The Finance Department has advised that General Fund reserves should be maintained at a minimum of 10% of annual operating revenues, which would be $2.4 million. However, the amount remains below the Government Finance Officers Association recommendation of 16% for municipalities.

The *actual* ending balance will likely exceed $2.7 million because the budget includes moderately forecasted revenues, potential return funding from departments (vacant positions, unspent materials budgets, etc.), and the likelihood that at least some projects will not fully expend allocated amounts. However, revenue forecasts are much less conservative and departments were asked to tighten budgets significantly this cycle. As such, it is expected that the potential return funding from departments will be much less than in prior periods.

The General Fund has been constrained recently by Public Employee Retirement System (PERS) legacy increases, the elimination of Urban Renewal Agency support for Economic Development (which focuses significant attention on the downtown area) and from recent Police Department union negotiations, which showed that our officer salaries were significantly below comparable jurisdictions. As mentioned above, department heads were asked to find cost savings and budget operations with no increase for inflation. Other than for costs outside of their control, every department met that direction.

PERS legacy costs represent contractual commitments made decades ago to retirees and some remaining employees. Benefits offered to current employees are much less costly than the original plans, however the significant unfunded liability related to the prior plans has resulted in large rate increases this biennium and possibly for the next two as well. Oregon City is in a better position than most because of fiscally responsible planning. City leaders made the decision years ago to set aside reserve funds for PERS (along with money used to make debt service payments on refinanced PERS liabilities). As a result, the City was able to use those funds, and the cost reductions described above to mitigate PERS impacts this biennium.

An additional $0.4 million in "Reserved for Future Expenditures" represents the total ending balance of resources restricted for specific purposes (primarily parks donations).

Library

The Library Fund is budgeted at $6.5 million for the biennium. District property taxes are projected conservatively at $4.3 million and comprise 65% of total resources. The remaining significant resources are a beginning fund balance of $1.9 million and transfers in of $0.3 million from the General Fund. The City's General Fund has contributed at least $0.4 million each biennium for several years to save for the expansion and will continue payments in the current budget to support debt service on the new facility. These remaining resources represent 28% and 5% of total resources, respectively.

The Fund accounts for all Library operations. The budget for staffing and materials purchases is $3.6 million. Principal and interest payments on the new library bonds are $0.8 million, leaving $2.1 million in ending fund balance (contingency). The budget includes expanded programs within the new facility and new radio frequency identification systems, the latest technology, to provide greater security for library materials while allowing customers to check out multiple items easily.

In the past, the Library Reserve Fund was used to account for money saved and bond proceeds for the expansion project. The City consolidated the reserve fund into the Community Facilities Fund in 2015, which accounts for all City facility projects using segregated resources. With the completion of the expansion project, the small amount of remaining money in the facilities fund will be allocated within the Library Fund to complete upgrades.

Community Development Funds

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

The Community Development Fund is budgeted at $4.1 million for the biennium. The primary revenues are charges for services, including $0.7 million to customers, primarily for review of land use applications, and $0.6 million for long-range planning services provided to other departments. Intergovernmental revenue is budgeted at $0.4 million in anticipation of grants for the Willamette Falls Legacy Project, Beavercreek Road Concept Plan and affordable housing analysis. Transfers in from the General Fund are $0.5 million to support the Planning Division's move to a new location (for long-term savings) and to subsidize planning fees.

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.

The Planning budget is $2.9 million after subtracting pass through payments. In the current budget, the Geographic Information Systems (GIS) Division was budgeted in the Community Development Fund. In the proposed budget, those costs are included in the General Fund with other Information Technology functions, to

better align service areas. Considering the reallocation of staff and materials for GIS, the Planning Division personnel budget is consistent with the prior period. Materials & Services have increased due to the reallocation of legal costs directly to departments (from a pooled division in the General Fund) and to provide professional services related to the grants mentioned above. Finally, Capital Outlay costs are increased by $0.4 million for the Planning Division relocation.

The Building Fund total budget is $6.2 million, an increase of $3.3 million from the prior biennium. The increase is due to the large anticipated development activity for several large residential and commercial projects. Licenses and permits revenue of $3.5 million are projected to fund operations for the biennium and support the building staff relocation. Pass-through revenues of $0.4 million include State surcharge and Metro construction excise tax monies that are collected and remitted to those agencies.

Operating costs are budgeted consistently with the prior biennium. The exception is that capital outlay is budgeted at $0.6 million to relocate, along with Planning, to a new location. Cost savings will be realized because the divisions are expected to move to an existing City facility, away from an expensive lease contract. Transfers out include the Division's contribution for a new permitting system.

The building program ensures that new facilities constructed in the City are safe and structurally sound. Because the economy and development trends have such a significant impact on revenues, managing the program requires balancing immediate service needs with sustaining the program over a long-term. As a result, it is common for Building funds to accumulate larger ending fund reserves (contingency) during times of active development. The Building Fund ending reserve is budgeted at $2.2 million, 136% of expenditures.

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 all have unique operational and infrastructure maintenance needs. To effectively manage the public investment in these systems, recent updated master planning has been completed for Transportation, Water and Wastewater; Stormwater master planning will be completed during the 2017 - 2019 biennium.

Transportation

The Transportation Division is responsible for the construction and maintenance of roadways, pathways, sidewalks, traffic signalization and guardrails. Street Operations (gas tax funded) and Pavement Maintenance (utility fee) are accounted for separately within the Transportation Fund.

The Transportation Fund is financed by state gasoline taxes which are anticipated at $3.9 million for the biennium and, in accordance with State law, are required to be spent on transportation system improvements, safety enhancements, and roadway maintenance. Transportation also collects revenues estimated at $4.7 million from the pavement maintenance utility. That revenue is restricted for use in accordance with the City's annual pavement maintenance plan.

Expenses in the fund include $4.0 million for general transportation maintenance, $3.8 million for city-wide roadway reconstruction projects and maintenance and $1.5 million for the Molalla Avenue project noted below. Other large capital projects include signal optimization at 12th and Washington and safety measures on Hwy 99E. Additionally, transfers of $0.3 million will be made to save for improvements to the Public Works operations center and a small amount for fleet replacement reserves.

Public Works recently secured $3.8 million in grant funds for the Molalla Avenue Streetscape project between Beavercreek Road and Highway 213. The City will provide a local match of $4.0 million using Transportation funds and System Development Charges. The project includes reconstruction of pavement, the addition of crosswalks, construction of bike lanes and missing sidewalk segments, and amenities such as pedestrian level lighting, benches and trash receptacles, and street trees.

Water

The Water Division maintains and distributes the City's potable water supply and protects public health by closely monitoring the distribution system and complying with all safe drinking water standards. Division activities are accounted for in the Water Fund.

The Water Fund is budgeted at $19.4 million for the biennium. Water utility charges are projected to be $13.9 million, and the City plans to spend down about $2.3 million in reserves that are available for pipe replacement projects. Water rates are budgeted at current levels with inflationary increases of 3% in each year.

Operating expenses are fairly consistent with the prior biennium including $3.5 million for purchases of treated water from South Fork Water Board, the partnership jointly owned by Oregon City and West Linn. Additional funds are budgeted for engineering, patching and paving, leak detection and emergency repairs.

The City's charter includes restrictions on water rates that prevent the utility from fully addressing aging infrastructure. However, funds are saved in cycles and when sufficient funds are available they are allocated to address the most immediate needs or in combination with other infrastructure projects. The capital outlay budget includes pipe replacement projects in the South End and Lawton area at a cost of $1.3 million, the Clairmont area at $1.0 million and the Rivercrest Park area at $0.8 million. Additional replacement projects include Molalla Avenue, Main Street (between 10th and 15th) and Center Street (between 8th and 9th), at a cost of $0.5 million from the Water Fund. Facility projects include set aside funding for a reservoir in the Beavercreek area, protection measures at reservoirs, pipe capacity upgrades and waterline replacements associated with the annual pavement maintenance program.

The Water Master Plan highlights a significant need for replacement of older distribution lines, and the budget includes some funding for replacement projects. However, as mentioned above, replacements are limited by a rate cap in the City's charter. To properly maintain the infrastructure for distribution of one of our most important resources, drinking water, the City will eventually need to make a revision to the charter and invest in major replacement projects.

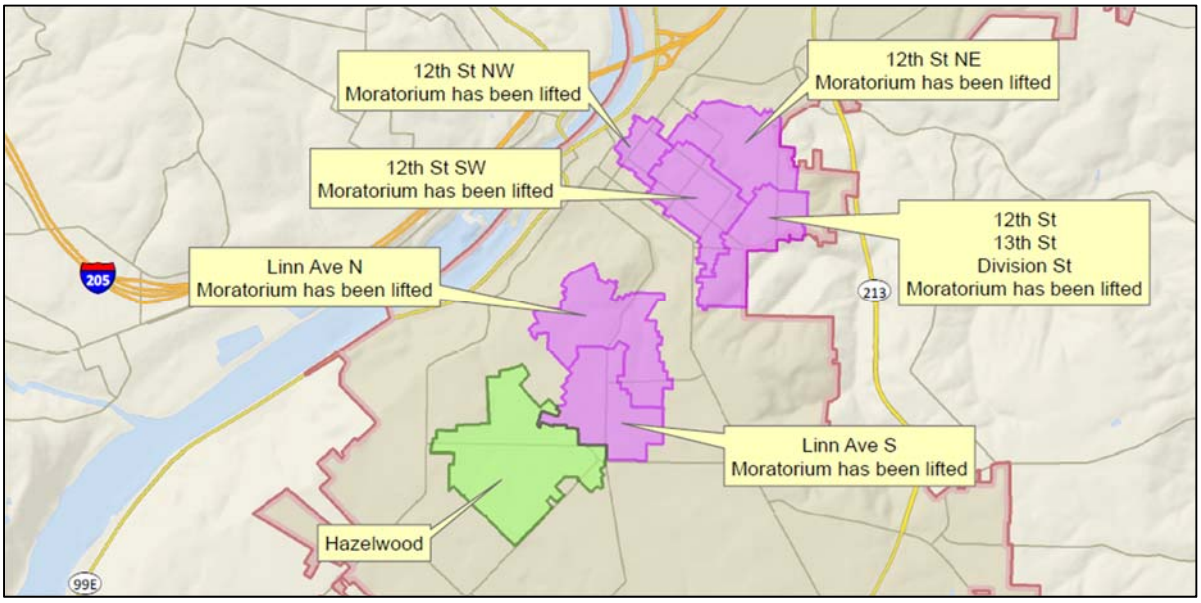
Wastewater

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 $10.9 million in utility revenue for the biennium. This includes inflation only rate increases, not to exceed 3% in each year. For the biennium, approximately $0.5 million in rights-of-way usage charges are collected from the County's regional treatment plant and are allocated to support wastewater infiltration and inflow reduction programs. The fund is budgeted to collect $9.7 million in pass-through charges as well. Those funds are collected from customers for the Clackamas County Tri-City Sewer District.

The City adopted a Sanitary Sewer Master Plan in 2014, which established the capital improvement program necessary to meet existing and future system needs. At that time, seven areas were identified that had significant capacity deficiencies, which could have resulted in overflows of untreated sewage into surface water. As a result the City Commission, as required by State law, adopted a moratorium to correct the sewer deficiencies.

The Public Works Department has done an outstanding job of completing the projects necessary to mitigate the sewer moratorium. Six of the seven projects have been completed to remedy capacity problems including the 12th Street area, 13th Street/Division area, and Linn Avenue area. The final project, in the Hazelwood Drive area, is identified for completion during the current biennium.



Status of Sewer Moratorium Projects as of May, 2017

The Wastewater expenditure budget includes dedicated staffing and $0.4 million in contract services to further the City's efforts to reduce the infiltration and inflow of ground water into cracked sewer pipes. The capital outlay budget includes $1.4 million in funds for sewer line repair and replacement projects. Another $0.7 million is budgeted for the Hazelwood Drive moratorium project described above. Additional projects include the Canemah Neighborhood wet well refurbishment and generator improvements at $0.4 million, and other smaller projects at $0.3 million, including funds set aside to align with the pavement maintenance program.

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 remediation and reduction. Division activities are accounted for in the Stormwater Fund.

The Stormwater Fund is budgeted to receive utility revenue of approximately $5.3 million. Public Works is nearing completion of updates to the Stormwater Master Plan, as required by the Oregon Department of Environmental Quality. The Plan is designed to meet new permit requirements for stormwater management and is critical to quality streams, rivers and groundwater resources. Upon completion of the Plan, a rate study and a system development charge analysis will be completed to determine the needs of the system. Because the rates are not known at this time, the budget includes only inflationary adjustments.

Expenditures are for staffing with contracts to clean and maintain 22 drainage basins, 53 detention ponds, 4,400 catch basins, 30 miles of streams and 37 underground detention tanks. The catch basins are cleaned annually, and the detention ponds will undergo scheduled maintenance eighteen times each year. In addition, capital projects are budgeted for improvements as follows: Scatter Canyon is funded at $0.4 million, Harding Boulevard is funded at $0.2 million, a 12th Street from Jackson to John Adams project for pipe replacement is funded at $0.2 million, and several other culvert replacement and general reconstruction projects are budgeted 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. SDCs fund projects in Parks, Transportation, Water, Wastewater, and Stormwater. Each utility is accounted for separately.

The Parks Division is projected to receive $1.2 million in SDCs during the biennium. During the budget period, the Community Services Department will be updating the Parks and Recreation Master Plan to inform development decisions. The SDC budget includes $2.5 million in capital outlay as a placeholder for community parks construction with a smaller portion of the funding allocated for land purchases.

Transportation Division SDC revenue is budgeted at $2.0 million for the biennium. Project funding totals $6.2 million, including $4.3 million for the construction of Meyers Road from High School Lane to Highway 213, and $1.2 million for the Molalla Avenue Streetscape project mentioned in the Transportation section above. Other expenditures include portions of funding for the Washington and 12th Streets signalization project, the Linn Avenue roundabout, and Highway 99E safety measures near the Willamette Falls Legacy Project.

The Water Division anticipates $1.2 million in SDCs for the biennium. Funding of $0.8 million has been allocated for the water line extension associated with the Meyers Road project mentioned above. Additional funds are allocated to support I-205 Undercrossing and Main Street pipe replacement projects, and as place-holders for property acquisition related to future projects.

Wastewater Division SDC revenue is budgeted at $0.8 million for the biennium. Using accumulated resources, $2.7 million in expenditures are budgeted for three major projects; the Beavercreek Road industrial lands sewer line, the Meyers Road extension and Hazelwood Drive capacity increases.

The Stormwater Division is anticipated to receive approximately $0.3 million for the biennium. Projects include Meyers Road extension oversizing, a stormwater extension on Harding Boulevard and other minor improvements. With limited funding to support stormwater system requirements, an SDC study is expected to be completed during the biennium.

Fiscal Policies and Budget Assumptions

As discussed above, the Biennial Budget was developed with a focus on achieving City Commission goals and priorities, vital municipal operations 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 of 4% and 4.5% in year one and two, respectively. Utility rates for water, wastewater, stormwater and pavement maintenance are budgeted for inflationary increases only, and consistent with restrictions imposed in City Code, the safety advancement fee will not be adjusted. Other charges for services and general revenues are calculated based on a six year average with conservative adjustments to forecasts as requested by departments.

Expenditures

To support our employees, personnel services are budgeted with cost of living increases of 2% in each year of the biennium. While medical costs have remained stable for the past few years, and the City issued a request for proposals in the last cycle, the actual renewal rates for the biennium are unknown. The budget includes an average increase of 5% for each year for both medical and dental premiums.

Public Employees Retirement System (PERS) rates will increase by 3.5% to 5% effective July 1. The City is well positioned to withstand the increase this biennium because a PERS reserve was established years ago, and departments have been contributing more to the City reserve than the required rates. The City will be carefully monitoring the impact of PERS on future budgets.

As part of the budget request process, departments were asked to prepare budgets with flat materials and services costs, and capital purchases, assuming 0% change for each of the two years over current budget funding levels. Capital improvement/development fund budgets are exceptions to the capital guidelines because projects are often funded with non-operating resources and reserves accumulate in these funds over

time to pay for required improvements. 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, customer and visitor.

As I complete my first budget as the City Manager of Oregon City I want to thank each employee that contributed to this process and provided technical knowledge, expertise and considerable effort during the last several months to complete this budget and helped to identify our priorities for the next two years. This document could not have been developed without the dedicated efforts of our entire team here at the City. The commitment demonstrated by our departments in support of Oregon City continues to amaze me, whether addressing the daily needs of our community members or responding to unforeseen emergencies. Through these efforts, the support of the Budget Committee and the guidance of the Commission, Oregon City continues to transform through wise expenditures, providing a multitude of community services and sound investment in public improvements that create a community that is safe and supports economic development and thoughtful growth.

I would also like to express my great appreciation and respect for each of the City's Department Director's, who bring a wealth of knowledge, professionalism and insight to the City, for their continued drive every day to make Oregon City an amazing community and their tireless efforts in helping me to run this great City. Each Department Director works creatively and diligently as a team to accomplish the goals established by our Commission while also maintaining a high level of customer service with their staff for the day-to-day operations of a vibrant and growing community of over 34,000 citizens. They are constantly identifying ways 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 personally rewarding and professionally 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. Thank you for the time and effort preparing this budget and your patience in working with me on all the nuances and details associated with municipal budgeting.

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. Thank you for your thoughtful leadership and communication of your goals, aspirations and dreams for Oregon City, it is inspiring to work with such a dedicated Mayor and Commission.

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,

Anthony J. Konkol III
City Manager

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 the City Goals. Priorities and milestones to be accomplished during the biennium are also established. The City Commission Goals and Priorities serve as the framework for budget development and help to identify and address long-term funding requirements and budget strategies as well as prioritize limited resources. The budget is prepared to support and accomplish those priorities during the biennium. 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). 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 dynamic community that leads the State in safety, economic opportunity, livability, and historic significance.

GOALS

Cultivate an Environment for Successful Economic Development
Address Critical Facility Needs
Enhance the Livability of the Community
Pursue Opportunities to Increase Transparency and Encourage Citizen Participation
Maintain Fiscal Health and Long Term Stability

Oregon City Commissioners
Frank O'Donnell, Nancy Ide, Mayor Dan Holladay, Renate Mengelberg, and Brian Shaw

2017 - 2019 Goals, Priorities and Milestones
Adopted by the City Commission on March 1, 2017

GOAL 1: Cultivate an Environment for Successful Economic Development	
Priority	**Milestones**
Cove Project	Prepare for public partnership to develop the property when private investment is ready to proceed. Support development of publically owned property while accounting for the habitat restoration mitigation assessment.
Former Landfill Site	Facilitate development of the site by assessing environmental mitigation requirements, and coordinating with Oregon Department of Transportation on their transportation requirements.
Industrial Lands in the Beavercreek Road Area	Complete design of the Beavercreek Road sanitary sewer that will serve the designated employment sites and further the developable readiness of the sites. Construct sanitary sewer in Beavercreek Road once funding sources are identified. Continue partnerships with the Oregon City Chamber of Commerce, Clackamas Community College and Clackamas County Business and Economic Development to move the marketing and development initiative forward. Intensify recruitment efforts by participating in Team Oregon, working with local companies with plans for expansion, working with regional partners and connecting with site selectors.
Railroad Quiet Zone	Complete pre-design of construction quiet zone improvements. Implement zone concurrent with a specific development or proactively as a project that will encourage residential construction.
Tourism Plan	Develop a Tourism Plan that builds on the concept that was approved by the City Commission in 2016.
City-wide Economic Development Plan	Create a Strategic Economic Development Plan. Identify Economic Incentive Tools, including ways to incentivize growth of new and existing businesses. Prioritize development efforts, which could include infill sites, Beavercreek Employment Area and the former landfill site. Complete site-readiness efforts, which can be accomplished through either physical site improvements or process and permitting refinement.
Willamette Falls Legacy Project	Approve the final Riverwalk design and begin construction of Phase 1 of the Riverwalk in 2018. Continue to work with the property owner to determine future private development on the site including funding, infrastructure, parking, and development strategies.

GOAL 2: Address Critical Facility Needs	
Priority	**Milestones**
Public Works	Update the Public Works Operations Center Master Plan at its current location. Proceed with construction at the Public Works Operations Center current location.
Community Development Department	Relocate the Community Development Department to support a campus of City facilities.
Police and Court Facility	Receive bonding authority approval from voters. Initiate design and construction upon successful voter approval.
Parks Maintenance Facility	Develop a strategy to replace the deteriorated parks maintenance building.
Community Parks Deferred Maintenance	Develop future revenue options for long-term maintenance of City Parks and Recreational Facilities. Continue to increase funding to address deferred maintenance for the City Parks and Recreation Facilities.

GOAL 3: Enhance the Livability of the Community	
Priority	**Milestones**
Beavercreek Road Concept Plan	Develop written Municipal Code and Comprehensive Plan map designations to implement the concept plan.
Houseless Community Members	Identify partnerships/programs and funding to address houseless community members. Identify program coordinator.
Affordable Housing	Work with regional partners to identify tools and programs to increase affordable housing and housing affordability. Review local regulations and processes to remove barriers and provide incentives to additional housing opportunities.
Sewer Moratorium	Complete construction for the Hazelwood area, the final moratorium project, by fall 2017.
Stormwater Master Plan	Complete a Rate Study and System Development Charge Analysis for the City's stormwater system.
Waterfront Master Plan	Revisit a portion of the Waterfront Master Plan, including Clackamette Park, the boat ramp location, the RV Park, and the City-owned properties across from Clackamette Park.

GOAL 4: Pursue Opportunities to Increase Transparency and Encourage Citizen Participation	
Priority	**Milestones**
Ermatinger House	Develop and implement an operations and volunteer plan for the facility.
Community Engagement Plan	Increase opportunities to connect with the community and receive feedback.
Information Governance	Implement an Electronic Records Management System (HPERM - Hewlett-Packard Enterprise Records Manager). Develop and implement a modified Capstone approach to manage City-wide e-mail. Research and implement a paperless office with better utilization of existing tools.

GOAL 5: Maintain Fiscal Health and Long Term Stability	
Priority	**Milestones**
Deferred Water Infrastructure	Begin community outreach and communications regarding long-term water rates and the need for infrastructure replacement. Prepare for possible ballot measure in 2018 to address degraded water systems.
Permitting and Enterprise Resource Planning System Upgrades	Replace existing permitting system. Assess replacement options for remaining financial management systems.

BUDGET GUIDE

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 and 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

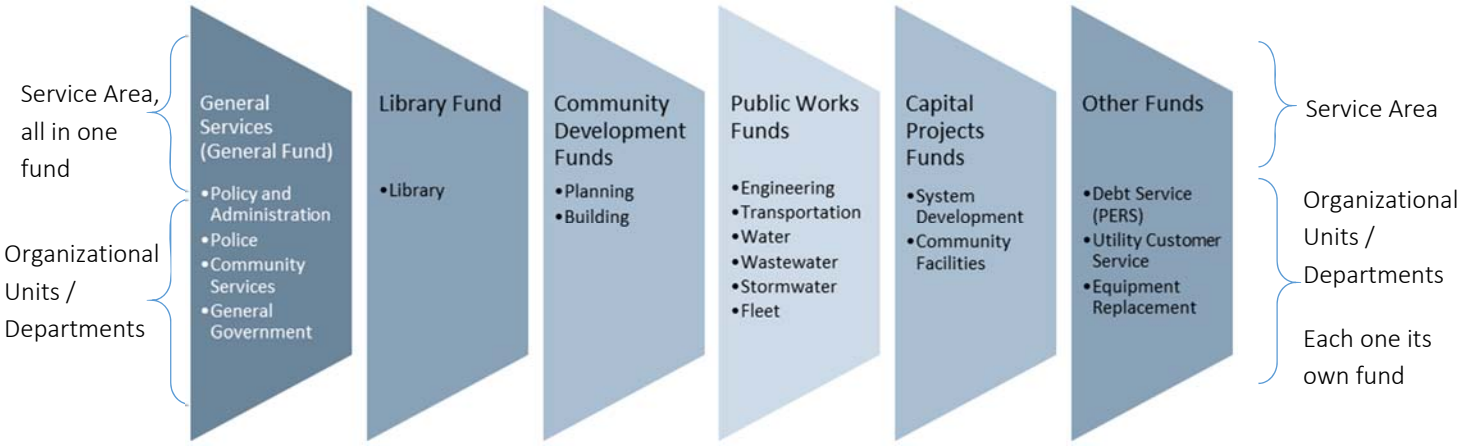
- Budget Message: Highlights the major provisions that have been included in the Adopted Budget, describes fiscal policies for the coming fiscal year and any significant changes, discusses the major changes from the previous year in appropriations and revenues and the major policy issues that were considered
- City Commission Goals and Priorities: City vision and mission along with Commission goals and priorities which provide the foundation and direction for this budget
- Budget Guide: Instructions on how to use the Budget Document
- City at a Glance: Demographic and statistical information for Oregon City
- City Profile: Demographic and economic information, trends and assumptions that impact the budget
- Budget Process: Discussion of several specific steps that must be followed during the budgeting process including a budget calendar, an overview of how Oregon City's budget is developed, and information on budgeted funds and their organization
- 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***, and ***Other Funds which include Debt Service and Internal Service 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

Additional 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: Historical information about funds that have been closed in previous years is presented as required by law
- Required compliance schedules and information (Oregon Budget Law)
- Glossary

City at a Glance

City Information

Incorporated	1844
2017-19 Tax Rate (per $1,000)	4.409
Assessed Valuation, 2017	$2.94 billion
Bond Rating	AA
Total Budget	$190.9 million

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
2017 est.	34,342
2018 est.	34,634
2019 est.	34,928

Median Age	37.9
Median Income	$ 66,349
Median Property Value	$ 283,704
Sex Composition	
Male	49.50%
Female	50.50%
Racial Composition	
White	91.1%
Two or more races	3.1%
Asian	2.0%
American Indian	1.1%
Black	0.9%
Other	1.8%
Hispanic *	8.7%

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

Population by Age	
Under 5 years	6.7%
5-19	21.5%
20-29	12.6%
30-44	22.3%
45-64	25.7%
65-older	11.2%

Education

Education Attainment (Persons over 25)	
High school or higher	92.60%
Bachelor's degree	23.50%
Graduate or professional degree	5.70%
Schools	
Elementary Schools	7
Middle Schools	2
High Schools	1
Charter and K-12	4

Service Statistics

Land Area	9.3 square miles
Highest Point	530 feet
Lowest Point	10 feet
Public Works	
Number of Water Customers	10,645
Cubic Feet Annual Water Consumption	15.4 million
Miles of Roads Maintained	136
Miles of Water Lines Maintained (City)	169
Miles of Sewer Lines Maintained (City)	133
Number of Pump Stations	14
Number of Drainage Catch Basins (City)	4,350
Public Safety	
Sworn Officers	46
Civilian full-time employees	12
Police Calls for Service	23,600
Municipal Court Cases Processed	7,769
Community Services	
Number of Recreational Facilities	28
Number of Swimming Pool Annual Visits	141,520
Meals provided to Seniors	38,501
Library	
Attendance	360,000
Circulation	880,250

Oregon City is a City of Firsts...

- ✓ First incorporated city west of the Rocky Mountains, 1844
- ✓ First capital of the Oregon Territory
- ✓ First Commercial newspaper printed in the West, The Oregon Spectator, 1846
- ✓ First paper mill in Oregon Country, 1866
- ✓ First navigation locks in the Northwest, 1872–73
- ✓ First long distance transmission line of electricity in the nation, Oregon City to Portland, 1889

City Profile

Governance

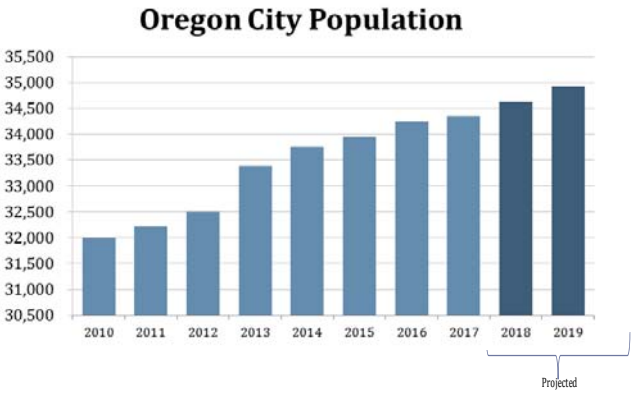
Oregon City is the County seat of Clackamas County in Northwest Oregon, thirteen miles south of Portland, Oregon at the confluence of the Willamette and Clackamas Rivers. The City was established in 1829 and incorporated in 1844, later becoming the capital of the Oregon Territory. It currently encompasses 9.29 square miles and is part of the Portland Greater Metropolitan Area.

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.

Demographics

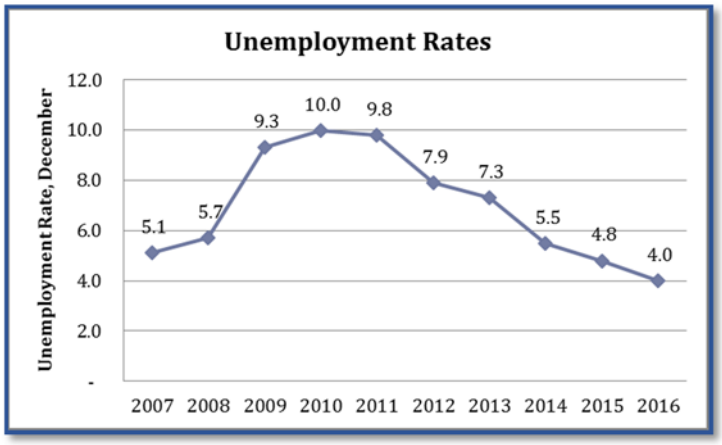
Oregon City's population is currently estimated at 34,240 indicating an increase of over 33% since 2000. The City is one of Oregon's fastest growing (ranked #9) with an average 2.1% annual growth over the past 4 years. Future growth will likely continue in the 1-2% range as the City still contains undeveloped land within its Urban Growth Boundary. The state forecasts population to increase by slightly higher percentages than the rest of the country. The table to the right shows 10-year historic and projected population for Oregon City, according to U.S. Census Bureau data and estimates from the Center for Population Research.



Economy

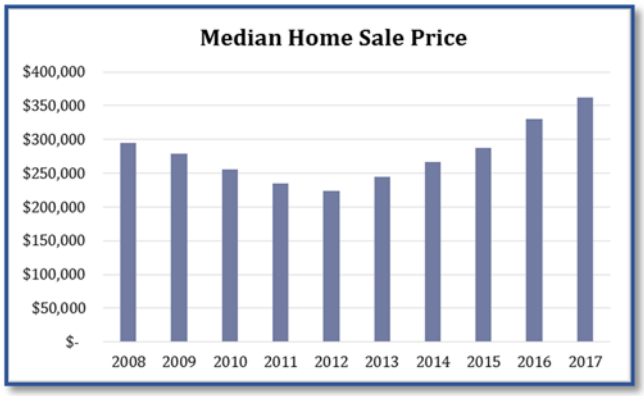
Oregon City's economy is linked with that of Clackamas County, the Portland Metropolitan Service Area (MSA), and the State of Oregon. Interstate 205 and State Highways 99E and 213 link Oregon City to Portland, Salem and Southwest Clackamas County. The Portland MSA comprises Clackamas, Columbia, Multnomah, Washington and Yamhill Counties in Oregon, which together include over 47 percent of the State's population according to U.S. Census estimates. Oregon City is home to shopping areas, recreational opportunities, businesses, a wide variety of historical and cultural attractions, and several interpretive centers and museums dedicated to celebrating the Pioneer spirit.

Oregon continues to outpace the national average for growth. Similar to other states, goods-producing and manufacturing industries in Oregon have weakened slightly, but most other sectors are growing at similar rates to the recent past. The economic recovery, now in its eighth year, appears to be stable.



Oregon's labor market continues to outperform the national average and while job growth in the area has decelerated somewhat in recent months, regional job gains continue to be more than enough to keep pace with the population growth. As of December 2016, the unemployment rate in the region is 4.0%, slightly lower than the state average of 4.5%. The State is now past its peak in terms of accelerated growth rates but the expectation is for continued gains in the Oregon economy. Further progress should be evident in broader measures of economic stability such as in increases to the median household income. The current household income in Oregon City is estimated at $66,349, approximately 18.9% higher than the National average of $55,775 and 22.5% higher than the State average of $54,148. Personal income is estimated to have increased by 5.9% over the past year.

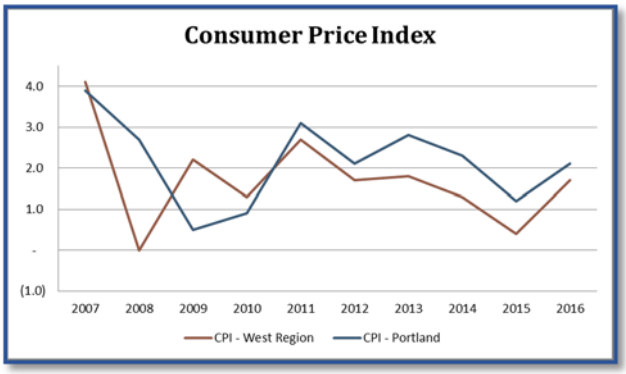
Oregon City's real property market value and assessed value has steadily increased after seeing declines since 2008; the assessed (or taxable) value, however, remains significantly lower than the real market value. Expectations call for continued slow growth over the next year. Further information on tax growth and the difference between assessed and market value is provided later in the budget in the Revenue Trends section. Information on home sale prices over the last ten years and the City's top taxpayers are shown below.



Top Ten Taxpayers

The Landing – 302 LLC
Portland General Electric Company
Comcast Corporation
Quantum Management
Metropolitan Life Insurance Company
Loja Trails End LLC
Craig T Danielson
Investment Concepts Inc
Providence Health
BHLP Refi LLC

The Consumer Price Index (CPI) is a leading economic indicator that measures inflation and represents the changes in prices of all goods and services over time. This indicator is tracked and published by the U.S. Department of Labor's Bureau of Labor Statistics. The Portland MSA CPI for the year ended December 31, 2016, was 2.1%. This means that in December 2016, goods as a whole cost 2.1% more than in December 2015. The chart to the right highlights the CPI over the past ten years.



Government and education are the top employment sectors in Oregon City, constituting over 28% of all employment. As the Clackamas County seat, Oregon City is home to several County facilities that serve the region. The City is also home to Clackamas Community College's main campus. Founded in 1966, it is now one of the largest community colleges in the state of Oregon, serving an average of 38,000 students annually. Providence Willamette Falls Medical Center, a not for profit acute care hospital employing over 780 people, also operates in Oregon City. And the City is home to Benchmade Knife Company, Inc., premier manufacturer of world-class sports cutlery and edged tools.

Top Ten Employers

Business Name	Industry
Clackamas County	Government
Clackamas Community College	Education
Oregon City School District	Education
Providence Health & Services	Health Services
Fred Meyer / The Kroger Co.	Retail
City of Oregon City	Government
The Home Depot, LLC	Retail
Benchmade Knife Co., Inc.	Manufacturing
Orchard Orthopedic Solutions Oregon, Inc.	Health Services
Safeway, Inc.	Retail

BUDGET PROCESS

BUDGET DEVELOPMENT AND ADOPTION

According to City Charter and Oregon Revised Statute (ORS 294), the City of Oregon City must prepare and adopt a balanced budget. Local Budget law allows governments to budget either on a one-year or a two-year cycle, as approved by the governing body. The Oregon City 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, 2017 and ends June 30, 2019.

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 City Commission holds a public hearing to review and adopt the final budget in June. If they propose a change that increases property taxes or expenditures within a fund by more than ten percent or $10,000, whichever is greater, the amended budget must be republished and a separate public hearing must be held by the Commission. 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

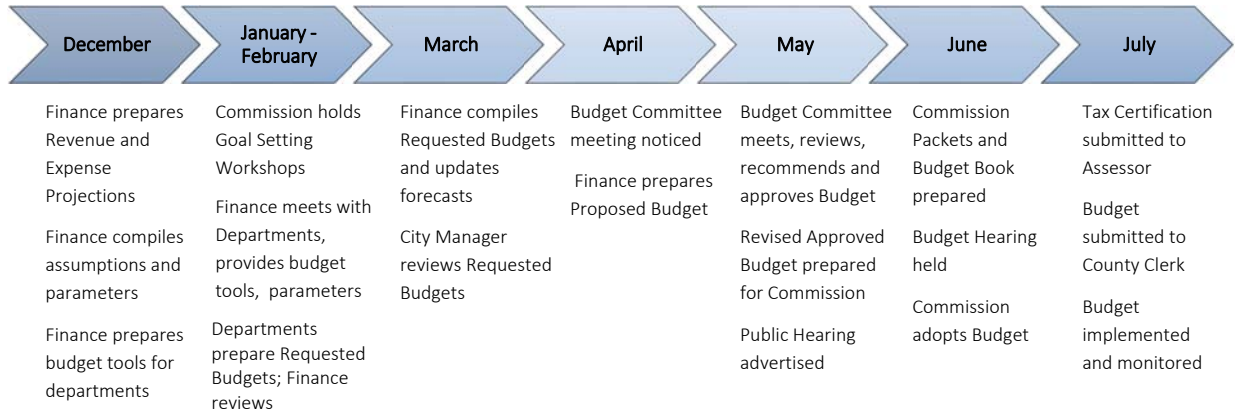
this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Debt service expenditures, as well as expenditures related to compensated 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. 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 any closed funds that were closed during the years presented.

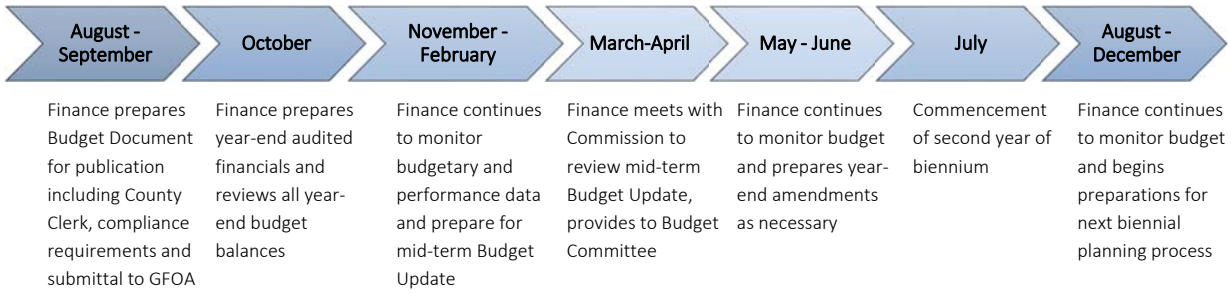
BUDGET CALENDAR

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 (The City maintains two different types of proprietary funds: **Enterprise** and **Internal Service**.)

