

City of Talent, Oregon



ADOPTED BUDGET

Fiscal Year

2016-2017

CITY OF TALENT

2016-17 ANNUAL BUDGET

BUDGET COMMITTEE

Council

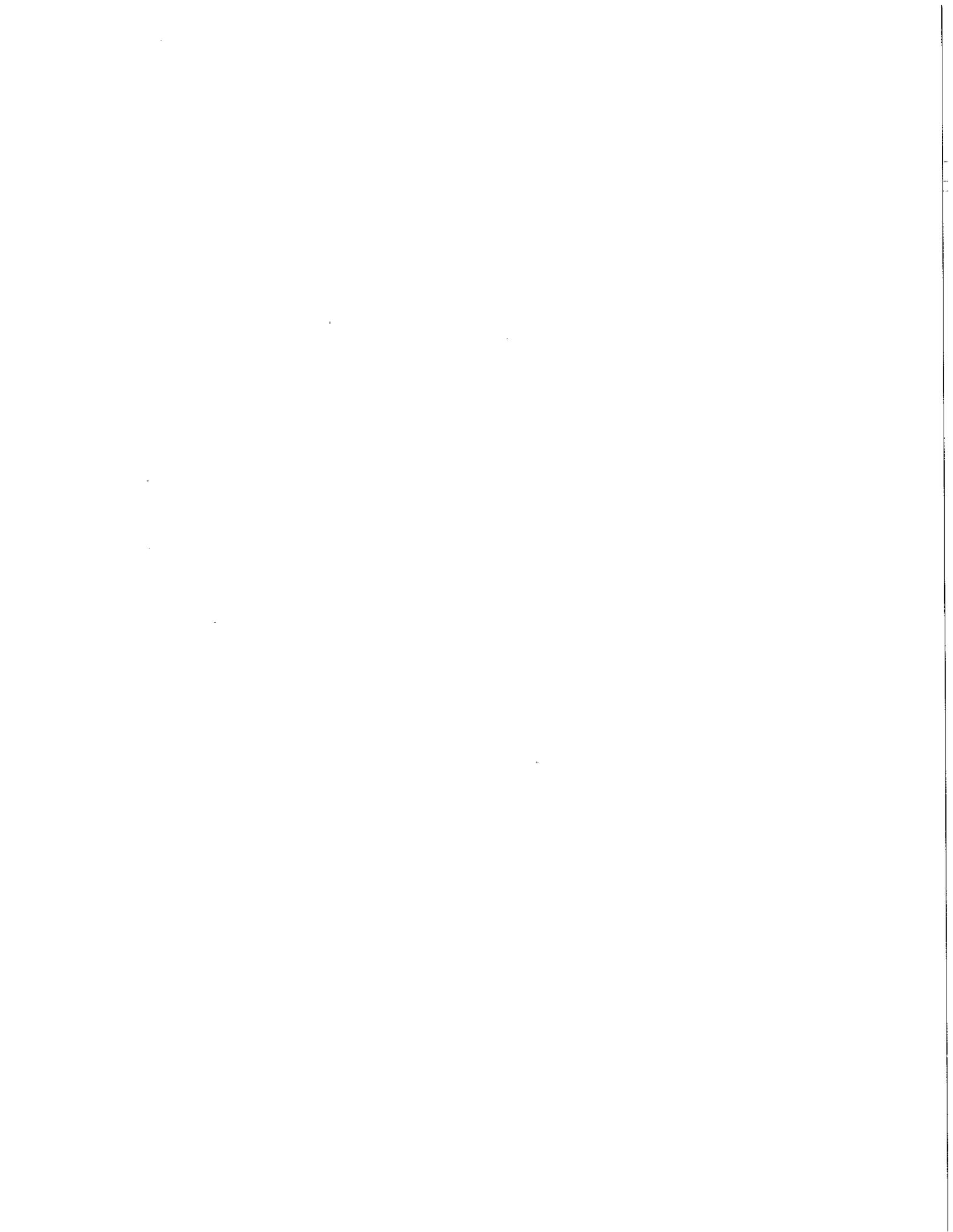
Councilor Anthony Abshire
Councilor Teresa Cooke
Councilor Christina Collins
Councilor Edwin (E. J.) McManus
Councilor Ryan Pederson
Councilor Daniel Wise

Citizens

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Anna D'Amato
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CITY STAFF

Thomas J. Corrigan, City Manager
Denise Woodman, Administrative Services Director
Curtis Whipple, Police Chief
Zac Moody, Community Development Director
Bret Marshall, Public Works Director
Lana Peery, Technology Director
Melissa Huhtala, City Recorder



**City of Talent
2016-17 Annual Budget**

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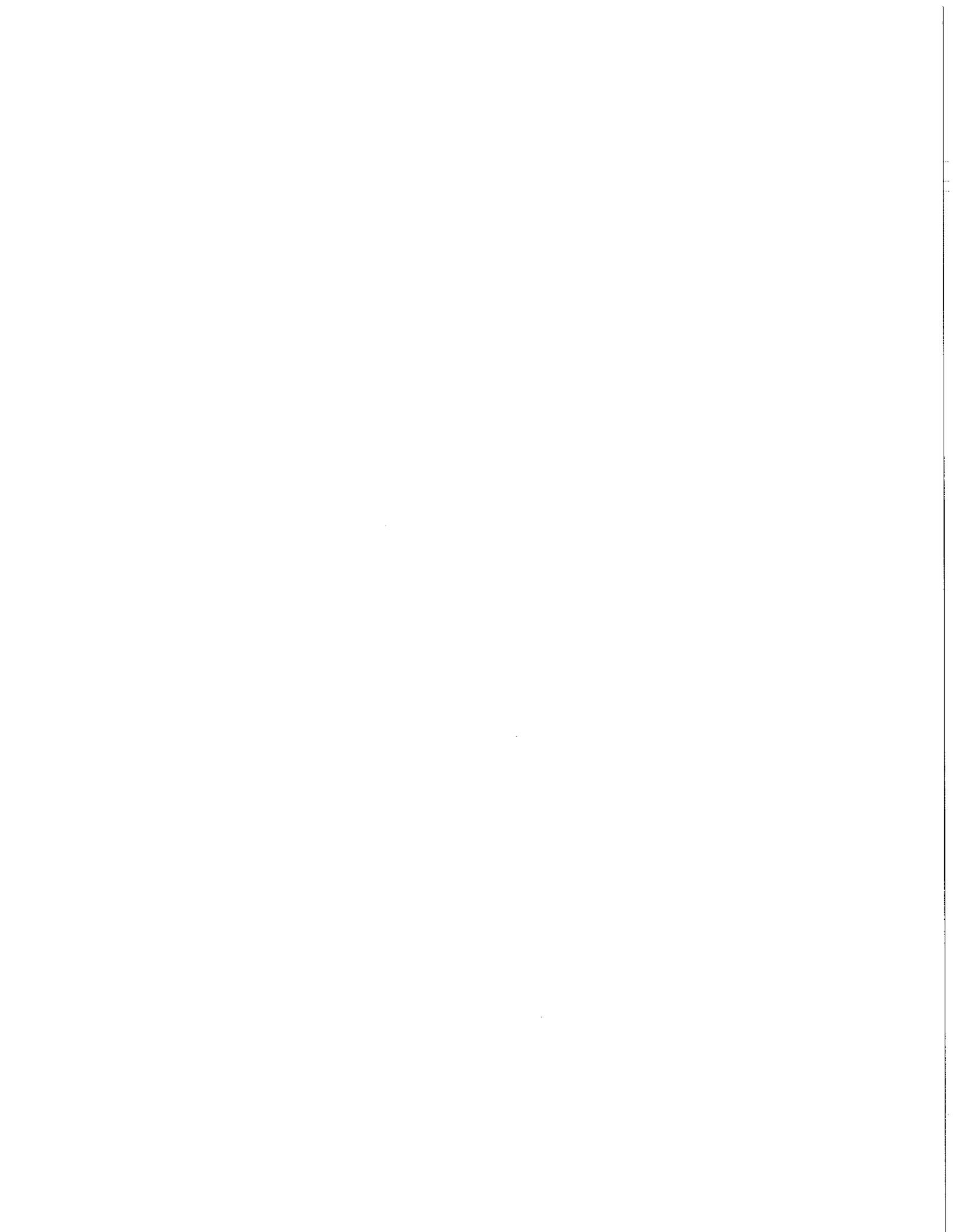
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City of Talent

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The Honorable Darby Stricker
Members of the Talent City Council and Talent Budget Committee
Citizens of the City of Talent

I normally start my budget letters with a quote. Last year I used:
"The secret of getting things done is to act" Dante

This year I would like to use the words of Secretary of the Treasury Jacob Lew,
"The budget is not just a collection of numbers, but an expression of our values and aspirations."

It is our pleasure to present you with the proposed budget for the fiscal year 2016-2017. As the result of a concerted effort from all departments, this is a balanced budget that will meet all of the City's legal obligations.

In the past, the City has experienced some major expansion efforts and years of complacency; this year we hope to push beyond this roller coaster trend and begin to realize the fruits of our labors. We are ripe with opportunities for economic development in our downtown area and completing our roundabout in a public/private partnership with Talent Urban Renewal. Again this year we will strive to reduce costs as we also continue to complete projects designated as priorities by Council. We will also place an emphasis on obtaining funding to accomplish other goals requested by the Council and advisory committees and commissions.

This year the City will again see many road and sidewalk projects come to fruition. We have spent a considerable amount of time walking the streets and neighborhoods of our fair City, looking at where we can make the City both look and function better, as well as be safer for our children. We will continue to listen to the needs of our citizens while simultaneously improving our infrastructure.

Projects for our water department, including our plans to keep our one and one half million gallon storage tank on Belmont safe and functioning, are in the budget. We will be working with Ashland and Phoenix that comprise our TAP water line. Waterline and road improvements will be worked on along North Front as well as an upgrade for Lithia Way down to Alpine, Foss Road at the intersection of Wagner Creek Road, and continue to assess Rapp Road. We have updated the pavement maintenance program and our Parks and safety equipment program. We have safety projects on both Schoolhouse Road for the protection of our children at school and on Main St approaching the school. We have a surveying firm making certain that we observe all Right-of-Ways. We have budgeted for the continuing maintenance of the City Hall,

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Library, and Police Department parking lots and have planned a project with Talent Urban Renewal for the historic Community Hall. It will be so very nice to have this glorious old building regain some of its luster.

We continue to seek funding for our Parks Department's goals per the updated Parks Master Plan including but not limited to development of our Parks, safety inspections and measures on all facilities, full ADA access to Chuck Robert's Heritage Trail, and future planning for Suncrest Park as we now have full title to the property. Our new Splash Pad now has a 3-phase approach with Phase 2 almost complete and Phase 3 planning beginning this year, designed to keep down excessive water use and thereby better conservation. We have just refinished our tennis and basketball courts as well. These are all designed to enhance the enjoyment of Talent's citizens while keeping our future in mind.

We have opened our new CDBG grant funded Community Center to great reviews. We will continue to offer this site to Talent residents and certain groups at a very low cost. We are also underway, per Council Goals, to installing solar panels at the Center. We are installing our updated Internet security as it has become a rising concern in almost every aspect of our lives, beginning with our water SCADA system and branching out into expanded Wi-Fi service.

An emphasis has been placed on an increased level of residential service and communication. Updated financial software will make citizen's payments easier. Following up on another Council Goal, we will sign our projects so that citizens have a better understanding of what is happening in their neighborhoods.

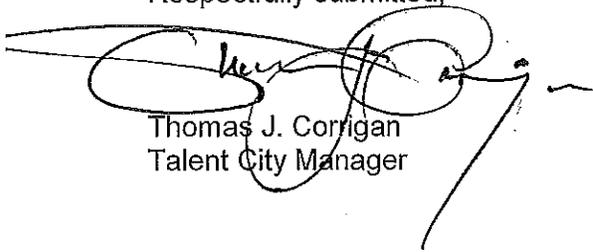
The Mayor and Council have formed an Economic Development Committee as well as the first steps toward a Renewable Energy Program. As I stated in the beginning quote, these are works of our "...values and aspirations."

We will continue to make advances to our economic development plan as the housing market and economy strengthens. We are set to finish Housing Needs and Economic Opportunity Analysis studies with our Citizen Advisory Committee as well as look to improve our Development Charges to assist new businesses in making Talent their home. We will also keep on the path of improving our insurance liability standards and legal handling of the City's interests while keeping our budget in mind.

I am confident with the invaluable staff we have at this time we can bring all of these items to maturity.

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

Respectfully submitted,



Thomas J. Corrigan
Talent City Manager

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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 a number of 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 2014-2015 and 2015-16; and a Glossary of terms that may be useful in understanding some of the terminology used in this Budget Report has also been included.

2016-17 BUDGET

The proposed budget reflects a minimum 20% contingency line item and an unappropriated ending fund balance of 3% to 22% for each operating fund with the exception of the Parks Fund which has no unappropriated ending fund balance. A short term loan to the Talent Urban Renewal Agency (outlined below) had not been included in the General Fund contingency and unappropriated ending fund balance calculation.

Interim financing for the Talent Urban Renewal District (TURA) of \$500,000 is included in the General Fund Administration Budget. This is a limited duration loan with a 2% interest rate that is to be repaid during the fiscal year. The budget reflects both a \$500,000 expenditure and revenue line item. The revenue line item includes the pending payment of a \$100,000 loan issued to TURA during FY2016. The short term financing will likely be in smaller increments which are repaid throughout the fiscal year. Under the cash basis of accounting each loan transaction is recorded as an expenditure and payment from TURA as a revenue. Total incremental financing during the year is not to exceed \$500,000.

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 for the General Fund is 23%. This is a decrease of 4% from FY2016. The Water Fund contingency and unappropriated ending fund balance is 47%. The Water Debt Service Reserve Fund balance was transferred to the Water Utility Fund when the Water Bond was refinanced. 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.

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. With this dependency comes a need to have available professional technical support to ensure that all systems are running at all times. When a system fails it is not optional to simply not make the repairs. The City currently has 7 servers and approximately 40 computers over three locations.

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 has a 3 year collective bargaining agreement with union-represented employees. The current union agreement will expire June 30, 2018. In the current agreement, the annual cost of living (COLA) adjustment effective each July 1st is set as follows, 2% in 2015, 2.5% in 2016 and 3% in 2017. The City's maximum annual contribution of \$16,122 to employee health insurance premiums is also part of the collective bargaining agreement. The City's portion of the premium has been a set monthly contribution with employees being responsible for any premium increases above this cap. Using a flat dollar contribution has allowed the City to budget appropriately without having to anticipate unknown premium increases during the budget process. The premium is currently below the cap and the City pays 100% of the premium.

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 of the four member groups change as of July 1, 2015 for the 2015–2017 biennial period. The Tier 1&2 group rate increased by 2.8% and the OPSRP group rate decreased by 2.71%. This will be the 2nd year of for the biennial rate. New biennial rates will take effect for fiscal year 2018. The majority of the City's employees are members of the OPSRP 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 to increase one part-time position in Community Development to a full time position.

Administration – No staffing level changes are planned for FY2017.

Community Development – Increasing a part-time Community Development Assistant to full time is requested as part of this budget. The Community Development Department has taken on responsibility for the City's storm water and floodplain management. These tasks have historically been handled by the Public Works Department and the City Engineer. A portion of this position will be funded by the Street Fund.

Police – No staffing level changes are planned for FY2017.

Public Works – No staffing level changes are planned for FY2017.

External Impacts

This year some of the most noticeable impacts on the budget are coming from Insurance claims. More and more cities and counties are seeing claims for recreational facilities and grounds. Insurance companies are reacting sharply with price increases and higher deductibles and fees for non-compliance. The City of Talent has a detailed inspection routine to head off any issues which might surface. We have fixed potential cracks in basketball and tennis courts as well as many new sidewalks.

The City needs to be mindful at all times of the cost of repairs versus the cost of an insurance claim and/or damage; whether for Parks, the water system, or our computer system.

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

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City of Talent

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2016-2017 BUDGET CALENDAR

January 25, 2016	Asst. Finance Director provides Dept. Heads with current budget report
February 26, 2016	Dept. budgets/CIP submitted to City Manager/Administrative Services Director
March 14 – 18, 2016	Review Dept. budgets with City Manager/Administrative Services Director
April 20, 2016	Advertisement for Budget Committee Hearings to Newspaper (Flash)
April 29, 2016	Post Budget Committee Hearing Notice on Website
May 1, 2016	Budget Committee Public Hearing Notice (TNR – May Publication)
May 12, 2016 6:30 p.m.	Budget Committee Training/Meeting to receive budget & budget message
May 17, 2016 6:30 p.m.	Budget Committee Work Session/Public Hearing
May 19, 2016 6:30 p.m.	Budget Committee Work Session/Public Hearing (Continuation of May 17 th meeting if needed)
May 25, 2016	Financial Summary & notice of Budget Hearing to Newspaper (Flash)
June 3, 2016	Financial Summary & Notice of Budget Hearing published (TNR – June)
June 15, 2016	City Council Budget Hearing for final adoption of budget
June 30, 2016	Last date for State Revenue Sharing Resolution to State
July 15, 2016	Last date to submit tax certification documents to County Assessor
Sept. 30, 2016	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.



Adopted Council Goals for FY 2016-17

Citizen Involvement

1. Form committee, and adopt a sustainability plan that will be a recommending body to the City.
 - Create a clean energy plan, seeking to significantly reduce Talent's public and private consumption of carbon-releasing energy sources and overall energy footprint.
 - Form an Environmental Committee.
2. Maintain Harvest Festival Stability.
3. Establish better communication methods between City government and residents:
 - Visual boards posted at all future City projects.
 - Informal open house forum to introduce residents to their City government.
 - Improve events and volunteer communication.

Culture & Recreation

1. Develop Phase 3 of the Splash Pad.
2. Discover ways to fund the increasing cost of parks maintenance.

Budget & Finance

1. Finalize finance software implementation.
2. Codify the City of Talent Ordinances and get online.
3. Replace 4 outdated servers at City Hall.
4. Pursue funding for Rapp Rd., sidewalks, curbs, gutter and bike lanes.

Public Safety

1. Develop Wagner Creek Road Safety Plan.
2. Maintenance program to tour the City to check on blighted areas.

Economic Development

1. Create and adopt a communication plan to remain informed of business community needs.
2. Formalize Economic Development Committee.

Planning

1. Review Zoning Code for purposes of Economic Development.
2. Create OR 99 Master Plan.
3. Update Commercial Signage Standards e.g. Color, size and design.

Branding

1. Develop City of Talent brand signage.
 - o Review logos and taglines.
2. Create a beautification program with TURA for the City.
3. Design banner poles for 3 points of entrance. And install upon approval.
4. Develop public arts standards and guidelines for City projects and/or in public spaces.

Infrastructure

1. Upgrade Supervisory Control and Data Acquisition (SCADA) system.
2. Complete an installation plan for LED lights.
 - o Install Phase 1.
3. Discover funding for solar panels on one or more City buildings, beginning with Community Center or best option.

Goals will be re-evaluated quarterly

**City of Talent
2016-17 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 four funds. 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
2016-17 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 Administrative Services Director. The City Manager and Administrative Services 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. These transfers involve transfers between major categories within a department, or transfers 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, 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 budgets 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 accounting period in which they are actually received. Expenditures are recognized in the accounting period when paid.

The budget is prepared on a cash basis of accounting, and is summarized by major expenditures categories within each organizational unit. 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
2016-17 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** section 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** section 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** section 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** section contains information on the resources accumulated for and the payment of general long-term debt.

The **Enterprise Fund** section 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 Council determines to reallocate those funds for a different project within that program area.

The **Appendix** section 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 in order 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. In 2007 the fee was increased to allow for the expanded funding of recreation programs. 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 ***Water Debt Service Reserve Fund*** was established as a condition of the USDA loan to reserve funds to allow the City to be able to make one year's payment on this loan for the water distribution system. This fund was closed in FY2014 as a result of the refunding of the 2000 Water Revenue bonds. The fund balance was transferred to the Water Fund.

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 will come 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. 16-941-R

RESOLUTION ADOPTING THE BUDGET

BE IT RESOLVED that the City Council of the City of Talent hereby adopts the budget for fiscal year 2016-17 in the sum of **\$10,139,060**. 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, 2016, and for the purposes shown below are hereby appropriated as follows:

General Fund

Personal Services	\$	1,728,400
Materials & Services		1,156,650
Capital Outlay		10,850
Transfers		59,500
Contingency		479,200
Total Appropriation	\$	3,434,600
Unappropriated	\$	76,925
Fund Total	\$	3,511,525

Library Fund

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

Park Fund

Personal Services	\$	83,500
Materials & Services		51,600
Capital Outlay		1,700
Transfers		-
Contingency		31,200
Total Appropriation	\$	168,000
Unappropriated	\$	-
Fund Total	\$	168,000

Street Fund

Personal Services	\$	287,000
Materials & Services		250,850
Capital Outlay		3,550
Debt Service		51,425
Transfers		58,000
Contingency		135,350
Total Appropriation		786,175
Unappropriated		85,325
Fund Total	\$	871,500

Water Utility Fund

Personal Services	\$	447,500
Materials & Services		615,200
Capital Outlay		5,600
Debt Service		309,000
Transfers		200,000
Contingency		267,100
Total Appropriation	\$	1,844,400
Unappropriated	\$	235,600
Fund Total	\$	2,080,000

TAP Operations Fund

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

Systems Development Charges Fund

Transfers	-
Total Appropriation	-
Reserve	1,222,100

Capital Improvement Projects Fund

Capital Outlay	1,891,595
Total Appropriation	\$ 1,891,595
Reserve	\$ 273,050
Fund Total	\$ 2,164,645

West Valley View Debt Fund

Debt Service	\$ 27,875
Total Appropriation	\$ 27,875
Reserved for Future Expenditure	\$ 11,445
Fund Total	\$ 39,320

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

Debt Service	\$	81,970
Total Appropriation	\$	81,970

Summary

Total Appropriations, All Funds	\$	8,234,615
Total Unappropriated & Reserve Amounts, All Funds		1,904,445
Total Adopted Budget	\$	10,139,060

RESOLUTION IMPOSING THE TAX

BE IT RESOLVED that the following ad valorem property taxes are hereby imposed for tax year 2016 - 2017 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 \$82,573 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	\$82,573

The above resolution statements were approved and declared adopted on this 15th day of June, 2016, by the following vote:

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



 Melissa Huhtala/City Recorder and Custodian of City Records

**City of Talent
2016-17 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 2011-2012. 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 funds and an unappropriated ending fund balance where available. The Parks Fund does not have an unappropriated ending fund balance for FY2017.

