

City of Talent, Oregon



ADOPTED BUDGET

Fiscal Year

2018-2019

CITY OF TALENT

2018-19 ANNUAL BUDGET

BUDGET COMMITTEE

Council

Councilor Daria Land
Councilor Emily Berlant
Councilor Stephanie Dolan
Councilor John Harrison
Councilor Ryan Pederson
Councilor Ken Baker

Citizens

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Anthony Abshire
Michael Lanier
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Ryan Martin, Finance Director
Curtis Whipple, Police Chief
Zac Moody, Community Development Director
Bret Marshall, Public Works Director
Erin Zelinka, City Recorder

**City of Talent
2018-19 Annual Budget**

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City of Talent

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The Honorable Darby Ayers-Flood
Members of the Talent City Council and Talent Budget Committee
Citizens of the City of Talent

"Change will not come if we wait for some other person or some other time. We are the ones we've been waiting for. We are the change that we seek."

-Barack Obama

It is our pleasure to present you with the proposed budget for the fiscal year 2018-19. As the result of a great effort from all departments, this is a balanced budget that meets all the City's legal obligations and Council Goals.

Changes are in the air in the City of Talent. Economic development is beginning to thrive in our small town, plans are being made to increase our available lands for our next generation of citizens to live, and policies are being developed to safeguard our citizens. These are just a few examples of how Talent is a proactive and progressive city that does not sit idly by while opportunities arise, but we seize these opportunities and turn them into success.

Careful planning is paramount in our city. This year, Talent staff and Council created one of the most forward thinking and ambitious sets of goals that this city has seen. Internal staff goals focused on increasing revenues, improving employee retention, and boosting efficiencies. Council goals focused on updating policies, improving the safety for our citizens, improving livability, and establishing a thriving downtown business district. With the safety and satisfaction of citizens in mind, staff and the City Council collaborated to move Talent in an upward direction.

Parks – the perennial underfunded department in the city is now moving in a new direction. With the addition of marijuana tax revenues and an increase in surcharge revenue, our parks fund will be sustainable for the foreseeable future. In the past, parks capital projects have been put on hold, but now we have the money available to earmark nearly \$36,000 per year for parks capital projects. Once a new Parks Master Plan is created, we will have a plan in place for the next 20 years of parks capital projects.

Streets – the most stable of all our funds is now getting a kick start by receiving additional revenues from the increase in the state highway gas tax and vehicle registrations. This will help improve the conditions of our roadways through 2027.

Water – our most important fund that allows for drinkable water to be provided to all our citizens will be seeing the installation of a new water reservoir this year. Our Water Master Plan will also be

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completed shortly after the beginning of the fiscal year and this will provide a plan for our capital water projects for the next 20 years.

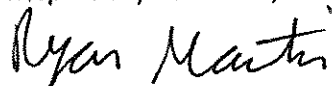
General – the fund that spurs the most conversation is slowly beginning to stabilize and will see its third consecutive year of increasing ending fund balance. With mounting PERS and public safety related costs, a close eye will need to be kept on the General Fund and proactive measures will need to be taken to ensure the stability will continue.

SDC – the highly regulated fund that provides monies for building infrastructure and increasing capacity is extremely healthy. When the Water, Storm Water and Parks Master Plans are completed, the capital improvement plan will be updated. This will allow the City to have a guide of future infrastructure projects that SDC funds can be spent on.

With abundant collaboration, new committees and commissions, excellent communication, and a proactive approach to planning, the City of Talent is on course to have one of the most successful years in its history.

If there are any questions with which the staff or I may assist you with throughout this process, please do not hesitate to contact us. We look forward to your input in this guiding document of our city.

Respectfully submitted,

A handwritten signature in black ink that reads "Ryan Martin". The signature is written in a cursive, flowing style.

Ryan Martin

Interim City Manager – City of Talent

BUDGET MESSAGE

Information included in the Budget Document is intended to assist the Budget Committee and City Council in understanding how the City Manager and the City Department Heads approach the development of the annual budget. In addition to the budget itself, several sections have been included to provide background information as well as charts and graphs that may serve to make the information provided more meaningful.

Special sections have been included to supply information about trends that appear to be developing, summaries of the total combined Revenue and Expenditures as well as summaries for the individual funds. A chart showing the extent of the City's dependency on Fund Balances as well as a summary table of all the Interfund Transfers has also been included. Included in the Appendix is a Community Profile; an organizational chart indicating the various departments and their staffing allocations; an explanation of Measure 5 and 50 (both laws have significant impacts on local government in the budgeting and management of City funds); the City of Talent Tax Rate Comparison for 2016-17 and 2017-18; and a Glossary of terms that may be useful in understanding some of the terminology used in this Budget Report has also been included.

2018-19 BUDGET

The proposed budget reflects a minimum 15% contingency line item and an unappropriated ending fund balance of 10% to 27% for each operating fund. A bond payment the City is paying on behalf of the Talent Urban Renewal Agency (outlined below) has not been included in the General Fund contingency and unappropriated ending fund balance calculation.

In December 2016, TURA issued a bond for \$1,450,000 using the Full Faith and Credit of the City to finance the purchase of land for the Gateway Project on West Valley View. The City is required to make the bond payment each year, and TURA reimburses the City for the full payment amount.

The General Fund loaned \$196,500 to the Street Fund during FY2016 for the purchase of a Street Sweeper. This is a 4-year loan with a 2% interest rate. The budget reflects loan payment revenue in the General Fund and loan payment debt service in the Street Fund.

It is important to have carryover from one year to the next to provide a stable beginning fund balance. The contingency and unappropriated ending fund balance (as a percentage of operating expenditures) for the General Fund is 24%. This is an increase of 2% from FY2017-18. The Water Fund contingency and unappropriated ending fund balance is 53%. By maintaining these funds as Unappropriated Ending Fund Balance, they continue to serve the original purpose

of holding one annual debt service payment in reserve. The increasing contingencies and ending fund balances for many of the funds can be attributed to lack of transfers to the CIP fund for projects. Council and staff concluded that it would be beneficial to have all the master plans in place before beginning any other large-scale projects.

All departments continue to realize the increased dependency on computer technology to do their jobs. This technology comes at a cost for both hardware and software. The City currently has 7 servers and approximately 40 computers over three locations. We have recently begun working with the City of Ashland for IT services through an intergovernmental agreement.

Budget Increases-

Personnel - Salaries and benefits are the single largest expenditure for each of the City Departments. The City strives to proactively take steps each year to control this expenditure while recognizing that employees are a vital asset to the City.

The City participates in the Oregon Public Employees Retirement System commonly referred to as PERS. The City is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the plan. The City participates in the State and Local Government Rate Pool (SLGRP). Employer rates are set on a bi-annual basis and employer rates for all the four member groups will change as of July 1, 2019 for the 2019-2021 biennial period. Last year, the Tier 1&2 group rate increased by 31% compared to 2% in 2015-2017 and the OPSRP group rate increased by 43% compared to a decrease of 2.71% in 2015-2017. This will be the 2nd year of the biennial rate. PERS expects rates to increase by similar amounts for the next six years and not decrease again until 2030. The majority of the City's employees are members of the OPSRP group with six employees participating in the PERS tier 1/2 group.

The City began budgeting for a portion of Accrued Leave Payouts in Fiscal Year 2009 to cover contractually required expenditures due when an employee leaves employment. When not expended, these budgeted funds become part of the beginning fund balance for the upcoming year.

In this budget, the City proposes reducing the staffing level.

Administration – One finance employee will be leaving employment prior to June 1, 2018. This position will not be filled.

Community Development – No staffing level changes are planned for FY2018-19.

Police – No staffing level changes are planned for FY2018-19.

Public Works – No staffing level changes are planned for FY2018-19.

External Impacts

The most noticeable impact this year on the budget is healthcare rate and salary (cost of living) increases. With increasing rates for healthcare and PERS in the foreseeable future, service levels will be required to change to accommodate the additional costs or revenues will need to be increased.

A fund overview is provided at the beginning of each fund section throughout the budget document.



City of Talent

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2018-2019 BUDGET CALENDAR

February 7, 2018	Finance Director provides Dept. Heads with current budget report
February 28, 2018	Dept. budgets/CIP submitted to City Manager/Finance Director
March 12 – 16, 2018	Review Dept. budgets with City Manager/Finance Director
April 18, 2018	Advertisement for Budget Committee Hearings to Newspaper (Flash)
April 27, 2018	Post Budget Committee Hearing Notice on Website
May 1, 2018	Budget Committee Public Hearing Notice (TNR – May Publication)
May 10, 2018 6:30 p.m.	Budget Committee Training/Meeting to receive budget & budget message
May 15, 2018 6:30 p.m.	Budget Committee Work Session/Public Hearing
May 17, 2018 6:30 p.m.	Budget Committee Work Session/Public Hearing (Continuation of May 15 th meeting if needed)
May 23, 2018	Financial Summary & notice of Budget Hearing to Newspaper (Flash)
June 1, 2018	Financial Summary & Notice of Budget Hearing published (TNR – June)
June 20, 2018	City Council Budget Hearing for final adoption of budget
June 30, 2018	Last date for State Revenue Sharing Resolution to State
July 15, 2018	Last date to submit tax certification documents to County Assessor
Sept. 30, 2018	Last date to submit budget document to County Clerk

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OUR VISION STATEMENT

Talent: A small, people-oriented village offering creative opportunities for quality living, work and leisure.

The City of Talent will be focused around a vital, vibrant, downtown core and neighborhoods, which reflect the City's architectural history and values. Further, the City will offer opportunity to its young people through well-planned growth, a clean architectural, industrial and business base, which reflects and promotes local self-reliance and the talents and interests of all residents.

The community as a whole will be a safe, clean place which offers quality living and leisure for residents of all ages, cultures and backgrounds served by a multi-modal transportation system which meets all their needs.

OUR MISSION STATEMENT

The City of Talent will achieve its citizens' expectations of quality of life through citizen involvement, responsible financial habits, prudent planning practices, and increased awareness of public safety issues.



- = New
- = Ongoing
- = In Progress
- = From Previous Year

**TALENT CITY COUNCIL
FY18-19 GOALS & WORK PLAN**

Goal: Improve communication with residents and increase transparency.		
Projects	Department or CCB	Timeline
Redesign website to improve usability and provide more information.	Admin	
Increase transparency of financial information by making it more accessible online.	Finance	
Publicly post an annual procedural calendar that includes dates for goal setting, budget process, etc.	Admin	
Evaluate feasibility of providing certain communications in Spanish.	Admin	

Goal: Update policies, procedures and plans.		
Projects	Department or CCB	Timeline
Contract an HR service to develop policies, handle complaints and draft exempt employee contracts.	Council	
Write policy regarding ability of City Manager to change exempt employee salary ranges.	Admin	
Create map and adopt policy for vacating right-of-ways.	Comm Dev	
Update Parks Master Plan.	Parks	

Goal: Address staffing shortage.		
Projects	Department or CCB	Timeline
Conduct staffing analysis and determine whether there is a need to increase capacity.	Admin	
Evaluate feasibility of hiring a dedicated detective to handle big drug cases, financial fraud, etc.	PD	

Goal: Increase City revenues.		
Projects	Department or CCB	Timeline
Evaluate ways to generate additional City revenues.	Council/ Admin	

Goal: Ensure legality of Council decisions and actions.		
Projects	Department or CCB	Timeline
Consider local attorney service and evaluate Council-attorney communication practices.	Council	

Goal: Improve safety of the City of Talent.		
Projects	Department or CCB	Timeline
Provide training to law enforcement officers that will enable them to provide non-biased, high-quality law enforcement.	PD	
Increase pedestrian safety in the downtown and around the school.	TSTC	

Goal: Provide capacity for PD to complete investigations independently.		
Projects	Department or CCB	Timeline
Evaluate cost of technological equipment to get into phones.	PD	
Evaluate certification of a child abuse investigator.	PD	

Goal: Increase efficiency and decrease costs.		
Projects	Department or CCB	Timeline
Increase amount of water customers using electronic statements by 50% by offering incentives to switch.	Finance	
Program SCADA system with a "Conservation Mode" that allows the Water Distribution system to avoid running during "Peak" periods.	Public Works	
Coordinate with the TAP group for collaboration efforts and planning for a TAP Master Plan that would be implemented after individual Water Master Plans are completed.	Public Works	
Produce an action plan that could be implemented through adherence to the Strategic Energy Management Program.	Public Works	
Complete Phase 4 of the street light LED retrofit.	Public Works	

Goal: Expand residential land availability and improve housing affordability.		
Projects	Department or CCB	Timeline
Expand the Urban Growth Boundary.	Comm Dev	
Complete UGB Alternatives Analysis.	Comm Dev	

Goal: Establish a thriving downtown business district and improve livability.

Projects	Department or CCB	Timeline
Evaluate speed zones.	Public Works	
Conduct parking studies.	Comm Dev	
Design signage and art for economic development.	TPAC	
Draft a dark sky ordinance.	Comm Dev	
Evaluate options for attracting a bank.	Council	

Goal: Protect the health of our children, residents, and visitors.

Projects	Department or CCB	Timeline
Evaluate feasibility of implementing a time-phased Integrated Pest Management policy.	Council	
Include language in the new Parks Master Plan that any future project should address the issue of lower or no pesticide use by design.	Parks	

Goal: Implement more energy-related policies.

Projects	Department or CCB	Timeline
Adopt clean energy element of the Comprehensive Plan.	Council	
Participate and support staff in implementing the strategic energy management program for all City-owned facilities.	Council	
Seek outside funding and partners to support hiring a full-time energy manager.	Council	

Goal: Decrease non-biodegradable waste internally and throughout the community.		
Projects	Department or CCB	Timeline
Develop and initiate the first steps of a time-phased plan to reduce the use of plastics.	Council	
Partner with Recology to develop waste management procedures and education plans.	Council	

Goal: Improve communications between Parks and citizens.		
Projects	Department or CCB	Timeline
Shut down existing Parks website and incorporate Parks into the new City of Talent website.	Admin	By June 30, 2018
Include more articles in the Flash newsletter.	Parks	Ongoing
Post news, events and volunteer activities to Facebook.	Parks	Ongoing

Goal: Better prioritize Parks capital improvements.		
Projects	Department or CCB	Timeline
Consult the Master Plan and assess community usage.	Parks	

Goal: Seek funding for development of the Master Plan and provide education on the process.		
Projects	Department or CCB	Timeline

Goal: Improve emergency preparedness organization.		
Projects	Department or CCB	Timeline
Coordinate with other organizations and seek funding to secure emergency supplies and communications equipment.	Council	

Goal: Improve volunteer recruitment and retention strategies.		
Projects	Department or CCB	Timeline
Arrange for volunteer work parties.	Parks	
Establish regular volunteer recognition practices.	Admin/ Council	

Goal: Develop leadership of committees and commissions.		
Projects	Department or CCB	Timeline
Evaluate opportunities for training new commissioners and committee members.	Council	
Provide Robert's Rules training.	Council	
Create an "ongoing nurture program" to ensure regular training continues.	Council	

**City of Talent
2018-19 Annual Budget**

BUDGET AND FINANCIAL POLICIES

Financial management policies include the following objectives: to maintain a balanced relationship between debt service requirements and current operating costs, encourage revenue growth, actively seek alternative funding sources, minimize interest expense and maximize investment returns.

1. Assure that current operating revenue is sufficient to support current operating expenditures, and to give high priority to funding capital assets with one-time revenues.

Rationale: Utilizing one-time revenues to fund operating activities results in incurring annual expenditure obligations, which may not be fundable in future years. Using one-time revenues to fund capital assets better enables future administrations to adjust the budget accordingly when these revenue sources are no longer available.

2. Provide adequate contingency reserve appropriations equal to or greater than 15% in the General, Street, Park and Water Funds to allow for unforeseen expenditures. In the proposed budget, the contingency meets the 15% of expenditures goal for all the funds except the Park Fund. An unappropriated ending fund balance has been established in each of the above funds with the exception of the Parks Fund.

Rationale: Adequate contingency appropriations provide the City with the ability to address unforeseen circumstances that may occur in the future budget year. Any contingency not spent in a fiscal year becomes a part of the fund balance for the ensuing year.

3. Build reserves to provide for future capital improvements as well as vehicle purchases, and fund capital improvements through grants and with reserve funds to avoid increasing indebtedness whenever possible.

Rationale: Every effort must be made to plan and provide for necessary capital improvement projects as well as equipment replacements. During the planning phase, consideration must be given to funding projects with development fees, grant funds, intergovernmental revenues, user fees and excess revenues to avoid incurring long-term debt. Setting aside funds on an annual basis will provide needed revenues when vehicles and heavy equipment need to be replaced.

4. Annually review fee schedules to assure that revenues adequately support the full cost of providing the service.

Rationale: Fees should grow at a rate that keeps pace with the cost of providing the service.

5. Actively pursue grants to provide additional resources and encourage relationships with other agencies to improve funding opportunities and promote cost effectiveness.

Rationale: Utilizing supplementary resources whenever possible relieves the local citizens of some of the financial burden. Grants, as well as sharing services with other governmental entities can reduce the costs of major improvements as well as ongoing maintenance.

6. Invest and manage available funds in a manner that will assure the greatest return without compromising security or cash flow requirements.

Rationale: Utilizing available investment options will result in maximum investment income.

7. Encourage financial oversight by the Budget Committee and City Council throughout the year.

Rationale: Budget Committee Members and City Council Members should annually attend a local budget law workshop when available to provide them with a better understanding of governmental budgets and accounting issues. They should review financial reports quarterly to increase the involvement in the financial oversight of the City. The City of Talent has provided annual Budget Committee training in conjunction with the Budget Committee meetings since 2010 to assist committee members in understanding the budget process.

**City of Talent
2018-19 Annual Budget**

BUDGET PROCESS

BUDGET PREPARATION

The preparation of a budget is a lengthy process that provides the opportunity to reassess the City's plans and overall goals and the means to accomplish them. It is through this effort that the budget becomes the single most important policy document that the City produces each year.

The preparation of the budget can begin once the City Council Goal setting has been completed. Preliminary projections of City reserves and revenues and what the City can afford are assessed. The department heads are asked to estimate their expenditures for the remainder of the current year, and submit their departmental budgets for the coming year to the City Manager and Finance Director. The City Manager and Finance Director meet with the Department Heads to review their proposals and then prepare a budget that balances the needs of the departments with the available and anticipated revenues. Capital improvement projects are analyzed to ensure that they conform to the City's Five-Year Capital Improvement Program, the City Council's Policy Goals and Objectives, the City's Budget and Financial Policies and the City's Comprehensive Plan. This process has been observed in the preparation of the proposed budget. Each year the Capital Improvement Plan (CIP) will be re-evaluated to ensure that priorities are appropriate and if adjustments need to be made.

BUDGET ADOPTION

The Budget Committee, composed of an equal number of citizens and the City Council, meets publicly to review the budget document as proposed by the budget officer. City Charter designates the City Manager as the Budget Officer. Public hearings are conducted to obtain citizen comment, and notification is published in the newspaper as required as well as posting on the City's website. The Budget Committee reviews the proposed budget and either revises the proposed figures or accepts them as presented.

The budget, as approved by the Budget Committee, is then published in a newspaper of general circulation in summary form, and the full document is made available during regular business hours at the City Hall for public inspection. Prior to June 30, an advertised public hearing is held before the City Council to consider the proposed budget as approved by the Budget Committee. The City Council can make changes to the Budget and then formally adopts the budget by passage of a resolution. The Budget is prepared consistent with generally accepted accounting principles and, with the exception of the Capital Improvement Plan, appropriations lapse at the end of each fiscal year.

BUDGET AMENDMENTS

It occasionally becomes necessary to make changes to the adopted budget. There are two methods by which Oregon State Budget Law allows the City's budget to be amended should this become necessary.

The first method is to transfer budgeted amounts within a fund. This involves transfers between major categories within a department, or between departments within a fund. Transfers do not result in overall budget appropriation increases and are usually initiated by the City Manager upon a request from a Department Head. The City Council authorizes the transfer through the adoption of a resolution.

The second method results in a change in the total budget appropriation. The City Council may authorize supplemental appropriations during the year by adopting a supplemental budget. Examples of changes that would require the supplemental budget process are as follows:

- The re-appropriation of monies from one fund to another;
- The appropriation of unanticipated grant funds;
- The appropriation of proceeds from the sale of property, which necessitates the immediate purchase, construction, or acquisition of different facilities.

The supplemental budget process requires a public hearing if any one fund changes by more than 10%, published notification, and approval by the City Council.

BUDGET BASIS

The City's budgetary basis of accounting is the same basis of accounting used to prepare financial statements in conformity with generally accepted accounting principles, with the exception of depreciation expense.

The City of Talent prepares the budget using the cash basis of accounting for Governmental Funds and Enterprise Funds. All adjustments will be made as of June 30th of the fiscal year. Under this accounting method, revenues are recognized in the period in which they are actually received. Expenditures are recognized in the period when they are paid.

The budget is adopted by major categories so that legal appropriation controls will be at the summary levels in categories rather than on individual line items. This allows some flexibility in the use of various line items within a major category while at the same time maintaining an appropriate control of expenditures.

**City of Talent
2018-19 Annual Budget**

HOW TO USE THE BUDGET

The budget document serves two distinct purposes. One is to present the City Council and citizens with a clear picture of the services, and cost of those services, that the City provides. The other purpose is to provide City management with a financial and operating plan that conforms to the City's accounting system and directs their activities for the ensuing year.

The **Budget Message** provides an overview of the key policy issues and programs in the budget, and presents major areas of emphasis for the City.

The **Schedules and Summaries** provide the operating and financial plan.

The **General Fund** contains General Fund revenue and expenditure summaries. It also provides detailed revenue and expenditure information, department descriptions, staffing levels, service level objectives and prior year accomplishments for all departments within the General Fund.

The **Special Revenue Funds** provides revenue and expenditure summaries for all Special Revenue Funds. It also provides detailed revenue and expenditure information, department descriptions, staffing levels, service level objectives and prior year accomplishments for all departments within each Special Revenue Fund.

The **Debt Service Funds** contains information on the resources accumulated for and the payment of general long-term debt.

The **Enterprise Fund** contains revenue and expenditure summaries for the City's Enterprise Fund. It also provides detailed revenue and expenditure information, department descriptions, staffing levels, service level objectives and prior year accomplishments for all departments within the Enterprise Funds. Only the Water Utility Fund qualifies for designation as an Enterprise Fund.

The **Capital Improvement Fund** contains the City's Five-Year Capital Improvement Program, and includes all the projects that have been designated for implementation in the coming fiscal year. This fund will have categories of General, Street, Park, Storm Drain and Water, and within these categories specific projects will be identified. This fund will also include Equipment Reserves for the Police Department under the General Fund program and an Equipment Reserve under each of the Street and Water Department programs. Monies transferred into the Capital Improvement Fund will remain for specified purposes until that project has been implemented or the City determines to reallocate those funds for a different project within that program area.

The **Appendix** includes the community profile, the departments and programs with staffing allocations, the City tax rate comparison chart for the current and previous fiscal years, information on the state property tax structure and how it impacts property tax revenues, and a glossary of terms to help clarify some of the budget terminology, and budget related resolutions. The community profile provides a brief overview of the history, location, demographics and economic condition of the City to provide some insight to help individuals put Talent's budget into perspective. A large portion of this Profile is based on the 2010 U.S. Census data.

GOVERNMENTAL FUNDS

General Fund: The General Fund is the City's general operating fund, and it accounts for the administrative, community development, police protection and municipal court and other functions of the City. Principal sources of cash consist of license and permit fees, franchise fees, fines and forfeitures, intergovernmental revenue, investment income and property taxes.

Administration is funded from the property tax, franchise fees and intergovernmental revenues. Major expenses are for contract services, utilities, assessments, and salary related expenses. The maintenance of City Hall, the Town Hall, Community Center, Depot and the property at 105 N. Market Street are included under administration. Rental income and reimbursable expenditures are included where appropriate.

Community Development receives funding from licenses, permits and fees, intergovernmental revenues and other sources. Major expenses are for contract services and salary related expenses. The accounting for the building inspection program, municipal code enforcement program and storm water and floodplain management programs are included within this department. The City contracts with Jackson County to provide the inspection services.

Police protection costs are funded from property tax revenues, dedicated public safety surcharge, fines and forfeitures, intergovernmental and miscellaneous revenues. Major expenses for this department are salary related. The other large expense is the contract with ECSO for providing 24-hour dispatching services.

Special Revenue Funds: Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

The **Parks Fund** accounts for park maintenance and activities. The Park Utility Fee, adopted by Ordinance in 2005, became effective in early 2006.

A portion of the City's share of the State of Oregon's gas tax revenues are accounted for in this fund. This revenue is restricted to bicycle path and sidewalk maintenance and improvements.

The ***Street Fund*** accounts for the City's share of the State of Oregon's special gas tax revenues and for transportation and storm drain utility fees. This revenue is restricted to street related maintenance and repair, including sidewalks and storm drains. Funding from special assessments, intergovernmental and miscellaneous revenues also support street related activities.

The ***Library Supplemental Operations Fund*** was established in FY2008 to provide monies to augment the hours of operation for the Jackson County Library located in Talent. The source of these funds come from the Library Surcharge and has allowed for an additional 20 hours a week of operation at the library. The Library System is now operated by the Library Service District. This fund was closed in FY2015.

The ***Park System Development Charge Fund*** was established in accordance with state law to account for Park System Development Charges that are designated to finance the construction, extension or enlargement of parks and recreation facilities. When projects have been identified, these funds will be transferred to the Capital Improvement Fund for a specific purpose.

The ***Street System Development Charge Fund*** was established in accordance with state law to account for Street System Development Charges that are designated to finance the construction, extension or enlargement of the City's street system. When projects have been identified, these funds will be transferred to the Capital Improvement Fund for a specific purpose.

The ***Water System Development Charge Fund*** was established in accordance with state law to account for Water System Development Charges that are restricted for expansion of the water system infrastructure. When projects have been identified, monies will be transferred to the Capital Improvement Fund for a specific purpose.

The ***Storm Drain Development Charge Fund*** was established in accordance with state law to account for Storm Drain Development Charges that are restricted for expansion of the storm drain system infrastructure. When projects have been identified, monies will be transferred to the Capital Improvement Fund for a specific purpose.

The **TAP Operations Fund** is a fund established in 2007 to account for the operations of the TAP (Talent, Ashland & Phoenix) joint ownership of the Samike Regional Pump Station and the purchase of water, electricity, insurance and other repair and maintenance expenses shared by the

cities in providing water to their respective City customers. Currently Talent and Phoenix are accessing water from this system owned by the Medford Water Commission. The City of Ashland connected to the TAP system in 2014 and is now receiving water through the TAP system during the summer months. Revenues for this fund came from the cities of Phoenix and Ashland, and transfers from the Talent Water Utility Fund. This fund was closed in FY2015.

Debt Service Funds: These funds account for the accumulation of resources for the payment of general long-term debt principal and interest. The principal sources of revenues are property taxes, assessments and earnings on investments.

The ***General Obligation Debt Service Fund*** was established to account for bonds and interest payments paid for through general fund revenues. The Police Station Renovation Project bond payments are accounted for in this fund.

The ***West Valley View Debt Service Fund*** was established to account for the bond and interest payments related to a limited tax improvement bond that was issued to finance the capital improvements related to the West Valley View Local Improvement District. Bond and interest payments are made with revenues received from special assessments, investment earnings and funds transferred from the General Fund.

PROPRIETARY FUND

Enterprise Fund: This fund accounts for the operations of the City that are financed and operated with the intent that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The ***Water Utility Fund*** accounts for all activities related to operating the water system of the City. Revenue is derived from charges for services to water users and investment earnings.

The Water Fund also accounts for debt service issues that include: 1) a 40-year loan from the U.S. Department of Agriculture, issued as a water revenue bond by the Rural Development Agency used to finance the water inter-tie project. This water revenue bond was refunded in April 2013, paying off the USDA loan. The 2013 LOCAP Bond will mature in 2036. 2) A 30-year Oregon Economic and Community Development Department loan used to finance a portion of the funding for the inter-tie project.