General	**Capital Projects**	**Debt Service**
General Fund	System Development	PERS Bonds
	Community Facilities	
Special Revenue		
Library	**Enterprise**	**Internal Service**
Community Development	Water	Fleet Services
Building	Wastewater	Utility Customer Service
Engineering	Stormwater	Equipment Replacement
Transportation		

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	SW	WW	W	UCS	ER/F
Policy & Administration	X							X				X	X
Police	X							X					X
Community Services	X						X	X					X
General Government	X												
Library					X			X					X
Community Development		X	X										X
Public Works				X		X	X	X	X	X	X	X	X

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

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 2017-2019 biennium, the following funds meet this criteria:

General Fund – Accounts for the City's legislative activities and administration, human resources, finance, information technology, police department, municipal court, and parks and recreation; primary revenues are property taxes, franchise fees, fines and forfeitures, and intergovernmental revenues

Water Fund – Accounts for the operation of the City's water system; customer charges are the primary revenues

Wastewater Fund – Accounts for the operation of the City's sanitary sewer collection system; customer charges are the primary revenue source.

System Development Fund – Accounts for the collection of transportation, water, wastewater, stormwater and parks development charges and their use for related capital projects

Community Facilities Fund - Accounts for money set aside for construction of city facilities including the expansion of the Library and building of public safety and public works facilities; funded by transfers from other funds

Financial Policies Impacting the Budget

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 and 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 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.

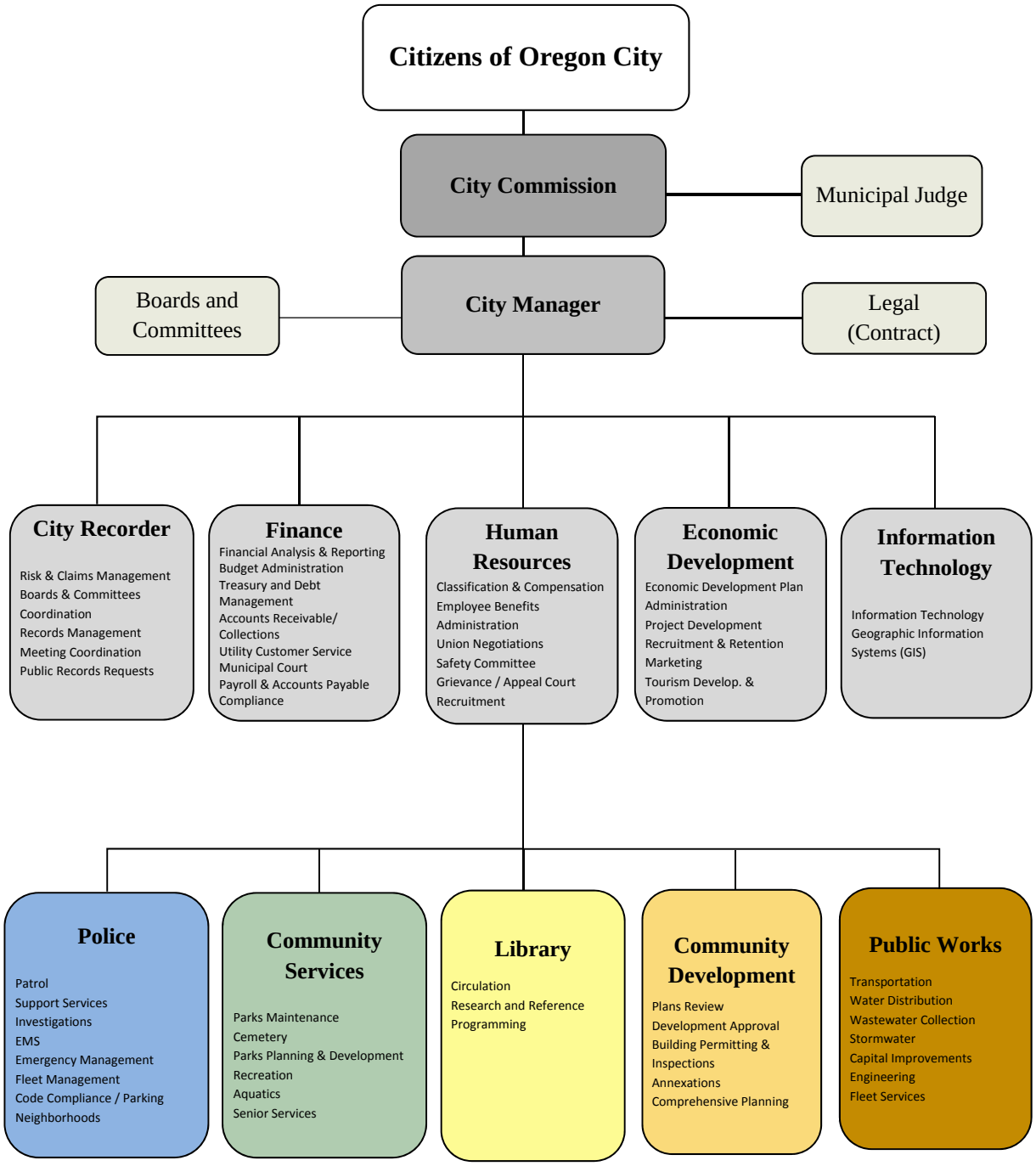
DEBT POLICY:

- 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 table below summarizes all resources and requirements by category for the 2017-2019 biennium and compares them to the current biennial budget and the activity for two previous periods.

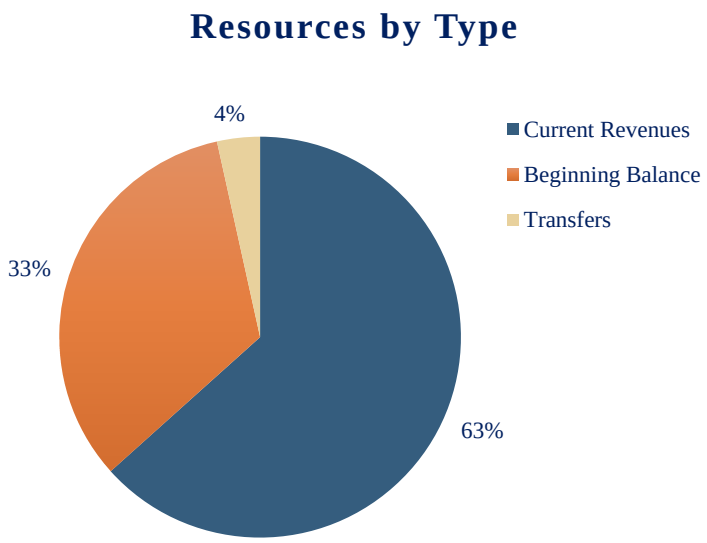
All Funds	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 27,343,307	$ 36,261,630	$ 52,593,402	$ 63,396,801	$ 51,253,601	$ 63,396,801
Property Taxes	9,648,967	22,032,177	23,544,007	12,401,875	12,951,509	25,353,384
Franchise Fees	2,335,393	5,959,163	6,693,638	3,795,032	3,826,237	7,621,269
Intergovernmental	10,301,401	12,869,073	11,661,012	5,955,438	5,993,961	11,949,399
Charges for Services	20,068,813	38,390,360	41,924,085	23,460,908	23,751,299	47,212,207
Pass-Through Revenues	4,547,081	8,442,513	10,688,511	6,075,013	6,257,014	12,332,027
Licenses and Permits	2,118,631	3,223,422	2,928,632	2,176,651	2,069,541	4,246,192
Fines and Penalties	929,010	2,048,626	2,313,123	982,198	982,198	1,964,396
Other Taxes and Assessments	265,782	381,101	380,000	231,440	196,379	427,819
Other Income	1,168,982	2,610,758	2,571,209	1,395,454	1,450,756	2,846,210
Contributions	160,457	1,584,542	169,200	85,400	86,372	171,772
Interest Income	309,555	649,484	358,913	278,174	278,590	556,764
Loan Repayments	506,974	1,086,964	829,022	386,964	386,964	773,928
Bond Proceeds	-	6,000,000	-	-	-	-
Internal Service Charges	-	-	502,435	2,785,970	2,694,896	5,480,866
Transfers In	5,692,059	83,800,558	11,122,116	3,390,524	3,196,671	6,587,195
Total Resources	**$ 85,396,412**	**$225,340,371**	**$168,279,305**	**$126,797,842**	**$115,375,988**	**$190,920,229**
Requirements by Category						
Personnel Services	$ 17,767,290	$ 38,204,155	$ 46,042,032	$ 24,683,529	$ 25,721,926	$ 50,405,455
Materials and Services	10,591,150	22,939,400	25,915,568	16,270,730	15,630,881	31,901,611
Pass-Through Expenses	4,522,252	8,451,972	10,718,511	6,075,013	6,257,014	12,332,027
Capital Outlay	8,280,180	10,673,238	46,020,068	22,781,667	27,568,808	50,350,475
Debt Service	2,281,851	4,889,547	5,327,513	2,342,778	2,394,289	4,737,067
Transfers Out	5,692,059	83,800,558	11,122,116	3,390,524	3,196,671	6,587,195
Contingency	-	-	18,293,673	45,144,816	27,606,884	27,606,884
Reserved for Future Expenditures	5,045,713	20,553,812	4,839,824	6,108,785	6,999,515	6,999,515
Unappropriated Fund Balance	31,215,917	35,827,689	-	-	-	-
Total Requirements	**$ 85,396,412**	**$225,340,371**	**$168,279,305**	**$126,797,842**	**$115,375,988**	**$190,920,229**

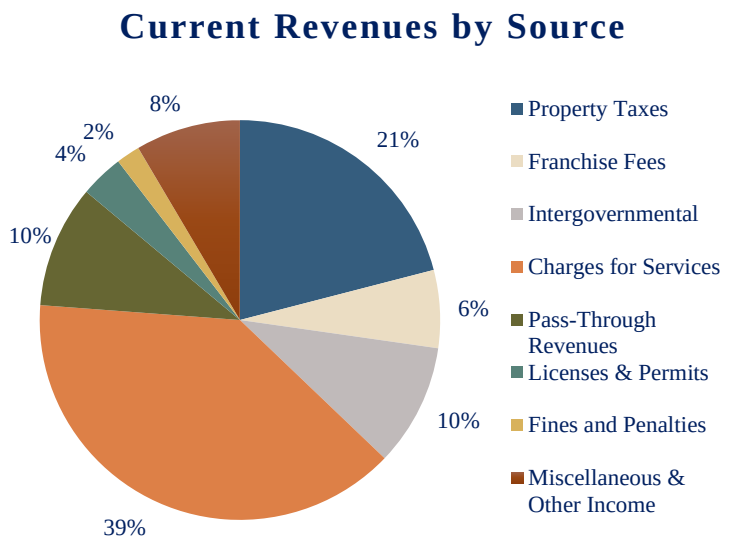
The following table further summarizes all requirements by function.

All Funds	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Requirements by Function						
Policy and Administration	$ 4,375,493	$ 10,667,650	$ 11,899,927	$ 6,834,939	$ 6,529,194	$ 13,364,133
Police	8,228,431	20,446,296	22,299,615	10,682,724	15,063,234	25,745,958
Community Services	3,677,912	10,720,163	10,638,842	5,741,632	6,196,667	11,938,299
General Government	2,599,831	40,535,129	6,430,429	3,259,048	2,743,726	6,002,774
Library	1,959,565	14,387,067	13,486,860	1,831,838	1,785,200	3,617,038
Community Development	2,932,538	5,192,663	6,339,856	4,431,304	3,219,531	7,650,835
Public Works	23,079,161	62,120,355	68,722,766	40,419,978	42,837,748	83,257,726
Debt Service	2,281,851	4,889,547	5,327,513	2,342,778	2,394,289	4,737,067
Contingency & Reserves	36,261,630	56,381,501	23,133,497	51,253,601	34,606,399	34,606,399
Total Requirements	**$ 85,396,412**	**$225,340,371**	**$168,279,305**	**$126,797,842**	**$115,375,988**	**$190,920,229**

WHERE THE MONEY COMES FROM – ALL FUNDS COMBINED

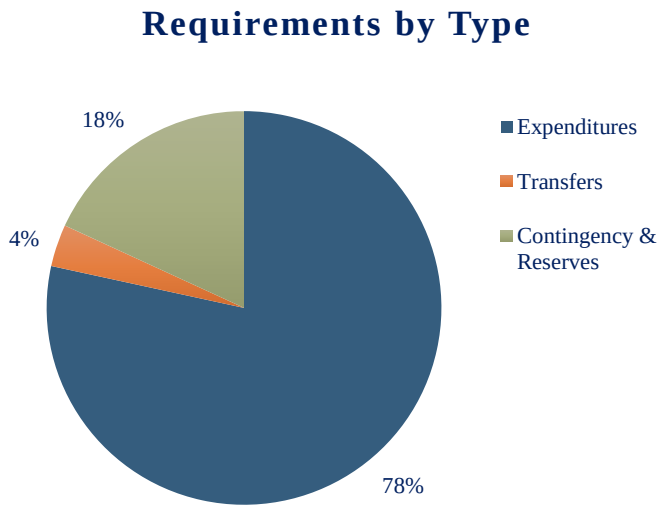
Resources to meet Oregon City's obligations and service needs are derived from three primary sources: beginning fund balance, current revenues, and transfers in from other funds. Beginning fund balance consists of revenues carried forward from previous fiscal years, including reserves for specific purposes (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.

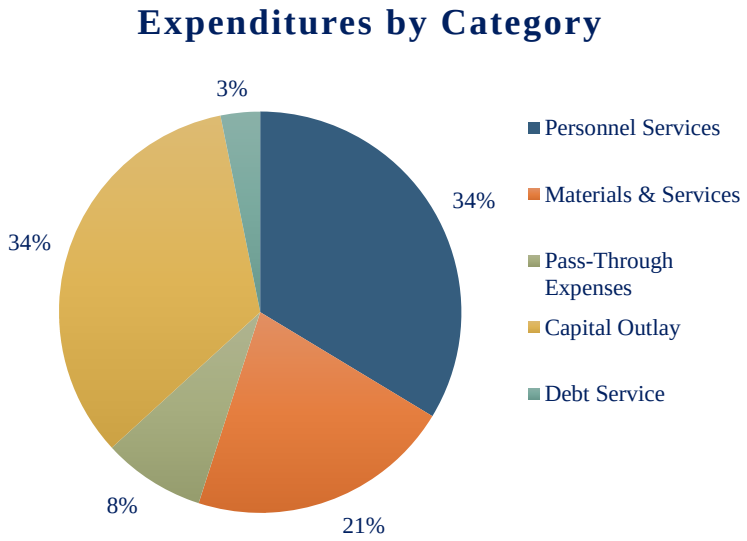




WHERE THE MONEY GOES – ALL FUNDS COMBINED

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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
General Fund	$ 19,636,608	$ 76,013,191	$ 46,418,815	$ 28,944,964	$ 27,257,474	$ 51,195,991
Special Revenue Funds						
Library	2,830,118	4,840,773	5,187,308	4,122,148	4,265,681	6,512,890
Community Development	1,591,678	3,270,284	3,676,968	2,386,189	1,814,068	4,080,958
Building Operations	1,956,646	2,838,324	2,895,764	4,195,605	4,077,377	6,241,791
Engineering	385,428	1,188,081	1,887,796	1,418,214	1,252,560	2,433,334
Transportation	2,602,737	6,416,752	10,748,989	6,659,353	5,522,397	11,167,928
Capital Projects Funds						
System Development	-	15,474,303	17,729,090	21,254,126	15,834,589	24,092,591
Community Facilities	-	16,894,727	22,845,000	14,861,083	12,738,883	17,738,883
Fleet & Equipment Replacement	3,088,989	4,566,345	5,014,921	5,478,706	5,945,370	6,662,370
Enterprise Funds						
Water	7,462,989	14,726,348	15,936,365	12,055,319	11,221,936	19,429,645
Wastewater	6,962,942	17,048,278	22,089,990	16,721,951	17,165,233	27,373,747
Stormwater	2,675,146	5,481,076	6,120,439	3,822,921	3,472,033	6,477,342
Internal Service Funds						
Fleet Services	205,386	428,782	458,364	234,516	251,955	466,951
Utility Customer Service	856,314	1,804,993	2,041,482	1,190,203	1,141,859	2,230,803
Debt Service Funds						
PERS Bond	2,621,339	4,363,698	4,409,776	3,452,544	3,414,573	4,815,005
Closed Funds						
GO Bond Debt Service	424,911	851,905	818,238	-	-	-
Business Development	77,948	114,002	-	-	-	-
Cable TV	231,600	402,840	-	-	-	-
City Cleanup Fund	415,580	614,474	-	-	-	-
Civic Improvement Trust Fund	99,889	241,609	-	-	-	-
Code Enforcement	269,118	500,009	-	-	-	-
Downtown Parking Fund	669,871	1,112,782	-	-	-	-
Economic Improvement District	118,055	163,666	-	-	-	-
Endowment Care Fund	104,495	105,655	-	-	-	-
Ermatinger House	327,899	610,821	-	-	-	-
Hopp Sewer Construction Fund	43,229	71,649	-	-	-	-
Library Reserves	2,313,545	10,634,305	-	-	-	-
Oregon City Enhancement	238,183	370,053	-	-	-	-
Parks & Recreation Trust	260,403	363,755	-	-	-	-
Parks Development SDC	2,662,646	3,518,646	-	-	-	-
Pavement Maintenance	2,823,397	5,117,340	-	-	-	-
Police Building Reserve	98,422	1,581,152	-	-	-	-
Police Services Reserve	629,386	1,092,929	-	-	-	-
Public Works Building Reserve Fund	5,309,176	7,571,515	-	-	-	-
Stormwater Development	491,971	659,570	-	-	-	-
Transportation Development	8,712,926	6,516,851	-	-	-	-
Upgrade Streets Annexed	190,991	192,995	-	-	-	-
Wastewater Development	2,372,599	2,994,155	-	-	-	-
Wastewater Rate Stabilization	623,252	623,252	-	-	-	-
Water Development	2,518,358	3,466,244	-	-	-	-
Water Rate Stabilization	492,242	492,242	-	-	-	-
Total All Funds	***$ 85,396,412***	***$ 225,340,371***	***$ 168,279,305***	***$ 126,797,842***	***$ 115,375,988***	***$ 190,920,229***

OVERALL BUDGET HIGHLIGHTS

- The budget is balanced at $190.9 million with a tax rate of $4.409 per $1,000 assessed value, the same rate as the previous biennium.
- The 2017-2019 budget represents an increase of $22.6 million over the amended 2015-2017 biennial budget of $168.3 million.
- Total expenditures, excluding transfers, internal service charges, reserves and contingency, are $144.2 million, an increase of $10.7 million from the prior biennial budget. Most of this change is in Personnel Services and Capital Outlay, each with a $4.4 and $4.3 million budgeted increase, respectively, over the biennium.
- Additional revenues will fund an increase of 3.59 Full Time Equivalent (FTE) positions in the biennium.

BUDGET TRENDS BY YEAR

The following economic assumptions were used in developing the 2017-2019 Biennial Budget.

General

- The City's population will grow 0.85% 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 taxes, will grow by 4.0% in the first year and 4.5% in the second year of the biennium, or $117.54 million in 2018 and $122.24 million in 2019.
- Property tax revenues are estimated to increase by approximately 7.7% over the two-year period due to a combination of anticipated property value increases and new development.
- Charges for services are scheduled to increase between 3% and 9% depending on previously approved indexing schedules.
- Interest rates on investments will be 1% 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

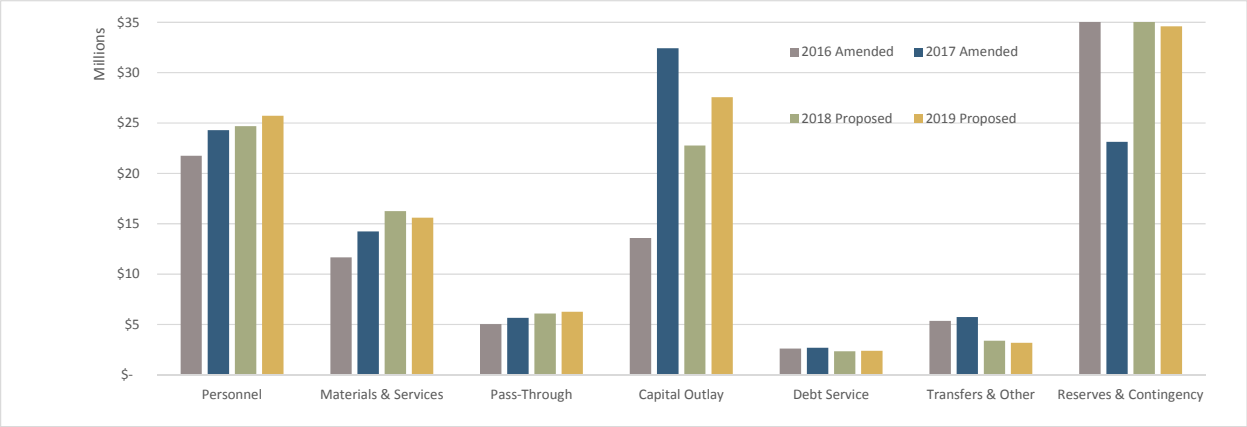
- Cost for goods and contracts are projected to remain flat on average; exceptions or significant variances are explained under Budget Highlights of each Department budget.
- Capital outlay (projects and equipment) budgeted at projected acquisition or construction cost based on preliminary estimates, generally no increase.
- Cost of Living increases are 2% for all employees; step increases are included on employees' anniversary dates for represented employees.
- Health benefit costs are projected on average at 5% annual increases .based on claims and premiums projections
- Public Employees Retirement System (PERS) contributions rates (estimated for 2017-2019 biennium) provided by PERS, which averaged between 3.5% and 5% increases.

The table below compares the 2017-2019 biennial budget to the 2015-2017 biennial budget and the two previous budget periods. The bottom line compares budgeted expenditures by year, excluding transfers, fund balance and contingency. As shown below, overall expenditures increased in the biennium. The main reason for the increase is due to capital projects which are being funded in the current year. 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.

	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Total Budget	$ 85,396,412	$ 225,340,371	$ 168,279,305	$ 126,797,842	$ 115,375,988	$ 190,920,229
Less Ending Fund Balance and Contingency	(36,261,630)	(56,381,501)	(23,133,497)	(51,253,601)	(34,606,399)	(34,606,399)
Less Transfers & Internal Service Charges	(5,692,059)	(83,800,558)	(11,624,551)	(6,176,494)	(5,891,567)	(12,068,061)
Total Expenditures	**$ 43,442,723**	**$ 85,158,312**	**$133,521,257**	**$ 69,367,747**	**$ 74,878,022**	**$144,245,769**

Budget Summary

The chart below compares each year of the biennial budget (fiscal years 2018 and 2019) to each year of the prior year amended budgeted expenditures (2016 and 2017) by Category for all budgeted funds. Explanation of the variances and assumptions used are explained below.



Personnel Services

Personnel costs increased by $4.4 million, or 9.5%, in the biennium. This increase is mainly due to cost of living and pay grade (step) increases along with projected health insurance increases. Additionally, total FTES increased by 3.59 positions over the adjusted 2015-2017 biennial budget. The additions include a Citizen Engagement Coordinator in the City Manager budget, a part-time Inclusion Assistant in Community Services to provide assistance to patrons with special needs, a Homeless Liaison and a School Resource Officer in the Police Department, and additional hours in the newly renovated and expanded library. Further analysis of personnel costs and changes is found starting on page 127.

Operating Materials & Services

Operating costs increased by $978,000 after accounting for the reclassification of transfers to internal service charges (for services provided between departments). While departments budgeted with no inflationary increases, materials were increased related to certain contracts, legal transactions and various grant projects

Capital Outlay

Budgeted capital increased by $4.3 million, or 9.4%, over the biennium. 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 137.

Debt Service

While the water utility bond was paid off in 2015, the City acquired new voter approved debt for the Library in that same year. In 2017, General Obligation bonds originally issued in 1998 matured. As a result, Debt Service payments decreased in the current biennium. .

Information on the City's debt is located in the Debt Administration section of this budget.

Transfers & Other Uses

In the current biennium, transfers decreased by $4.5 million due to a reclassification of transfers to internal service charges (Materials & Services) for services provided between City departments.

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 (21%)

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 1995-96 levels and then reduced by 10%.

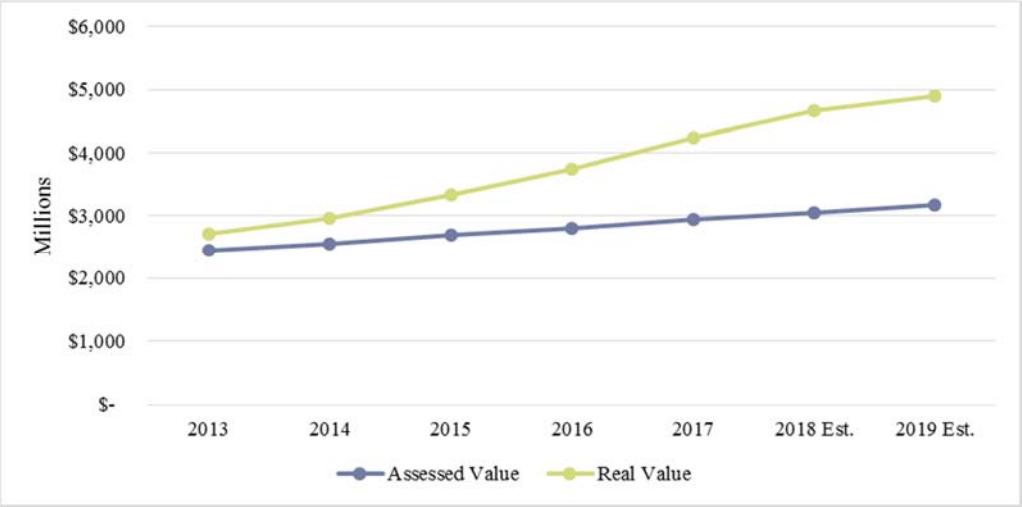
Assessed value increases are limited to 3% per year. Annual 4% increases in assessed value for property taxes are built into the calculation due to economic factors, valuation increase limits, anticipated new properties added to the tax roll, and county assessor information. For Fiscal Year 2017, Oregon City's total assessed value was approximately 69% 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 95% collection rate on property taxes for the 2017-2019 biennium. This is in line with previous year's collection estimates and reflective of the current collection rate.

	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Amended Budget	2016-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Property Taxes	$ 9,648,967	$ 10,774,222	$ 11,257,955	$ 11,573,063	$ 11,970,944	$ 12,401,875	$ 12,951,509	$ 25,353,384
Assessed Value	$ 2,442.13	$ 2,563.48	$ 2,690.17	$ 2,801.95	$ 2,938.43	$ 3,055.97	$ 3,178.20	n/a

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 2013 through the proposed budget biennium.



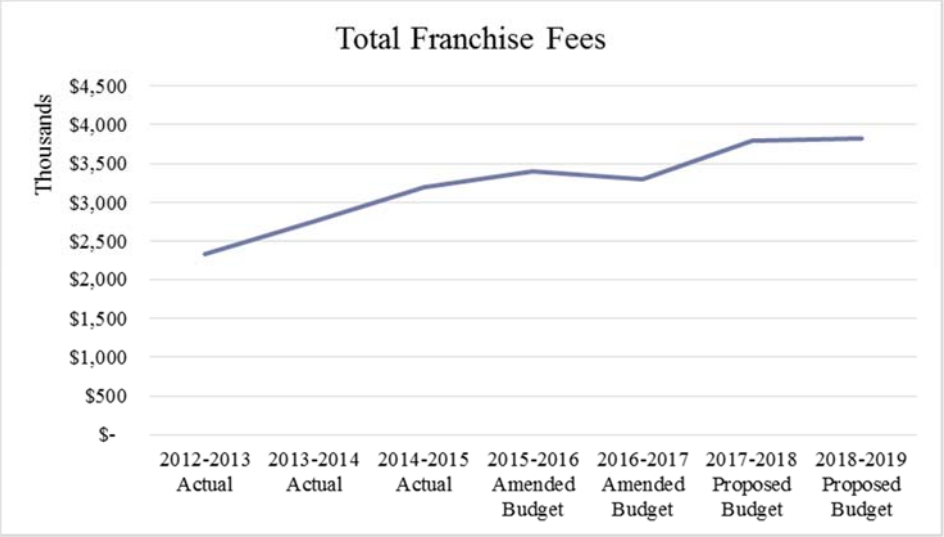
Year	Assessed Value	Real Value	Percentage of Real Value
2019 Est.	$3,178,204,553	$4,889,981,852	65%
2018 Est.	$3,055,965,917	$4,657,125,573	66%
2017	$2,938,428,766	$4,233,750,521	69%
2016	$2,801,945,084	$3,750,576,097	75%
2015	$2,690,169,028	$3,327,874,197	81%
2014	$2,563,482,092	$2,968,046,311	86%
2013	$2,442,131,136	$2,714,394,538	90%

Franchise Fees (6%)

Franchise fees are charged to private utilities for the use of publicly owned rights-of-way (ROW). Private franchised activities include electricity, tele-communications, 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. The City adopted a new ROW Ordinance to capture previously uncharged utilities in 2014 and certain service rates were increased at that time.

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.

Service	Rate	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Biennium	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Electricity	5.0%	$ 840,445	$ 1,869,487	$ 2,422,168	$ 1,260,000	$ 1,260,000	$ 2,520,000
Cable TV	5.0%	383,808	828,712	920,000	500,000	500,000	1,000,000
Water Utility	6.0%	306,757	616,911	731,917	403,373	419,633	823,006
Natural Gas	5.0%	249,761	583,507	736,000	380,000	380,000	760,000
Wastewater Utility	6.0%	160,000	743,191	844,967	588,243	598,391	1,186,634
Garbage	4.0%	199,461	423,779	420,000	225,000	225,000	450,000
Stormwater Utility	6.0%	93,024	268,019	272,223	154,916	159,563	314,479
Telecommunications	5.0%	81,137	601,010	344,363	283,000	283,150	566,150
Other ROWs	Various	21,000	24,547	2,000	500	500	1,000
Total Franchise Fees		***$ 2,335,393***	***$ 5,959,163***	***$ 6,693,638***	***$ 3,795,032***	***$ 3,826,237***	***$ 7,621,269***



Intergovernmental Revenues (10%)

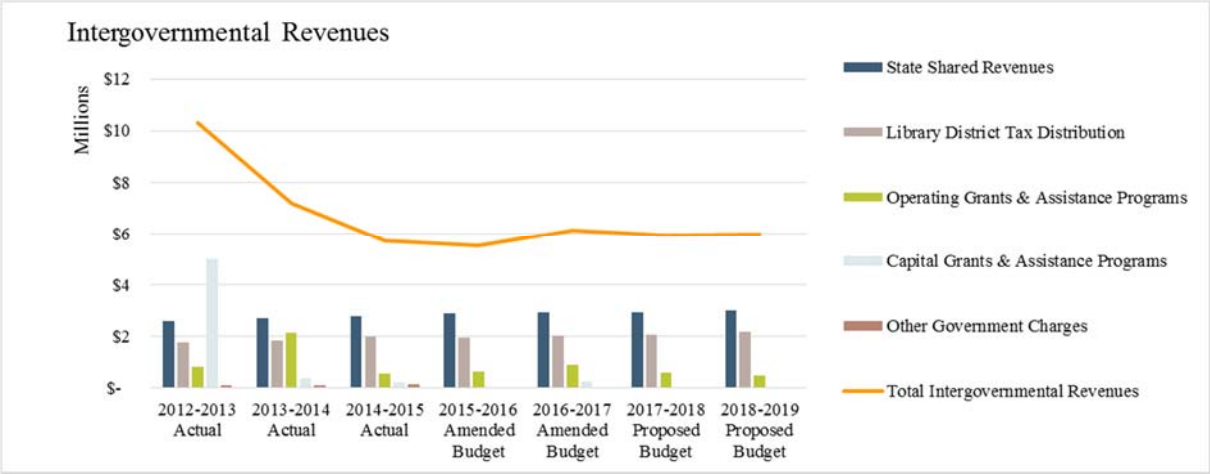
In the biennial budget, State Shared Revenues make up the majority of total intergovernmental revenues. State revenues are distributed to cities per Oregon Statutes; revenues are calculated using a formula based on population and income for the individual city. State Shared Revenues include general revenues, 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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Biennium	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
State Shared Revenues	$ 2,605,343	$ 5,495,639	$ 5,830,014	$ 2,944,365	$ 2,995,440	$ 5,939,805
Library District Tax Distribution	1,756,310	3,819,877	3,956,687	2,067,807	2,187,977	4,255,784
Operating Grants & Assistance Program:	833,052	2,710,803	1,543,519	576,370	471,648	1,048,018
Capital Grants & Assistance Programs	5,012,268	610,747	252,000	28,000	-	28,000
Other Government Charges	94,427	232,007	78,792	338,896	338,896	677,792
Total Intergovernmental Revenues	**$ 10,301,401**	**$ 12,869,073**	**$ 11,661,012**	**$ 5,955,438**	**$ 5,993,961**	**$ 11,949,399**



Charges for Services (39%)

Charges for water, wastewater, pavement maintenance, public safety, and stormwater are charged to all utility customers throughout the City. These fees are established through resolution and most 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%.

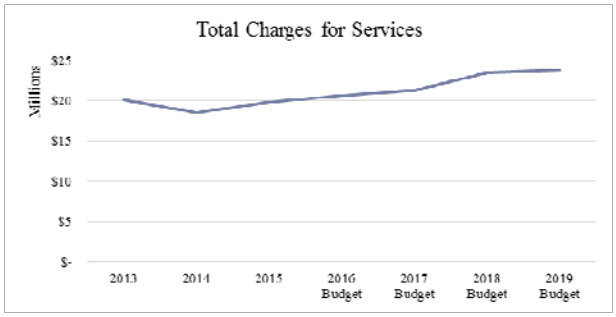
Charges for services also include fees charged to users of various city services, such as parks, library services and cemetery. Other charges for services not controlled by Commission action are calculated based on a six year average with conservative adjustments as requested by departments.

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.

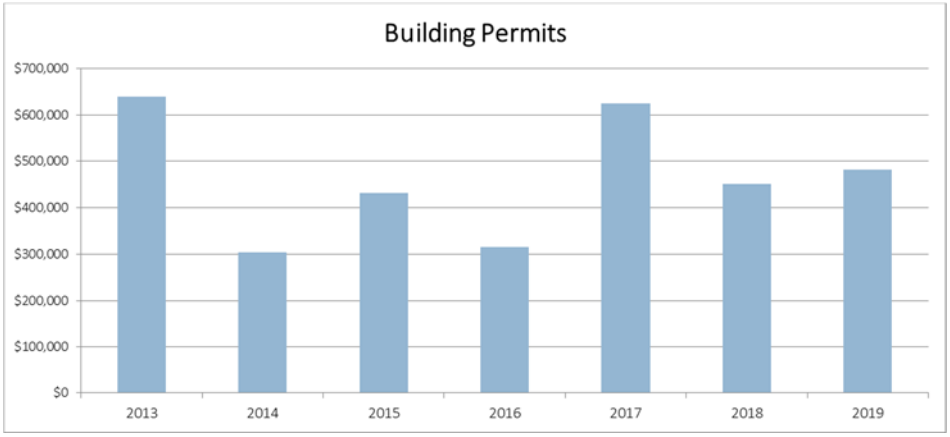
Type of Charge	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Biennium	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Water Utiliy	5,486,492	$ 11,749,095	$ 12,030,028	$ 6,855,475	$ 7,054,399	$ 13,909,874
Wastewater Utility	$ 3,269,355	8,121,422	10,112,660	5,446,958	5,448,154	10,895,112
Stormwater Utility	2,237,878	4,818,411	5,108,341	2,651,421	2,651,421	5,302,842
Transportation Utility	1,906,965	4,242,026	4,429,433	2,321,094	2,390,727	4,711,821
Police Utility	-	-	2,210,000	1,101,800	1,101,800	2,203,600
System Development Charges	5,153,995	5,016,161	3,492,483	2,725,000	2,725,000	5,450,000
Parks & Recreation User Fees	535,617	1,183,448	1,033,546	537,246	537,246	1,074,492
Planning & Review Fees	244,444	641,404	1,269,302	767,407	780,996	1,548,403
Code Enforcement & Parking	325,187	683,137	643,345	380,000	380,000	760,000
Cemetery Fees	278,106	519,270	522,000	291,000	291,000	582,000
Other	630,774	1,415,986	1,072,947	383,507	390,556	774,063
Total Charges for Services	***$ 20,068,813***	***$ 38,390,360***	***$ 41,924,085***	***$ 23,460,908***	***$ 23,751,299***	***$ 47,212,207***

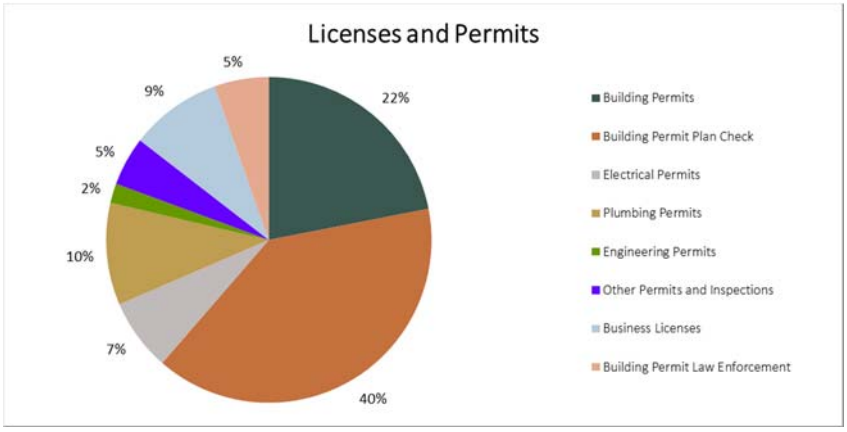


Licenses and Permits (10%)

The charts below show the various types of Licenses and Permits. Building permit plan checks make up the largest share of all permitting activity at 40%. The subsequent chart compares Building Permit Revenues over 7 years (inclusive of the biennium.) 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.