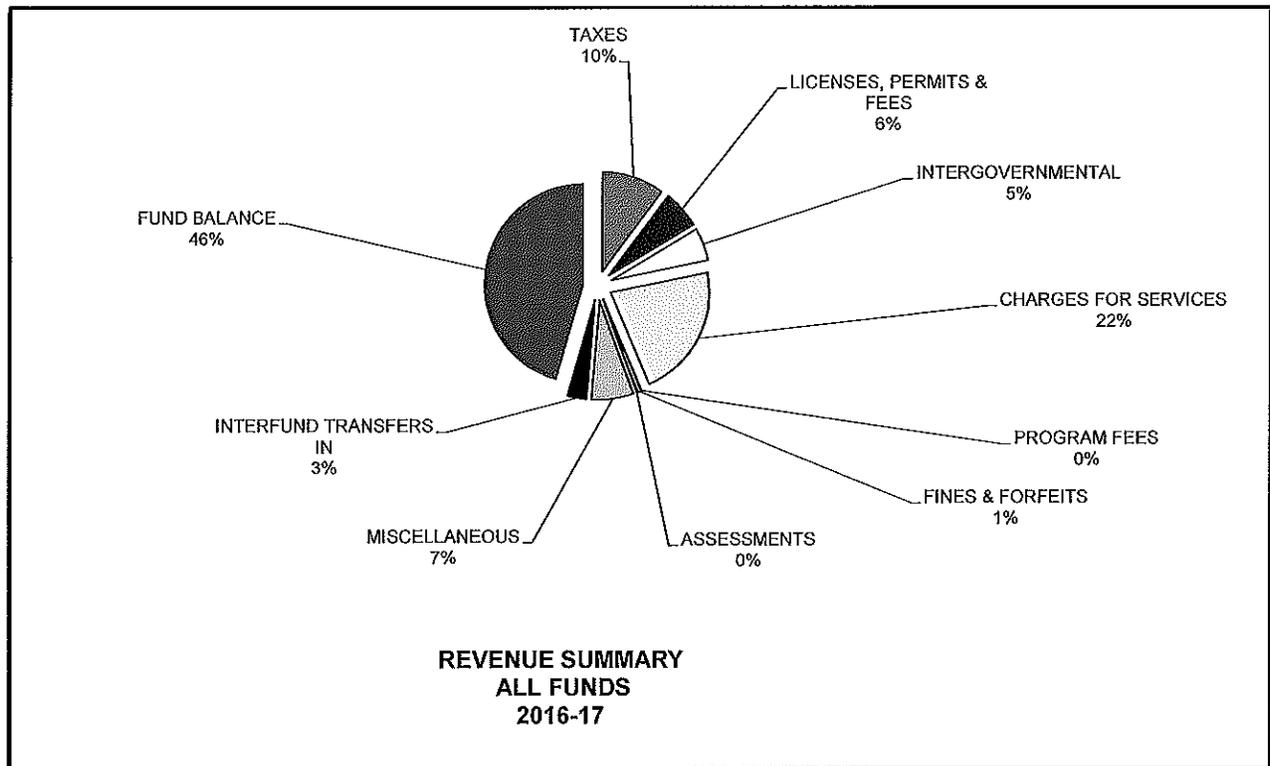
Interfund Transfers for All Funds and By Fund – This report provides a summary of the total of transfers from each fund and indicates where the money is coming from and going to. The journal transfer of these funds takes place during the fiscal year and is completed by the Assistant Finance Director 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 2016-17**

TRANSFER FROM:	AMOUNT	TRANSFER TO:	AMOUNT
		West Valley View Debt Service	5,500
		Total Debt Service	<u>5,500</u>
		CC745 - City Hall Server Replacement	10,000
		CC905 - Police Dept Vehicle Reserve	20,000
		CC906 - Town Hall Repair Reserve	2,500
		CC908 - Finance/UB Software	11,000
		CC907 - Community Development Software	3,000
		CC909 - City Hall Repair Reserve	2,500
		CC910 - PD Building Repair Reserve	2,500
		CC911 - Community Center Repair Reserve	2,500
		Total CIP	<u>54,000</u>
General Fund-Projects	\$ <u>(59,500)</u>	Total Debt Service & CIP	<u>59,500</u>
Park Fund-Projects	<u>0</u>	Total CIP	<u>0</u>
		CC450 - North Front Street Improvements	28,000
		CC464 - Wagner Creek Sidewalk	30,000
Street/Storm Fund - Projects	<u>(58,000)</u>	Total CIP	<u>58,000</u>
SDC Transportation	0		
SDC Storm Drain	0		
SDC Water	0		
SDC Parks	0		
Total SDC Funds	<u>0</u>	Total CIP	<u>0</u>
		CC450 - North Front Street Improvements	20,000
		CC452 - Lithia Way Improvements	50,000
		CC453 - Rapp Road Improvements	10,000
		CC462 - Wagner Street Improvements	10,000
		CC743 - SCADA System upgrade	50,000
		CC801 - Reservoir	50,000
		CC904 - PW Equipment Reserve	10,000
Water Fund	<u>(200,000)</u>	Total CIP	<u>200,000</u>
TOTAL TRANSFER OUT	\$ <u>(317,500)</u>	TOTAL TRANSFER IN	<u>317,500</u>
		 NET TOTAL BUDGET TRANSFERS	 0.00

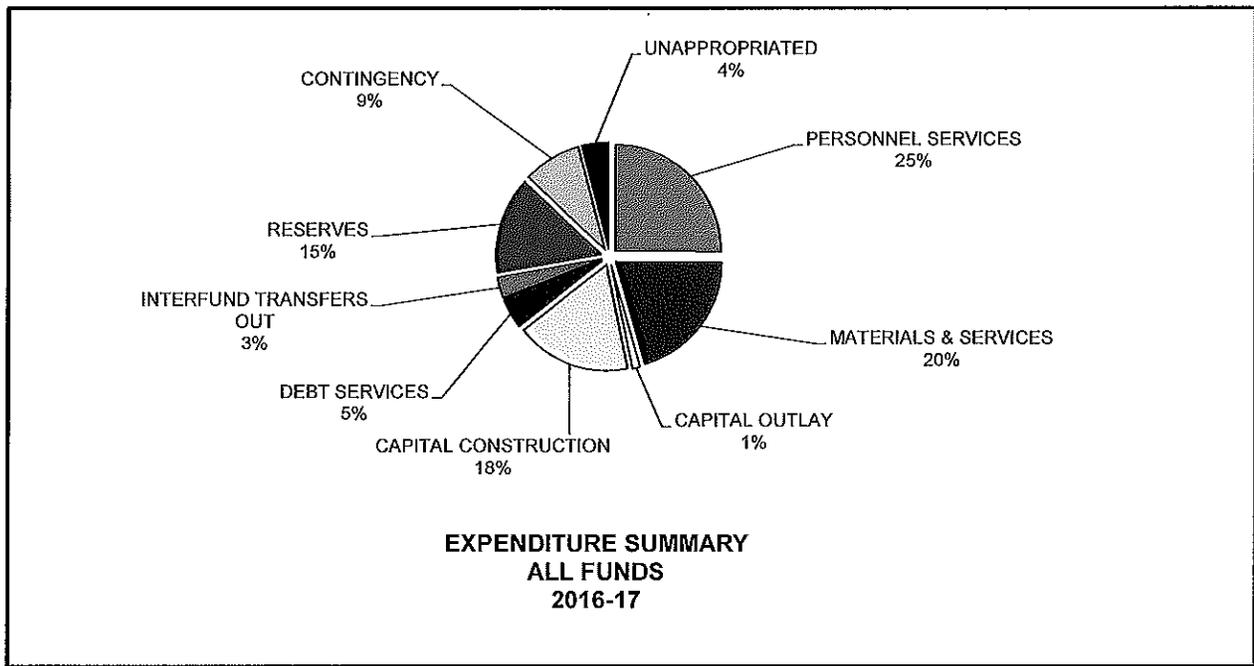
SUMMARY OF REVENUES BY CATEGORY
For Fiscal Year 2016-17
ALL FUNDS

Actual FY14	Actual FY15	Adopted FY16	REVENUE	Proposed FY17	Approved FY17	Adopted FY17
954,739	990,909	983,215	TAXES	1,034,270	1,034,270	1,034,270
565,962	539,338	582,000	LICENSES, PERMITS & FEES	631,500	631,500	631,500
646,344	1,030,649	1,558,000	INTERGOVERNMENTAL	542,200	542,200	542,200
2,016,430	1,943,964	1,898,000	CHARGES FOR SERVICES	2,212,900	2,212,900	2,212,900
1,696	1,712	-	PROGRAM FEES	-	-	-
137,861	122,416	80,000	FINES & FORFEITS	70,000	70,000	70,000
9,568	9,568	9,575	ASSESSMENTS	9,570	9,570	9,570
45,085	516,901	552,325	MISCELLANEOUS	707,375	707,375	707,375
1,257,476	445,717	495,000	INTERFUND TRANSFERS IN	317,500	317,500	317,500
4,141,762	4,517,284	4,743,110	FUND BALANCE	4,613,745	4,613,745	4,613,745
9,776,923	10,118,457	10,901,225	GRAND TOTAL ALL FUNDS	10,139,060	10,139,060	10,139,060
1,257,476	445,717	495,000	Less Interfund Transfers In	317,500	317,500	317,500
8,519,447	9,672,740	10,406,225	NET TOTAL ALL FUNDS	9,821,560	9,821,560	9,821,560



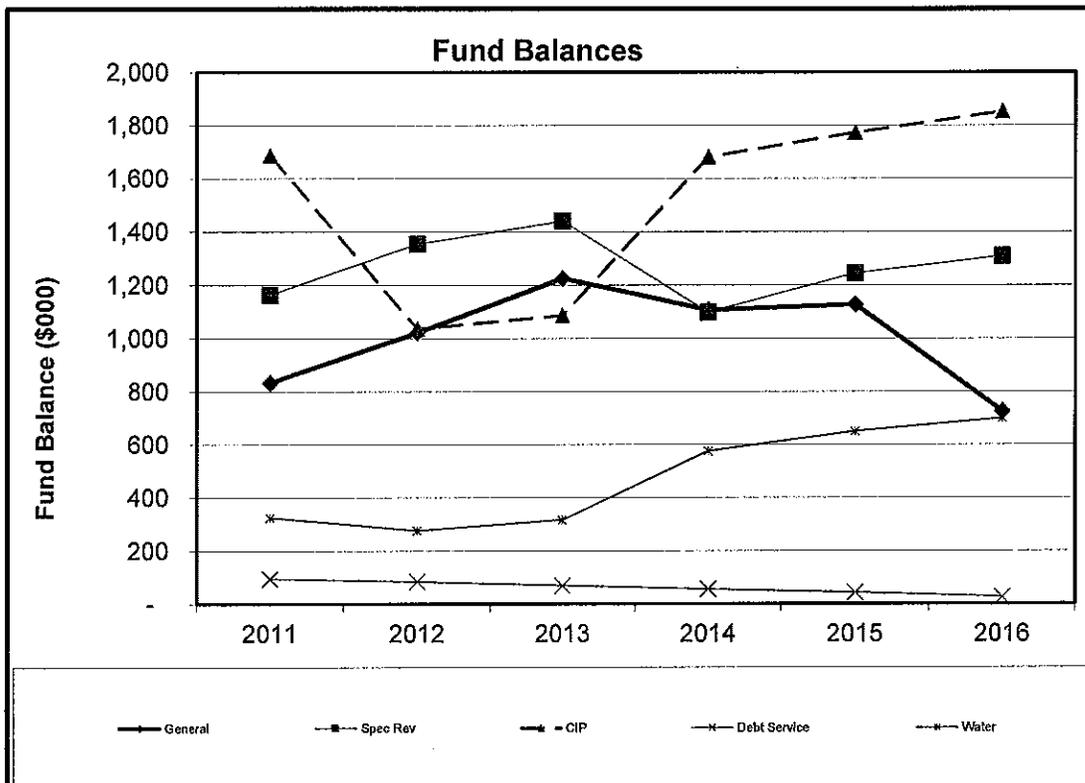
SUMMARY OF EXPENDITURES BY CATEGORY
 For Fiscal Year 2016-17
 ALL FUNDS

Actual FY14	Actual FY15	Adopted FY16		Proposed FY17	Approved FY17	Adopted FY17
2,004,896	2,083,688	2,499,650	PERSONNEL SERVICES	2,546,400	2,546,400	2,546,400
1,285,834	1,707,496	1,918,850	MATERIALS & SERVICES	2,074,300	2,074,300	2,074,300
100,727	53,977	113,300	CAPITAL OUTLAY	116,555	116,555	116,555
204,196	576,489	3,063,175	CAPITAL CONSTRUCTION	1,796,740	1,796,740	1,796,740
403,312	411,397	415,090	DEBT SERVICES	470,270	470,270	470,270
1,259,573	445,717	495,000	INTERFUND TRANSFERS OUT	317,500	317,500	317,500
0	0	1,152,685	RESERVES	1,495,150	1,495,150	1,495,150
0	0	687,000	CONTINGENCY	912,850	912,850	912,850
-	-	556,475	UNAPPROPRIATED	409,295	409,295	409,295
5,258,538	5,278,764	10,901,225	GRAND TOTAL - ALL FUNDS	10,139,060	10,139,060	10,139,060
1,259,573	445,717	495,000	Less Interfund Transfers Out	317,500	317,500	317,500
3,998,965	4,833,046	10,406,225	NET TOTAL - ALL FUNDS	9,821,560	9,821,560	9,821,560



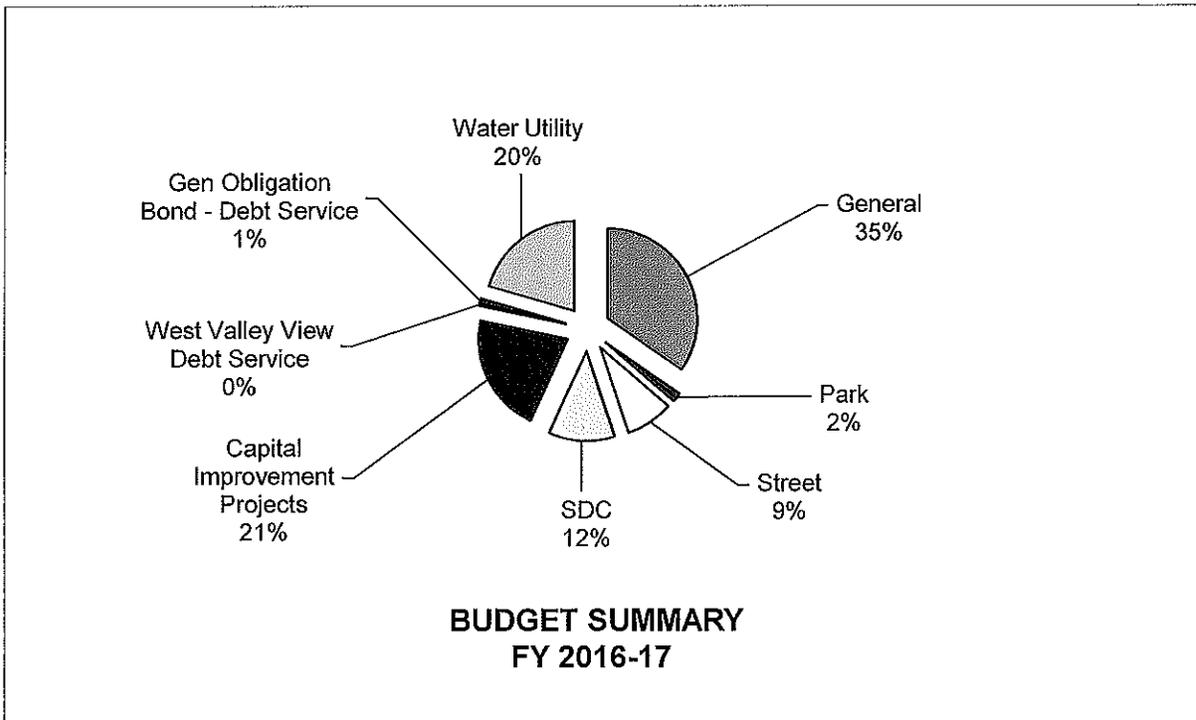
FUND BALANCE TRENDS

<u>INDIVIDUAL FUNDS</u>	July 2011	July 2012	July 2013	July 2014	July 2015	July 2016
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>
General	833,034	1,021,149	1,225,810	1,106,467	1,127,454	725,000
Library Operations	14,084	16,392	17,924	17,385	-	-
Park	127,763	112,191	68,854	26,778	22,959	49,000
Street	483,481	573,326	417,464	348,472	384,574	310,000
Water Debt Service Reserve	236,658	238,403	236,703	-	-	-
SDC	301,444	414,271	699,513	705,262	837,994	950,200
Capital Improvement Projects	1,687,546	1,036,035	1,087,045	1,681,001	1,772,646	1,852,645
General Obligation Debt Service	7,210	9,133	6,055	3,777	5,379	2,700
West Valley View Debt Service	88,539	76,137	63,875	52,351	37,823	24,200
Water Utility	322,367	276,575	316,618	533,790	650,864	700,000
TAP Operations Fund	2,891	1	5	42,002	-	-
Totals	4,105,017	3,773,611	4,139,666	4,517,284	4,839,694	4,613,745
TOTAL BUDGET						
GROUPED FUNDS						
General Fund (Unrestricted use fund)	833,034	1,021,149	1,225,810	1,106,467	1,127,454	725,000
Special Revenue (Funds dedicated by Statute or Ordinance for a special purpose - Library, Park, Street, System Dev., and Water Debt Serv. Resv. Funds)	1,163,430	1,354,582	1,440,457	1,097,897	1,245,527	1,309,200
Capital Projects Funds (Funds reserved through budget process for specific capital improvement projects)	1,687,546	1,036,035	1,087,045	1,681,001	1,772,646	1,852,645
Debt Service Funds (Funds set aside to pay current and future debt - West Valley View LID and General Obligation Bond debt fund.)	95,749	85,270	69,729	56,128	43,202	26,900
Enterprise Funds (Water Utility Fund)	325,258	276,576	316,623	575,791	650,864	700,000
Totals	4,105,017	3,773,611	4,139,666	4,517,284	4,839,694	4,613,745



BUDGET SUMMARY BY FUND COMPARISON

	FY 2015-16 <u>Budget</u>	FY 2016-17 <u>Budget</u>	FY 2016-17 as a % of <u>Total Budget</u>	FY 2016-17 Increase/ (Decrease) <u>From FY 2015-16</u>
General	3,577,000	3,511,525	34.6%	-1.8%
Park	132,000	168,000	1.7%	27.3%
Street	903,500	871,500	8.6%	-3.5%
SDC	930,350	1,222,100	12.1%	31.4%
Capital Improvement Projects	3,377,510	2,164,645	21.3%	-35.9%
West Valley View Debt Service	53,450	39,320	0.4%	-26.4%
Gen Obligation Bond - Debt Service	79,415	81,970	0.8%	3.2%
Water Utility	<u>1,848,000</u>	<u>2,080,000</u>	<u>20.5%</u>	<u>12.6%</u>
TOTAL BUDGET	10,901,225	10,139,060	100.0%	-7.0%



FULL-TIME EQUIVALENT PROGRAM ALLOCATION

FY 2016-17 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
Administrative Services Director	0.70					0.05	0.25	1.00
City Record/Executive Assistant	1.00							1.00
Assist. Finance Director	0.80					0.05	0.15	1.00
Technology Director	0.40	0.10	0.20			0.15	0.15	1.00
Clerk 1-Receptionist	0.50	0.10					0.40	1.00
Utility Billing Clerk	0.10						0.90	1.00
Clerk II	0.50						0.50	1.00
Community Development Director		1.00						1.00
Community Development Assistant		1.90				0.10		2.00
Minute Taker		0.10						0.10
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	0.10				0.10	0.40	0.40	1.00
PW Superintendent	0.05				0.05	0.45	0.45	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	0.05				0.10	0.65	0.20	1.00
Total FTE Per Program	4.65	3.30	9.93	-	0.91	2.95	4.99	26.73

Clerk II
Planning Assistant

50% allocated to Water Fund for Implementation of Tyler Incode Utility Billing Module
10% allocated to Street Fund for Storm Water Reporting and GIS

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**City of Talent
2016-17 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 steady development related revenues. The Dedicated Public Safety Surcharge, established in FY2009 will continue to provide a stable source of funding for the Police Department in FY2017. The City Council is to review the need for the Public Safety Surcharge funding on a biennial basis. Eligible cities will begin receiving State Marijuana Tax revenues in FY2017. Per House Bill 2041, the revenue received is to be used for local law enforcement.

The major sources of revenue within the General Fund are the beginning fund balance, property taxes, franchise fees, building fees and state shared revenue. The Jackson County Assessor's Office will be conducting a revaluation project in Talent along with SE Medford, Phoenix and all rural areas in between. Many of these properties have not been reappraised in twenty years. This project will take some time and the full results should be known some time during the 2017 fiscal year. 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. The majority of franchise fees come from Avista, Century Link, Charter, Pacific Power, Recology Ashland Sanitary and the City's Water Utility.

All traffic citations are now issued into the Jackson County Justice Court. The City will see a decrease in fine revenue along with an offsetting decrease in court associated expenditures. Existing citations have been placed on a payment plan program or have been placed with an outside collection agency.

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 now 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.

In this budget the city has set aside funds in the Building Maintenance Reserves for the City Hall, Town Hall, Community Center and the Police Station.

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 \$15,000 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. Hiring a full-time Community Development Director and a part-time code enforcement officer in late 2013 has benefited the City by reducing overhead expenses while continuing to provide citizens of Talent the needed services. This budget proposes to increase the part-time Community Development Assistant to full time in support of the City's Storm Water and Flood Plain management programs.

During 2015–2016 FY (through April 2016), the City issued 282 permits, 146 residential and 136 commercial permits. Since the beginning of 2016, the City has issued a total of 51 permits. This trend is likely to continue for FY 2016-17, however, Talent is experiencing some shortages in available supplies of residential land which could reduce the overall total of new residential permits issued.

Expenditures /Police Department – The Police Department represents 50% of the General Fund Budget for FY2017. This is a decrease from 52% in FY2016. 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 Department has seen its first significant turnover in many years. A new Chief, Records Clerk and two Patrol Officers have been hired since last July and the Police Sergeant was promoted to Lieutenant.

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 \$20,000 to the Reserve in FY2016 to make the lease pay on the two vehicles purchased

under a lease option in FY2015. 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:

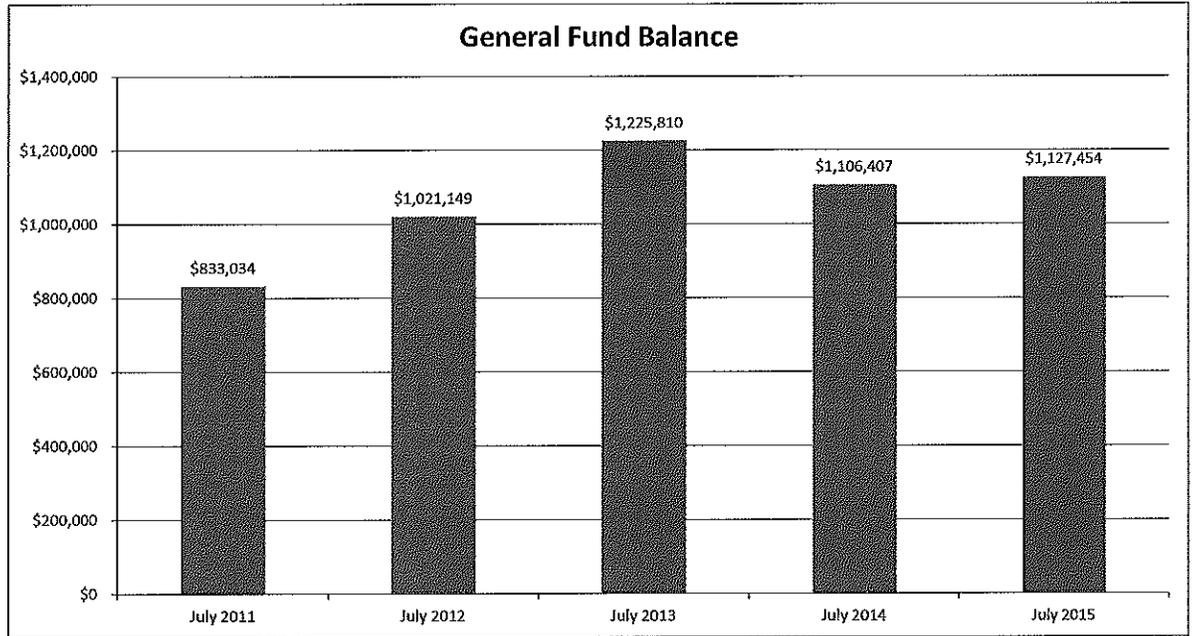
The following transfers from the General Fund totaling \$59,500 are planned for FY2017.