RESOLUTION NO. 2018-978-R

RESOLUTION ADOPTING THE BUDGET

BE IT RESOLVED that the City Council of the City of Talent hereby adopts the budget for fiscal year 2018-19 in the sum of **\$13,098,549**. This budget is now on file at City Hall, 110 E. Main Street, Talent, Oregon.

RESOLUTION MAKING APPROPRIATIONS

BE IT RESOLVED that the amounts for the fiscal year beginning July 1, 2018, and for the purposes shown below are hereby appropriated as follows:

General Fund

Personal Services	\$	1,707,441
Materials & Services		647,330
Capital Outlay		18,300
Debt Service		496,465
Transfers		30,300
Contingency		365,000
Total Appropriation	\$	3,264,836
Unappropriated	\$	334,054
Fund Total	\$	3,598,890

Park Fund

Personal Services	\$	112,400
Materials & Services		61,700
Capital Outlay		1,500
Transfers		-
Contingency		50,000
Total Appropriation	\$	225,600
Unappropriated	\$	46,900
Fund Total	\$	272,500

Street Fund

Personal Services	\$	329,392
Materials & Services		214,050
Capital Outlay		2,000
Debt Service		51,425
Transfers		37,060
Contingency		200,000
Total Appropriation		833,927
Unappropriated		245,573
Fund Total	\$	1,079,500

Water Utility Fund

Personal Services	\$	523,500
Materials & Services		631,150
Capital Outlay		2,000
Debt Service		307,315
Transfers		27,500
Contingency		300,000
Total Appropriation	\$	1,791,465
Unappropriated	\$	327,035
Fund Total	\$	2,118,500

TAP Operations Fund

Materials & Services	\$	-
Contingency	\$	-
Total Appropriation	\$	-

Systems Development Charges Fund

Transfers		35,000
Total Appropriation		35,000
Reserve		1,198,700

Capital Improvement Projects Fund

Capital Outlay		4,659,860
Total Appropriation	\$	4,659,860
Reserve	\$	-
Fund Total	\$	4,659,860

West Valley View Debt Fund

Debt Service	\$	-
Total Appropriation	\$	-
Reserved for Future Expenditure	\$	-
Fund Total	\$	-

**General Obligation Debt Service Fund
Police Department Building Renovation**

Debt Service	\$	95,600
Total Appropriation	\$	95,600

Summary

Total Appropriations, All Funds	\$	10,906,287
Total Unappropriated & Reserve Amounts, All Funds		2,152,262
Total Adopted Budget	\$	13,058,549

RESOLUTION IMPOSING THE TAX

BE IT RESOLVED that the following ad valorem property taxes are hereby imposed for tax year 2018-19 upon the assessed value of all taxable property within the district:
 (1) at the rate of \$3.2316 per \$1000 of assessed value for permanent rate tax
 (2) in the amount of \$95,600 for debt service for general obligation bonds

RESOLUTION CATEGORIZING THE TAX


BE IT RESOLVED that the taxes imposed are hereby categorized for purposes of Article XI section 11b as:

	General Government Limitation
Permanent Rate Tax	\$3.2316/\$1,000
	Excluded from Limitation
General Obligation Bond Debt Service	\$98,734

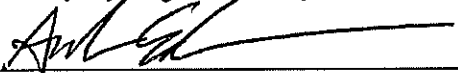
The above resolution statements were approved and declared adopted on this 6th day of June, 2018, by the following vote:

AYES: **4** NAYS: 0 ABSTAIN: 0 ABSENT: **2**

Attest:



 Darby Ayers Flood, Mayor



 City Recorder and Custodian of City Records

**City of Talent
2018-19 Annual Budget**

FUND SUMMARIES

Included in this section are several different summary charts that will provide an overview of information contained in other sections of the Budget Report.

Summary of Revenue and Expenditures - These summary pages indicate the totals of all the City Funds and reflect the total anticipated revenue and expenditures less Interfund Transfers for the fiscal year. These reports can provide the best source of information as to the total that the City expects to receive from various income sources (i.e. taxes fines, assessments) and the totals in expenditures (i.e. Personnel Services, Materials & Services, and Capital Outlay).

Fund Balance Trends - This report provides a history of the beginning fund balances since fiscal year 2013-14. This is relevant information as the City is dependent on these fund balance carryovers to begin the next fiscal year. The source of the fund balance is the net of revenues from expenditures at the end of the prior year. The line item that remains constant is the "Contingency". The contingency usually remains unspent unless an unforeseen expense occurs that cannot be absorbed within the other operating funds. The City has established a minimum 15% of expenditures contingency for each operating fund and an unappropriated ending fund balance where available.

Interfund Transfers for All Funds and By Fund – This report provides a summary of the total of transfers from each fund and indicates where the money is coming from and going to. The journal transfer of these funds takes place during the fiscal year and is completed by the Assistant Finance Director by June 30th of each year. Exceptions may occur where there are insufficient funds to make such a transfer or it is determined that the transfer is no longer needed.

**INTERFUND TRANSFERS ALL FUNDS
FISCAL YEAR 2018-19**

TRANSFER FROM:	AMOUNT	TRANSFER TO:	AMOUNT
		P#013 - Police Dept Vehicle Reserve	15,300
		P#014 - Town Hall Repair Reserve	2,500
		P#016 - City Hall Bldg Maint Reserve	5,000
		P#017 - PD Building Maint Reserve	5,000
		P#018 - Community Center Bldg Maint Reserve	2,500
General Fund-Projects	\$ <u>(30,300)</u>	Total CIP	<u>30,300</u>
		P#012 - Public Works Equipment	5,000
Park Fund-Projects	<u>(41,000)</u>	CIP Parks Reserve	36,000
		Total CIP	<u>41,000</u>
		P#021 - Hwy 99 Street Improvements	24,560
Street/Storm Fund - Projects	<u>(37,060)</u>	P#012 - Public Works Equipment	12,500
		Total CIP	<u>37,060</u>
SDC Transportation	0		
SDC Storm Drain	(35,000)		
SDC Water	0		
SDC Parks	0	P#052 - CIP Storm Drain Projects	35,000
Total SDC Funds	<u>(35,000)</u>	Total CIP	<u>35,000</u>
		P#047 - TAP Long Term Maintenance	15,000
Water Fund	<u>(27,500)</u>	P#012 - Public Works Equipment	12,500
		Total CIP	<u>27,500</u>
TOTAL TRANSFER OUT	\$ <u>(170,860)</u>	TOTAL TRANSFER IN	<u>170,860</u>
NET TOTAL BUDGET TRANSFERS			0.00

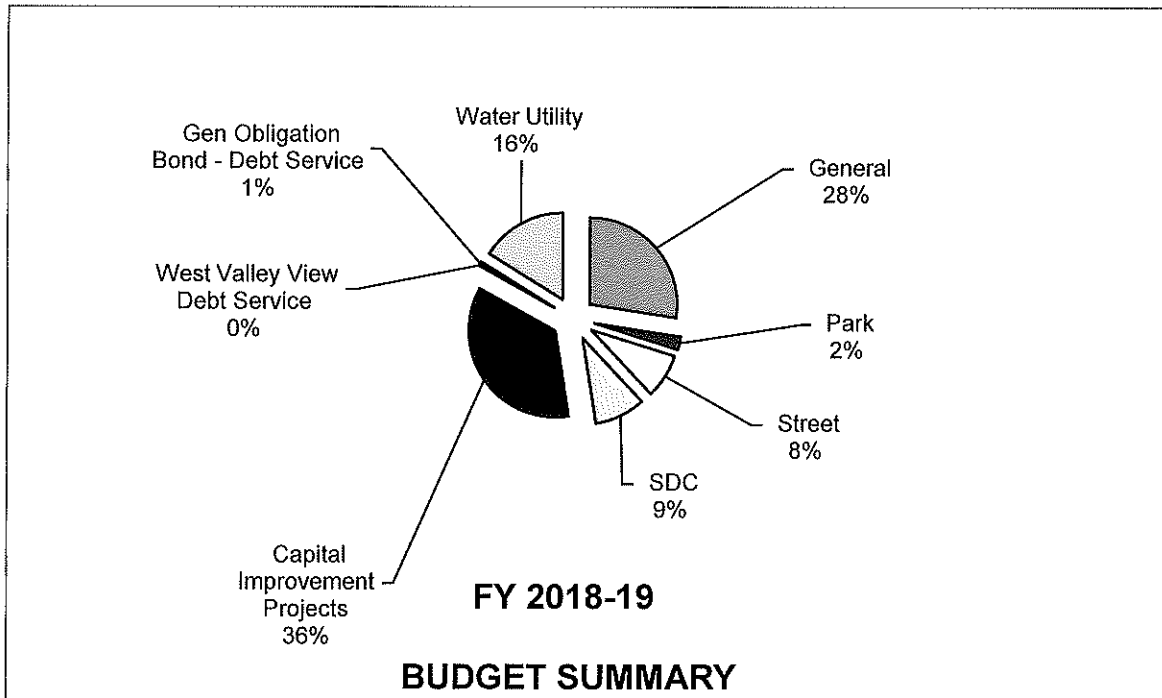
FULL-TIME EQUIVALENT PROGRAM ALLOCATION

FY 2018-19 Budget

	<u>Admin</u>	<u>Comm Dev</u>	<u>Police</u>	<u>Parks & Rec</u>	<u>Parks Maint</u>	<u>Streets</u>	<u>Water Utility</u>	<u>Total FTE Per Job Classification</u>
City Manager	0.45	0.10	0.10			0.20	0.15	1.00
Finance Director	0.70					0.05	0.25	1.00
City Recorder/Executive Assistant	0.70	0.10				0.05	0.15	1.00
Assist. Finance Director	0.70					0.05	0.25	1.00
Clerk 1-Receptionist	0.20	0.05				0.05	0.70	1.00
Clerk II	0.10						0.90	1.00
Community Development Director		1.00						1.00
Community Development Assistant		1.00				-		1.00
Police Chief			1.00					1.00
Lieutenant			1.00					1.00
Corporal			1.00					1.00
Patrol Officer			5.00					5.00
Police Clerk			1.63					1.63
PW Director	-				0.15	0.43	0.43	1.00
PW Superintendent	-				0.08	0.46	0.46	1.00
Maint. Spec 1					0.08	0.25	0.67	1.00
Maint. Spec 1					0.08	0.25	0.67	1.00
Maint. Spec 1					0.50	0.40	0.10	1.00
Maint. Spec 1					0.10	0.68	0.23	1.00
Total FTE Per Program	2.85	2.25	9.73	-	0.99	2.86	4.95	23.63

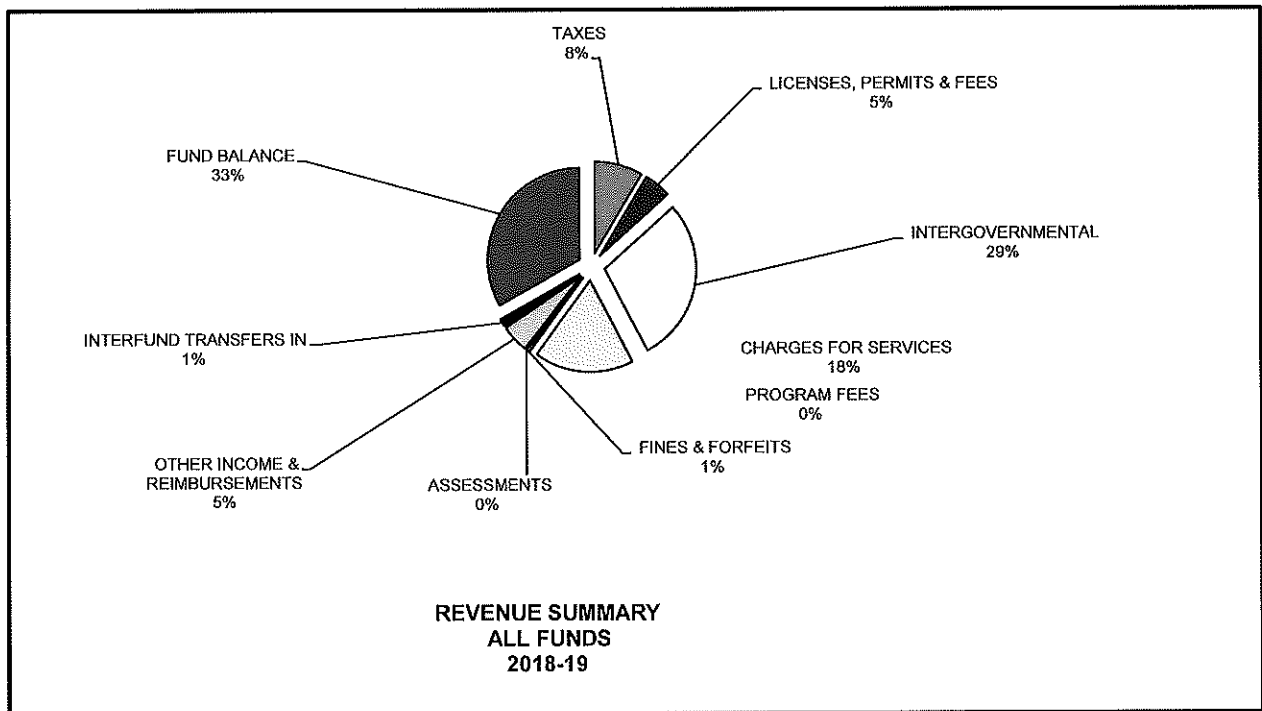
BUDGET SUMMARY BY FUND COMPARISON

	FY 2017-18 Budget	FY 2018-19 Budget	FY 2018-19 as a % of Total Budget	FY 2018-19 Increase/ (Decrease) From FY 2017-18
General	3,143,225	3,597,889	27.5%	14.5%
Park	171,700	313,500	2.4%	82.6%
Street	944,100	1,079,500	8.2%	14.3%
SDC	1,266,950	1,233,700	9.4%	-2.6%
Capital Improvement Projects	1,882,612	4,659,860	35.6%	147.5%
West Valley View Debt Service	26,438	-	0.0%	-100.0%
Gen Obligation Bond - Debt Service	89,065	95,600	0.7%	7.3%
Water Utility	2,023,500	2,118,500	16.2%	4.7%
TOTAL BUDGET	9,547,590	13,098,549	100.0%	37.2%



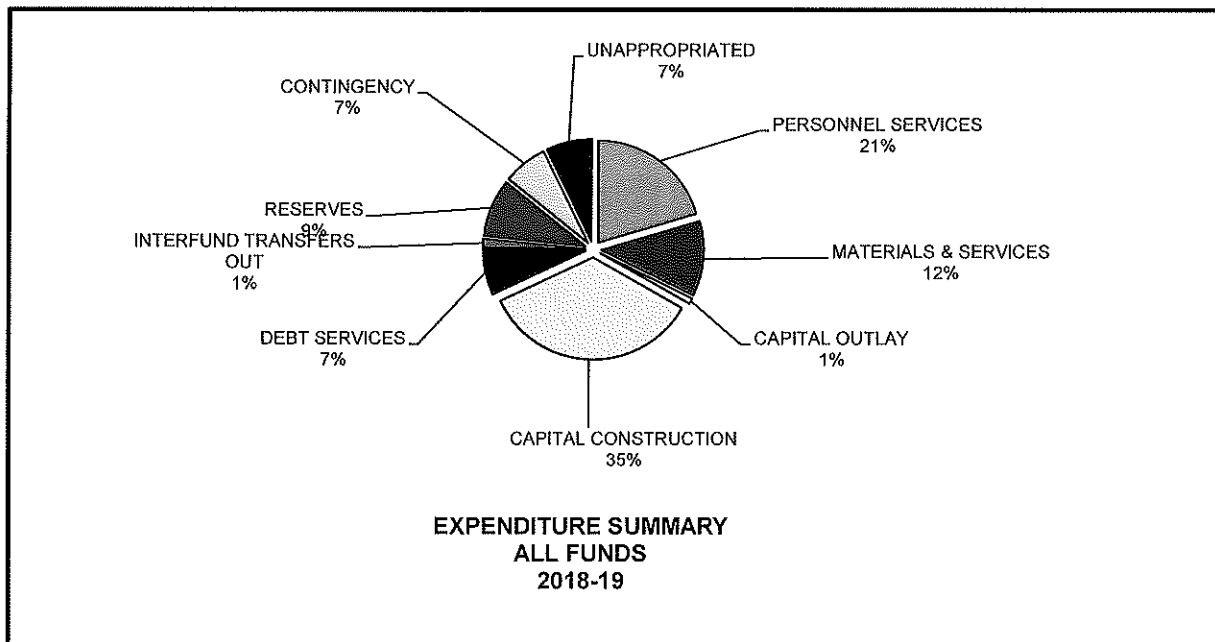
SUMMARY OF REVENUES BY CATEGORY
For Fiscal Year 2018-19
ALL FUNDS

Actual FY15-16	Actual FY16-17	Adopted FY 17-18	REVENUE	Proposed FY18-19	Approved FY18-19	Adopted FY18-19
1,013,395	1,043,442	1,062,665	TAXES	1,113,600	1,113,600	1,113,600
607,873	594,969	643,000	LICENSES, PERMITS & FEES	628,000	628,000	628,000
1,508,486	583,588	599,986	INTERGOVERNMENTAL	3,808,000	3,808,000	3,808,000
2,058,277	2,037,245	2,096,000	CHARGES FOR SERVICES	2,318,400	2,318,400	2,318,400
873	120	-	PROGRAM FEES	-	-	-
80,280	84,068	70,500	FINES & FORFEITS	70,500	70,500	70,500
9,575	18,822	9,567	ASSESSMENTS	-	-	-
338,818	754,569	836,511	OTHER INCOME & REIMBURSEMENTS	635,789	635,789	635,789
495,000	317,500	572,696	INTERFUND TRANSFERS IN	170,860	170,860	170,860
5,075,892	4,760,967	4,160,351	FUND BALANCE	4,353,400	4,353,400	4,353,400
11,188,468	10,195,290	10,051,276	GRAND TOTAL ALL FUNDS	13,098,549	13,098,549	13,098,549
495,000	317,500	572,696	Less Interfund Transfers In	170,860	170,860	170,860
10,693,468	9,877,790	9,478,580	NET TOTAL ALL FUNDS	12,927,689	12,927,689	12,927,689



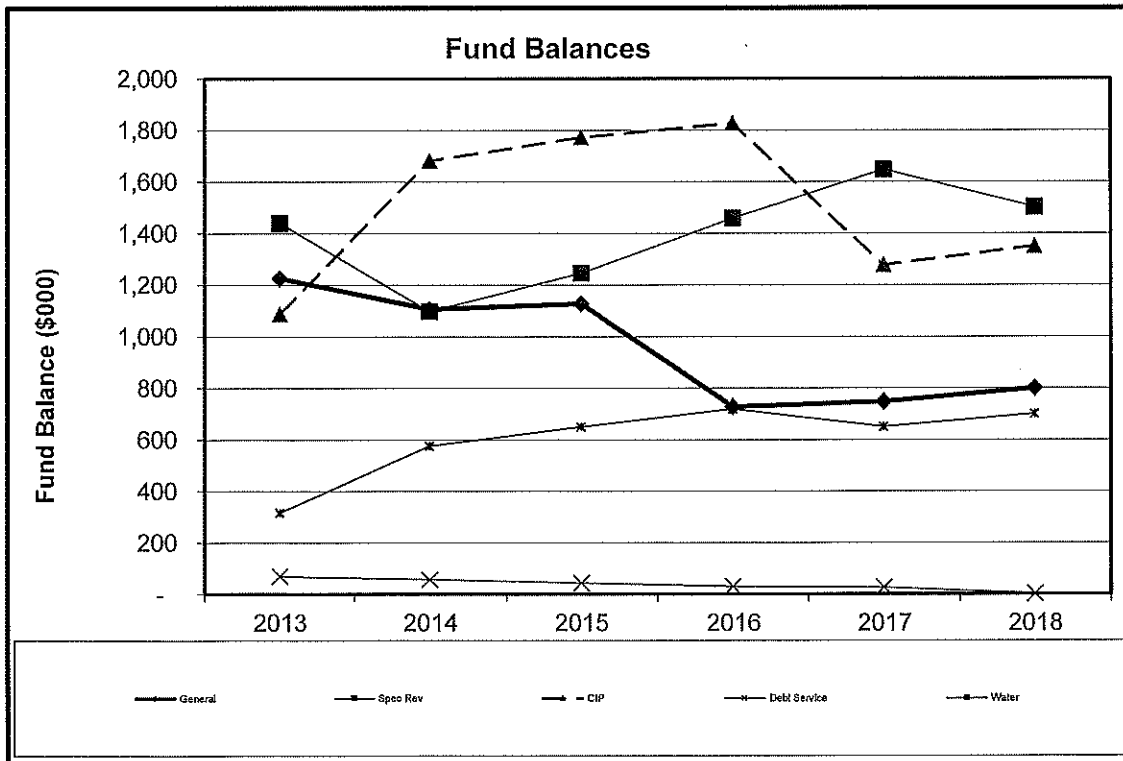
SUMMARY OF EXPENDITURES BY CATEGORY
 For Fiscal Year 2018-19
 ALL FUNDS

Actual FY15-16	Actual FY16-17	Adopted FY17-18		Proposed FY18-19	Approved FY18-19	Adopted FY18-19
2,261,262	2,448,199	2,606,200	PERSONNEL SERVICES	2,672,733	2,672,733	2,672,733
1,546,259	1,787,361	1,669,200	MATERIALS & SERVICES	1,554,230	1,554,830	1,554,830
44,234	61,747	88,081	CAPITAL OUTLAY	121,800	121,800	121,800
1,474,765	814,752	1,810,111	CAPITAL CONSTRUCTION	4,561,860	4,561,860	4,561,860
414,960	470,154	977,214	DEBT SERVICES	949,805	949,805	949,805
733,800	317,500	572,696	INTERFUND TRANSFERS OUT	170,860	170,860	170,860
-	10,265	882,900	RESERVES	1,198,700	1,198,700	1,198,700
-	-	1,223,300	CONTINGENCY	915,000	915,000	915,000
-	-	221,574	UNAPPROPRIATED	953,562	952,962	952,962
6,475,280	5,909,978	10,051,276	GRAND TOTAL- ALL FUNDS	13,098,549	13,098,549	13,098,549
733,800	317,500	572,696	Less Interfund Transfers Out	170,860	170,860	170,860
5,741,480	5,592,478	9,478,580	NET TOTAL - ALL FUNDS	12,927,689	12,927,689	12,927,689



FUND BALANCE TRENDS

INDIVIDUAL FUNDS	July 2013	July 2014	July 2015	July 2016	July 2017	July 2018
	Actual	Actual	Actual	Actual	Actual	Budget
General	1,225,810	1,106,467	1,127,454	727,784	748,009	800,000
Library Operations	17,924	17,385	-	-	-	-
Park	68,854	26,778	22,959	46,924	60,829	80,000
Street	417,464	348,472	384,574	366,205	391,560	400,000
Water Debt Service Reserve	236,703	-	-	-	-	-
SDC	699,513	705,262	837,994	1,045,486	1,195,072	1,021,400
Capital Improvement Projects	1,087,045	1,681,001	1,772,646	1,826,313	1,276,786	1,350,000
General Obligation Debt Service	6,055	3,777	5,379	5,237	4,898	2,000
West Valley View Debt Service	63,675	52,351	37,823	24,234	20,921	-
Water Utility	316,618	533,790	650,864	718,783	650,372	700,000
TAP Operations Fund	5	42,002	-	-	-	-
Totals	4,139,666	4,517,284	4,839,694	4,760,967	4,348,447	4,353,400
TOTAL BUDGET						
GROUPED FUNDS						
General Fund (Unrestricted use fund)	1,225,810	1,106,467	1,127,454	727,784	748,009	800,000
Special Revenue (Funds dedicated by Statute or Ordinance for a special purpose - Library, Park, Street, System Dev., and Water Debt Serv. Resv. Funds)	1,440,457	1,097,897	1,245,527	1,458,615	1,647,461	1,501,400
Capital Projects Funds (Funds reserved through budget process for specific capital improvement projects)	1,087,045	1,681,001	1,772,646	1,826,313	1,276,786	1,350,000
Debt Service Funds (Funds set aside to pay current and future debt - West Valley View LID and General Obligation Bond debt fund.)	69,729	56,128	43,202	29,471	25,819	2,000
Enterprise Funds (Water Utility Fund)	316,623	575,791	650,864	718,783	650,372	700,000
Totals	4,139,666	4,517,284	4,839,694	4,760,967	4,348,447	4,353,400



**City of Talent
2018-19 Annual Budget**

GENERAL FUND

The General Fund includes all Administration, City Council, Committees and Commissions, Community Development and Police services. The Administration heading includes the City Manager's office, City Recorder, IT Director and Finance Department. The maintenance of the City Hall, Town Hall, Community Center, Historical Society and the Depot buildings are included as well. Throughout this budget, Town Hall refers to the existing historic building at 206 East Main Street. Community Center refers to the new building directly behind City Hall. The Community Development Department includes the Community Development Director and staff as well as the building inspection program, municipal code enforcement, and storm water and flood plain management. The City contracts with Jackson County to provide building inspection services. The Police Department includes all police activities.

Revenues – In the current fiscal year, the City has seen slower than normal development related revenues due to a lack of buildable land. With the Community Development Department working on amending the Urban Grown Boundary, more land should be available in the next 3-5 years. The Dedicated Public Safety Surcharge, established in FY2008-09 no longer provides an adequate source of funding for the Police Department. The City Council is to review the need for the Public Safety Surcharge funding on a biennial basis and there will likely be a request for an increase.

The major sources of revenue within the General Fund are the beginning fund balance, property taxes, franchise fees, building fees and state shared revenue. Franchise fees are an assessment on utilities who sell their services within the City limits. The fee is a calculated percentage of revenue agreed upon by the City and the utility. As the utility rates increase, the fees collected on behalf of the City go up as well. Most franchise fees come from Avista, Century Link, Charter, Pacific Power, Recology Ashland Sanitary and the City's Water Utility. Pacific Power franchise fees increased from 5% to 7% in March 2018.

All traffic citations are issued into the Jackson County Justice Court. The City has seen a decrease in fine revenue along with an offsetting decrease in court associated expenditures after outsourcing all fine collection and court duties to Jackson County.

Expenditures - Administration – Included in administration are the City Manager's office, Finance Department, City Hall operations, Council expenses, Town Hall expenses, Community Center, Depot Building and the 105 Market Street property that houses the Historical Society. Depot Building rents were established to cover utility expenses and property taxes. The Market Street property rent was set low to help support the Historical Society and it does not begin to cover the costs of maintaining the building.

Harvest Festival - The City of Talent's premier day of fun and festivities, including music, parades, food, libations, children events such as the climbing wall and street art all come together for this event that has occurred in Talent for over 40 years. Funding of \$14,000 from booth rentals and donations will cover the majority of the costs with the exception of staff time for this annual event.

City Committees - The City provides support to various city committees under the direction of the City Council. Committees do not have purchasing authority and all purchases must be approved by the City Council, submitted to the City Manager for processing and made according to the City's Purchasing Rules and Regulations.

Expenditures - Community Development - The two largest expenses in the Community Development Office are personnel and the Building Inspection Program. The City's Building Inspection Program is contracted through the Jackson County Building Division where building inspection services are provided while all clerical responsibilities are handled by Community Development. Community Development also houses the Planning Department which coordinates long and short range land use activities with the City Council and Planning Commission. Lastly, Community Development administers the code enforcement program, ensuring that all land use ordinances and City regulations are followed and enforced.

Expenditures - Police Department – The Police Department represents 56% of the General Fund Budget for FY2018-19. This is an increase from 55% in FY2017-18. The Police Department is able to provide 24/7 police services for the City. Police calls for service usually range between 3,800 and 3,900 per year.

The City established a General Fund transfer to Vehicle Reserve Fund for police vehicles to allow the purchase of vehicles and specialized equipment. The City plans to transfer \$15,300 to the Reserve in FY2018-19 to make the lease payment on a new vehicle that was purchased under a lease-to-own option in FY2017-18. The City will seek to continue an every two/three year vehicle replacement cycle in order to replace older high mileage vehicles. Good quality, low mileage used vehicles are purchased when the opportunity arises.