License / Permit Type	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Building Permits	$ 638,676	$ 736,016	$ 941,512	$ 450,000	$ 481,500	$ 931,500
Building Permit Plan Check	354,305	438,546	456,750	808,655	865,261	1,673,916
Electrical Permits	197,447	287,787	263,799	146,972	157,260	304,232
Plumbing Permits	322,659	318,728	273,035	208,005	222,566	430,571
Engineering Permits	106,720	519,466	66,456	41,200	41,200	82,400
Other Permits and Inspections	83,882	99,259	132,356	100,319	106,204	206,523
Business Licenses	155,942	368,620	350,000	191,500	195,550	387,050
Building Permit Law Enforcement	259,000	455,000	444,724	230,000	-	230,000
Total Licenses and Permits	***$ 2,118,631***	***$ 3,223,422***	***$ 2,928,632***	***$ 2,176,651***	***$ 2,069,541***	***$ 4,246,192***





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 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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Biennium	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Community Development	School Excise Tax	$ 546,511	$ 579,627	$ 1,200,000	$ 600,000	$ 600,000	$ 1,200,000
Building	Metro Excise Tax	88,117	90,800	180,000	100,000	100,000	200,000
Building	State Surcharge	137,141	157,743	240,000	120,000	120,000	240,000
Water	South Fork Development Charge	426,245	433,507	731,815	300,000	309,000	609,000
Wastewater	Tri-Cities Connections	765,128	601,767	507,500	450,000	450,000	900,000
Wastewater	Tri-Cities Service Charges	2,583,939	6,579,069	7,829,196	4,325,013	4,498,014	8,823,027
Total Pass-Through Payments		***$ 4,547,081***	***$ 8,442,513***	***$ 10,688,511***	***$ 5,895,013***	***$ 6,077,014***	***$ 11,972,027***

GENERAL FUND

FUND OVERVIEW

The General Fund is the principal operating fund of the City and is used to account for all revenues and expenditures that are not required to be recorded in another fund. General Fund revenues include property taxes, fees and charges for services, income 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 (service area departments grouped 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% and 15% of the operating budget (or between $2.3 and $3.5 million). In addition, maintaining a fund balance provides stability to meet the City's current and future needs. The General Fund ending balance (Ending Balance plus Reserves and Contingency) totals approximately $3.1 million at the end of the biennium with approximately $400,000 reserved for future program expenditures. The remaining balance of $2.7 million represents approximately 12% of annual operating expenditures.

Total resources and requirements in the General Fund for the past two periods, the current budget biennium, and the proposed biennium are shown below. In 2015, the City consolidated its fund accounting structure and as a result closed a total of 26 funds resulting in transfers in and out of the General Fund.

General Fund	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 3,628,399	$ 3,734,942	$ 5,063,309	$ 6,726,369	$ 5,006,447	$ 6,726,369
Property Taxes	9,387,162	21,461,069	23,010,037	12,401,875	12,951,509	25,353,384
Franchise Fees	1,982,409	5,203,290	6,333,638	3,545,032	3,576,237	7,121,269
Intergovernmental	1,459,242	2,480,466	3,607,601	1,640,078	1,671,959	3,312,037
Charges for Services	1,424,454	2,543,849	3,266,344	1,567,753	1,574,202	3,141,955
Internal Service Charges	-	-	-	739,500	712,425	1,451,925
Licenses and Permits	119,881	282,471	1,094,724	421,500	195,550	617,050
Fines and Penalties	749,974	1,728,733	2,225,825	1,130,198	1,130,198	2,260,396
Assessments and Other Taxes	-	-	380,000	231,440	196,379	427,819
Miscellaneous Income	90,731	316,767	159,861	131,711	132,568	264,279
Interest Income	137,406	178,971	106,846	110,000	110,000	220,000
Other Financing Sources	229,950	459,900	382,980	-	-	-
Transfers In	427,000	37,622,733	787,650	299,508	-	299,508
Total Resources	**$ 19,636,608**	**$ 76,013,191**	**$ 46,418,815**	**$ 28,944,964**	**$ 27,257,474**	**$ 51,195,991**
Requirements by Department						
Policy & Administration	$ 3,225,067	$ 7,011,842	$ 10,110,946	$ 5,745,995	$ 5,470,710	$ 11,216,705
Police	6,953,290	15,273,950	18,838,318	10,302,724	10,743,341	21,046,065
Community Services	2,994,539	6,472,676	7,958,658	4,250,750	4,728,440	8,979,190
General Government	1,478,307	2,925,163	3,684,424	2,523,032	1,973,755	4,496,787
Transfers Out	1,250,463	38,140,395	3,862,205	1,116,016	1,242,671	2,358,687
Operating Contingency	-	-	1,058,188	4,611,552	2,703,662	2,703,662
Reserved for Future Expenditure	-	-	906,076	394,895	394,895	394,895
Unappropriated Fund Balance	3,734,942	6,189,165	-	-	-	-
Total Requirements	**$ 19,636,608**	**$ 76,013,191**	**$ 46,418,815**	**$ 28,944,964**	**$ 27,257,474**	**$ 51,195,991**

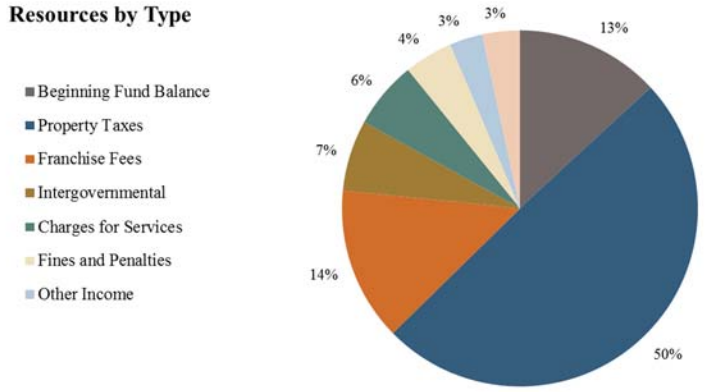
BUDGET HIGHLIGHTS

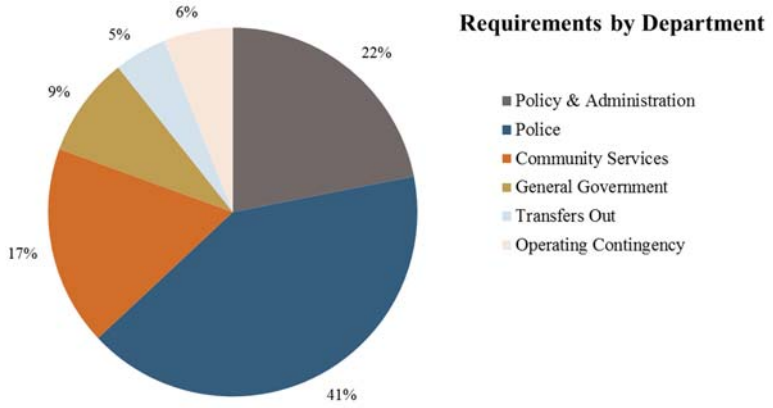
The 2017-2019 biennial revenues (excluding beginning fund balance, internal service charges and transfers) increased over last biennial budget by a combined total of $2.15 million, or approximately 5.3%. Total expenditures (excluding transfers, internal service charges and contingencies) increased by a combined total of $5.15 million, or approximately 12.7%.

Property tax growth makes up most of the increase to revenues as these continue to be the largest revenue source for the general fund, at 50% 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 projected 4.0% and 4.5% increases in assessed value for 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 stay relatively stable over the next biennium with no significant increases.

Major increases to General Fund expenditures can be attributable to projected personnel costs. Wage increases include an increase to the Oregon minimum wage, 2% annual cost of living adjustments and step increases for represented employees. Coupled with anticipated health insurance costs and PERS rate increases, personnel costs account for a 12% increase in expenditures. Materials and Services remained relatively flat over the biennium with the only increases related to pass-through payments and community programs and grants with dedicated revenues. Capital outlay expenditures reflect continued focus on deferred capital maintenance, and economic development.

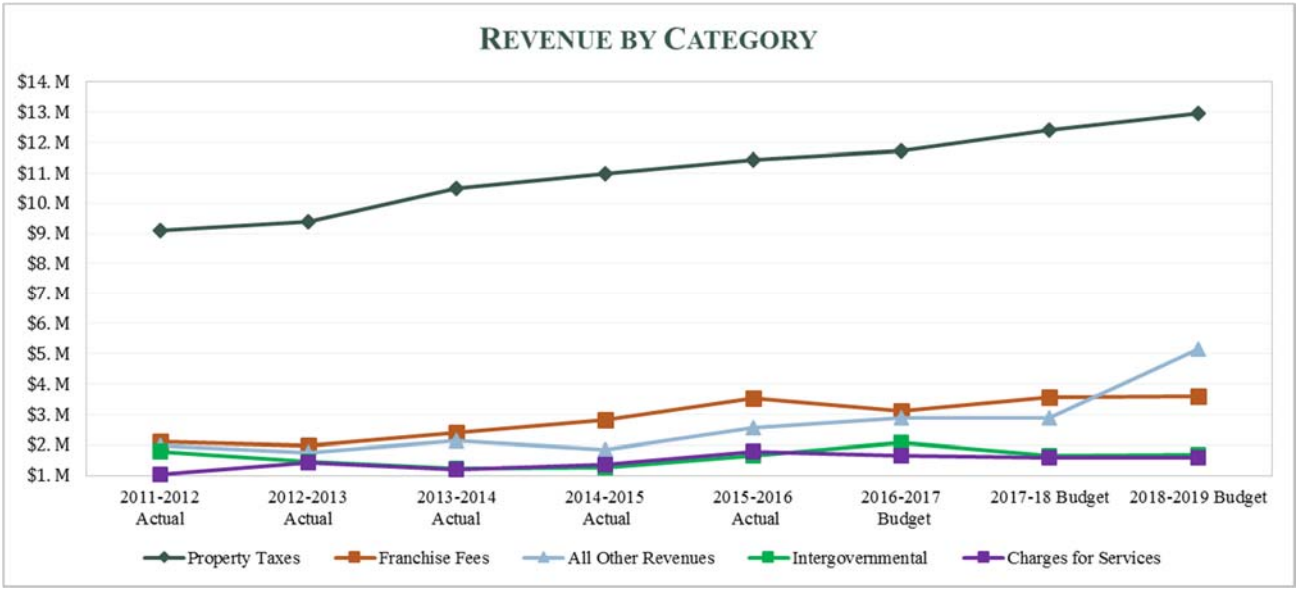
The charts below show the relative percentages of resources by type and requirements by department for the biennium.





GENERAL FUND REVENUES

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

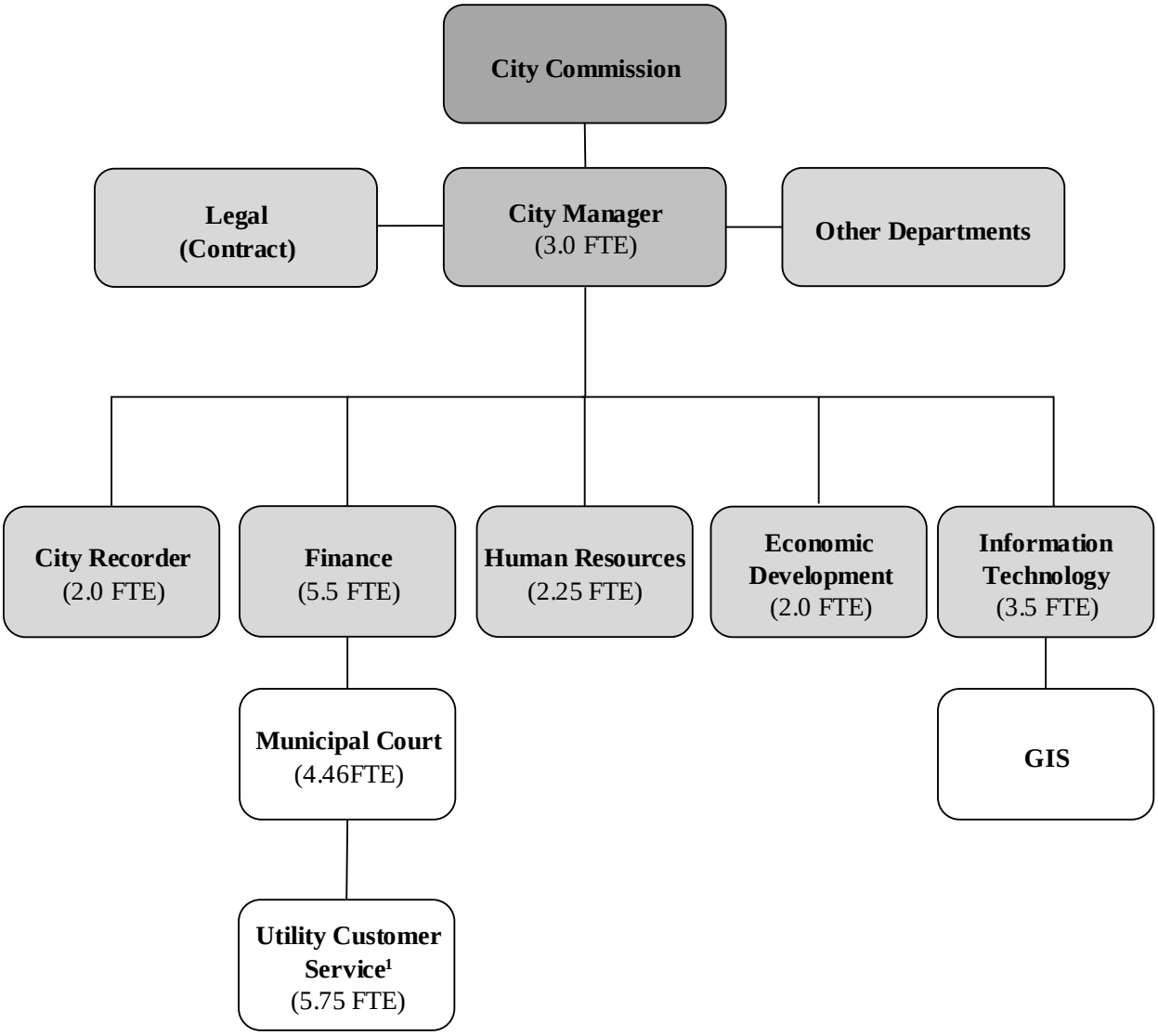


GENERAL FUND EXPENDITURES

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

General Fund	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Requirements by Category						
Personnel Services						
Salaries	$ 6,384,328	$ 13,643,943	$ 16,077,168	$ 8,940,485	$ 9,345,421	$ 18,285,906
Benefits	3,940,856	8,655,672	11,055,181	5,886,868	6,157,858	12,044,726
Total Personnel Services	10,325,184	22,299,615	27,132,349	14,827,353	15,503,279	30,330,632
Materials & Services						
Professional & Technical Services	1,175,263	2,303,173	2,643,541	1,443,848	1,178,600	2,622,448
Repair & Maintenance Services	1,329,773	2,843,176	2,849,286	1,612,251	1,624,033	3,236,284
Other Services	377,355	884,671	1,432,987	851,470	718,530	1,570,000
Employee Costs	173,597	394,861	513,480	265,968	266,343	532,311
Operating Materials & Supplies	333,481	628,124	937,592	453,281	453,441	906,722
Office & Administrative Supplies	410,645	830,149	1,116,238	544,315	542,915	1,087,230
Special Programs	350,482	583,478	1,284,606	565,405	565,605	1,131,010
Pass-Through Payments	-	-	-	180,000	180,000	360,000
Community Programs & Grants	1,725	5,298	875,012	696,000	621,000	1,317,000
Internal Service Charges	-	-	-	251,000	251,000	502,000
Total Materials & Services	4,152,321	8,472,930	11,652,742	6,863,538	6,401,467	13,265,005
Capital Outlay	173,698	911,086	1,807,255	1,131,610	1,011,500	2,143,110
Transfers and Other Uses	1,250,463	38,140,395	3,862,205	1,116,016	1,242,671	2,358,687
Contingency	-	-	1,058,188	4,611,552	2,703,662	2,703,662
Reserved for Future Expenditure	-	-	906,076	394,895	394,895	394,895
Unappropriated Fund Balance	3,734,942	6,189,165	-	-	-	-
Total General Fund	**$ 19,636,608**	**$ 76,013,191**	**$ 46,418,815**	**$ 28,944,964**	**$ 27,257,474**	**$ 51,195,991**

Policy and Administration



Total FTE 28.46
Less Utility Customer Service -5.75
Total in General Fund 22.71

[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*

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 and records management.

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 2017-2019 biennium

SIGNIFICANT BUDGET CHANGES

- Increased staffing by one FTE in City Manager for a Citizen Engagement Coordinator to develop, plan and coordinate a comprehensive community relations and marketing program for the City. The position will focus on increasing the visibility of the City in the community, region and state, the distribution of public information and the coordination of City-wide publications, events and citizen engagement opportunities.
- Community Programs and Grants, which are funded by tourism and waste dumping fees, increased in the current year due to increased revenues.

POLICY AND ADMINISTRATION EXPENDITURES

Description	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Personnel Services						
Salaries	$ 1,296,069	$ 2,809,554	$ 3,519,860	$ 1,940,339	$ 2,033,149	$ 3,973,488
Benefits	722,445	1,555,677	2,255,982	1,229,093	1,287,681	2,516,774
Total Personnel Services	2,018,514	4,365,231	5,775,842	3,169,432	3,320,830	6,490,262
Materials & Services						
Professional & Technical Services	741,556	1,363,382	1,390,787	595,444	415,945	1,011,389
Repair & Maintenance Services	209,572	599,165	245,160	282,596	286,378	568,974
Other Services	29,207	38,944	418,900	199,340	169,700	369,040
Employee Costs	53,618	126,757	192,669	111,249	111,625	222,874
Operating Materials & Supplies	34,345	59,811	103,750	45,000	45,000	90,000
Office & Administrative Supplies	79,821	171,566	336,511	174,906	173,004	347,910
Special Programs	56,709	111,055	158,055	82,028	82,228	164,256
Pass-Through Payments	-	-	-	180,000	180,000	360,000
Community Programs & Grants	1,725	5,298	875,012	696,000	621,000	1,317,000
Total Materials & Services	1,206,553	2,475,978	3,720,844	2,366,563	2,084,880	4,451,443
Capital Outlay	-	170,633	614,260	210,000	65,000	275,000
Total Policy & Administration	$ 3,225,067	$ 7,011,842	$ 10,110,946	$ 5,745,995	$ 5,470,710	$ 11,216,705

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.

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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Materials & Services						
Professional & Technical Services	$ -	$ 375	$ 140,000	$ 84,000	$ 84,000	$ 168,000
Other Services	29,207	30,325	55,000	7,000	15,000	22,000
Employee Costs	25,227	54,528	64,080	32,800	32,800	65,600
Office & Administrative Supplies	11,179	29,380	56,629	26,110	26,410	52,520
Special Programs	56,709	111,055	158,055	82,028	82,228	164,256
Community Programs & Grants	1,575	4,038	4,000	2,000	2,000	4,000
Total Materials & Services	123,897	229,701	477,764	233,938	242,438	476,376
Total City Commission	$ 123,897	$ 229,701	$ 477,764	$ 233,938	$ 242,438	$ 476,376

BUDGET HIGHLIGHTS

Professional & Technical Services include legal costs relating to City Ordinances recorded directly in the Commission budget instead of in a separate Legal Department.

Employee Costs include League of Oregon Cities annual membership and training.

Special Programs are as follows:

Trail News	$ 75,800
Neighborhood groups	58,000
Elections	20,000
Volunteer recognition	10,456
Total	$164,256

Mayor Dan Holladay
Brian Shaw
Nancy Ide
Frank O'Donnell
Renate Mengelberg

CITY MANAGER

OVERVIEW

The City Manager is appointed by the Commission and serves as the Chief Administrative Officer of the City. The Manager 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.

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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Personnel Services						
Salaries	$ 172,406	$ 375,407	$ 396,002	$ 314,828	$ 327,751	$ 642,579
Benefits	77,491	144,735	186,538	193,519	202,792	396,311
Total Personnel Services	249,897	520,142	582,540	508,347	530,543	1,038,890
Materials & Services						
Professional & Technical Services	-	375	16,000	8,000	8,000	16,000
Employee Costs	6,600	13,856	15,052	10,500	10,500	21,000
Office & Administrative Supplies	8,066	17,373	25,050	8,700	8,700	17,400
Community Programs & Grants	150	595	812	30,000	30,000	60,000
Total Materials & Services	14,816	32,199	56,914	57,200	57,200	114,400
Capital Outlay	-	-	6,000	-	-	-
Total City Manager	$ 264,713	$ 552,341	$ 645,454	$ 565,547	$ 587,743	$ 1,153,290

BUDGET HIGHLIGHTS

The 2017-2019 budget shows a combined increase over last biennial budget of approximately $507,800, due to the reclassification of the Assistant to the City Manager out of the City Recorder Office and the addition of community engagement personnel and operational costs (recorded under Community Programs and Grants). All other operating costs have been maintained at the same level, on average, over the two year period.

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 the City Commission; process City general liability insurance claims and keep records of legal proceedings; facilitate codification of the City Code; and manage the administration of City Boards and Committees.

ACCOMPLISHMENTS

- Achieved implementation of Hewlett-Packard Enterprise Records Manager (HPRM/HPERM), an Electronic Records Management System, in the Building and Planning Departments, GIS, Municipal Court, and the City Recorder's Office, resulting in a total of 21,539 records entered into the system
- Completed seamless migration of City's legacy files from PaperVision (the City's old repository for electronic or digital records) into the City's new system HPERM resulting in about 8,000 records and saving the City about $1,000/year
- Effectively conducted a Grateful Shred 1/2 day of records review City-wide, resulting in 24 boxes sent to off-site storage, 29 boxes of eligible records for destruction, as well as filling 4 large bins with recyclable paper and records approximately 127 cubic feet of space freed-up
- Efficiently processed a minimum of 250 public records requests within the required five-business day timeframe.
- Successfully negotiated a new two-year contract with Iron Mountain, formerly Recall, (Off-site storage facility for City records) resulting in approximately $500/year savings
- Launched and implemented a new electronic Boards and Commissions tracking system, saving the City about $200/year. This allows for online applications which helped successfully recruit and fill 15 vacant positions on the City's various boards and committees

GOALS AND PROJECTS

- Full implementation of HPERM City-wide
- Develop and implement a modified Capstone approach to manage City-wide e-mail
- Research and implement a paperless office with better utilization of existing tools

CITY RECORDER EXPENDITURES

Description	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Personnel Services						
Salaries	$ 210,613	$ 455,164	$ 589,555	$ 157,855	$ 165,568	$ 323,423
Benefits	132,788	256,248	405,041	101,061	105,851	206,912
Total Personnel Services	343,401	711,412	994,596	258,916	271,419	530,335
Materials & Services						
Professional & Technical Services	51,123	118,876	273,423	19,000	19,000	38,000
Repair & Maintenance Services	-	25,025	-	82,500	82,500	165,000
Other Services	-	-	162,400	100,000	100,000	200,000
Employee Costs	3,077	8,065	14,123	5,200	5,200	10,400
Office & Administrative Supplies	4,279	17,213	89,054	61,000	61,000	122,000
Total Materials & Services	58,479	169,179	539,000	267,700	267,700	535,400
Total City Recorder	$ 401,880	$ 880,591	$ 1,533,596	$ 526,616	$ 539,119	$ 1,065,735

BUDGET HIGHLIGHTS

This biennial budget includes a decrease of $464,000 for the reclassification of the Assistant to the City Manager to that budget as well as elimination of a part-time Risk Manager position.

Operational expenses remained the same, however due to a reorganization of the City's chart of accounts, some expenses are now recorded under different categories to more accurately describe the expense.

Professional & Technical Services relate to legal expenses and technical consultants hired for assistance with audio-visual equipment in the Chambers.

Repair & Maintenance Services represent program software maintenance costs:

Granicus: Agenda, meeting/minutes/ website license and maintenance	$ 81,200
HPERM/Chaves Consulting	76,800
Other various software	7,000
Total	$ 165,000

Other Services consists of the following:

Recording of meetings	$ 165,000
Records storage and supplies	17,500
Minutes transcription	13,700
General Code Corp	3,800
Total Contract Services	$ 200,000

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 compliance.

Finance forecasts operating fund balances and reserves, revenues and expenditures 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 compliance and financial reviews and audits on a rotating basis and recommends control procedures for operating departments. Finance also provides general accounting services for the South Fork Water Board.

ACCOMPLISHMENTS

- Completed annual audits and financial reports for City of Oregon City, Oregon City Urban Renewal Agency and South Fork Water Board (no audit findings)
- Received Award for Distinguished Budget Presentation for 2015-2017 biennium
- Received Award for Excellence in Financial Reporting for the years ended June 30, 2014 and 2015. Submitted June 30, 2016 CAFR for award consideration
- Developed and issued Request for Proposals for city-wide software provider
- Updated City's 20 year old chart of accounts financial reporting structure by redesigning the accounts to be consistent with nationally recognized standards, updating multiple subsystems and training city-wide staff on the changes (seamless implementation)

GOALS AND PROJECTS

- Continue to improve efficiency and reduce costs through process review and improvement
- Implement new city-wide permitting and financial software
- Develop and implement a formal Indirect Cost Allocation Plan

FINANCE EXPENDITURES

Description	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Personnel Services						
Salaries	$ 349,345	$ 784,377	$ 825,735	$ 448,867	$ 471,061	$ 919,928
Benefits	194,087	462,408	555,670	287,783	301,483	589,266
Total Personnel Services	543,432	1,246,785	1,381,405	736,650	772,544	1,509,194
Materials & Services						
Professional & Technical Services	28,176	61,589	21,250	8,500	8,500	17,000
Repair & Maintenance Services	39,396	83,767	120,000	40,000	42,000	82,000
Employee Costs	3,328	16,650	28,200	16,500	16,500	33,000
Operating Materials & Supplies	1,426	826	3,000	500	500	1,000
Office & Administrative Supplies	22,642	34,940	64,100	28,250	28,250	56,500
Total Materials & Services	94,968	197,772	236,550	93,750	95,750	189,500
Total Finance	$ 638,400	$ 1,444,557	$ 1,617,955	$ 830,400	$ 868,294	$ 1,698,694

BUDGET HIGHLIGHTS

The Finance Department's budget has stayed fairly consistent over the biennium; with continued savings being obtained through process improvement and automation.

Repair & Maintenance Services include software annual maintenance which is budgeted at a reduction in the current year due to anticipated savings from software conversion in the coming 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 4,000 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

- Expanded Deferred Sentencing for distracted drivers to provide education to public, increase safety and increase revenue
- Hired on call employee to assist in employee absence to allow department to service customers and adhere to break/lunch standards for employees
- Streamlined record retention process for better record retrieval and reduce cost

GOALS AND PROJECTS

- Be represented at Oregon Association for Court Administration and Judicial conferences, Oregon Law Enforcement Data Systems and software trainings to ensure compliance of statutes, consistency with other municipalities, and explore trends to benefit court and the community served
- Complete record management project which includes scanning of all documents and becoming virtually paperless for traffic cases by end of budget cycle
- Become virtually paperless for traffic cases by end of budget cycle

MUNICIPAL COURT EXPENDITURES

Description	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Personnel Services						
Salaries	$ 252,812	$ 539,607	$ 575,434	$ 328,516	$ 344,457	$ 672,973
Benefits	154,948	332,048	395,583	201,590	211,144	412,734
Total Personnel Services	407,760	871,655	971,017	530,106	555,601	1,085,707
Materials & Services						
Professional & Technical Services	110,812	221,104	245,665	120,831	120,831	241,662
Repair & Maintenance Services	4,065	5,550	20,440	17,904	18,426	36,330
Other Services	-	8,619	1,500	-	-	-
Employee Costs	566	4,428	14,600	5,500	5,500	11,000
Operating Materials & Supplies	3,221	6,757	10,750	4,000	4,000	8,000
Office & Administrative Supplies	23,237	46,479	51,515	22,050	22,050	44,100
Pass-Through Payments	-	-	-	180,000	180,000	360,000
Total Materials & Services	141,901	292,937	344,470	350,285	350,807	701,092
Capital Outlay	-	63,746	-	5,000	-	5,000
Total Municipal Court	$ 549,661	$ 1,228,338	$ 1,315,487	$ 885,391	$ 906,408	$ 1,791,799

BUDGET HIGHLIGHTS

This biennial budget Materials & Services remains fairly consistent from the prior year. The only significant change is the breaking out of pass-through court payments of $180,000 each year (fees due to the County or State from citations received) instead of recording them as a reduction of revenues.

Professional & Technical Services include the following:

Court Attorneys	$ 141,736
Prosecution	96,926
Technical Services	3,000
Total	$ 241,662

HUMAN RESOURCES

OVERVIEW

The mission of the Human Resources Department is to 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. 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. 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

- Decreased premiums for Workers' Compensation for seventh year in a row for overall safety initiatives and low incident rates and received a dividend premium, reducing costs by 18%
- Received the SAIF/Oregon League of Cities Gold Safety Award
- Completed Union contract negotiations
- Received and processed over 1050 applications for 37 recruitments for approximately 30 applications per recruitment, which is an increase in applications and recruitments from last year in addition to 3 executive-level recruitments
- Completed contract process for selection of new Agent of Record, Brown & Brown Insurance, with savings recognized to amount in over $28,000

GOALS AND PROJECTS

- Direct insurance renewal processes and employee open enrollment for all insurance contracts

HUMAN RESOURCES EXPENDITURES

Description	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Personnel Services						
Salaries	$ 171,767	$ 356,944	$ 496,588	$ 224,142	$ 234,949	$ 459,091
Benefits	89,594	197,681	316,048	134,474	140,921	275,395
Total Personnel Services	261,361	554,625	812,636	358,616	375,870	734,486
Materials & Services						
Professional & Technical Services	96,856	93,542	154,850	104,613	75,614	180,227
Repair & Maintenance Services	-	4,453	-	4,832	4,832	9,664
Employee Costs	3,799	8,501	18,994	10,644	10,645	21,289
Operating Materials & Supplies	46	25	-	-	-	-
Office & Administrative Supplies	3,641	8,281	9,399	5,446	2,944	8,390
Total Materials & Services	104,342	114,802	183,243	125,535	94,035	219,570
Capital Outlay	-	-	8,000	-	-	-
Total Human Resources	$ 365,703	$ 669,427	$ 1,003,879	$ 484,151	$ 469,905	$ 954,056

BUDGET HIGHLIGHTS

The proposed biennial budget continues funding for safety and mandatory training as well as the City's wellness program. Proposed staffing includes a decrease from a part-time Risk Specialist / HR Technician not hired in the prior biennium to requesting part-time hours to assist with the functions of this position. This position was to track and analyze incident trends in risk management and assist with various human resource duties.

Professional & Technical Services includes the following:

Legal fees	$120,000
Classification & compensation study	30,000
Employee assistance services	20,000
Total cost of compensation study	3,000
Recruiting and advertising	2,000
Wellness and other programs	5,227
Total	$180,227

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.

ACCOMPLISHMENTS

- Received grant award from the Oregon Infrastructure Finance Authority Special Public Works Fund in the amount of $60,000 for the Beavercreek Employment Area Sanitary Sewer Design Project
- Created a new City-wide economic development incentive program and awarded $75,000
- Worked with the Cove developers and Grand Peaks to break ground on the first phase of the project consisting of 244 garden-style apartments, office and a recreational building
- Helped two of our largest employers get approved for Enterprise Zone benefits creating a total of 27 traded sector jobs
- Partnered with Planning and the Downtown Oregon City Association to conduct a parking analysis
- Completed the train station project
- Executed a second purchase and sale agreement for the 12th and Main streets property, executed a purchase and sale agreement for the 10th and Main streets property and currently working towards executing a purchase and sale agreement for 1220 Main Street (municipal parking lot)
- Took the lead in working with the Chamber of Commerce and Clackamas Community College on the Beavercreek Employment Area Marketing and Development Initiative
- Commenced project to design infrastructure that will serve the Beavercreek Industrial Area properties
- Surveyed the 922 Main Street Lot and cleaned up right-of-way issues for that property
- Conducted an appraisal for the municipal parking lot at 1220 Main Street

GOALS AND PROJECTS

- Establish a City-wide tourism plan and economic development strategy
- Enact a quiet zone mitigation design analysis and implementation plan
- Continue to support the Beavercreek Employment Area Marketing Initiative including assisting with funding to advance the construction of the sanitary sewer line

ECONOMIC DEVELOPMENT EXPENDITURES

Description	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Personnel Services						
Salaries	$ 92,816	$ 201,609	$ 271,502	$ 177,342	$ 186,209	$ 363,551
Benefits	53,103	119,796	158,151	117,230	122,829	240,059
Total Personnel Services	145,919	321,405	429,653	294,572	309,038	603,610
Materials & Services						
Professional & Technical Services	13,440	61,387	127,000	110,000	60,000	170,000
Repair & Maintenance Services	55	-	-	15,000	15,000	30,000
Other Services	-	-	200,000	35,640	-	35,640
Employee Costs	8,798	16,601	17,220	10,805	10,805	21,610
Office & Administrative Supplies	2,384	10,422	24,900	9,100	9,100	18,200
Community Programs & Grants	-	665	870,200	664,000	589,000	1,253,000
Total Materials & Services	24,677	89,075	1,239,320	844,545	683,905	1,528,450
Capital Outlay	-	-	410,000	140,000	-	140,000
Total Economic Development	$ 170,596	$ 410,480	$ 2,078,973	$ 1,279,117	$ 992,943	$ 2,272,060

BUDGET HIGHLIGHTS

Proposed funding for this biennium includes the new position of Economic Development Coordinator. Two programs have decreases: Economic Development Incentive Grant Program reduced to $75,000 and the investment in public utility infrastructure (Beavercreek) proposed at $140,000 total funded by dedicated ROW increased revenues.

Professional & Technical Services includes increases for railroad quiet zone design and a city-wide development strategy. The account also includes is the contract funding for Main Street Oregon City which is funded by a portion of dedicated Business License revenues.

Community Programs & Grants consist of the tourism grant and the Metro enhancement grant programs which both have increased spending due to increases in funding.

Other Services is the remittance of the Economic Improvement District collections which is funded for only a partial year (program ends in 2018 unless reinstated)

INFORMATION TECHNOLOGY

OVERVIEW

The City employs an Information Technology (IT) Supervisor who supervises technical staff in Geographic Information Systems, 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), active directory administration, archiving, database support, and departmental-specific application support. Certain networking activities require cooperation with other Regional, County, and State agencies. Security activities include firewalls, use of security certificates, secure online payment processing, virus protection, data backup and disaster-recovery.

ACCOMPLISHMENTS

- Expanded infrastructure to 50% virtual, 50% physical
- Increased bandwidth for Internet connection from 30Gb to an uncapped fiber connection, and reduced Internet access costs from over $50,000 to $6,000 annually
- Completed fiber buildout to all City facilities (Pool, Pioneer Center, Cemetery) and implemented redundant fiber and networking hardware architecture
- Hired Computer Support Specialist
- Supported 100+ desktops and end-user hardware and software, continued deployment of Office 365

GOALS AND PROJECTS

- Create a 5-year strategic plan to address IT investment and staffing
- Hire IT technician and transition away from Polar contract
- Add mobile technology as a resource for employee work and public feedback tool
- Focus on security upgrades in the coming biennium (secure backup, security fencing, load balancer, rackmount switch replacements and brackets in server room)

INFORMATION TECHNOLOGY EXPENDITURES

Description	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Personnel Services						
Salaries	$ 46,310	$ 96,446	$ 365,044	$ 190,372	$ 199,891	$ 390,263
Benefits	20,434	42,761	238,951	128,848	134,968	263,816
Total Personnel Services	66,744	139,207	603,995	319,220	334,859	654,079
Materials & Services						
Professional & Technical Services	33,510	164,397	129,440	140,500	40,000	180,500
Repair & Maintenance Services	166,056	480,370	104,720	95,500	95,500	191,000
Other Services	-	-	-	48,700	48,700	97,400
Employee Costs	2,223	4,128	20,400	10,000	10,000	20,000
Operating Materials & Supplies	29,652	52,203	90,000	40,000	40,000	80,000
Office & Administrative Supplies	4,393	7,478	15,864	8,250	8,250	16,500
Total Materials & Services	235,834	708,576	360,424	342,950	242,450	585,400
Capital Outlay	-	106,887	190,260	65,000	65,000	130,000
Total Information Technology	$ 302,578	$ 954,670	$ 1,154,679	$ 727,170	$ 642,309	$ 1,369,479

BUDGET HIGHLIGHTS

Proposed funding for this biennium includes an additional position of IT Technician with a reduction in the first year of the outsourced IT contract and its elimination in the second year.

During the 2015-2017 biennium, Microsoft Office 365 was deployed for over 200 users, increasing future licensing costs.

GEOGRAPHIC INFORMATION SYSTEMS

OVERVIEW

The Geographic Information Systems (GIS) program is responsible for developing, maintaining, and distributing maps, applications, and other databases serving city-wide needs. GIS provides digital data, application development, maps, analysis, and web management/updates necessary for the operation of mapping services in the City. GIS supports all City departments in providing employees, contractors, businesses and the public with timely access to databases and mapping tools.

The GIS Division works closely with: Public Works, which provides utility services; Building, which provides address and permit information; Planning, which provides zoning amendments, development, and resource information, and Engineering, which 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

- Added several new data layers to GIS system – Easements, Shadow plats, Business licenses, Permit locations, Fiber infrastructure, Parcel notes
- Assisted with Stormwater Master Plan and permit analyses, delineated catchment areas, added pipe age to storm system, added vertical datum information to 100+ as-builts, redefined storm basin boundaries
- Provided GIS analyses for the marijuana regulation public outreach process and planning effort with spatial analyses to determine possible allowed/prohibited growing/dispensing areas
- Developed web mapping site to display marijuana data and analyses and created maps for public involvement
- Developed 10+ scripts to automate nightly data update

GIS EXPENDITURES

Description	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Personnel Services						
Salaries	$ 85,835	$ 178,014	$ 186,999	$ 98,417	$ 103,263	$ 201,680
Benefits	44,094	95,219	120,359	64,588	67,693	132,281
Total Personnel Services	129,929	273,233	307,358	163,005	170,956	333,961
Materials & Services						
Repair & Maintenance Services	25,499	39,697	58,500	26,860	28,120	54,980
Other Services	4,772	17,875	32,000	8,000	6,000	14,000
Employee Costs	4,758	9,266	24,500	9,300	9,675	18,975
Operating Materials & Supplies	-	-	600	500	500	1,000
Office & Administrative Supplies	4,150	20,359	18,670	6,000	6,300	12,300
Total Materials & Services	39,179	87,197	134,270	50,660	50,595	101,255
Total GIS	$ 169,108	$ 360,430	$ 441,628	$ 213,665	$ 221,551	$ 435,216

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 projects and expenditures are allocated to other departments through transfers and are included as well.