To West Valley View Debt Service - \$5,500

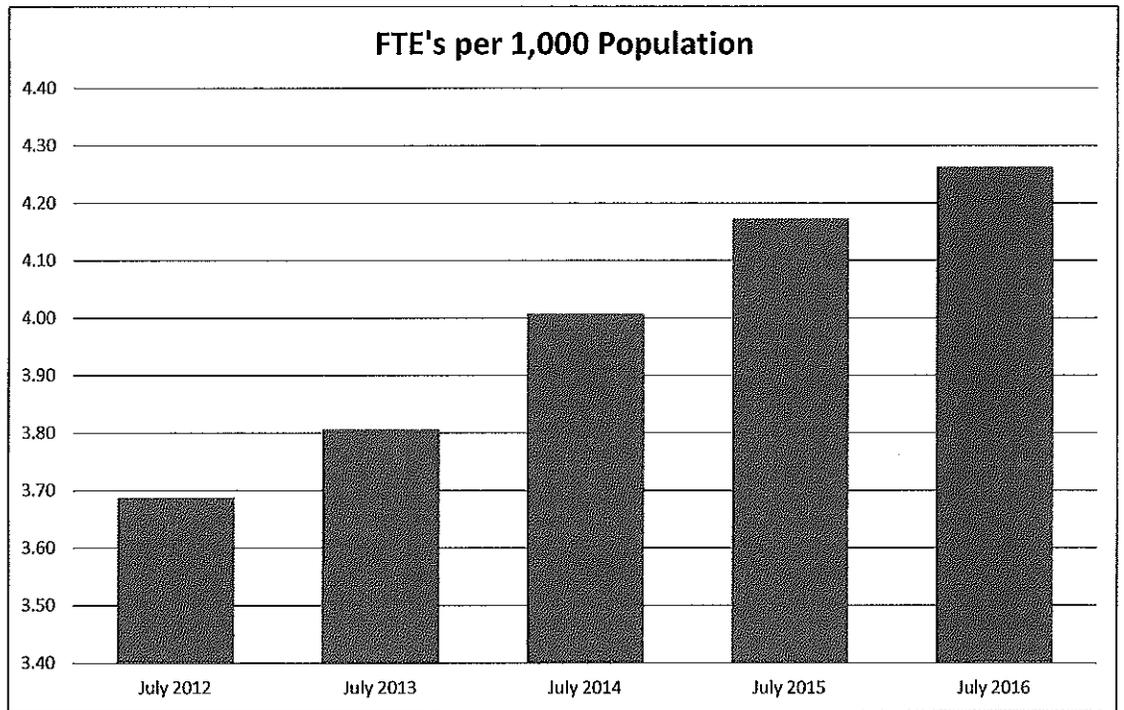
To CIP Fund – \$54,000

- Building Reserves – \$10,000
- CC463 City Hall Server Replacement - \$10,000
- CC906 Community Development Software - \$3,000
- CC908 Finance/Utility Billing Software - \$11,000
- CC905 Police Vehicles - \$20,000

General Fund Balance Trend



	<u>July 2011</u>	<u>July 2012</u>	<u>July 2013</u>	<u>July 2014</u>	<u>July 2015</u>
General Fund Balance	\$833,034	\$1,021,149	\$1,225,810	\$1,106,407	\$1,127,454
General Fund Unreserved Balance as a % of Total Revenue	16.33%	24.13%	20.86%	17.28%	19.91%
Total Budgeted City Revenues	\$5,101,129	\$4,231,948	\$5,877,083	\$6,402,985	\$5,663,115



	<u>July 2012</u>	<u>July 2013</u>	<u>July 2014</u>	<u>July 2015</u>	<u>July 2016</u>
FTE's per 1,000 Population	3.69	3.81	4.01	4.17	4.26
Full Time Employees	22	23	25	26	27
Population	6,095	6,115	6,170	6,230	6,270

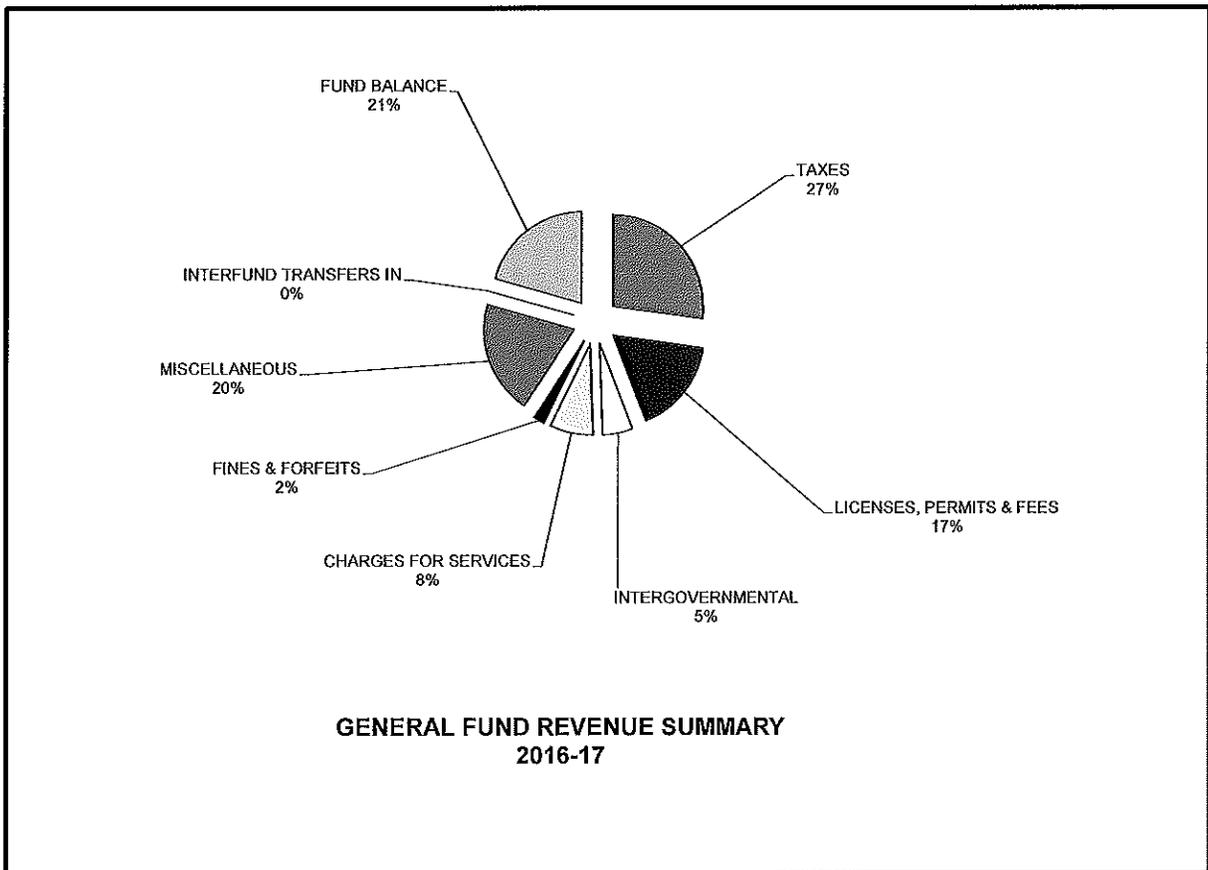
Note: July 2012 Population declined due to 2010 Census Data

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

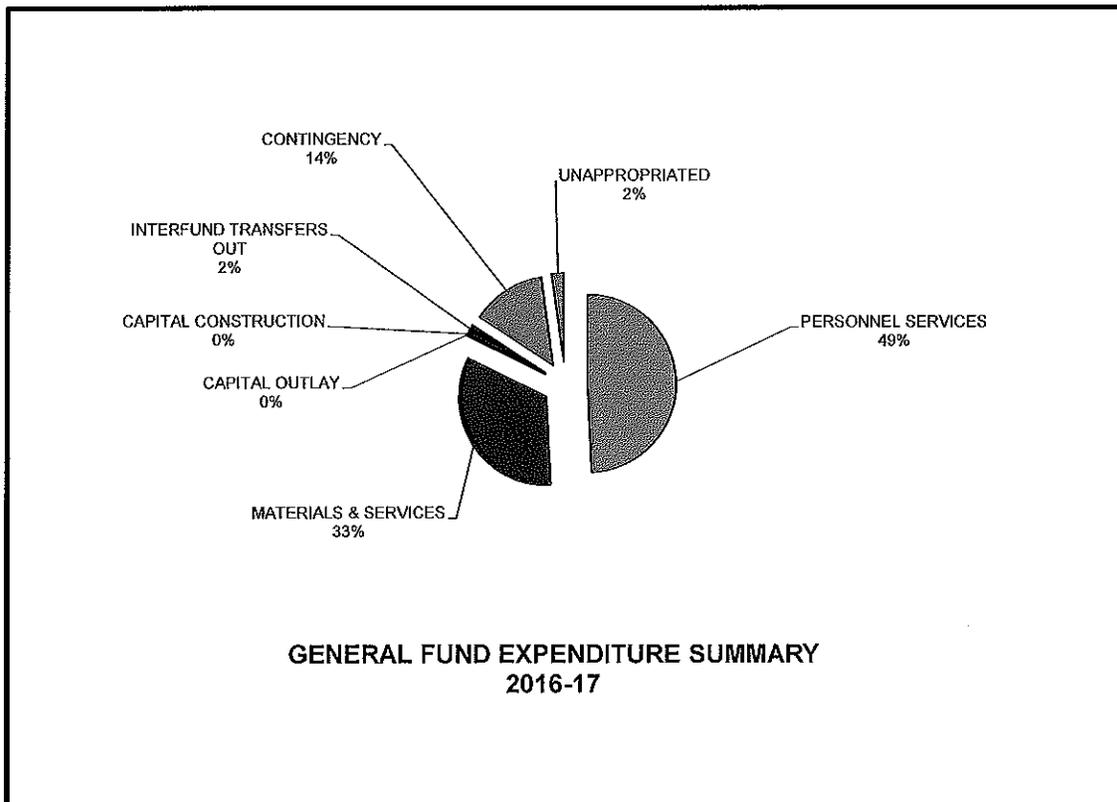
REVENUE SUMMARY
 For Fiscal Year 2016-17
 GENERAL FUND
 BY CATEGORY

Actual FY14	Actual FY15	Adopted FY16	REVENUE	Proposed FY17	Approved FY17	Adopted FY17
888,725	917,838	906,600	TAXES	955,000	955,000	955,000
551,746	529,899	554,000	LICENSES, PERMITS & FEES	594,000	594,000	594,000
149,915	158,022	163,000	INTERGOVERNMENTAL	188,700	188,700	188,700
198,566	224,100	225,000	CHARGES FOR SERVICES	275,700	275,700	275,700
137,861	122,416	80,000	FINES & FORFEITS	70,000	70,000	70,000
34,195	496,549	548,400	MISCELLANEOUS	703,125	703,125	703,125
-	-	-	INTERFUND TRANSFERS IN	-	-	-
1,225,810	1,106,467	1,100,000	FUND BALANCE	725,000	725,000	725,000
3,186,818	3,555,291	3,577,000	GRAND TOTAL REVENUES	3,511,525	3,511,525	3,511,525
-	0	-	Less Interfund Transfers In	-	-	-
3,186,818	3,555,291	3,577,000	NET TOTAL REVENUES	3,511,525	3,511,525	3,511,525



EXPENDITURE SUMMARY
 For Fiscal Year 2016-17
GENERAL FUND
 BY CATEGORY

Actual FY14	Actual FY15	Adopted FY16	EXPENDITURES	Proposed FY17	Approved FY17	Adopted FY17
1,337,430	1,406,878	1,685,160	PERSONNEL SERVICES	1,728,400	1,728,400	1,728,400
564,583	928,503	1,154,450	MATERIALS & SERVICES	1,156,650	1,156,650	1,156,650
18,288	13,757	5,900	CAPITAL OUTLAY	10,850	10,850	10,850
0	0	0	CAPITAL CONSTRUCTION	0	0	0
158,950	78,700	276,000	INTERFUND TRANSFERS OUT	59,500	59,500	59,500
0	0	273,500	CONTINGENCY	479,200	479,200	479,200
-	-	182,000	UNAPPROPRIATED	76,925	76,925	76,925
2,079,251	2,427,838	3,577,000	GRAND TOTAL EXPENDITURES	3,511,525	3,511,525	3,511,525
158,950	78,700	276,000	Less Interfund Transfers Out	59,500	59,500	59,500
1,920,301	2,349,138	3,301,000	NET TOTAL EXPENDITURES	3,452,025	3,452,025	3,452,025



EXPENDITURE SUMMARY & ANALYSIS
Approved Budget for FY 2016-17
GENERAL FUND
BY DEPARTMENT AND CATEGORY

	COUNCIL, DEPOT, TOWN		COMMUNITY	POLICE	NON-	TOTALS
	ADMINISTRATION	HALL, COMM CTR & COMMISSIONS	DEVELOPMENT		DEPARTMENTAL	
PERSONNEL SERVICES	488,500	12,400	279,500	948,000	-	1,728,400
MATERIALS AND SERVICES	648,200	88,550	183,300	236,600	-	1,156,650
CAPITAL OUTLAY	1,500	6,000	350	3,000	-	10,850
TRANSFERS TO OTHER FUNDS	-	-	-	-	59,500	59,500
CONTINGENCY	-	-	-	-	479,200	479,200
UNAPPROPRIATED ENDING FUND BALANCE	-	-	-	-	76,925	76,925
TOTALS	1,138,200	106,950	463,150	1,187,600	615,625	3,511,525
LESS TRANSFERS & CONTINGENCY						(615,625)
NET TOTAL (Operating Budget)						2,895,900
Prior Year Net Operating Budget						2,845,500
Increase / - Decrease						1.8%

GENERAL FUND EXPENDITURE ANALYSIS
FY 2016-17 Proposed Budget, Net of Transfers and Contingency

Table 1: Budget by Departments

ADMINISTRATION (excluding TURA Loan)	638,200	27%
COUNCIL, DEPOT, COMM HALL & COMM CTR.	106,950	4%
COMMUNITY DEVELOPMENT	463,150	19%
POLICE	1,187,600	50%
TOTAL	2,395,900	100%

Table 2: Budget by Categories

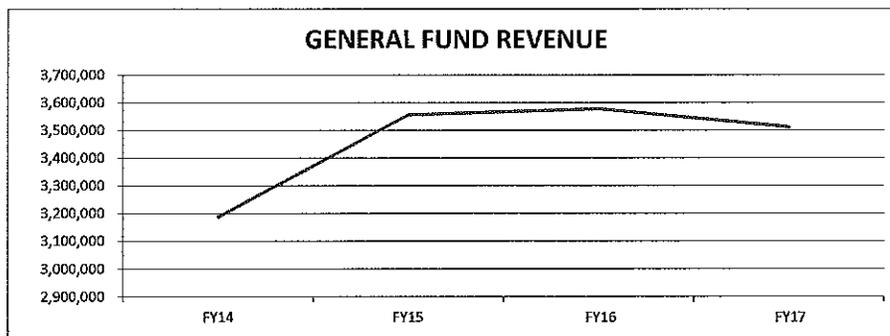
PERSONNEL SERVICES	1,728,400	60%
MATERIALS AND SERVICES	1,156,650	40%
CAPITAL OUTLAY	10,850	0%
TOTAL	2,895,900	100%

Table 3: Department Budgets by Categories

Administration		
PERSONNEL SERVICES	488,500	43%
MATERIALS AND SERVICES	648,200	57%
CAPITAL OUTLAY	1,500	0%
TOTAL	1,138,200	100%
Council, Depot, Community Hall & Community Center		
PERSONNEL SERVICES	12,400	12%
MATERIALS AND SERVICES	88,550	83%
CAPITAL OUTLAY	6,000	6%
TOTAL	106,950	100%
Community Development		
PERSONNEL SERVICES	279,500	60%
MATERIALS AND SERVICES	183,300	40%
CAPITAL OUTLAY	350	0%
TOTAL	463,150	100%
Police		
PERSONNEL SERVICES	948,000	80%
MATERIALS AND SERVICES	236,600	20%
CAPITAL OUTLAY	3,000	0%
TOTAL	1,187,600	100%

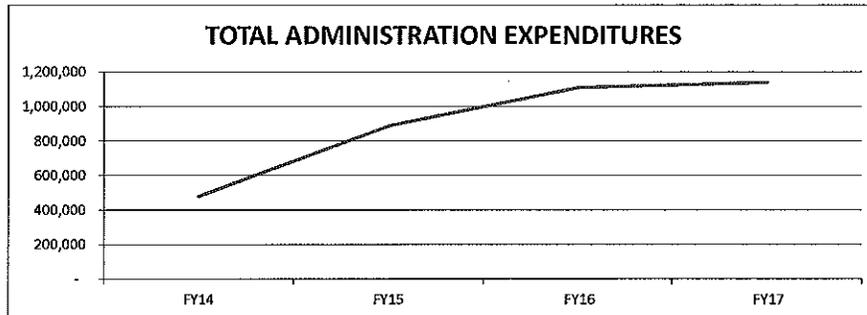
GENERAL FUND

Actual FY14	Actual FY15	Adopted FY16	REVENUES	Proposed FY17	Approved FY17	Adopted FY17
1,225,810	1,106,467	1,100,000	FUND BALANCE	725,000	725,000	725,000
845,653	880,735	882,600	PROP TAXES - CURRENT	924,000	924,000	924,000
43,072	37,102	24,000	PROP TAXES - DELINQUENT	31,000	31,000	31,000
242	309	-	PROP TAX INTEREST	-	-	-
412,606	406,735	415,000	FRANCHISE TAXES	420,000	420,000	420,000
-	-	10,000	OTHER CITY TAXES	-	-	-
27,005	28,816	29,000	BUSINESS LICENSES	29,000	29,000	29,000
111,777	94,349	100,000	BUILDING PERMITS	145,000	145,000	145,000
358	-	-	BUILDING PERMIT CHANGE ADMIN FEE	-	-	-
94,086	97,682	-	INTERGOVERNMENTAL REVENUE	-	-	-
-	-	-	FEDERAL GOV GRANTS	-	-	-
-	-	-	STATE GOV GRANTS	20,000	20,000	20,000
4,054	5,905	6,000	POLICE OVERTIME GRANTS	3,700	3,700	3,700
51,775	54,435	55,000	STATE SHARED REVENUE	55,000	55,000	55,000
-	-	-	STATE MARIJUANA TAX	5,000	5,000	5,000
-	-	7,000	TOBACCO TAX	7,000	7,000	7,000
-	-	95,000	ALCOHOL TAX	98,000	98,000	98,000
1,473	286	500	CHARGES FOR SERVICES	20,000	20,000	20,000
18,853	12,084	9,000	ZONING AND SUBDIVISION FEE	10,000	10,000	10,000
19,234	58,208	65,000	COMMUNITY DEVELOPMENT FEE	93,000	93,000	93,000
131,250	117,416	75,000	FINES	65,000	65,000	65,000
6,611	5,000	5,000	IMPOUND	5,000	5,000	5,000
-	450,000	250,000	TURA LOAN PRINCIPAL PAYMENT	600,000	600,000	600,000
-	2,308	-	TURA LOAN INTEREST PAYMENT	-	-	-
-	-	-	STREET FUND PRINCIPAL PMT	49,125	49,125	49,125
-	-	-	STREET FUND INTEREST PMT	2,000	2,000	2,000
143,438	144,946	144,000	PUBLIC SAFETY SURCHARGE	144,000	144,000	144,000
3,493	647	-	LIBRARY OPERATIONS ADMIN FEE	-	-	-
1,724	1,005	1,000	CET ADMINISTRATION FEE	1,200	1,200	1,200
10,351	6,924	5,500	SDC ADMIN FEE	7,500	7,500	7,500
4,025	2,100	2,100	RENTAL INCOME	2,100	2,100	2,100
-	-	-	POLICE DONATIONS	-	-	-
29	1,386	-	DONATIONS TO PUBLIC ARTS	-	-	-
-	-	-	DONATIONS	-	-	-
-	-	250,000	OTHER GRANTS	-	-	-
-	-	-	FROM OTHER FUNDS	-	-	-
-	-	-	FROM SDC FUND	-	-	-
-	-	-	FROM LIBRARY OPERATIONS FUND	-	-	-
-	-	-	SALE OF ASSETS	-	-	-
-	2,972	-	INSURANCE CLAIM PROCEEDS	-	-	-
-	-	-	ENGINEERING FEE REIMBURSEMENT	-	-	-
(2,389)	8,036	2,000	MISCELLANEOUS REFUNDS	2,000	2,000	2,000
2,587	3,986	3,000	INTEREST EARNINGS	3,000	3,000	3,000
<u>3,157,117</u>	<u>3,529,838</u>	<u>3,535,700</u>		<u>3,466,625</u>	<u>3,466,625</u>	<u>3,466,625</u>
9,417	8,237	20,000	DEPOT RENT	20,000	20,000	20,000
100	-	-	DEPOT RENT LATE FEES	-	-	-
550	(515)	-	DEPOT MISC REFUND & REIMBURSEMENTS	-	-	-
1,285	2,800	1,000	TOWN HALL RENT	1,200	1,200	1,200
250	450	-	MISC REFUND & REIMBURSEMENTS	-	-	-
1,300	1,300	1,200	105 N MARKET RENT	1,200	1,200	1,200
-	-	2,500	COMMUNITY CENTER RENT	5,000	5,000	5,000
3,937	3,905	4,000	H FESTIVAL EARNED INCOME	7,500	7,500	7,500
10,550	7,053	10,000	H FESTIVAL DONATIONS	7,500	7,500	7,500
2,312	2,223	2,600	105 N MARKET MISC REFUNDS	2,500	2,500	2,500
29,701	25,453	41,300		44,900	44,900	44,900
<u>3,186,818</u>	<u>3,555,291</u>	<u>3,577,000</u>	TOTAL GEN FUND REVENUE	<u>3,511,525</u>	<u>3,511,525</u>	<u>3,511,525</u>