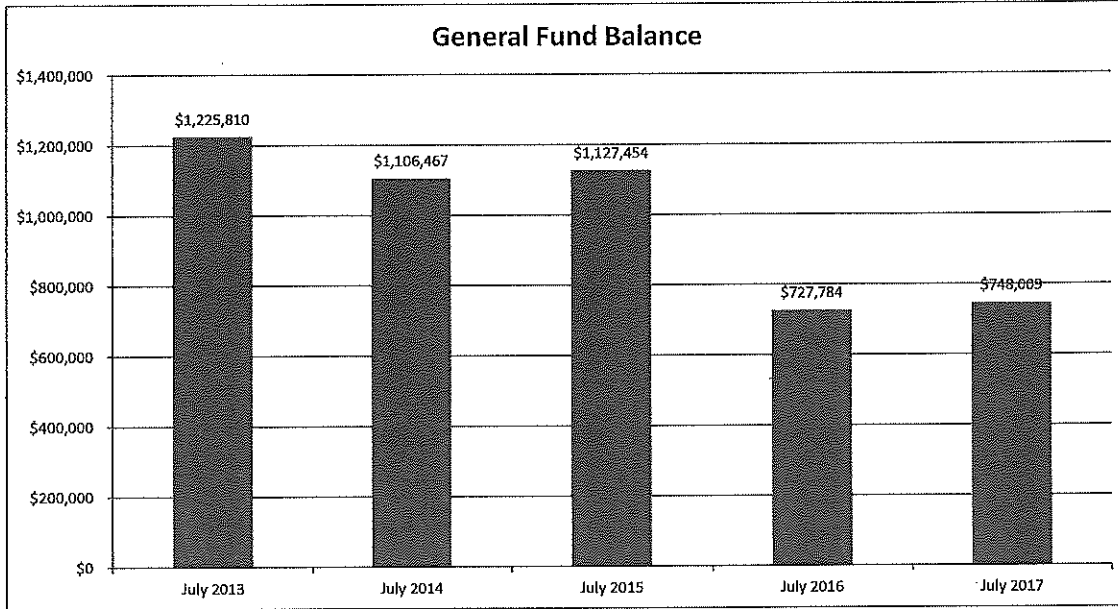
Interfund Transfers – General Fund:

The following transfers from the General Fund totaling \$30,300 are planned for FY2018-19.

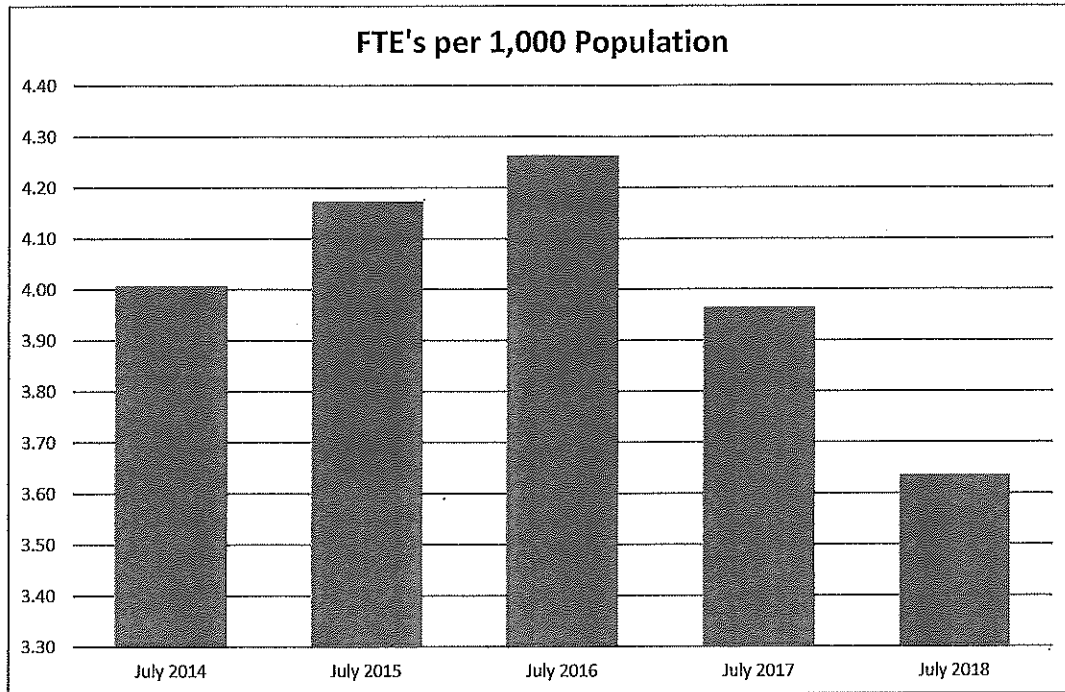
To CIP Fund – \$30,300

- Building Reserves – \$15,000
- Police Vehicles (P#013) - \$15,300

General Fund Balance Trend



	<u>July 2013</u>	<u>July 2014</u>	<u>July 2015</u>	<u>July 2016</u>	<u>July 2017</u>
General Fund Balance	\$1,225,810	\$1,106,467	\$1,127,454	\$727,784	\$748,009
General Fund Unreserved Balance as a % of Total Revenue	20.86%	17.28%	19.91%	13.97%	14.07%
Total Budgeted City Revenues	\$5,877,083	\$6,402,985	\$5,663,115	\$5,207,815	\$5,318,229



	<u>July 2014</u>	<u>July 2015</u>	<u>July 2016</u>	<u>July 2017</u>	<u>July 2018</u>
FTE's per 1,000 Population	4.01	4.17	4.26	3.97	3.64
Full Time Employees	25	26	27	25	23
Population	6,170	6,230	6,270	6,305	6,325

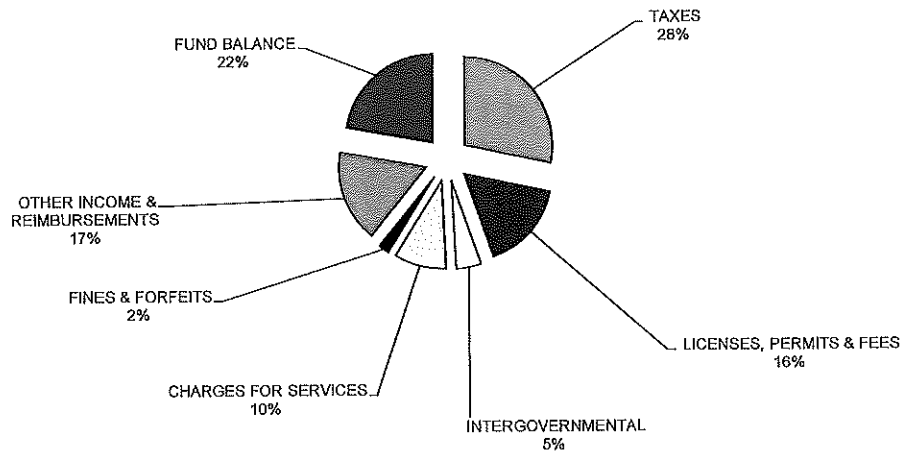
Note: July 2012 Population declined due to 2010 Census Data

July 2013 Information Technology Administrator position hired in-house, formerly contracted under Computer Technology Services

July 2014 Community Development Director position hired in-house, formerly contracted under Business Consulting Services

REVENUE SUMMARY
 For Fiscal Year 2018-19
 GENERAL FUND
 BY CATEGORY

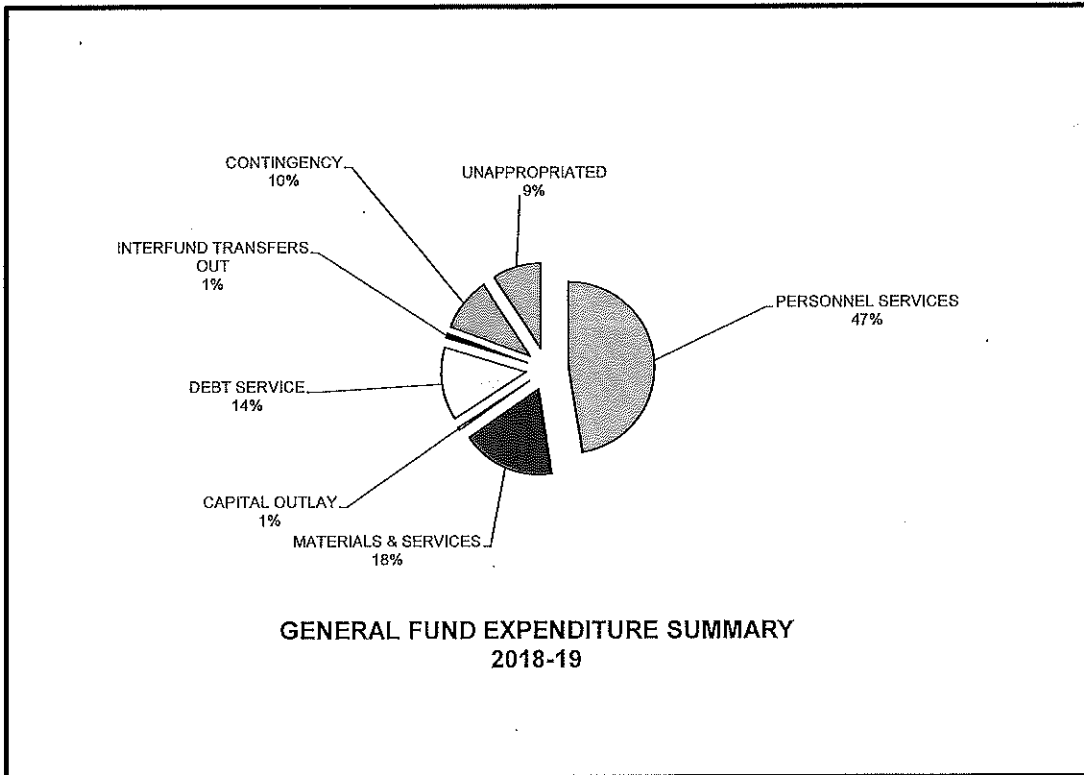
Actual FY15-16	Actual FY16-17	Adopted FY17-18	REVENUE	Proposed FY18-19	Approved FY18-19	Adopted FY18-19
936,780	961,976	976,000	TAXES	1,020,000	1,020,000	1,020,000
581,830	540,563	606,000	LICENSES, PERMITS & FEES	588,000	588,000	588,000
144,685	197,458	178,300	INTERGOVERNMENTAL	165,500	165,500	165,500
272,496	261,496	313,000	CHARGES FOR SERVICES	345,000	345,000	345,000
80,280	84,068	70,500	FINES & FORFEITS	70,500	70,500	70,500
321,501	713,887	826,111	OTHER INCOME & REIMBURSEMENTS	608,889	608,889	608,889
1,127,454	727,784	677,000	FUND BALANCE	800,000	800,000	800,000
3,445,026	3,487,232	3,646,911	GRAND TOTAL REVENUES	3,597,889	3,597,889	3,597,889
-	-	-	Less Interfund Transfers In	-	-	-
3,445,026	3,487,232	3,646,911	NET TOTAL REVENUES	3,597,889	3,597,889	3,597,889



GENERAL FUND REVENUE SUMMARY
 2018-19

EXPENDITURE SUMMARY
 For Fiscal Year 2018-19
 GENERAL FUND
 BY CATEGORY

Actual FY15-16	Actual FY16-17	Adopted FY17-18	EXPENDITURES	Proposed FY18-19	Approved FY18-19	Adopted FY18-19
1,537,765	1,667,236	1,725,100	PERSONNEL SERVICES	1,707,441	1,707,441	1,707,441
869,836	1,072,268	820,250	MATERIALS & SERVICES	647,330	647,930	647,930
2,529	4,100	11,600	CAPITAL OUTLAY	18,300	18,300	18,300
-	-	-	DEBT SERVICE	495,465	495,465	495,465
276,000	59,500	20,460	INTERFUND TRANSFERS OUT	30,300	30,300	30,300
-	-	450,000	CONTINGENCY	365,000	365,000	365,000
-	-	115,815	UNAPPROPRIATED	334,054	333,454	333,454
2,686,129	2,803,104	3,143,225	GRAND TOTAL EXPENDITURES	3,597,889	3,597,889	3,597,889
276,000	59,500	20,460	Less Interfund Transfers Out	30,300	30,300	30,300
2,410,129	2,743,604	3,122,765	NET TOTAL EXPENDITURES	3,567,589	3,567,589	3,567,589



EXPENDITURE SUMMARY & ANALYSIS
Proposed Budget for FY 2018-19
GENERAL FUND
BY DEPARTMENT AND CATEGORY

	COUNCIL, DEPOT, TOWN		COMMUNITY	POLICE	NON-	TOTALS
	ADMINISTRATION	HALL, COMM CTR & COMMISSONS	DEVELOPMENT		DEPARTMENTAL	
PERSONNEL SERVICES	356,800	12,300	243,266	1,095,075	-	1,707,441
MATERIALS AND SERVICES	165,600	88,683	124,497	278,550	-	647,330
CAPITAL OUTLAY	5,000	500	2,500	10,300	-	18,300
DEBT SERVICE	495,465	-	-	-	-	495,465
TRANSFERS TO OTHER FUNDS	-	-	-	-	30,300	30,300
CONTINGENCY	-	-	-	-	365,000	365,000
UNAPPROPRIATED ENDING FUND BALANCE	-	-	-	-	334,054	334,054
TOTALS	1,012,865	101,483	370,263	1,383,925	729,354	3,597,889
LESS DEBT SERVICE, TRANSFERS & CONTINGENCY						(1,224,819)
NET TOTAL (Operating Budget)						2,373,070
Prior Year Net Operating Budget						2,556,950
Increase / - Decrease						-7.2%

GENERAL FUND EXPENDITURE ANALYSIS
FY 2018-19 Proposed Budget, Net of Transfers and Contingency

Table 1: Budget by Departments

ADMINISTRATION (excluding TURA Loan)	517,400	22%
COUNCIL, DEPOT, COMM HALL & COMM CTR.	101,483	4%
COMMUNITY DEVELOPMENT	370,263	16%
POLICE	1,383,925	58%
TOTAL	2,373,070	100%

Table 2: Budget by Categories

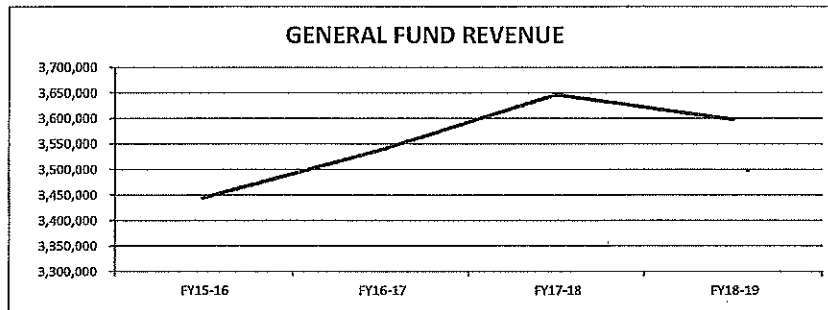
PERSONNEL SERVICES	1,707,441	72%
MATERIALS AND SERVICES	647,330	27%
CAPITAL OUTLAY	18,300	1%
TOTAL	2,373,070	100%

Table 3: Department Budgets by Categories

Administration		
PERSONNEL SERVICES	356,800	69%
MATERIALS AND SERVICES	155,600	30%
CAPITAL OUTLAY	5,000	1%
TOTAL	517,400	100%
Council, Depot, Community Hall & Community Center		
PERSONNEL SERVICES	12,300	12%
MATERIALS AND SERVICES	88,683	87%
CAPITAL OUTLAY	500	0%
TOTAL	101,483	100%
Community Development		
PERSONNEL SERVICES	243,266	65%
MATERIALS AND SERVICES	124,497	34%
CAPITAL OUTLAY	2,500	1%
TOTAL	370,263	100%
Police		
PERSONNEL SERVICES	1,095,075	79%
MATERIALS AND SERVICES	278,550	20%
CAPITAL OUTLAY	10,300	1%
TOTAL	1,383,925	100%

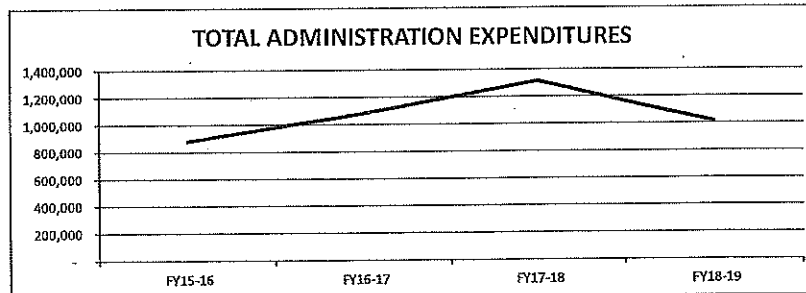
GENERAL FUND

Actual FY15-16	Actual FY16-17	Adopted FY17-18	REVENUES	Proposed FY18-19	Approved FY18-19	Adopted FY18-19
1,127,454	727,784	677,000	FUND BALANCE	800,000	800,000	800,000
904,620	941,284	948,000	PROP TAXES - CURRENT	1,000,000	1,000,000	1,000,000
32,159	20,692	28,000	PROP TAXES - DELINQUENT	20,000	20,000	20,000
443	317	200	PROP TAX INTEREST	1,000	1,000	1,000
417,671	423,192	490,000	FRANCHISE TAXES	490,000	490,000	490,000
-	-	-	OTHER CITY TAXES	-	-	-
29,250	28,290	29,000	BUSINESS LICENSES	27,000	27,000	27,000
114,909	89,081	87,000	BUILDING PERMITS	71,000	71,000	71,000
-	20,000	-	STATE GOV GRANTS	-	-	-
4,220	3,743	3,700	POLICE OVERTIME GRANTS	3,500	3,500	3,500
-	-	2,600	POLICE GRANT - OTHER	-	-	-
42,943	70,623	55,000	STATE SHARED REVENUE	55,000	55,000	55,000
-	-	20,000	STATE MARIJUANA TAX	10,000	10,000	10,000
7,644	8,493	7,000	TOBACCO TAX	7,000	7,000	7,000
89,879	94,599	90,000	ALCOHOL TAX	90,000	90,000	90,000
10,090	20,130	100,000	CHARGES FOR SERVICES	100,000	100,000	100,000
17,831	29,520	11,000	ZONING AND SUBDIVISION FEE	18,000	18,000	18,000
86,416	56,185	50,000	COMMUNITY DEVELOPMENT FEE	76,000	76,000	76,000
74,569	77,268	65,000	FINES	65,000	65,000	65,000
5,711	6,800	5,500	IMPOUND	5,500	5,500	5,500
250,000	600,000	200,000	TURA LOAN PRINCIPAL PAYMENT	-	-	-
2,712	6,000	4,000	TURA LOAN INTEREST PAYMENT	-	-	-
-	49,125	49,125	STREET FUND PRINCIPAL PMT	49,125	49,125	49,125
-	2,300	2,000	STREET FUND INTEREST PMT	2,000	2,000	2,000
145,520	147,471	145,000	PUBLIC SAFETY SURCHARGE	144,000	144,000	144,000
1,771	1,062	1,000	CET ADMINISTRATION FEE	1,000	1,000	1,000
10,888	7,128	6,000	SDC ADMIN FEE	6,000	6,000	6,000
2,116	2,200	2,000	RENTAL INCOME	2,100	2,100	2,100
-	1,652	1,000	CREDIT CARD TRANSACTION FEES	5,000	5,000	5,000
(1,386)	-	-	DONATIONS TO PUBLIC ARTS	-	-	-
-	11,716	-	OTHER GRANTS	-	-	-
6,800	-	-	INSURANCE CLAIM PROCEEDS	-	-	-
17,678	57,923	524,686	REFUNDS & REIMBURSEMENTS	495,464	495,464	495,464
3,379	4,843	3,000	INTEREST EARNINGS	9,000	9,000	9,000
<u>3,405,267</u>	<u>3,509,421</u>	<u>3,606,811</u>		<u>3,552,689</u>	<u>3,552,689</u>	<u>3,552,689</u>
19,252	19,722	20,000	DEPOT RENT	20,000	20,000	20,000
700	-	-	DEPOT MISC REFUND & REIMBURSEMENTS	-	-	-
1,680	2,700	2,500	TOWN HALL RENT	3,000	3,000	3,000
(350)	650	-	MISC REFUND & REIMBURSEMENTS	-	-	-
1,200	600	800	105 N MARKET RENT	1,200	1,200	1,200
2,217	1,558	1,300	105 N MARKET MISC REFUNDS	-	-	-
710	2,342	2,000	COMMUNITY CENTER RENT	5,000	5,000	5,000
-	214	-	MISC REFUND & REIMBURSEMENTS	-	-	-
3,550	360	3,500	H FESTIVAL EARNED INCOME	3,500	3,500	3,500
10,800	1,090	10,000	H FESTIVAL DONATIONS	12,500	12,500	12,500
39,759	29,236	40,100		45,200	45,200	45,200
<u>3,446,026</u>	<u>3,538,657</u>	<u>3,646,911</u>	TOTAL GENERAL FUND REVENUE	<u>3,597,889</u>	<u>3,597,889</u>	<u>3,597,889</u>



GENERAL FUND

Actual FY15-16	Actual FY16-17	Adopted FY17-18	EXPENDITURES	Proposed FY18-19	Approved FY18-19	Adopted FY18-19
			ADMINISTRATION			
290,987	312,250	298,300	REGULAR SALARIES	225,700	225,700	225,700
1,062	1,528	2,500	OVERTIME	2,500	2,500	2,500
6,167	3,283	-	ACCRUED LEAVE PAYOUTS	-	-	-
-	-	500	COMP TIME PAYOFF	300	300	300
-	776	1,500	SICK LEAVE PAYOUT	2,800	2,800	2,800
-	1,578	500	VACATION PAYOUT	3,500	3,500	3,500
134,406	48,628	-	FRINGE BENEFITS	-	-	-
-	16,211	22,800	FICA/MEDICARE	18,000	18,000	18,000
-	49,548	72,200	HEALTH INSURANCE	57,000	57,000	57,000
-	2,104	2,800	HRA VEBA	1,900	1,900	1,900
-	1,935	3,400	LIFE & DISABILITY INSURANCE	2,000	2,000	2,000
-	11,679	17,900	PERS EMPLOYEE	14,100	14,100	14,100
-	12,250	30,900	PERS EMPLOYER	24,300	24,300	24,300
-	81	1,300	WORKERS COMPENSATION	700	700	700
-	2,823	5,100	UNEMPLOYMENT	4,000	4,000	4,000
432,622	464,674	459,700	TOTAL PERSONNEL SERVICES	359,800	356,800	356,800
5,494	9,559	16,000	ATTORNEY SERVICES - GENERAL	20,000	20,000	20,000
503	-	1,500	ATTORNEY SERVICES - LABOR	2,500	2,500	2,500
2,662	2,204	4,500	AUDIT SERVICES	4,750	4,750	4,750
110	11,000	-	BUSINESS CONSULTING SERVICES	-	-	-
4,327	196	5,000	CONTRACTED PERSONNEL SERVICES	3,500	3,500	3,500
2,404	14,345	34,250	TECHNICAL SUPPORT SERVICES	34,250	34,250	34,250
4,308	5,888	7,500	COMPUTER SERVICES AND SUPPLIES	7,800	7,800	7,800
6,117	6,077	6,500	PHONE, INTERNET & RADIO COMMUNICATIONS	6,500	6,500	6,500
8,826	9,597	10,500	PROPERTY AND CASUALTY INSURANCE	11,550	11,550	11,550
3,066	3,130	3,500	CUSTODIAL	4,000	4,000	4,000
140	163	100	DISPOSAL SERVICES	100	100	100
10,017	9,847	9,000	ENERGY UTILITIES	9,500	9,500	9,500
817	831	900	SEWER UTILITIES	950	950	950
15,473	11,859	15,000	REPAIR & MAINTENANCE SERVICES	15,000	15,000	15,000
413	-	500	LAWN & GROUNDS MAINTENANCE	500	500	500
1,443	1,009	1,000	ADVERTISING	1,500	1,500	1,500
746	1,179	2,000	BANKING FEES	2,000	2,000	2,000
11,236	12,407	12,000	DUES, MEMBERSHIPS, & PUBLICATIONS	12,000	12,000	12,000
1,652	5,435	4,500	GENERAL SUPPLIES	4,500	4,500	4,500
4,070	2,995	4,000	OFFICE SUPPLIES	3,500	3,500	3,500
1,669	1,148	2,000	POSTAGE	1,500	1,500	1,500
2,238	2,096	3,000	PRINTING AND BINDING	2,500	2,500	2,500
655	2,316	2,000	TRAVEL & TRAINING	4,000	4,000	4,000
36	46	100	FUEL	200	200	200
3,416	1,580	-	COURT ASSESSMENTS	2,000	2,000	2,000
1,896	834	-	MISCELLANEOUS	-	-	-
350,000	500,000	200,000	LOAN TO TURA	-	-	-
1,410	766	1,000	MEETING EXPENSE	1,000	1,000	1,000
445,146	616,605	346,350	TOTAL MATERIALS & SERVICES	155,600	155,600	155,600
			CAPITAL OUTLAY			
1,380	507	5,800	COMPUTER HARDWARE/PRINTERS	5,000	5,000	5,000
1,380	507	5,800	TOTAL CAPITAL OUTLAY	5,000	5,000	5,000
			DEBT SERVICE			
-	-	479,000	TURA BOND PRINCIPAL	481,000	481,000	481,000
-	-	24,686	TURA BOND INTEREST	14,465	14,465	14,465
-	-	503,686	TOTAL DEBT SERVICE	495,465	495,465	495,465
879,147	1,081,786	1,315,536	TOTAL ADMINISTRATION	1,012,865	1,012,865	1,012,865