GENERAL GOVERNMENT EXPENDITURES

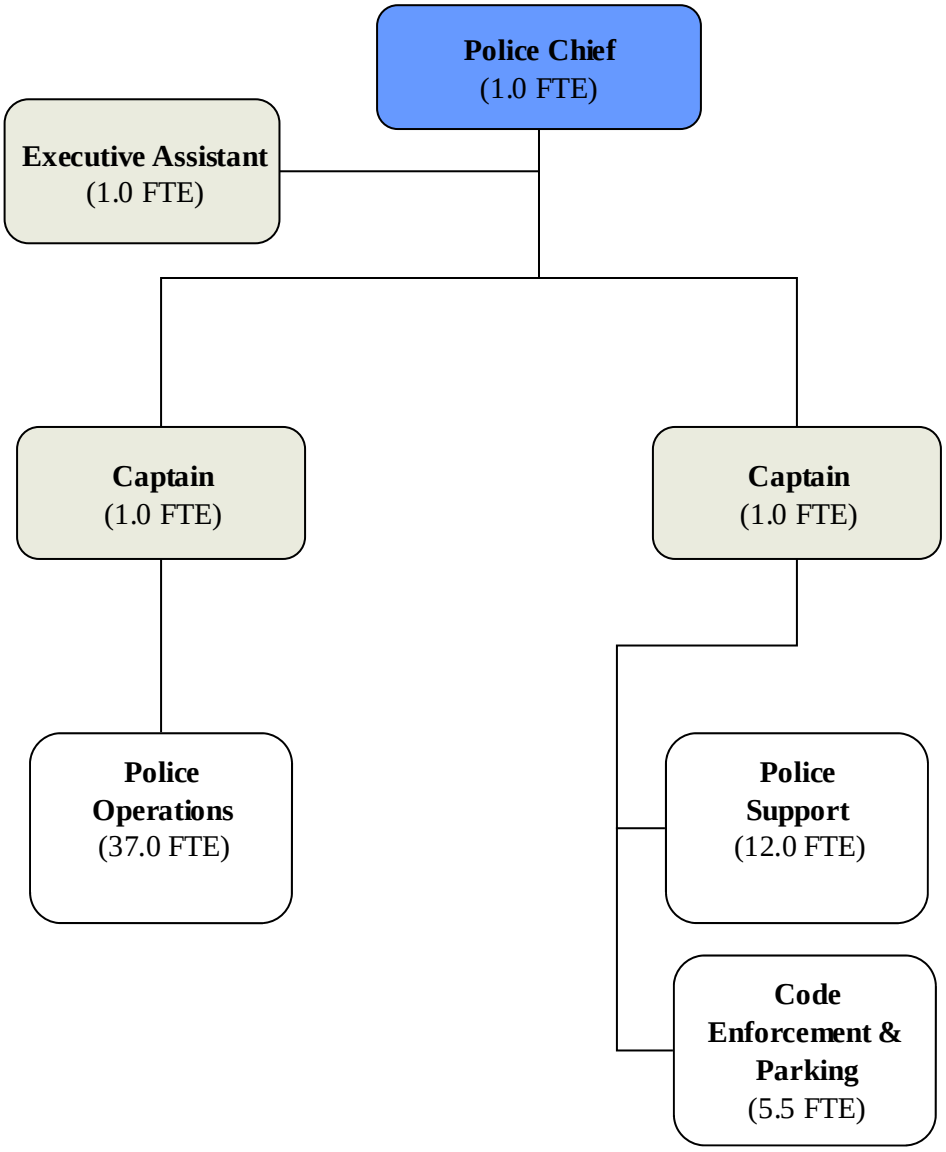
Description	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Personnel Services						
Salaries	$ 84,624	$ 179,138	$ 199,471	$ 49,617	$ 52,098	$ 101,715
Benefits	247,562	542,585	680,709	254,775	256,427	511,202
Total Personnel Services	332,186	721,723	880,180	304,392	308,525	612,917
Materials & Services						
Professional & Technical Services	47,686	61,709	98,080	115,000	115,000	230,000
Repair & Maintenance Services	506,844	972,063	1,015,000	566,975	571,975	1,138,950
Other Services	344,290	844,942	953,280	615,000	503,000	1,118,000
Employee Costs	145	3,686	6,083	2,780	2,780	5,560
Operating Materials & Supplies	2,236	9,863	11,165	8,600	8,600	17,200
Office & Administrative Supplies	102,158	140,842	176,555	70,875	70,875	141,750
Special Programs	129,868	141,695	514,081	193,000	193,000	386,000
Internal Service Charges	-	-	-	200,000	200,000	400,000
Total Materials & Services	1,133,227	2,174,800	2,774,244	1,772,230	1,665,230	3,437,460
Transfers & Other Uses	961,909	37,609,965	2,556,505	736,016	769,971	1,505,987
Capital Outlay	12,894	28,640	30,000	446,410	-	446,410
Contingency	-	-	1,058,188	4,611,552	2,703,662	2,703,662
Reserved for Future Expenditure	3,734,942	6,189,165	906,076	394,895	394,895	394,895
Total General Government	$ 6,175,158	$ 46,724,293	$ 8,205,193	$ 8,265,495	$ 5,842,283	$ 9,101,331

BUDGET HIGHLIGHTS

The current budget includes savings from outsourcing janitorial services after an employee retirement. It also includes the purchase of permitting and financial software replacement, funded with transfers from all user departments.

Professional & Technical Services include legal fees and the annual audit. Repair & Maintenance Services include Building Maintenance for City Hall and the End of the Oregon Trail facility as well as street lights maintenance. Other Services fund the city-wide general property and liability insurance. Special Programs consist of funding for the Willamette Falls Legacy Project and an annual contribution for the Willamette Falls Heritage Coalition.

Police



Total 58.5 FTE

Consists of 46 sworn and 12 non-sworn positions, and part time hours for parking enforcement

POLICE

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.

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

DEPARTMENT GOALS

- **GOAL 2 ADDRESS CRITICAL FACILITY NEEDS**
  - Receive bonding authority approval from voters and initiate design and construction for the Police and Court facility
- **GOAL 3 ENHANCE THE LIVABILITY OF THE COMMUNITY**
  - Identify partnerships, programs and funding to address houseless community members

SIGNIFICANT BUDGET CHANGES

The Police dispatch contractual service with Clackamas County increased by approximately $80,000, or 11%, over the biennium.

POLICE OPERATIONS

OVERVIEW

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

The Police Department includes 46 sworn personnel, including sergeants, patrol, traffic and school officers, and detectives. 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 a traffic officer. Officers from the patrol division include 2 K-9 units and 2 members of the Clackamas County Sheriff's Office Multi-Agency SWAT team. 5 Detectives and a Detective Sergeant are also included.

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

ACCOMPLISHMENTS

- Developed and implemented the Community Safety Advancement Fund (CSAF) for a new Police, Court, and Code Enforcement building. This fund has already saved more than $1,000,000 toward the project.
- Implemented RegJIN, a multi-agency paperless reporting system. This included training all of our officers and records staff in its use.
- Hired the third and final member of our traffic team. Developed a comprehensive traffic safety plan in order to decrease our traffic crash statistics, through a combination of focused enforcement and education.
- Hired a full time Information Technology (IT) position. Half of this employee's time is dedicated to police issues. This employee has greatly improved efficiencies and fixed major issues citywide.
- Maintained community awareness and involvement: attended neighborhood association meetings, established neighborhood watch groups, held two citizen academies, shred events and National Night out. Created www.firstcitywatch.com for public education about the police department.
- Trained the remainder of our officers that had not yet received Crisis Intervention Training; this is preparation for dealing with the mentally ill.
- Maintained the Mt. Pleasant School site.
- Developed and implemented the new Administrative Sergeant position to improve staff efficiencies, increase training and minimize overtime.
- Started the Education on Vehicle Awareness and Defensive Driving (EVADD) class to educate first time traffic offenders about traffic safety. This class has been attended by hundreds of young drivers.
- Deployed a third canine, which is a drug detection dog.
- Purchased and issued Mobile Data Computers to each individual officer. This was to improve our systems and to eliminate systemic significant IT issues that had become a huge efficiency and morale issue.
- Through a grant, obtained 11 Automatic External Defibrillators (AED's) in patrol cars. This included training all staff in their use.
- Started a Naloxone program to administer the drug to addicts during opioid overdoses; which has already netted several saves.

GOALS AND PROJECTS

- Hire a new officer position to be a full-time homeless liaison officer. This position would work with local businesses, neighborhoods, homeless people, our officers, and various service organizations to mitigate the effects of homelessness that have become a significant livability issues.
- Purchase ballistic helmets for all of our officers. These will be deployed during active shooter or other dangerous calls that involve firearms.
- Move our police records management system to Mark43. The vast majority of agencies in the Portland Metro area moved to RegJIN which has been a significant failure, causing officers to spend way too much time writing reports and an inability for Oregon agencies to do federal and state crime reporting.
- Take a measure before Oregon City residents for bond approval to construct new police and court facility.
- Implement program with Clackamas County Behavioral Health Unit to provide crisis counselors that can deploy with officers when dealing with the mentally ill.
- Train and implement an effective peer support program for our employees.
- Purchase and appoint three new patrol cars in the first budget year; and four new patrol cars and one detective vehicle the second budget year.

POLICE OPERATIONS EXPENDITURES

Description	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Personnel Services						
Salaries	$ 3,631,502	$ 7,959,293	$ 8,493,299	$ 4,907,445	$ 5,132,017	$ 10,039,462
Benefits	2,228,172	5,004,847	5,628,958	3,167,294	3,319,162	6,486,456
Total Personnel Services	5,859,674	12,964,140	14,122,257	8,074,739	8,451,179	16,525,918
Materials & Services						
Professional & Technical Services	384,286	861,192	1,024,100	563,294	587,545	1,150,839
Repair & Maintenance Services	173,263	426,775	459,387	224,190	224,190	448,380
Other Services	-	-	-	10,000	10,000	20,000
Employee Costs	92,436	210,529	227,898	103,949	103,948	207,897
Operating Materials & Supplies	212,153	341,153	397,239	175,794	175,794	351,588
Office & Administrative Supplies	142,871	321,440	375,969	182,003	182,003	364,006
Special Programs	19,587	43,687	64,695	32,347	32,347	64,694
Internal Service Charges	-	-	-	50,000	50,000	100,000
Total Materials & Services	1,024,596	2,204,776	2,549,288	1,341,577	1,365,827	2,707,404
Capital Outlay	69,020	105,034	490,138	20,000	20,000	40,000
Transfers & Other Uses	135,000	271,000	1,080,000	370,000	370,000	740,000
Total Police	$ 7,088,290	$ 15,544,950	$ 18,241,683	$ 9,806,316	$ 10,207,006	$ 20,013,322

BUDGET HIGHLIGHTS

The two increases in Materials & Services include the contracted emergency dispatch services ($80,000 increase) and the reclassification of a $50,000 annual payment for IT services from a transfer to an internal service charge.

The proposed Budget includes additional FTEs for a homeless liaison officer and a school resource officer, which is partially funded by the school district. Additionally, more adequate funding of fleet replacement reserve is included in the proposed budget, partially offset by reduction in fleet purchases and replacements.

Professional & Technical Services are broken out as follows:

911 Dispatch	$ 765,925
Police Radios	70,000
Clackamas Radio Group	90,000
RegJIN records management	82,000
License plate reader	27,000
Law Enforcement scheduling software	16,000
Secure mobile connection	13,000
Advanced Public Safety	10,000
Legal fees	8,000
Sonitrol security system	7,000
Cellbrite	6,500
Lexipol law enforcement training	6,000
Oregon Accreditation Alliance	3,500
Other contracts	45,914
Total	$1,150,839

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 clean-up related activities. These revenues fund the city garbage collection contract, clean-up activities, and nuisance abatement of hazardous conditions throughout the City.

Goals and Projects

- Research and implement new automated parking enforcement/citation software and implementation process.
- Complete a comprehensive parking permit, parking violation and Code Enforcement fine study and propose recommendations and implementation of a new fee structure if appropriate.
- Research and complete a cost analysis for replacing all parking meters with pay stations or all parking meter heads with updated credit card swipe meter heads.
- Research other Code and Parking enforcement revenue options to support an additional fulltime officer

CODE ENFORCEMENT AND PARKING EXPENDITURES

Description	2012-2013 Actual *	2013-2015 Actual *	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Personnel Services						
Salaries	$ -	$ -	$ 677,603	$ 350,121	$ 366,915	$ 717,036
Benefits	-	-	453,219	239,859	251,290	491,149
Total Personnel Services	-	-	1,130,822	589,980	618,205	1,208,185
Materials & Services						
Professional & Technical Services	-	-	-	32,500	32,500	65,000
Repair & Maintenance Services	-	-	201,159	89,650	92,650	182,300
Other Services	-	-	58,545	26,000	34,700	60,700
Employee Costs	-	-	7,941	5,130	5,130	10,260
Operating Materials & Supplies	-	-	60,689	26,337	26,337	52,674
Office & Administrative Supplies	-	-	46,271	18,311	18,313	36,624
Special Programs	-	-	130,000	57,500	57,500	115,000
Internal Service Charges	-	-	-	1,000	1,000	2,000
Total Materials & Services	-	-	504,605	256,428	268,130	524,558
Capital Outlay	-	-	41,208	20,000	20,000	40,000
Transfers & Other Uses	-	-	43,000	10,000	10,000	20,000
Total Code Enforcement & Parking	$ -	$ -	$ 1,719,635	$ 876,408	$ 916,335	$ 1,792,743

*The Code Enforcement, Parking and Clean-up programs for the City were recorded in three separate funds prior to the 2015-2017 biennium. Please see the section on Closed Funds starting on page 145 for historical information.

BUDGET HIGHLIGHTS

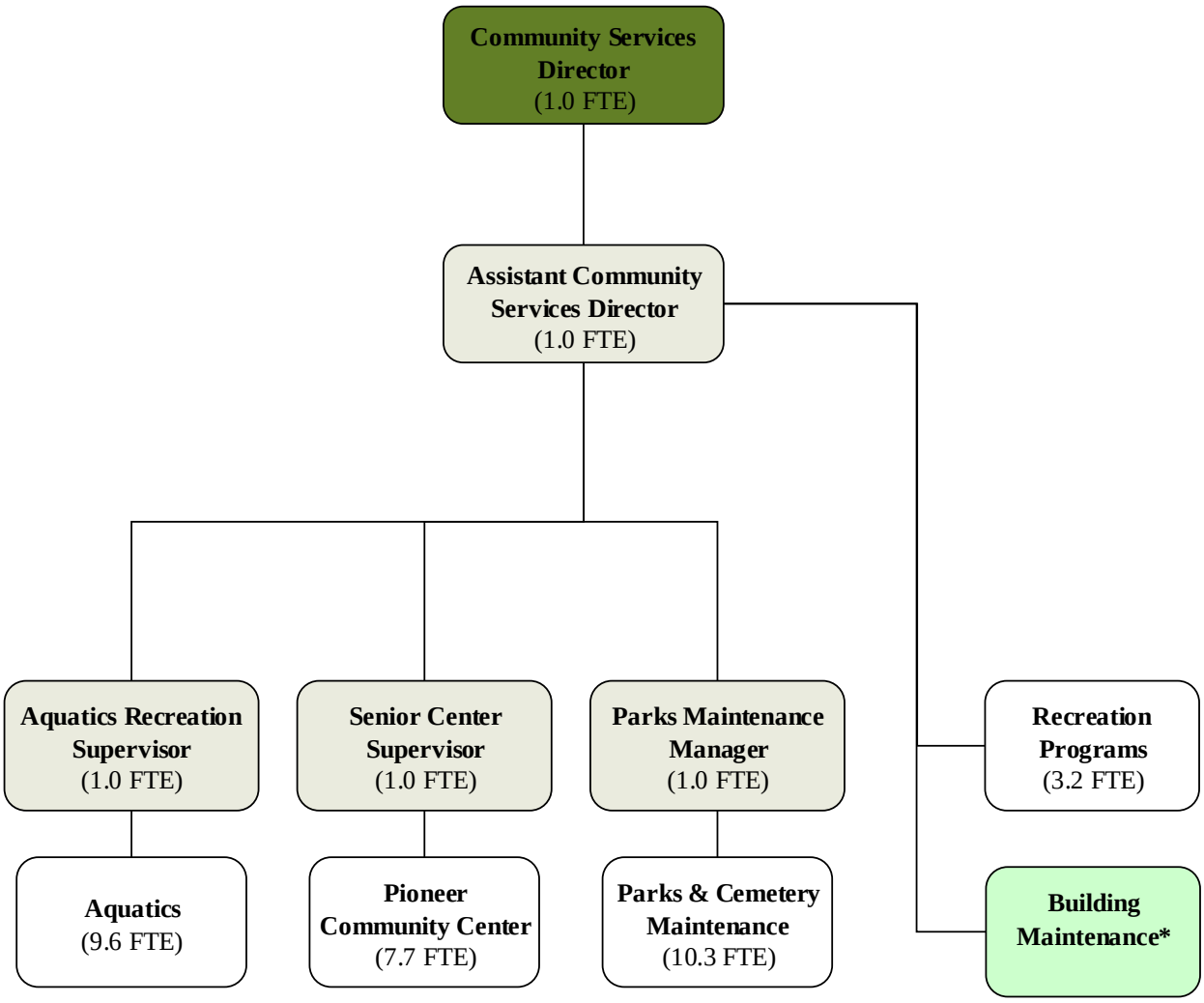
The Code Enforcement budget remained relatively consistent in the biennium with the only increase coming from personnel costs.

Professional & Technical Services are composed of legal fees; Repair and Maintenance Services include waste disposal of $157,000 and vehicle and equipment maintenance of $25,300.

Special Programs & Services are composed of:

Flower basket program	$85,000
Nuisance abatement	20,000
Other clean-up	10,000
Total	$115,000

Community Services



Total 35.8 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 six major programs: Parks Operations Maintenance, Aquatics, Recreation, Pioneer Community Center, Mountain View Cemetery, and Building Maintenance.

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**
  - Develop a strategy to replace the deteriorated parks maintenance building
  - Develop future revenue options for long-term maintenance of City Parks and Recreational facilities
  - Continue to increase funding to address deferred maintenance of facilities
- **GOAL 4 SEEK OPPORTUNITIES TO MAINTAIN COMMUNICATIONS WITH CITIZENS AND FACILITATE CITIZEN PARTICIPATION**
  - Develop and implement an operations and volunteer plan for Ermatinger House

SIGNIFICANT BUDGET CHANGES

The proposed budget includes a one-time allocation of $650,000 for replacement of the parks maintenance building.

COMMUNITY SERVICES EXPENDITURES (COMBINED)

Description	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Personnel Services						
Salaries	$ 1,372,133	$ 2,695,958	$ 3,186,935	$ 1,692,963	$ 1,761,242	$ 3,454,205
Benefits	742,677	1,552,563	2,036,313	995,847	1,043,298	2,039,145
Total Personnel Services	2,114,810	4,248,521	5,223,248	2,688,810	2,804,540	5,493,350
Materials & Services						
Professional & Technical Services	1,735	16,890	130,574	137,610	27,610	165,220
Repair & Maintenance Services	440,094	845,173	928,580	448,840	448,840	897,680
Other Services	3,858	785	2,262	1,130	1,130	2,260
Employee Costs	27,398	53,889	78,889	42,860	42,860	85,720
Operating Materials & Supplies	84,747	217,297	364,749	197,550	197,710	395,260
Office & Administrative Supplies	85,795	196,301	180,932	98,220	98,720	196,940
Special Programs	144,318	287,041	417,775	200,530	200,530	401,060
Total Materials & Services	787,945	1,617,376	2,103,761	1,126,740	1,017,400	2,144,140
Capital Outlay	91,784	606,779	631,649	435,200	906,500	1,341,700
Transfers & Other Uses	153,554	259,430	182,700	-	92,700	92,700
Total Community Services	$ 3,148,093	$ 6,732,106	$ 8,141,358	$ 4,250,750	$ 4,821,140	$ 9,071,890

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

The Parks and Cemetery Maintenance department provides the community with a system of neighborhood, community and regional parks which include play equipment, sports facilities and open green spaces. The department oversees 37 park sites, 2 boat ramps, a 55 acre cemetery and an RV Park. The department ensures these facilities are safe, clean and green and provide picnic facilities, shelters, restrooms and other facilities to support an active recreation program.

Cemetery Operations provides 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

- Repaired and upgraded Hillendale Park basketball, tennis and pickle ball courts
- Identified and removed hazardous trees
- Completed playground renovation at Barclay Hills Park
- Identified and repaired multiple safety hazards on hard surface walking trails
- Restored Hillendale Park shelter
- Completed new stage at End of the Oregon Trail Interpretive Center in cooperation with the Oregon City High School Construction Program
- Continued partnering with Oregon City High School Construction Corps with improvements to Oregon City Parks
- Increased community through multiple park and trail cleanup events
- Completed trail enhancements at End of the Oregon Trail through partnerships
- Continued to identify sites and plant trees and native plant material as part of reforestation goals
- Repaired and reopened Clackamette Park Boat Ramp using grant funds
- Maintained park system by repairing Park Place playground, updating outdated signage, and decreasing invasive vegetation throughout park system

Goals and Projects

- Maintain city parks and open spaces to the highest possible standards with available resources
- Update the Oregon City Parks and Recreation Master Plan
- Construction of Parks Operations Facility
- Chapin Park restroom replacement
- Support ongoing Tree City USA designation
- Address trail maintenance and repair needs ensuring ADA compliance
- Ensure effective and efficient workforce through training opportunities in pesticide spraying, Playground Safety Inspector certification, irrigation, arboriculture, and customer service
- Complete repairs to Chapin Park drainage system
- Complete repairs to Hillendale Park drainage system
- Support ongoing re-forestation goal
- Provide outstanding customer service to individuals and families
- Design and install new landscaping throughout cemetery grounds to improve appearance and sales
- Continue invasive plant species eradication and re-plant with native species
- Develop landscape design options for Pioneer Peace Garden
- Complete playground upgrades and repairs throughout the parks system
- Complete repairs to Singer Creek Park Disc Golf Course
- Coordinate projects with volunteer groups and individuals to support our parks management system

PARKS AND CEMETERY MAINTENANCE EXPENDITURES

Description	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Personnel Services						
Salaries	$ 548,019	$ 1,020,602	$ 1,240,699	$ 629,343	$ 657,295	$ 1,286,638
Benefits	330,135	636,578	911,349	424,489	444,651	869,140
Total Personnel Services	878,154	1,657,180	2,152,048	1,053,832	1,101,946	2,155,778
Materials & Services						
Professional & Technical Services	1,735	16,890	125,574	135,110	25,110	160,220
Repair & Maintenance Services	201,963	399,890	412,853	183,790	183,790	367,580
Employee Costs	13,141	23,004	38,070	20,340	20,340	40,680
Operating Materials & Supplies	49,432	122,229	273,316	143,700	143,700	287,400
Office & Administrative Supplies	20,158	73,283	55,445	29,020	32,020	61,040
Special Programs	40,391	84,749	80,212	21,100	21,100	42,200
Total Materials & Services	326,820	720,045	985,470	533,060	426,060	959,120
Capital Outlay	-	328,412	313,100	246,200	803,500	1,049,700
Transfers & Other Uses	153,554	259,430	182,700	-	92,700	92,700
Total Parks & Cemetery Maintenance	$ 1,358,528	$ 2,965,067	$ 3,633,318	$ 1,833,092	$ 2,424,206	$ 4,257,298

BUDGET HIGHLIGHTS

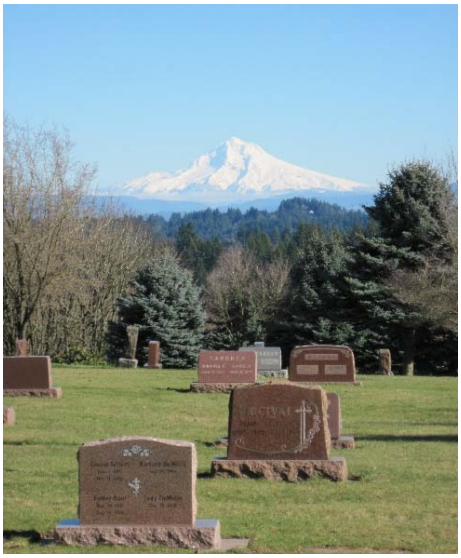
This budget shows a 14% increase due to funding of deferred parks maintenance costs and construction of a Parks Operations Facility. Significant expenses are highlighted below:

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

Repair & Maintenance Services refer to supplies and equipment maintenance; vehicle maintenance and tree maintenance accounts for the majority of these costs.

Special Programs include the Transient Room Tax.

Capital Outlay includes $332,700 to address needed deferred park improvements and capital maintenance funding, $650,000 for construction of a Parks Operations Facility, $45,000 for park replacement equipment, and $22,000 for software.



Recreation Aquatics

Overview

The Aquatics Program strives to meet high standards in aquatic safety, service and facility maintenance by providing the community with a safe, 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 in almost all areas of aquatic program which includes swimming lessons, memberships, facility reservations and exercise classes
- Continued to receive positive feedback from patrons
- Increased social media outreach and advertising
- Continued to provide a safe, professional and clean facility to the community, making 21 rescues and assists
- Completed family changing room project and front office reconfiguration to meet ADA standards
- Implemented new Point of Sale system and improved online registration and membership service by adding an online account option

Goals and Projects

- Complete hallway bathroom and office remodels to meet ADA standards
- Evaluate programs against trends to identify areas that are underserved and continue to seek creative ways to program the pool and community room to meet these trends
- Strive to be fiscally conservative and program facility space and time efficiently to maximize revenue to help offset increased expenses due to the minimum wage increase
- Continue to seek additional partnerships within the community
- Maintain school lesson swim program participation

RECREATION AQUATICS EXPENDITURES

Description	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Personnel Services						
Salaries	$ 336,926	$ 649,912	$ 783,026	$ 425,447	$ 441,249	$ 866,696
Benefits	136,490	286,960	393,451	192,476	201,744	394,220
Total Personnel Services	473,416	936,872	1,176,477	617,923	642,993	1,260,916
Materials & Services						
Professional & Technical Services	-	-	4,000	2,000	2,000	4,000
Repair & Maintenance Services	116,745	207,712	273,001	119,510	119,510	239,020
Employee Costs	3,442	6,294	9,756	6,870	6,870	13,740
Operating Materials & Supplies	23,064	55,059	46,434	25,920	25,920	51,840
Office & Administrative Supplies	21,520	45,633	51,778	28,920	27,420	56,340
Special Programs	3,016	9,280	15,306	7,660	7,660	15,320
Total Materials & Services	167,787	323,978	400,275	190,880	189,380	380,260
Capital Outlay	91,784	240,359	272,840	138,000	103,000	241,000
Contingency	-	-	-			-
Total Recreation Aquatics	$ 732,987	$ 1,501,209	$ 1,849,592	$ 946,803	$ 935,373	$ 1,882,176

BUDGET HIGHLIGHTS

This biennial budget proposes an increase for staffing costs due to the minimum wage increase of $1.50 an hour.

Based on the evaluation of the consistent schools who are participating in the school swim lesson program, the budget reflects a decrease in revenue from the school swim lesson program from $81,200 in the prior biennium to $60,000 in the current biennium. The decrease in revenue is offset by the increase in program and facility reservation revenue. The budget also includes capital improvement funds to address several facility safety concerns which include repair of the pool deck concrete and continued required ADA upgrades.

Pioneer Community Center

Overview

The Pioneer Adult Community Center is a multipurpose facility offering nutritional, recreational, educational, and social services to adults in the community. The primary goal 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, 8,000 congregate meals, and provides 8,500 rides each year. In addition, approximately 27,000 attendants participate in the Center's recreational opportunities and nearly 41,000 units of services are provided annually. The Pioneer Center is a highly used facility and continues to accommodate as many users as possible. The Department continually seeks to co-sponsor events and activities to utilize outside resources to facilitate in program funding.

Accomplishments

- Repaired parking lots
- Monitored customer requests and modified program offerings to meet needs of community
- Added additional seminars and activities for healthy living
- Acquired new bus, at no cost to the Center
- Resurfaced ballroom floor
- Purchased replacement equipment for kitchen
- Moved phone system to basement to allow for improved security and more program space

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.
- Monitor customer needs; add or eliminate needed programs and underutilized programs

PIONEER COMMUNITY CENTER EXPENDITURES

Description	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Personnel Services						
Salaries	$ 402,130	$ 849,356	$ 899,372	$ 481,242	$ 499,609	$ 980,851
Benefits	235,567	544,872	596,550	303,300	317,700	621,000
Total Personnel Services	637,697	1,394,228	1,495,922	784,542	817,309	1,601,851
Materials & Services						
Professional & Technical Services	-	-	1,000	500	500	1,000
Repair & Maintenance Services	116,736	227,677	227,274	106,640	106,640	213,280
Other Services	3,242	-	-	-	-	-
Employee Costs	4,136	5,530	10,907	5,460	5,460	10,920
Operating Materials & Supplies	7,076	23,168	26,059	18,930	19,090	38,020
Office & Administrative Supplies	33,345	60,922	54,982	29,700	28,700	58,400
Special Programs	45,679	77,180	86,283	45,500	45,500	91,000
Total Materials & Services	210,214	394,477	406,505	206,730	205,890	412,620
Capital Outlay	-	38,008	29,709	51,000	-	51,000
Total Pioneer Community Center	$ 847,911	$ 1,826,713	$ 1,932,136	$ 1,042,272	$ 1,023,199	$ 2,065,471

BUDGET HIGHLIGHTS

Capital Outlay includes the replacement of two HVAC units for $25,000, the replacement of failed windows for $10,000, and the replacement of lighting with energy efficient LED lights for $16,000.

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 contract classes and programs to meet community needs and trends
- Continued to improve the Concerts in the Park series by increasing sponsorship amounts
- Increased Movies in the Park Sponsorship and attendance
- Exceeded recreation programming revenue projections
- Updated Point of Sale system allowing recreation employees to register participants more efficiently and accurately, resulting in improved money handling procedures

GOALS AND PROJECTS

- Taking into consideration the department's staffing limitations, maintain existing quality of programs while increasing recreation opportunities for the community by utilizing contract services
- Be a strong and reliable resource of recreational events for the community
- Continue to provide a series of special events in which the community is proud to have and also draws attendances from surrounding communities
- Identify community needs in regards to recreation programs and add/modify programs based on findings
- Strive toward programming aspects of Ermatinger House and reopening the facility to the public.
- Added an Inclusion Companion position which enabled programs to be fully inclusive
- Strive to be fiscally conservative and program events and activities to maximize revenue to help offset increased expenses due to the minimum wage increase

RECREATION PROGRAMS EXPENDITURES

Description	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Personnel Services						
Salaries	$ 85,058	$ 176,088	$ 263,838	$ 156,931	$ 163,089	$ 320,020
Benefits	40,485	84,153	134,963	75,582	79,203	154,785
Total Personnel Services	125,543	260,241	398,801	232,513	242,292	474,805
Materials & Services						
Repair & Maintenance Services	4,650	9,894	15,452	38,900	38,900	77,800
Other Services	616	785	2,262	1,130	1,130	2,260
Employee Costs	6,679	19,061	20,156	10,190	10,190	20,380
Operating Materials & Supplies	5,175	16,841	18,940	9,000	9,000	18,000
Office & Administrative Supplies	10,772	16,463	18,727	10,580	10,580	21,160
Special Programs	55,232	114,871	133,974	75,270	75,270	150,540
Total Materials & Services	83,124	177,915	209,511	145,070	145,070	290,140
Capital Outlay	-	-	16,000	-	-	-
Total Recreation Programs	$ 208,667	$ 438,156	$ 624,312	$ 377,583	$ 387,362	$ 764,945

BUDGET HIGHLIGHTS

This budget includes an increase in the Summer Concert Series to continue to improve the quality of the program. This increase is offset by increased sponsorship contributions and increased program revenue.

Special Programs are composed of the following:

Trail News	$ 62,320
Events	5,400
Concerts	50,000
Programs	32,820
Total Special Programs	$150,540

DEDICATED PARK DONATIONS

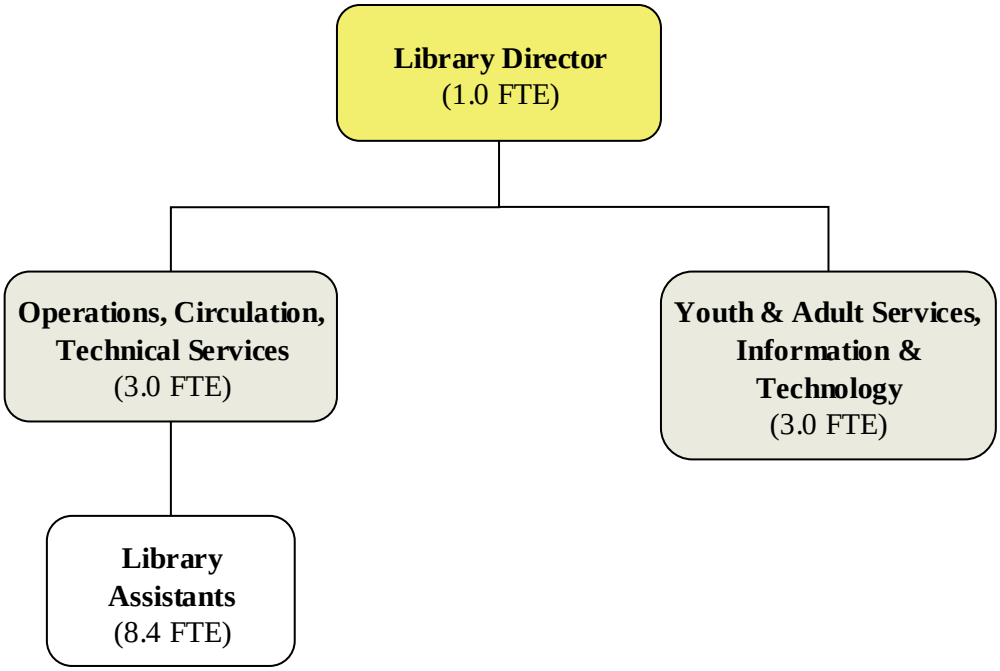
This division accounts for fundraisers, collection fees and community and private donations to specific events or facilities and expenditures as designated by the revenue source. All donations received are accounted for separately by donor restriction or purpose.

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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Materials & Services						
Special Programs	$ -	$ 961	$ 102,000	$ 51,000	$ 51,000	$ 102,000
Total Dedicated Donations	$ -	$ 961	$ 102,000	$ 51,000	$ 51,000	$ 102,000

Library



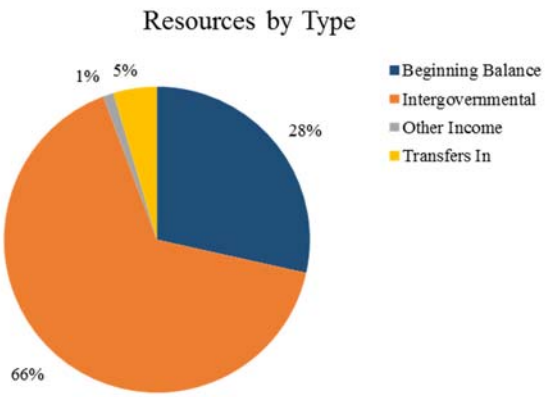
Total 15.4 FTE

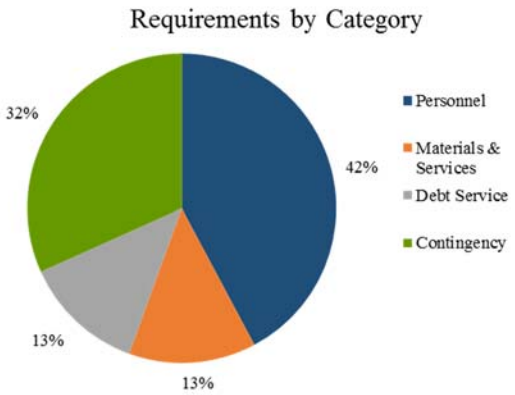
LIBRARY

The entire operations of Oregon City's Library are accounted for in the Library Fund. Approximately 90% of its funding comes from Clackamas County Library District tax revenues, which pay for personnel and materials costs. Debt Service payments (principal and interest) are for bonds issued for the construction of the library expansion.

The table below compares total resources and requirements for the Library Fund for the proposed biennium, the current biennial budget and the two prior periods.

Library	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 1,019,821	$ 870,554	$ 704,521	$ 1,851,971	$ 1,874,939	$ 1,851,971
Intergovernmental						
District Property Taxes	1,756,310	3,819,877	3,956,687	2,067,807	2,187,977	4,255,784
Intergovernmental	8,133	41,714	17,700	9,270	9,548	18,818
Charges for Services	4,819	13,213	10,400	3,900	3,900	7,800
Fines and Forfeitures	36,817	72,526	87,300	32,000	32,000	64,000
Interest Income	3,898	9,825	-	3,300	3,300	6,600
Miscellaneous Income	320	13,064	10,700	3,900	4,017	7,917
Transfer In	-	-	400,000	150,000	150,000	300,000
Total Resources	**$ 2,830,118**	**$ 4,840,773**	**$ 5,187,308**	**$ 4,122,148**	**$ 4,265,681**	**$ 6,512,890**
Requirements						
Personnel Services	$ 989,567	$ 2,083,552	$ 2,290,439	$ 1,397,867	$ 1,350,929	$ 2,748,796
Materials & Services	219,997	836,534	716,266	433,971	434,271	868,242
Capital Outlay	-	9,999	-	-	-	-
Principal & Interest	-	166,148	812,434	415,371	415,371	830,742
Transfers Out	750,000	872,897	40,455	-	-	-
Contingency	-	-	1,327,714	1,874,939	2,065,110	2,065,110
Unappropriated Fund Balance	870,554	871,643	-	-	-	-
Total Requirements	**$ 2,830,118**	**$ 4,840,773**	**$ 5,187,308**	**$ 4,122,148**	**$ 4,265,681**	**$ 6,512,890**





LIBRARY

OVERVIEW

The overall mission of the library is to provide a program that affords the residents of the library's service area access to the information, experience, inspiration, and ideas that empower, enrich, and educate. The Library serves the entire community through its collections, reference services, programs, electronic resources, and spaces. Opportunities for personal, educational, cultural, business, and recreational enrichment are offered. The library hosts approximately 360,000 annual visits and provides over 350 children's programs.