GENERAL FUND

Actual FY14	Actual FY15	Adopted FY16	EXPENDITURES	Proposed FY17	Approved FY17	Adopted FY17
ADMINISTRATION						
219,750	220,880	279,000	REGULAR SALARIES	319,500	319,500	319,500
1,407	1,274	1,000	OVERTIME	2,500	2,500	2,500
4,947	5,469	10,000	ACCRUED LEAVE PAYOUTS	2,500	2,500	2,500
<u>100,817</u>	<u>98,546</u>	<u>156,500</u>	FRINGE BENEFITS	<u>164,000</u>	<u>164,000</u>	<u>164,000</u>
326,921	326,170	446,500	TOTAL PERSONNEL SERVICES	488,500	488,500	488,500
3,005	130	4,000	BUSINESS CONSULTING SERVICES	13,000	13,000	13,000
11,850	3,996	15,000	ATTORNEY SERVICES	12,000	12,000	12,000
-	474	1,000	LABOR ATTORNEY SERVICES	1,000	1,000	1,000
1,808	1,842	4,200	AUDITOR	4,400	4,400	4,400
1,678	1,415	2,000	TRAINING PROVIDERS AND REG	2,000	2,000	2,000
85	-	-	ENGINEERING, DESIGN & CONST MGMT SERV	-	-	-
5,856	3,319	4,000	TECHNICAL SUPPORT SERVICES	15,500	15,500	15,500
9,136	2,817	12,000	CONTRACTED PERSONNEL SERVICES	7,000	7,000	7,000
1,738	-	-	PUBLIC ARTS SUPPLIES	-	-	-
7,336	6,383	9,000	COMPUTER SERVICES AND SUPPLIES	6,000	6,000	6,000
766	767	900	SEWER UTILITIES	900	900	900
136	242	200	DISPOSAL SERVICES	200	200	200
2,892	3,015	4,000	CUSTODIAL	3,500	3,500	3,500
-	921	2,000	LAWN & GROUNDS MAINTENANCE	500	500	500
16,083	15,603	28,000	REPAIR & MAINTENANCE SERVICES	20,000	20,000	20,000
5,871	8,312	9,200	PROPERTY AND CASUALTY INSURANCE	9,800	9,800	9,800
7,057	5,689	7,000	PHONE, INTERNET & RADIO COMMUNICATIONS	6,500	6,500	6,500
10,585	10,152	11,000	DUES, MEMBERSHIPS, & PUBLICATIONS	11,500	11,500	11,500
(107)	881	1,500	ADVERTISING	1,000	1,000	1,000
1,908	1,703	2,000	PRINTING AND BINDING	3,800	3,800	3,800
4,685	3,380	5,000	TRAVEL & MEETING EXPENSE	4,000	4,000	4,000
943	747	2,500	BANKING FEES	2,500	2,500	2,500
3,322	3,421	4,000	GENERAL SUPPLIES	2,500	2,500	2,500
3,855	5,005	5,000	OFFICE SUPPLIES	4,500	4,500	4,500
10,534	9,444	12,000	ENERGY UTILITIES	11,000	11,000	11,000
54	51	100	FUEL	100	100	100
1,205	2,039	2,500	POSTAGE	2,000	2,000	2,000
32,891	12,737	10,000	COURT ASSESSMENTS	1,500	1,500	1,500
1,711	863	3,000	MISCELLANEOUS	1,500	1,500	1,500
-	450,000	250,000	LOAN TO TURA	500,000	500,000	500,000
-	-	250,000	GRANT EXPENDITURES	-	-	-
<u>146,883</u>	<u>555,349</u>	<u>661,100</u>	TOTAL MATERIALS & SERVICES	<u>648,200</u>	<u>648,200</u>	<u>648,200</u>
CAPITAL OUTLAY						
-	-	-	SECURITY CAMERA	-	-	-
-	-	-	VEHICLES - ADMINISTRATION	-	-	-
-	-	-	FURNITURE AND FIXTURES	-	-	-
<u>4,385</u>	<u>5,576</u>	<u>1,500</u>	COMPUTER HARDWARE/PRINTERS	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>
4,385	5,576	1,500	TOTAL CAPITAL OUTLAY	1,500	1,500	1,500
478,189	887,094	1,109,100	TOTAL ADMINISTRATION	1,138,200	1,138,200	1,138,200

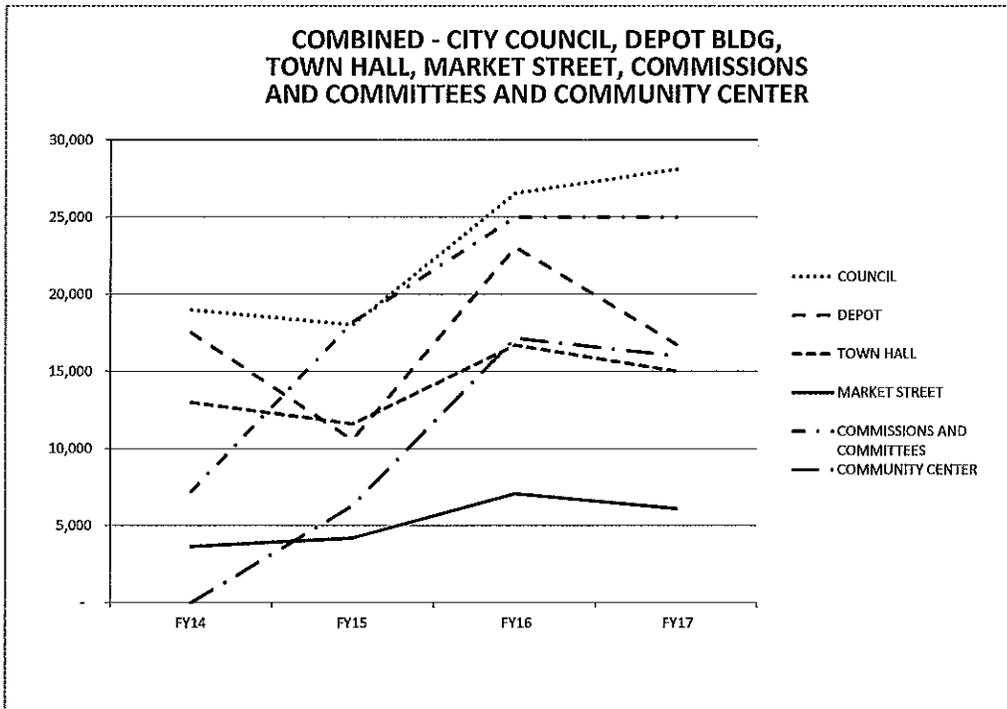


GENERAL FUND

Actual FY14	Actual FY15	Adopted FY16	EXPENDITURES	Proposed FY17	Approved FY17	Adopted FY17
CITY COUNCIL						
10,800	10,550	12,000	REGULAR SALARIES	11,000	11,000	11,000
1,243	1,182	1,400	FRINGE BENEFITS	1,400	1,400	1,400
12,043	11,732	13,400	TOTAL PERSONNEL SERVICES	12,400	12,400	12,400
-	-	-	BUSINESS CONSULTING SERVICES	-	-	-
2,780	1,332	5,000	ATTORNEY SERVICES	4,000	4,000	4,000
335	475	2,500	TRAINING PROVIDERS AND REG	1,200	1,200	1,200
651	590	1,000	COMPUTER SERVICES AND SUPPLIES	1,000	1,000	1,000
-	-	100	PHONE, INTERNET & RADIO COMMUNICATIONS	100	100	100
380	383	500	DUES, MEMBERSHIPS, & PUBLICATIONS	500	500	500
282	464	300	ADVERTISING	300	300	300
65	-	250	PRINTING & BINDING	100	100	100
2,183	540	2,000	TRAVEL & MEETING EXPENSE	1,000	1,000	1,000
47	381	500	OFFICE SUPPLIES	500	500	500
214	999	1,000	MAYORS ECONOMIC & COMMUNITY DEVELOPMENT	1,000	1,000	1,000
6,937	5,164	13,150	TOTAL MATERIALS & SERVICES	9,700	9,700	9,700
-	-	-	CAPITAL OUTLAY	-	-	-
-	-	-	COMPUTER HARDWARE/SOFTWARE	6,000	6,000	6,000
-	1,120	-	FURNITURE & FIXTURES	-	-	-
-	1,120	-	TOTAL CAPITAL OUTLAY	6,000	6,000	6,000
18,980	18,016	26,550	TOTAL CITY COUNCIL	28,100	28,100	28,100
DEPOT BUILDING						
-	-	500	ATTORNEY SERVICES	500	500	500
441	279	500	WATER UTILITY	500	500	500
814	816	850	SEWER UTILITIES	850	850	850
9	-	-	LAWN CARE	-	-	-
7,493	1,461	10,000	REPAIR & MAINTENANCE SERVICES	5,000	5,000	5,000
620	636	750	PROPERTY AND CASUALTY INSURANCE	700	700	700
147	629	250	GENERAL SUPPLIES	300	300	300
3,254	1,755	5,000	ENERGY UTILITIES	3,500	3,500	3,500
4,711	4,990	5,200	PROPERTY TAXES	5,400	5,400	5,400
17,489	10,565	23,050	TOTAL MATERIALS & SERVICES	16,750	16,750	16,750
17,489	10,565	23,050	TOTAL DEPOT BUILDING	16,750	16,750	16,750
TOWN HALL						
-	-	-	COMPUTER SERVICES AND SUPPLIES	-	-	-
396	397	450	SEWER UTILITIES	500	500	500
-	-	50	DISPOSAL	50	50	50
3,938	3,630	4,500	CUSTODIAL	4,000	4,000	4,000
-	-	500	LAWN CARE	500	500	500
1,150	713	1,500	REPAIR & MAINTENANCE SERVICES	1,500	1,500	1,500
1,498	1,535	1,700	PROPERTY AND CASUALTY INSURANCE	1,700	1,700	1,700
1,366	1,340	1,500	PHONE INTERNET & RADIO COMMUNICATIONS	1,500	1,500	1,500
1,115	771	2,000	GENERAL SUPPLIES	1,500	1,500	1,500
3,534	3,205	4,000	ENERGY UTILITIES	3,500	3,500	3,500
-	-	500	MISCELLANEOUS	250	250	250
12,997	11,591	16,700	TOTAL MATERIALS & SERVICES	15,000	15,000	15,000
12,997	11,591	16,700	TOTAL TOWN HALL	15,000	15,000	15,000
MARKET STREET BUILDING						
-	-	-	WATER	-	-	-
191	196	225	SEWER UTILITIES	250	250	250
-	-	200	CUSTODIAL	200	200	200
-	-	500	LAWN AND TREE CARE	500	500	500
775	1,076	3,000	REPAIR & MAINTENANCE SERVICES	2,000	2,000	2,000
440	448	500	PROPERTY AND CASUALTY INSURANCE	500	500	500
71	253	150	GENERAL SUPPLIES	150	150	150
2,168	2,208	2,500	ENERGY UTILITIES	2,500	2,500	2,500
3,645	4,181	7,075	TOTAL MATERIALS & SERVICES	6,100	6,100	6,100
3,645	4,181	7,075	TOTAL MARKET STREET BUILDING	6,100	6,100	6,100

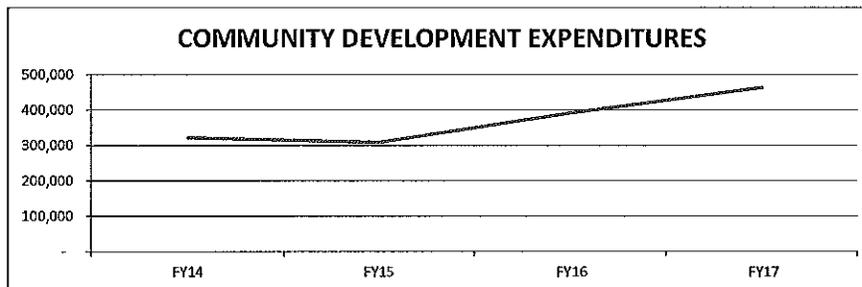
GENERAL FUND

Actual FY14	Actual FY15	Adopted FY16	EXPENDITURES	Proposed FY17	Approved FY17	Adopted FY17
COMMUNITY CENTER						
-	-	1,000	COMPUTER SERVICES AND SUPPLIES	1,000	1,000	1,000
-	-	400	SEWER UTILITIES	400	400	400
-	-	50	DISPOSAL	50	50	50
-	-	4,500	CUSTODIAL	2,500	2,500	2,500
-	-	500	LAWN AND TREE CARE	500	500	500
-	-	1,500	REPAIR & MAINTENANCE SERVICES	2,000	2,000	2,000
-	2,320	1,700	PROPERTY AND CASUALTY INSURANCE	2,000	2,000	2,000
-	-	1,500	PHONE INTERNET & RADIO COMMUNICATIONS	1,550	1,550	1,550
-	-	1,500	GENERAL SUPPLIES	1,500	1,500	1,500
-	3,945	4,000	ENERGY UTILITIES	4,000	4,000	4,000
-	-	500	MISCELLANEOUS	500	500	500
-	6,265	17,150	TOTAL MATERIALS & SERVICES	16,000	16,000	16,000
-	6,265	17,150	TOTAL COMMUNITY CENTER	16,000	16,000	16,000
COMMISSIONS AND COMMITTEES						
3,100	5,920	7,500	H FESTIVAL ENTERTAINMENT	7,500	7,500	7,500
4,107	6,377	7,500	H FESTIVAL SUPPLIES	7,500	7,500	7,500
-	5,884	10,000	COUNCIL DISCRETIONARY	10,000	10,000	10,000
7,207	18,181	25,000	TOTAL MATERIALS & SERVICES	25,000	25,000	25,000
7,207	18,181	25,000	TOTAL COMMISSIONS AND COMMITTEES	25,000	25,000	25,000



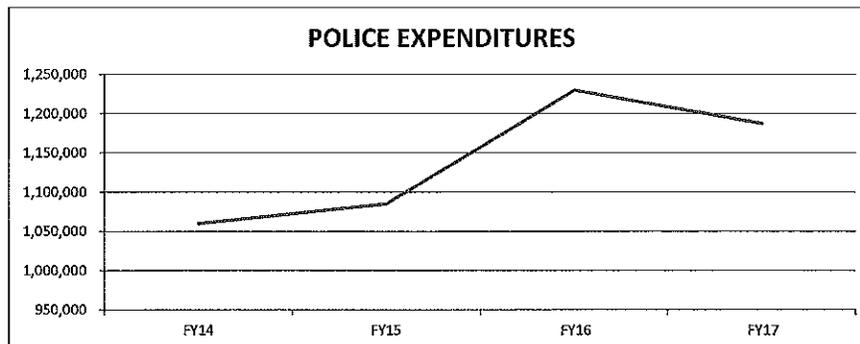
GENERAL FUND

Actual FY14	Actual FY15	Adopted FY16	COMMUNITY DEVELOPMENT EXPENDITURES	Proposed FY17	Approved FY17	Adopted FY17
PERSONNEL SERVICES						
110,783	145,319	157,500	REGULAR SALARIES	183,000	183,000	183,000
-	-	250	OVERTIME	500	500	500
-	694	5,000	ACCRUED LEAVE PAYOUT	1,000	1,000	1,000
<u>53,288</u>	<u>66,462</u>	<u>79,500</u>	FRINGE BENEFITS	<u>95,000</u>	<u>95,000</u>	<u>95,000</u>
164,071	212,475	242,250	TOTAL PERSONNEL SERVICES	279,500	279,500	279,500
MATERIALS & SERVICES						
14,779	1,476	28,000	BUSINESS CONSULTING SERVICES	45,000	45,000	45,000
15,262	5,940	11,000	ATTORNEY SERVICES	6,000	6,000	6,000
-	474	1,000	LABOR ATTORNEY SERVICES	500	500	500
487	688	1,000	AUDITOR	1,150	1,150	1,150
-	75	500	TRAINING PROVIDERS & REGISTRATIONS	750	750	750
1,283	1,290	-	ENGINEERING, DESIGN & CONST. MGMT	1,000	1,000	1,000
1,194	510	1,000	TECHNICAL SUPPORT SERVICES	1,000	1,000	1,000
-	-	-	PUBLIC ARTS SUPPLIES	-	-	-
85	1,024	1,500	CONTRACTED PERSONNEL SERVICES	1,500	1,500	1,500
108,802	68,060	83,900	BUILDING INSPECTION SERVICES	109,000	109,000	109,000
3,747	1,731	3,200	COMPUTER SERVICES AND SUPPLIES	2,400	2,400	2,400
783	929	1,000	CUSTODIAL	1,000	1,000	1,000
692	1,393	1,550	PROPERTY & CASUALTY INSURANCE	2,400	2,400	2,400
1,892	2,980	2,500	PHONE, INTERNET, & RADIO COMMUNICATIONS	2,900	2,900	2,900
448	658	1,000	DUES, MEMBERSHIPS & PUBLICATIONS	500	500	500
1,270	1,092	2,500	ADVERTISING	3,000	3,000	3,000
1,283	1,907	1,750	PRINTING & BINDING	1,750	1,750	1,750
74	-	500	TRAVEL & MEETING EXPENSE	250	250	250
143	344	500	BANKING FEES	500	500	500
-	251	200	GENERAL SUPPLIES	200	200	200
2,178	1,796	1,500	OFFICE SUPPLIES	1,000	1,000	1,000
54	35	125	FUEL	100	100	100
698	1,255	1,250	POSTAGE	1,250	1,250	1,250
<u>169</u>	<u>81</u>	<u>150</u>	MISCELLANEOUS	<u>150</u>	<u>150</u>	<u>150</u>
155,323	93,988	145,625	TOTAL MATERIALS & SERVICES	183,300	183,300	183,300
CAPITAL OUTLAY						
2,520	1,733	3,000	COMPUTER HARDWARE/PRINTERS	350	350	350
-	-	-	MINOR EQUIPMENT	-	-	-
2,520	1,733	3,000	TOTAL CAPITAL OUTLAY	350	350	350
321,914	308,196	390,875	TOTAL COMM. DEVELOPMENT	463,150	463,150	463,150



GENERAL FUND

Actual FY14	Actual FY15	Adopted FY16	POLICE EXPENDITURES	Proposed FY17	Approved FY17	Adopted FY17
PERSONNEL SERVICES						
536,998	547,594	580,000	REGULAR SALARIES	599,000	599,000	599,000
18,510	24,300	25,000	OVERTIME	25,000	25,000	25,000
15,826	15,630	50,000	ACCRUED LEAVE PAYOUTS	20,000	20,000	20,000
<u>263,061</u>	<u>268,977</u>	<u>328,000</u>	FRINGE BENEFITS	<u>304,000</u>	<u>304,000</u>	<u>304,000</u>
834,395	856,501	983,000	TOTAL PERSONNEL SERVICES	948,000	948,000	948,000
MATERIALS & SERVICES						
9,113	666	5,000	ATTORNEY SERVICES	5,000	5,000	5,000
-	3,789	8,000	LABOR ATTORNEY SERVICES	4,000	4,000	4,000
3,229	3,246	3,500	AUDITOR	3,600	3,600	3,600
1,874	1,440	2,000	TRAINING PROVIDERS & REGISTRATIONS	2,000	2,000	2,000
4,127	7,229	7,500	TECHNICAL SUPPORT SERVICES	10,000	10,000	10,000
-	25	500	CONTRACTED PERSONNEL SERVICES	500	500	500
4,941	11,607	10,000	COMPUTER SERVICES AND SUPPLIES	7,000	7,000	7,000
79,773	77,269	81,100	ECSSO	82,600	82,600	82,600
378	400	500	SEWER UTILITIES	500	500	500
102	150	400	DISPOSAL SERVICES	400	400	400
3,740	3,552	4,300	CUSTODIAL	4,000	4,000	4,000
-	-	500	LAWN CARE	500	500	500
6,994	6,367	6,000	REPAIR & MAINTENANCE SERVICES	7,500	7,500	7,500
30,577	41,577	46,000	PROPERTY AND CASUALTY INSURANCE	47,000	47,000	47,000
10,397	9,575	10,000	PHONE, INTERNET, RADIO, & COMPUTER COMM.	10,000	10,000	10,000
1,991	878	750	DUES, MEMBERSHIPS, & PUBLICATIONS	500	500	500
72	217	250	ADVERTISING	500	500	500
2,230	2,439	2,500	PRINTING AND BINDING	2,000	2,000	2,000
1,991	1,873	2,000	TRAVEL & MEETING EXPENSE	1,000	1,000	1,000
425	450	500	BANKING FEES	500	500	500
4,067	5,632	4,000	GENERAL SUPPLIES	4,000	4,000	4,000
3,507	3,484	2,800	OFFICE SUPPLIES	2,500	2,500	2,500
6,466	5,968	8,000	ENERGY UTILITIES	6,000	6,000	6,000
8,471	8,447	9,000	VEHICLE REPAIR & MAINTENANCE	8,000	8,000	8,000
19,226	15,234	16,000	FUEL	15,000	15,000	15,000
1,037	891	1,000	POSTAGE	1,000	1,000	1,000
1,962	3,855	7,000	UNIFORMS	4,000	4,000	4,000
2,098	3,958	3,000	AMMUNITION	3,000	3,000	3,000
3,881	2,018	3,000	SAFETY EQUIPMENT	3,000	3,000	3,000
<u>1,433</u>	<u>983</u>	<u>500</u>	MISCELLANEOUS	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
214,102	223,219	245,600	TOTAL MATERIALS & SERVICES	236,600	236,600	236,600
CAPITAL OUTLAY						
265	-	-	GENERAL SUPPLIES	-	-	-
7,156	-	-	MINOR EQUIPMENT	-	-	-
-	-	-	FURNITURE & FIXTURES	-	-	-
<u>3,962</u>	<u>5,328</u>	<u>1,400</u>	COMPUTER HARDWARE / SOFTWARE	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
11,383	5,328	1,400	TOTAL CAPITAL OUTLAY	3,000	3,000	3,000
1,059,880	1,088,048	1,230,000	TOTAL POLICE	1,187,600	1,187,600	1,187,600



GENERAL FUND

Actual FY14	Actual FY16	Adopted FY16	EXPENDITURES	Proposed FY17	Approved FY17	Adopted FY17
			NON-DEPARTMENTAL			
6,450	6,450	6,000	TO WEST VALLEY VIEW DEBT SERVICE	5,500	5,500	5,500
			TRANSFER TO CIP - GENERAL FUND			
75,000	15,000	-	NEW COMMUNITY CENTER CC454	-	-	-
	7,250	-	TOWN HALL HANDICAP RAMP CC 459	-	-	-
	10,000	6,000	COMMUNITY CENTER FIXTURES CC460	-	-	-
	-	30,000	COMMUNITY CENTER GROUNDS CC461	-	-	-
		196,500	STREET SWEEPER CC 744	-	-	-
		-	CITY HALL SERVER CC744	10,000	10,000	10,000
2,500	-	5,000	CITY HALL BLDG MAINT RESERVE CC 909	2,500	2,500	2,500
2,500	-	5,000	POLICE DEPT BLDG MAINT RESERVE CC 910	2,500	2,500	2,500
		2,500	COMMUNITY CENTER BLDG MAINT RES CC 911	2,500	2,500	2,500
2,500	-	5,000	TOWN HALL REPAIR RESERVE CC 906	2,500	2,500	2,500
50,000	20,000	-	FINANCE/UB SOFTWARE CC 907	11,000	11,000	11,000
20,000	20,000	20,000	POLICE DEPT VEHICLE RESERVE CC 905	20,000	20,000	20,000
-	-	-	COMMUNITY DEV SOFTWARE CC 908	3,000	3,000	3,000
158,950	78,700	276,000	TOTAL INTERFUND TRANSFERS OUT	59,500	59,500	59,500
		273,500	CONTINGENCY	479,200	479,200	479,200
-	-	182,000	UNAPPROPRIATED ENDING FUND BALANCE	76,925	76,925	76,925
-	-	455,500	TOTAL UNALLOCATED FUNDS	556,125	556,125	556,125
158,950	78,700	731,500	TOTAL NON-DEPARTMENTAL	615,625	615,625	615,625
3,186,818	3,555,291	3,577,000	TOTAL GENERAL FUND REVENUE	3,511,525	3,511,525	3,511,525
2,079,251	2,427,838	3,577,000	TOTAL GENERAL FUND EXPENDITURES	3,511,525	3,486,525	3,486,525

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**City of Talent
2016-17 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 a number of 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 is \$2 per month for a single family residence and the charge to commercial and industrial users is based on this flat fee plus a cost based on number of employees. The Council entered into 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.