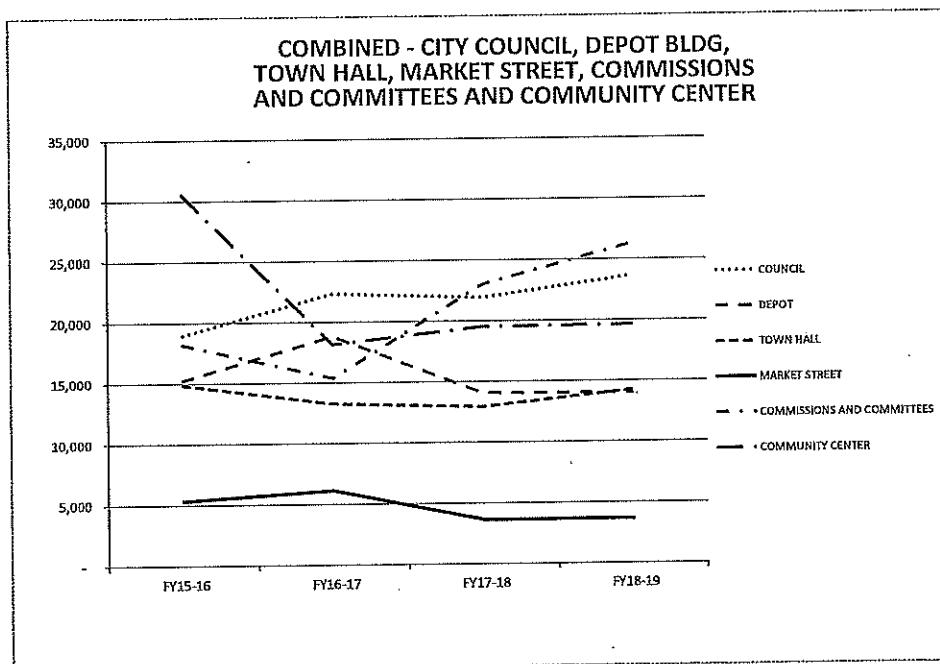


GENERAL FUND

Actual FY15-16	Actual FY16-17	Adopted FY17-18	EXPENDITURES	Proposed FY18-19	Approved FY18-19	Adopted FY18-19
CITY COUNCIL						
10,800	10,300	10,800	REGULAR SALARIES	10,800	10,800	10,800
1,097	334	-	FRINGE BENEFITS	-	-	-
-	518	900	FICA/MEDICARE	900	900	900
-	16	100	WORKERS COMPENSATION	400	400	400
-	114	300	UNEMPLOYMENT	200	200	200
<u>11,897</u>	<u>11,282</u>	<u>12,100</u>	TOTAL PERSONNEL SERVICES	<u>12,300</u>	<u>12,300</u>	<u>12,300</u>
836	3,212	3,000	ATTORNEY SERVICES	4,000	4,000	4,000
1,950	-	-	BUSINESS CONSULTING SERVICES	-	-	-
676	2,065	1,100	COMPUTER SERVICES AND SUPPLIES	1,250	1,250	1,250
-	4	100	PHONE, INTERNET & RADIO COMMUNICATIONS	-	-	-
81	677	500	ADVERTISING	500	500	500
198	393	250	DUES, MEMBERSHIPS, & PUBLICATIONS	500	500	500
277	68	250	OFFICE SUPPLIES	500	500	500
-	-	100	PRINTING & BINDING	100	100	100
770	265	500	TRAVEL & TRAINING	1,000	1,000	1,000
778	1,000	3,000	MAYORS ECONOMIC & COMMUNITY DEVELOPMENT	3,000	3,000	3,000
516	-	-	MISCELLANEOUS	-	-	-
966	492	-	MEETING EXPENSE	-	-	-
<u>7,048</u>	<u>8,175</u>	<u>8,800</u>	TOTAL MATERIALS & SERVICES	<u>10,850</u>	<u>10,850</u>	<u>10,850</u>
CAPITAL OUTLAY						
-	2,851	1,000	COMPUTER HARDWARE/SOFTWARE	500	500	500
-	2,851	1,000	TOTAL CAPITAL OUTLAY	<u>500</u>	<u>500</u>	<u>500</u>
<u>18,944</u>	<u>22,307</u>	<u>21,900</u>	TOTAL CITY COUNCIL	<u>23,650</u>	<u>23,650</u>	<u>23,650</u>
DEPOT BUILDING						
635	653	750	PROPERTY AND CASUALTY INSURANCE	788	788	788
5,196	5,411	5,500	PROPERTY TAXES	2,500	2,500	2,500
2,968	4,620	3,500	ENERGY UTILITIES	6,000	6,000	6,000
843	846	900	SEWER UTILITIES	850	850	850
338	576	800	WATER UTILITY	750	750	750
5,037	6,464	2,500	REPAIR & MAINTENANCE SERVICES	3,000	3,000	3,000
218	230	100	GENERAL SUPPLIES	100	100	100
<u>15,235</u>	<u>18,801</u>	<u>14,050</u>	TOTAL MATERIALS & SERVICES	<u>13,988</u>	<u>13,988</u>	<u>13,988</u>
<u>15,235</u>	<u>18,801</u>	<u>14,050</u>	TOTAL DEPOT BUILDING	<u>13,988</u>	<u>13,988</u>	<u>13,988</u>
TOWN HALL						
1,356	1,298	1,500	PHONE INTERNET & RADIO COMMUNICATIONS	1,500	1,500	1,500
-	90	-	COMPUTER SERVICES AND SUPPLIES	-	-	-
1,516	1,580	1,900	PROPERTY AND CASUALTY INSURANCE	1,995	1,995	1,995
3,894	4,095	4,000	CUSTODIAL	4,500	4,500	4,500
2,785	1,986	1,500	ENERGY UTILITIES	1,750	1,750	1,750
446	432	500	SEWER UTILITIES	500	500	500
1,947	1,329	1,500	REPAIR & MAINTENANCE SERVICES	2,000	2,000	2,000
16	-	500	LAWN & GROUND MAINTENANCE	500	500	500
1,299	2,448	1,500	GENERAL SUPPLIES	1,500	1,500	1,500
1,570	-	-	MISCELLANEOUS	-	-	-
<u>14,829</u>	<u>13,238</u>	<u>12,900</u>	TOTAL MATERIALS & SERVICES	<u>14,245</u>	<u>14,245</u>	<u>14,245</u>
<u>14,829</u>	<u>13,238</u>	<u>12,900</u>	TOTAL TOWN HALL	<u>14,245</u>	<u>14,245</u>	<u>14,245</u>
MARKET STREET BUILDING						
449	458	500	PROPERTY AND CASUALTY INSURANCE	525	525	525
-	61	100	DISPOSAL SERVICES	-	-	-
2,227	2,047	1,800	ENERGY UTILITIES	1,800	1,800	1,800
217	233	250	SEWER UTILITIES	250	250	250
1,495	3,281	500	REPAIR & MAINTENANCE SERVICES	500	500	500
860	-	500	LAWN AND TREE CARE	500	500	500
87	36	-	GENERAL SUPPLIES	100	100	100
<u>5,336</u>	<u>6,116</u>	<u>3,650</u>	TOTAL MATERIALS & SERVICES	<u>3,675</u>	<u>3,675</u>	<u>3,675</u>
<u>5,336</u>	<u>6,116</u>	<u>3,650</u>	TOTAL MARKET STREET BUILDING	<u>3,675</u>	<u>3,675</u>	<u>3,675</u>

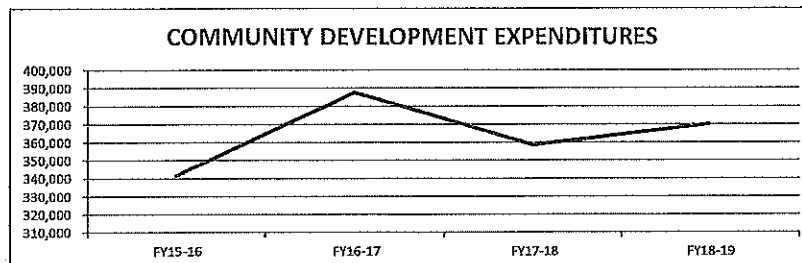
GENERAL FUND

Actual FY15-16	Actual FY16-17	Adopted FY17-18	EXPENDITURES	Proposed FY18-19	Approved FY18-19	Adopted FY18-19
COMMUNITY CENTER						
557	-	-	CONTRACTED PERSONNEL SERVICES	-	-	-
3,101	747	500	COMPUTER SERVICES AND SUPPLIES	500	500	500
4,278	1,524	1,600	PHONE INTERNET & RADIO COMMUNICATIONS	1,600	1,600	1,600
1,818	2,158	2,500	PROPERTY AND CASUALTY INSURANCE	2,625	2,625	2,625
1,770	2,438	2,500	CUSTODIAL	2,500	2,500	2,500
3,978	5,231	8,000	ENERGY UTILITIES	8,000	8,000	8,000
192	336	400	SEWER UTILITIES	400	400	400
10,542	3,973	2,000	REPAIR & MAINTENANCE SERVICES	2,000	2,000	2,000
-	270	500	LAWN AND TREE CARE	500	500	500
4,165	1,463	1,500	GENERAL SUPPLIES	1,500	1,500	1,500
245	-	-	MISCELLANEOUS	-	-	-
30,545	18,139	19,500	TOTAL MATERIALS & SERVICES	19,625	19,625	19,625
30,545	18,139	19,500	TOTAL COMMUNITY CENTER	19,625	19,625	19,625
COMMISSIONS AND COMMITTEES						
5,920	6,205	6,500	H FESTIVAL ENTERTAINMENT	7,000	7,000	7,000
6,377	7,073	6,500	H FESTIVAL SUPPLIES	7,000	7,000	7,000
5,884	2,099	10,000	COUNCIL DISCRETIONARY	10,000	10,000	10,000
-	-	-	CONTINUUM OF CARE	2,300	2,900	2,900
18,181	15,377	23,000	TOTAL MATERIALS & SERVICES	26,300	26,900	26,900
18,181	15,377	23,000	TOTAL COMMISSIONS AND COMMITTEES	26,300	26,900	26,900



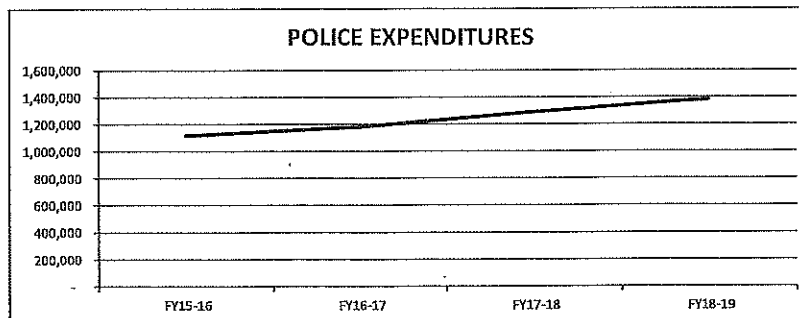
GENERAL FUND

Actual FY15-16	Actual FY16-17	Adopted FY17-18	COMMUNITY DEVELOPMENT EXPENDITURES	Proposed FY18-19	Approved FY18-19	Adopted FY18-19
PERSONNEL SERVICES						
158,133	173,755	142,400	REGULAR SALARIES	150,086	150,086	150,086
-	-	500	OVERTIME	500	500	500
677	-	-	ACCRUED LEAVE PAYOUT	-	-	-
-	-	100	COMP TIME PAYOFF	-	-	-
-	-	300	SICK LEAVE SELL BACK	500	500	500
-	888	100	VACATION PAYOUT	500	500	500
72,686	29,851	-	FRINGE BENEFITS	-	-	-
-	8,799	11,100	FICAMEDICARE	11,596	11,596	11,596
-	31,577	38,500	HEALTH INSURANCE	45,000	45,000	45,000
-	1,351	1,500	HRA VEBA	1,485	1,485	1,485
-	1,276	1,600	LIFE & DISABILITY INSURANCE	1,575	1,575	1,575
-	6,879	8,700	PERS EMPLOYEE	9,095	9,095	9,095
-	9,082	19,100	PERS EMPLOYER	19,925	19,925	19,925
-	53	500	WORKERS COMPENSATION	429	429	429
-	1,640	2,700	UNEMPLOYMENT	2,574	2,574	2,574
<u>231,497</u>	<u>265,151</u>	<u>227,100</u>	TOTAL PERSONNEL SERVICES	<u>243,266</u>	<u>243,266</u>	<u>243,266</u>
MATERIALS & SERVICES						
1,141	8,556	6,000	ATTORNEY SERVICES - GENERAL	9,000	9,000	9,000
503	-	500	ATTORNEY SERVICES - LABOR	500	500	500
1,253	1,028	1,200	AUDIT SERVICES	1,000	1,000	1,000
9,846	40,816	5,900	BUSINESS CONSULTING SERVICES	-	-	-
78,651	55,008	56,600	BUILDING INSPECTION SERVICES	50,000	50,000	50,000
-	-	1,500	CONTRACTED PERSONNEL SERVICES	1,500	1,500	1,500
130	266	1,500	ENGINEERING, DESIGN & CONST. MGMT	5,000	5,000	5,000
2,256	170	35,100	TECHNICAL SUPPORT SERVICES	35,687	35,687	35,687
1,572	1,461	4,800	COMPUTER SERVICES AND SUPPLIES	3,500	3,500	3,500
2,637	3,248	2,900	PHONE, INTERNET, & RADIO COMMUNICATIONS	2,500	2,500	2,500
2,177	2,650	3,000	PROPERTY & CASUALTY INSURANCE	3,360	3,360	3,360
840	782	800	CUSTODIAL	800	800	800
-	472	-	REPAIR & MAINTENANCE	-	-	-
1,829	986	3,500	ADVERTISING	1,500	1,500	1,500
356	586	500	BANKING FEES	500	500	500
598	713	500	DUES, MEMBERSHIPS & PUBLICATIONS	750	750	750
161	437	200	GENERAL SUPPLIES	1,000	1,000	1,000
1,834	1,305	800	OFFICE SUPPLIES	800	800	800
1,054	1,020	1,500	POSTAGE	1,500	1,500	1,500
2,035	2,751	1,750	PRINTING & BINDING	3,000	3,000	3,000
235	180	800	TRAVEL & TRAINING	2,000	2,000	2,000
36	-	100	FUEL	100	100	100
935	250	-	MISCELLANEOUS	-	-	-
-	-	-	PUBLIC ARTS SUPPLIES	500	500	500
62	-	-	MEETING EXPENSE	-	-	-
<u>110,140</u>	<u>122,686</u>	<u>129,450</u>	TOTAL MATERIALS & SERVICES	<u>124,497</u>	<u>124,497</u>	<u>124,497</u>
CAPITAL OUTLAY						
-	-	2,000	COMPUTER HARDWARE/PRINTERS	2,500	2,500	2,500
-	-	2,000	TOTAL CAPITAL OUTLAY	2,500	2,500	2,500
341,637	387,837	358,550	TOTAL COMM. DEVELOPMENT	370,263	370,263	370,263



GENERAL FUND

Actual FY15-16	Actual FY16-17	Adopted FY17-18	POLICE EXPENDITURES	Proposed FY18-19	Approved FY18-19	Adopted FY18-19
PERSONNEL SERVICES						
532,499	584,273	615,200	REGULAR SALARIES	633,895	633,895	633,895
27,200	28,658	25,000	OVERTIME	30,000	30,000	30,000
29,101	-	-	ACCRUED LEAVE PAYOUTS	-	-	-
-	3,175	3,000	COMP TIME PAYOFF	2,000	2,000	2,000
-	-	14,000	PD HOLIDAY PAYOUT	15,000	15,000	15,000
-	2,206	2,500	SICK LEAVE SELL BACK	1,500	1,500	1,500
-	2,834	400	VACATION PAYOUT	1,500	1,500	1,500
272,950	110,377	-	FRINGE BENEFITS	-	-	-
-	31,481	50,600	FICA/MEDICARE	54,613	54,613	54,613
-	95,571	159,300	HEALTH INSURANCE	182,000	182,000	182,000
-	3,975	6,100	HRA VEBA	6,006	6,006	6,006
-	3,865	6,400	LIFE & DISABILITY INSURANCE	6,370	6,370	6,370
-	17,981	27,600	PERS EMPLOYEE	31,133	31,133	31,133
-	35,994	85,700	PERS EMPLOYER	97,053	97,053	97,053
-	184	18,200	WORKERS COMPENSATION	22,028	22,028	22,028
-	5,554	12,200	UNEMPLOYMENT	11,976	11,976	11,976
861,750	926,128	1,026,200	TOTAL PERSONNEL SERVICES	1,095,075	1,095,075	1,095,075
MATERIALS & SERVICES						
8,157	748	2,500	ATTORNEY SERVICES - GENERAL	2,500	2,500	2,500
12,532	-	4,000	ATTORNEY SERVICES - LABOR	4,000	4,000	4,000
4,293	3,233	3,800	AUDIT SERVICES	3,800	3,800	3,800
-	10	500	CONTRACTED PERSONNEL SERVICES	1,500	1,500	1,500
13,125	15,421	20,150	TECHNICAL SUPPORT SERVICES	21,725	21,725	21,725
2,659	2,963	7,400	COMPUTER SERVICES AND SUPPLIES	7,300	7,300	7,300
13,714	12,525	10,000	PHONE, INTERNET, RADIO, & COMPUTER COMM.	10,000	10,000	10,000
42,386	49,458	53,000	PROPERTY AND CASUALTY INSURANCE	55,650	55,650	55,650
3,983	3,993	4,000	CUSTODIAL	4,000	4,000	4,000
417	313	400	DISPOSAL SERVICES	800	800	800
6,156	7,037	6,000	ENERGY UTILITIES	6,500	6,500	6,500
429	574	600	SEWER UTILITIES	600	600	600
10,088	3,727	7,500	REPAIR & MAINTENANCE SERVICES	7,500	7,500	7,500
168	-	500	LAWN & GROUNDS MAINTENANCE	500	500	500
798	244	500	ADVERTISING	500	500	500
450	450	500	BANKING FEES	500	500	500
886	911	750	DUES, MEMBERSHIPS, & PUBLICATIONS	750	750	750
6,730	3,784	4,000	GENERAL SUPPLIES	5,000	5,000	5,000
3,791	2,757	3,000	OFFICE SUPPLIES	3,500	3,500	3,500
1,198	1,073	1,250	POSTAGE	1,250	1,250	1,250
2,334	1,745	2,500	PRINTING AND BINDING	2,500	2,500	2,500
1,051	3,595	9,000	TRAVEL & TRAINING	9,000	9,000	9,000
6,299	3,640	5,000	UNIFORMS	5,000	5,000	5,000
4,611	2,156	3,200	SAFETY EQUIPMENT	3,475	3,475	3,475
2,256	3,096	3,000	AMMUNITION	4,200	4,200	4,200
81,055	103,803	85,000	ECSSO	90,000	90,000	90,000
8,171	7,092	8,000	VEHICLE REPAIR & MAINTENANCE	8,500	8,500	8,500
12,276	18,111	16,500	FUEL	16,500	16,500	16,500
1,955	675	-	MISCELLANEOUS	1,500	1,500	1,500
1,943	-	-	MEETING EXPENSE	-	-	-
253,923	253,132	282,550	TOTAL MATERIALS & SERVICES	278,550	278,550	278,550
CAPITAL OUTLAY						
1,149	742	2,800	COMPUTER HARDWARE / SOFTWARE	10,300	10,300	10,300
1,149	742	2,800	TOTAL CAPITAL OUTLAY	10,300	10,300	10,300
1,116,822	1,180,003	1,291,550	TOTAL POLICE	1,383,925	1,383,925	1,383,925



GENERAL FUND

Actual FY15-16	Actual FY16-17	Adopted FY17-18	EXPENDITURES	Proposed FY18-19	Approved FY18-19	Adopted FY18-19
			NON-DEPARTMENTAL			
6,000	5,500	5,376	TO WEST VALLEY VIEW DEBT SERVICE	-	-	-
-	54,000	-	TRANSFER TO CIP - GENERAL FUND	-	-	-
8,000	-	-	COMMUNITY CENTER FIXTURES (P#030)	-	-	-
30,000	-	-	COMMUNITY CENTER GROUNDS (P#031)	-	-	-
196,500	-	-	STREET SWEEPER	-	-	-
5,000	-	-	CITY HALL BLDG MAINT RESERVE (P#016)	5,000	5,000	5,000
5,000	-	-	POLICE DEPT BLDG MAINT RESERVE (P#017)	5,000	5,000	5,000
2,500	-	-	COMMUNITY CENTER BLDG MAINT RES (P#018)	2,500	2,500	2,500
5,000	-	1,084	TOWN HALL REPAIR RESERVE (P#014)	2,500	2,500	2,500
20,000	-	14,000	POLICE DEPT VEHICLE RESERVE (P#13)	15,300	15,300	15,300
276,000	59,500	20,460	TOTAL INTERFUND TRANSFERS OUT	30,300	30,300	30,300
-	-	450,000	CONTINGENCY	365,000	365,000	365,000
-	-	115,815	UNAPPROPRIATED ENDING FUND BALANCE	334,054	333,454	333,454
-	-	565,815	TOTAL UNALLOCATED FUNDS	699,054	698,454	698,454
276,000	59,500	586,275	TOTAL NON-DEPARTMENTAL	729,354	728,754	728,754
3,445,026	3,538,657	3,646,911	TOTAL GENERAL FUND REVENUE	3,597,889	3,597,889	3,597,889
2,716,674	2,803,104	3,646,911	TOTAL GENERAL FUND EXPENDITURES	3,597,889	3,597,889	3,597,889

**City of Talent
2018-19 Annual Budget**

LIBRARY OPERATIONS FUND

In 2007 the Jackson County Commissioners closed all the county libraries due to the loss of O & C federal dollars that had been used to fund the countywide system for several years. Subsequently the County, through some restructuring which included the contracting out of the management of the libraries to a private company was able to re-open the libraries at reduced hours.

Talent City Council determined that it was in the best interests of Talent residents that additional hours be added to the operations of the library facility located in Talent. Through an Ordinance adoption the Council created a user fee that was attached to the Utility bill to allow the library to be open for 36 hours as opposed to the 16 hours that was funded by the County. This fee was \$2 per month for a single-family residence and the charge to commercial and industrial users was based on this flat fee plus a cost based on number of employees. The Council entered an agreement with Jackson County Commissioners to provide this enhanced service until an alternative funding source was secured.

Jackson County voters approved an independent Library District Board in the May 2014 election. The Talent City Council passed Ordinance No. 14-874-O, repealing Ordinance No. 837 which established the Library Operations Fund and imposed the Library Surcharge. Funds remaining in the Library Operations Fund were distributed to the Library District Board by Resolution No. 14-921-R and the Library Operations Fund is now closed.

**City of Talent
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PARKS FUND

The Parks Fund, supported by the Parks Utility fee, provides maintenance for City Parks and open spaces, supports capital improvement projects and park land acquisitions, as well as funding summer recreational activities in the parks.

The City has nine park facilities, seven of which are improved parks and the Wagner Creek Trail, along with responsibility for a portion of the Bear Creek Greenway.

With increasing costs for supporting maintenance of the City parks and open spaces and limited recreation program revenue over the last few years, the Parks Utility fee was increased by \$2 per month. This equates to approximately \$36,000 per year additional into the Parks Maintenance Fund and \$36,000 earmarked for parks capital improvement projects.

The Parks Master Plan will likely be started in the FY2018-19 fiscal year, which will help to plan parks related projects for the next 20 years.

Interfund Transfers – Parks

Public Works Equipment (To CIP Fund): \$5,000

Parks CIP Reserve (To CIP Fund): \$36,000

Park Projects –

- General Maintenance Repairs and Supplies
- Parks Master Plan
- Integrated Pest Management Policy

PARKS FUND
FISCAL YEAR 2018-19

REVENUE SUMMARY
BY CATEGORY

Actual FY15-16	Actual FY16-17	Adopted FY17-18		Proposed FY18-19	Approved FY18-19	Adopted FY18-19
7,663	8,731	8,000	LICENSES, PERMITS & FEES	8,000	8,000	8,000
3,705	13,182	6,500	INTERGOVERNMENTAL	43,500	43,500	43,500
109,183	110,594	109,000	CHARGES FOR SERVICES	181,000	181,000	181,000
873	120	-	PROGRAM FEES	-	-	-
676	583	200	MISCELLANEOUS	1,000	1,000	1,000
22,959	46,924	48,000	FUND BALANCE	80,000	80,000	80,000
145,059	180,134	171,700	TOTAL REVENUE	313,500	313,500	313,500
-	-	-	Less Interfund Transfers In	-	-	-
145,059	180,134	171,700	NET TOTAL REVENUE	313,500	313,500	313,500

EXPENDITURE SUMMARY
BY CATEGORY

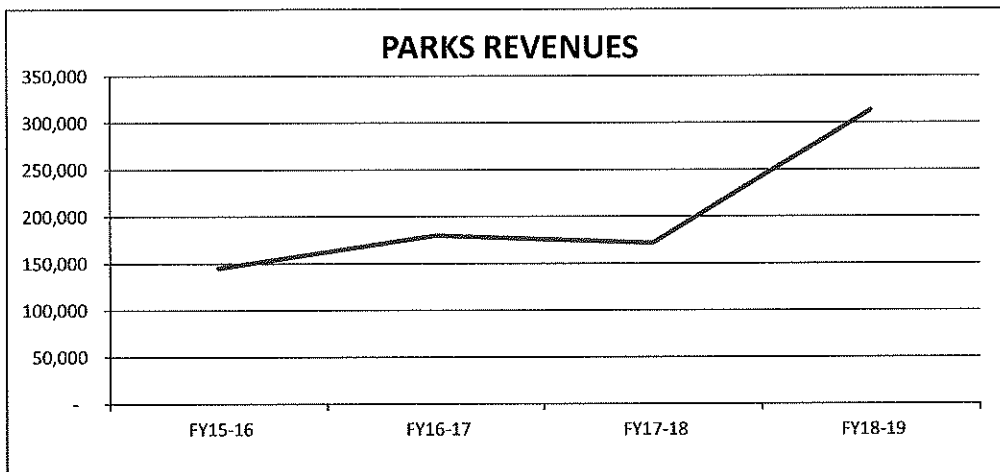
Actual FY15-16	Actual FY16-17	Adopted FY17-18		Proposed FY18-19	Approved FY18-19	Adopted FY18-19
64,942	79,475	97,400	PERSONNEL SERVICES	112,400	112,400	112,400
33,193	37,770	50,300	MATERIALS & SERVICES	61,700	61,700	61,700
-	1,315	700	CAPITAL OUTLAY	1,500	1,500	1,500
-	-	23,300	CONTINGENCY	50,000	50,000	50,000
-	-	-	UNAPPROPRIATED END FUND BAL	46,900	46,900	46,900
98,135	118,559	171,700	TOTAL EXPENDITURES	313,500	313,500	313,500
-	-	-	Less Interfund Transfers Out	41,000	41,000	41,000
98,135	118,559	171,700	NET TOTAL EXPENSES	272,500	272,500	272,500

NOTE:
RECREATION PROGRAM ONLY

REVENUE						
873	120	-	RECREATION PROGRAM FEES	-	-	-
250	-	-	MISCELLANEOUS	-	-	-
1,123	120	-	TOTAL REVENUE	-	-	-
EXPENSES						
2,300	-	-	MATERIALS & SERVICES	-	-	-
2,300	-	-	TOTAL EXPENDITURES	-	-	-

PARKS FUND

Actual FY15-16	Actual FY16-17	Adopted FY17-18	REVENUES	Proposed FY18-19	Approved FY18-19	Adopted FY18-19
22,959	46,924	48,000	FUND BALANCE - COMMITTED	80,000	80,000	80,000
3,705	3,767	3,500	STATE HIGHWAY GAS TAX	3,500	3,500	3,500
7,663	8,731	8,000	TRANSIENT ROOM TAX	8,000	8,000	8,000
-	9,415	3,000	LOCAL MARIJUANA TAX	40,000	40,000	40,000
109,183	110,594	109,000	PARKS UTILITY FEE	181,000	181,000	181,000
136	472	200	INTEREST EARNINGS	1,000	1,000	1,000
5	-	-	PENNIES FOR PARKS	-	-	-
285	111	-	REFUNDS & REIMBURSEMENTS	-	-	-
143,936	180,014	171,700	TOTAL REVENUES	313,500	313,500	313,500
-	120	-	RECREATION PROGRAM FEES	-	-	-
873	-	-	H FESTIVAL RUN	-	-	-
250	-	-	DONATIONS - PROGRAMS	-	-	-
1,123	120	-	TOTAL PROGRAM REVENUES	-	-	-
145,059	180,134	171,700	TOTAL FUND REVENUES	313,500	313,500	313,500



PARKS FUND

Actual FY15-16	Actual FY16-17	Adopted FY17-18	EXPENDITURES	Proposed FY18-19	Approved FY18-19	Adopted FY18-19
-	-	-	TOTAL PERSONNEL SERVICES - REC PROGRAM	-	-	-
			MATERIALS & SERVICES - REC. PROGRAMS			
34	-	-	AUDITOR	-	-	-
396	-	-	COMPUTER SERVICES AND SUPPLIES	-	-	-
160	-	-	RENTAL OF EQUIPMENT & VEHICLES	-	-	-
525	-	-	PROPERTY & CASUALTY INSURANCE	-	-	-
330	-	-	ADVERTISING	-	-	-
855	-	-	GENERAL SUPPLIES	-	-	-
2,300	-	-	TOTAL MATERIALS & SERVICES	-	-	-
2,300	-	-	TOTAL EXPENDITURES - REC. PROGRAMS	-	-	-
			PERSONNEL SERVICES - MAINTENANCE			
36,956	45,721	51,800	REGULAR SALARIES	59,500	59,500	59,500
2,833	2,867	3,000	OVERTIME	3,000	3,000	3,000
421	-	-	ACCRUED LEAVE PAYOUTS	-	-	-
-	735	500	COMP TIME PAYOFF	500	500	500
-	-	1,000	SICK LEAVE PAYOUT	500	500	500
-	635	1,000	VACATION LEAVE PAYOUT	2,000	2,000	2,000
24,732	10,260	-	FRINGE BENEFITS	-	-	-
-	2,717	4,500	FICA/MEDICARE	5,100	5,100	5,100
-	9,163	16,000	HEALTH INSURANCE	19,800	19,800	19,800
-	398	700	HRA VEBA	700	700	700
-	371	700	LIFE & DISABILITY INSURANCE	700	700	700
-	2,149	3,500	PERS EMPLOYEE	4,000	4,000	4,000
-	3,963	9,800	PERS EMPLOYER	11,000	11,000	11,000
-	17	3,800	WORKERS COMPENSATION	4,400	4,400	4,400
-	478	1,100	UNEMPLOYMENT	1,200	1,200	1,200
64,942	79,475	97,400	TOTAL PERSONNEL SERVICES	112,400	112,400	112,400