ACCOMPLISHMENTS

- Successfully opened new library on time and on (under) budget
- Kept community updated throughout the construction process via multiple forms of communication
- Continued to revise staffing-hired full time Adult Services Librarian and full time Technology and Library Promotions Librarian
- Provided multiple events and educational opportunities for the community
- Tripled door traffic since reopening the library in October 2016 after the building expansion to approximately 30,000 customers per month
- Provided numerous programs - children's programs, young adult programs and adult programs
- Continued partnership with the Pioneer Center and the End of the Oregon Trail Interpretive Center by presenting our First Friday Film Series at EOT

GOALS AND PROJECTS

- **GOAL 3 ENHANCE THE LIVABILITY OF THE COMMUNITY**
  - Meet community needs through programs and materials
  - Participate in more community events
  - Explore events and educational opportunities for community using local resources and partnerships
  - Explore partnership for 'Community Wide Read' with other libraries in the County network
  - Improve children and youth literacy and learning opportunities and activities.
  - Improve and expand collections previously impossible due to space
- **GOAL 5 MAINTAIN FISCAL HEALTH AND LONG TERM STABILITY**
  - Upgrade the hardware and software for the Radio Frequency Identification (RFID) system used in connection with the County program (LINCC)

LIBRARY EXPENDITURES

Description	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Personnel Services						
Salaries	$ 649,508	$ 1,349,845	$ 1,422,502	$ 861,105	$ 837,823	$ 1,698,928
Benefits	340,059	733,707	867,937	536,762	513,106	1,049,868
Total Personnel Services	989,567	2,083,552	2,290,439	1,397,867	1,350,929	2,748,796
Materials & Services						
Professional & Technical Services	27,987	397,711	-	8,000	8,000	16,000
Repair & Maintenance Services	51,934	107,412	225,150	128,466	128,466	256,932
Employee Costs	1,723	10,203	15,100	8,550	8,550	17,100
Operating Materials & Supplies	104,497	236,693	312,000	183,247	183,247	366,494
Office & Administrative Supplies	21,710	58,703	118,750	67,875	67,875	135,750
Special Programs	12,146	25,812	44,266	30,133	30,133	60,266
Community Programs & Grants	-	-	1,000	-	-	-
Internal Service Charges	-	-	-	7,700	8,000	15,700
Total Materials & Services	219,997	836,534	716,266	433,971	434,271	868,242
Capital Outlay	-	9,999	-	-	-	-
Transfers Out	750,000	872,897	40,455	-	-	-
Principal & Interest	-	166,148	830,744	415,371	415,371	830,742
Contingency	-	-	1,309,404	1,874,939	2,065,110	2,065,110
Unappropriated Fund Balance	870,554	871,643	-	-	-	-
Total Library	$ 2,830,118	$ 4,840,773	$ 5,187,308	$ 4,122,148	$ 4,265,681	$ 6,512,890

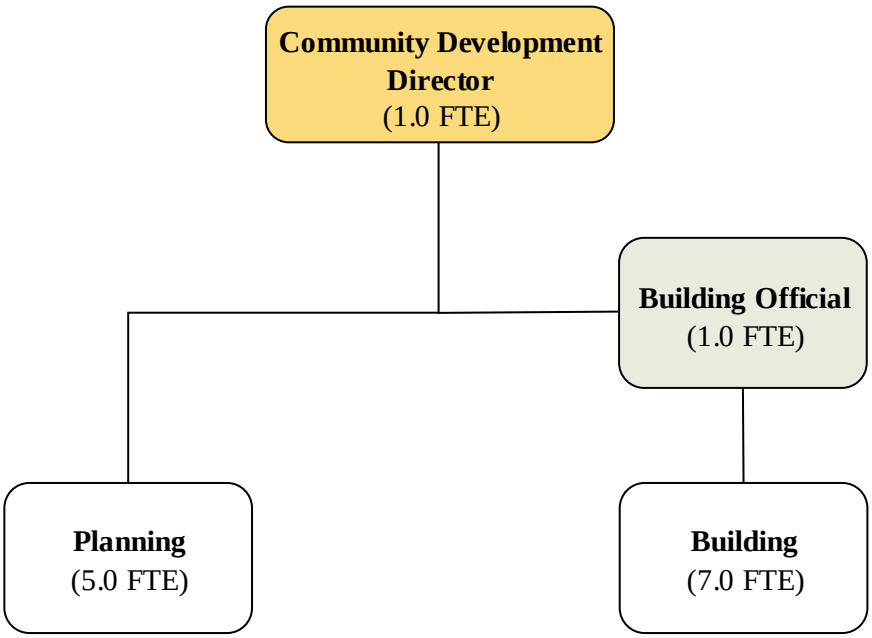
BUDGET HIGHLIGHTS

The proposed budget includes funding for a full biennium of the library expansion while prior biennium only accounted for one year of the expansion. Staffing hours have been reallocated from an employee retirement to allow for additional library assistant hours resulting in an increase in net FTE without increasing costs. The personnel cost increases are as a result of wage and benefit increases.

Repair & Maintenance Services reflect increased utility, janitorial, and building maintenance costs associated with a larger building as well as the RFID annual license and maintenance costs.

Operating Materials and Supplies include purchases of additional audio/visual materials and books to fill the extra space created from the building expansion. The Library budget this biennium also reflects equipment and computer purchases included in Office and Administrative Supplies.

Community Development



Total 14.0 FTE

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. 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 1 CULTIVATE AN ENVIRONMENT FOR SUCCESSFUL ECONOMIC DEVELOPMENT**
  - Approve the final Riverwalk design and begin construction of Phase 1 of the Riverwalk in 2018
  - Continue to work with the property owner of the former Blue Heron site to determine future private development on the site including funding, infrastructure, parking, and development strategies
- **GOAL 2 ADDRESS CRITICAL FACILITY NEEDS**
  - Relocate the Community Development Department to support a campus of City facilities
- **GOAL 3 ENHANCE THE LIVABILITY OF THE COMMUNITY**
  - Develop written Municipal Code and Comprehensive Plan map designations to implement the Beavercreek Road Concept Plan
  - Work with regional partners to identify tools and programs to increase affordable housing and housing affordability
  - Review local regulations and processes to remove barriers and provide incentives to additional housing opportunities
- **GOAL 5 MAINTAIN FISCAL HEALTH & LONG TERM STABILITY**
  - Replace existing permitting system

SIGNIFICANT BUDGET CHANGES

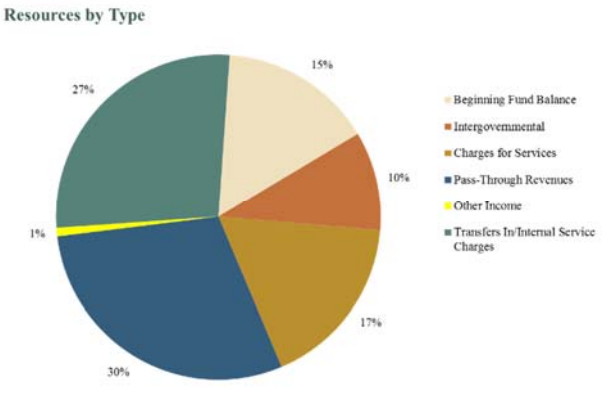
The proposed budget includes continued funding for the Willamette Falls Legacy Project, funding for the department's relocation, and the replacement of the permitting system.

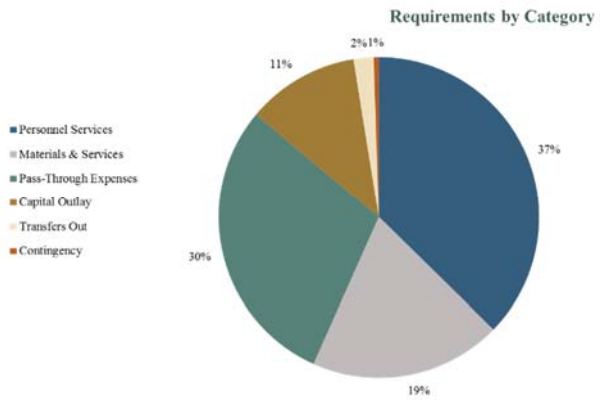
PLANNING

Planning is reported in the Community Development Fund. The fund accounts for the City's long range and current planning.

The following table includes total resources and requirements for the proposed biennial budget, the budget for the current biennium and actual data for the two previous periods. 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 service department.

Community Development	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 87,933	$ 3,332	$ 103,188	$ 625,008	$ 119,299	$ 625,008
Intergovernmental	151,165	710,946	194,000	255,000	150,000	405,000
Charges for Services	172,516	571,599	609,878	345,906	359,493	705,399
Internal Service Charges	-	-	-	293,035	293,036	586,071
Pass-Through Revenues	546,511	579,627	1,200,000	600,000	600,000	1,200,000
Licenses & Permits	37,370	22,389	32,480	16,240	16,240	32,480
Interest Income	1,297	574	2,000	1,000	1,000	2,000
Transfers In	594,886	1,381,817	1,535,422	250,000	275,000	525,000
Total Resources	**$ 1,591,678**	**$ 3,270,284**	**$ 3,676,968**	**$ 2,386,189**	**$ 1,814,068**	**$ 4,080,958**
Requirements						
Personnel Services	$ 640,339	$ 1,441,819	$ 1,815,662	$ 743,453	$ 779,912	$ 1,523,365
Materials & Services	398,295	898,119	588,993	379,310	411,135	790,445
Pass-Through Expenses	546,511	582,530	1,200,000	600,000	600,000	1,200,000
Capital Outlay	-	-	45,000	463,600	-	463,600
Transfers Out	3,201	147,099	7,500	80,527	2,000	82,527
Contingency	-	-	-	119,299	21,021	21,021
Unappropriated Fund Balance	3,332	200,717	19,813	-	-	-
Total Requirements	**$ 1,591,678**	**$ 3,270,284**	**$ 3,676,968**	**$ 2,386,189**	**$ 1,814,068**	**$ 4,080,958**





PLANNING

OVERVIEW

The Planning Division is a combination of current and long range projects. 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. The division addresses daily inquiries from the public through phone calls, emails and staffing of the department counter, while working closely with the Building and Development Services Departments to coordinate and improve permit review.

Long range planning supports the community with development of the Municipal Code, policies, vision documents, economic development, and projects such as the Willamette Falls Legacy Project. The division also facilitates community engagement and education with the Planning Commission, Historic Review Board, Natural Resources Committee, Citizen Involvement Committee, Development Stakeholders Group, and neighborhood associations while providing city representation to Metro and other statewide planning and policy decisions.

ACCOMPLISHMENTS

- Continued to support the Willamette Falls Legacy Project including coordination with the property owner and a preferred design of the Riverwalk with a detailed design of Phase I. The project's vision and master plan won the highest planning honor in the national Waterfront Center's "Excellence on the Waterfront" program.
- Secured $988,500 in grants and intergovernmental agreements, and assisted with securing an additional $7.5 million appropriation from the State for the Willamette Falls Legacy Project.
- Processed 260 land use related permits in 2015 and 322 land use related permits in 2016 including regulations for marijuana businesses and readoption of the Beavercreek Road Concept Plan. Three permits were appealed to the Land Use Board of Appeals and two were additionally appealed to the Court of Appeals.
- Streamlined development review processes including minor alterations to commercial buildings, new homes in subdivisions and the pre-application conference procedure.

GOALS AND PROJECTS

- Continued support of the Willamette Falls Legacy Project by initiating construction of the Riverwalk and reducing barriers for economic development.
- Relocate Community Development to support a campus of City facilities.
- Improve staff efficiency and customer experience with efficiencies in the development review process and implementation of a new permitting system.
- Develop the Oregon City Municipal Code and Comprehensive Plan map designations to implement the Beavercreek Road Concept Plan.
- Review local regulations and processes to remove barriers and provide incentives for additional housing opportunities.

PLANNING EXPENDITURES

Description	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Personnel Services						
Salaries	$ 413,494	$ 915,471	$ 1,090,190	$ 445,622	$ 467,854	$ 913,476
Benefits	226,845	526,348	725,472	297,831	312,058	609,889
Total Personnel Services	640,339	1,441,819	1,815,662	743,453	779,912	1,523,365
Materials & Services						
Professional & Technical Services	89,410	150,152	217,555	161,000	295,000	456,000
Repair & Maintenance Services	72,247	152,283	173,804	64,315	24,715	89,030
Other Services	7,310	19,809	38,590	2,500	2,500	5,000
Employee Costs	7,664	20,281	31,000	5,420	5,420	10,840
Operating Materials & Supplies	704	2,798	6,183	7,650	2,650	10,300
Office & Administrative Supplies	23,995	47,493	51,861	28,425	20,850	49,275
Special Programs	196,965	505,303	70,000	110,000	60,000	170,000
Pass-Through Payments	546,511	582,530	1,200,000	600,000	600,000	1,200,000
Total Materials & Services	944,806	1,480,649	1,788,993	979,310	1,011,135	1,990,445
Transfers & Other Uses	3,201	147,099	7,500	80,527	2,000	82,527
Capital Outlay	-	-	45,000	463,600	-	463,600
Contingency	-	-	19,813	119,299	21,021	21,021
Unappropriated Fund Balance	3,332	200,717	-	-	-	-
Total Community Development	$ 1,591,678	$ 3,270,284	$ 3,676,968	$ 2,386,189	$ 1,814,068	$ 4,080,958

BUDGET HIGHLIGHTS

The proposed budget includes an increase in Professional and Technical Services for creating zoning code and a Comprehensive Plan map for the Beavercreek Road Concept Plan which will be funded by a local grant. In addition, there was an accounting change in the prior biennium for legal expense that was previously considered a Transfer.

Special Programs includes funding a program for equitable housing that will be funded by a grant from Metro.

This biennial budget also reflects Capital Outlay costs associated with the relocation of Community Development to a new facility which will result in significant reductions in lease expenses.

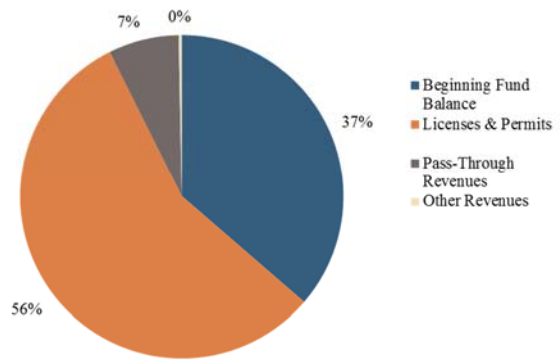
BUILDING

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 requirements in the Building Fund are shown below by type and by expenditure category for the proposed biennium, the current biennial budget and the two prior periods.

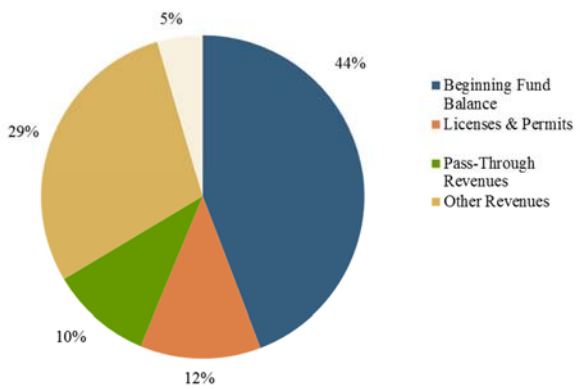
Licenses and Permits represent the department's main revenue source while Pass-Through revenues are monies collected and remitted to the State and Metro.

Building	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 203,440	$ 612,454	$ 530,492	$ 2,268,513	$ 2,031,191	$ 2,268,513
Licenses & Permits	1,524,227	1,793,681	1,734,972	1,697,711	1,816,551	3,514,262
Pass-Through Revenues	225,258	248,543	420,000	220,000	220,000	440,000
Charges for Services	25	1,661	7,700	5,781	5,783	11,564
Interest Income	3,696	5,985	2,600	3,600	3,852	7,452
Transfers In	-	176,000	200,000	-	-	-
Total Resources	**$ 1,956,646**	**$ 2,838,324**	**$ 2,895,764**	**$ 4,195,605**	**$ 4,077,377**	**$ 6,241,791**
Requirements						
Personnel Services	$ 639,540	$ 1,068,041	$ 1,856,026	$ 956,148	$ 1,002,879	$ 1,959,027
Materials & Services	236,742	473,948	367,310	261,839	183,605	445,444
Pass-Through Expenses	398,716	467,108	420,000	220,000	220,000	440,000
Capital Outlay	-	-	25,000	627,900	-	627,900
Transfers Out	69,194	114,000	14,365	98,527	20,000	118,527
Contingency	-	-	213,063	1,606,191	2,225,893	2,225,893
Reserved for Future Expenditures	-	-	-	425,000	425,000	425,000
Unappropriated Fund Balance	612,454	715,227	-	-	-	-
Total Requirements	**$ 1,956,646**	**$ 2,838,324**	**$ 2,895,764**	**$ 4,195,605**	**$ 4,077,377**	**$ 6,241,791**

Resources by Type



Requirements by Category



BUILDING

OVERVIEW

The Building Division is committed to the improved safety and livability of Oregon City by ensuring that construction is safe and built to adopted standards. The Oregon Structural, Residential, Electrical, Plumbing, Mechanical, Energy, Accessibility and Solar Codes, as well as a number of national and state standards regulate how a building is to be constructed; ranging from how strong the walls must be to how much insulation must be in them. The division is responsible for plan review and progress inspections on commercial, industrial and residential developments as well as community education and outreach.

ACCOMPLISHMENTS

- Updated the Building Division Operating Plan and fee schedule.
- Developed the Development Stakeholders Group with the Planning and Development Services Divisions to foster a dialog between the City, the development community and the public to improve City development processes.
- Filled all employee positions and invested in cross-training staff.

GOALS AND PROJECTS

- Relocate Community Development to support a campus of City facilities.
- Improve staff efficiency and customer experience with efficiencies in the development review process and implementation of a new permitting system.
- Ensure proper training and consist application of upcoming code changes.

Building Division Permit Activity

Permit by Type	2014 Results	2015 Results	2016 Results	2017 Estimated	2018 Projected	2019 Projected
Building Permits	233	322	389	420	453	491
Single Family Unit	111	165	149	161	174	188
Single Family Addition	17	5	24	26	28	30
Single Family Alteration	27	50	85	92	99	107
New Commercial	3	2	2	2	2	3
Tenant Improvement	75	100	129	139	150	163
Mechanical Permits	437	406	442	477	516	557
Plumbing Permits	439	379	519	561	605	654
Total Number of Permits	**1,109**	**1,107**	**1350**	**1458**	**1574**	**1702**

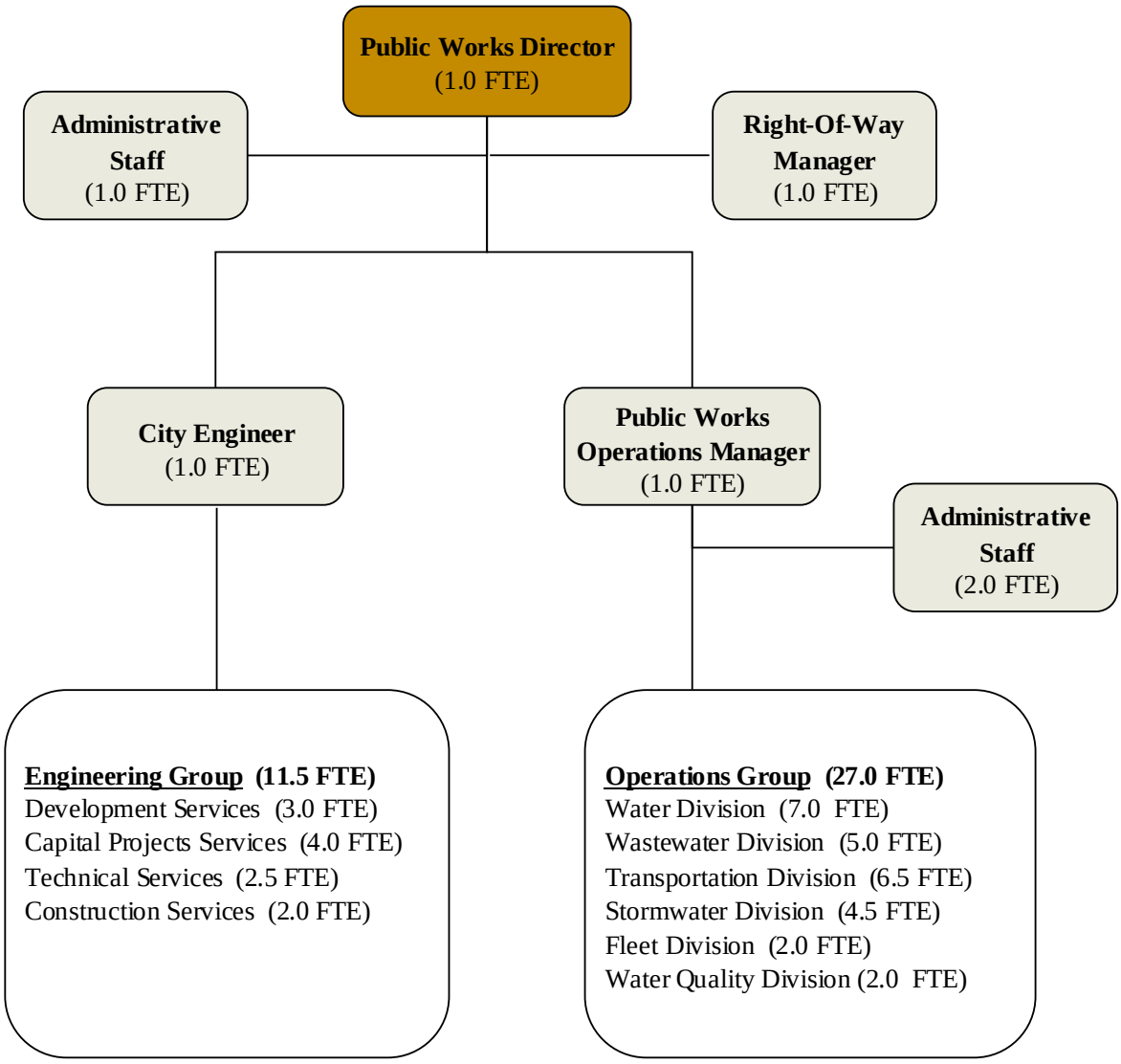
BUILDING EXPENDITURES

Description	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Personnel Services						
Salaries	$ 392,871	$ 662,585	$ 1,094,987	$ 557,728	$ 585,514	$ 1,143,242
Benefits	246,669	405,456	761,039	398,420	417,365	815,785
Total Personnel Services	639,540	1,068,041	1,856,026	956,148	1,002,879	1,959,027
Materials & Services						
Professional & Technical Services	103,392	172,741	20,000	27,000	27,000	54,000
Repair & Maintenance Services	104,744	236,407	261,550	120,339	62,805	183,144
Other Services	-	23	-	1,500	1,500	3,000
Employee Costs	10,845	7,107	14,700	11,600	11,600	23,200
Operating Materials & Supplies	572	8,268	5,800	4,400	4,500	8,900
Office & Administrative Supplies	17,189	49,402	65,260	52,500	35,000	87,500
Pass-Through Payments	398,716	467,108	420,000	220,000	220,000	440,000
Internal Service Charges	-	-	-	44,500	41,200	85,700
Total Materials & Services	635,458	941,056	787,310	481,839	403,605	885,444
Capital Outlay	-	-	25,000	627,900	-	627,900
Transfers & Other Uses	69,194	114,000	14,365	98,527	20,000	118,527
Contingency	-	-	213,063	1,606,191	2,225,893	2,225,893
Reserved for Future Expenditures	-	-	-	425,000	425,000	425,000
Unappropriated Fund Balance	612,454	715,227	-	-	-	-
Total Building	$ 1,956,646	$ 2,838,324	$ 2,895,764	$ 4,195,605	$ 4,077,377	$ 6,241,791

BUDGET HIGHLIGHTS

The proposed budget includes an increase for the Community Development relocation recorded as Capital Outlay. Additionally, the increase in Transfers is due to the Budget proposing for the replacement of the permitting system

Public Works



* FTE's are reported differently for cost allocation purposes; the budget reflects hours allocated by cost center.

Total FTE above	45.50
Additional Part Time	6.91
Total	52.41

PUBLIC WORKS

The Public Works Department is one of the largest within the City with 52.41 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 Operations Group is responsible for operating and maintaining the Oregon City public infrastructure systems including Transportation, Water Utility, Wastewater Utility, and Stormwater Utility, as well as managing the City's fleet.

The ROW Group coordinates with a variety of internal staff and utility providers to oversee implementation and documentation of the City's 2013 adopted ROW ordinance.

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 plan, construct, operate and maintain, in a financially sound manner, the public infrastructure of potable water distribution, wastewater collection, surface water management, and multi-modal transportation systems, while protecting natural resources and assuring public health and safety.

DEPARTMENT GOALS

- **GOAL 1: CULTIVATE AN ENVIRONMENT FOR SUCCESSFUL ECONOMIC DEVELOPMENT**
  - Complete design of the Beavercreek Road sanitary sewer that will serve the designated employment sites and further the developable readiness of the sites.
  - Construct sanitary sewer in Beavercreek Road once funding sources are identified.
  - Complete pre-design of quiet zone improvements.
  - Implement quiet zone concurrent with a specific development or as a project that will encourage residential construction.
- **GOAL 2: ADDRESS CRITICAL FACILITY NEEDS**
  - Update the Public Works Operations Center Master Plan at its current location.
  - Proceed with construction at the Public Works Operations Center's current location.
  - Begin the process of identifying future locations for a possible new water reservoir.
- **GOAL 3: ENHANCE THE LIVABILITY OF THE COMMUNITY**
  - Complete construction in the Hazelwood area, which includes the final moratorium project, by fall 2017.
  - Complete a Rate Study and System Development Charge Analysis for the City's Stormwater system.
  - Review local regulations and processes to remove barriers and provide incentives for additional housing opportunities.
- **GOAL 4: PURSUE OPPORTUNITIES TO INCREASE TRANSPARENCY AND ENCOURAGE CITIZEN PARTICIPATION**
  - Increase opportunities to connect with the community and receive feedback.
- **GOAL 5: MAINTAIN FISCAL HEALTH AND LONG-TERM STABILITY**
  - Begin community outreach and communications regarding long-term water rates and the need for infrastructure replacement.
  - Prepare for possible ballot measure in 2018 to address degraded water systems.
  - Replace existing permitting system.

Public Works Performance Measures								
Commission Goal	**Milestone or Outcome**	**Measure**	**2014**	**2015**	**2016**	**2017 Forecast**	**2018 Goal**	**2019 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	68	> 60	> 60	> 60	> 60	> 60
		Complete programmed projects under annual pavement maintenance plan	100%	124%	140%	145%	100%	100%
		Complete scheduled drinking water (DW) and stormwater (SW) samples in compliance with regulations	512 DW 30 SW	643 DW 30 SW	765 DW 30 SW	480 DW 30 SW	480 DW 30 SW	480 DW 30 SW
		Complete scheduled projects under leak detection program	100%	100%	100%	100%	100%	100%
		Complete scheduled miles of under video inspections and line cleaning program	7.65 / 41.4 miles	5.5 / 34.7 miles	1.3 / 44.5 miles	1.2 / 49.7 miles	7.0 / 30 miles	7.5 / 30 miles
Maintain Fiscal Health and Long Term Stability	Provide timely and efficient service	Average time to act in response to a citizen request	0.9 days	0.8 days	1.9 days	2.1 days	< 2.0 days	< 2.0 days
		Average time to respond to and complete afterhours call for service	< 2.0 hours	2.9 hours	3.8 hours	4.83 hours	< 3.0 hours	< 3.0 hours
	Track permitting and land use decisions to ensure effective and efficient staff	Right-of way permits (public)	177	163	228	208	200	200
		Right-of way permits (utility - no fee)	96	106	165	211	200	200
		Pre-application conferences – see Engineering section for more detail	48	44	36	91	80	80

ENGINEERING

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 budget periods, the current biennial budget, and the proposed biennial budget.

The only significant change in Engineering for this biennium is the transition of two staff members from contract employees to full-time employees which results in increased staffing costs and decreased contract costs in the proposed biennium. These staff members will assist with improving the City's development engineering process by serving the needs of the ROW permit and inspection program and the growing development administration needs that the City must attend to with both new development and redevelopment.

Revenues are projected to sustain previous biennium levels in the coming biennium given the strength of the economy as it relates to development as evidenced by the increased activity seen through pre-application project proposals and various projects that are currently in the application or review phase.

Engineering	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 45,616	$ 13,143	$ 24,075	$ 403,094	$ 237,440	$ 403,094
Charges for Services	54,911	83,806	651,724	415,720	415,720	831,440
Internal Service Charges	-	-	-	437,100	437,100	874,200
Licenses & Permits	106,721	519,466	66,456	41,200	41,200	82,400
Interest Income	2,198	1,666	2,091	1,100	1,100	2,200
Transfers In	175,982	570,000	1,143,450	120,000	120,000	240,000
Total Resources	**$ 385,428**	**$ 1,188,081**	**$ 1,887,796**	**$ 1,418,214**	**$ 1,252,560**	**$ 2,433,334**
Requirements by Category						
Personnel Services	$ 307,969	$ 818,215	$ 1,289,659	$ 876,927	$ 919,638	$ 1,796,565
Materials & Services	64,316	355,392	353,702	199,320	196,120	395,440
Capital Outlay	-	-	147,500	-	-	-
Transfers Out	-	-	7,000	104,527	5,000	109,527
Contingency	-	-	89,935	237,440	131,802	131,802
Unappropriated Fund Balance	13,143	14,474	-	-	-	-
Total Requirements	**$ 385,428**	**$ 1,188,081**	**$ 1,887,796**	**$ 1,418,214**	**$ 1,252,560**	**$ 2,433,334**

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

- Completed several activities associated with the Development Engineering Group including filling the positions of the Development Projects Manager, two Development Engineers and two Construction Inspectors
- Supported ongoing analysis and Code amendments related to SDC's
- Provided assistance and guidance with the implementation of the Sanitary Sewer Moratorium project design and project approval
- Established standardized permit and inspection programs for work in the right-of-way by franchise utilities
- Audited a backlog of open franchise permits and worked with the providers to complete the ROW repairs needed to close out the permits
- Continued to increase ROW revenues through telecom, wireless and other ROW service agreements, audits, and regular scrutiny of provider programs

GOALS AND PROJECTS

- Provide the public with engineering assistance, which includes discussing utilities, streets, and lot layouts with homeowners and developers who want to develop certain properties in the City, identifying and explaining the City's design and construction standards and requirements, and locating utility connections to homes and businesses in the City
- Process no-fee permits for work in the right-of-way by franchise utilities and conduct related inspections
- Review and process land use applications and design plans for compliance with Oregon City Public Works standards, master plans, National Pollutant Discharge Elimination System (NPDES) requirements, and the Municipal Code
- Update design and construction standards for use and implementation by the development community
- Update outdated and arduous development processes and develop the supporting operating policies or written guidelines to improve consistency in development and land use reviews
- Monitor/inspect construction of approved private development plans
- Provide SDC calculations for all development projects
- Participate in the Stormwater Master Plan Update
- 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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Personnel Services						
Salaries	$ 182,654	$ 502,798	$ 767,489	$ 526,932	$ 552,975	$ 1,079,907
Benefits	125,315	315,417	522,170	349,995	366,663	716,658
Total Personnel Services	307,969	818,215	1,289,659	876,927	919,638	1,796,565
Materials & Services						
Professional & Technical Services	56,063	328,785	315,950	129,500	129,500	259,000
Repair & Maintenance Services	29	799	1,087	16,250	16,250	32,500
Employee Costs	278	4,470	4,905	10,150	10,150	20,300
Operating Materials & Supplies	-	-	-	300	300	600
Office & Administrative Supplies	7,946	21,338	31,760	16,020	16,020	32,040
Internal Service Charges	-	-	-	27,100	23,900	51,000
Total Materials & Services	64,316	355,392	353,702	199,320	196,120	395,440
Capital Outlay	-	-	147,500	-	-	
Transfers Out	-	-	7,000	104,527	5,000	109,527
Contingency	-	-	89,935	237,440	131,802	131,802
Unappropriated Fund Balance	13,143	14,474	-	-	-	-
Total Engineering	$ 385,428	$ 1,188,081	$ 1,887,796	$ 1,418,214	$ 1,252,560	$ 2,433,334

BUDGET HIGHLIGHTS

This division's proposed budget includes an increase in FTE mentioned previously.

Professional & Technical Services decreased in the proposed budget for Civil Engineering work previously performed by contract employees, now to be completed in-house.

Transfers Out includes $80,000 of funding for permitting software upgrades. Costs are split between Planning, Building and Engineering.

Professional & Technical Services includes the following:

ROW management	$ 87,000
Legal	56,000
Audit expense	40,000
Temporary services	30,000
Civil engineering	10,000
Geotechnical	30,000
Electrical	3,000
Environmental consulting/testing	3,000
Total	$ 259,000

Pre-Application Conferences						
	2014	2015	2016	2017 Forecast	2018 Goal	2019 Goal
Annexation	2		2	4		
Appeal to the City Commission		2	1	2		
General Development Plan	2	2	2			
Detailed Development Plan	2	3	4	2		
Modification		1				
Partition	3	3	1	2		
Comprehensive Plan Amendment	1	1	2			
Site Plan & Design Review	23	14	15	73		
Subdivision	6	8	3	4		
Geologic Hazard Overlay District	5	7	4	3		
Zone Change	4	3	2	1		
TOTAL	**48**	**44**	**36**	**91**	**80**	**80**

TRANSPORTATION

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

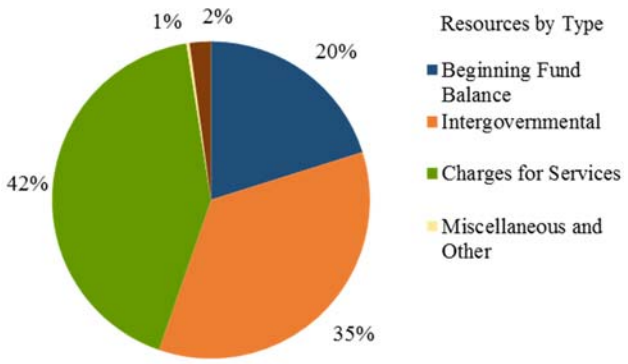
The Transportation Fund accounts for two organizational units: Transportation and Pavement Maintenance. General transportation expenditures including staffing and materials and services for general maintenance and construction are funded by gas tax revenues. The Pavement Maintenance fees fund the annual pavement repair and roadway reconstruction contracts. These revenues and expenses are kept segregated for accountability. Any amounts remaining at year end (revenues exceeding expenditures) are restricted for future years' transportation projects.

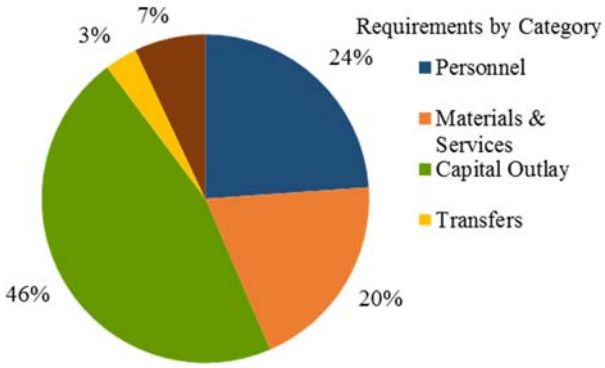
The table below compares Total Resources and Total Requirements in the Transportation Fund for the past two budget periods, the current biennial budget, and the proposed biennial budget.

Tranportation	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 615,590	$ 639,033	$ 2,232,386	$ 2,248,560	$ 1,013,822	$ 2,248,560
Intergovernmental	1,773,805	3,826,629	3,885,024	1,955,283	1,974,477	3,929,760
Charges for Services	18,704	103,573	4,429,433	2,321,094	2,390,727	4,711,821
Transfers In	175,701	1,839,975	189,154	116,016	124,971	240,987
Miscellaneous Income	15,482	30	-	-	-	-
Interest Income	3,455	7,512	12,992	18,400	18,400	36,800
Total Resources	**$ 2,602,737**	**$ 6,416,752**	**$10,748,989**	**$ 6,659,353**	**$ 5,522,397**	**$11,167,928**
Requirements by Category						
Personnel Services	$ 943,705	$ 1,988,618	$ 2,450,311	$ 1,303,210	$ 1,365,340	$ 2,668,550
Materials & Services	494,961	1,142,090	2,130,746	1,101,121	1,091,484	2,192,605
Capital Outlay	201,188	439,452	4,416,775	3,061,200	2,101,300	5,162,500
Transfers Out	323,850	545,482	716,763	180,000	180,000	360,000
Contingency	-	-	1,034,394	1,013,822	784,273	784,273
Unappropriated Fund Balance	639,033	2,301,110	-	-	-	-
Total Requirements	**$ 2,602,737**	**$ 6,416,752**	**$10,748,989**	**$ 6,659,353**	**$ 5,522,397**	**$11,167,928**

* The Pavement Maintenance program for the City was recorded in a separate fund prior to the current biennium. Please see the section on Closed Funds for historical information.

The charts below compare the relative percentages of resources and requirements in Transportation.





TRANSPORTATION

OVERVIEW

The Transportation division encompasses pavement maintenance and improvement, traffic management, safety improvements, signalization and pavement markings, landscape maintenance including street trees and medians, maintenance of guardrails and street furnishings, emergency response, city beautification, and municipal elevator maintenance. Approximately 140 center line miles of roads, 151 miles of sidewalks, and 1,125 acres of improved and unimproved rights-of-way are maintained. Operations in this division are accounted for in the Transportation fund within the Transportation and Pavement Maintenance units.

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 cracks and potholes.

ACCOMPLISHMENTS

- Completed the Beavercreek Road Dual Left Turn Lane Extension Project
- Received 329 requests for service from citizens; completed 1,740 work orders
- Sealed over 40 lane miles of city streets
- Removed/replaced 35 trees; trimmed 234 trees
- Repaired 55 City-owned streetlights; converted 17 City-owned streetlights to LED
- Managed $2.3 million in contracted pavement maintenance projects
- Issued new elevator staffing contract
- Negotiated new landscape maintenance contract
- Completed traffic signal optimization plan and upgraded all City-owned traffic signals
- Completed citywide pavement condition index update
- Maintained and upgraded street signs per Federal Highway Administration (FHWA)-required plan; 1,175 street signs removed and replaced, 315 illegal signs removed from the ROW

GOALS AND PROJECTS

- Complete the Meyers Road Extension Project between Hwy 213 and High School Road
- Complete the Washington Street & 12th Street Signalization Project
- Continue to maintain and upgrade street signs per FHWA-required plan
- Maintain pavement legends and markings and streetlights
- Manage Oregon City Municipal Elevator service and maintenance
- Initiate an agreement with Metro for the completion of the Molalla Avenue completion project; complete the survey and design tasks
- Complete the survey and preliminary engineering for the Linn/Leland/Warner Milne roundabout
- 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

TRANSPORTATION EXPENDITURES

Description	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Personnel Services						
Salaries	$ 572,221	$ 1,209,051	$ 1,407,527	$ 764,193	$ 800,605	$ 1,564,798
Benefits	371,484	779,567	1,042,784	539,017	564,735	1,103,752
Total Personnel Services	943,705	1,988,618	2,450,311	1,303,210	1,365,340	2,668,550
Materials & Services						
Professional & Technical Services	215,737	401,636	515,691	175,516	167,971	343,487
Repair & Maintenance Services	181,218	555,456	506,770	269,023	270,831	539,854
Other Services	-	15	200	100	100	200
Employee Costs	16,429	25,700	28,691	16,000	16,000	32,000
Operating Materials & Supplies	47,652	110,543	135,955	93,100	94,100	187,200
Office & Administrative Supplies	33,925	48,740	46,713	22,029	22,029	44,058
Internal Service Charges	-	-	-	87,300	85,100	172,400
Total Materials & Services	494,961	1,142,090	1,234,020	663,068	656,131	1,319,199
Capital Outlay	201,188	439,452	616,775	611,200	51,300	662,500
Transfers Out	323,850	545,482	704,045	180,000	180,000	360,000
Contingency	-	-	193,671	483,581	387,038	387,038
Unappropriated Fund Balance	639,033	2,301,110	-	-	-	-
Total Transportation	$ 2,602,737	$ 6,416,752	$ 5,198,822	$ 3,241,059	$ 2,639,809	$ 5,397,287

BUDGET HIGHLIGHTS

This division's 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 $60,000 for the biennium.