**LIBRARY OPERATIONS FUND
FISCAL YEAR 2016-17**

**REVENUE SUMMARY
BY CATEGORY**

Actual FY14	Actual FY15	Adopted FY16		Proposed FY17	Approved FY17	Adopted FY17
68,248	13,013	-	CHARGES FOR SERVICES	-	-	-
43	39	-	MISCELLANEOUS	-	-	-
-	-	-	INTERFUND TRANSFERS IN	-	-	-
17,924	17,385	-	FUND BALANCE	-	-	-
86,215	30,436	-	GRAND TOTAL REVENUE	-	-	-
-	-	-	Less Interfund Transfers In	-	-	-
86,215	30,436	-	NET TOTAL REVENUE	-	-	-

**EXPENDITURE SUMMARY
BY CATEGORY**

Actual FY14	Actual FY15	Adopted FY16		Proposed FY17	Approved FY17	Adopted FY17
-	-	-	PERSONNEL SERVICES	-	-	-
68,830	30,436	-	MATERIALS & SERVICES	-	-	-
-	-	-	CAPITAL OUTLAY	-	-	-
-	-	-	CAPITAL CONSTRUCTION	-	-	-
-	-	-	DEBT SERVICE	-	-	-
-	-	-	INTERFUND TRANSFERS OUT	-	-	-
-	-	-	CONTINGENCY	-	-	-
-	-	-	UNAPPROPRIATED END FUND BALANCE	-	-	-
68,830	30,436	-	TOTAL EXPENDITURES	-	-	-
-	-	-	Less Interfund Transfers Out	-	-	-
68,830	30,436	-	NET TOTAL EXPENSES	-	-	-

LIBRARY OPERATIONS FUND

Actual FY14	Actual FY15	Adopted FY16	REVENUES	Proposed FY17	Approved FY17	Adopted FY17
17,924	17,385	-	FUND BALANCE - COMMITTED			
68,248	13,013	-	LIBRARY SURCHARGE			
44	39	-	INTEREST EARNINGS			
-	-	-	DONATIONS	-	-	-
(1)	-	-	MISC. REFUND & REIMBURSEMENTS	-	-	-
86,215	30,436	-	TOTAL GENERAL REVENUES	-	-	-
86,215	30,436	-	TOTAL FUND REVENUES	-	-	-

LIBRARY OPERATIONS FUND

Actual FY14	Actual FY15	Adopted FY16	EXPENDITURES	Proposed FY17	Approved FY17	Adopted FY17
68,830	30,436	-	TECHNICAL SUPPORT SERVICES			
-	-	-	COMPUTER SERVICES AND SUPPLIES			
-	-	-	MISCELLANEOUS	-	-	-
68,830	30,436	-	TOTAL MATERIALS & SERVICES	-	-	-
68,830	30,436	-	TOTAL EXPENDITURES	-	-	-
-	-	-	TRANSFERS OUT TO GENERAL FUND	-	-	-
-	-	-	TOTAL TRANSFERS OUT	-	-	-
-	-	-	CONTINGENCY			
-	-	-	UNAPPROPRIATED ENDING FUND BALANCE	-	-	-
-	-	-	TOTAL UNALLOCATED FUNDS	-	-	-
86,215	30,436	-	Total Library Operations Revenue	-	-	-
68,830	30,436	-	Total Library Operations Expenditures	-	-	-

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**City of Talent
2016-17 Annual Budget**

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 amount of park space the Public Works Department maintains now includes the open space at Old Bridge Village and the Parklet on Home Street and Lapree. 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.

The City has supported a Summer Recreation Program for many years. Due to a steady decline of participation in structured classes over the last few years, the Parks and Recreation Commission has decided to sponsor family oriented events and activities in the parks this summer to foster increased recreational use of the parks.

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 funding is not available for capital improvements and land acquisition.

The Parks Commission has reviewed the Parks Master Plan and established improvement priorities to Chuck Roberts Park. The splash pad opened for summer fun in 2015. Work on Chuck Roberts Park Heritage Trail is taking place as well. The City is also adding more open space with the receipt of donated land.

Interfund Transfers – Parks

No transfers from the Parks Fund to the CIP Fund are planned for FY2017.

Park Projects –

- General Maintenance Repairs and Supplies
- Splash pad engineering and design of Phase III
- Heritage Trail Phase II
- Secure training for integrated pest management for all Public Works staff
- New fee structure with Jackson County for our responsibility in the Bear Creek Greenway

PARKS FUND
FISCAL YEAR 2016-17

REVENUE SUMMARY
BY CATEGORY

Actual FY14	Actual FY15	Adopted FY16		Proposed FY17	Approved FY17	Adopted FY17
5,399	5,639	5,000	LICENSES, PERMITS & FEES	7,500	7,500	7,500
3,528	3,526	3,500	INTERGOVERNMENTAL	3,500	3,500	3,500
107,676	108,796	108,000	CHARGES FOR SERVICES	108,000	108,000	108,000
1,696	1,712	-	PROGRAM FEES	-	-	-
1,099	1,093	-	MISCELLANEOUS	-	-	-
-	-	-	INTERFUND TRANSFERS IN	-	-	-
<u>68,854</u>	<u>26,778</u>	<u>15,500</u>	FUND BALANCE	<u>49,000</u>	<u>49,000</u>	<u>49,000</u>
188,252	147,543	132,000	GRAND TOTAL REVENUE	168,000	168,000	168,000
-	-	-	Less Interfund Transfers In	-	-	-
188,252	147,543	132,000	NET TOTAL REVENUE	168,000	168,000	168,000

EXPENDITURE SUMMARY
BY CATEGORY

Actual FY14	Actual FY15	Adopted FY16		Proposed FY17	Approved FY17	Adopted FY17
99,077	82,858	75,500	PERSONNEL SERVICES	83,500	83,500	83,500
56,829	41,643	38,500	MATERIALS & SERVICES	51,600	51,600	51,600
1,569	83	500	CAPITAL OUTLAY	1,700	1,700	1,700
-	-	-	CAPITAL CONSTRUCTION	-	-	-
-	-	-	DEBT SERVICE	-	-	-
4,000	-	-	INTERFUND TRANSFERS OUT	-	-	-
-	-	-	RESERVES	-	-	-
-	-	17,500	CONTINGENCY	31,200	31,200	31,200
-	-	-	UNAPPROPRIATED END FUND BAL	-	-	-
<u>161,475</u>	<u>124,584</u>	<u>132,000</u>	GRAND TOTAL EXPENDITURES	<u>168,000</u>	<u>168,000</u>	<u>168,000</u>
4,000	-	-	Less Interfund Transfers Out	-	-	-
157,475	124,584	132,000	NET TOTAL EXPENSES	168,000	168,000	168,000

NOTE:
RECREATION PROGRAM ONLY

REVENUE

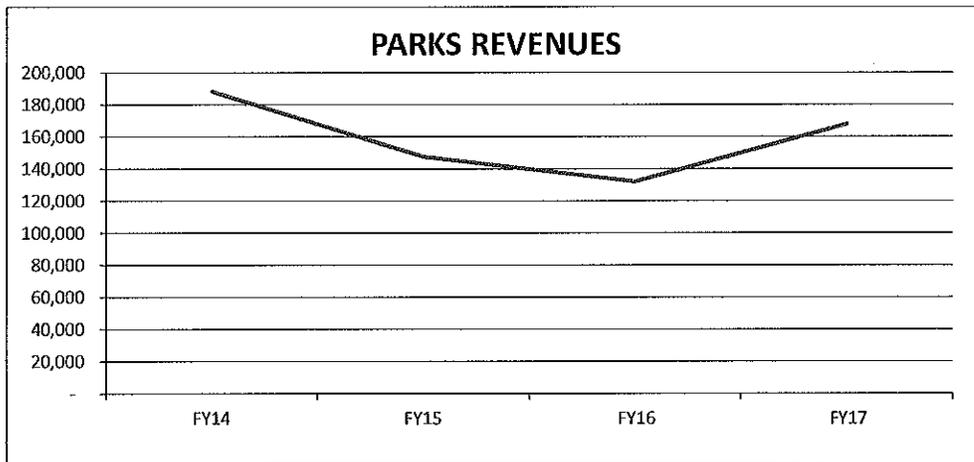
1,696	1,712	-	RECREATION PROGRAM FEES	-	-	-
<u>380</u>	<u>150</u>	<u>-</u>	MISCELLANEOUS	<u>-</u>	<u>-</u>	<u>-</u>
2,076	1,862	-	TOTAL REVENUE	-	-	-

EXPENSES

7,521	4,293	-	PERSONNEL SERVICES	-	-	-
<u>4,981</u>	<u>2,706</u>	<u>10,000</u>	MATERIALS & SERVICES	<u>-</u>	<u>-</u>	<u>-</u>
12,502	6,999	10,000	TOTAL EXPENDITURES	-	-	-

PARKS FUND

Actual FY14	Actual FY15	Adopted FY16	REVENUES	Proposed FY17	Approved FY17	Adopted FY17
68,854	26,778	15,500	FUND BALANCE - COMMITTED	49,000	49,000	49,000
3,528	3,526	3,500	MOTOR FUEL TAX	3,500	3,500	3,500
5,399	5,639	5,000	TRANSIENT ROOM TAX	7,500	7,500	7,500
107,676	108,796	108,000	PARKS UTILITY FEE	108,000	108,000	108,000
107	80	-	INTEREST EARNINGS	-	-	-
50	550	-	DONATIONS	-	-	-
8	1	-	PENNIES FOR PARKS	-	-	-
554	312	-	MISC REFUNDS & REIMBURSEMENTS	-	-	-
<u>186,176</u>	<u>145,681</u>	<u>132,000</u>	TOTAL GENERAL REVENUES	<u>168,000</u>	<u>168,000</u>	<u>168,000</u>
1,696	510	-	RECREATION PROGRAM FEES	-	-	-
-	1,202	-	H FESTIVAL RUN	-	-	-
380	150	-	DONATIONS - PROGRAMS	-	-	-
-	-	-	PROGRAM FUNDRAISERS	-	-	-
<u>2,076</u>	<u>1,862</u>	<u>-</u>	TOTAL PROGRAM REVENUES	<u>-</u>	<u>-</u>	<u>-</u>
188,252	147,543	132,000	TOTAL FUND REVENUES	168,000	168,000	168,000



PARKS FUND

Actual FY14	Actual FY15	Adopted FY16	EXPENDITURES	Proposed FY17	Approved FY17	Adopted FY17
PERSONNEL SERVICES - REC. PROGRAMS						
5,525	3,173	-	REGULAR SALARIES	-	-	-
-	-	-	OVERTIME	-	-	-
1,996	1,120	-	FRINGE BENEFITS	-	-	-
<u>7,521</u>	<u>4,293</u>	-	TOTAL PERSONNEL SERVICES	-	-	-
MATERIALS & SERVICES - REC. PROGRAMS						
-	-	-	ATTORNEY SERVICES	-	-	-
68	52	-	AUDITOR	-	-	-
400	624	-	TRAINING PROVIDERS & REGISTRATIONS	-	-	-
237	222	-	TECHNICAL SUPPORT SERVICES	-	-	-
1,917	879	3,000	COMPUTER SERVICES AND SUPPLIES	-	-	-
-	-	-	REPAIR & MAINTENANCE SERVICES	-	-	-
-	-	700	RENTAL OF EQUIPMENT & VEHICLES	-	-	-
384	387	200	PROPERTY & CASUALTY INSURANCE	-	-	-
303	23	-	PHONE, INTERNET & RADIO	-	-	-
393	-	300	ADVERTISING	-	-	-
994	361	300	PRINTING & BINDING	-	-	-
285	157	5,500	GENERAL SUPPLIES	-	-	-
<u>4,981</u>	<u>2,706</u>	<u>10,000</u>	TOTAL MATERIALS & SERVICES	-	-	-
12,502	6,999	10,000	TOTAL EXPENDITURES - REC. PROGRAMS	-	-	-
PERSONNEL SERVICES - MAINTENANCE						
56,742	47,191	42,000	REGULAR SALARIES	46,500	46,500	46,500
3,283	3,572	3,000	OVERTIME	3,000	3,000	3,000
566	314	2,000	ACCRUED LEAVE PAYOUTS	2,000	2,000	2,000
30,965	27,487	28,500	FRINGE BENEFITS	32,000	32,000	32,000
<u>91,556</u>	<u>78,564</u>	<u>75,500</u>	TOTAL PERSONNEL SERVICES	<u>83,500</u>	<u>83,500</u>	<u>83,500</u>
MATERIALS & SERVICES - MAINTENANCE						
589	130	500	BUSINESS CONSULTING SERVICES	500	500	500
-	-	500	ATTORNEY SERVICES	500	500	500
-	474	1,000	LABOR ATTORNEY SERVICES	500	500	500
459	497	500	AUDITOR	350	350	350
86	45	100	TRAINING PROVIDERS & REGISTRATIONS	150	150	150
1,850	-	600	ENGINEERING, DESIGN & CONST MGMT	10,000	10,000	10,000
226	238	250	TECHNICAL SUPPORT SERVICES	300	300	300
10,976	4,760	-	CONTRACTED PERSONNEL SERVICES	8,000	8,000	8,000
2,081	902	750	COMPUTER SERVICES AND SUPPLIES	850	850	850
1,261	1,291	1,300	SEWER UTILITIES	1,350	1,350	1,350
2,504	2,888	2,400	DISPOSAL SERVICES	2,500	2,500	2,500
842	512	600	CUSTODIAL	700	700	700
2,575	1,050	1,400	LAWN & TREE CARE	1,000	1,000	1,000
8,673	9,137	3,000	REPAIR & MAINTENANCE SERVICES	7,000	7,000	7,000
2,485	2,893	3,000	PROPERTY & CASUALTY INSURANCE	3,200	3,200	3,200
754	779	800	PHONE, INTERNET AND RADIO	800	800	800
23	-	100	ADVERTISING	100	100	100
559	500	450	PRINTING & BINDING	450	450	450
11,901	8,455	6,500	GENERAL SUPPLIES	8,500	8,500	8,500
15	37	50	OFFICE SUPPLIES	50	50	50
2,211	2,649	2,600	ENERGY UTILITIES	2,600	2,600	2,600
1,699	1,147	1,500	FUEL	1,500	1,500	1,500
71	540	550	UNIFORMS	650	650	650
8	16	50	MISCELLANEOUS	50	50	50
<u>51,848</u>	<u>38,938</u>	<u>28,500</u>	TOTAL MATERIALS & SERVICES	<u>51,600</u>	<u>51,600</u>	<u>51,600</u>
143,404	117,502	104,000	TOTAL EXPENDITURES - MAINTENANCE	135,100	135,100	135,100

PARKS FUND

Actual FY14	Actual FY15	Adopted FY16	EXPENDITURES	Proposed FY17	Approved FY17	Adopted FY17
36	83		FURNITURE & FIXTURES	-	-	-
			COMPUTER HARDWARE/PRINTERS	500	500	500
<u>1,533</u>	<u>-</u>	<u>500</u>	MINOR EQUIPMENT	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>
1,569	83	500	TOTAL CAPITAL OUTLAY	1,700	1,700	1,700
			TRANSFERS OUT			
<u>4,000</u>	<u>-</u>	<u>-</u>	CHUCK ROBERTS PARK SPLASHPAD CC455	<u>-</u>	<u>-</u>	<u>-</u>
4,000	-	-	TOTAL TRANSFERS OUT	-	-	-
-	-	17,500	CONTINGENCY	31,200	31,200	31,200
<u>-</u>	<u>-</u>	<u>-</u>	UNAPPROPRIATED ENDING FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
-	-	17,500	TOTAL UNALLOCATED FUNDS	31,200	31,200	31,200
188,252	147,543	132,000	Total Parks Revenue	168,000	168,000	168,000
161,475	124,584	132,000	Total Parks Expenditures	168,000	168,000	168,000

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**City of Talent
2016-17 Annual Budget**

STREET FUND

The Street Utility Fee was increased in July 2007. This has 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. Employees split their time between Parks, Streets and Water projects as well as City wide building and grounds maintenance. Time is charged to the Fund where work is being completed. The salaries of the employees are therefore broken down among the associated funds where work is performed – Parks, Streets, Water and Administration. Associated benefits are also prorated based on the actual percentage of time spent in any given department. The City contracts for engineering services.

Minor Equipment purchases planned for FY2017 are:

- Water Buffalo - \$2,400
 - Total cost \$6,000 additional funding in Water and Parks
- Computer hardware replacement - \$1,150

Interfund Transfers - Streets

The following transfers to the Capital Improvement Fund totaling \$58,000 for major street and sidewalk improvements are planned for FY2017.

- CC450 North Front Street Improvements Right of Way - \$28,000
- CC464 Wagner Creek Sidewalks - \$30,000

Street Projects -

- General Maintenance Repairs and Supplies
- Add sidewalk along school property off of Schoolhouse Rd
- Design/replace sidewalk on Wagner Ck Rd. between West St. and Foss Rd
- Crack sealing asphalt on Talent Ave. and Creel Rd.
- Decorative street lamp LED conversion Phase I
- LED speed sign on Foss rd. at school zone
- Rumble strip installation Wagner Ck. Rd at school zone

STREET FUND
FISCAL YEAR 2016-17

REVENUE SUMMARY
BY CATEGORY

Actual FY14	Actual FY15	Adopted FY16		Proposed FY17	Approved FY17	Adopted FY17
1,817	950	1,000	LICENSES, PERMITS & FEES	1,000	1,000	1,000
349,303	349,056	341,500	INTERGOVERNMENTAL	350,000	350,000	350,000
208,120	212,766	210,500	CHARGES FOR SERVICES	210,000	210,000	210,000
-	-	-	PROGRAM FEES	-	-	-
2,527	7,155	500	MISCELLANEOUS	500	500	500
-	-	-	INTERFUND TRANSFERS IN	-	-	-
<u>417,464</u>	<u>348,472</u>	<u>350,000</u>	FUND BALANCE	<u>310,000</u>	<u>310,000</u>	<u>310,000</u>
979,231	918,399	903,500	GRAND TOTAL REVENUE	871,500	871,500	871,500
-	-	-	Less Interfund Transfers In	-	-	-
979,231	918,399	903,500	NET TOTAL REVENUE	871,500	871,500	871,500

EXPENDITURE SUMMARY
BY CATEGORY

Actual FY14	Actual FY15	Adopted FY16		Proposed FY17	Approved FY17	Adopted FY17
124,791	176,366	284,000	PERSONNEL SERVICES	287,000	287,000	287,000
119,670	148,806	237,000	MATERIALS & SERVICES	250,850	250,850	250,850
1,213	10,004	2,500	CAPITAL OUTLAY	3,550	3,550	3,550
-	-	-	CAPITAL CONSTRUCTION	-	-	-
-	-	-	DEBT SERVICE	51,425	51,425	51,425
385,083	198,650	169,000	INTERFUND TRANSFERS OUT	58,000	58,000	58,000
-	-	-	RESERVES	-	-	-
-	-	157,000	CONTINGENCY	135,350	135,350	135,350
-	-	<u>54,000</u>	UNAPPROPRIATED END FUND BALANCE	<u>85,325</u>	<u>85,325</u>	<u>85,325</u>
<u>630,757</u>	<u>533,826</u>	<u>903,500</u>	TOTAL EXPENDITURES	871,500	871,500	871,500
385,083	198,650	169,000	Less Interfund Transfers Out	58,000	58,000	58,000
245,674	335,176	734,500	NET TOTAL EXPENSES	813,500	813,500	813,500

STREET FUND

Actual FY14	Actual FY15	Adopted FY16	REVENUES	Proposed FY17	Approved FY17	Adopted FY17
417,464	348,472	350,000	FUND BALANCE - COMMITTED	310,000	310,000	310,000
1,817	950	1,000	ENCROACHMENT PERMITS	1,000	1,000	1,000
349,303	349,056	341,500	MOTOR FUEL TAX	350,000	350,000	350,000
155,384	157,196	156,000	STREET UTILITY FEE	160,000	160,000	160,000
52,736	55,570	54,500	STORM DRAIN UTILITY FEE	50,000	50,000	50,000
1,919	3,874	-	MISCELLANEOUS REFUNDS AND	-	-	-
-	2,090	-	INSURANCE CLAIM PROCEEDS	-	-	-
608	1,191	500	INTEREST EARNINGS	500	500	500
979,231	918,399	903,500	TOTAL REVENUES & OTHER RESOURCES	871,500	871,500	871,500

STREET FUND

Actual FY14	Actual FY15	Adopted FY16	EXPENDITURES	Proposed FY17	Approved FY17	Adopted FY17
PERSONNEL SERVICES						
76,135	110,704	170,000	REGULAR SALARIES	172,000	172,000	172,000
3,216	3,649	3,500	OVERTIME	3,500	3,500	3,500
2,784	2,872	5,000	ACCRUED LEAVE PAYOUTS	5,000	5,000	5,000
<u>42,656</u>	<u>59,141</u>	<u>105,500</u>	FRINGE BENEFITS	<u>106,500</u>	<u>106,500</u>	<u>106,500</u>
124,791	176,366	284,000	TOTAL PERSONNEL SERVICES	287,000	287,000	287,000
MATERIALS & SERVICES						
1,171	-	30,000	BUSINESS CONSULTING SERVICES	30,000	30,000	30,000
3,746	18	3,000	ATTORNEY SERVICES	3,000	3,000	3,000
1,773	710	1,500	LABOR ATTORNEY SERVICES	1,000	1,000	1,000
1,801	1,746	2,300	AUDITOR	2,700	2,700	2,700
234	133	800	TRAINING PROVIDERS AND REGISTRATIO	800	800	800
10,411	1,875	18,000	ENGINEERING, DESIGN & CONSULTING	20,000	20,000	20,000
9,385	9,390	18,000	TECHNICAL SUPPORT SERVICES	18,000	18,000	18,000
5,110	9,667	2,000	CONTRACTED PERSONNEL SERVICES	8,000	8,000	8,000
1,497	1,037	1,850	COMPUTER SERVICES AND SUPPLIES	1,000	1,000	1,000
818	1,059	1,200	DISPOSAL SERVICES	2,000	2,000	2,000
970	959	1,100	CUSTODIAL	1,100	1,100	1,100
1,500	-	10,000	LAWN & TREE CARE	10,000	10,000	10,000
10,251	36,777	50,000	REPAIR & MAINTENANCE SERVICE	50,000	50,000	50,000
967	713	800	RENTAL OF EQUIPMENT & VEHICLES	1,000	1,000	1,000
12,917	16,700	18,500	PROPERTY AND CASUALTY INSURANCE	18,500	18,500	18,500
1,969	2,157	2,500	PHONE AND RADIO COMMUNICATIONS	2,500	2,500	2,500
1,264	1,180	1,500	DUES, MEMBERSHIPS & PUBLICATIONS	1,500	1,500	1,500
195	191	400	ADVERTISING	400	400	400
1,041	1,000	1,100	PRINTING & BINDING	1,100	1,100	1,100
-	54	800	TRAVEL & MEETING EXPENSE	800	800	800
7,932	18,171	21,000	GENERAL SUPPLIES	26,000	26,000	26,000
152	83	500	OFFICE SUPPLIES	500	500	500
37,987	38,412	41,000	ENERGY UTILITIES	42,000	42,000	42,000
4,447	3,665	6,000	GASOLINE	5,500	5,500	5,500
411	409	600	POSTAGE	650	650	650
1,528	1,013	1,500	UNIFORMS	1,500	1,500	1,500
126	1,084	1,000	SAFETY EQUIPMENT	1,000	1,000	1,000
<u>67</u>	<u>603</u>	<u>50</u>	MISCELLANEOUS	<u>300</u>	<u>300</u>	<u>300</u>
119,670	148,806	237,000	TOTAL MATERIALS & SERVICES	250,850	250,850	250,850

STREET FUND

Actual FY14	Actual FY15	Adopted FY16	CAPITAL OUTLAY	Proposed FY17	Approved FY17	Adopted FY17
CAPITAL OUTLAY						
144	166	-	FURNITURE AND FIXTURES	-	-	-
1,069	9,742	2,000	MINOR EQUIPMENT	2,400	2,400	2,400
-	97	500	COMPUTER HARDWARE / SOFTWARE	1,150	1,150	1,150
<u>1,213</u>	<u>10,004</u>	<u>2,500</u>	TOTAL CAPITAL OUTLAY	<u>3,550</u>	<u>3,550</u>	<u>3,550</u>
DEBT SERVICE						
-	-	-	STREET SWEEPER LOAN PRINCIPAL	49,125	49,125	49,125
-	-	-	STREET SWEEPER LOAN INTEREST	2,300	2,300	2,300
<u>-</u>	<u>-</u>	<u>-</u>	TOTAL DEBT SERVICE	<u>51,425</u>	<u>51,425</u>	<u>51,425</u>
TRANSFERS OUT						
	15,000	10,000	MISC SIDEWALK IMPROVEMTS CC432	-	-	-
36,500	60,000	20,000	N FRONT STREET IMPROVEMTS CC450	28,000	28,000	28,000
100,000	-	-	HWY 99 STREET IMPROVEMTS CC 451	-	-	-
59,800	23,650	25,000	LITHIA WAY IMPROVEMENTS CC452	-	-	-
103,550	25,000	25,000	RAPP ROAD IMPROVEMENTS CC453	-	-	-
85,233	-	-	GIBSON STREET IMPROVEMTS CC437	-	-	-
	30,000	30,000	2ND & SCHOOLHOUSE SIDEWALK CC457	-	-	-
-	45,000	34,000	TOWN HALL ALLEY IMPROVEMT CC458	-	-	-
		25,000	WAGNER STREET IMPROVEMTS CC 462	-	-	-
-	-	-	WAGNER CREEK SIDEWALKS CC 464	30,000	30,000	30,000
<u>385,083</u>	<u>198,650</u>	<u>169,000</u>	TOTAL TRANSFERS OUT	<u>58,000</u>	<u>58,000</u>	<u>58,000</u>
UNALLOCATED FUNDS						
-	-	157,000	CONTINGENCY	135,350	135,350	135,350
-	-	54,000	UNAPPROPRIATED ENDING FUND BALANC	85,325	85,325	85,325
<u>-</u>	<u>-</u>	<u>211,000</u>	TOTAL UNALLOCATED FUNDS	<u>220,675</u>	<u>220,675</u>	<u>220,675</u>
979,231	918,399	903,500	Total Street Revenues	871,500	871,500	871,500
630,757	533,826	903,500	Total Street Expenditures	871,500	871,500	871,500

**City of Talent
2016-17 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 with FY 2016, 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.