Actual FY15-16	Actual FY16-17	Adopted FY17-18	EXPENDITURES	Proposed FY18-19	Approved FY18-19	Adopted FY18-19
MATERIALS & SERVICES -MAINTENANCE						
331	131	500	ATTORNEY SERVICES - GENERAL	500	500	500
503	-	500	ATTORNEY SERVICES - LABOR	500	500	500
477	331	400	AUDIT SERVICES	400	400	400
475	-	500	BUSINESS CONSULTING SERVICES	500	500	500
-	5,928	8,000	CONTRACTED PERSONNEL SERVICES	8,500	8,500	8,500
325	-	300	TECHNICAL SUPPORT SERVICES	300	300	300
1,190	1,203	2,400	COMPUTER SERVICES AND SUPPLIES	2,400	2,400	2,400
758	779	900	PHONE, INTERNET AND RADIO	900	900	900
2,879	2,920	3,400	PROPERTY & CASUALTY INSURANCE	3,600	3,600	3,600
758	835	800	CUSTODIAL SERVICES	800	800	800
2,139	2,315	2,500	DISPOSAL SERVICES	2,500	2,500	2,500
2,737	2,629	2,600	ENERGY UTILITIES	2,500	2,500	2,500
1,346	871	1,200	SEWER UTILITIES	1,400	1,400	1,400
6,285	6,606	13,500	REPAIR & MAINTENANCE SERVICES	21,000	21,000	21,000
1,340	700	1,000	LAWN & GROUNDS MAINTENANCE	2,000	2,000	2,000
-	16	100	ADVERTISING & NOTICES	100	100	100
6,340	8,869	8,000	GENERAL SUPPLIES	10,000	10,000	10,000
16	10	100	OFFICE SUPPLIES	100	100	100
458	542	600	PRINTING & BINDING	600	600	600
45	275	500	TRAVEL & TRAINING	500	500	500
652	683	700	UNIFORMS	600	600	600
1,461	1,928	1,800	FUEL	2,000	2,000	2,000
376	199	-	MISCELLANEOUS	-	-	-
30,893	37,770	50,300	TOTAL MATERIALS & SERVICES	61,700	61,700	61,700
95,835	117,244	147,700	TOTAL EXPENDITURES - MAINTENANCE	174,100	174,100	174,100

PARKS FUND

Actual FY15-16	Actual FY16-17	Adopted FY17-18	EXPENDITURES	Proposed FY18-19	Approved FY18-19	Adopted FY18-19
-	127	-	COMPUTER HARDWARE/PRINTERS	-	-	-
-	1,188	700	MINOR EQUIPMENT	1,500	1,500	1,500
-	1,315	700	TOTAL CAPITAL OUTLAY	1,500	1,500	1,500
			TRANSFERS OUT			
-	-	-	PUBLIC WORKS EQUIPMENT (P#012)	5,000	5,000	5,000
-	-	-	PARKS CIP RESERVE	36,000	36,000	36,000
-	-	-	TOTAL TRANSFERS OUT	41,000	41,000	41,000
-	-	23,300	CONTINGENCY	50,000	50,000	50,000
-	-	-	UNAPPROPRIATED ENDING FUND BALANCE	46,900	46,900	46,900
-	-	23,300	TOTAL UNALLOCATED FUNDS	96,900	96,900	96,900
145,059	180,134	171,700	Total Parks Revenue	313,500	313,500	313,500
98,135	118,559	171,700	Total Parks Expenditures	313,500	313,500	313,500

**City of Talent
2018-19 Annual Budget**

STREET FUND

The Street Utility Fee was increased in July 2007 and has since provided stable funding for ongoing street repair and maintenance and capital project funding. The City should see a slight increase in state funding this fiscal year. Management of the Street Fund has allowed the City to set aside funding to complete capital projects on the interior streets of Talent and provide the matching funds needed to complete capital improvements.

Operating Expenses – The Public Works Department is responsible for the City's infrastructure. The salaries of the employees are broken down among the associated funds where work is anticipated to be performed – Parks, Streets, Water and Administration. Associated benefits are also prorated based on the percentage of time expected to be spent in any given department. The City contracts for engineering services.

Interfund Transfers - Streets

The following transfers to the Capital Improvement Fund totaling \$37,060 for major street and sidewalk improvements are planned for FY2018-19.

- Highway 99 Street Improvements (P#021) - \$24,560
- Public Works Equipment Reserve (P#012) - \$12,500

Street Projects

- General Maintenance Repairs and Supplies
- Greenway Connection Trail
- Highway 99 Street Improvements
- Rapp Road Chip Sealing
- Wagner Street Improvements
- West Valley View Reprofile

STREET FUND
FISCAL YEAR 2018-19

REVENUE SUMMARY
BY CATEGORY

Actual FY15-16	Actual FY16-17	Adopted FY17-18		Proposed FY18-19	Approved FY18-19	Adopted FY18-19
915	920	-	LICENSES, PERMITS & FEES	1,000	1,000	1,000
366,825	372,948	356,000	INTERGOVERNMENTAL	460,000	460,000	460,000
212,434	210,336	213,000	CHARGES FOR SERVICES	213,000	213,000	213,000
3,444	4,336	2,000	REFUNDS AND REIMBURSEMENTS	5,500	5,500	5,500
384,574	366,205	373,100	FUND BALANCE	400,000	400,000	400,000
968,193	954,745	944,100	TOTAL REVENUE	1,079,500	1,079,500	1,079,500
-	-	-	Less Interfund Transfers In	-	-	-
968,193	954,745	944,100	NET TOTAL REVENUE	1,079,500	1,079,500	1,079,500

EXPENDITURE SUMMARY
BY CATEGORY

Actual FY15-16	Actual FY16-17	Adopted FY17-18		Proposed FY18-19	Approved FY18-19	Adopted FY18-19
251,156	278,131	304,800	PERSONNEL SERVICES	329,392	329,392	329,392
179,588	172,652	215,650	MATERIALS & SERVICES	214,050	214,050	214,050
2,244	2,977	1,000	CAPITAL OUTLAY	2,000	2,000	2,000
-	51,425	51,425	DEBT SERVICE	51,425	51,425	51,425
169,000	58,000	76,500	INTERFUND TRANSFERS OUT	37,060	37,060	37,060
-	-	250,000	CONTINGENCY	200,000	200,000	200,000
-	-	44,725	UNAPPROPRIATED END FUND BALANCE	245,573	245,573	245,573
601,988	563,185	944,100	TOTAL EXPENDITURES	1,079,500	1,079,500	1,079,500
169,000	58,000	76,500	Less Interfund Transfers Out	37,060	37,060	37,060
432,988	505,185	867,600	NET TOTAL EXPENSES	1,042,440	1,042,440	1,042,440

STREET FUND

Actual FY15-16	Actual FY16-17	Adopted FY17-18	REVENUES	Proposed FY18-19	Approved FY18-19	Adopted FY18-19
384,574	366,205	373,100	FUND BALANCE - COMMITTED	400,000	400,000	400,000
915	920	-	ENCROACHMENT PERMITS	1,000	1,000	1,000
366,825	372,948	356,000	STATE HIGHWAY GAS TAX	460,000	460,000	460,000
157,273	158,325	158,000	STREET UTILITY FEE	158,000	158,000	158,000
55,161	52,011	55,000	STORM DRAIN UTILITY FEE	55,000	55,000	55,000
2,315	1,002	-	REFUNDS AND REIMBURSEMENTS	-	-	-
1,130	3,334	2,000	INTEREST EARNINGS	5,500	5,500	5,500
968,193	954,745	944,100	TOTAL REVENUES & OTHER RESOURCES	1,079,500	1,079,500	1,079,500

STREET FUND

Actual FY15-16	Actual FY16-17	Adopted FY17-18	EXPENDITURES	Proposed FY18-19	Approved FY18-19	Adopted FY18-19
			PERSONNEL SERVICES			
158,518	169,200	176,500	REGULAR SALARIES	187,807	187,807	187,807
3,046	4,374	5,000	OVERTIME	5,000	5,000	5,000
1,685	1,263	-	ACCRUED LEAVE PAYOUTS	-	-	-
-	-	1,000	COMP TIME PAYOFF	1,000	1,000	1,000
-	1,787	2,000	SICK LEAVE PAYOUT	2,500	2,500	2,500
-	3,719	3,500	VACATION PAYOUT	3,500	3,500	3,500
87,907	36,744	-	FRINGE BENEFITS	-	-	-
-	9,480	14,500	FICA/MEDICARE	15,285	15,285	15,285
-	29,433	48,400	HEALTH INSURANCE	57,200	57,200	57,200
-	1,271	1,900	HRA VEBA	1,888	1,888	1,888
-	1,179	2,000	LIFE & DISABILITY INSURANCE	2,002	2,002	2,002
-	7,505	11,400	PERS EMPLOYEE	11,988	11,988	11,988
-	10,508	25,400	PERS EMPLOYER	26,642	26,642	26,642
-	54	9,700	WORKERS COMPENSATION	11,162	11,162	11,162
-	1,614	3,500	UNEMPLOYMENT	3,418	3,418	3,418
251,156	278,131	304,800	TOTAL PERSONNEL SERVICES	329,392	329,392	329,392

Actual FY15-16	Actual FY16-17	Adopted FY17-18	EXPENDITURES	Proposed FY18-19	Approved FY18-19	Adopted FY18-19
MATERIALS & SERVICES						
1,527	1,984	3,000	ATTORNEY SERVICES - GENERAL	3,000	3,000	3,000
886	-	1,500	ATTORNEY SERVICES - LABOR	1,000	1,000	1,000
2,890	2,374	3,000	AUDIT SERVICES	3,000	3,000	3,000
65	6,680	5,000	BUSINESS CONSULTING SERVICES	5,000	5,000	5,000
17,825	7,805	8,600	CONTRACTED PERSONNEL SERVICES	9,000	9,000	9,000
5,876	618	12,000	ENGINEERING SERVICES	12,000	12,000	12,000
9,600	9,908	21,150	TECHNICAL SUPPORT SERVICES	18,000	18,000	18,000
1,159	840	3,800	COMPUTER SERVICES AND SUPPLIES	4,200	4,200	4,200
2,174	2,335	2,400	PHONE AND RADIO COMMUNICATIONS	3,000	3,000	3,000
16,830	19,330	20,500	PROPERTY AND CASUALTY INSURANCE	21,000	21,000	21,000
974	1,006	1,100	CUSTODIAL SERVICES	1,100	1,100	1,100
2,171	1,848	2,000	DISPOSAL SERVICES	2,000	2,000	2,000
40,573	41,614	42,000	ENERGY UTILITIES	41,000	41,000	41,000
34,641	41,987	46,000	REPAIR & MAINTENANCE SERVICE	46,000	46,000	46,000
11,130	474	5,000	LAWN & GROUNDS MAINTENANCE	5,000	5,000	5,000
226	1,182	400	ADVERTISING	400	400	400
1,127	100	1,200	DUES, MEMBERSHIPS & PUBLICATIONS	1,200	1,200	1,200
20,519	21,808	24,000	GENERAL SUPPLIES	24,000	24,000	24,000
172	106	300	OFFICE SUPPLIES	250	250	250
719	434	500	POSTAGE	400	400	400
917	1,083	1,100	PRINTING & BINDING	1,000	1,000	1,000
225	225	1,500	TRAVEL & TRAINING	3,000	3,000	3,000
1,100	1,310	1,300	UNIFORMS	1,200	1,200	1,200
580	953	1,300	SAFETY EQUIPMENT	1,300	1,300	1,300
832	483	1,000	RENTAL OF EQUIPMENT & VEHICLES	1,000	1,000	1,000
4,229	5,212	6,000	FUEL	6,000	6,000	6,000
293	213	-	MISCELLANEOUS	-	-	-
329	740	-	MEETING EXPENSE	-	-	-
179,588	172,652	215,650	TOTAL MATERIALS & SERVICES	214,050	214,050	214,050

STREET FUND

Actual FY15-16	Actual FY16-17	Adopted FY17-18	CAPITAL OUTLAY	Proposed FY18-19	Approved FY18-19	Adopted FY18-19
			CAPITAL OUTLAY			
321	601	-	COMPUTER HARDWARE / SOFTWARE	-	-	-
76	-	-	FURNITURE AND FIXTURES	-	-	-
1,848	2,376	1,000	MINOR EQUIPMENT	2,000	2,000	2,000
<u>2,244</u>	<u>2,977</u>	<u>1,000</u>	TOTAL CAPITAL OUTLAY	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
			DEBT SERVICE			
-	49,125	49,125	STREET SWEEPER LOAN PRINCIPAL	49,125	49,125	49,125
-	2,300	2,300	STREET SWEEPER LOAN INTEREST	2,300	2,300	2,300
<u>-</u>	<u>51,425</u>	<u>51,425</u>	TOTAL DEBT SERVICE	<u>51,425</u>	<u>51,425</u>	<u>51,425</u>
			TRANSFERS OUT			
10,000	-	-	MISC SIDEWALK IMPROVEMENTS (P#019)	-	-	-
20,000	28,000	-	N FRONT STREET IMPROVEMENTS (P#020)	-	-	-
-	-	30,500	HWY 99 STREET IMPROVEMENTS (P#021)	24,560	24,560	24,560
25,000	-	-	LITHIA WAY IMPROVEMENTS (P#022)	-	-	-
25,000	-	-	RAPP ROAD IMPROVEMENTS (P#023)	-	-	-
30,000	-	-	2ND & SCHOOLHOUSE SDWLK (P#027)	-	-	-
34,000	-	-	TOWN HALL ALLEY IMPROVEMENTS (P#028)	-	-	-
25,000	-	11,000	WAGNER STREET IMPROVEMENTS (P#032)	-	-	-
-	-	35,000	WEST VALLEY VIEW REPROFILE (P#045)	-	-	-
-	30,000	-	WAGNER CREEK SIDEWALKS (P#034)	-	-	-
-	-	-	PUBLIC WORKS EQUIPMENT (P#012)	12,500	12,500	12,500
<u>169,000</u>	<u>58,000</u>	<u>76,500</u>	TOTAL TRANSFERS OUT	<u>37,060</u>	<u>37,060</u>	<u>37,060</u>
			UNALLOCATED FUNDS			
-	-	250,000	CONTINGENCY	200,000	200,000	200,000
-	-	44,725	UNAPPROPRIATED ENDING FUND BALANCE	245,573	245,573	245,573
<u>-</u>	<u>-</u>	<u>294,725</u>	TOTAL UNALLOCATED FUNDS	<u>445,573</u>	<u>445,573</u>	<u>445,573</u>
968,193	954,745	944,100	Total Street Revenues	1,079,500	1,079,500	1,079,500
601,988	563,185	944,100	Total Street Expenditures	1,079,500	1,079,500	1,079,500

**City of Talent
2018-19 Annual Budget**

WATER FUND

The Water Fund is a proprietary fund established to be self-supporting with the purpose of providing water and water services to the general public. This fund accounts for the operation of the water system for the City. Revenue is derived from charges for services to water consumers and expenses account for operating costs.

The City's water utility rates were lowered in 2007 after the funding requirement for the Debt Service Reserve Fund was met. While rates to water customers have remained constant since 2007, the cost of operating the water utility has continued to rise. Council approved a water rate recovery effective March 2016, setting the water utility rates back to the 2002 rate levels along with implementing an annual rate increase structure. This will provide smaller incremental rate increases over time to avoid large rate increases at one time.

Operating Expenses – Water fund - In addition to personnel services expense, the largest single cost in the Water Fund is the purchase of water from the Medford Water Commission. The amount purchased is based on consumption levels by both City residents and those outside the City limits who are purchasing City water. The remainder of the operating expenses includes maintenance of the current facilities, annual assessment for the City's water rights at Lost Creek Reservoir, and all utility billing and collection costs.

The City of Talent expenditures for the purchase of water and operation of the TAP regional Booster Pump Station are included in the Water Utility Fund budget. For fiscal years 2008 through 2015, these expenditures were part of the TAP Operations budget which included the City of Phoenix and City of Ashland as well. Beginning in FY 2015-16, the Rogue Valley Council of Governments (RVCOG) assumed the bookkeeping duties for the TAP operations and maintenance. Each city is now billed by and pays directly to RVCOG their portion of the TAP expenses.

Water Fund Debt Service – In April 2013, the City was able to refund the 2000 Water Revenue Bond at a lower interest rate, paying off the loan from United State Department of Agriculture (USDA) Rural Development. The new bond is backed by the Full Faith and Credit of the City of Talent, removing the debt service reserve requirement associated with the USDA Rural Development loan. The Water Debt Service Reserve Fund was closed as of FY2013-14 and the balance in the fund was transferred back to the Water Fund. These funds continue to be held in the Unappropriated Fund Balance for payment of the final debt service.

Interfund Transfers – Water

The following transfers from the Water Fund to the CIP Fund of \$27,500 are planned in FY2018-19.

- TAP Long-term Maintenance (P#047) - \$15,000
- Public Works Equipment (P#012) - \$12,500

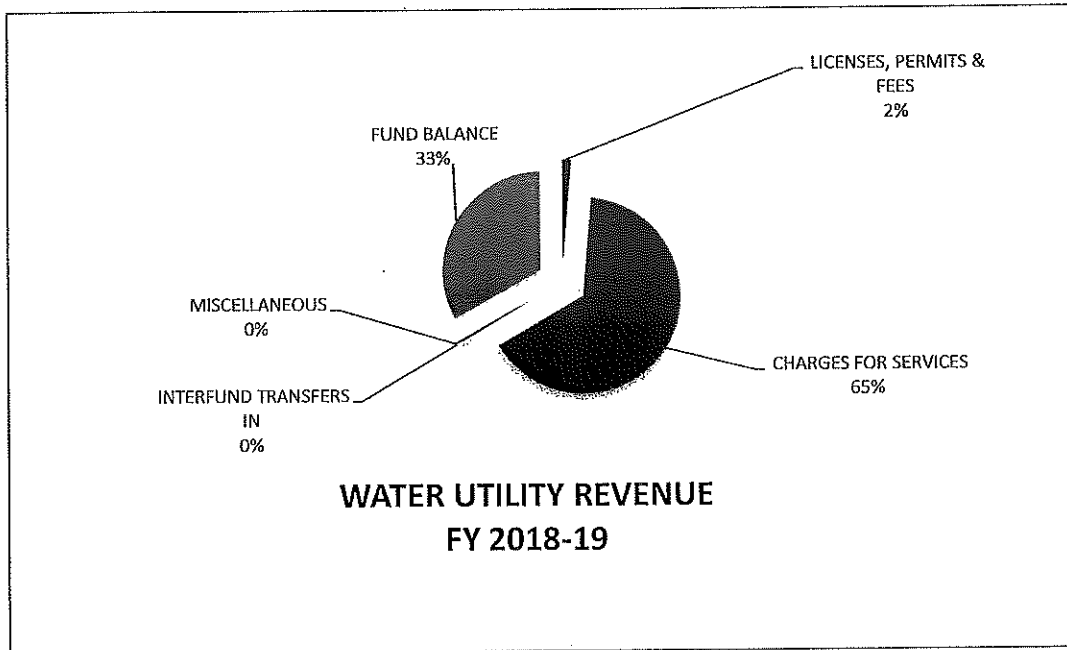
Water Projects:

- General Maintenance Repairs and Supplies
- Water Reservoir Construction
- Water Master Plan

**WATER UTILITY FUND
FISCAL YEAR 2018-19**

**REVENUE SUMMARY
BY CATEGORY**

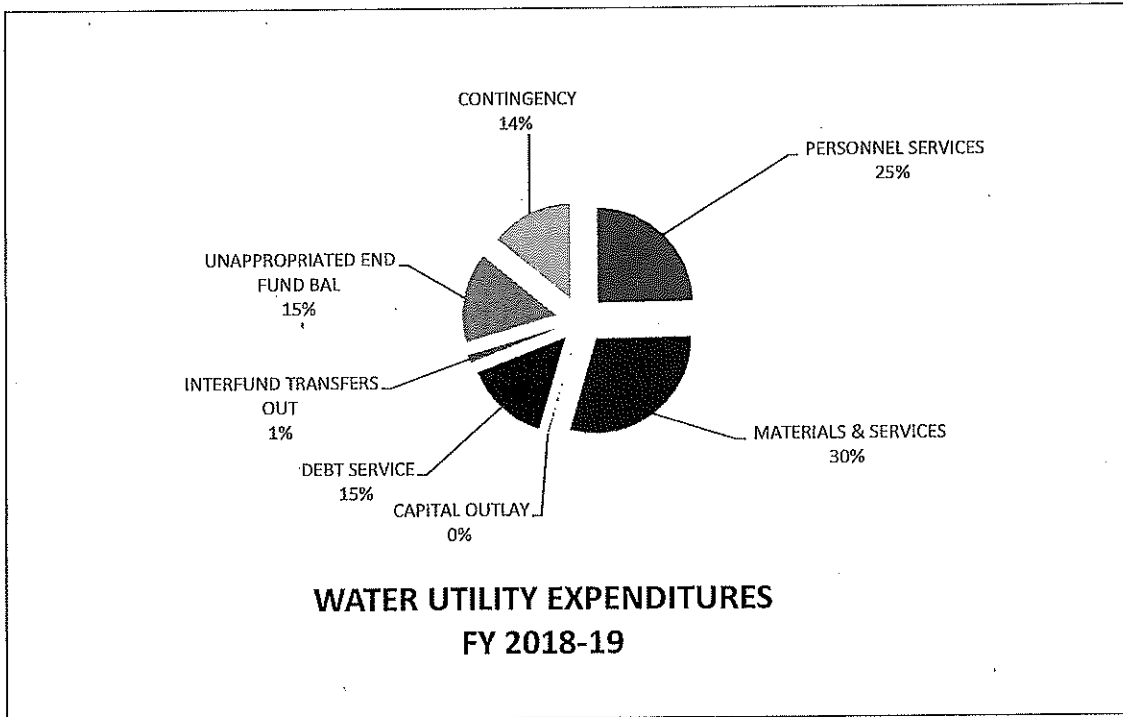
Actual FY15-16	Actual FY16-17	Adopted FY17-18	REVENUES	Proposed FY18-19	Approved FY18-19	Adopted FY18-19
37,465	44,754	29,000	LICENSES, PERMITS & FEES	31,000	31,000	31,000
1,260,256	1,320,561	1,370,000	CHARGES FOR SERVICES	1,380,000	1,380,000	1,380,000
9,538	6,345	4,500	MISCELLANEOUS	7,500	7,500	7,500
650,864	718,783	620,000	FUND BALANCE	700,000	700,000	700,000
1,958,123	2,090,444	2,023,500	GRAND TOTAL REVENUE	2,118,500	2,118,500	2,118,500
-	-	-	Less Interfund Transfers In	-	-	-
1,958,123	2,090,444	2,023,500	NET TOTAL REVENUE	2,118,500	2,118,500	2,118,500



**WATER UTILITY FUND
FISCAL YEAR 2018-19**

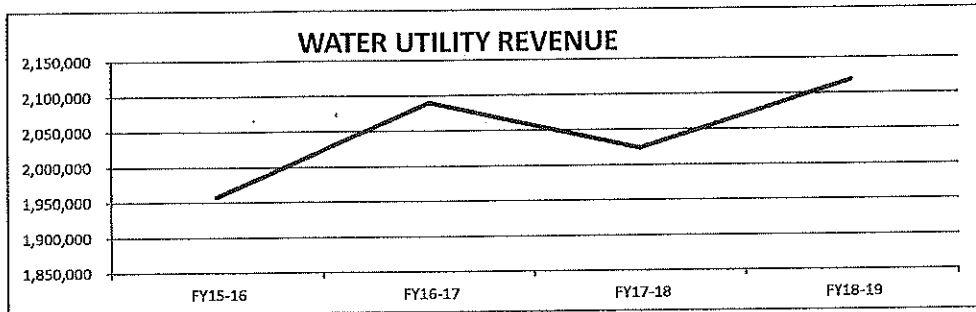
**EXPENDITURE SUMMARY
BY CATEGORY**

Actual FY15-16	Actual FY16-17	Adopted FY17-18		Proposed FY18-19	Approved FY18-19	Adopted FY18-19
407,399	423,358	478,900	PERSONNEL SERVICES	523,500	523,500	523,500
463,642	504,671	583,000	MATERIALS & SERVICES	631,150	631,150	631,150
12,062	3,157	2,280	CAPITAL OUTLAY	2,000	2,000	2,000
-	-	-	CAPITAL CONSTRUCTION	-	-	-
306,236	308,886	306,600	DEBT SERVICE	307,315	307,315	307,315
50,000	200,000	91,686	INTERFUND TRANSFERS OUT	27,500	27,500	27,500
-	-	500,000	CONTINGENCY	300,000	300,000	300,000
-	-	61,034	UNAPPROPRIATED END FUND BALANCE	327,035	327,035	327,035
1,239,340	1,440,072	2,023,500	GRAND TOTAL EXPENDITURES	2,118,500	2,118,500	2,118,500
50,000	200,000	91,686	Less Interfund Transfers Out	27,500	27,500	27,500
1,189,340	1,240,072	1,931,814	NET TOTAL EXPENSES	2,091,000	2,091,000	2,091,000



WATER UTILITY FUND

Actual FY15-16	Actual FY16-17	Adopted FY17-18	REVENUES	Proposed FY18-19	Approved FY18-19	Adopted FY18-19
650,864	718,783	620,000	FUND BALANCE - COMMITTED	700,000	700,000	700,000
110	206	-	COMMERCIAL WATER SALES	-	-	-
1,260,145	1,320,355	1,370,000	WATER REVENUE	1,380,000	1,380,000	1,380,000
10,745	20,150	4,000	NEW CONNECTIONS	6,000	6,000	6,000
26,720	24,604	25,000	LATE FEES	25,000	25,000	25,000
7,138	807	500	REFUNDS & REIMBURSEMENTS	-	-	-
2,400	5,538	4,000	INTEREST EARNINGS	7,500	7,500	7,500
1,958,123	2,090,444	2,023,500	TOTAL REVENUE & RESOURCES	2,118,500	2,118,500	2,118,500