The following **Transportation** Capital Projects are included in the Transportation Fund:

12th and Washington signalization	$ 340,000
Hwy 99E safety measures	125,000
Linn / Leland round-a-bout	90,000
Elevator improvements	50,000
Hwy 99E and Railroad Avenue	41,300
Project management	16,200
Transportation Capital Projects	$ 662,500

The Professional & Technical Services budget includes the following items:

Elevator contract	$ 256,987
Street light conversion	20,000
Legal	20,000
Civil engineering	8,000
Electrician	6,000
Surveying	4,000
Geotechnical	3,000
Environmental	1,000
Other	24,500
Total	$ 343,487

PAVEMENT MAINTENANCE EXPENDITURES

Description	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Materials & Services						
Professional & Technical Services	$ -	$ -	$ 342,482	$ 7,500	$ 7,500	$ 15,000
Repair & Maintenance Services	-	-	351,000	300,000	300,000	600,000
Operating Materials & Supplies	-	-	203,000	100,000	100,000	200,000
Office & Administrative Supplies	-	-	244	174	174	348
Internal Service Charges	-	-	-	30,379	27,679	58,058
Total Materials & Services	-	-	896,726	438,053	435,353	873,406
Capital Outlay	-	-	3,800,000	2,450,000	2,050,000	4,500,000
Transfers & Other Uses	-	-	12,718	-	-	-
Contingency	-	-	840,723	530,241	397,235	397,235
Total Transportation	$ -	$ -	$ 5,550,167	$ 3,418,294	$ 2,882,588	$ 5,770,641

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. Historical information for Pavement Maintenance is provided in the Closed Funds section starting on page 145.

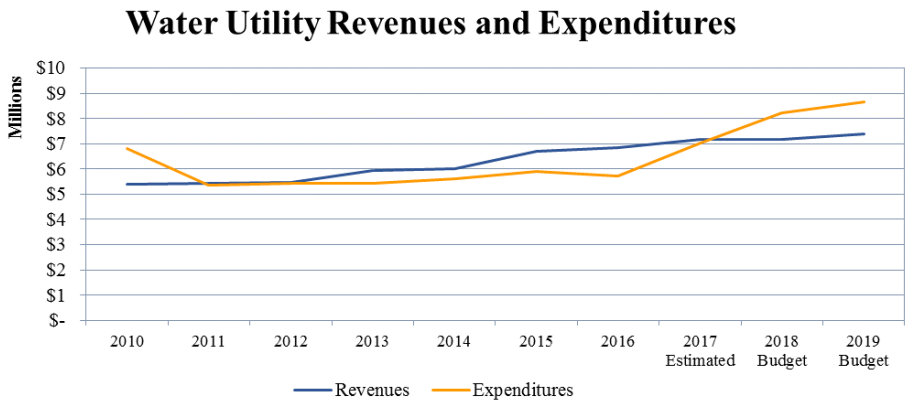
WATER

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

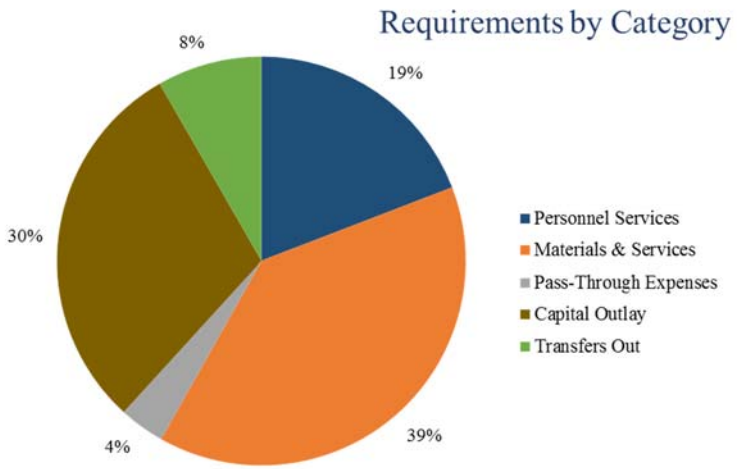
The table below compares Total Resources and Total Requirements in the Water Operations Fund for the past two budget periods, the current biennial budget, and the proposed biennial budget. Revenues in this fund are projected to increase due to a 3% annual increase in rates.

The graph highlights water revenues and expenditures over time (excluding beginning balances and contingency). Capital reserves continued to accumulate in the 2015-2017 biennium 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 projected to be spent in the 2017-2019 biennium on deferred capital projects.

Water Operations	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 1,539,138	$ 2,029,789	$ 3,152,986	$ 4,888,917	$ 3,847,610	$ 4,888,917
Charges for Services	5,370,394	11,749,095	12,030,028	6,855,475	7,054,399	13,909,874
Pass-Through Revenues:						
South Fork SDC Collections	426,246	433,507	731,815	300,000	309,000	609,000
Interest Income	11,113	21,400	21,536	10,927	10,927	21,854
Miscellaneous Income	116,098	315	-	-	-	-
Transfers In	-	492,242	-	-	-	-
Total Resources	**$ 7,462,989**	**$ 14,726,348**	**$ 15,936,365**	**$ 12,055,319**	**$ 11,221,936**	**$ 19,429,645**
Requirements by Category						
Personnel Services	$ 1,292,897	$ 2,788,346	$ 3,105,583	$ 1,576,855	$ 1,653,263	$ 3,230,118
Materials & Services	2,674,529	4,412,456	5,024,805	3,305,854	3,274,272	6,580,126
Pass-Through Expenses	426,246	433,507	731,815	300,000	309,000	609,000
Capital Outlay	225,135	1,211,149	2,515,000	2,325,000	2,725,000	5,050,000
Debt Service	201,893	397,664	-	-	-	-
Transfers Out	612,500	2,264,290	2,483,343	700,000	700,000	1,400,000
Contingency	-	-	2,075,819	3,847,610	2,560,401	2,560,401
Unappropriated Fund Balance	2,029,789	3,218,936	-	-	-	-
Total Requirements	**$ 7,462,989**	**$ 14,726,348**	**$ 15,936,365**	**$ 12,055,319**	**$ 11,221,936**	**$ 19,429,645**



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 169 miles of water mains, 5 water reservoirs, 1,479 fire hydrants, 23 pressure reducing valves, and five dedicated pump stations; all of which serve over 10,600 customers. The division includes 11.15 FTEs plus shared supervisory and administrative personnel.

The source of potable water supply for the City is surface water from the lower Clackamas River which is drawn and treated by the South Fork Water Board (SFWB). SFWB is a wholesale water supplier that is equally owned by Oregon City and the City of West Linn. SFWB operates an intake and pumping station located on the Clackamas River 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, a backflow and cross-connection program, a mainline replacement and upgrades program, a system flushing program, a valve maintenance program, hydrant, reservoir and 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

- Received 151 requests for service from citizens; completed 2,193 work orders
- Completed 2016 Department of Health audit and achieved highest rating possible (excellent)
- Completed an update to the City's Water Distribution Hydraulic Model
- Transitioned all utility locating services to an electronic, paperless format
- Completed annual contracted pipe replacement projects, including:
  - 15th Street water main replacement
  - 99E Bluff pipe replacement

- Center Street (5th to 7th) water main replacement

- Completed in-house water system line replacements and improvements, including:
  - Jersey Avenue (950 feet) in-house water main replacement
  - 6th Street in-house water main replacement
- Completed the annual leak detection program for 1/3 of the City to reduce potential unaccounted for water
- Completed safety improvements to Boynton Reservoir
- Completed emergency water main repair at Home Depot site

GOALS AND PROJECTS

- In-house water system line replacements and improvements:
  - South End and Lawton Area pipe replacement
  - Center Street (8th to 9th) pipe replacement
  - Clairmont Area ongoing pipe replacement
  - Rivercrest Area ongoing pipe replacement
  - Fall protection safety improvements at remaining reservoir sites
- Complete the Joint Engineering Study with Clackamas River Water (CRW)
- Respond to customer and system emergencies (maintain 24/7 on-call service)
- Update the Public Works Operations Center Master Plan
- Update the City's remote telemetry system at Mountain View and Hunter Pump Stations
- Continue planning and public awareness to establish water rates to a level that help 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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Personnel Services						
Salaries	$ 765,522	$ 1,686,026	$ 1,796,319	$ 915,351	$ 960,149	$ 1,875,500
Benefits	527,375	1,102,320	1,309,264	661,504	693,114	1,354,618
Total Personnel Services	1,292,897	2,788,346	3,105,583	1,576,855	1,653,263	3,230,118
Materials & Services						
Professional & Technical Services	478,388	64,776	256,048	122,480	134,980	257,460
Repair & Maintenance Services	177,295	322,314	433,999	281,412	262,934	544,346
Other Services	483,609	763,532	610,016	299,180	311,115	610,295
Employee Costs	16,019	26,701	27,871	14,543	14,543	29,086
Operating Materials & Supplies	1,464,610	3,146,829	3,624,382	1,821,974	1,821,975	3,643,949
Office & Administrative Supplies	41,897	65,888	72,489	33,121	30,521	63,642
Special Programs	12,711	22,416	-	-	-	-
Pass-Through Payments	426,246	433,507	731,815	300,000	309,000	609,000
Internal Service Charges	-	-	-	733,144	698,204	1,431,348
Total Materials & Services	3,100,775	4,845,963	5,756,620	3,605,854	3,583,272	7,189,126
Capital Outlay	225,135	1,211,149	2,515,000	2,325,000	2,725,000	5,050,000
Principal & Interest	201,893	397,664	-	-	-	-
Transfers Out	612,500	2,264,290	2,483,343	700,000	700,000	1,400,000
Contingency	-	-	2,075,819	3,847,610	2,560,401	2,560,401
Unappropriated Fund Balance	2,029,789	3,218,936	-	-	-	-
Total Water	$ 7,462,989	$ 14,726,348	$ 15,936,365	$ 12,055,319	$ 11,221,936	$ 19,429,645

BUDGET HIGHLIGHTS

Operating Materials & Supplies includes the following items:

Water purchases	$ 3,295,678
Fittings and values	140,000
Pipe	60,000
Other operating supplies	148,271
Total	$ 3,643,949

Professional & Technical Services includes funding for the following:

Engineering	$ 97,500
Technical	64,400
Environmental	65,560
Legal	30,000
Total	$ 257,460

As mentioned before, the Water fund previously built up reserves to take care of deferred capital projects such as water pipe replacements. This budget, as in the previous, includes instances of one-time spending of capital reserves on deferred capital projects.

Capital Outlay includes capital projects as shown below:

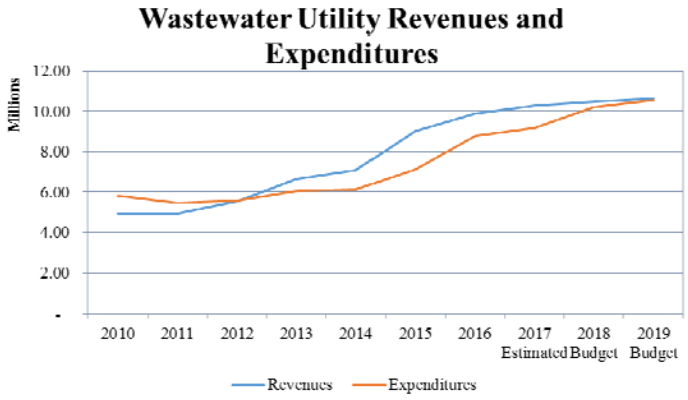
Pipe replacement projects:	
South End and Lawton area	$ 1,300,000
Main Street (10th to 15th Street)	150,000
Center Street (8th to 9th Street)	100,000
Clairmont area	1,000,000
Rivercrest Park area	800,000
Molalla Avenue	300,000
Pipe upgrade projects:	
I-205 Undercrossing	200,000
Operation Center	150,000
Facility projects:	
New reservoir (placeholder)	400,000
Reservoir safety measures	150,000
Mountain View fence replacement	95,000
3rd and Bluff improvements	45,000
5th and Canemah improvements	30,000
Roadway Reconstruction	100,000
Large Meter Replacement Project	100,000
Other Projects	130,000
Total Capital Outlay	$5,050,000

WASTEWATER

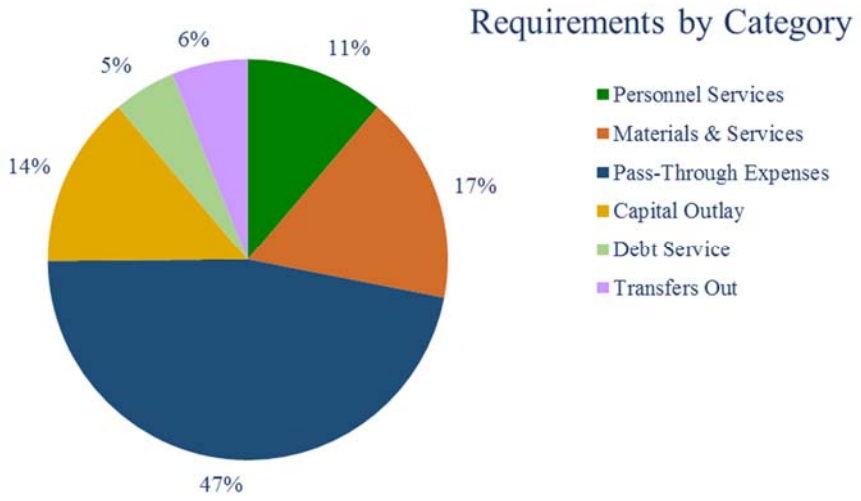
The Wastewater Utility Division maintains the City's wastewater collection system in accordance with regulatory standards. Funds in this division are accounted for in the Wastewater Fund.

The 2017-2019 biennium included funding for construction of the capacity improving capital projects needed to lift the moratorium on land development in specific areas as previously enacted by the City Commission. The current biennium will see the completion of many master plan recommended renewal and replacement program projects.

Wastewater Operations	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 309,974	$ 924,526	$ 3,270,179	$ 6,244,516	$ 6,513,437	$ 6,244,516
Charges for Services	3,269,355	8,122,905	10,112,660	5,446,958	5,448,154	10,895,112
Pass-Through Revenues:						
Tri-City Collections	3,349,068	7,180,836	8,336,696	4,775,013	4,948,014	9,723,027
Interest Income	6,470	15,290	10,455	5,464	5,628	11,092
Miscellaneous Income	18,075	-	-	-	-	-
Franchise Fees	-	-	360,000	250,000	250,000	500,000
Transfers In	10,000	690,721	-	-	-	-
Other Financing Sources	-	114,000	-	-	-	-
Total Resources	**$ 6,962,942**	**$ 17,048,278**	**$ 22,089,990**	**$ 16,721,951**	**$ 17,165,233**	**$ 27,373,747**
Requirements by Category						
Personnel Services	$ 753,684	$ 1,669,844	$ 2,387,843	$ 1,141,032	$ 1,196,116	$ 2,337,148
Materials & Services	730,532	1,068,311	1,796,468	1,757,494	1,738,808	3,496,302
Pass-Through Expenses	3,328,601	7,187,064	8,336,696	4,775,013	4,948,014	9,723,027
Capital Outlay	138,680	573,432	2,087,550	1,368,000	1,525,000	2,893,000
Debt Service	531,219	1,056,063	1,056,825	526,975	524,200	1,051,175
Transfers Out	555,700	1,718,862	2,365,016	640,000	640,000	1,280,000
Contingency	-	-	3,404,592	5,858,437	5,938,095	5,938,095
Reserved for Future Expenditure	-	-	655,000	655,000	655,000	655,000
Unappropriated Fund Balance	924,526	3,774,702	-	-	-	-
Total Requirements	**$ 6,962,942**	**$ 17,048,278**	**$ 22,089,990**	**$ 16,721,951**	**$ 17,165,233**	**$ 27,373,747**



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 in order to meet or exceed regulatory standards.

The City's wastewater collection system includes 14 pump stations and 133 miles of both force main and gravity pipes, all of which serve over 10,600 customers. The division includes 9.15 FTEs, plus shared administrative and supervisory personnel. This represents an increase of two employees: a maintenance specialist and a capital improvement plan project engineer.

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 on the Clackamas River in Oregon City, Oregon. The Tri-City plant provides wastewater treatment for the cities of Gladstone, Oregon City, and West Linn and other Clackamas County jurisdictions outside of the Tri-City district. 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

- Received 69 requests for service from citizens; completed 2,099 work orders
- Completed scheduled small works improvement projects
- Completed the Linn Avenue Sanitary Sewer Moratorium Project
- Completed the Division Street Moratorium Project
- Completed the 12th, 13th, and 14th Street Moratorium Projects
- Completed the Main Street 11th to 12th Sanitary Sewer Upgrades
- Completed 2.5 miles of sanitary sewer TV Inspection
- Completed 94 miles of sanitary sewer line cleaning
- Provided Oregon City citizens with an efficient and environmentally safe wastewater

collection system

- Completed upgrades to Hidden Creek pump station
- Conducted smoke testing and infiltration and inflow (I & I) investigations around infiltration and inflow susceptible areas throughout most of the McLoughlin Neighborhood (oldest parts of the sewer system)
- Completed underground utility locate services and transitioned all locates to a paperless electronic system

GOALS AND PROJECTS

- Conduct the following I & I reduction projects:
  - Terrace Avenue
  - Washington Street
  - 5th Avenue
- Complete the Hazelwood Drive Sanitary Sewer Upgrades
- Complete the Peter Skene Way (landslide area) pipeline repairs
- Complete improvements to the following sanitary pump stations:
  - Canemah Pumps Station
  - Hidden Creek
  - Noble Ridge
- Continue the infiltration and inflow reduction investigation program including TV Inspection, smoke testing, public education, and public policy
- Expand the quantity of in-house TV inspection with delivery of new investigation equipment
- Complete annual small works, pipe replacement, and separation projects per Sanitary Sewer Master Plan and Capital Improvement Plan 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 Supervisory control and data acquisition (SCADA) software and radio communication systems
  - Annual pipe repairs (small works) identified through routine inspections and emergency response
- Communicate with citizens to enhance public awareness about sewer connection responsibilities and maintenance

WASTEWATER EXPENDITURES

Description	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Personnel Services						
Salaries	$ 447,190	$ 1,016,822	$ 1,383,697	$ 670,127	$ 702,820	$ 1,372,947
Benefits	306,494	653,022	1,004,146	470,905	493,296	964,201
Total Personnel Services	753,684	1,669,844	2,387,843	1,141,032	1,196,116	2,337,148
Materials & Services						
Professional & Technical Services	86,088	167,239	630,675	246,800	250,800	497,600
Repair & Maintenance Services	159,912	306,712	403,227	222,820	228,214	451,034
Other Services	160,000	437,633	590,486	324,423	324,423	648,846
Employee Costs	10,004	22,481	24,222	13,379	13,379	26,758
Operating Materials & Supplies	15,500	53,948	84,178	44,754	44,754	89,508
Office & Administrative Supplies	43,368	80,298	63,680	26,734	26,734	53,468
Pass-Through Payments	3,328,601	7,187,064	8,336,696	4,775,013	4,948,014	9,723,027
Internal Service Charges	255,660	-	-	878,584	850,504	1,729,088
Total Materials & Services	4,059,133	8,255,375	10,133,164	6,532,507	6,686,822	13,219,329
Capital Outlay	138,680	573,432	2,087,550	1,368,000	1,525,000	2,893,000
Principal & Interest	531,219	1,056,063	1,056,825	526,975	524,200	1,051,175
Transfers Out	555,700	1,718,862	2,365,016	640,000	640,000	1,280,000
Contingency	-	-	3,404,592	5,858,437	5,938,095	5,938,095
Reserved for Future Expenditure	-	-	655,000	655,000	655,000	655,000
Unappropriated Fund Balance	924,526	3,774,702	-	-	-	-
Total Wastewater	$ 6,962,942	$ 17,048,278	$ 22,089,990	$ 16,721,951	$ 17,165,233	$ 27,373,747

BUDGET HIGHLIGHTS

Capital Outlay includes the following:

Pipe replacement projects:

Pipeline renewal & replacement	$ 1,400,000
Hazelwood Drive	700,000
Terrace Avenue	30,000
Washington St	30,000
5th Avenue	20,000
Miscellaneous	50,000

Pump station projects:

Canemah wet well	360,000
Hidden Creek	35,000
Noble Ridge	25,000
Canemah generator	20,000
Other Projects	135,000
Equipment	88,000
Total Capital Outlay	$ 2,805,000

Professional & Technical Services includes funding for the following:

Technical	$ 259,100
Engineering	206,500
Environmental	2,000
Legal	30,000
Total	$ 497,600

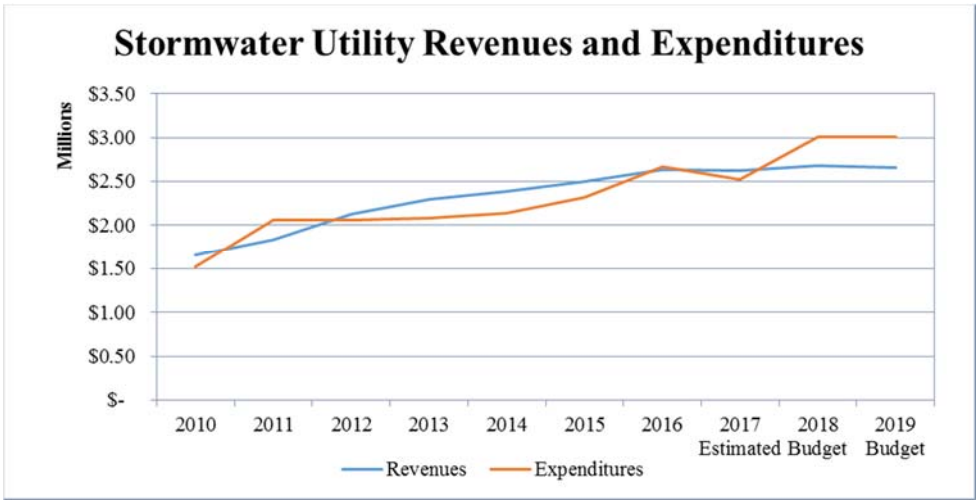
STORMWATER

The Stormwater 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.

With annual rate increases scheduled to lapse in the first year of the biennium, total revenues are budgeted to remain relatively flat over the course of the biennium. During the biennium, the Division will fund and complete a Stormwater rate study, which may result in an adjustment to the rates that are not reflected in this budget.

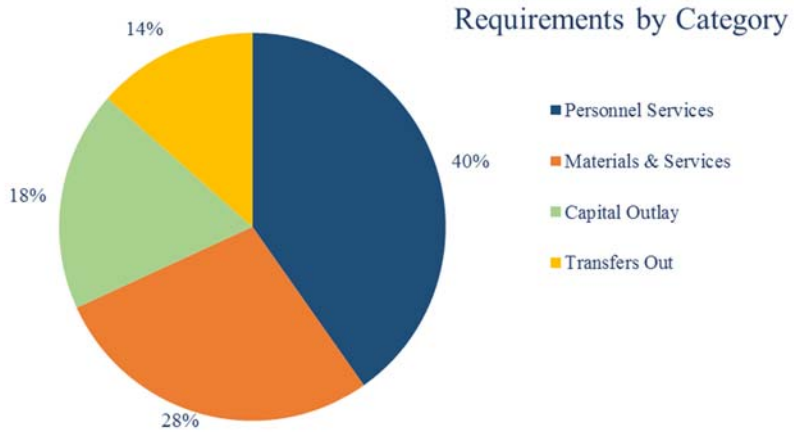
The graph below highlights stormwater revenues and expenditures over time. As shown, expenditures over time, and in the projected future, exceed utility revenues. While revenues are sufficient to cover operations, there is a growing amount of deferred maintenance due to this funding shortage.

Stormwater Operations	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 377,026	$ 591,053	$ 1,009,589	$ 1,140,500	$ 817,612	$ 1,140,500
Charges for Services	2,221,541	4,818,411	5,108,341	2,651,421	2,651,421	5,302,842
Licenses & Permits	58,193	64,267	-	-	-	-
Intergovernmental	-	-	-	28,000	-	28,000
Interest Income	2,049	7,345	2,509	3,000	3,000	6,000
Miscellaneous Income	16,337	-	-	-	-	-
Total Resources	**$ 2,675,146**	**$ 5,481,076**	**$ 6,120,439**	**$ 3,822,921**	**$ 3,472,033**	**$ 6,477,342**
Requirements by Category						
Personnel Services	$ 929,346	$ 2,016,737	$ 2,403,828	$ 1,180,857	$ 1,237,977	$ 2,418,834
Materials & Services	645,828	1,154,021	1,225,318	889,452	790,252	1,679,704
Capital Outlay	85,919	304,506	704,800	530,000	575,000	1,105,000
Transfers Out	423,000	987,441	1,164,826	405,000	405,000	810,000
Contingency	-	-	621,667	817,612	463,804	463,804
Unappropriated Fund Balance	591,053	1,018,371	-	-	-	-
Total Requirements	**$ 2,675,146**	**$ 5,481,076**	**$ 6,120,439**	**$ 3,822,921**	**$ 3,472,033**	**$ 6,477,342**



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 Stormwater 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 23 drainage basins, 83 detention ponds, 4,350 catch basins, 31 miles of streams, and 30 underground detention tanks. There are 8.73 FTEs funded in the 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

- Received 154 request for services from Citizens; Completed 1,037 work orders
- Swept 9,131 curb miles and collected 3,254 cubic yards debris and leaves
- Completed over 1,022 erosion control inspections and issued 51 notices of non-compliance and 22 Stop Work Orders
- Completed Municipal Separate Storm Sewer System Permit (MS4) Requirements as scheduled
- Completed 5 inspections for our recently implemented private storm water quality facility inspection program
- Completed all quarterly facility inspections as part of our municipal facilities
- Continued coordinated stormwater sampling program with Clackamas County Service District #1 and co-permittees
- Performed flood control, cleaning, maintenance & repair of the City's stormwater system as reported in 2015 the National Pollutant Discharge Elimination System (NPDES) Annual Report

- Completed hydro-mod assessments as part of the NPDES Permit Requirements
- Submitted for new 5 year NPDES Permit to the Department of Environmental Quality

- Corrected 4 sanitary to storm cross connections
- Maintained 75 detention ponds, mowed 17 drainage ditches and bioswales (7,700 feet)
- Inspected and/or cleaned 1,460 catch basins removing debris; 45 pollution control manholes
- Completed underground utility locate services and transitioned all locates to a paperless electronic system

GOALS AND PROJECTS

- Complete the following outfall improvement projects:
  - Swan Avenue
  - Trillium Park
  - Barclay Hills Pump Station Outfall
- Complete the following Pipe Replacement / Stormwater Improvement Projects:
  - Harding Blvd Storm Extension
  - Kathaway Court
  - Scatter Canyon
  - South 2nd Street
  - Vanburen (8th to 9th Streets)
  - 12th Street (Jackson to J Adams)
- 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
- Develop system replacement needs based on inspection and assessment
  - Clean lines as needed 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
- Complete scheduled pipe repair, replacement, and system upgrades
- Upgrade storm systems in conjunction with pavement maintenance schedule

STORMWATER EXPENDITURES

Description	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Personnel Services						
Salaries	$ 557,408	$ 1,221,637	$ 1,399,988	$ 693,704	$ 727,576	$ 1,421,280
Benefits	371,938	795,100	1,003,840	487,153	510,401	997,554
Total Personnel Services	929,346	2,016,737	2,403,828	1,180,857	1,237,977	2,418,834
Materials & Services						
Professional & Technical Services	184,672	539,435	453,756	160,000	72,000	232,000
Repair & Maintenance Services	121,631	174,760	287,129	199,579	203,559	403,138
Other Services	93,024	268,019	289,137	153,812	153,812	307,624
Employee Costs	10,992	17,401	19,155	12,929	12,929	25,858
Operating Materials & Supplies	32,521	115,879	131,218	54,700	54,700	109,400
Office & Administrative Supplies	29,610	38,527	44,923	21,848	21,848	43,696
Internal Service Charges	173,378	-	-	286,584	271,404	557,988
Total Materials & Services	645,828	1,154,021	1,225,318	889,452	790,252	1,679,704
Capital Outlay	85,919	304,506	704,800	530,000	575,000	1,105,000
Transfers Out	423,000	987,441	1,164,826	405,000	405,000	810,000
Contingency	-	-	621,667	817,612	463,804	463,804
Unappropriated Fund Balance	591,053	1,018,371	-	-	-	
Total Stormwater	$ 2,675,146	$ 5,481,076	$ 6,120,439	$ 3,822,921	$ 3,472,033	$ 6,477,342

BUDGET HIGHLIGHTS

The following Capital Outlay is budgeted in this fund:

Pipe replacement projects:	
Harding Blvd	$ 160,000
Kathaway Ct	85,000
Scatter Canyon	360,000
S 2nd and High Street	25,000
Vanburen (8th Street to 9th Street)	65,000
Willamette (Holmes & Molalla)	65,000
Pipe capacity upgrade projects:	
12th Street (Jackson to J Adams)	150,000
Facility projects:	
Swan Avenue outfall	25,000
Trillium outfall	25,000
Barclay Hills outfall	25,000
Pavement Maintenance	110,000
Other projects	10,000
Total Capital Outlay	$ 1,105,000

Professional & Technical Services includes the following:

Consulting	$ 25,000
Technical	32,000
Engineering	75,000
Environmental	88,000
Legal	12,000
Total	$ 232,000

SYSTEM DEVELOPMENT

System Development Charges (SDCs) 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 starting on page 145.

The table below shows total resources and requirements for the System Development Fund in total for the past two budget periods, the current biennial budget, and the proposed biennium. The following pages will show the development charges broken out by function.

System Development	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ -	$ -	$ 13,984,577	$ 18,415,661	$ 12,996,124	$ 18,415,661
Charges for Services	-	-	3,492,483	2,725,000	2,725,000	5,450,000
Interest Income	-	-	117,184	65,383	65,383	130,766
Miscellaneous Income	-	-	94,846	48,082	48,082	96,164
Transfers In	-	15,474,303	40,000	-	-	-
Total Resources	**$ -**	**$ 15,474,303**	**$ 17,729,090**	**$ 21,254,126**	**$ 15,834,589**	**$ 24,092,591**
Requirements by Category						
Operating Materials & Services	$ -	$ -	$ 983,037	$ 688,645	$ 708,580	1,397,225
Capital Outlay	-	-	9,208,478	7,569,357	6,481,375	14,050,732
Transfers	-	-	407,494	-	-	-
Contingency	-	-	7,130,081	12,996,124	8,644,634	8,644,634
Unappropriated Fund Balance	-	15,474,303	-	-	-	-
Total Requirements	**$ -**	**$ 15,474,303**	**$ 17,729,090**	**$ 21,254,126**	**$ 15,834,589**	**$ 24,092,591**

TRANSPORTATION SYSTEM DEVELOPMENT

OVERVIEW

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

ACCOMPLISHMENTS

- Completed the Meyers Road (Hwy 213 to High School Lane) concept plan
- Received an award decision on $3.8 million in de-federalized appropriations funding for the Molalla Avenue Final Completion Project
- Completed construction of the left turn pocket lengthening on Beavercreek Road at Highway 213
- Completed signal improvements, including updated signal controllers, interconnectivity, and pedestrian signal enhancements

GOALS AND PROJECTS

- Complete the Hwy 213 and Beavercreek and Hwy 213 and Redland Road Alternate Mobility Study
- Participate in the Willamette River Waterfront path design
- Update the Transportation System Plan Project list with updated estimates and revised all-inclusive project list.
- Complete the ROW acquisition, design, and construction of the Meyers Road Extension between Hwy 213 and High School Lane
- Complete the Washington and 12th Street signalization
- Complete concept planning for:
  - Loader Road between the Oregon City High School and Beavercreek Road
  - Holly Lane (Maple Lane to Beavercreek Concept Plan Area
  - South End Road Warner Parrot Road to City limits
  - Shared use path (southerly legs)
- Participate with Metro's Regional Transportation Plan update process
- Continue to seek grant funding for Main Street (10th to 15th Street) sidewalk project construction
- Continue to participate and remain updated on Oregon Department of Transportation (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 Willamette Falls Legacy Project

Transportation Development	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ -	$ -	$ 5,037,426	$ 7,486,631	$ 5,846,344	$ 7,486,631
Charges for Services	-	-	1,149,995	1,000,000	1,000,000	2,000,000
Interest Income	-	-	40,600	25,000	25,000	50,000
Miscellaneous Income	-	-	38,682	20,000	20,000	40,000
Transfers In	-	-	40,000	-	-	-
Total Resources	**$ -**	**$ -**	**$ 6,306,703**	**$ 8,531,631**	**$ 6,891,344**	**$ 9,576,631**
Requirements by Category						
Materials & Services	-	-	489,324	245,930	359,785	605,715
Capital Outlay	-	-	2,344,148	2,439,357	3,806,375	6,245,732
Transfers	-	-	70,316	-	-	-
Contingency	-	-	3,402,915	5,846,344	2,725,184	2,725,184
Total Requirements	**$ -**	**$ -**	**$ 6,306,703**	**$ 8,531,631**	**$ 6,891,344**	**$ 9,576,631**

WATER SYSTEM DEVELOPMENT

OVERVIEW

Provides 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 the 15th Street Pipe Upgrade project
- Updated the City's computerized hydraulic model

GOALS AND PROJECTS

- Initiate a Fairway Downs Pressure Zone new reservoir and pump station siting study via joint venture with CRW or Oregon City on its own
- Initiate a long term service area agreement with CRW
- Complete the I-205 undercrossing near Amtrak
- Complete the Meyers Road Waterline Extension
- Complete the John Adams Street circulation project

Water Development	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ -	$ -	$ 3,139,515	$ 3,546,514	$ 3,072,156	$ 3,546,514
Charges for Services	-	-	755,371	600,000	600,000	1,200,000
Interest Income	-	-	20,909	12,500	12,500	25,000
Miscellaneous Income	-	-	-	-	-	-
Total Resources	**$ -**	**$ -**	**$ 3,915,795**	**$ 4,159,014**	**$ 3,684,656**	**$ 4,771,514**
Requirements by Category						
Materials & Services	-	-	124,393	86,858	84,003	170,861
Capital Outlay	-	-	1,430,000	1,000,000	1,250,000	2,250,000
Transfers	-	-	92,800	-	-	-
Contingency	-	-	1,768,602	3,072,156	2,350,653	2,350,653
Reserved for Future Expenditures	-	-	500,000	-	-	-
Total Requirements	**$ -**	**$ -**	**$ 3,915,795**	**$ 4,159,014**	**$ 3,684,656**	**$ 4,771,514**

WASTEWATER SYSTEM DEVELOPMENT

OVERVIEW

Provides 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

- Completed the 12th Street, 13th Street, and Division Street Moratorium Projects
- Completed the design and construction of the Linn Avenue sewer moratorium project
- Completed services necessary to manage the hydraulic modelling needs of the City and complete SDC justification and ongoing development related calculations
- Initiated the design related to the Sewer Moratorium projects
- Upgraded Settlers Point pump station

GOALS AND PROJECTS

- Complete pipe Capacity Upgrade Projects:
  - Hazelwood Drive
- Complete Sewer Extension Projects:
  - Meyers Road
  - Beavercreek Road Concept Area

Wastewater Development	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ -	$ -	$ 2,411,996	$ 2,473,236	$ 102,266	$ 2,473,236
Charges for Services	-	-	522,725	375,000	375,000	750,000
Interest Income	-	-	20,909	-	-	-
Miscellaneous Income	-	-	-	10,500	10,500	21,000
Total Resources	**$ -**	**$ -**	**$ 2,955,630**	**$ 2,858,736**	**$ 487,766**	**$ 3,244,236**
Requirements by Category						
Materials & Services	$ -	$ -	$ 26,320	66,470	41,115	107,585
Capital Outlay	-	-	2,675,130	2,690,000	50,000	2,740,000
Transfers	-	-	90,942	-	-	-
Contingency	-	-	163,238	102,266	396,651	396,651
Total Requirements	**$ -**	**$ -**	**$ 2,955,630**	**$ 2,858,736**	**$ 487,766**	**$ 3,244,236**

STORMWATER SYSTEM DEVELOPMENT

OVERVIEW

Provides 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

- Complied with regulatory requirements associated with the NPDES MS4 Permit
- Adopted updated low impact development stormwater design standards
- Completed construction of the Coffee Creek drainage system improvements
- Completed construction of the 1101 14th Street drainage system improvements

GOALS AND PROJECTS

- Address infrastructure needs as needed in existing Stormwater and Drainage Basin Master Plans
- Comply with regulatory capital improvement requirements associated with the NPDES MS4 Permit
- Complete a Citywide Surface Water Management Master Plan
- Complete the Harding Blvd Stormwater Extension
- Complete the Meyers Road Stormwater System Oversizing
- Complete the Swan Avenue Outfall Upgrades

Stromwater Development	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ -	$ -	$ 549,968	$ 545,006	$ 459,001	$ 545,006
Charges for Services	-	-	221,100	150,000	150,000	300,000
Interest Income	-	-	5,000	2,500	2,500	5,000
Total Resources	**$ -**	**$ -**	**$ 776,068**	**$ 697,506**	**$ 611,501**	**$ 850,006**
Requirements by Category						
Materials & Services	-	-	180,000	118,505	68,150	186,655
Capital Outlay	-	-	519,200	120,000	155,000	275,000
Transfers	-	-	76,456	-	-	-
Contingency	-	-	412	459,001	388,351	388,351
Total Requirements	**$ -**	**$ -**	**$ 776,068**	**$ 697,506**	**$ 611,501**	**$ 850,006**

PARKS SYSTEM DEVELOPMENT

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 Parks 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

- Support eligible portions of Riverwalk for Willamette Falls Legacy Project

GOALS AND PROJECTS

- Update Parks and Recreation Master Plan
- Utilize Parks and Recreation Master Plan to begin developing strategies for acquisition and development recommendations, pending available funding, to implement
- Continue to support eligible portions of Riverwalk for Willamette Falls Legacy Project
- Complete Trails Master Plan refinement (for use in planning specific improvements and seeking funding opportunities)
- Plan implementation of park development, including Wesley Lynn (Phase 2), Glen Oak, Filbert Run, and other SDC eligible projects
- Update Clackamette Park section of Waterfront Master Plan

Parks Development	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ -	$ -	$ 2,845,672	$ 4,364,274	$ 3,516,357	$ 4,364,274
Charges for Services	-	-	843,292	600,000	600,000	1,200,000
Interest Income	-	-	29,766	14,883	14,883	29,766
Miscellaneous Income	-	-	56,164	28,082	28,082	56,164
Total Resources	**$ -**	**$ -**	**$ 3,774,894**	**$ 5,007,239**	**$ 4,159,322**	**$ 5,650,204**
Requirements by Category						
Materials & Services	-	-	163,000	170,882	155,527	326,409
Capital Outlay	-	-	2,240,000	1,320,000	1,220,000	2,540,000
Transfers	-	-	76,980	-	-	-
Contingency	-	-	1,294,914	3,516,357	2,783,795	2,783,795
Total Requirements	**$ -**	**$ -**	**$ 3,774,894**	**$ 5,007,239**	**$ 4,159,322**	**$ 5,650,204**

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 Services 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).