Minor Equipment purchases planned for FY2017 are:

- Water Buffalo - \$2,400
 - Total cost \$6,000 additional funding split between Streets and Parks
- Computer hardware and equipment replacement - \$1,200

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 FY2014 and the balance in the fund has been transferred back to the Water

Interfund Transfers – Water

The following transfers from the Water Fund to the CIP Fund are planned in FY2017.

- CC450 – North Front Street Improvements - \$20,000
- CC452 – Lithia Way Improvements - \$50,000
- CC453 – Rapp Road Improvements - \$10,000
- CC462 – Wagner Street Improvements - \$10,000
- CC743 - SCADA system upgrade- \$50,000
- CC801 - Future Reservoir- \$50,000
- CC904 - Public Works Equipment Reserve- \$10,000

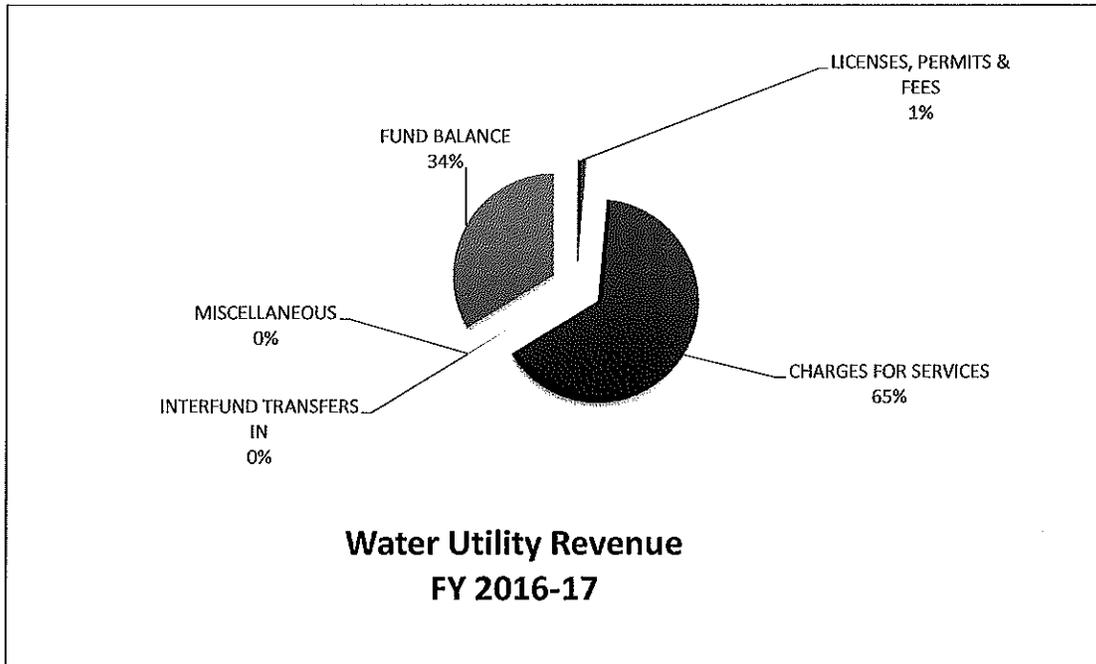
Water Projects:

- General Maintenance Repairs and Supplies
- Complete SCADA upgrade
- Belmont Reservoir design/engineering of suggested repairs
- Install 2 permanent routine sampling stations
- Repair Cla valve on Rapp Rd
- Replacement of swing check valve at regional pump station (TAP)
- Installation of Chlorine Residual meter (TAP)
- Consult with engineer on reducing peak hour water consumption (TAP)

**WATER UTILITY FUND
FISCAL YEAR 2016-17**

**REVENUE SUMMARY
BY CATEGORY**

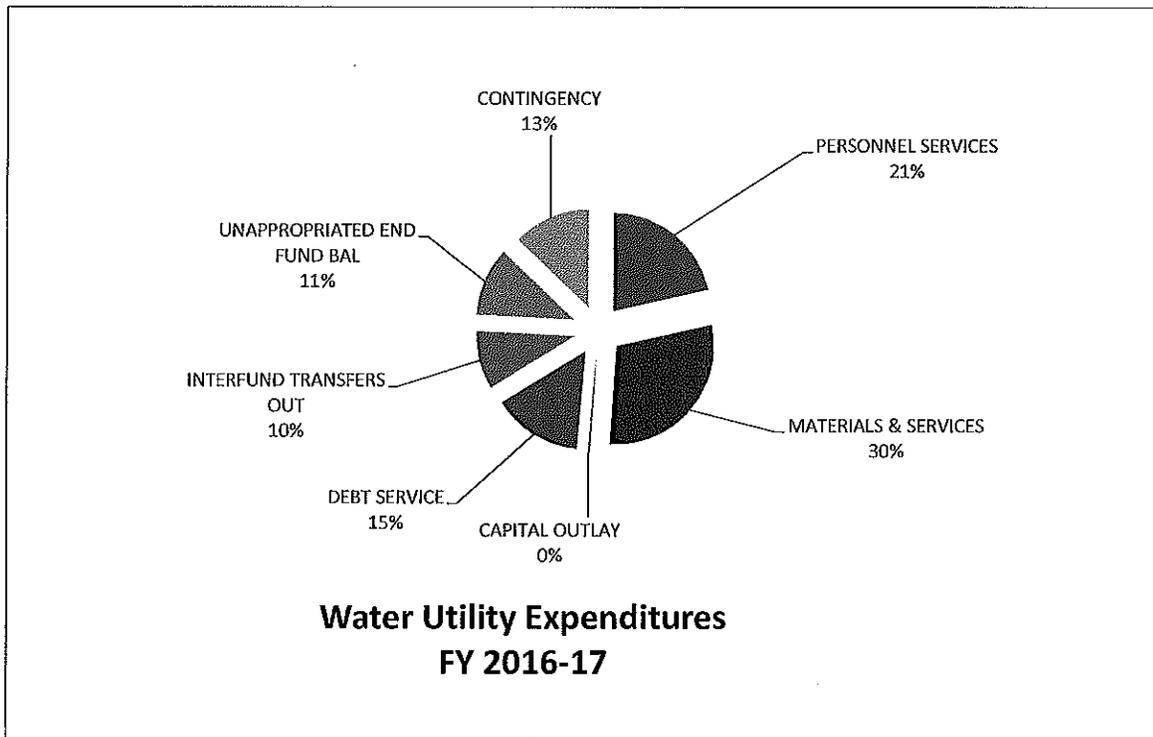
Actual FY14	Actual FY15	Adopted FY16	REVENUES	Proposed FY17	Approved FY17	Adopted FY17
7,000	2,850	22,000	LICENSES, PERMITS & FEES	29,000	29,000	29,000
-	-	-	INTERGOVERNMENTAL	-	-	-
1,239,607	1,255,366	1,250,000	CHARGES FOR SERVICES	1,350,000	1,350,000	1,350,000
-	-	-	PROGRAM FEES	-	-	-
1,829	2,279	1,000	MISCELLANEOUS	1,000	1,000	1,000
236,703	-	-	INTERFUND TRANSFERS IN	-	-	-
<u>316,618</u>	<u>533,790</u>	<u>575,000</u>	FUND BALANCE	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>
1,801,757	1,794,285	1,848,000	GRAND TOTAL REVENUE	2,080,000	2,080,000	2,080,000
236,703	-	-	Less Interfund Transfers In	-	-	-
1,565,054	1,794,285	1,848,000	NET TOTAL REVENUE	2,080,000	2,080,000	2,080,000



**WATER UTILITY FUND
FISCAL YEAR 2016-2017**

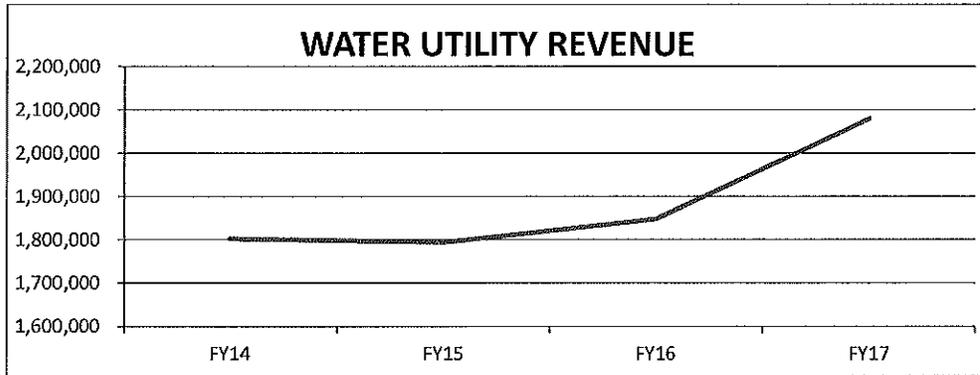
**EXPENDITURE SUMMARY
BY CATEGORY**

Actual FY14	Actual FY15	Adopted FY16		Proposed FY17	Approved FY17	Adopted FY17
443,598	417,587	455,000	PERSONNEL SERVICES	447,500	447,500	447,500
228,143	244,473	488,900	MATERIALS & SERVICES	615,200	615,200	615,200
6,012	3,883	12,400	CAPITAL OUTLAY	5,600	5,600	5,600
-	-	-	CAPITAL CONSTRUCTION	-	-	-
307,475	309,111	306,350	DEBT SERVICE	309,000	309,000	309,000
282,740	168,367	50,000	INTERFUND TRANSFERS OUT	200,000	200,000	200,000
-	-	-	RESERVES	-	-	-
-	-	239,000	CONTINGENCY	267,100	267,100	267,100
-	-	296,350	UNAPPROPRIATED END FUND BALANCE	235,600	235,600	235,600
1,267,968	1,143,420	1,848,000	GRAND TOTAL EXPENDITURES	2,080,000	2,080,000	2,080,000
282,740	168,367	50,000	Less Interfund Transfers Out	200,000	200,000	200,000
985,228	975,053	1,798,000	NET TOTAL EXPENSES	1,880,000	1,880,000	1,880,000



WATER UTILITY FUND

Actual FY14	Actual FY15	Adopted FY16	REVENUES	Proposed FY17	Approved FY17	Adopted FY17
316,618	533,790	575,000	FUND BALANCE - COMMITTED	700,000	700,000	700,000
-	80	-	COMMERCIAL WATER SALES	-	-	-
1,239,607	1,255,286	1,250,000	WATER REVENUE	1,350,000	1,350,000	1,350,000
7,000	2,850	2,000	NEW CONNECTIONS	4,000	4,000	4,000
-	-	20,000	LATE FEES	25,000	25,000	25,000
733	0	-	MISC REFUNDS & REIMBURSEMENTS	-	-	-
236,703	-	-	FROM WATER DEBT SERVICE RESERVE	-	-	-
1,096	2,279	1,000	INTEREST EARNINGS	1,000	1,000	1,000
1,801,757	1,794,285	1,848,000	TOTAL REVENUE & RESOURCES	2,080,000	2,080,000	2,080,000



WATER UTILITY FUND

Actual FY14	Actual FY15	Adopted FY16	EXPENDITURES	Proposed FY17	Approved FY17	Adopted FY17
PERSONNEL SERVICES						
287,539	268,686	271,000	REGULAR SALARIES	268,500	268,500	268,500
6,059	4,486	10,000	OVERTIME	10,000	10,000	10,000
4,947	2,649	8,000	ACCRUED LEAVE PAYOUTS	8,000	8,000	8,000
<u>145,053</u>	<u>141,766</u>	<u>166,000</u>	FRINGE BENEFITS	<u>161,000</u>	<u>161,000</u>	<u>161,000</u>
443,598	417,587	455,000	TOTAL PERSONNEL SERVICES	447,500	447,500	447,500
MATERIALS & SERVICES						
6,603	1,870	15,000	BUSINESS CONSULTING	12,000	12,000	12,000
9,758	2,142	4,000	ATTORNEY SERVICES	4,000	4,000	4,000
2,106	1,184	1,500	LABOR ATTORNEY SERVICES	1,500	1,500	1,500
3,715	3,649	4,750	AUDITOR	5,250	5,250	5,250
946	88	2,000	TRAINING PROVIDERS AND REGISTRATIO	2,000	2,000	2,000
3,799	2,860	7,000	ENGINEERING, DESIGN & CONST MGMT	15,000	15,000	15,000
7,370	9,856	9,500	TECHNICAL SUPPORT SERVICES	9,500	9,500	9,500
5,652	15,539	2,000	CONTRACTED PERSONAL SERVICES	-	-	-
3,003	2,132	4,000	COMPUTER SERVICES AND SUPPLIES	7,500	7,500	7,500
144	144	150	TID ASSESSMENT	150	150	150
305	305	350	SEWER UTILITIES	350	350	350
667	549	600	DISPOSAL SERVICES	850	850	850
1,058	1,178	1,300	CUSTODIAL	1,500	1,500	1,500
11,022	6,564	35,000	REPAIR & MAINTENANCE SERVICES	45,000	45,000	45,000
24,996	25,340	27,000	LOST CREEK WATER STORAGE MAINT CC	27,000	27,000	27,000
734	-	500	RENTAL OF EQUIPMENT & VEHICLES	500	500	500
10,270	12,983	14,800	PROPERTY AND CASUALTY INSURANCE	15,500	15,500	15,500
3,793	3,835	4,500	PHONE & RADIO COMMUNICATIONS	4,500	4,500	4,500
3,538	2,893	3,000	DUES, MEMBERSHIPS & PUBLICATIONS	3,000	3,000	3,000
230	-	500	ADVERTISING	350	350	350
3,118	7,152	7,000	PRINTING & BINDING	7,500	7,500	7,500
-	872	1,500	TRAVEL & MEETING EXPENSE	1,500	1,500	1,500
1,224	508	2,000	BANKING FEES	5,000	5,000	5,000
6,183	22,348	35,000	GENERAL SUPPLIES	35,000	35,000	35,000
1,455	1,804	2,000	OFFICE SUPPLIES	1,500	1,500	1,500
40,141	39,941	72,000	ENERGY UTILITIES	80,000	80,000	80,000
4,231	2,738	5,000	GASOLINE	4,000	4,000	4,000
8,653	11,348	8,700	POSTAGE	9,500	9,500	9,500
1,831	1,823	2,200	UNIFORMS	2,200	2,200	2,200
-	-	150,000	WHOLESALE WATER PURCHASES	245,000	245,000	245,000
61,020	61,728	65,000	IN LIEU OF FRANCHISE FEE PAYMENT	67,500	67,500	67,500
126	1,084	1,000	SAFETY EQUIPMENT	1,000	1,000	1,000
<u>452</u>	<u>16</u>	<u>50</u>	MISCELLANEOUS	<u>50</u>	<u>50</u>	<u>50</u>
228,143	244,473	488,900	TOTAL MATERIALS & SERVICES	615,200	615,200	615,200
CAPITAL OUTLAY						
4,276	2,187	11,200	MINOR EQUIPMENT	-	-	-
179	166	-	FURNITURE AND FIXTURES	2,400	2,400	2,400
<u>1,557</u>	<u>1,530</u>	<u>1,200</u>	COMPUTER HARDWARE/SOFTWARE	<u>3,200</u>	<u>3,200</u>	<u>3,200</u>
6,012	3,883	12,400	TOTAL CAPITAL OULAY	5,600	5,600	5,600

WATER UTILITY FUND

Actual FY14	Actual FY15	Adopted FY16	EXPENDITURES	Proposed FY17	Approved FY17	Adopted FY17
DEBT SERVICE						
120,000	115,000	115,000	2013 BOND PRINCIPAL	120,000	120,000	120,000
109,978	116,615	113,750	2013 BOND INTEREST	111,400	111,400	111,400
64,147	64,788	65,500	OCED LOAN PRINCIPAL	66,100	66,100	66,100
<u>13,350</u>	<u>12,708</u>	<u>12,100</u>	OCED LOAN INTEREST	<u>11,500</u>	<u>11,500</u>	<u>11,500</u>
307,475	309,111	306,350	TOTAL DEBT SERVICE	309,000	309,000	309,000
TRANSFERS OUT						
198,230	168,367	-	TO TAP OPERATING FUND	-	-	-
		-	TO CIP FUND			
13,000	-	-	GIBSON STREET IMPROVEMENTS CC 437	-	-	-
20,000	-	-	UTILITY BILLING SOFTWARE CC907	-	-	-
36,560	-	-	N FRONT STREET IMPROVE. CC450	20,000	20,000	20,000
-	-	-	LITHIA WAY IMPROVEMENTS CC 452	50,000	50,000	50,000
-	-	-	RAPP ROAD IMPROVEMENTS CC 453	10,000	10,000	10,000
-	-	-	WAGNER STREET IMPROVE CC 462	10,000	10,000	10,000
14,950	-	-	RADIO READ METERS CC740	-	-	-
		50,000	SCADA SYSTEM CC743	50,000	50,000	50,000
-	-	-	FUTURE RESERVOIR CC 801	50,000	50,000	50,000
-	-	-	PUBLIC WORKS EQUIPMENT CC 904	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
<u>282,740</u>	<u>168,367</u>	<u>50,000</u>	TOTAL TRANSFERS OUT	200,000	200,000	200,000
UNALLOCATED						
-	-	239,000	CONTINGENCY	267,100	267,100	267,100
-	-	<u>296,350</u>	UNAPPROPRIATED ENDING FUND BALAN	<u>235,600</u>	<u>235,600</u>	<u>235,600</u>
-	-	535,350	TOTAL UNALLOCATED FUNDS	502,700	502,700	502,700
1,801,757	1,794,285	1,848,000	TOTAL REVENUE & RESOURCES	2,080,000	2,080,000	2,080,000
1,267,968	1,143,420	1,848,000	TOTAL EXPENDITURES	2,080,000	2,080,000	2,080,000

WATER DEBT SERVICE RESERVE FUND

Actual FY14	Actual FY15	Adopted FY16	REVENUE & OTHER RESOURCES	Proposed FY17	Approved FY17	Adopted FY17
238,800	-		FUND BALANCE - RESTRICTED	-	-	-
238,800	-	-	TOTAL FUND BALANCE	-	-	-
-	-	-	INTEREST	-	-	-
-	-	-	TOTAL MISCELLANEOUS	-	-	-
-	-	-	TRANSFER IN FROM WATER FUND	-	-	-
-	-	-	TOTAL INTERFUND TRANSFERS IN	-	-	-
238,800	-	-	TOTAL REVENUE & OTHER RESOURCES	-	-	-

WATER DEBT SERVICE RESERVE FUND

Actual FY14	Actual FY15	Adopted FY16	EXPENDITURES	Proposed FY17	Approved FY17	Adopted FY17
NON-DEPARTMENTAL						
238,800	-		TRANSFER OUT TO WATER FUND	-	-	-
238,800	-	-	TOTAL INTERFUND TRANSFERS OUT	-	-	-
-	-	-	RESERVED FOR DEBT SERVICE	-	-	-
-	-	-	TOTAL UNAPPROPRIATED	-	-	-
238,800	-	-	TOTAL NON-DEPARTMENTAL	-	-	-
238,800	-	-	FUND REVENUE	-	-	-
238,800	-	-	FUND EXPENDITURES	-	-	-

**City of Talent
2016-17 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 \$231,400 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 FY2014 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.

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**City of Talent
2016-17 Annual Budget**

TAP OPERATIONS FUND

The City entered into an agreement with the City of Phoenix and the City of Ashland to take over the financial administration of the TAP (Talent, Ashland, and Phoenix) funds beginning with FY2008. This function had previously been a service provided by the Rogue Valley Council of Governments (RVCOG). The TAP Committee currently contracts with RVCOG for these services.

Tap Operations

The cities of Talent, Ashland and Phoenix jointly own a pump station facility located on Samike Road in East Medford. This facility was built to facilitate the three cities access to the Medford Water Commission water. Once the facility became operational the costs each year involved the purchase of water, electricity, Medford utility fees, insurance on the building and audit. Talent and Phoenix have been purchasing water since the Samike Regional Pump Station was built. The City of Ashland completed the connection to the TAP system in the summer 2014 and is now receiving water through the system during the summer months.

The City of Talent closed the TAP Operations Fund as of June 30, 2015. The City of Talent expenditures for the purchase of water, and operation and maintenance of the regional pump station facility are budgeted in the Water Utility Fund.