WATER UTILITY FUND

Actual FY15-16	Actual FY16-17	Adopted FY17-18	EXPENDITURES	Proposed FY18-19	Approved FY18-19	Adopted FY18-19
PERSONNEL SERVICES						
262,427	263,980	280,500	REGULAR SALARIES	302,600	302,600	302,600
4,547	4,731	8,000	OVERTIME	8,000	8,000	8,000
1,685	1,768	-	ACCRUED LEAVE PAYOUTS	-	-	-
-	-	1,700	COMP TIME PAYOFF	1,000	1,000	1,000
-	1,914	2,800	SICK LEAVE PAYOUT	3,000	3,000	3,000
-	3,684	3,500	VACATION PAYOUT	5,000	5,000	5,000
138,741	52,510	-	FRINGE BENEFITS	-	-	-
-	13,962	22,700	FICA/MEDICARE	24,400	24,400	24,400
-	49,709	85,800	HEALTH INSURANCE	99,000	99,000	99,000
-	2,066	3,300	HRA VEBA	3,300	3,300	3,300
-	1,967	3,500	LIFE & DISABILITY INSURANCE	3,500	3,500	3,500
-	10,842	17,800	PERS (EMPLOYEE)	19,200	19,200	19,200
-	13,651	35,100	PERS (EMPLOYER)	37,300	37,300	37,300
-	85	8,600	WORKERS COMPENSATION	11,800	11,800	11,800
-	2,489	5,600	UNEMPLOYMENT	5,400	5,400	5,400
407,399	423,358	478,900	TOTAL PERSONNEL SERVICES	623,500	623,500	623,500
MATERIALS & SERVICES						
18	2,063	2,500	ATTORNEY SERVICES - GENERAL	2,500	2,500	2,500
1,390	-	1,500	ATTORNEY SERVICES - LABOR	1,000	1,000	1,000
6,821	4,724	5,300	AUDIT SERVICES	4,200	4,200	4,200
5,011	12,571	6,500	BUSINESS CONSULTING SERVICES	6,000	6,000	6,000
2,723	1,560	5,000	ENGINEERING SERVICES	5,000	5,000	5,000
8,508	9,769	20,750	TECHNICAL SUPPORT SERVICES	20,500	20,500	20,500
2,497	2,476	9,000	COMPUTER SERVICES AND SUPPLIES	11,000	11,000	11,000
-	-	40,000	TAP EXPENSES	25,000	25,000	25,000
3,861	3,881	4,500	PHONE, INTERNET, & RADIO	4,500	4,500	4,500
14,040	15,577	17,000	PROPERTY AND CASUALTY INSURANCE	17,850	17,850	17,850
1,198	1,301	1,500	CUSTODIAL	1,200	1,200	1,200
771	800	1,150	DISPOSAL SERVICES	1,000	1,000	1,000
69,509	61,817	75,000	ENERGY UTILITIES	75,000	75,000	75,000
331	341	350	SEWER UTILITIES	400	400	400
22,809	11,599	21,000	REPAIR & MAINTENANCE SERVICES	26,000	26,000	26,000
730	127	250	ADVERTISING & NOTICES	800	800	800
451	6,011	1,500	BANKING FEES	12,000	12,000	12,000
1,877	1,484	2,500	DUES, MEMBERSHIPS & PUBLICATIONS	2,500	2,500	2,500
29,571	21,632	29,000	GENERAL SUPPLIES	34,000	34,000	34,000
2,311	1,514	1,500	OFFICE SUPPLIES	1,500	1,500	1,500
9,928	9,440	10,500	POSTAGE	9,500	9,500	9,500
6,795	7,645	7,500	PRINTING & BINDING	6,500	6,500	6,500
1,285	1,481	1,500	TRAVEL & TRAINING	3,000	3,000	3,000
1,962	2,332	2,000	UNIFORMS	2,000	2,000	2,000
500	972	1,500	SAFETY EQUIPMENT	1,500	1,500	1,500
176,816	235,628	216,000	WHOLESALE WATER PURCHASES	260,000	260,000	260,000
63,146	56,033	65,000	IN LIEU OF FRANCHISE FEE PAYMENT	65,000	65,000	65,000
24,972	27,104	28,500	LOST CREEK WATER STORAGE MAINT CONT	27,000	27,000	27,000
147	151	200	TID ASSESSMENT	200	200	200
45	390	500	RENTAL OF EQUIPMENT & VEHICLES	500	500	500
2,925	3,605	4,000	FUEL	4,000	4,000	4,000
19	347	-	MISCELLANEOUS	-	-	-
696	295	-	MEETING EXPENSE	-	-	-
463,642	504,671	583,000	TOTAL MATERIALS & SERVICES	631,150	631,150	631,150
CAPITAL OUTLAY						
1,005	781	2,280	COMPUTER HARDWARE/SOFTWARE	-	-	-
76	-	-	FURNITURE AND FIXTURES	-	-	-
10,981	2,376	-	MINOR EQUIPMENT	2,000	2,000	2,000
12,062	3,157	2,280	TOTAL CAPITAL OUTLAY	2,000	2,000	2,000

WATER UTILITY FUND

Actual FY15-16	Actual FY16-17	Adopted FY17-18	EXPENDITURES	Proposed FY18-19	Approved FY18-19	Adopted FY18-19
			DEBT SERVICE			
115,000	120,000	120,000	2013 BOND PRINCIPAL	125,000	125,000	125,000
113,740	111,390	109,000	2013 BOND INTEREST	104,715	104,715	104,715
85,436	66,090	66,800	OCED LOAN PRINCIPAL	67,500	67,500	67,500
12,060	11,406	10,800	OCED LOAN INTEREST	10,100	10,100	10,100
<u>306,236</u>	<u>308,886</u>	<u>306,600</u>	TOTAL DEBT SERVICE	<u>307,315</u>	<u>307,315</u>	<u>307,315</u>
			TRANSFERS OUT			
-	20,000	-	N FRONT STREET IMPROVE. (P#020)	-	-	-
-	50,000	-	LITHIA WAY IMPROVEMENTS (P#022)	-	-	-
-	10,000	-	RAPP ROAD IMPROVEMENTS (P#023)	-	-	-
-	10,000	4,800	WAGNER STREET IMPROVE (P#032)	-	-	-
50,000	50,000	-	SCADA SYSTEM (P#035)	-	-	-
-	50,000	41,788	WATER RESERVOIR (P#011)	-	-	-
-	-	30,000	TAP LONG-TERM MAINTENANCE (P#047)	15,000	15,000	15,000
-	10,000	15,098	PUBLIC WORKS EQUIPMENT (P#012)	12,500	12,500	12,500
<u>50,000</u>	<u>200,000</u>	<u>91,686</u>	TOTAL TRANSFERS OUT	<u>27,500</u>	<u>27,500</u>	<u>27,500</u>
			UNALLOCATED			
-	-	500,000	CONTINGENCY	300,000	300,000	300,000
-	-	61,034	UNAPPROPRIATED ENDING FUND BALANCE	327,035	327,035	327,035
<u>-</u>	<u>-</u>	<u>561,034</u>	TOTAL UNALLOCATED FUNDS	<u>627,035</u>	<u>627,035</u>	<u>627,035</u>
1,958,123	2,090,444	2,023,500	TOTAL REVENUE & RESOURCES	2,118,500	2,118,500	2,118,500
1,239,340	1,440,072	2,023,500	TOTAL EXPENDITURES	2,118,500	2,118,500	2,118,500

**City of Talent
2018-19 Annual Budget**

LOCAL OREGON CAPITAL ASSETS PROGRAM (LOCAP) BOND

The City received an approved loan in the amount of \$4,141,000 from the United States Department of Agriculture, Rural Development. This loan was used to finance the TAP Inter-tie project and includes the construction of transmission mains and the reservoir. The loan was for 40 years at an interest rate of 4.5%. Loan payments were made from the Water Revenue Fund. This bond was refunded in April 2013 and the loan was paid off.

A new bond was issued through the League of Oregon Cities, Local Oregon Capital Assets Program (LOCAP). The 2013 LOCAP Bond matures in 2036. The proposed budget includes \$229,000 for payment on this bond.

Special Assessment. There are no special assessments for the repayment of this loan. All payments will be made from the Water Fund.

Fund Stability. The USDA had a requirement that a reserve fund be set up representing one year's annual payment. This is no longer a requirement as the USDA Rural Development loan is paid in full. The Debt Service Reserve fund balance was transferred back to the Water Fund in FY2013-14 and the Debt Service Reserve fund closed. These funds are held in the Water Utility Fund unappropriated ending fund balance to maintain the original purpose of the funds and provide continued assurance of fund stability.

OREGON ECONOMIC DEVELOPMENT DEPARTMENT

The City obtained a Safe Drinking Water Revolving Loan through the Oregon Economic Development Department in the amount of \$2,000,000 to finance additions, replacements, expansions and improvements to the City's water system related to the TAP Inter-tie project. The interest rate is 1% for the 30-year period of the bond. Payments are made from the Water Utility Fund – Bond & Interest Payments.

Special Assessment. There are no special assessments for the repayment of this loan. All payments will be made from the Water Utility Fund fees.

Fund Stability. This fund is stable since the revenue source is the water utility fee. The City is obligated to make these annual payments and, if necessary, to increase rates to meet these annual payment requirements.

**City of Talent
2018-19 Annual Budget**

SYSTEM DEVELOPMENT CHARGE (SDC) FUND

SDCs are collected when a building permit is issued. Besides the City's SDC fees, a builder will be assessed an SDC by both the Medford Water Commission and Rogue Valley Sewer Service. All SDC fees collected by the City go into a separate fund and cannot be used for operating expenses. There are specific rules for allocating SDC funds to construction projects. These rules have been established in State law and are closely monitored by external organizations. In addition to establishing the fee based on the anticipated future projects, a determination has to be made as to what portion of that fee can be used as "improvement fees" and what portion is designated "reimbursement fees." The system development charges include a 5.06% administrative fee that is allocated directly to the General Fund to administer the program.

The City has been able to accumulate and spend substantial reserves within the SDC Fund, due to the growth that has taken place since 2002. Capital improvement projects are currently funded with existing SDC fund balances and not projected revenues. Funds that remain in the SDC Fund are accounted for as "Reserved for Future Improvements". Before any of these reserved funds can be transferred to the CIP Fund and actually spent they would have to go through a budget amendment process. While the use of SDCs is a tremendous tool for the City in dealing with the impact of new development, the use of these fees is heavily regulated by the State and monitored carefully by the development community.

The Parks SDC funds are restricted due to limitations on assessing Parks SDCs and the issuance of development SDC credits. The City does not assess Park SDCs on commercial developments. In addition, developers are more likely to request SDC credits when adding parks to their developments that will benefit more than the population the housing development is intended to serve.

SDC Revisions: System Development Charges were revised and changes became effective in January 2006 based on an economic analysis of the methodology and an updated Capital Improvement Program. The changes in fees for Parks, Streets and Storm Water were adjusted upward based on the study. (Water SDCs were adjusted in 2005 under a similar study.) As part of the study the consultant included a recommendation that the City reimburse itself at a rate of 5.06% for the costs incurred to administer this program. This amount has been calculated based on the anticipated new revenues and a line item is included in the General Fund - "SDC Admin Fee" to reflect this. The City has begun work to review the Transportation SDC language that will provide clarification on business classifications and stimulate economic growth.

Current Charges: A table reflecting the actual SDCs assessed has been included with this report. In addition to the City SDC fees, the City collects water SDC fees on behalf of the Medford Water Commission (MWC). An applicant is also required to pay an SDC fee to the Rogue Valley Sewer Services (RVSS) which is collected directly by RVSS. These fees are comparable with other cities within the Rogue Valley.

The City's SDC Ordinance allows for the annual adjustment of the rates based on the March construction cost index (CCI) as reported in the Engineering News Record. The City adjusts SDC rates annually based on the CCI.

State Law: In identifying System Development Charges and how they can be used the State law distinguishes between "reimbursement fees" and "improvement fees". Reimbursement fees can be used for costs associated with capital improvements already constructed or under construction. Improvement fees are defined as fees for the costs associated with capital improvements to be constructed that will increase the capacity of a system. The City now uses a formula provided by the consultants to assist in determining how the fees are allocated once assessed.

SDCs as Match Funds: SDC funds can be used to meet the local match required by some grants. Many of the granting agencies require that the City make a good faith effort to provide a match with the percentage varying by the different granting agencies.

Interfund Transfers – SDC

Transfers in the amount of \$35,000 are being transferred from the SDC fund to the CIP fund for:

- Storm Water Master Plan - \$35,000

**CITY OF TALENT
SDC RATE ADJUSTMENTS THROUGH MARCH 2018**

WATER

Meter Size	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18
3/4"x5/8"	\$ 2,716	\$ 2,744	\$ 2,844	\$ 2,960	\$ 3,042	\$ 3,138	\$ 3,138	\$ 3,221
1"	\$ 6,790	\$ 6,860	\$ 7,109	\$ 7,401	\$ 7,607	\$ 7,846	\$ 7,846	\$ 8,054
1-1/2"	\$ 13,579	\$ 13,718	\$ 14,218	\$ 14,801	\$ 15,212	\$ 15,690	\$ 15,690	\$ 16,107
2"	\$ 21,726	\$ 21,949	\$ 22,748	\$ 23,681	\$ 24,339	\$ 25,104	\$ 25,104	\$ 25,771
3"	\$ 43,451	\$ 43,899	\$ 45,497	\$ 47,362	\$ 48,679	\$ 50,207	\$ 50,207	\$ 51,543
4"	\$ 67,893	\$ 68,592	\$ 71,089	\$ 74,003	\$ 76,060	\$ 78,449	\$ 78,449	\$ 80,535
6"	\$ 135,785	\$ 137,184	\$ 142,177	\$ 148,006	\$ 152,121	\$ 156,897	\$ 156,897	\$ 161,071
8"	\$ 217,256	\$ 219,494	\$ 227,483	\$ 236,810	\$ 243,393	\$ 251,036	\$ 251,036	\$ 257,713
1"	\$ 312,306	\$ 315,523	\$ 327,008	\$ 340,415	\$ 349,879	\$ 360,865	\$ 360,865	\$ 370,464

PARKS

	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18
Single Family	\$ 1,434	\$ 1,449	\$ 1,502	\$ 1,564	\$ 1,607	\$ 1,658	\$ 1,658	\$ 1,702
Multif-Family	\$ 1,042	\$ 1,052	\$ 1,091	\$ 1,135	\$ 1,167	\$ 1,203	\$ 1,203	\$ 1,235
Mobile Home Park Units	\$ 984	\$ 995	\$ 1,031	\$ 1,073	\$ 1,103	\$ 1,137	\$ 1,137	\$ 1,168

TRANSPORTATION

	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18
Per Trip Unit/Peak Hour Trip	\$ 2,450	\$ 2,475	\$ 2,565	\$ 2,670	\$ 2,744	\$ 2,830	\$ 2,830	\$ 2,906
"Average" Single Family	\$ 2,474	\$ 2,499	\$ 2,590	\$ 2,697	\$ 2,772	\$ 2,859	\$ 2,859	\$ 2,935

STORMWATER

	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18
Single Family - Per EDU	\$ 1,244	\$ 1,257	\$ 1,303	\$ 1,356	\$ 1,394	\$ 1,437	\$ 1,437	\$ 1,476
All other (times square feet of impervious area)	\$ 0.4145	\$ 0.4188	\$ 0.4340	\$ 0.4518	\$ 0.4644	\$ 0.4789	\$ 0.4789	\$ 0.4917

Construction Cost Index Percentage Change (20 City Average)
from March 2017- March 2018 = 2.66%

SYSTEM DEVELOPMENT CHARGES FUND
FISCAL YEAR 2018-19

REVENUE SUMMARY
BY CATEGORY

Actual FY15-16	Actual FY16-17	Adopted FY17-18		Proposed FY18-19	Approved FY18-19	Adopted FY18-19
203,908	134,259	91,000	CHARGES FOR SERVICES	199,400	199,400	199,400
3,584	15,327	3,650	MISCELLANEOUS	12,900	12,900	12,900
837,994	1,045,486	1,172,300	FUND BALANCE	1,021,400	1,021,400	1,021,400
1,045,486	1,195,072	1,266,950	TOTAL REVENUES	1,233,700	1,233,700	1,233,700
-	-	-	Less Interfund Transfers In	-	-	-
1,045,486	1,195,072	1,266,950	NET TOTAL REVENUE	1,233,700	1,233,700	1,233,700

EXPENDITURE SUMMARY
BY CATEGORY

Actual FY15-16	Actual FY16-17	Adopted FY17-18		Proposed FY18-19	Approved FY18-19	Adopted FY18-19
-	-	384,050	INTERFUND TRANSFERS OUT	35,000	35,000	35,000
-	-	882,900	RESERVES	1,198,700	1,198,700	1,198,700
-	-	1,266,950	TOTAL EXPENDITURES	1,233,700	1,233,700	1,233,700
-	-	384,050	Less Interfund Transfers Out	35,000	35,000	35,000
-	-	882,900	NET TOTAL EXPENSES	1,198,700	1,198,700	1,198,700

SYSTEM DEVELOPMENT CHARGE FUND

Actual FY15-16	Actual FY16-17	Adopted FY17-18		Proposed FY18-19	Approved FY18-19	Adopted FY18-19
Transportation Revenue						
220,430	282,472	336,200	IMP SDC FUND BAL RESTRICT	118,400	118,400	118,400
59,640	64,885	69,300	REIM SDC FUND BAL RESTRICT	75,400	75,400	75,400
957	2,900	1,000	IMP SDC INTEREST	3,700	3,700	3,700
237	616	200	REIM SDC INTEREST	800	800	800
61,085	55,919	26,400	IMPROVEMENT SDC	57,500	57,500	57,500
5,008	4,585	2,200	REIMBURSEMENT SDC	4,700	4,700	4,700
<u>347,357</u>	<u>411,377</u>	<u>435,300</u>	TOTAL TRANSPORTATION REVENUE	<u>260,500</u>	<u>260,500</u>	<u>260,500</u>
Transportation Expenditures						
-	-	139,100	RAPP ROAD PHASE 1 - WALK PATH (P#023)	-	-	-
-	-	40,000	GREENWAY CONNECTION TRAIL (P#049)	-	-	-
-	-	256,200	RESERVE FOR FUTURE PROJECTS	260,500	260,500	260,500
<u>-</u>	<u>-</u>	<u>435,300</u>	TOTAL TRANSPORTATION EXPENDITURES	<u>260,500</u>	<u>260,500</u>	<u>260,500</u>
Storm Drain Revenue						
58,886	77,015	89,000	IMP SDC FUND BAL RESTRICT	110,000	110,000	110,000
83,702	98,349	108,000	REIM SDC FUND BAL RESTRICT	125,600	125,600	125,600
259	769	350	IMP SDC INTEREST	1,000	1,000	1,000
347	948	350	REIM SDC INTEREST	1,500	1,500	1,500
17,870	12,686	11,900	IMPROVEMENT SDC	17,600	17,600	17,600
14,301	10,152	2,500	REIMBURSEMENT SDC	14,100	14,100	14,100
<u>175,364</u>	<u>199,919</u>	<u>212,100</u>	TOTAL STORM DRAIN REVENUE	<u>269,800</u>	<u>269,800</u>	<u>269,800</u>
Storm Drain Expenditures						
-	-	-	STORM WATER MASTER PLAN (P#052)	35,000	35,000	35,000
-	-	212,100	RESERVE FOR FUTURE PROJECTS	234,800	234,800	234,800
<u>-</u>	<u>-</u>	<u>212,100</u>	TOTAL STORM DRAIN EXPENDITURES	<u>269,800</u>	<u>269,800</u>	<u>269,800</u>

SYSTEM DEVELOPMENT CHARGE FUND

Actual FY15-16	Actual FY16-17	Adopted FY17-18		Proposed FY18-19	Approved FY18-19	Adopted FY18-19
Water Revenue						
58,565	75,681	84,800	IMP SDC FUND BAL RESTRICT	103,700	103,700	103,700
204,777	256,237	282,000	REIM SDC FUND BAL RESTRICT	248,300	248,300	248,300
255	5,850	300	IMP SDC INTEREST	900	900	900
876	2,443	750	REIM SDC INTEREST	2,700	2,700	2,700
16,861	9,692	7,900	IMPROVEMENT SDC	17,300	17,300	17,300
50,584	27,767	23,500	REIMBURSEMENT SDC	51,800	51,800	51,800
<u>331,919</u>	<u>377,671</u>	<u>399,250</u>	TOTAL WATER REVENUE	<u>424,700</u>	<u>424,700</u>	<u>424,700</u>
Water Expenditures						
-	-	90,000	WATER MASTER PLAN (P#046)	-	-	-
-	-	309,250	RESERVE FOR FUTURE PROJECTS	424,700	424,700	424,700
-	-	399,250	TOTAL WATER EXPENDITURES	<u>424,700</u>	<u>424,700</u>	<u>424,700</u>
Parks Revenue						
85,093	109,380	116,800	IMP SDC FUND BAL RESTRICT	139,800	139,800	139,800
66,901	81,466	86,200	REIM SDC FUND BAL RESTRICT	100,200	100,200	100,200
371	1,034	400	IMP SDC INTEREST	1,300	1,300	1,300
283	766	300	REIM SDC INTEREST	1,000	1,000	1,000
23,916	8,409	10,400	IMPROVEMENT SDC	22,800	22,800	22,800
14,283	5,050	6,200	REIMBURSEMENT SDC	13,600	13,600	13,600
<u>190,847</u>	<u>206,105</u>	<u>220,300</u>	TOTAL PARK REVENUE	<u>278,700</u>	<u>278,700</u>	<u>278,700</u>
Parks Expenditures						
-	-	114,950	SPLASH PAD PHASE III (P#025)	-	-	-
-	-	105,350	RESERVE FOR FUTURE PROJECTS	278,700	278,700	278,700
-	-	220,300	TOTAL PARK EXPENDITURES	<u>278,700</u>	<u>278,700</u>	<u>278,700</u>
-	-	1,266,950	TOTAL SDC EXPENDITURES	<u>1,233,700</u>	<u>1,233,700</u>	<u>1,233,700</u>
<u>1,045,486</u>	<u>1,195,072</u>	<u>1,266,950</u>	TOTAL SDC REVENUE	<u>1,233,700</u>	<u>1,233,700</u>	<u>1,233,700</u>

SYSTEM DEVELOPMENT CHARGE FUND

Actual FY15-16	Actual FY16-17	Adopted FY17-18		Proposed FY18-19	Approved FY18-19	Adopted FY18-19
Fund Summary Revenue						
837,994	1,045,486	1,172,300	TOTAL FUND BALANCE	1,021,400	1,021,400	1,021,400
3,584	15,327	3,650	TOTAL INTEREST EARNINGS	12,900	12,900	12,900
203,908	134,259	91,000	TOTAL SDC REVENUE	199,400	199,400	199,400
1,045,486	1,195,072	1,266,950	TOTAL SDC REVENUE	1,233,700	1,233,700	1,233,700
Fund Summary Expenses						
-	-	179,100	TRANSFER TO CIP FUND - STREET PROJECTS	-	-	-
-	-	-	TRANSFER TO CIP FUND STORM DRAIN PROJECTS	35,000	35,000	35,000
-	-	90,000	TRANSFER TO CIP FUND - WATER PROJECTS	-	-	-
-	-	114,950	TRANSFER TO CIP FUND - PARKS PROJECTS	-	-	-
-	-	882,900	RESERVE FOR FUTURE PROJECTS	1,198,700	1,198,700	1,198,700
-	-	1,266,950	TOTAL SDC EXPENDITURES	1,233,700	1,233,700	1,233,700

**City of Talent
2018-19 Annual Budget**

DEBT SERVICE FUNDS

The City of Talent has two Debt Service Funds, the General Obligation Debt Service and the West Valley View Debt Service.

With the voter approval for the Police Station Renovation Project, the General Obligation Debt Service Fund was created to manage the debt service payments. This debt service is funded with property taxes.

The West Valley View LID (Limited Improvement District) bond was incurred by the City in 1998 to pay for improvements on West Valley View. It became apparent that the projected payments into this fund would not be sufficient to pay off this debt service by the 2018 maturity date. In FY2011, the City started transferring funds from the General Fund each year in order to meet the debt service obligation and eliminate this debt in 2018. This bond matured in 2018.

All Water Fund debt is paid directly from the Water Utility Fund.

**PER CAPITA OUTSTANDING DEBT
FISCAL YEAR 2018-19**

<u>Description</u>	<u>Principal Outstanding July 1, 2018</u>	<u>FY18-19 Principal Payment</u>	<u>Principal Outstanding June 30, 2019</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Cost per Capita</u>
Limited Tax Improvement Bonds						
Police Station Renovations	375,000	80,000	295,000	4.65%	2022	46.64
2016 Urban Renewal Bond	971,000	481,000	490,000	1.98%	2019	77.47
General Debt Service	\$ 1,346,000	\$ 561,000	\$ 785,000			\$ 124.11
Oregon Economic Development Dept. Safe Drinking Water Loan	\$ 1,007,738	\$ 67,500	\$ 940,238	1.00%	2031	\$ 148.65
2013 LOCAP Bond						
Refunded 2000 Water Revenue Bond	3,055,000	125,000	2,930,000	3.00%	2036	463.24
Water Debt Service	\$ 4,062,738	\$ 192,500	\$ 3,870,238			\$ 611.90
TOTAL DEBT SERVICE	\$ 5,408,738	\$ 753,500	\$ 4,655,238			\$ 736.01
 Population	 6,325					

**City of Talent
2018-19 Annual Budget**

GENERAL OBLIGATION LOANS

POLICE DEPARTMENT RENOVATION PROJECT

The Police Department Renovation Project General Obligation Loan Fund was established in the 2007-08 fiscal year to finance improvements to the Police Station on Talent Avenue. Voters in Talent authorized a loan of \$800,000 for this purpose in the general election in November 2006. The bonds were issued in August 2007 with a fixed rate of 4.25% from 2008-2017 and another note of 4.65% from 2018-2022. Payments are due in January and July of each year for the term on the loan with the principal payment due each January.

Special Assessment. With the bonding authorization, all city property owners will be assessed an additional amount in their property tax bill to make payments on this loan.

Fund Stability. The revenue source is stable since it comes through a special assessment on the property tax bill.

GENERAL OBLIGATION
Police Department Building Renovation

Actual FY15-16	Actual FY16-17	Adopted FY17-18	REVENUE & OTHER RESOURCES	Proposed FY18-19	Approved FY18-19	Adopted FY18-19
2,800	5,237	2,400	FUND BALANCE - RESTRICTED	2,000	2,000	2,000
2,800	5,237	2,400	TOTAL FUND BALANCE	2,000	2,000	2,000
76,615	81,466	86,665	PROPERTY TAX - PD BOND	93,600	93,600	93,600
-	162	-	INTEREST	-	-	-
-	162	-	TOTAL INTEREST	-	-	-
79,415	86,865	89,065	TOTAL REVENUE & OTHER RESOURCES	95,600	95,600	95,600

GENERAL OBLIGATION

Actual FY15-16	Actual FY16-17	Adopted FY17-18	EXPENDITURES	Proposed FY18-19	Approved FY18-19	Adopted FY18-19
			BOND & INTEREST PAYMENTS			
55,000	60,000	70,000	LOAN PRINCIPAL	80,000	80,000	80,000
24,411	21,968	19,065	LOAN INTEREST	15,600	15,600	15,600
-	-	-	BOND FEES	-	-	-
79,411	81,968	89,065	TOTAL DEBT SERVICE	95,600	95,600	95,600
79,411	81,968	89,065	TOTAL BOND & INTEREST PAYMENTS	95,600	95,600	95,600
79,415	86,865	89,065	FUND REVENUE	95,600	95,600	95,600
79,411	81,968	89,065	FUND EXPENDITURES	95,600	95,600	95,600

**City of Talent
2018-19 Annual Budget**

WEST VALLEY VIEW DEBT SERVICE FUND

The West Valley View Debt Service Fund was established to finance improvements to the West Valley View Local Improvement District (LID). The original loan in the amount of \$340,000 was issued April 1, 1998 with a principal payment due in May of each year for 20 years, and interest payments due in May and November. The Bond matured in 2018.

Fund Balance. Included in the beginning fund balance are revenues carried over from the previous year combined with the funds transferred from the General Fund.

Special Assessments. The City collected assessed payments from property owners benefiting from improvements within this local improvement district. These payments were intended to cover the principal payments and interest throughout the life of the bond.

Miscellaneous Revenue. Miscellaneous revenue consisted of investment income and any prepayments that may be made by the property owners. Funds not needed for the loan payment will be invested in secure investment options.

Interfund Transfer: During FY2004-05 the Suncrest Debt Fund was closed out and all remaining revenues in that fund were transferred to the West Valley View Debt Service Fund. The amount of this transfer was \$28,884.57. To provide steady funding for the bond payments through 2018, annual transfers from the General Fund to the West Valley View Debt Service Fund were made.

Financial Stability of Fund. When a property changes hands it is required by State law that the LID lien on a property is paid in full at the time of sale. At the time that the final property holder makes payment in full, the City will pay off the remaining balance.