The Equipment Replacement fund is used for the purchase and replacement of equipment. More information about the Equipment Replacement fund can be found on page 120.

Fleet Services	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 12,865	$ 6,029	$ 929	$ 2,081	$ 19,520	$ 2,081
Charges for Services	542	1,088	-	100	100	200
Internal Service Charges	191,949	421,531	457,435	232,335	232,335	464,670
Interest Income	30	134	-	-	-	-
Total Resources	**$ 205,386**	**$ 428,782**	**$ 458,364**	**$ 234,516**	**$ 251,955**	**$ 466,951**
Requirements by Category						
Materials & Services	$ 194,357	$ 418,071	$ 418,180	$ 206,996	$ 216,996	$ 423,992
Capital Outlay	-	-	21,537	8,000	10,000	18,000
Transfers Out	5,000	10,000	10,000	-	-	-
Contingency	-	-	8,647	19,520	24,959	24,959
Unappropriated Fund Balance	6,029	711	-	-	-	-
Total Requirements	**$ 205,386**	**$ 428,782**	**$ 458,364**	**$ 234,516**	**$ 251,955**	**$ 466,951**

FLEET SERVICES EXPENDITURES

Description	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Materials & Services						
Professional & Technical Services	$ -	$ -	$ -	$ 1,000	$ 1,000	$ 2,000
Repair & Maintenance Services	82,444	230,447	255,663	94,250	104,250	198,500
Employee Costs	3,349	7,267	2,219	4,200	4,200	8,400
Operating Materials & Supplies	102,025	169,048	147,408	95,500	95,500	191,000
Office & Administrative Supplies	6,539	11,310	12,890	7,046	7,046	14,092
Internal Service Charges	-	-	-	5,000	5,000	10,000
Total Materials & Services	194,357	418,072	418,180	206,996	216,996	423,992
Capital Outlay	-	-	21,537	8,000	10,000	18,000
Transfers Out	5,000	10,000	10,000	-	-	-
Contingency	-	-	8,647	19,520	24,959	24,959
Unappropriated Fund Balance	6,029	710	-	-	-	-
Total Fleet	$ 205,386	$ 428,782	$ 458,364	$ 234,516	$ 251,955	$ 466,951

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

COMMUNITY FACILITIES

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: Reserves consist of funding for the construction of a new Community Safety Building. The Community Safety Advancement Fund (C-SAF) fee is the primary source of revenue.
- Public Works: Reserves consist of funds set aside from the various Public Works funds for construction of a new Public Works Operations Center.
- General Government: Reserves consist of savings for general governmental facilities, set aside from annual budgetary savings.

The monies above were all maintained in separate funds prior to the 2015-2017 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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ -	$ -	$ 17,505,300	$ 11,983,283	$ 9,861,083	$ 11,983,283
Charges for Services	-	-	2,210,000	1,101,800	1,101,800	2,203,600
Interest Income	-	-	29,700	6,000	6,000	12,000
Transfers In	-	16,894,727	3,100,000	1,770,000	1,770,000	3,540,000
Total Resources	**$ -**	**$ 16,894,727**	**$22,845,000**	**$14,861,083**	**$12,738,883**	**$17,738,883**
Requirements						
Capital Outlay	$ -	$ -	$ 22,645,000	$ 5,000,000	$ 12,371,804	$ 17,371,804
Contingency	-	-	-	9,594,004	-	-
Restricted for Future Expenditure	-	16,894,727	200,000	267,079	367,079	367,079
Total Requirements	**$ -**	**$ 16,894,727**	**$22,845,000**	**$14,861,083**	**$12,738,883**	**$17,738,883**

	Beginning Funds Available	Biennium Resources / Additions	Biennium Requirements / Uses	Restricted Funds
Public Works Operations Center	$ 10,131,911	$ 3,300,000	$ 13,431,911	$ -
Community Safety Building	1,684,293	2,255,600	3,939,893	-
General Facilities	167,079	200,000	-	367,079
	$11,983,283	**$ 5,755,600**	**$ 17,371,804**	**$ 367,079**

EQUIPMENT REPLACEMENT

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.

Equipment Replacement	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 2,259,254	$ 2,705,570	$ 3,249,871	$ 4,366,742	$ 4,761,706	$ 4,366,742
Miscellaneous Income	20,444	75,029	-	-	-	-
Interest Income	42,863	86,932	40,000	40,000	40,000	80,000
Loan Repayment	-	386,964	-	386,964	386,964	773,928
Transfers In	766,428	1,311,850	1,725,050	685,000	756,700	1,441,700
Total Resources	**$ 3,088,989**	**$ 4,566,345**	**$ 5,014,921**	**$ 5,478,706**	**$ 5,945,370**	**$ 6,662,370**
Requirements						
Capital Outlay	$ 363,419	$ 867,260	$ 2,396,173	$ 697,000	$ 767,829	$ 1,464,829
Internal Service Charges	-	-	-	20,000	20,000	40,000
Transfers Out	20,000	40,000	40,000	-	-	-
Reserved for Future Expenditures	2,705,570	3,659,085	2,578,748	4,761,706	5,157,541	5,157,541
Total Requirements	**$ 3,088,989**	**$ 4,566,345**	**$ 5,014,921**	**$ 5,478,706**	**$ 5,945,370**	**$ 6,662,370**

	Beginning Funds Available	Biennium Resources / Additions	Biennium Requirements / Uses	Restricted Funds
Parks & Cemetery	$ 743,342	$ 214,744	$ 118,000	$ 840,086
Water	771,470	130,926	70,000	832,396
Police	388,239	805,004	400,000	793,243
Stormwater	505,184	305,148	67,000	743,332
Wastewater	715,184	404,778	383,000	736,962
General Equipment	441,063	159,730	40,000	560,793
Transportation	680,788	177,306	345,829	512,265
Community Development	42,964	51,364	25,000	69,328
Customer Service	44,971	12,127	-	57,098
Engineering	33,537	34,501	56,000	12,038
	$ 4,366,742	**$ 2,295,628**	**$ 1,504,829**	**$ 5,157,541**

UTILITY CUSTOMER SERVICE

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

- Implemented online application and renewal for utility hardship reduced rates program
- Automated recurring payment so customers can now set up autopay of their utility bills

GOALS AND PROJECTS

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

Utility Customer Service	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 7,609	$ 26,317	$ -	$ 86,203	$ 101,259	$ 86,203
Charges for Services	12,406	38,594	40,094	20,000	20,600	40,600
Internal Service Charges	836,085	-	-	1,084,000	1,020,000	2,104,000
Interest Income	214	419	-	-	-	-
Transfers In	-	1,739,663	2,001,388	-	-	-
Total Resources	**$ 856,314**	**$ 1,804,993**	**$ 2,041,482**	**$ 1,190,203**	**$ 1,141,859**	**$ 2,230,803**
Requirements						
Personnel Services	$ 507,509	$ 1,084,780	$ 1,310,332	$ 679,827	$ 712,593	$ 1,392,420
Materials & Services	321,059	665,032	688,000	343,190	343,891	687,081
Transfers Out	1,429	3,000	3,150	65,927	2,000	67,927
Contingency	-	-	40,000	101,259	83,375	83,375
Unappropriated Fund Balance	26,317	52,181	-	-	-	-
Total Requirements	**$ 856,314**	**$ 1,804,993**	**$ 2,041,482**	**$ 1,190,203**	**$ 1,141,859**	**$ 2,230,803**

UTILITY CUSTOMER SERVICE EXPENDITURES

Description	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Personnel Services						
Salaries	$ 299,614	$ 644,866	$ 751,358	$ 394,746	$ 413,883	$ 808,629
Benefits	207,895	439,914	558,974	285,081	298,710	583,791
Total Personnel Services	507,509	1,084,780	1,310,332	679,827	712,593	1,392,420
Materials & Services						
Professional & Technical Services	94,110	168,866	165,000	88,500	88,500	177,000
Repair & Maintenance Services	22,973	45,105	48,000	22,520	22,520	45,040
Other Services	-	42,545	152,000	70,170	70,871	141,041
Employee Costs	-	1,590	6,000	3,000	3,000	6,000
Operating Materials & Supplies	-	33	-	-	-	-
Office & Administrative Supplies	203,976	406,893	317,000	159,000	159,000	318,000
Total Materials & Services	321,059	665,032	688,000	343,190	343,891	687,081
Capital Outlay	-	-	-	-	-	-
Transfers Out	1,429	3,000	3,150	65,927	2,000	67,927
Contingency	-	-	40,000	101,259	83,375	83,375
Unappropriated Fund Balance	26,317	52,181	-	-	-	-
Total Utility Customer Service	$ 856,314	$ 1,804,993	$ 2,041,482	$ 1,190,203	$ 1,141,859	$ 2,230,803

BUDGET HIGHLIGHTS

This Biennial Budget includes costs and related savings for outsourcing the printing and mailing of utility bills (Other Services) as well as the meter reading (Professional & Technical).

The budget includes $294,000 of bank, online payment charges and credit card merchant service charges recorded under Office & Administrative Supplies. In general, Materials & Services are flat from prior biennium.

DEBT SERVICE

The City has two debt service funds; one for General Obligation bonds and the other for all other type of governmental bonds (e.g. revenue bonds). However, the City's General Obligation bonds were paid in full in the current year and therefore does not have a budget. Further information on the City's debt is included in a separate section later in this budget.

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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 1,332,307	$ 1,470,912	$ 1,725,000	$ 2,145,383	$ 2,052,112	$ 2,145,383
Miscellaneous Income	1,159,828	2,610,758	2,475,002	1,297,161	1,352,461	2,649,622
Interest Income	9,154	41,928	10,000	10,000	10,000	20,000
Other Financing Sources	120,050	240,100	199,774	-	-	-
Total Resources	**$ 2,621,339**	**$ 4,363,698**	**$ 4,409,776**	**$ 3,452,544**	**$ 3,414,573**	**$ 4,815,005**
Requirements by Category						
Debt Service	$ 1,150,427	$ 2,437,353	$ 2,641,706	$ 1,400,432	$ 1,454,718	$ 2,855,150
Unappropriated Fund Balance	1,470,912	1,926,345	1,768,070	2,052,112	1,959,855	1,959,855
Total Requirements	**$ 2,621,339**	**$ 4,363,698**	**$ 4,409,776**	**$ 3,452,544**	**$ 3,414,573**	**$ 4,815,005**

ADDITIONAL INFORMATION

- Personnel 127
  - Overview of Personnel Changes 127
  - Personnel Trends 127
  - Personnel Costs 129
  - Personnel by Department 130
- Capital Improvement Program 137
  - 2015-2017 Biennium Capital Budget 140
  - Tangible Personal Property 141
- Debt Administration 143
- Closed Funds 145
- Glossary 160

PERSONNEL

OVERVIEW OF PERSONNEL CHANGES

The biennial budget increases Full Time Equivalent (FTE) positions with funding from additional revenues or offsetting savings. The biennium proposes a net addition of 3.59 positions over the adjusted 2015-2017 biennial budget.

Policy and Administration: Net Increase of 0.40 FTE

City Manager – Increase of 2.0 FTE – A reclassification of the Assistant to the City Manager from the City Recorder and a Public Information/Relations position

City Recorder – Decrease of 1.0 FTE
The Assistant to the City Manager has been reallocated to City Manager.

Finance and Utility Customer Service – No net change
There was a reallocation between these two divisions

Human Resources – Net Decrease of 0.50 FTE
The budget removes funding for a part-time Risk Specialist.

Economic Development – Decrease of 0.1 FTE
Part time hours were eliminated

General Government: Net decrease of 1.14 FTE

The elimination of the Custodian after the employee's retirement and subsequent outsourcing for cost savings.

Police: Net increase of 2.0 FTE

As part of the City's goals for addressing the homeless situation, a Homeless Liaison Officer has been added to the budget. Additionally, a School Resource Officer, partially funded by School District revenues has been added.

Community Services: Net Increase of 0.32 FTE

In general, part time hours and administrative staffing has been reallocated between divisions. This year proposes an increase in total part time hours for an Inclusion Assistant to provide assistance to patrons with special needs.

Library: Increase of 1.91 FTE

The budget includes an increase due to reorganization of staff due to retirements and realignment for better serving the public.

Public Works: Increase of 0.1 FTE

In general, engineering and construction inspection staff has been realigned amongst the divisions (Transportation, Water, Wastewater, Stormwater) and the total part time hours for the biennium were slightly reduced.

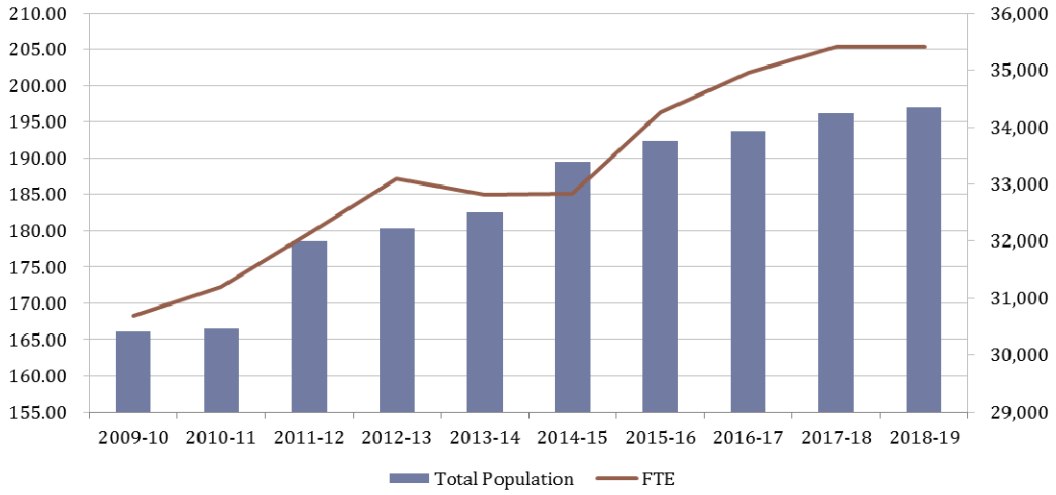
PERSONNEL TRENDS

COMPARISON OF PERSONNEL CHANGES BY DEPARTMENT

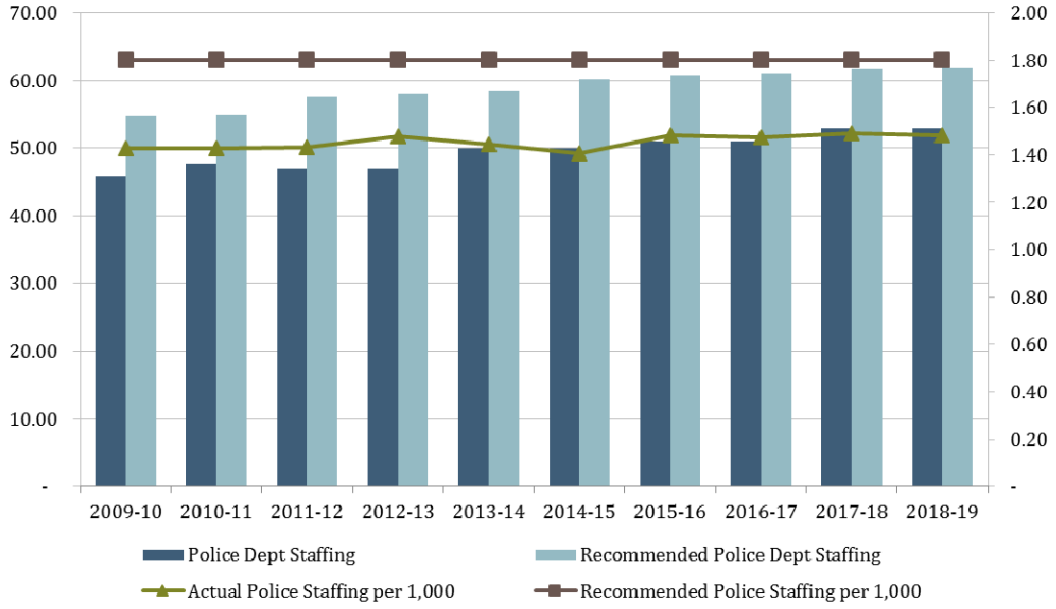
Department	2012-13 Actual	2013-15 Actual	2015-17 Biennium	2017-19 Proposed	Change
Policy and Administration	24.73	24.53	28.06	28.46	0.40
General Government	1.89	1.89	1.89	0.75	-1.14
Police	53.63	56.50	56.48	58.48	2.00
Community Services	31.43	31.87	35.53	35.85	0.32
Library	12.14	12.15	13.49	15.40	1.91
Community Development	9.73	11.00	14.00	14.00	0.00
Public Works	46.06	49.30	52.31	52.41	0.10
Total FTEs	***179.61***	***187.24***	***201.76***	***205.35***	***3.59***

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 2014, the City is short by approximately 9 officers.

TOTAL FULL TIME EQUIVALENT (FTE) TO POPULATION

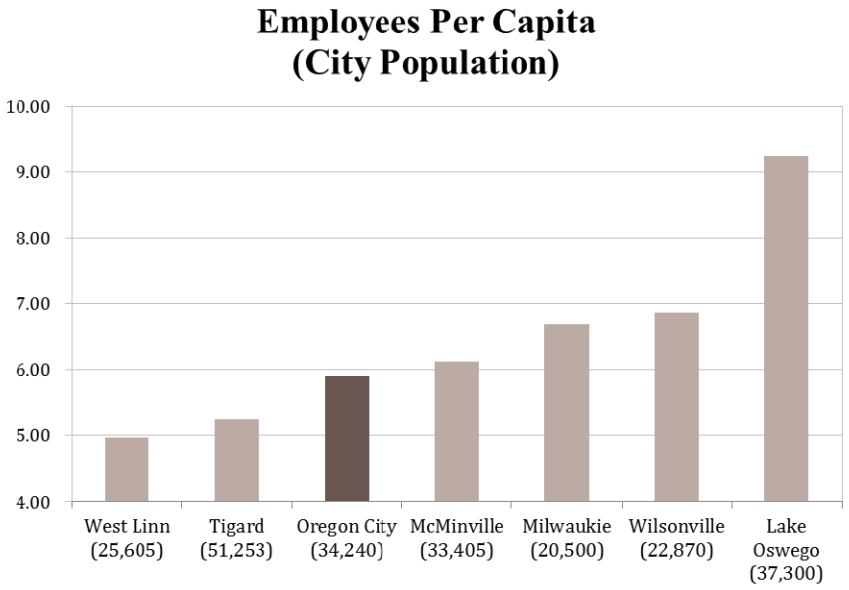


POLICE DEPARTMENT STAFFING TO POPULATION



As shown in the chart below, Oregon City maintains a fairly low ratio of FTEs to population in comparison to similar sized Oregon cities.

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



PERSONNEL COSTS

Total anticipated costs for wages, overtime costs and fringe benefits are approximately $50.41 million in the 2017-2019 biennium. This represents an increase of $4.36 million as compared to the 2015-2017 biennium. Increases in wages are a result of 2% annual COLA, step increases called for in the labor contracts, and the anticipated new positions. The City has two bargaining units, City of Oregon City Employees Local 350-2 Council 75, of the American Federation of State County and Municipal Employees (AFSCME), and the Oregon City Police Employees' Association, which represents approximately 75% of all City positions. The current union contracts will expire on June 30, 2019. Fringe benefits represent approximately 41% of the total personnel costs.

PERSONNEL EXPENSES BY DEPARTMENT

Department	2012-13 Actual	2013-15 Actual	2015-17 Biennium	2017-19 Proposed	Change
Policy and Administration	$ 2,018,514	$ 4,365,231	$ 5,775,842	$ 6,490,262	$ 714,420
Police	6,297,224	13,908,728	15,253,079	17,734,103	2,481,024
Community Services	2,114,810	4,248,521	5,223,248	5,493,350	270,102
General Government	332,186	721,723	880,180	612,917	(267,263)
Library	989,567	2,083,552	2,290,439	2,748,796	458,357
Community Development	1,279,879	2,509,860	3,671,688	3,482,392	(189,296)
Public Works	4,735,110	10,366,540	12,947,556	13,843,635	896,079
Total Wages and Benefits	***$ 17,767,290***	***$ 38,204,155***	***$ 46,042,032***	***$ 50,405,455***	***$ 4,363,423***

PERSONNEL BY DEPARTMENT

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

Department and Position	2012-13 Actual	2013-15 Actual	2015-17 Biennium	2017-19 Proposed	Change 2017-2019
Policy and Administration					
City Manager					
City Manager	1.00	1.00	1.00	1.00	0.00
Assistant to City Manager	0.00	0.00	0.00	1.00	1.00
Citizen Engagement Coordinator	0.00	0.00	0.00	1.00	1.00
Total City Manager	***1.00***	***1.00***	***1.00***	***3.00***	***2.00***
City Recorder					
City Recorder	1.00	1.00	1.00	1.00	0.00
Assistant to City Manager	1.00	1.00	1.00	0.00	(1.00)
Administrative Assistant	1.00	1.00	1.00	1.00	0.00
Total City Recorder	***3.00***	***3.00***	***3.00***	***2.00***	***(1.00)***
Finance					
Finance Director	0.70	0.80	0.80	0.80	0.00
Deputy Finance Director	1.00	0.70	0.60	0.60	0.00
Accountant	0.00	0.00	1.00	1.00	0.00
Accounting Technician, Senior	2.55	2.55	1.75	1.75	0.00
Business Analyst	0.50	0.50	0.50	0.50	0.00
Office Specialist III	0.60	0.60	0.50	0.60	0.10
Finance Administrative PT Hourly	0.00	0.08	0.25	0.25	0.00
Total Finance	***5.35***	***5.23***	***5.40***	***5.50***	***0.10***
Municipal Court					
Municipal Court Manager	1.00	1.00	1.00	1.00	0.00
Municipal Court Judge PT	0.22	0.22	0.22	0.22	0.00
Court Records Specialist	2.00	2.00	3.00	3.00	0.00
Court/Collections Clerk	1.00	1.00	0.00	0.00	0.00
Bailiffs	0.00	0.22	0.24	0.24	0.00
Total Municipal Court	***4.22***	***4.44***	***4.46***	***4.46***	***0.00***
Human Resources					
Human Resources Director	1.00	1.00	1.00	1.00	0.00
Human Resources Technician	1.00	1.00	1.00	1.00	0.00
Risk Specialist	0.00	0.00	0.75	0.00	(0.75)
Hourly - Personnel	0.19	0.19	0.00	0.25	0.25
Total Human Resources	***2.19***	***2.19***	***2.75***	***2.25***	***(0.50)***
Economic Development					
Economic Development Manager	1.00	1.00	1.00	1.00	0.00
Economic Development Coordinator	0.00	0.00	1.00	1.00	0.00
Finance Administrative PT Hourly	0.00	0.12	0.10	0.00	(0.10)
Total Economic Development	***1.00***	***1.12***	***2.10***	***2.00***	***(0.10)***
Information Technology and GIS					
Information Tech Supervisor	1.00	1.00	1.00	1.00	0.00
GIS Coordinator	0.50	0.50	0.50	0.50	0.00
Application Specialist	0.00	0.00	1.00	1.00	0.00
Network Specialist	0.00	0.00	1.00	1.00	0.00
Total Information Technology and GIS	***1.50***	***1.50***	***3.50***	***3.50***	***0.00***

Department and Position	2012-13 Actual	2013-15 Actual	2015-17 Biennium	2017-19 Proposed	Change 2017-2019
Policy and Administration continued					
Utility Customer Service					
Finance Director	0.30	0.20	0.20	0.20	0.00
Deputy Finance Director	0.00	0.30	0.40	0.40	0.00
Accounting Technician, Senior	0.45	0.45	0.25	0.25	0.00
Customer Accounting Coordinator	1.00	1.00	1.00	1.00	0.00
Utility Customer Service Rep	2.00	2.00	3.00	3.00	0.00
Customer Accounting Clerk	1.00	1.00	0.00	0.00	0.00
Office Specialist III	0.40	0.40	0.50	0.40	(0.10)
Business Analyst	0.50	0.50	0.50	0.50	0.00
Finance Administrative PT Hourly	0.82	0.20	0.00	0.00	0.00
Total Utility Customer Service	***6.47***	***6.05***	***5.85***	***5.75***	***(0.10)***
Total Policy & Administration	***24.73***	***24.53***	***28.06***	***28.46***	***0.40***
General Government					
Maintenance Custodian	1.00	1.00	1.00	0.00	(1.00)
Parks Mechanical Specialist	0.75	0.75	0.75	0.75	0.00
Custodian PT	0.14	0.14	0.14	0.00	(0.14)
Total General Government	***1.89***	***1.89***	***1.89***	***0.75***	***(1.14)***
Police					
Police Operations					
Police Chief	1.00	1.00	1.00	1.00	0.00
Police Captain	2.00	2.00	1.80	1.80	0.00
Police Sergeant	7.00	7.00	8.00	8.00	0.00
Police Officer	30.00	33.00	33.00	34.00	1.00
Senior Administrative Assistant	1.00	1.00	1.00	1.00	0.00
Police Records Manager	1.00	1.00	1.00	1.00	0.00
Police Records Specialist	3.00	3.00	2.00	2.00	0.00
Community Service Officer	1.00	1.00	1.00	1.00	0.00
Homeless Liaison Officer	0.00	0.00	0.00	1.00	1.00
CSO /Forensics	0.00	0.00	1.00	1.00	0.00
CSO / Property-Evidence Officer	1.00	1.00	1.00	1.00	0.00
Total Police Operations	***47.00***	***50.00***	***50.80***	***52.80***	***2.00***
Code Enforcement and Parking Operations					
Police Captain	0.00	0.00	0.20	0.20	0.00
Code Enforcement Manager	1.00	1.00	1.00	1.00	0.00
Code Compliance Officer	2.00	3.00	2.00	2.00	0.00
Parking Enforcement Officer	1.00	1.00	1.00	1.00	0.00
Office Specialist II	1.00	1.00	1.00	1.00	0.00
Code Enforcement PT Hourly	0.13	0.00	0.00	0.00	0.00
Parking Operations PT Hourly	0.50	0.50	0.48	0.48	0.00
Drivers PT Hourly	1.00	0.00	0.00	0.00	0.00
Total Code Enforcement and Parking Operations	***6.63***	***6.50***	***5.68***	***5.68***	***0.00***
Total Police	***53.63***	***56.50***	***56.48***	***58.48***	***2.00***

Additional Information – Personnel

Department and Position	2012-13 Actual	2013-15 Actual	2015-17 Biennium	2017-19 Proposed	Change 2017-2019
Community Services					
Parks and Cemetery Maintenance					
Community Services Director	0.40	0.40	0.40	0.40	0.00
Parks Maintenance Manager	1.00	1.00	1.00	1.00	0.00
Assistant Parks & Rec Director	0.25	0.25	0.25	0.25	0.00
Parks Maintenance Specialist III	3.00	3.00	3.00	3.00	0.00
Park Maintenance Specialist II	2.00	2.00	1.00	1.00	0.00
Park Maintenance Specialist I	0.00	0.00	2.00	2.00	0.00
Office Specialist II	0.80	1.00	1.00	1.00	0.00
Office Specialist I PT	0.00	0.00	1.00	0.75	(0.25)
Parks Maintenance PT Hourly	2.70	2.70	2.57	2.57	0.00
Total Parks and Cemetery Maintenance	***10.15***	***10.35***	***12.22***	***11.97***	***(0.25)***
Recreation Aquatics					
Community Services Director	0.20	0.20	0.20	0.20	0.00
Assistant Parks & Rec Director	0.25	0.25	0.25	0.25	0.00
Aquatics Recreation Supervisor	1.00	1.00	1.00	1.00	0.00
Building/Facility Maintenance Specialist	0.50	0.50	0.50	0.50	0.00
Office Specialist I	0.00	0.00	0.50	0.50	0.00
Recreation Aquatics PT Hourly	8.76	8.76	9.00	8.65	(0.35)
Total Recreation Aquatics	***10.71***	***10.71***	***11.45***	***11.10***	***(0.35)***
Pioneer Community Center					
Community Services Director	0.20	0.20	0.20	0.20	0.00
Senior Center Supervisor	1.00	1.00	1.00	1.00	0.00
Assistant Parks & Rec Director	0.25	0.25	0.25	0.25	0.00
Client Services Coordinator	1.00	1.00	1.00	1.00	0.00
Meals on Wheels Coordinator	1.00	1.00	1.00	1.00	0.00
Senior Center Program Assistant PT	0.95	0.95	0.95	0.98	0.03
Senior Center Nutrition Coordinator PT	0.82	0.82	0.83	0.50	(0.33)
Senior Center Van Driver PT Hourly	1.50	1.50	1.55	1.52	(0.03)
Food Service Worker	0.00	0.00	0.50	0.80	0.30
Office Specialist I PT	0.94	0.94	0.94	0.98	0.04
Pioneer Center PT Temporary Hourly	0.67	0.60	0.60	0.90	0.30
Total Pioneer Community Center	***8.33***	***8.26***	***8.82***	***9.13***	***0.31***
Recreation Programs					
Community Services Director	0.20	0.20	0.20	0.20	0.00
Assistant Parks & Rec Director	0.25	0.25	0.25	0.25	0.00
Senior Center Nutrition Coordinator PT	0.01	0.01	0.00	0.00	0.00
Office Specialist I PT	0.00	0.00	0.50	0.50	0.00
Recreation Programs PT Hourly	1.78	2.09	2.09	2.70	0.61
Total Recreation Programs	***2.24***	***2.55***	***3.04***	***3.65***	***0.61***
Total Community Services	***31.43***	***31.87***	***35.53***	***35.85***	***0.32***

Department and Position	2012-13 Actual	2013-15 Actual	2015-17 Biennium	2017-19 Proposed	Change 2017-19
Library					
Library Director	1.00	1.00	1.00	1.00	0.00
Library Services Manager	1.00	1.00	1.00	0.00	(1.00)
Librarian	0.91	0.90	1.35	3.00	1.65
Library Assistants	5.94	5.94	5.85	5.85	0.00
Parks Mechanical Specialist	0.25	0.25	0.25	0.25	0.00
Reference Librarian PT	0.33	0.35	0.33	0.33	0.00
Hourly Library Assistants	1.89	1.89	2.89	4.97	2.08
Hourly Shelvers	0.82	0.82	0.82	0.00	(0.82)
Total Library	***12.14***	***12.15***	***13.49***	***15.40***	***1.91***
Community Development					
Planning					
Community Development Director	0.62	0.62	0.62	0.60	(0.02)
Senior Planner	0.00	1.00	1.00	1.00	0.00
Assistant Planner	1.73	1.00	2.00	2.00	0.00
Planner	2.00	2.00	2.00	2.00	0.00
Total Planning	***4.35***	***4.62***	***5.62***	***5.60***	***(0.02)***
Building					
Community Development Director	0.38	0.38	0.38	0.40	0.02
Building Official	1.00	1.00	1.00	1.00	0.00
Senior Building Inspector	0.00	0.00	1.00	0.00	(1.00)
Building Inspectors	1.00	2.00	3.00	4.00	1.00
Permit Technician	1.00	1.00	1.00	1.00	0.00
Permit Coordinator	1.00	1.00	1.00	1.00	0.00
Plans Examiner - Senior	1.00	1.00	0.00	0.00	0.00
Customer Accounting Coordinator	0.00	0.00	1.00	0.00	(1.00)
Office Assistant	0.00	0.00	0.00	1.00	1.00
Building PT Hourly	0.00	0.00	0.00	0.00	0.00
Total Building	***5.38***	***6.38***	***8.38***	***8.40***	***0.02***
Total Community Development	***9.73***	***11.00***	***14.00***	***14.00***	***0.00***
Public Works					
Engineering					
Public Works Director	0.00	0.10	0.10	0.10	0.00
City Engineer	0.00	0.30	0.30	0.30	0.00
Construction Services Manager	0.70	0.70	0.70	0.00	(0.70)
R-O-W Coordinator	0.00	1.00	1.00	1.00	0.00
Engineering Technician III	1.00	1.00	1.00	1.00	0.00
Project Engineer	0.00	0.00	2.50	2.12	(0.38)
Construction Inspector	0.00	0.50	1.00	1.00	0.00
Development Projects Manager	1.00	0.00	0.00	1.00	1.00
GIS Coordinator	0.00	0.00	0.00	0.10	0.10
Engineering Group - PT Hourly	0.00	0.25	0.25	0.19	(0.06)
Total Engineering	***2.70***	***3.85***	***6.85***	***6.81***	***(0.04)***

Additional Information – Personnel

Department and Position	2012-13 Actual	2013-15 Actual	2015-17 Biennium	2017-19 Proposed	Change 2017-19
Public Works continued					
Transportation					
Public Works Director	0.25	0.26	0.26	0.22	(0.04)
City Engineer	0.00	0.18	0.18	0.18	0.00
Public Works Operations Manager	0.25	0.25	0.25	0.25	0.00
Public Works Operations Supervisor	1.00	1.00	1.00	1.00	0.00
Administrative Assistants	0.50	0.50	0.50	0.50	0.00
Utility Maintenance Team Leader	1.00	1.00	1.00	1.00	0.00
Lead Mechanic	0.25	0.25	0.25	0.25	0.00
Utilities Maintenance Specialists	4.50	4.50	4.50	4.50	0.00
Mechanic	0.25	0.25	0.25	0.25	0.00
Engineering Technician III	0.10	0.10	0.00	0.00	0.00
Project Engineer	0.15	0.15	0.27	0.38	0.11
Associate Development Engineer	0.10	0.12	0.00	0.00	0.00
Construction Inspector	0.00	0.50	0.00	0.25	0.25
GIS Coordinator	0.05	0.05	0.05	0.10	0.05
GIS Technician	0.00	0.00	0.10	0.25	0.15
Asset Management Specialist	0.25	0.25	0.25	0.25	0.00
Office Specialist III	0.25	0.25	0.25	0.25	0.00
Streets - PT Hourly	2.15	2.15	2.15	2.22	0.07
Total Transportation	***11.05***	***11.76***	***11.26***	***11.85***	***0.59***
Water					
Public Works Director	0.25	0.21	0.21	0.25	0.04
City Engineer	0.00	0.18	0.18	0.18	0.00
Public Works Operations Manager	0.25	0.25	0.25	0.25	0.00
Construction Services Manager	0.10	0.10	0.10	0.00	(0.10)
Public Wks Operations Supervisor	1.00	1.00	1.00	1.00	0.00
Administrative Assistants	0.50	0.50	0.50	0.50	0.00
Lead Mechanic	0.25	0.25	0.25	0.25	0.00
Utilities Maint Team Leader	1.00	1.00	1.00	1.00	0.00
Utilities Maintenance Specialists	5.00	5.00	5.00	5.00	0.00
Water Quality Coordinator	1.00	0.60	0.60	0.60	0.00
Mechanic	0.25	0.25	0.25	0.25	0.00
Engineering Technician III	0.30	0.30	0.00	0.00	0.00
Environmental Technician I	0.50	0.70	0.70	0.70	0.00
Project Engineer	0.50	0.50	0.63	0.38	(0.25)
Associate Development Engineer	0.30	0.13	0.00	0.00	0.00
Construction Inspector	0.00	0.50	0.00	0.25	0.25
GIS Coordinator	0.15	0.15	0.15	0.10	(0.05)
GIS Technician	0.00	0.00	0.30	0.25	(0.05)
Asset Management Specialist	0.25	0.25	0.25	0.25	0.00
Office Specialist III	0.25	0.25	0.25	0.25	0.00
Water - PT Hourly	1.50	1.50	1.50	1.63	0.13
Total Water	***13.35***	***13.62***	***13.12***	***13.09***	***(0.03)***

Department and Position	2012-13 Actual	2013-15 Actual	2015-17 Biennium	2017-19 Proposed	Change 2017-19
Public Works continued					
Wastewater					
Public Works Director	0.25	0.22	0.22	0.21	(0.01)
City Engineer	0.00	0.18	0.18	0.18	0.00
Public Works Operations Manager	0.25	0.25	0.25	0.25	0.00
Construction Services Manager	0.10	0.10	0.10	0.00	(0.10)
Public Wks Operations Supervisor	0.50	0.50	0.50	0.50	0.00
Administrative Assistants	0.50	0.50	0.50	0.50	0.00
Lead Mechanic	0.25	0.25	0.25	0.25	0.00
Utility Maint Team Leader	0.50	0.50	0.50	0.50	0.00
Utilities Maintenance Specialists	3.00	3.00	4.00	4.00	0.00
Mechanic	0.25	0.25	0.25	0.25	0.00
Engineering Technician III	0.30	0.30	0.00	0.00	0.00
Project Engineer	0.43	0.42	0.56	1.38	0.82
Associate Development Engineer	0.30	0.13	1.00	0.00	(1.00)
Construction Inspector	0.00	0.50	0.00	0.25	0.25
GIS Coordinator	0.15	0.15	0.15	0.10	(0.05)
GIS Technician	0.00	0.00	0.30	0.25	(0.05)
Asset Management Specialist	0.25	0.25	0.25	0.25	0.00
Office Specialist III	0.25	0.25	0.25	0.25	0.00
Sewer - PT Hourly	1.45	1.45	1.45	1.43	(0.02)
Total Wastewater	***8.73***	***9.20***	***10.71***	***10.55***	***(0.16)***
Stormwater					
Public Works Director	0.25	0.21	0.21	0.22	0.01
City Engineer	0.00	0.16	0.16	0.16	0.00
Public Works Operations Manager	0.25	0.25	0.25	0.25	0.00
Construction Services Manager	0.10	0.10	0.10	0.00	(0.10)
Public Wks Operations Supervisor	0.50	0.50	0.50	0.50	0.00
Administrative Assistants	0.50	0.50	0.50	0.50	0.00
Utility Maint Team Leader	0.50	0.50	0.50	0.50	0.00
Utilities Maintenance Specialists	2.50	2.50	3.50	3.50	0.00
Water Quality Coordinator	0.00	0.40	0.40	0.40	0.00
Lead Mechanic	0.25	0.25	0.25	0.25	0.00
Mechanic	0.25	0.25	0.25	0.25	0.00
Engineering Technician III	0.30	0.30	0.00	0.00	0.00
Environmental Technician I	0.50	0.30	0.30	0.30	0.00
Utilities Maintenance Spec I	1.00	1.00	0.00	0.00	0.00
Project Engineer	0.93	0.93	1.05	0.75	(0.30)
Associate Development Engineer	0.30	0.12	0.00	0.00	0.00
Construction Inspector	0.00	0.50	0.00	0.25	0.25
GIS Coordinator	0.15	0.15	0.15	0.10	(0.05)
GIS Technician	0.00	0.00	0.30	0.25	(0.05)
Asset Management Specialist	0.25	0.25	0.25	0.25	0.00
Office Specialist III	0.25	0.25	0.25	0.25	0.00
Stormwater - PT Hourly	1.45	1.45	1.45	1.43	(0.02)
Total Stormwater	***10.23***	***10.87***	***10.37***	***10.11***	***(0.26)***
Total Public Works	***46.06***	***49.30***	***52.31***	***52.41***	***0.10***
Total Oregon City	***179.61***	***187.24***	***201.76***	***205.35***	***3.59***

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

CAPITAL IMPROVEMENT PROGRAM

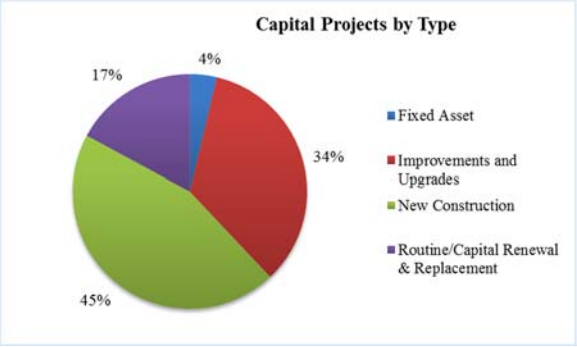
OVERVIEW

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 2017-2019 biennium is budgeted at $50,350,475 across all funds. Approximately $48.1 million of the projected spending is on capital projects while $2.3 million is for TPP and software.