TAP OPERATIONS FUND
FISCAL YEAR 2016-17

REVENUE SUMMARY
BY CATEGORY

Actual FY14	Actual FY15	Adopted FY16		Proposed FY17	Approved FY17	Adopted FY17
91,545	103,266	-	INTERGOVERNMENTAL	-	-	-
198,230	168,367	-	INTERFUND TRANSFERS IN	-	-	-
-	-	-	MISCELLANEOUS	-	-	-
<u>5</u>	<u>42,002</u>	<u>-</u>	FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
289,780	313,635	-	GRAND TOTAL REVENUE	-	-	-
198,230	168,367	-	Less Interfund Transfers In	-	-	-
91,550	145,268	-	NET TOTAL REVENUE	-	-	-

EXPENDITURE SUMMARY
BY CATEGORY

Actual FY14	Actual FY15	Adopted FY16		Proposed FY17	Approved FY17	Adopted FY17
247,779	313,635	-	MATERIALS AND SERVICES	-	-	-
-	-	-	CAPITAL OUTLAY	-	-	-
-	-	-	CONTINGENCY	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	UNAPPROPRIATED END FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
247,779	313,635	-	TOTAL EXPENDITURES	-	-	-
247,779	313,635	-	NET TOTAL EXPENSES	-	-	-

TAP OPERATIONS FUND

Actual FY14	Actual FY15	Adopted FY16	REVENUES	Proposed FY17	Approved FY17	Adopted FY17
5	42,002	-	FUND BALANCE - COMMITTED	-	-	-
91,545	103,266	-	INTERGOVERNMENTAL REVENUE	-	-	-
198,230	168,367	-	TRANSFERS IN FROM WATER FUND	-	-	-
-	-	-	MISC REFUNDS AND REIMBURSEMENTS	-	-	-
-	-	-	INTEREST EARNINGS	-	-	-
289,780	313,635	-	TOTAL REVENUE & RESOURCES	-	-	-

TAP OPERATIONS FUND

Actual FY14	Actual FY15	Adopted FY16	EXPENDITURES	Proposed FY17	Approved FY17	Adopted FY17
-	2,893	-	BUSINESS CONSULTING SERVICES	-	-	-
708	780	-	AUDITOR	-	-	-
14,973	9,833	-	REPAIR & MAINTENANCE	-	-	-
668	781	-	PROPERTY AND CASUALTY INSURANCE	-	-	-
32,956	31,469	-	ENERGY UTILITIES	-	-	-
198,474	267,691	-	WHOLESALE WATER PURCHASES	-	-	-
-	-	-	COMPUTER HARDWARE/SOFTWARE	-	-	-
-	188	-	MISCELLANEOUS	-	-	-
247,779	313,635	-	TOTAL MATERIALS & SERVICES	-	-	-
-	-	-	CAPITAL OUTLAY	-	-	-
-	-	-	MINOR EQUIPMENT	-	-	-
-	-	-	TOTAL CAPITAL OUTLAY	-	-	-
-	-	-	CONTINGENCY	-	-	-
-	-	-	TOTAL UNALLOCATED FUNDS	-	-	-
289,780	313,635	-	TOTAL REVENUE & RESOURCES	-	-	-
247,779	313,635	-	TOTAL EXPENDITURES	-	-	-

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**City of Talent
2016-17 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 (RVS) which is collected directly by RVS. 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

No transfers from the SDC Fund to the CIP Fund are planned in FY2017.

**CITY OF TALENT
SDC RATE ADJUSTMENTS THROUGH MARCH 2016**

WATER

Meter Size	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15
3/4"x5/8"	\$ 2,716	\$ 2,744	\$ 2,844	\$ 2,960	\$ 3,042
1"	\$ 6,790	\$ 6,860	\$ 7,109	\$ 7,401	\$ 7,607
1-1/2"	\$ 13,579	\$ 13,718	\$ 14,218	\$ 14,801	\$ 15,212
2"	\$ 21,726	\$ 21,949	\$ 22,748	\$ 23,681	\$ 24,339
3"	\$ 43,451	\$ 43,899	\$ 45,497	\$ 47,362	\$ 48,679
4"	\$ 67,893	\$ 68,592	\$ 71,089	\$ 74,003	\$ 76,060
6"	\$ 135,785	\$ 137,184	\$ 142,177	\$ 148,006	\$ 152,121
8"	\$ 217,256	\$ 219,494	\$ 227,483	\$ 236,810	\$ 243,393
10"	\$ 312,306	\$ 315,523	\$ 327,008	\$ 340,415	\$ 349,879

PARKS

	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15
Single Family	\$ 1,434	\$ 1,449	\$ 1,502	\$ 1,564	\$ 1,607
Multi-Family	\$ 1,042	\$ 1,052	\$ 1,091	\$ 1,135	\$ 1,167
Mobile Home Park Units	\$ 984	\$ 995	\$ 1,031	\$ 1,073	\$ 1,103

TRANSPORTATION

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

STORMWATER

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

Construction Cost Index percentage change (20 City Average) from March 2015- March 2016 = 3.14%

SYSTEM DEVELOPMENT CHARGES FUND
FISCAL YEAR 2016-17

REVENUE SUMMARY
BY CATEGORY

Actual FY14	Actual FY15	Adopted FY16		Proposed FY17	Approved FY17	Adopted FY17
-	-	-	LICENSES, PERMITS & FEES	-	-	-
-	-	-	INTERGOVERNMENTAL	-	-	-
194,213	129,922	104,500	CHARGES FOR SERVICES	269,200	269,200	269,200
-	-	-	PROGRAM FEES	-	-	-
1,538	2,810	2,350	MISCELLANEOUS	2,700	2,700	2,700
-	-	-	INTERFUND TRANSFERS IN	-	-	-
<u>699,512</u>	<u>705,262</u>	<u>823,500</u>	FUND BALANCE	<u>950,200</u>	<u>950,200</u>	<u>950,200</u>
895,263	837,994	930,350	GRAND TOTAL REVENUE	1,222,100	1,222,100	1,222,100
-	-	-	Less Interfund Transfers In	-	-	-
895,263	837,994	930,350	NET TOTAL REVENUE	1,222,100	1,222,100	1,222,100

EXPENDITURE SUMMARY
BY CATEGORY

Actual FY14	Actual FY15	Adopted FY16		Proposed FY17	Approved FY17	Adopted FY17
-	-	-	PERSONNEL SERVICES	-	-	-
-	-	-	MATERIALS & SERVICES	-	-	-
-	-	-	CAPITAL OUTLAY	-	-	-
-	-	-	CAPITAL CONSTRUCTION	-	-	-
-	-	-	DEBT SERVICE	-	-	-
190,000	-	-	INTERFUND TRANSFERS OUT	-	-	-
-	-	930,350	RESERVES	1,222,100	1,222,100	1,222,100
-	-	-	CONTINGENCY	-	-	-
-	-	-	UNAPPROPRIATED END FUND BAL	-	-	-
<u>190,000</u>	<u>-</u>	<u>930,350</u>	TOTAL EXPENDITURES	<u>1,222,100</u>	<u>1,222,100</u>	<u>1,222,100</u>
190,000	-	-	Less Interfund Transfers Out	-	-	-
-	-	930,350	NET TOTAL EXPENSES	1,222,100	1,222,100	1,222,100

SYSTEM DEVELOPMENT CHARGE FUND

Actual FY14	Actual FY15	Adopted FY16		Proposed FY17	Approved FY17	Adopted FY17
Transportation Revenue						
245,423	177,440	216,000	IMP SDC FUND BAL RESTRICT	263,300	263,300	263,300
50,714	55,959	60,000	REIM SDC FUND BAL RESTRICT	63,275	63,275	63,275
416	721	600	IMP SDC INTEREST	700	700	700
125	215	200	REIM SDC INTEREST	200	200	200
62,452	42,269	47,000	IMPROVEMENT SDC	91,300	91,300	91,300
5,120	3,466	4,000	REIMBURSEMENT SDC	7,500	7,500	7,500
<u>364,250</u>	<u>280,070</u>	<u>327,800</u>	TOTAL TRANSPORTATION REVENUE	<u>426,275</u>	<u>426,275</u>	<u>426,275</u>
Transportation Expenditures						
30,050	-	-	N FRONT STREET IMPROVEMENTS CC450	-	-	-
100,800	-	-	LITHIA WAY IMPROVEMENTS CC452	-	-	-
-	-	327,800	RESERVE FOR FUTURE PROJECTS	426,275	426,275	426,275
<u>130,850</u>	<u>-</u>	<u>327,800</u>	TOTAL TRANSPORTATION EXPENDITURES	<u>426,275</u>	<u>426,275</u>	<u>426,275</u>
Storm Drain Revenue						
52,142	44,337	57,500	IMP SDC FUND BAL RESTRICT	71,225	71,225	71,225
92,267	71,922	82,500	REIM SDC FUND BAL RESTRICT	93,700	93,700	93,700
100	184	150	IMP SDC INTEREST	200	200	200
173	284	250	REIM SDC INTEREST	275	275	275
15,736	14,364	10,000	IMPROVEMENT SDC	28,000	28,000	28,000
12,593	11,495	8,000	REIMBURSEMENT SDC	22,400	22,400	22,400
<u>173,011</u>	<u>142,587</u>	<u>158,400</u>	TOTAL STORM DRAIN REVENUE	<u>215,800</u>	<u>215,800</u>	<u>215,800</u>
Storm Drain Expenditures						
10,500	-	-	N FRONT STREET IMPROVEMENTS CC450	-	-	-
46,250	-	-	LITHIA WAY IMPROVEMENTS CC452	-	-	-
-	-	158,400	RESERVE FOR FUTURE PROJECTS	215,800	215,800	215,800
<u>56,750</u>	<u>-</u>	<u>158,400</u>	TOTAL STORM DRAIN EXPENDITURES	<u>215,800</u>	<u>215,800</u>	<u>215,800</u>

SYSTEM DEVELOPMENT CHARGE FUND

Actual FY14	Actual FY15	Adopted FY16		Proposed FY17	Approved FY17	Adopted FY17
Water Revenue						
33,319	47,135	57,500	IMP SDC FUND BAL RESTRICT	70,000	70,000	70,000
121,666	170,377	200,500	REIM SDC FUND BAL RESTRICT	239,200	239,200	239,200
94	189	150	IMP SDC INTEREST	200	200	200
345	677	550	REIM SDC INTEREST	675	675	675
16,122	11,241	9,000	IMPROVEMENT SDC	20,000	20,000	20,000
48,365	33,723	5,500	REIMBURSEMENT SDC	60,000	60,000	60,000
<u>219,911</u>	<u>263,342</u>	<u>273,200</u>	TOTAL WATER REVENUE	<u>390,075</u>	<u>390,075</u>	<u>390,075</u>
Water Expenditures						
2,400	-	-	N FRONT STREET IMPROVE. CC450	-	-	-
-	-	273,200	RESERVE FOR FUTURE PROJECTS	390,075	390,075	390,075
<u>2,400</u>	<u>-</u>	<u>273,200</u>	TOTAL WATER EXPENDITURES	<u>390,075</u>	<u>390,075</u>	<u>390,075</u>
Parks Revenue						
55,093	76,426	83,500	IMP SDC FUND BAL RESTRICT	83,500	83,500	83,500
48,888	61,665	66,000	REIM SDC FUND BAL RESTRICT	66,000	66,000	66,000
155	300	250	IMP SDC INTEREST	250	250	250
130	240	200	REIM SDC INTEREST	200	200	200
21,178	8,367	13,000	IMPROVEMENT SDC	25,000	25,000	25,000
12,647	4,997	8,000	REIMBURSEMENT SDC	15,000	15,000	15,000
<u>138,091</u>	<u>151,994</u>	<u>170,950</u>	TOTAL PARK REVENUE	<u>189,950</u>	<u>189,950</u>	<u>189,950</u>
Parks Expenditures						
-	-	170,950	RESERVE FOR FUTURE PROJECTS	189,950	189,950	189,950
<u>-</u>	<u>-</u>	<u>170,950</u>	TOTAL PARK EXPENDITURES	<u>189,950</u>	<u>189,950</u>	<u>189,950</u>
190,000	-	930,350	TOTAL SDC EXPENDITURES	1,222,100	1,222,100	1,222,100
895,263	837,994	930,350	TOTAL SDC REVENUE	1,222,100	1,222,100	1,222,100

SYSTEM DEVELOPMENT CHARGE FUND

Actual FY14	Actual FY15	Adopted FY16		Proposed FY17	Approved FY17	Adopted FY17
Fund Summary Revenue						
699,512	705,262	823,500	TOTAL FUND BALANCE	950,200	950,200	950,200
1,538	2,810	2,350	TOTAL INTEREST EARNINGS	2,700	2,700	2,700
<u>194,213</u>	<u>129,922</u>	<u>104,500</u>	TOTAL SDC REVENUE	<u>269,200</u>	<u>269,200</u>	<u>269,200</u>
895,263	837,994	930,350	TOTAL SDC REVENUE	1,222,100	1,222,100	1,222,100
Fund Summary Expenses						
130,850	-	-	TRANSFER TO CIP FUND - STREET PROJECTS	-	-	-
56,750	-	-	TRANSFER TO CIP FUND STORM DRAIN PROJECTS	-	-	-
2,400	-	-	TRANSFER TO CIP FUND - WATER PROJECTS	-	-	-
-	-	-	TRANSFER TO CIP FUND - PARKS PROJECTS	-	-	-
-	-	<u>930,350</u>	RESERVE FOR FUTURE PROJECTS	<u>1,222,100</u>	<u>1,222,100</u>	<u>1,222,100</u>
190,000	-	930,350	TOTAL SDC EXPENDITURES	1,222,100	1,222,100	1,222,100

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**City of Talent
2016-17 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. The FY2017 transfer is \$5,500.

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

**City of Talent
2016-2017 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 FY14	Actual FY15	Adopted FY16	REVENUE & OTHER RESOURCES	Proposed FY17	Approved FY17	Adopted FY17
6,055	3,777	2,800	FUND BALANCE - RESTRICTED	2,700	2,700	2,700
6,055	3,777	2,800	TOTAL FUND BALANCE	2,700	2,700	2,700
66,014	73,072	76,615	PROPERTY TAX - PD BOND	79,270	79,270	79,270
50	67	-	INTEREST	-	-	-
50	67	-	TOTAL MISCELLANEOUS	-	-	-
-	-	-	TRANSFER IN FROM CIP FUND	-	-	-
-	-	-	TOTAL INTERFUND TRANSFERS IN	-	-	-
72,119	76,915	79,415	TOTAL REVENUE & OTHER RESOURCES	81,970	81,970	81,970

GENERAL OBLIGATION

Actual FY14	Actual FY15	Adopted FY16	EXPENDITURES	Proposed FY17	Approved FY17	Adopted FY17
			BOND & INTEREST PAYMENTS			
40,000	45,000	55,000	LOAN PRINCIPAL	60,000	60,000	60,000
28,343	26,536	24,415	LOAN INTEREST	21,970	21,970	21,970
-	-	-	BOND FEES	-	-	-
68,343	71,536	79,415	TOTAL DEBT SERVICE	81,970	81,970	81,970
68,343	71,536	79,415	TOTAL BOND & INTEREST PAYMENTS	81,970	81,970	81,970
72,119	76,915	79,415	FUND REVENUE	81,970	81,970	81,970
68,343	71,536	79,415	FUND EXPENDITURES	81,970	81,970	81,970

**City of Talent
2016-2017 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 (twenty) years, and interest payments due in May and November. The Bond will mature in 2018. The interest rate for this loan is set at 5.75%. The principal amount owing as of July 1, 2015 is \$75,000.

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 collects 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. Due to previous prepayments made by a number of the affected property owners with no prepayment penalty, the City now collects \$9,568 per year and the FY16 annual payment to the bank with interest and principal is \$27,875. There is one property owner still making annual payments with a remaining balance of \$17,676.

Miscellaneous Revenue. Miscellaneous revenue consists 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 fiscal 2004-05 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 are 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 evaluate pay off of the remaining balance.

**CITY OF TALENT
WEST VALLEY VIEW DEBT SERVICE
CASH FLOW ANALYSIS
FISCAL YEAR 2016-17**

	FY17	FY18
Current Fund Balance	24,200	11,443
Transfer in from General Fund	5,500	5,427
LID Payment Receipts	9,568	9,568
Debt Service Payments	<u>(27,875)</u>	<u>(26,438)</u>
	11,393	-
Interest @	0.20% <u>50</u>	<u>-</u>
Ending Balance	11,443	-

WEST VALLEY VIEW DEBT SERVICE FUND

Actual FY14	Actual FY15	Adopted FY16	REVENUE & OTHER RESOURCES	Proposed FY17	Approved FY17	Adopted FY17
63,675	52,351	37,800	FUND BALANCE - RESTRICTED	24,200	24,200	24,200
63,675	52,351	37,800	TOTAL FUND BALANCE	24,200	24,200	24,200
7,062	7,528	8,025	PRINCIPAL PAYMENTS	8,555	8,555	8,555
2,506	2,040	1,550	INTEREST PAYMENTS	1,015	1,015	1,015
-	-	-	LATE FEES	-	-	-
9,568	9,568	9,575	TOTAL ASSESSMENTS	9,570	9,570	9,570
153	204	75	INTEREST	50	50	50
153	204	75	TOTAL MISCELLANEOUS	50	50	50
6,450	6,450	6,000	TRANSFER IN FROM GENERAL FUND	5,500	5,500	5,500
6,450	6,450	6,000	TOTAL INTERFUND TRANSFERS	5,500	5,500	5,500
79,846	68,573	53,450	TOTAL REVENUE & OTHER RESOURCES	39,320	39,320	39,320

WEST VALLEY VIEW DEBT SERVICE FUND

Actual FY14	Actual FY15	Adopted FY16	EXPENDITURES	Proposed FY17	Approved FY17	Adopted FY17
BOND & INTEREST PAYMENTS						
20,000	25,000	25,000	BOND SERIES '98 PRINCIPAL	25,000	25,000	25,000
6,900	5,750	4,325	BOND SERIES '98 INTEREST	2,875	2,875	2,875
594	-	-	BOND FEES	-	-	-
27,494	30,750	29,325	TOTAL DEBT SERVICE	27,875	27,875	27,875
27,494	30,750	29,325	TOTAL BOND & INTEREST PAYMENTS	27,875	27,875	27,875
NON-DEPARTMENTAL						
-	-	24,125	UNAPPROPRIATED ENDING FUND BALANCE	11,445	11,445	11,445
-	-	24,125	TOTAL UNAPPROPRIATED	11,445	11,445	11,445
-	-	24,125	TOTAL NON-DEPARTMENTAL	11,445	11,445	11,445
79,846	68,573	53,450	FUND REVENUE	39,320	39,320	39,320
27,494	30,750	53,450	FUND EXPENDITURES	39,320	39,320	39,320

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**City of Talent
2016-17 Annual Budget**

CAPITAL IMPROVEMENT PROGRAM FUND

The Capital Improvement Program Fund (CIP) is utilized to manage capital projects in the coming year, and also 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 fiscal year 2004-2005.

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 such time as the project has been completed or the City Council authorizes the transfer of 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 FY2017.

It is possible that projects beyond FY2017 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 FY2017 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 FY2011, the Town Hall in FY2013 and the Community Center in FY2016. The City has funded \$2,500 annually to each building reserve since its inception. These reserves will be used for future capital repairs. Other General projects planned for FY2017 are:

- City Hall Server Replacement
- Community Development Software
- Finance/Utility Billing Software
- Town Hall Handicap Ramp
 - This is a joint City of Talent/Talent Urban Renewal project.

Park Improvements: Park Improvements projects planned for FY2017

- Chuck Roberts Park Heritage Trail
- Chuck Roberts Park Splash Pad Improvements

Street/Storm Improvements: Street Improvement projects planned for FY2017

- North Front Street Improvements
- Highway 99 Improvements
- Sidewalk Improvements on Second Street and Schoolhouse
- Wagner Creek Road Sidewalk Improvements

Water Improvements: Water Improvement projects planned for FY2017

- North Front Street Improvements
- SCADA System upgrade

The City is also setting aside funding for future infrastructure projects on Wagner Street, Lithia Way and Rapp Road.

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 FY2015 using a three year lease option. The final payment will be made on these vehicles in FY2017.

Vehicle Replacements: Vehicle replacements planned for FY2017

- Police Vehicle – 3rd Annual Lease Payment

TALENT PD FLEET

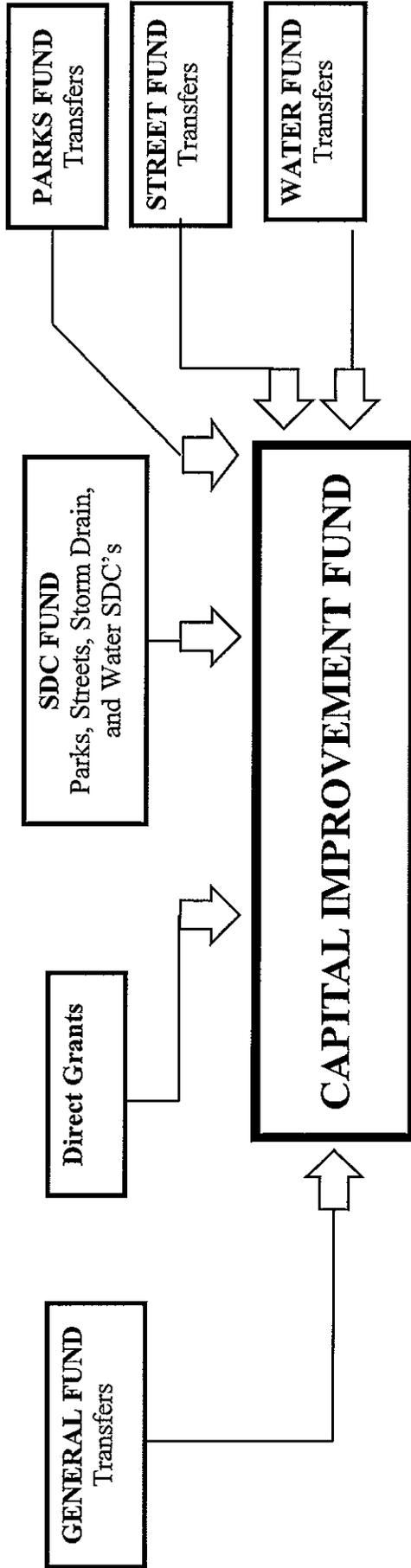
Veh #	Year	Make	License	VIN	Mileage (032116)	Current Function	Planned Function	Date Purch	Cost	Notes
Active Fleet										
734	2008	Ford CV	E245582	2FAHP71V58X151825	112033	Patrol	Patrol	05/08	32991	Crash Wrecked 031616
735	2009	Ford CV	E244377	2FAHP71V09X145271	96427	Patrol	Patrol	10/09	28481	
736	1999	Ford CV	379GKD	2FAHP71W4xxx185267	120064	Unmarked	Travel/	09/09	Free	
737	2007	Ford CV	E242205	2FAFP71W87X135102	137386	Patrol	Patrol	08/10	9500	
739	2003	Ford CV	E222590	2FAFP71WX3X115668	131669	Chief	Chief	04/12	950	
742	2013	Ford Expl	E259066	1FM5K8AR9DGB63752	32311	Supervisor	Supervisor	12/12	39900	
743	2015	Ford Taurus	E263856	1FAHP2L82FG129116	15142	Patrol	Patrol	01/15	33791	
744	2015	Ford Expl	E263855	11FM5K8AR1FGB26357	15238	Patrol	Patrol	01/15	38453	
745	2008	Ford CV	Pending	2FAFP71V18X131580	130000	TBD	TBD	03/16	\$750	Deschutes SO
746	2010	Ford CV	Pending	2FABP7BV6AX111036	140000	TBD	TBD	03/16	\$750	Deschutes SO
Inactive/Pending Disposal										
732	2006	Ford CV		2FAFP71W36X132641		Parts	Parts	05/06		Used as parts car 043015
734	2008	Ford CV				Wrecked	031616			Pending Insurance