WEST VALLEY VIEW DEBT SERVICE FUND

Actual FY15-16	Actual FY16-17	Adopted FY17-18	REVENUE & OTHER RESOURCES	Proposed FY18-19	Approved FY18-19	Adopted FY18-19
37,800	24,234	11,445	FUND BALANCE - RESTRICTED	-	-	-
37,800	24,234	11,445	TOTAL FUND BALANCE	-	-	-
8,025	17,676	9,120	PRINCIPAL PAYMENTS	-	-	-
1,550	1,146	447	INTEREST PAYMENTS	-	-	-
-	-	-	LATE FEES	-	-	-
9,575	18,822	9,567	TOTAL ASSESSMENTS	-	-	-
75	240	50	INTEREST	-	-	-
75	240	50	TOTAL INTEREST	-	-	-
6,000	5,500	5,376	TRANSFER IN FROM GENERAL FUND	-	-	-
6,000	5,500	5,376	TOTAL INTERFUND TRANSFERS	-	-	-
53,450	48,796	26,438	TOTAL REVENUE & OTHER RESOURCES	-	-	-

WEST VALLEY VIEW DEBT SERVICE FUND

Actual FY15-16	Actual FY16-17	Adopted FY17-18	EXPENDITURES	Proposed FY18-19	Approved FY18-19	Adopted FY18-19
BOND & INTEREST PAYMENTS						
25,000	25,000	25,000	BOND SERIES '98 PRINCIPAL	-	-	-
4,313	2,875	1,438	BOND SERIES '98 INTEREST	-	-	-
-	-	-	BOND FEES	-	-	-
29,313	27,875	26,438	TOTAL DEBT SERVICE	-	-	-
29,313	27,875	26,438	TOTAL BOND & INTEREST PAYMENTS	-	-	-
NON-DEPARTMENTAL						
-	-	-	UNAPPROPRIATED ENDING FUND BALANCE	-	-	-
-	-	-	TOTAL UNAPPROPRIATED	-	-	-
-	-	-	TOTAL NON-DEPARTMENTAL	-	-	-
53,450	48,796	26,438	FUND REVENUE	-	-	-
29,313	27,875	26,438	FUND EXPENDITURES	-	-	-

**City of Talent
2018-19 Annual Budget**

CAPITAL IMPROVEMENT PROGRAM FUND

The Capital Improvement Program Fund (CIP) is utilized to manage capital projects in the coming year, and to allow funds to be set aside for capital projects beyond the current budget year. Revenue sources for the Capital Improvement Fund for specific projects can come internally from the General, Streets, Parks, Water or System Development Charge funds, or externally from grants, loans, and other agencies, including the Talent Urban Renewal Agency (TURA). This fund was originally created in FY2004-05.

Merits of a CIP Fund:

The CIP Fund provides improved tracking and reporting of projects and their source of funding. Each project is assigned a cost center number used for tracking all project revenue and expenditures.

One of the benefits to a capital improvement fund is that funds can be set aside over a period of years for a specific project. This provides the City with the opportunity to pay for large projects out of existing revenue sources rather than incurring long-term debt. It is also useful in tracking projects that carry over from one year to the next.

Granting agencies look favorably on cities with Capital Improvement Programs since it is an indicator that a City recognizes the importance of planning for the future and has made a monetary commitment to that planning process.

What is Included in the CIP? - Projects included in the Capital Improvement Fund are generally over \$5,000 in cost and have a useful life of more than one year. A Capital Improvement Program (CIP) has been developed for all capital projects identified as important to be completed in the next five years. While the CIP identifies the projects, sets the priorities and assigns costs in today's dollars, the accounting mechanism to manage these projects is to establish a separate fund specific for this purpose that does not close out until the project is complete or cancelled.

Unlike the other City Funds, the monies transferred to the CIP Fund are identified for specific projects and the dollars allocated will be carried forward from one year to the next within that project account. The specified funds will remain earmarked to a specific project until the project has been completed or the City transfers those funds to another project within the Capital Improvement Plan. Such a transfer would only take place if the cost of the project was less than originally anticipated or if it were determined that the project is no longer viable.

How the Fund Works:

While the Capital Improvement Program Plan will include all the projects that impact City infrastructure regardless of the department, the Capital Improvement Program Fund shows only those projects where City resources have actually been committed or where the City will be contributing to the project. The Budget Report includes only those projects that have carryover from previous years and the new projects proposed for FY2018-19.

It is possible that projects beyond FY2018-19 will be changed or eliminated in the next revision of the Capital Improvement Budget. Each year the funds and projects are re-evaluated to determine if priorities have changed due to the availability of funds, or if a particular project can be solved in another manner.

Budget Pages:

While the City has completed a number of major projects, there is still more to do. Constraining factors include funding, securing approvals from other agencies, and right of ways.

A page has been included to indicate the projects proposed for FY2018-19 and the various sources of funds for the individual projects. Sources can be the General Fund, Parks Fund, Street Fund, Water Utility Fund, SDC Fund, and funding from outside agencies.

In the Expenditure section of the budget the projects have been grouped under category: General (General Administration, City Buildings and Police Department), Parks, Streets, Storm Drains, Water, Vehicle & Equipment, and Reserves.

Project Highlights:

General Projects: The City established a reserve for building maintenance and repair for both the City Hall and the Police Station in FY2010-11, the Town Hall in FY2012-13 and the Community Center in FY2015-16. These reserves will be used for future capital repairs. The General projects planned for FY2018-19 are:

- Building Maintenance (as needed)

Park Improvements: Park Improvements projects planned for FY2018-19:

- Parks Master Plan

Street/Storm Improvements: Street Improvement projects planned for FY2018-19:

- Highway 99 Street Improvements
- Rapp Rd. Walkway Bridge
- Rapp Rd. Chip Sealing
- West Valley View Rd. Reprofile

Water Improvements: Water Improvement projects planned for FY2017-18:

- New Water Reservoir
- Water Master Plan

The City is also setting aside funding for future infrastructure projects on Wagner Street.

Equipment/Vehicle Reserves:

In addition to construction projects, additional headings have been established for Equipment/Vehicle Reserve expenditures within the CIP Fund Budget. Setting aside money for the replacement of police vehicles, public works vehicles and heavy equipment allows the City to avoid a large single expense in any one-year. Using the reserve in conjunction with a vehicle and equipment replacement schedule, there should be funds available to replace vehicles and equipment at the end of their useful life. The revenue sources for these reserve funds come from transfers from the General, Street and Water Funds.

Included in this report is a projected Fleet Replacement Schedule for the Police Department and Public Works Department. The Police Department purchased two vehicles in FY2014-15 using a three-year lease-to-own option. The final payment was made on these vehicles in FY2016-17. One new police vehicle was purchased in FY2017-18 using the same three-year lease-to-own method.

Vehicle Replacements: Vehicle replacements planned for FY2018-19

- None

TALENT PD FLEET

Veh #	Year	Make	License	VIN	Mileage 5/4/2018	Current Function	Planned Function	Date Purch	Cost	Notes
Active Fleet										
735	2009	Ford CV	E244377	2FAHP71V09X145271	144,435	Patrol	Patrol	10/09	28481	
736	1999	Ford CV	379GKD	2FAHP71W4xxx185267	121,527	Unmarked	Travel/	09/09	Free	
737	2007	Ford CV	E242205	2FAPP71W87X135102	156,285	Patrol	Patrol	08/10	9500	
742	2013	Ford Expl	E259066	1FM5K8AR9DGB63752	42,366	Supervisor	Supervisor	12/12	39900	
743	2015	Ford Taurus	E263856	1FAHP2L82FG129116	40,000	Patrol	Patrol	01/15	33791	
744	2015	Ford Expl	E263855	11FM5K8AR1FGB26357	46,212	Patrol	Patrol	01/15	38453	
746	2010	Ford CV		2FABP7BV6AX111036	160,008	Patrol	Patrol	03/16	\$750	Deschutes SO
747	2017	Ford Expl		1FM5K8AR8HGD07295		Chief	Chief	2017		
Inactive/Pending Disposal										
734	2008	Ford CV				Parts Car	2017			Lockwood's Auto
739	2003	Ford CV		2FAFP71WX3X115668		Disposed				Star-traded paint job on 745
745	2008	Ford CV		2FAFP71V18X131580		Disposed	2018	3/16	750	Auctioned 4/18

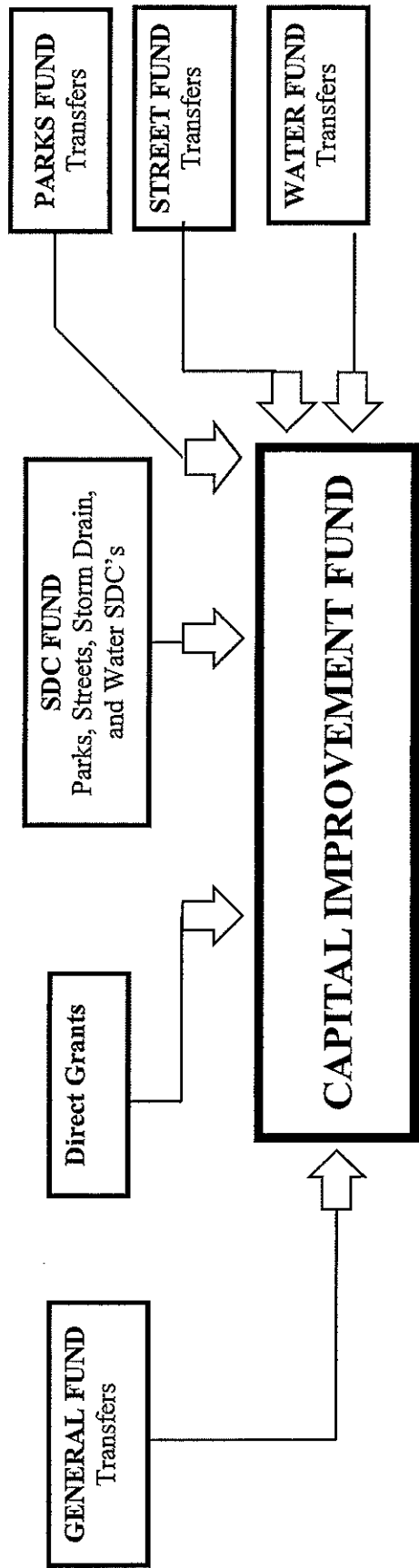
(@ End of FY)	732 Patrol	734 Patrol	735 Patrol	736 Adm/Trvl	737 Patrol	739 Chief	742 Patrol	743 Patrol	744 Patrol	745 Patrol	746 Chief
13/14											
14/15	Parts Car					Chief car Disposed		New Car	New Car		
15/16											
16/17										New/Used car	New/Used car
17/18		Replaced Disposed									Disposed
18/19					Replace						
19/20										Replace	

CITY OF TALENT
PUBLIC WORKS DEPARTMENT
FLEET REPLACEMENT SCHEDULE

Vehicle Make/Year Driver	2005 Toy Tundra		2008 Ford F350 (4x4)		2013 Ford Escape		2003 Chevy 2500HD		2003 Ford Ranger		2004 Chevy 1500		2003 Ford DT		2006 F350 (2x4)		2017 Chevy 1500	
	Milage/K	Life/Yr	Milage/K	Life/Yr	City Hall Milage/K	Life/Yr	Milage/K	Life/Yr	Utility/Seasonal Milage/K	Life/Yr	Utility/Seasonal Milage/K	Life/Yr	Milage/K	Life/Yr	Milage/K	Life/Yr	Milage/K	Life/Yr
Current	97	13	63	9	25	5	68	15	62	15	89	14	18	15	54	12	7	2
2018/2019	106	14	72	10	33	6	75	16	69	16	97	15	20	16	63	13	14	3
2019/2020	115	15	80	11	41	7	81	17	Replace	17	105	16	21	17	71	14	21	4
2020/2021	124	16	89	12	49	8	88	18		18	113	17	23	18	80	15	28	5
2021/2022	133	17	97	13	57	9	94	19		19	Replace		24	19	88	16	35	6
2022/2023			106	14	65	10	101	20		20			26	20	97	17	42	7
2023/2024			114	15	73	11	Replace						27	21	105	18	49	8
2024/2025			123	16	81	12							29	22	Replace		56	9
2025/2026					89	13							30	23			63	10
2026/2027					97	14							32	24			70	11

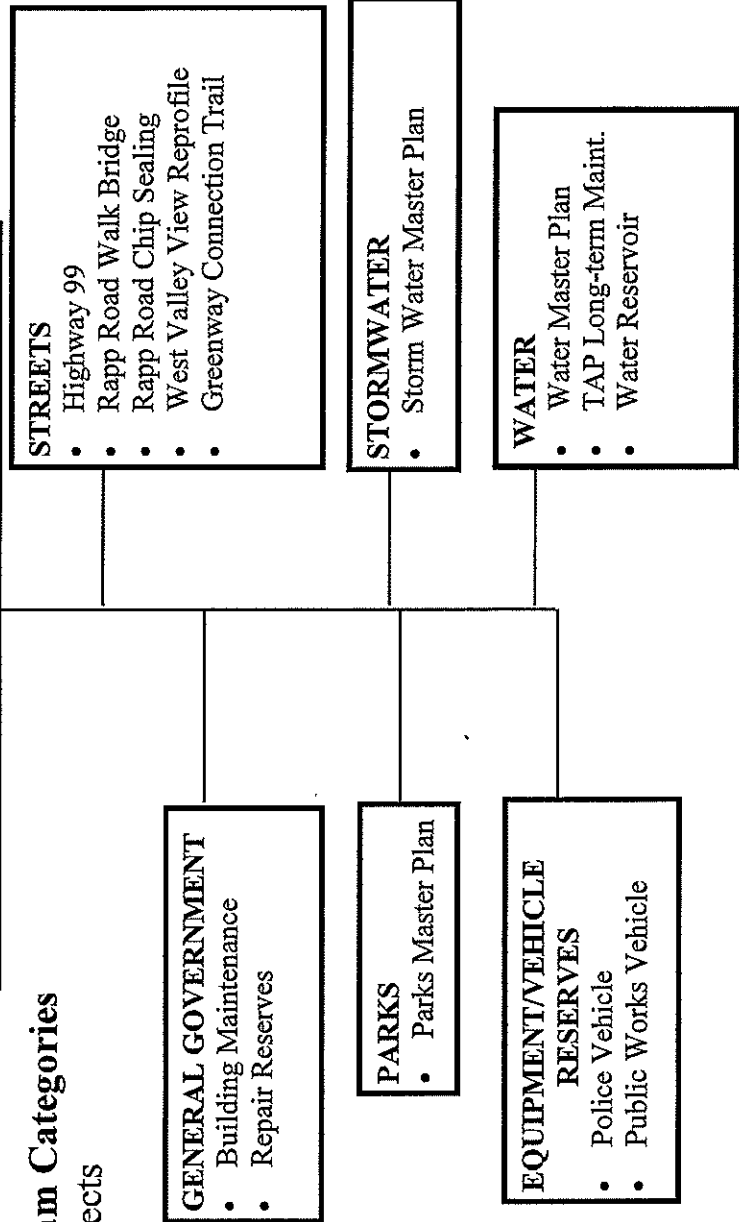
Monitor all Vehicles for increasing maintenance issues

Revenue Sources



Program Categories

- Projects



CAPITAL IMPROVEMENT PROJECTS FUND
FISCAL YEAR 2018-19

REVENUE SUMMARY
BY CATEGORY

Actual FY15-16	Actual FY16-17	Adopted FY17-18		Proposed FY18-19	Approved FY18-19	Adopted FY18-19
993,270	-	59,186	INTERGOVERNMENTAL	3,139,000	3,139,000	3,139,000
-	13,688	-	MISCELLANEOUS	-	-	-
489,000	312,000	567,320	INTERFUND TRANSFERS IN	170,860	170,860	170,860
1,772,646	1,826,313	1,256,106	FUND BALANCE	1,350,000	1,350,000	1,350,000
3,254,916	2,152,001	1,882,612	TOTAL REVENUES	4,659,860	4,659,860	4,659,860
489,000	312,000	567,320	Less Interfund Transfers In	170,860	170,860	170,860
2,765,916	1,840,001	1,315,292	NET TOTAL REVENUE	4,489,000	4,489,000	4,489,000

EXPENDITURE SUMMARY
BY CATEGORY

Actual FY15-16	Actual FY16-17	Adopted FY17-18		Proposed FY18-19	Approved FY18-19	Adopted FY18-19
27,400	50,199	72,501	CAPITAL OUTLAY	98,000	98,000	98,000
1,474,765	814,752	1,810,111	CAPITAL CONSTRUCTION	4,561,860	4,561,860	4,561,860
-	10,265	-	RESERVES	-	-	-
1,502,165	875,216	1,882,612	TOTAL EXPENDITURES	4,659,860	4,659,860	4,659,860
-	-	-	Less Interfund Transfers Out	-	-	-
1,502,165	875,216	1,882,612	NET TOTAL EXPENSES	4,659,860	4,659,860	4,659,860

CAPITAL IMPROVEMENT PROJECTS FUND

Actual FY16-16	Actual FY16-17	Adopted FY17-18		Proposed FY18-19	Approved FY18-19	Adopted FY18-19
REVENUE & OTHER RESOURCES						
FUND BALANCE						
1,772,646	1,826,313	1,256,106	FUND BALANCE - COMMITTED TO PROJECTS	1,350,000	1,350,000	1,350,000
1,772,646	1,826,313	1,256,106	TOTAL FUND BALANCE	1,350,000	1,350,000	1,350,000
INTERGOVERNMENTAL						
			WATER RESERVOIR REIMBURSEMENTS (P#011)	3,139,000	3,139,000	3,139,000
993,270	-	-	CDBG GRANT - COMMUNITY CENTER	-	-	-
-	-	59,186	BLUE SKY GRANT - COMMUNITY CENTER SOLAR PANELS P#048)	-	-	-
993,270	-	59,186	TOTAL INTERGOVERNMENTAL	3,139,000	3,139,000	3,139,000
INTEREST						
-	13,688	-	INTEREST	-	-	-
-	13,688	-	TOTAL INTEREST	-	-	-
TRANSFERS FROM OTHER FUNDS						
6,000	-	-	GENERAL FUND TRANSFER-COMM CNTR FIXTURES (P#030)	-	-	-
30,000	-	-	GENERAL FUND TRANSFER-COMM CNTR GROUNDS (P#031)	-	-	-
196,500	-	-	GENERAL FUND TRANSFER-STREET SWEEPER	-	-	-
-	10,000	-	GENERAL FUND TRANSFER-CITY HALL SERVER (P#036)	-	-	-
20,000	20,000	14,000	GENERAL FUND TRANSFER-POLICE VEHICLE RESERVE (P#013)	15,300	15,300	15,300
5,000	2,500	1,084	GENERAL FUND TRANSFER-TOWN HALL REPR RESRV (P#014)	2,500	2,500	2,500
-	11,000	-	GENERAL FUND TRANSFER-FINANCE/UB SOFTWARE (P#038)	-	-	-
-	3,000	-	GENERAL FUND TRANSFER-COMM DEV SOFTWARE (P#015)	-	-	-
5,000	2,500	-	GENERAL FUND TRANSFER-CITY HALL BLDG MAINT RES (P#016)	5,000	5,000	5,000
5,000	2,500	-	GENERAL FUND TRANSFER-POLICE BLDG MAINT RES (P#017)	5,000	5,000	5,000
2,500	2,500	-	GENERAL FUND TRANSFER-COMM CNTR BLDG MAINT (P#018)	2,500	2,500	2,500
-	-	114,950	PARKS SDC FUND - SPLASH PAD PHASE III (P#025)	-	-	-
-	-	-	PARKS FUND - PUBLIC WORKS EQUIPMENT (P#012)	5,000	5,000	5,000
-	-	-	PARKS FUND - CIP RESERVE (FROM UTILITY FEE)	36,000	36,000	36,000
-	-	-	STORM WATER SDC FUND - STORM WATER MASTER PLAN (P#052)	35,000	35,000	35,000
10,000	-	-	STREET FUND-SIDEWALK IMPROV (P#019)	-	-	-
20,000	28,000	-	STREET FUND-N FRONT STREET IMPROV (P#020)	-	-	-
25,000	-	-	STREET FUND-LITHIA WAY IMPROVEMENTS (P#022)	-	-	-
25,000	-	-	STREET FUND-RAPP ROAD IMPROVEMENTS (P#023)	-	-	-
30,000	-	-	STREET FUND-SIDEWALK SECOND & SCHOOLHOUSE (P#027)	-	-	-
34,000	-	-	STREET FUND-TOWN HALL ALLEY IMPROVE (P#028)	-	-	-
25,000	-	11,000	STREET FUND-WAGNER STREET IMPROV (P#032)	-	-	-
-	30,000	-	STREET FUND-WAGNER CREEK SIDEWALKS (P#034)	-	-	-
-	-	30,500	STREET FUND - HIGHWAY 99 IMPROVEMENTS (P#021)	24,560	24,560	24,560
-	-	35,000	STREET FUND - WEST VALLEY VIEW REPROFILE (P#045)	-	-	-
-	-	-	STREET FUND - PUBLIC WORKS EQUIPMENT (P#012)	12,500	12,500	12,500
-	-	139,100	TRANS SDC IMPROV - RAPP RD PHASE 1 - WALK BRIDGE (P#023)	-	-	-
-	-	40,000	TRANS SDC IMPROV - GREENWAY CONNECTION TRAIL (P#049)	-	-	-
-	20,000	-	WATER UTILITY FUND - N FRONT STREET IMPROV (P#020)	-	-	-
-	50,000	-	WATER UTILITY FUND - LITHIA WAY IMPROVEMENTS (P#022)	-	-	-
-	10,000	-	WATER UTILITY FUND - RAPP ROAD IMPROVEMENTS (P#023)	-	-	-
-	10,000	4,800	WATER UTILITY FUND - WAGNER STREET IMPROVE (P#032)	-	-	-
50,000	50,000	-	WATER UTILITY FUND - SCADA SYSTEM (P#035)	-	-	-
-	50,000	41,788	WATER UTILITY FUND - FUTURE RESERVOIR (P#011)	-	-	-
-	10,000	15,098	WATER UTILITY FUND - PUBLIC WORKS EQUIPMENT (P#012)	12,500	12,500	12,500
-	-	30,000	WATER UTILITY FUND - TAP LONG-TERM MAINTENANCE (P#047)	15,000	15,000	15,000
-	-	90,000	WATER IMPROV SDC - WATER MASTER PLAN (P#046)	-	-	-
489,000	312,000	567,320	TOTAL INTERFUND TRANSFERS IN	170,860	170,860	170,860
3,254,916	2,152,001	1,882,612	TOTAL REVENUE & OTHER RESOURCES	4,659,860	4,659,860	4,659,860

**CAPITAL IMPROVEMENT PROJECTS FUND
EXPENDITURES**

Actual FY15-16	Actual FY16-17	Adopted FY17-18		Proposed FY18-19	Approved FY18-19	Adopted FY18-19
CAPITAL CONSTRUCTION						
GENERAL GOVERNMENT PROJECTS						
1,025,345	-	-	COMMUNITY CENTER (P#024)	-	-	-
-	8,898	-	TOWN HALL HANDICAP RAMP (P#029)	-	-	-
3,713	-	-	COMMUNITY CENTER FIXTURES (P#030)	-	-	-
20,540	-	-	COMMUNITY CENTER GROUNDS (P#031)	-	-	-
-	8,180	-	CITY HALL SERVER (P#036)	-	-	-
-	-	10,500	TOWN HALL REPAIR RESERVE (P#014)	13,000	13,000	13,000
18,140	106,380	-	FINANCE & UB SOFTWARE (P#038)	-	-	-
-	9,545	-	COMM DEV SOFTWARE (P#015)	-	-	-
-	-	14,350	CITY HALL BLDG MAINT RESERVE (P#016)	19,500	19,500	19,500
-	-	17,645	POLICE DEPT BLDG MAINT RESERVE (P#017)	22,800	22,800	22,800
-	-	3,850	COMMUNITY CENTER BLDG MAINT (P#018)	6,400	6,400	6,400
-	-	59,186	COMMUNITY CENTER SOLAR PANELS - BLUESKY GRANT (P#048)	-	-	-
<u>1,067,738</u>	<u>133,002</u>	<u>105,531</u>	TOTAL GENERAL GOVERNMENT	<u>61,700</u>	<u>61,700</u>	<u>61,700</u>
PARKS PROJECTS						
14,856	-	-	CR PARK TENNIS COURT RESURFACE (P#033)	-	-	-
2,565	-	150,000	CHUCK ROBERTS PARK SPLASH PAD (P#025)	-	-	-
4,445	6,287	-	HERITAGE TRAIL (P#026)	-	-	-
-	-	-	CIP UNALLOCATED PARK FUNDING (P#007)	64,550	64,550	64,550
<u>21,866</u>	<u>6,287</u>	<u>150,000</u>	TOTAL PARKS	<u>64,550</u>	<u>64,550</u>	<u>64,550</u>
TRANSPORTATION PROJECTS						
20,600	-	-	MISC SIDEWALK IMPROVEMENTS (P#019)	-	-	-
16,868	513,016	5,990	N FRONT STREET IMPROVEMENTS (P#020)	-	-	-
-	24,560	405,940	HWY 99 STREET IMPROVEMENTS (P#021)	400,000	400,000	400,000
2,642	-	290,000	RAPP ROAD IMPROVEMENTS - BRIDGE (P#023)	21,000	21,000	21,000
-	-	75,000	RAPP ROAD CHIP SEALING (P#044)	75,000	75,000	75,000
31,455	24,978	-	SIDEWALK SECOND & SCHOOLHOUSE (P#027)	-	-	-
79,000	-	-	TOWN HALL ALLEY IMPROVEMENTS (P#028)	-	-	-
-	-	146,600	WAGNER STREET IMPROVEMENTS (P#032)	146,600	146,600	146,600
-	45,463	-	WAGNER CREEK SIDEWALKS (P#034)	-	-	-
196,500	-	-	STREET SWEEPER	-	-	-
-	-	35,000	WEST VALLEY VIEW REPROFILE - 5% MATCH (P#045)	35,000	35,000	35,000
-	-	40,000	GREENWAY CONNECTION TRAIL (P#049)	40,000	40,000	40,000
-	-	-	MISC CHIP SEALING (P#053)	29,960	29,960	29,960
<u>347,065</u>	<u>608,017</u>	<u>998,530</u>	TOTAL TRANSPORTATION	<u>747,560</u>	<u>747,560</u>	<u>747,560</u>

**CAPITAL IMPROVEMENT PROJECTS FUND
EXPENDITURES**

Actual FY15-16	Actual FY16-17	Adopted FY17-18	CAPITAL CONSTRUCTION	Proposed FY18-19	Approved FY18-19	Adopted FY18-19
STORMWATER PROJECTS						
944	-	-	N FRONT STREET IMPROVEMENT (P#020)	-	-	-
-	-	46,250	WAGNER STREET IMPROVEMENTS (P#032)	46,250	46,250	46,250
-	-	-	STORM WATER MASTER PLAN	35,000	35,000	35,000
<u>944</u>	<u>-</u>	<u>46,250</u>	TOTAL STORMWATER	<u>81,250</u>	<u>81,250</u>	<u>81,250</u>
WATER PROJECTS						
7,837	-	-	N FRONT STREET IMPROVEMENT (P#020)	-	-	-
-	-	10,000	RAPP ROAD IMPROVEMENTS (P#023)	-	-	-
-	-	64,800	WAGNER STREET IMPROVEMENTS P#032)	64,800	64,800	64,800
29,315	67,445	-	SCADA SYSTEM (P#035)	-	-	-
-	-	90,000	WATER MASTER PLAN (P#046)	43,000	43,000	43,000
-	-	30,000	TAP LONG TERM MAINTENANCE (P#047)	45,000	45,000	45,000
-	-	315,000	WATER RESERVOIR (P#011)	3,454,000	3,454,000	3,454,000
<u>37,152</u>	<u>67,445</u>	<u>509,800</u>	TOTAL WATER	<u>3,606,800</u>	<u>3,606,800</u>	<u>3,606,800</u>
VEHICLES & EQUIPMENT						
-	24,299	58,501	PW EQUIPMENT RESERVE (P#012)	82,700	82,700	82,700
27,400	25,900	14,000	POLICE VEHICLE RESERVE (P#013)	15,300	15,300	15,300
<u>27,400</u>	<u>50,199</u>	<u>72,501</u>	TOTAL EQUIPMENT	<u>98,000</u>	<u>98,000</u>	<u>98,000</u>
-	10,265	-	RESERVE FOR FUTURE RESERVOIR (P#011)	-	-	-
-	<u>10,265</u>	-	TOTAL RESERVES	-	-	-
3,254,916	2,162,001	1,882,612	FUND REVENUE	4,659,860	4,659,860	4,659,860
1,502,165	875,216	1,882,612	FUND EXPENDITURES	4,659,860	4,659,860	4,659,860

007	Parks Unallocated	64,550
011	Water Reservoir	3,454,000
012	PW Equipment	82,700
013	Police Vehicles	15,300
014	Town Hall Repair Reserve	13,000
016	City Hall Building Maint.	19,500
017	PD Building Maint.	22,800
018	Community Center Bldg. Maint.	6,400
021	Highway 99 Street Improvements	400,000
023	Rapp Road Improvements	21,000
032	Wagner Street Improvements	257,650
044	Rapp Road Chip Sealing	75,000
045	West Valley View Reprofile	35,000
046	Water Master Plan	43,000
047	TAP Long Term Maintenance	45,000
049	Greenway Connection Trail	40,000
052	Storm Water Master Plan	35,000
053	Misc. Chip Sealing	29,960
		<u>4,659,860</u>

**City of Talent
2018-19 Annual Budget**

Community Profile

The earliest known explorers visited southwest Oregon between 1827 and 1850. Groups of Hudson's Bay Company trappers, government explorers, entrepreneurs and gold miners all passed through the Bear Creek Valley, traveling a trail that roughly paralleled the stream. Hudson's Bay Company leader Peter Ogden brought the first known fur-seeking expedition through the area in 1827. Ogden followed Bear Creek to the area that is now present-day Talent and camped near the mouth of Wagner Creek. Subsequent journeys by trappers also used the trail along Bear Creek as their route.