Approximately $8.6 million, or 17%, 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, 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 $39.9 million, or 79%, 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 (Public Works Operations Center and Public Safety Facility); together they account for 35% of the total capital projects budget. The following pages provide additional detail on capital outlay spending; significant projects are explained below:

- Public Works Operations Center – The budget includes funding in the amount of $13.4 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 an increase of $20,000 in maintenance.
- Public Safety Building (Police and Court) – 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 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 budget includes appropriation of amounts received from the Community Safety Advancement Fee in the amount of $3.9 million. Operating impact is anticipated at $50,000 for utilities and maintenance costs.

- Meyers Road Extension – The City has hired transportation engineering consultants to develop alternatives for the alignment of the Meyers Road extension form High School Road to Hwy 213. The extension of the road will relieve congestion on Glen Oak Road, provide a new access through the area to foster future development of land parcels adjacent to the road, provide access for bus barn and future park, and provide additional access to Clackamas Community College.
- Molalla Avenue Improvements Metro awarded Oregon City with a $3.8 million grant for improvements on Molalla Avenue between Beavercreek Road and Highway 213. The City will provide a local match of $4 million. Improvement consist of:
  - Reconstruction of the potholed pavement
  - Continuous bike lanes along the entire corridor;
  - Construction of missing sidewalk segments;
  - 10 foot wide continuous ADA compliant sidewalks on the west side of the corridor;
  - ADA compliant sidewalk ramps along both sides of the corridor;
  - Pedestrian level street lighting along the west side of the corridor;
  - Street trees along the west side of the corridor;
  - Transit amenities (shelters) along both sides of the corridor;
  - Street furnishings (benches, trash receptacles, etc.);
  - Crosswalks at transit stops;
  - Access management to better establish safe access to businesses;
  - New traffic signals at Gaffney Lane and at Clairmont Way;

2017-2019 Biennium Capital Budget

The following chart itemizes the 2017-2019 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).

Project Description	Type	Annual Operating Impact	FY 2017-2018 Proposed Budget	FY 2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Transportation					
Meyers Road Extension	Improvements and Upgrades	$0 or reduction	2,922,500	3,250,000	6,172,500
Oregon City Roadway Reconstruction Projects	Routine/Capital Renewal & Replacement	$0 or reduction	$ 1,750,000	$ 1,250,000	$ 3,000,000
Molalla Avenue: Beavercreek Road to Hwy. 213	Improvements and Upgrades	$0 or reduction	1,105,000	1,870,000	2,975,000
Washington Street and 12th Street Signalization Project	Routine/Capital Renewal & Replacement	$0 or reduction	490,000	-	490,000
Linn/Leland/Warner Milne Round-a-bout	New Construction	$10,000	160,000	-	160,000
Elevator improvements	Routine/Capital Renewal & Replacement	$0 or reduction	-	50,000	50,000
Various Way Finding and Shared Lane Markings	Routine/Capital Renewal & Replacement	$0 or reduction	19,845	-	19,845
Water					
South End, Warner Parrott & Lawton Waterline Replacement	Routine/Capital Renewal & Replacement	$0 or reduction	1,300,000	-	1,300,000
Clairmont Area ongoing Pipe Replacement Projects	Routine/Capital Renewal & Replacement	$0 or reduction	150,000	850,000	1,000,000
New Reservoir/Pump Stn/Force Main, Beavercreek (placeholder)	Improvements and Upgrades	$0 or reduction	400,000	400,000	800,000
Rivercrest Park Area Pipe Replacement Projects	Routine/Capital Renewal & Replacement	$0 or reduction	130,000	670,000	800,000
New Reservoir along Holly Lane (placeholder)	Improvements and Upgrades	$0 or reduction	-	400,000	400,000
I 205 Undercrossing (near Amtrak), UPRR Undercrossing	Improvements and Upgrades	$0 or reduction	-	400,000	400,000
Main Street (10th to 15th) Grant Implied	Improvements and Upgrades	$0 or reduction	-	300,000	300,000
Operation Center Public Water Line Capacity Enhancement Project	Improvements and Upgrades	$0 or reduction	250,000	-	250,000
Barlow, Henrici, Mt View #2 Reservoir safety/fall protection	Routine/Capital Renewal & Replacement	$0 or reduction	150,000	-	150,000
2nd Street (Center to Bluff)	Routine/Capital Renewal & Replacement	$0 or reduction	120,000	-	120,000
Center Street (8th to 9th)	Routine/Capital Renewal & Replacement	$0 or reduction	-	100,000	100,000
Large Meter Replacement	Routine/Capital Renewal & Replacement	$0 or reduction	100,000	-	100,000
Mountain View Fence Replacement	Routine/Capital Renewal & Replacement	$0 or reduction	$ 95,000	$ -	$ 95,000
3rd / Bluff PRV Improvements	Routine/Capital Renewal & Replacement	$0 or reduction	45,000	-	45,000
5th / Canemah PRV Improvements	Routine/Capital Renewal & Replacement	$0 or reduction	30,000	-	30,000
In-House Water Line Replacements (Design Services)	Routine/Capital Renewal & Replacement	$0 or reduction	5,000	5,000	10,000
Wastewater					
Hazelwood Drive Sanitary Sewer Improvements	Improvements and Upgrades	$0 or reduction	$ 1,435,000	$ -	$ 1,435,000
Canemah wet well refurbishment and updated controls	Improvements and Upgrades	$0 or reduction	360,000	-	360,000
Annual Oregon City Roadway Reconstruction	Routine/Capital Renewal & Replacement	$0 or reduction	50,000	35,000	85,000
Miscellenaous Pipe Replacement	Routine/Capital Renewal & Replacement	$0 or reduction	25,000	25,000	50,000
Emergency Repair Projects	Routine/Capital Renewal & Replacement	$0 or reduction	25,000	25,000	50,000
Hidden Creek Pump Station - Pump Replacements	Routine/Capital Renewal & Replacement	$0 or reduction	35,000	-	35,000
Terrace Ave. - CIPP Pipe Replacement	Routine/Capital Renewal & Replacement	$0 or reduction	30,000	-	30,000
Washington St. (14th Ave) Pipe Replacement	Routine/Capital Renewal & Replacement	$0 or reduction	30,000	-	30,000
Noble Ridge Pump Replacement	Routine/Capital Renewal & Replacement	$0 or reduction	-	25,000	25,000
5th Avenue CIPP Pipe Replacement	Routine/Capital Renewal & Replacement	$0 or reduction	20,000	-	20,000
Canemah Generator Improvements	Improvements and Upgrades	$0 or reduction	20,000	-	20,000
Stormwater					
Scatter Canyon Design / Construction	New Construction	$10,000	60,000	300,000	360,000
Harding Blvd - Stm Extension	Improvements and Upgrades	$0 or reduction	-	230,000	230,000
12th Street Stormwater Pipe Replacement (Jackson to J Adams)	Routine/Capital Renewal & Replacement	$0 or reduction	150,000	-	150,000
11976 Kathaway Ct - Stm Reroute	Improvements and Upgrades	$0 or reduction	85,000	-	85,000
Vanburen (8th Street to 9th Street)	Routine/Capital Renewal & Replacement	$0 or reduction	65,000	-	65,000
Willamette (Holmes & Molalla)	Routine/Capital Renewal & Replacement	$0 or reduction	-	65,000	65,000
Outfall increased near Holcomb and Swan	Improvements and Upgrades	$0 or reduction	35,000	-	35,000
Swan Avenue Outfall	Improvements and Upgrades	$0 or reduction	$ 25,000	$ -	$ 25,000
Trillium Outfall	Routine/Capital Renewal & Replacement	$0 or reduction	25,000	-	25,000
Barclay Hills PS Outfall	Routine/Capital Renewal & Replacement	$0 or reduction	25,000	-	25,000
S 2nd and High Street	Routine/Capital Renewal & Replacement	$0 or reduction	25,000	-	25,000
Small Works Projects	Routine/Capital Renewal & Replacement	$0 or reduction	5,000	5,000	10,000
Public Facilities and Infrastructure					
Public Works Operations Center	New Construction	$20,000	5,000,000	8,431,911	13,431,911
Public Safety Facility	New Construction	$50,000	-	3,939,893	3,939,893
Public Utility Infrastructure	Improvements and Upgrades	$0 or reduction	423,212	1,822,675	2,245,887
Beavercreek Road Concept Area	New Construction	$50,000	1,105,000	-	1,105,000
Community Development Relocation	Improvements and Upgrades	$140,000 redcution	1,046,500	-	1,046,500
Willamette Falls Legacy Project - Riverfront Development	New Construction	N/A	$ 570,000	$ 95,000	$ 665,000
General Government Improvements	Improvements and Upgrades	$0 or reduction	60,000	-	60,000

Project Description	Type	Annual Operating Impact	FY 2017-2018 Proposed Budget	FY 2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Parks & Cemetery Facilities					
Community Park Construction	New Construction	$15,000	500,000	1,150,000	1,650,000
Parks Operations Center	New Construction	$0 or reduction	-	650,000	650,000
Land	New Construction	N/A	500,000	-	500,000
Aquatic Center Improvements	Routine/Capital Renewal & Replacement	$0 or reduction	$ 138,000	$ 103,000	$ 241,000
Parks Drainage and Asphalt Repairs	Routine/Capital Renewal & Replacement	$0 or reduction	52,700	120,000	172,700
Chapin Park Restrooms	Routine/Capital Renewal & Replacement	$0 or reduction	160,000	-	160,000
Trail Development	New Construction	$1,000	50,000	50,000	100,000
Pioneer Center Repairs	Routine/Capital Renewal & Replacement	$0 or reduction	51,000	-	51,000
Community Project	New Construction	N/A	20,000	20,000	40,000
Total Capital Projects			$ 21,428,757	$ 26,637,479	$ 48,066,236
TPP					
Public Works	Fixed Asset	$0 or reduction	$ 411,000	$ 542,829	$ 953,829
Police Department	Fixed Asset	$0 or reduction	200,000	280,000	480,000
Parks & Cemetery	Fixed Asset	$0 or reduction	140,500	22,500	163,000
Policy & Administration	Fixed Asset	$0 or reduction	70,000	65,000	135,000
Community Development	Fixed Asset	$0 or reduction	70,000		70,000
Engineering	Fixed Asset	$0 or reduction	56,000		56,000
Fleet	Fixed Asset	$0 or reduction	8,000	10,000	18,000
Building	Fixed Asset	$0 or reduction			-
Engineering	Fixed Asset	$0 or reduction			-
IT	Fixed Asset	$0 or reduction			-
Total TPP			$ 955,500	$ 920,329	$ 1,875,829
Other Capital Items					
Permitting & Financial Systems Software Upgrade	Improvements and Upgrades		$ 386,410	$ -	$ 386,410
Parks Software & Technology	Improvements and Upgrades		11,000	11,000	22,000
Total Other Items			$ 397,410	$ 11,000	$ 408,410
Total Capital Outlay Expenditures			**$ 22,781,667**	**$ 27,568,808**	**$ 50,350,475**

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. A total of $1,875,829, or 4% total capital outlay, is proposed for the 2017-2019 biennium.

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		
Dump Truck	Replacement	$ 249,329
Flusher Truck	Replacement	220,000
Backhoe	Replacement	131,000
TV and Pipe Equipment - Wastewater	Replacement	88,000
Crack Sealer	Replacement	70,000
Vehicles - Water	Replacement	70,000
Vehicles - Storm	Replacement	67,000
Vehicles - Engineering	Replacement	56,000
Vehicles - Wastewater	Replacement	32,000
Various Equipment - Transportation	Replacement	26,500
Fleet Equipment	New	18,000
		$ 1,027,829
Police Department		
Vehicles (inlcuding gear)	Replacement	$ 400,000
Code Enforcement & Parking Equipment	Replacement	40,000
Other Police Equipment	Replacement	40,000
		$ 480,000
Parks & Cemetery		
Vehicles	New	$ 55,000
Other Equipment	Replacement	45,000
Equipment Trailer	Replacement	37,000
Vehicles	Replacement	26,000
		$ 163,000
Community Development		
Equipment	New	$ 45,000
Vechicles	Replacement	25,000
		$ 70,000
IT		
Load balancer	New	$ 40,000
Security and Backup	New	50,000
Security Fencing - EOC	New	10,000
Software	Replacement	35,000
		$ 135,000
TOTAL TPP		***$ 1,875,829***

DEBT ADMINISTRATION

DEBT SUMMARY

Oregon City will have an estimated $20.28 million in debt outstanding at the beginning of this budget biennium, or as of June 30, 2017, as described below and consisting of the following:

- 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.
- 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.
- 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, 2017	Less: Principal Due	Ending Balance as of June 30, 2018	Less Principal Due	Ending Balance as of June 30, 2019
Limited Obligation Bonds							
2005 PERS UAL Bond	$ 17,030,000	3.75-4.25%	$ 13,370,000	$ 735,000	$ 12,635,000	$ 825,000	$ 11,810,000
General Obligation Bonds							
Library General Obligation Bonds	$ 6,000,000	3.08	$ 5,433,759	$ 248,011	$ 5,185,748	$ 255,650	$ 4,930,098
Revenue Bonds							
2007 Sewer Refunding Bond	$ 5,245,000	4.25-5%	$ 1,475,000	$ 470,000	$ 1,005,000	$ 490,000	$ 515,000
Total Debt	***$ 28,275,000***		***$ 20,278,759***	***$ 1,453,011***	***$ 18,825,748***	***$ 1,570,650***	***$ 17,255,098***

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

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 legal debt limit for fiscal years 2018 and 2019 cannot be determined until November 2017 and 2018, respectively, when the tax assessor distributes property tax information. The City's outstanding general obligation debt of $5.43 million as of June 30, 2017, is significantly below the debt limitation of $106.46 million.

FUTURE DEBT SERVICE REQUIREMENTS

The following provides a summary of debt service (principal and interest) requirements for the current year, next four years, and thereafter, for Oregon City's bonds.

TOTAL DEBT SERVICE BY FUND							
Fund	**2017**	**2018**	**2019**	**2020**	**2021**	**Thereafter**	**Total Future Debt Service**
PERS FUND							
Principal	$ 650,000	$ 735,000	$ 825,000	$ 925,000	$ 1,030,000	$ 9,855,000	$ 14,020,000
Interest	697,015	665,432	629,718	589,631	544,685	2,020,365	$ 5,146,846
FIRE FUND							
Principal	385,000	-	-	-	-	-	$ 385,000
Interest	16,363	-	-	-	-	-	$ 16,363
LIBRARY FUND							
Principal	240,601	248,011	255,650	263,524	271,640	4,394,934	$ 5,674,360
Interest	174,770	167,360	159,721	151,847	143,730	1,004,887	$ 1,802,315
SEWER UTILITY FUND							
Principal	450,000	470,000	490,000	515,000	-	-	$ 1,925,000
Interest	79,975	56,975	34,200	11,588	-	-	$ 182,738
Total Principal	$ 1,725,601	$ 1,453,011	$ 1,570,650	$ 1,703,524	$ 1,301,640	$ 14,249,934	$ 22,004,360
Total Interest	968,123	889,767	823,639	753,066	688,415	3,025,252	7,148,262
TOTAL DEBT SERVICE	***$ 2,693,724***	***$ 2,342,778***	***$ 2,394,289***	***$ 2,456,590***	***$ 1,990,055***	***$ 17,275,186***	***$ 29,152,622***

CLOSED FUNDS

Oregon City closes funds from time to time, when they are deemed unnecessary, in order to increase transparency in financial reporting. The following section presents the historical information of those funds that have been closed during the years presented below. Included here is information about why these funds were closed and, if applicable, how any continuing activity is currently recorded.

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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 38,904	$ 26,598	$ 37,000	$ -	$ -	$ -
Property Tax	261,804	577,841	533,970	-	-	-
Interest Income	1,069	1,198	247,268	-	-	-
Other Financing Sources	123,134	246,268	-	-	-	
Total Resources	**$ 424,911**	**$ 851,905**	**$ 818,238**	**$ -**	**$ -**	**$ -**
Requirements						
Debt Service	$ 398,313	$ 782,100	$ 798,238	$ -	$ -	$ -
Debt Reserves	26,598	69,805	20,000	-	-	-
Total Requirements	**$ 424,911**	**$ 851,905**	**$ 818,238**	**$ -**	**$ -**	**$ -**

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. The following chart illustrates how these funds were closed and how the continuing activity is currently recorded.

FISCAL YEAR 2015	FISCAL YEAR 2016	
Fund	**Department**	**Fund**
CIVIC IMPROVEMENT TRUST	Economic Development	GENERAL
BUSINESS DEVELOPMENT		
ECONOMIC IMPROVEMENT DISTRICT		
OREGON CITY ENHANCEMENT		
CABLE TV OPERATIONS	City Recorder	
POLICE SERVICE RESERVE	Police Operations	
CITY CLEANUP	Code Enforcement & Parking	
DOWNTOWN PARKING		
CODE ENFORCEMENT		
ENDOWMENT CARE	Parks Maintenance	
PARKS AND RECREATION TRUST	Dedicated Park Donations	
UPGRADE STREETS ANNEXED	Street Operations	TRANSPORTATION
PAVEMENT MAINTENANCE UTILITY	Pavement Maintenance Utility	
TRANSPORTATION SDC	Transportation	SYSTEM DEVELOPMENT
WATER SDC	Water	
WASTEWATER SDC	Wastewater	
STORMWATER SDC	Stormwater	
PARKS SDC	Parks	
POLICE BUILDING RESERVE	Police	COMMUNITY FACILITIES
ERMATINGER HOUSE	Community Services - Ermatinger House	
LIBRARY RESERVE	Library	
PUBLIC WORKS BUILDING RESERVE	Public Works - Operations Center	
WATER RATE STABILIZATION	Water Operations	WATER
WASTEWATER RATE STABILIZATION	Wastewater Operations	WASTEWATER
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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 15,787	$ 26,195	$ -	$ -	$ -	$ -
Intergovernmental Revenues	20,000	39,060	-	-	-	-
Miscellaneous Income						
Hotel Receipts	64,048	175,784	-	-	-	-
Other Miscellaneous Income	54	570	-	-	-	-
Total Resources	**$ 99,889**	**$ 241,609**	**$ -**	**$ -**	**$ -**	**$ -**
Requirements						
Materials & Services						
Tourist Promotions	$ 51,463	$ 124,637	$ -	$ -	$ -	$ -
Tourism Action Grants	21,990	28,876	-	-	-	-
Other	241	479	-	-	-	-
Transfers Out	-	87,617	-	-	-	-
Unappropriated Fund Balance	26,195	-	-	-	-	-
Total Requirements	**$ 99,889**	**$ 241,609**	**$ -**	**$ -**	**$ -**	**$ -**

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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 41,811	$ 27,853	$ -	$ -	$ -	$ -
Licenses & Permits	36,061	86,149	-	-	-	-
Miscellaneous Income	76	-	-	-	-	-
Total Resources	**$ 77,948**	**$ 114,002**	**$ -**	**$ -**	**$ -**	**$ -**
Requirements						
Materials & Services						
Business Promotions	$ 50,000	$ 100,000	$ -	$ -	$ -	$ -
Other Materials & Services	95	83	-	-	-	-
Transfers Out	-	13,919	-	-	-	-
Unappropriated Fund Balance	27,853	-	-	-	-	-
Total Requirements	**$ 77,948**	**$ 114,002**	**$ -**	**$ -**	**$ -**	**$ -**

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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 3,494	$ 5,055	$ -	$ -	$ -	$ -
Other Financing Sources - Assessments	114,460	158,569	-	-	-	-
Miscellaneous Income	101	42	-	-	-	-
Total Resources	**$ 118,055**	**$ 163,666**	**$ -**	**$ -**	**$ -**	**$ -**
Requirements						
Materials & Services - Management Contract	$ 113,000	$ 158,524	$ -	$ -	$ -	$ -
Transfers Out	-	5,142	-	-	-	-
Unappropriated Fund Balance	5,055	-	-	-	-	-
Total Requirements	**$ 118,055**	**$ 163,666**	**$ -**	**$ -**	**$ -**	**$ -**

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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 111,925	$ 83,187	$ -	$ -	$ -	$ -
Intergovernmental Franchise	120,378	284,796	-	-	-	-
Transfers In	-	1,430				
Miscellaneous Income	5,880	640	-	-	-	-
Total Resources	**$ 238,183**	**$ 370,053**	**$ -**	**$ -**	**$ -**	**$ -**
Requirements						
Materials & Services - Community Grants	$ 122,996	$ 136,698	$ -	$ -	$ -	$ -
Transfers & Other Uses	32,000	233,355	-	-	-	-
Unappropriated Fund Balance	83,187	-	-	-	-	-
Total Requirements	**$ 238,183**	**$ 370,053**	**$ -**	**$ -**	**$ -**	**$ -**

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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 77,814	$ 69,646	$ -	$ -	$ -	$ -
Franchise Fees	153,523	332,095	-	-	-	-
Miscellaneous Income	263	1,099	-	-	-	-
Total Resources	**$ 231,600**	**$ 402,840**	**$ -**	**$ -**	**$ -**	**$ -**
Requirements						
Materials & Services - Local Programming	$ 158,212	$ 132,801	$ -	$ -	$ -	$ -
Capital Outlay	1,742	-	-	-	-	-
Transfers Out	2,000	270,039	-	-	-	-
Contingency	-	-	-	-	-	-
Unappropriated Fund Balance	69,646	-	-	-	-	-
Total Requirements	**$ 231,600**	**$ 402,840**	**$ -**	**$ -**	**$ -**	**$ -**

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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 367,606	$ 629,386	$ -	$ -	$ -	$ -
Licenses & Permits	259,000	455,000	-	-	-	-
Miscellaneous Income	2,780	8,543	-	-	-	-
Total Resources	**$ 629,386**	**$ 1,092,929**	**$ -**	**$ -**	**$ -**	**$ -**
Requirements						
Transfers Out	$ -	$ 1,092,929	$ -	$ -	$ -	$ -
Reserved for Future Expenditure	629,386	-	-	-	-	-
Total Requirements	**$ 629,386**	**$ 1,092,929**	**$ -**	**$ -**	**$ -**	**$ -**

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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 215,260	$ 189,326	$ -	$ -	$ -	$ -
Franchise Fees	199,461	423,780	-	-	-	-
Miscellaneous Income	859	1,368	-	-	-	-
Total Resources	**$ 415,580**	**$ 614,474**	**$ -**	**$ -**	**$ -**	**$ -**
Requirements						
Contract Services - City Garbage	$ 68,581	$ 133,451	$ -	$ -	$ -	$ -
Flower Basket Program	23,229	60,982	-	-	-	-
Transfers Out	132,000	389,789	-	-	-	-
Other Costs	2,444	30,252	-	-	-	-
Unappropriated Fund Balance	189,326	-	-	-	-	-
Total Requirements	**$ 415,580**	**$ 614,474**	**$ -**	**$ -**	**$ -**	**$ -**

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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 91,656	$ 92,224	$ -	$ -	$ -	$ -
Charges for Services	325,105	682,546	-	-	-	-
Fines and Penalties	171,605	275,139	-	-	-	-
Transfers In	80,000	-	-	-	-	-
Intergovernmental	100	340	-	-	-	-
Miscellaneous Income	1,405	62,533	-	-	-	-
Total Resources	**$ 669,871**	**$ 1,112,782**	**$ -**	**$ -**	**$ -**	**$ -**
Requirements						
Personnel Services	$ 274,291	$ 553,116	$ -	$ -	$ -	$ -
Materials & Services	108,356	153,529	-	-	-	-
Capital Outlay	120,000	2,380	-	-	-	-
Transfers Out	75,000	403,757	-	-	-	-
Unappropriated Fund Balance	92,224	-	-	-	-	-
Total Requirements	**$ 669,871**	**$ 1,112,782**	**$ -**	**$ -**	**$ -**	**$ -**

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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 91,128	$ 64,348	$ -	$ -	$ -	$ -
Charges for Services	50	592	-	-	-	-
Fines and Penalties	7,431	44,754	-	-	-	-
Miscellaneous Income	509	315	-	-	-	-
Transfers In	170,000	390,000	-	-	-	-
Total Resources	**$ 269,118**	**$ 500,009**	**$ -**	**$ -**	**$ -**	**$ -**
Requirements						
Personnel Services	$ 163,257	$ 391,463	$ -	$ -	$ -	$ -
Materials & Services	36,513	64,322	-	-	-	-
Transfers Out	5,000	44,224	-	-	-	-
Unappropriated Fund Balance	64,348	-	-	-	-	-
Total Requirements	**$ 269,118**	**$ 500,009**	**$ -**	**$ -**	**$ -**	**$ -**

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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 103,920	$ 104,495	$ -	$ -	$ -	$ -
Interest Income	575	1,160	-	-	-	-
Total Resources	**$ 104,495**	**$ 105,655**	**$ -**	**$ -**	**$ -**	**$ -**
Requirements						
Transfers Out	$ -	$ 105,655	$ -	$ -	$ -	$ -
Reserved for Future Expenditure	104,495	-	-	-	-	-
Total Requirements	**$ 104,495**	**$ 105,655**	**$ -**	**$ -**	**$ -**	**$ -**

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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 207,784	$ 224,195	$ -	$ -	$ -	$ -
Miscellaneous Income	52,619	139,560	-	-	-	-
Total Resources	**$ 260,403**	**$ 363,755**	**$ -**	**$ -**	**$ -**	**$ -**
Requirements						
Contract Services	$ 20,389	$ 12,253	$ -	$ -	$ -	$ -
Materials Costs	15,819	27,805	-	-	-	-
Capital Outlay	-	12,232	-	-	-	-
Transfers Out	-	311,465	-	-	-	-
Unappropriated Fund Balance	224,195	-	-	-	-	-
Total Requirements	**$ 260,403**	**$ 363,755**	**$ -**	**$ -**	**$ -**	**$ -**

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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 189,940	$ 190,991	$ -	$ -	$ -	$ -
Miscellaneous	1,051	2,004	-	-	-	-
Total Resources	**$ 190,991**	**$ 192,995**	**$ -**	**$ -**	**$ -**	**$ -**
Requirements						
Transfers Out	$ -	$ 192,995	$ -	$ -	$ -	$ -
Unappropriated Fund Balance	190,991	-	-	-	-	-
Total Requirements	**$ 190,991**	**$ 192,995**	**$ -**	**$ -**	**$ -**	**$ -**

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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 945,482	$ 965,730	$ -	$ -	$ -	$ -
Charges for Services	1,872,780	4,138,452	-	-	-	-
Miscellaneous Income	5,135	13,158	-	-	-	-
Total Resources	**$ 2,823,397**	**$ 5,117,340**	**$ -**	**$ -**	**$ -**	**$ -**
Requirements						
Materials & Services	$ 247,344	$ 511,458	$ -	$ -	$ -	$ -
Capital Outlay	1,514,573	3,166,420	-	-	-	-
Transfers Out	95,750	1,439,462	-	-	-	-
Unappropriated Fund Balance	965,730	-	-	-	-	-
Total Requirements	**$ 2,823,397**	**$ 5,117,340**	**$ -**	**$ -**	**$ -**	**$ -**

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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 1,775,660	$ 3,542,478	$ -	$ -	$ -	$ -
Intergovernmental	4,741,060	290,747	-	-	-	-
Charges for Services	2,138,956	2,202,533	-	-	-	-
Transfers In	-	40,000	-	-	-	-
Miscellaneous Income	57,250	441,093	-	-	-	-
Total Resources	**$ 8,712,926**	**$ 6,516,851**	**$ -**	**$ -**	**$ -**	**$ -**
Requirements						
Materials & Services	$ 33,765	$ 290,020	$ -	$ -	$ -	$ -
Capital Outlay	4,995,103	676,005	-	-	-	-
Transfers Out	141,580	5,550,826	-	-	-	-
Reserved for Future Expenditures	-	-	-	-	-	-
Unappropriated Fund Balance	3,542,478	-	-	-	-	-
Total Requirements	**$ 8,712,926**	**$ 6,516,851**	**$ -**	**$ -**	**$ -**	**$ -**

Water Development	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 1,607,467	$ 2,449,237	$ -	$ -	$ -	$ -
Charges for Services	898,988	986,821	-	-	-	-
Interest Income	11,903	30,186	-	-	-	-
Total Resources	**$ 2,518,358**	**$ 3,466,244**	**$ -**	**$ -**	**$ -**	**$ -**
Requirements						
Materials & Services	$ 36,621	$ 15,181	$ -	$ -	$ -	$ -
Capital Outlay	-	-	-	-	-	-
Transfers Out	32,500	3,451,063	-	-	-	-
Unappropriated Fund Balance	2,449,237	-	-	-	-	-
Total Requirements	**$ 2,518,358**	**$ 3,466,244**	**$ -**	**$ -**	**$ -**	**$ -**

Additional Information – Closed Funds

Wastewater Development	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 1,679,693	$ 2,181,331	$ -	$ -	$ -	$ -
Charges for Services	681,505	592,919	-	-	-	-
Loan Proceeds	-	186,000	-	-	-	-
Miscellaneous Income	11,401	33,905	-	-	-	-
Total Resources	**$ 2,372,599**	**$ 2,994,155**	**$ -**	**$ -**	**$ -**	**$ -**
Requirements						
Materials & Services	$ 95,621	$ 137,607	$ -	$ -	$ -	$ -
Capital Outlay	63,147	127,946	-	-	-	-
Transfers Out	32,500	2,728,602	-	-	-	-
Unappropriated Fund Balance	2,181,331	-	-	-	-	-
Total Requirements	**$ 2,372,599**	**$ 2,994,155**	**$ -**	**$ -**	**$ -**	**$ -**

Stormwater Development	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 303,188	$ 456,234	$ -	$ -	$ -	$ -
Charges for Services	186,504	197,789	-	-	-	-
Miscellaneous Income	2,279	5,547	-	-	-	-
Total Resources	**$ 491,971**	**$ 659,570**	**$ -**	**$ -**	**$ -**	**$ -**
Requirements						
Materials & Services	$ 3,237	$ 2,563	$ -	$ -	$ -	$ -
Capital Outlay	-	3,256	-	-	-	-
Transfers Out	32,500	653,751	-	-	-	-
Unappropriated Fund Balance	456,234	-	-	-	-	-
Total Requirements	**$ 491,971**	**$ 659,570**	**$ -**	**$ -**	**$ -**	**$ -**

Parks Development	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 1,125,565	$ 2,259,467	$ -	$ -	$ -	$ -
Intergovernmental	253,900	150,000	-	-	-	-
Charges for Services	1,248,041	1,036,102	-	-	-	-
Miscellaneous Income	35,140	73,077	-	-	-	-
Total Resources	**$ 2,662,646**	**$ 3,518,646**	**$ -**	**$ -**	**$ -**	**$ -**
Requirements						
Materials & Services	$ 33,620	$ 121,618	$ -	$ -	$ -	$ -
Capital Outlay	339,559	26,597	-	-	-	-
Transfers Out	30,000	3,370,431	-	-	-	-
Unappropriated Fund Balance	2,259,467	-	-	-	-	-
Total Requirements	**$ 2,662,646**	**$ 3,518,646**	**$ -**	**$ -**	**$ -**	**$ -**

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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 98,154	$ 40,646	$ -	$ -	$ -	$ -
Miscellaneous Income	268	506	-	-	-	-
Transfers In	-	1,540,000	-	-	-	-
Total Resources	**$ 98,422**	**$ 1,581,152**	**$ -**	**$ -**	**$ -**	**$ -**
Requirements						
Capital Outlay	$ 57,776	$ 1,501,001	$ -	$ -	$ -	$ -
Transfers Out	-	80,151	-	-	-	-
Reserved for Future Expenditure	40,646	-	-	-	-	-
Total Requirements	**$ 98,422**	**$ 1,581,152**	**$ -**	**$ -**	**$ -**	**$ -**

ERMATINGER HOUSE

FUND OVERVIEW

These funds provided for the Ermatinger House Restoration project.

The capital improvements were completed in 2015.

Ermatinger House	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 209,274	$ 237,467	$ -	$ -	$ -	$ -
Intergovernmental Revenues	17,308	220,000	-	-	-	-
Transfers In	100,000	150,000	-	-	-	-
Miscellaneous	1,317	3,354	-	-	-	-
Total Resources	**$ 327,899**	**$ 610,821**	**$ -**	**$ -**	**$ -**	**$ -**
Requirements						
Ermatinger House Restoration	$ 90,432	$ 580,442	$ -	$ -	$ -	$ -
Transfers Out	-	30,379	-	-	-	-
Unappropriated Fund Balance	237,467	-	-	-	-	-
Total Requirements	**$ 327,899**	**$ 610,821**	**$ -**	**$ -**	**$ -**	**$ -**

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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 1,345,371	$ 2,313,545	$ -	$ -	$ -	$ -
Intergovernmental	-	1,004,500	-	-	-	-
Miscellaneous Income	10,084	31,164	-	-	-	-
Bond Proceeds	-	6,000,000	-	-	-	-
Transfers In	958,090	1,285,096	-	-	-	-
Total Resources	**$ 2,313,545**	**$10,634,305**	**$ -**	**$ -**	**$ -**	**$ -**
Requirements						
Capital Outlay						
Land	$ -	$ 231,450	$ -	$ -	$ -	$ -
New Construction	-	609,069	-	-	-	-
Materials & Services	-	50,219	-			
Transfers Out	-	9,743,567	-	-	-	-
Unappropriated Fund Balance	2,313,545	-	-	-	-	-
Total Requirements	**$ 2,313,545**	**$10,634,305**	**$ -**	**$ -**	**$ -**	**$ -**

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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 4,132,692	$ 5,307,658	$ -	$ -	$ -	$ -
Transfers In	1,150,000	2,200,000	-	-	-	-
Miscellaneous Income	26,484	63,857	-	-	-	-
Total Resources	**$ 5,309,176**	**$ 7,571,515**	**$ -**	**$ -**	**$ -**	**$ -**
Requirements						
Materials & Services	$ 1,518	$ 506	$ -	$ -	$ -	$ -
Transfers Out	-	7,571,009	-	-	-	-
Unappropriated Fund Balance	5,307,658	-	-	-	-	-
Total Requirements	**$ 5,309,176**	**$ 7,571,515**	**$ -**	**$ -**	**$ -**	**$ -**

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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 492,242	$ 492,242	$ -	$ -	$ -	$ -
Total Resources	**$ 492,242**	**$ 492,242**	**$ -**	**$ -**	**$ -**	**$ -**
Requirements						
Transfers Out	$ -	$ 492,242	$ -	$ -	$ -	$ -
Unappropriated Fund Balance	492,242	-	-	-	-	-
Total Requirements	**$ 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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 623,252	$ 623,252	$ -	$ -	$ -	$ -
Total Resources	**$ 623,252**	**$ 623,252**	**$ -**	**$ -**	**$ -**	**$ -**
Requirements						
Transfers Out	$ -	$ 623,252	$ -	$ -	$ -	$ -
Unappropriated Fund Balance	623,252	-	-	-	-	-
Total Requirements	**$ 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	2012-2013 Actual	2013-2015 Actual	2015-2017 Amended Budget	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2017-2019 Proposed Biennium
Resources						
Beginning Fund Balance	$ 9,265	$ 31,190	$ -	$ -	$ -	$ -
Other Financing Sources	33,833	40,017	-	-	-	-
Miscellaneous Income	131	442	-	-	-	-
Total Resources	**$ 43,229**	**$ 71,649**	**$ -**	**$ -**	**$ -**	**$ -**
Requirements						
Materials & Services	$ 39	$ 179	$ -	$ -	$ -	$ -
Transfers Out	12,000	71,470	-	-	-	-
Unappropriated Fund Balance	31,190	-	-	-	-	-
Total Requirements	**$ 43,229**	**$ 71,649**	**$ -**	**$ -**	**$ -**	**$ -**

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 rights-of-way.

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.

Government Finance Officers Association (GFOA) Professional association of state, provincial and local finance officers in the United States and Canada.

Geographic Information System (GIS) A system designed to capture, store, manipulate, analyze, manage, and present spatial or geographic data.

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 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.

Metropolitan Service Area (MSA) A geographical region with a relatively high population density at its core and close economic ties throughout the area.

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.

Oregon Revised Statutes (ORS) The codified body of statutory law governing the U.S. State of Oregon, as enacted by the Oregon Legislative Assembly, and occasionally by citizen initiative. The statutes are subordinate to the Oregon Constitution.

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.

SAIF SAIF Corporation is Oregon's not-for-profit, state-chartered workers' compensation insurance company.

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.

Supervisory Control and Data Acquisition (SCADA). A control system architecture that uses computers, networked data communications and graphical user interfaces to interface to the process plant or machinery.

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.