The earliest known settlers on Wagner Creek arrived in 1851, but they soon moved on. Jacob Wagner settled permanently in the Talent area in 1852. Agricultural development in the Wagner Creek vicinity continued through the 1870's. Jacob Wagner is generally credited as one of the first area residents to dig a ditch to irrigate farmland. By the late 1870's agriculture in the Wagner Creek area flourished.

In the late 1880's, A. P. Talent, who had arrived in the area in 1877, opened a store in the area. Other businesses and residents soon purchased lots and in a short time a "town" began to take shape. The town was named after A. P. Talent, who was also the first Postmaster. Talent was incorporated with approximately 250 people in November 1910.

Talent is just off Interstate 5, seven miles south of Medford and four miles north of Ashland, in Jackson County. The July 2016 census figure of population from Portland State University is 6,305. The mean elevation is 1,635'. Average temperatures vary from a low of 28 to a high of 46 degrees in winter, with morning fog and occasional snow. Summer temperatures average from a low of 51 to an average high of 87 degrees. Normal annual precipitation is 19 inches.

During the late 1990's, Talent was under a construction moratorium due to insufficient water. Talent worked with Phoenix, Ashland, and the Medford Water Commission to construct a system to allow access to the water managed by the Medford Water Commission. The moratorium was lifted in January 2002 and from 2002 to 2007 there was a significant increase in housing construction most likely attributed to the unmet demand from the 5-year moratorium.

Talent has overall been able to maintain a slow and healthy growth rate while at the same time providing the community with significant public improvements through its' Capital Improvement Planning, Grant administration and the efforts of the Talent Urban Renewal Agency – all of which have laid the necessary foundations for future growth.

Talent and the surrounding community are served by a variety of businesses and professional services. Some of the cultural and recreational facilities include art galleries and studios, museum, library and a community theatre.

Two newspapers, the Ashland Daily Tidings and the Medford Mail Tribune provide local and regional news, and are available to Talent residents. The City Administration Department has incorporated its publication a monthly newsletter into the Talent News and Review. The Talent News and Review, a local publication was established in 2008 just for Talent residents and provides local events and business advertisements. The TNR includes the City's Flash is mailed out to all City residents and is available at different City locations. The Flash is also available on the City's website at www.cityoftalent.org.

Rogue Valley Transit District provides bus service along Talent Avenue. The District continues to struggle with its operating expenses and being able to provide a level of service that is acceptable to cities within the district. Although the Depot Building was built with the intention of utilizing a portion of the building as a bus station the likelihood of this happening is rather remote at this time.

The Rogue Valley Sewer Services (RVS) provides regional sanitary sewer service, including Talent. In addition, the City has a partnership with RVS to provide storm water management services. Jackson County Fire District No. 5 provides fire and emergency medical services to the city and surrounding area. The Fire District is a separate taxing district. The Talent Irrigation District has offices located in Talent, and provides water for nearby agricultural irrigation, as well as for some urban irrigation purposes within the city limits. This district is also separate from city government. With the residential use of TID for irrigation purposes there is a real risk of cross contamination with City water. The City will continue to work to eliminate this risk by working with residents and businesses to comply with City regulations relating to this.

Talent is part of the Phoenix-Talent School District with an elementary and middle school located within the city limits. High School students commute to Phoenix High School, three miles away. The school district owns about 40 acres west of the City that includes ball fields. These school fields are included in the City's recreational facilities inventory, since they are made available to various groups in addition to the school uses. The City has a good working relationship with the School.

The City has seven developed parks with the improvements to Wagner Creek Park and two undeveloped areas that have future potential for active parks. The parks are well maintained and support a large variety of activities for the Talent residents. The City continues to make improvements to the park facilities. In Chuck Robert's Park, the sand volley ball court was completed in 2014, the splash pad opened in June 2015, and Heritage Trail is under construction.

A Mayor and six City Councilors, a Planning Commission, a Parks and Recreation Commission, and a Traffic Safety and Transportation Commission serve the City. In addition, there are several other committees who work with the council and city staff to plan and implement various programs for the residents on an ongoing basis. The City provides police protection, administration and financial services, community development and planning, a water distribution system, and maintains streets, storm sewers, and parks.

**City of Talent
2018-19
Annual Budget**

COMMUNITY PROFILE DETAIL

LOCATION:

The City of Talent is in Southern Oregon off Interstate 5, exit 21, seven miles south of Medford and four miles north of Ashland, 277 miles south of Portland and 373 miles north of San Francisco.

DATE OF INCORPORATION: November 2, 1910

DATE CHARTER ADOPTED: July 1, 1998

DATE LAST AMENDED: January 1, 2005

POPULATION:

2017	6325
2016	6305
2015	6270
2014	6230
2013	6170
2012	6115
2011	6095
2010 (Official Census)	6066
2009	6680
2008	6635
2007	6525
2006	6415
2005	6255
2004	5890
2003	5705
2002	5520
2000 (Official Census)	5589
1999	5065
1998	5050
1997	5010
1996	4765
1995	4530
1994	4205
1993	4010
1992	3830
1991	3625
1990 (Official Census)	3274
1980 (Official Census)	2577
1970	1389
1960	868
1950	739
1940	381
1930	421

POPULATION INCREASE:

2000-2010	8.53%
1995-2000	23.37%
1990-1995	38.36%
1985-1990	23.08%
1980-1985	3.22%
1970-1980	85.53%

AGE COMPOSITION:

	<u>2000</u>	<u>2010</u>
under 5-19 years	1604	1587
20-44	1016	1980
45-64	542	1513
65 and over	948	986

MEDIAN AGE:

2010	38.4
2000	34.3
1990	37.3
1980	31.1
1970	30.3

CLIMATE:

Measurement Location	Talent
Elevation	1635'
Temperature:	
Lowest Monthly Average	29 degrees F
Highest Monthly Average	87 degrees F
Hottest Month	July
Coldest Month	January
Driest Month	July
Wettest Month	November
Precipitation:	
Average Annual Precipitation	19.76"

EDUCATION:

(Phoenix/Talent public school district)	
Number of Attendance Centers	5 (+ 1 Charter)
Student/Teacher Ratio	25:1
Total Enrollment	2,607

FIRE PROTECTION:

(Jackson County Fire District No. 5)	
Number of Stations	1
Number of Firefighters	24
Number of Volunteers	25

POLICE PROTECTION:

Number of Employees (sworn) Includes Chief	8
Number of Reserves (sworn)	0

RECREATION AND CULTURE:

Number of Parks - including Dog Park	9
Number of Museums	1
Number of Libraries	1

HOUSEHOLD INCOME: (2010)

Median Household Income	\$35,347
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ELECTIONS:

Registered Voters	4,235
Number of Votes Cast in Last City Election	3,305
Percentage Voting in Last General Election	78.04%

ASSESSED PROPERTY VALUATION:

(in thousands of dollars)	
2017	393,404
2016	377,662
2015	365,117
2014	355,422
2013	337,983
2012	324,594
2011	321,697
2010	311,618
2009	303,929
2008	294,037
2007	280,088
2006	264,365
2005	242,726
2004	216,186
2003	200,548
2002	190,482

TAXES:

Sales Tax	None
Consolidated Property Tax Rate (per \$1,000 assessed value)	\$17.38

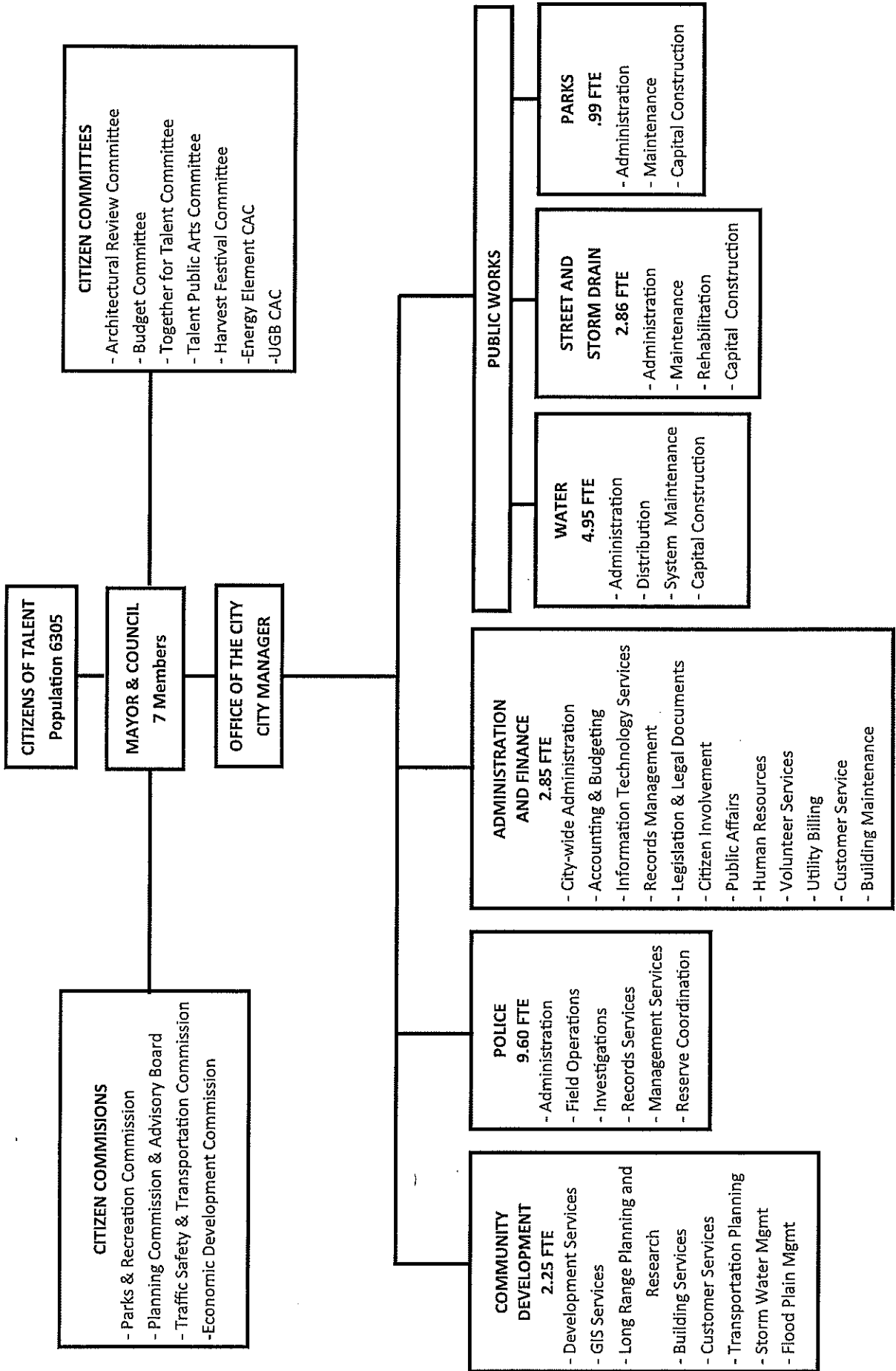
HOUSING UNITS:

2010	2,826
2000	2,420
1990	1,483
1980	972
1970	560

HOUSING:

Total Housing Units	2,826
Occupied Housing Units	2,639
Owner Occupied	1,464
Renter Occupied	1,175
Median Owner Cost (mtg)	\$1,326
Median Gross Rent	\$832
Percent built between	
2000 and 2010	14%
1990 and 2000	55%
1980 and 1990	13%
1970 and 1979	20%

CITY OF TALENT
DEPARTMENTS AND PROGRAMS
 FY 2018-19 Proposed Budget



Oregon's Property Tax System Measure 5 and 50

Measure 50 is a constitutional measure approved by Oregon voters on May 20, 1997. The measure, in addition to replacing Measure 47, repealed nearly every other provision in the provisions of Measure 5 passed by Oregon Voters in 1990.

Measure 50 converted Oregon's property tax system from a levy based system to a combination rate and levy based system. Taxing districts have a frozen permanent tax rate for operating purposes, but may also obtain revenue from the passage of bonded debt and "local option" levies. Revenues from the permanent rate can increase or decrease with the assessed value in a district. Revenues from local option levies are subject to the limitations imposed by Measure 5. Revenues from bonded debt levies (such as the police station renovation project) are not subject to limitation but must be approved by the voters in the district.

Measure 50 limits assessed value. For each property tax account, the value was "cut" in 1997-98 to the assessed value that the account had in 1995-96 less ten percent. It then "capped" the value in 1998-99 and subsequent years to 1.03 percent of the prior year's assessed value. The assessed value can exceed these limits in certain situations, such as when major construction occurs or when a property is disqualified from special assessment or exemption programs. The values of these "exceptions" are assessed at the same ratio of assessed value to market value as existing property thus giving new property the same relative tax break. This ratio is referred to as the "changed property ratio" or CPR. In addition to establishing the new maximum assessed values, real market values and/or specially assessed values were retained.

How Your Property Value Is Determined: Measure 50 creates a new value for each property, the "maximum assessed value". Thus, each property has a Real Market Value (RMV) and a Maximum Assessed Value (MAV), the lowest of which is an Assessed Value (AV). For exempt (enterprise zone, etc.), there is a third set of values reflecting the special assessment or exemption but the AV is still the lowest of the three values. Properties fall into one of these four categories:

1. No Change Properties. These are accounts that have had no assessment activity since 1995-96 other than RMV trending or ownership changes. There has been no new construction, no land size changes, and no changes of any kind that trigger an exception of Measure 50. In these cases, the AV will usually be the 1995-96 RMV less 10%, increased by 3% per year after 1997.
2. Changed Properties (Exceptions). These are accounts that have had some assessment activity since 1995-96 that allows for an adjustment in

the MAV. Examples of Exceptions are new construction or disqualification from special assessment. The MAV can be increased above the "cut and cap" limits. The AV in these cases will be the current MAV of the account plus the MAV of the Exception. The MAV Exception amount is determined by multiplying the current RMV of the Exception by the "changed property ratio" (CPR) described above.

3. RMV Change Only Properties. These are accounts that have had some assessment activity since 1995-96, however, the activity does not allow for an adjustment to MAV. The RMV changes but the MAV does not. These changes would include reappraisal, reductions due to an appeal, reduction due to removal of a structure and "minor" construction with an RMV of \$10,000 or less. The change could result in the RMV being increased or decreased. In cases where the RMV is reduced to less than MAV, the RMV becomes the AV because Measure 50 requires the AV be the lower of RMV or MAV.
4. MAV Balance Change Properties. These are accounts that have had some assessment activity since 1995-96 that allows for an adjustment in the MAV, however, the total MAV of the accounts must be the same before and after the account changes are processed. Examples of this would be a lot line adjustment where no new tax lot is being created, or a manufactured structure that has been assessed as personal property is "converted" to a real property assessment basis.

While new construction helps Talent in the amount of property taxes received outside the Urban Renewal District, this new construction is adjusted to the 1997 level. For Talent, when a new house is complete as of January 1, the value of the property for purposes of taxation is computed by multiplying the selling price by 77%.

How Your Tax Bill Is Calculated: For most properties, the tax calculation is fairly simple. The AV is multiplied times the tax rates for each of the districts that levy a tax in your area. (See Tax Comparison Rate Table for the City's tax rate.) These tax rates are calculated after each district's levy is reduced according to Measure 50; however, Measure 50 retained the tax rate limits imposed under Measure 5. Passed in 1990, the Measure 5 rate limits complicate tax calculations because Measure 50 taxes are calculated using AV and the Measure 5 limits are calculated using RMV. When reading this, remember that most bonded dept levies are exempt from Measure 5 and Measure 50 so are not involved in the calculations described in the next paragraph.

Measure 5 tax rate limits: The limits are \$5 per \$1,000 or RMV for Education districts and \$10 per \$1,000 of RMV for General Government districts. General Government districts include the City, City Urban Renewal, County, County Urban Renewal, Fire District #5, RVTD, Vector Control, Library and Soil

Conservation District. For each of the Measure 5 categories (Education and General Government) two calculations are required: the Measure 50 category tax rate times the AV and the Measure 5 category tax rate times the RMV. Whichever amount is lower is the amount to use. After making the determination by category, the adjusted tax rate is multiplied times the AV.

After the Measure 5 limits have been calculated, the Education taxes, the General Government taxes, the bonded debt taxes (if any) and any special assessments are all added together to determine the total property tax amount. Jackson County Assessor's Office is responsible for the tax calculations and the County distributes the bills and collects all property taxes. The County in turn sends the calculated to the various taxing districts.

The governmental tax rate cap established for the City of Talent after Measure 50 was passed is set at \$3.2316. The actual rate used for 2015/2016 was \$2.6904.

Urban Renewal Impact: After Measure 5 was approved it was realized that this had a significant impact on Urban Renewal Agencies since some agencies would not be able to collect enough from tax increment financing within their district to cover their obligated debt. Therefore Measure 50 included provisions to allow the legislature to enact laws that permits collections of ad valorem property taxes sufficient to pay, when due, indebtedness incurred to carry out urban renewal plans existing on the effective date. Since the Talent Urban Renewal District was created prior to 1996, this change in law affected the Agency. In order to ensure the Agency received sufficient taxes to meet the indebtedness a "special levy" on all properties within a community is assessed to make up for this loss.

Taxpayers outside the boundaries of the Urban Renewal District all receive an Urban Renewal assessment on their tax bill from both the Talent Urban Renewal Agency and the County Urban Renewal Agency. When originally created, this was not the intent. This creates a different dynamic than was originally envisioned when the Urban Renewal District was created.

It is not expected that there will be any changes to either of these tax measures. It is important that the City be aware of them so that there is a better understanding of the tax burden on City property owners. The expectation that growth in Talent will automatically mean more tax revenues to the City is not necessarily true. Where that development takes place will determine the benefit to the City or to the City Urban Renewal District.

CITY OF TALENT TAX RATE COMPARISONS FOR 2016-2017 AND 2017-2018

GOVERNMENT 2016-2017				CAP*		TOTAL	
TAX	BOND	S. LEVY	TOTAL	TOTAL	RATE		
City	2.6904	0.2186	2.6904	2.6904	2.9090		
County	1.6733	0.1379	1.6733	1.6733	1.8112		
UR	2.5951		3.9446	3.9446	3.9446		
FD #5	2.6616	1.3495	2.6616	2.6616	2.6616		
RVTD	0.1476	0.1300	0.2776	0.2776	0.2776		
VECTOR	0.0358		0.0358	0.0358	0.0358		
LIBRARY	0.4330		0.4330	0.4330	0.4330		
4H AG/EXT	0.0342		0.0342	0.0342	0.0342		
Soil/Wtr District	0.0417		0.0417	0.0417	0.0417		
TOTAL	10.3127	0.3565	11.7922	11.7922	12.1487		

GOVERNMENT 2017-2018				CAP*		TOTAL	
TAX	BOND	S. LEVY	TOTAL	TOTAL	RATE		
City	2.6771	0.2323	2.6771	2.6771	2.9094		
County	1.6650	0.1227	1.6650	1.6650	1.7877		
UR	2.6538	1.3975	4.0513	4.0513	4.0513		
FD #5	2.6484		2.6484	2.6484	2.6484		
RVTD	0.1468	0.1300	0.2768	0.2768	0.2768		
VECTOR	0.0356		0.0356	0.0356	0.0356		
LIBRARY	0.4308		0.4308	0.4308	0.4308		
4H AG/EXT	0.0340		0.0340	0.0340	0.0340		
Soil/Wtr District	0.0415		0.0415	0.0415	0.0415		
TOTAL	10.3330	0.3550	11.8605	11.8605	12.2155		

SCHOOL 2016-2017				CAP*		TOTAL	
RATE	BONDS	TOTAL	RATE	TOTAL	RATE		
TSD	3.5317	0.7933	3.5317	4.325			
RCC	0.427	0.1563	0.427	0.5833			
ESD	0.2934		0.2934	0.2934			
TOTAL	4.2521	0.9496	4.2521	5.2017			

SCHOOL 2017-2018				CAP*		TOTAL	
RATE	BONDS	TOTAL	RATE	TOTAL	RATE		
TSD	3.5143	0.7787	3.5143	4.293			
RCC	0.4249	0.1524	0.4249	0.5773			
ESD	0.292		0.292	0.292			
TOTAL	4.2312	0.9311	4.2312	5.1623			

Measure 5 Cap is \$5 for Schools and \$10 for Government
 *Tax Rate for bonds is not included in the \$5 and \$10 Cap

Total Tax Rate
 Total Government + School 2016-17 17.3504
 Total Government + School 2017-18 17.3778

City of Talent
2018-19 Annual Budget

GLOSSARY

Ad Valorem Tax: A tax assessed “according to value” of property. For local governments, ad valorem taxes are often a primary source of general fund revenues and of repayment of general obligation debt.

Adopted budget: The financial plan adopted by the council that forms the basis for appropriations and expenditures.

Appropriation: Authorization for spending a specific amount of money for a specific purpose during a fiscal year.

Approved Budget: The budget approved by the Budget Committee and recommended to the City Council.

Assessed Valuation: The value set by the County Assessor on real and personal property as a basis for imposing taxes.

Bond: A written promise to pay a sum of money (principal or face value) at a future date (maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used to finance long-term capital improvements.

Budget: A comprehensive financial operating plan with estimated expenditures and expected revenues for a fiscal year.

Budget Officer: Person appointed by the City Council to prepare the proposed budget.

Budget Message: Written explanation of the budget and the local government’s financial priorities.

Capital Improvement Program: A plan for capital expenditures to be incurred each year over a fixed period of several years setting forth each capital project and identifying the expected beginning and ending date for each project, the amount to be expended in each year, and the method of paying for those expenditures.

Capital Projects Fund: A fund used to account for resources, such as bond sale proceeds, to be used for major capital item purchase or construction.

Capital Outlay: Expenditures, which result in the acquisition of, or addition to, fixed assets. For budgeting purposes these items are less than \$5,000.

Cash Basis of Accounting: Basis of accounting that recognizes transactions or events when related cash amounts are received or disbursed.

Contingency: A budgetary reserve to provide for emergency or unanticipated expenditures. City Council must approve all expenditures made from the contingency amount budgeted.

Debt Limit: The maximum amount of gross or net debt, which is legally permitted.

Debt Service: Payment of general long-term debt principal and interest.

Division of Tax: Division of tax refers to the process of and revenue from, apportioning tax to urban renewal agencies based on the relationship of the excess to frozen value, a.k.a. tax increment revenue.

Enterprise Fund: A fund established to account for operations that are financed and operated in a manner similar to business enterprises, where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Expenditures: Decreases in net financial resources, including current operating expenses, debt service and capital outlays.

Fiscal Year: A 12-month period to which the annual operation budget applies. The fiscal year begins July 1 and ends June 30.

Fund: An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or resources together with all related liabilities, obligations, reserves, and equities, which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance: The amount of carry over within a fund from one fiscal year to the next. The excess of fund's assets over its liabilities.

GASB Statement No. 34: Governmental Accounting Standards Board requirements that will require city compliance in fiscal 2003/04.

Goal: A statement that describes the purpose toward which an endeavor is directed, such as a target or target area.

Grant: A donation or contribution by one governmental unit to another unit, which may be made to support a specified purpose or function (for example, road construction), or general purposes.

Interfund Transfer: Amounts moved from one fund to finance activities in another fund. They are shown as expenditure in the originating fund and a revenue in the receiving fund.

Intergovernmental Revenue: Revenue received from another government for a specific purpose.

Levy: The total amount of taxes, special assessments, or changes imposed by the government.

Maximum Assessed Value (MAV): The maximum taxable value limitation placed on real or personal property by the constitution. It can increase a maximum of 3 percent each year. The 3 percent limit may be exceeded if there are qualifying improvements made to the property, such as a major addition or new construction.

Measure 5: A ballot measure approved by Oregon voters on November 6, 1990. The measure placed a rate limit on taxes for schools at \$5.00 per \$1,000 of assessed value and a rate limit of \$10.00 per \$1,000 of assessed value on the consolidated taxes of all other governments. These limits do not apply to taxes assessed to pay for bonded indebtedness.

Measure 50: A ballot measure approved by Oregon voters at the special election held on May 20, 1997 and contained in Article XI, Section 11 of the Oregon Constitution. Measure 50 limits taxable property value increases, establishes permanent tax rate limits, allows for local option levies, and retains Measure 5 limits.

Objective: A specific, measurable and observable result of an activity, which creates an advance towards a goal.

Ordinance: A formal legislative enactment by the City Council.

Organizational Unit: An administrative subdivision of a local government, especially one charged with carrying on one or more specific functions (such as a department).

Performance Indicators: Statistical measures that are collected to show the impact of dollars spent on city services.

Permanent Tax Rate Limit: The maximum tax rate limit established in 1997 as a result of Measure 50, which cannot be increased.

Policy: A plan, course of action, or guiding principle, designed to set parameters for decisions and actions.

Proposed Budget: Financial and operating program prepared by the budget officer, submitted to the Budget Committee for consideration.

Reserve Funds: Established to accumulate resources from one fiscal year to another for a specific purpose.

Resolution: A formal order of the City Council; lower legal status than an ordinance.

Resources: Estimated funds on hand at the beginning of the fiscal year plus anticipated receipts.

Revenue: Funds that the government receives as income. These receipts may include tax payments, interest earnings, service charges, grants, and intergovernmental payments.

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 authorize a tax.

System Development Charge (SDC): A fee imposed at the time development occurs which is designed to finance the construction, extension or enlargement of a street, community water supply, storm sewer or sewerage or disposal system, or public park.

Tax Increment Financing (TIF) Bonds: Bonds secured by incremental tax revenues generated within a specified area expected to benefit from economic development. A TIF district is created, and a baseline tax level is defined. Any tax revenues above the baseline tax level generated within the district as the area undergoes revitalization are used to make debt service payments for TIF bonds issued to finance projects benefiting the area.

Unappropriated Ending Fund Balance: Amount set aside in the budget to be used as a cash carryover to the next year's budget. This amount cannot be legally used except for an emergency situation arising during the year by an involuntary conversion (theft, vandalism, accident, etc.), civil disturbance or natural disaster.

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