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

CITY OF TALENT
PUBLIC WORKS DEPARTMENT
FLEET REPLACEMENT SCHEDULE

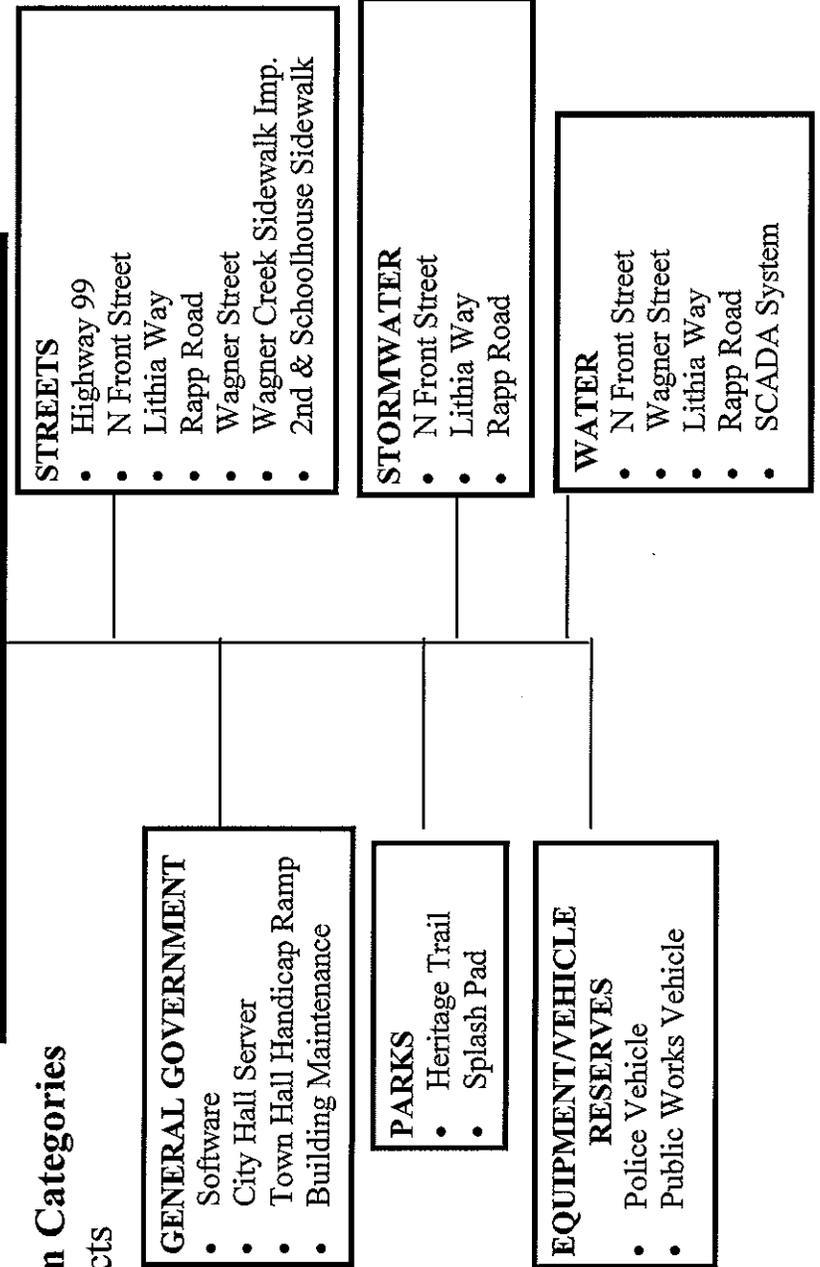
Vehicle Make/Year Driver	2005 Toy Tundra		2008 Ford F350 (4x4)		2013 Ford Escape		2003 Chevy 2500HD		2003 Ford Ranger		2004 Chevy 1500		2003 Ford DT		2006 F350 (2x4)		
	Milage/K	Life/Yr	Milage/K	Life/Yr	PW/Supervisor	Milage/K	Life/Yr	Milage/K	Life/Yr	Milage/K	Life/Yr	Milage/K	Life/Yr	Milage/K	Life/Yr	Milage/K	Life/Yr
Current	79	9	45	7	9	3	54	11	59	11	73	10	14	11	36	9	
2016/2017	88	10	54	8	17	4	61	12	Replace	12	81	11	16	12	45	10	
2017/2018	97	11	62	9	25	5	67	13		13	89	12	17	13	53	11	
2018/2019	106	12	71	10	33	6	74	14		14	97	13	19	14	62	12	
2019/2020	115	13	79	11	41	7	80	15		15	105	14	20	15	70	13	
2020/2021	124	14	88	12	49	8	87	16		16	Replace	Replace	22	16	79	14	
2021/2022	Replace		96	13	57	9	93	17		17			23	17	87	15	
2022/2023			105	14	65	10	Replace						25	18	96	16	
2023/2024			113	15	73	11							26	19	Replace		
2024/2025			Replace		81	12							28	20			
Monitor all Vehicles for increasing maintenance issues																	

Revenue Sources



Program Categories

- Projects



- GENERAL GOVERNMENT**
- Software
 - City Hall Server
 - Town Hall Handicap Ramp
 - Building Maintenance

- PARKS**
- Heritage Trail
 - Splash Pad

- EQUIPMENT/VEHICLE RESERVES**
- Police Vehicle
 - Public Works Vehicle

- STREETS**
- Highway 99
 - N Front Street
 - Lithia Way
 - Rapp Road
 - Wagner Street
 - Wagner Creek Sidewalk Imp.
 - 2nd & Schoolhouse Sidewalk

- STORMWATER**
- N Front Street
 - Lithia Way
 - Rapp Road

- WATER**
- N Front Street
 - Wagner Street
 - Lithia Way
 - Rapp Road
 - SCADA System

CAPITAL IMPROVEMENT PROJECTS FUND
FISCAL YEAR 2016-17

REVENUE SUMMARY
BY CATEGORY

Actual FY14	Actual FY15	Adopted FY16		Proposed FY17	Approved FY17	Adopted FY17
-	-	-	LICENSES, PERMITS & FEES	-	-	-
52,053	416,779	1,050,000	INTERGOVERNMENTAL	-	-	-
3,651	6,705	-	MISCELLANEOUS	-	-	-
816,093	270,900	489,000	INTERFUND TRANSFERS IN	312,000	312,000	312,000
<u>1,087,045</u>	<u>1,681,001</u>	<u>1,838,510</u>	FUND BALANCE	<u>1,852,645</u>	<u>1,852,645</u>	<u>1,852,645</u>
1,958,842	2,375,385	3,377,510	GRAND TOTAL REVENUE	2,164,645	2,164,645	2,164,645
816,093	270,900	489,000	Less Interfund Transfers In	312,000	312,000	312,000
1,142,749	2,104,485	2,888,510	NET TOTAL REVENUE	1,852,645	1,852,645	1,852,645

EXPENDITURE SUMMARY
BY CATEGORY

Actual FY14	Actual FY15	Adopted FY16		Proposed FY17	Approved FY17	Adopted FY17
-	-	-	PERSONNEL SERVICES	-	-	-
-	-	-	MATERIALS & SERVICES	-	-	-
73,645	26,250	92,000	CAPITAL OUTLAY	94,855	94,855	94,855
204,196	576,489	3,063,175	CAPITAL CONSTRUCTION	1,796,740	1,796,740	1,796,740
-	-	-	INTERFUND TRANSFERS OUT	-	-	-
-	-	222,335	RESERVES	273,050	273,050	273,050
-	-	-	CONTINGENCY	-	-	-
-	-	-	UNAPPROPRIATED END FUND BALANCE	-	-	-
<u>277,841</u>	<u>602,738</u>	<u>3,377,510</u>	GRAND TOTAL EXPENDITURES	<u>2,164,645</u>	<u>2,164,645</u>	<u>2,164,645</u>
-	-	-	Less Interfund Transfers Out	-	-	-
277,841	602,738	3,377,510	NET TOTAL EXPENSES	2,164,645	2,164,645	2,164,645

CAPITAL IMPROVEMENT PROJECTS FUND

Actual FY14	Actual FY15	Adopted FY16	REVENUE & OTHER RESOURCES	Proposed FY17	Approved FY17	Adopted FY17
FUND BALANCE						
952,042	1,681,001	1,799,560	FUND BALANCE - COMMITTED TO PROJECTS	1,813,700	1,813,700	1,813,700
1,253		1,650	FUND BALANCE UNALLOCATED GENERAL PROJECTS	1,715	1,715	1,715
10,179		475	FUND BALANCE UNALLOCATED PARKS PROJECTS	800	800	800
3,782		8,900	FUND BALANCE UNALLOCATED STREET PROJECTS	7,850	7,850	7,850
2,555		23,275	FUND BALANCE UNALLOCATED STORM DRAIN PROJECTS	23,580	23,580	23,580
117,234	-	4,650	FUND BALANCE UNALLOCATED WATER PROJECTS	5,000	5,000	5,000
<u>1,087,045</u>	<u>1,681,001</u>	<u>1,838,510</u>	TOTAL FUND BALANCE	<u>1,852,645</u>	<u>1,852,645</u>	<u>1,852,645</u>
INTERGOVERNMENTAL						
		-	CDBG GRANT - HWY 99 WATERLINE REPLACE	-	-	-
52,053	416,779	1,050,000	CDBG GRANT - COMMUNITY CENTER	-	-	-
-	-	-	FROM TALENT URBAN RENEWAL AGENCY	-	-	-
<u>52,053</u>	<u>416,779</u>	<u>1,050,000</u>	TOTAL INTERGOVERNMENTAL	<u>-</u>	<u>-</u>	<u>-</u>
MISCELLANEOUS						
-	-	-	MISCELLANEOUS	-	-	-
3,651	6,705	-	INTEREST	-	-	-
<u>3,651</u>	<u>6,705</u>	<u>-</u>	TOTAL MISCELLANEOUS	<u>-</u>	<u>-</u>	<u>-</u>
TRANSFERS FROM OTHER FUNDS						
75,000	15,000	-	GENERAL FUND TRANSFER-COMM CNTR CC454	-	-	-
	7,250	-	GENERAL FUND TRANSFER-TOWN HALL HANDCP RAMP CC 459	-	-	-
	10,000	6,000	GENERAL FUND TRANSFER-COMM CNTR FIXTURES CC460	-	-	-
	-	30,000	GENERAL FUND TRANSFER-COMM CNTR GROUNDS CC461	-	-	-
		196,500	GENERAL FUND TRANSFER-STREET SWEEPER CC744	-	-	-
			GENERAL FUND TRANSFER-CITY HALL SERVER CC745	10,000	10,000	10,000
20,000	20,000	20,000	GENERAL FUND TRANSFER-POLICE VEHICLE RESERVE CC 905	20,000	20,000	20,000
2,500	-	5,000	GENERAL FUND TRANSFER-TOWN HALL REPR RESRV CC906	2,500	2,500	2,500
50,000	20,000	-	GENERAL FUND TRANSFER-FINANCE/UB SOFTWARE CC 907	11,000	11,000	11,000
-	-	-	GENERAL FUND TRANSFER-COMM DEV SOFTWARE CC 908	3,000	3,000	3,000
2,500	-	5,000	GENERAL FUND TRANSFER-CITY HALL BLDG MAINT RES CC 909	2,500	2,500	2,500
2,500	-	5,000	GENERAL FUND TRANSFER-POLICE BLDG MAINT RES CC 910	2,500	2,500	2,500
		2,500	GENERAL FUND TRANSFER-COMM CNTR BLDG MAINT CC 911	2,500	2,500	2,500
4,000	-	-	PARKS FUND TRANSFER-CR PARK SPLASHPAD CC 454	-	-	-
	15,000	10,000	STREET FUND-SIDEWALK IMPROV CC 432	-	-	-
85,233	-	-	STREET FUND-GIBSON CC 437	-	-	-
36,500	60,000	20,000	STREET FUND-N FRONT STREET IMPROV CC 450	28,000	28,000	28,000
100,000	-	-	STREET FUND-HWY 99 STREET IMPROV CC 451	-	-	-
59,800	23,650	25,000	STREET FUND-LITHIA WAY IMPROVEMENTS CC 452	-	-	-
103,550	25,000	25,000	STREET FUND-RAPP ROAD IMPROVEMENTS CC 453	-	-	-
	30,000	30,000	STREET FUND-SIDEWALK SECOND & SCHOOLHOUSE CC457	-	-	-
	45,000	34,000	STREET FUND-TOWN HALL ALLEY IMPROVE CC458	-	-	-
		25,000	STREET FUND-WAGNER STREET IMPROV CC462	-	-	-
			STREET FUND-WAGNER CREEK SIDEWALKS CC 464	30,000	30,000	30,000
30,050	-	-	TRANS SDC IMPROV N FRONT STREET IMPROV CC 450	-	-	-
100,800	-	-	TRANS SDC IMPROV LITHIA WAY IMPROV CC 452	-	-	-
10,500	-	-	STORM DRAIN IMPROV SDC - N FRONT STREET IMPROV CC 450	-	-	-
46,250	-	-	STORM DRAIN IMPROV SDC - RAPP ROAD IMPROV CC 452	-	-	-
13,000	-	-	WATER UTILITY FUND - GIBSON CC 437	-	-	-
36,560	-	-	WATER UTILITY FUND - N FRONT STREET IMPROV CC 450	20,000	20,000	20,000
			WATER UTILITY FUND - LITHIA WAY IMPROVEMENTS CC 452	50,000	50,000	50,000
			WATER UTILITY FUND - RAPP ROAD IMPROVEMENTS CC 453	10,000	10,000	10,000
			WATER UTILITY FUND - WAGNER STREET IMPROVE CC 462	10,000	10,000	10,000
14,950	-	-	WATER UTILITY FUND - RADIO READ METERS CC 740	-	-	-
	-	50,000	WATER UTILITY FUND - SCADA SYSTEM CC 743	50,000	50,000	50,000
			WATER UTILITY FUND - FUTURE RESERVOIR CC 801	50,000	50,000	50,000
			WATER UTILITY FUND - PUBLIC WORKS EQUIPMENT CC 904	10,000	10,000	10,000
20,000	-	-	WATER UTILITY FUND - UTILITY BILLING SOFTWARE CC 907	-	-	-
2,400	-	-	WATER IMPROV SDC - N FRONT STREET IMPROV CC 450	-	-	-
<u>816,093</u>	<u>270,900</u>	<u>489,000</u>	TOTAL INTERFUND TRANSFERS IN	<u>312,000</u>	<u>312,000</u>	<u>312,000</u>
<u>1,958,842</u>	<u>2,375,385</u>	<u>3,377,510</u>	TOTAL REVENUE & OTHER RESOURCES	<u>2,164,645</u>	<u>2,164,645</u>	<u>2,164,645</u>

**CAPITAL IMPROVEMENT PROJECTS FUND
EXPENDITURES**

Actual FY14	Actual FY15	Adopted FY16		Proposed FY17	Approved FY17	Adopted FY17
CAPITAL CONSTRUCTION						
GENERAL GOVERNMENT PROJECTS						
73,542	483,235	1,070,000	COMMUNITY CENTER CC454	-	-	-
-	-	7,250	TOWN HALL HANDICAP RAMP CC459	7,250	7,250	7,250
-	13,749	6,325	COMMUNITY CENTER FIXTURES CC460	-	-	-
-	-	30,000	COMMUNITY CENTER GROUNDS CC461	-	-	-
-	-	-	CITY HALL SERVER CC 745	10,000	10,000	10,000
-	-	12,350	TOWN HALL REPAIR RESERVE CC 906	14,900	14,900	14,900
-	-	110,725	FINANCE & UB SOFTWARE CC 907	105,600	105,600	105,600
-	-	6,700	COMM DEV SOFTWARE CC 908	9,725	9,725	9,725
-	-	15,100	CITY HALL BLDG MAINT RESERVE CC 909	17,645	17,645	17,645
-	-	15,100	POLICE DEPT BLDG MAINT RESERVE CC 910	17,645	17,645	17,645
-	-	2,500	COMMUNITY CENTER BLDG MAINT CC911	5,000	5,000	5,000
-	-	1,650	CIP UNALLOCATED GENERAL FUNDING CC 995	1,715	1,715	1,715
<u>73,542</u>	<u>496,984</u>	<u>1,277,700</u>	TOTAL GENERAL GOVERNMENT	<u>189,480</u>	<u>189,480</u>	<u>189,480</u>
PARKS PROJECTS						
34,552	-	-	CHUCK ROBERTS PARK PARKING LOT CC 429	-	-	-
-	33,587	-	CHUCK ROBERTS PARK SPLASH PAD CC 455	35,050	35,050	35,050
-	-	15,000	HERITAGE TRAIL CC 456	18,550	18,550	18,550
-	-	55,025	PARKS LAND ACQUISITION CC 802	-	-	-
-	-	475	CIP UNALLOCATED PARK FUNDING CC 996	800	800	800
<u>34,552</u>	<u>33,587</u>	<u>70,500</u>	TOTAL PARKS	<u>54,400</u>	<u>54,400</u>	<u>54,400</u>
TRANSPORTATION PROJECTS						
1,925	113	32,965	MISC SIDEWALK IMPROVEMENTS CC 432	-	-	-
57,712	-	-	GIBSON IMPROV CC 437	-	-	-
7,697	65	274,395	N FRONT STREET IMPROVEMENTS CC 450	278,900	278,900	278,900
-	-	400,000	HWY 99 STREET IMPROVEMENTS CC 451	400,000	400,000	400,000
-	-	185,600	LITHIA WAY IMPROVEMENTS CC 452	185,600	185,600	185,600
-	-	153,550	RAPP ROAD IMPROVEMENTS CC 453	150,900	150,900	150,900
-	740	59,260	SIDEWALK SECOND & SCHOOLHOUSE CC 457	40,165	40,165	40,165
-	45,000	79,000	TOWN HALL ALLEY IMPROVEMENTS CC 458	-	-	-
-	-	25,000	WAGNER STREET IMPROVEMENTS CC 462	25,000	25,000	25,000
-	-	-	WAGNER CREEK SIDEWALKS CC 464	30,000	30,000	30,000
-	-	196,500	STREET SWEEPER CC744	-	-	-
-	-	8,900	CIP UNALLOCATED STREET FUNDING CC 997	7,850	7,850	7,850
<u>67,334</u>	<u>45,918</u>	<u>1,415,170</u>	TOTAL STREETS	<u>1,118,415</u>	<u>1,118,415</u>	<u>1,118,415</u>

**CAPITAL IMPROVEMENT PROJECTS FUND
EXPENDITURES**

Actual FY14	Actual FY15	Adopted FY16	CAPITAL CONSTRUCTION	Proposed FY17	Approved FY17	Adopted FY17
STORMWATER PROJECTS						
1,416	-	-	GIBSON STREET CC 437	-	-	-
678	-	27,584	N FRONT STREET IMPROVEMENT CC 450	50,190	50,190	50,190
-	-	46,250	LITHIA WAY IMPROVEMENTS CC 452	46,250	46,250	46,250
-	-	23,275	CIP UNALLOCATED STORM DRAIN FUNDING CC 998	23,580	23,580	23,580
2,094	-	97,109	TOTAL STORMWATER	120,020	120,020	120,020
WATER PROJECTS						
20,872	-	-	GIBSON STREET CC 437	-	-	-
5,802	-	148,046	N FRONT STREET IMPROVEMENT CC 450	143,285	143,285	143,285
-	-	-	LITHIA WAY IMPROVEMENTS CC 452	50,000	50,000	50,000
-	-	-	RAPP ROAD IMPROVEMENTS CC453	10,000	10,000	10,000
-	-	-	WAGNER STREET IMPROVEMENTS CC462	10,000	10,000	10,000
73,645	-	-	RADIO READ WATER METERS CC 740	-	-	-
-	-	50,000	SCADA SYSTEM CC743	96,140	96,140	96,140
-	-	4,650	CIP UNALLOCATED WATER FUNDING CC 999	5,000	5,000	5,000
100,319	-	202,696	TOTAL WATER	314,425	314,425	314,425
VEHICLES & EQUIPMENT						
-	-	58,150	PW EQUIPMENT RESERVE CC 904	68,340	68,340	68,340
-	26,250	33,850	POLICE VEHICLE RESERVE CC 905	26,515	26,515	26,515
-	26,250	92,000	TOTAL EQUIPMENT	94,855	94,855	94,855
-	-	222,335	RESERVE FOR FUTURE RESERVOIR CC 801	273,050	273,050	273,050
-	-	222,335	TOTAL RESERVES	273,050	273,050	273,050
1,958,842	2,375,385	3,377,510	FUND REVENUE	2,164,645	2,164,645	2,164,645
277,841	602,738	3,377,510	FUND EXPENDITURES	2,164,645	2,164,645	2,164,645

450	North Front Street Improvements	472,375
451	Highway 99 Street Improvements	400,000
452	Lithia Avenue Improvements	281,850
453	Rapp Road Improvements	160,900
455	Chuck Roberts Park Splash Pad	35,050
456	Heritage Trail	18,550
457	Sidewalk-2nd & Schoolhouse	40,165
459	Town Hall Handicap Ramp	7,250
462	Wagner Street Improvements	35,000
464	Wagner Creek Sidewalk	30,000
743	SCADA System for Water System	96,140
745	City Hall Server	10,000
801	Future Reservoir	273,050
904	PW Equipment	68,340
905	Police Vehicles	26,515
906	Town Hall Repair Reserve	14,900
907	Finance/UB Software	105,600
908	Community Development Software	9,725
909	City Hall Building Maint.	17,645
910	PD Building Maint.	17,645
911	Community Center Bldg. Maint.	5,000
995	CIP Unallocated General	1,715
996	CIP Unallocated Park	800
997	CIP Unallocated Street	7,850
998	CIP Unallocated Storm Drain	23,580
999	CIP Unallocated Water	5,000
		<u>2,164,645</u>

**City of Talent
2016-17 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 2014 census figure from Portland State University is 6,230. 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.

From 2012 to 2015, overall construction increased where the average annual residential permits issued increased from 14 permits to 24 permits. In 2014 there were a total of 261 miscellaneous permits issued for both residential and commercial including 9 tenant improvements.

Since 2012, a number of significant developments have occurred which include the redevelopment of the new Camelot Theatre Building, construction of a commercial warehouse along Highway 99 and the construction of the Oregon Shakespeare Festival Scene Shop along Talent Avenue. Brammo Inc. an electric motor cycle manufacturing facility moved into the vacated Wal-Mart building in late 2013. Along with a variety of smaller commercial developments, as well as tenant improvements within the relatively new Clearview commercial development along Highway 99, commercial development in Talent has been active. Further, the Community Development Department has experienced a significant up-tick in pre-applications for new and existing commercial expansions relating to new service sector construction including possible industrial development along Colver Road and Talent Avenue. The Talent Chamber of Commerce has continued to grow and remains interested in partnering with the City to become more active in economic development activities.

Talent has overall been able to maintain a slow and healthy growth rate while at the same time provide able to 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 with 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 a number of 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
2016-17
Annual Budget**

COMMUNITY PROFILE DETAIL

LOCATION:

The City of Talent is in Southern Oregon off of 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:

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	24:1
Total Enrollment	2,638

FIRE PROTECTION:

(Jackson County Fire District No. 5)	
Number of Stations	1
Number of Firefighters	24
Number of Volunteers	30

POLICE PROTECTION:

Number of Employees (sworn) Includes Chief	8
Number of Reserves (sworn)	1

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	3,500
Number of Votes Cast in Last City Election	2,747
Percentage Voting in Last General Election	78.49%

ASSESSED PROPERTY VALUATION:

(in thousands of dollars)	
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
2001	169,849

TAXES:

Sales Tax	None
Consolidated Property Tax Rate (per \$1,000 assessed value)	\$17.16

HOUSING UNITS:

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

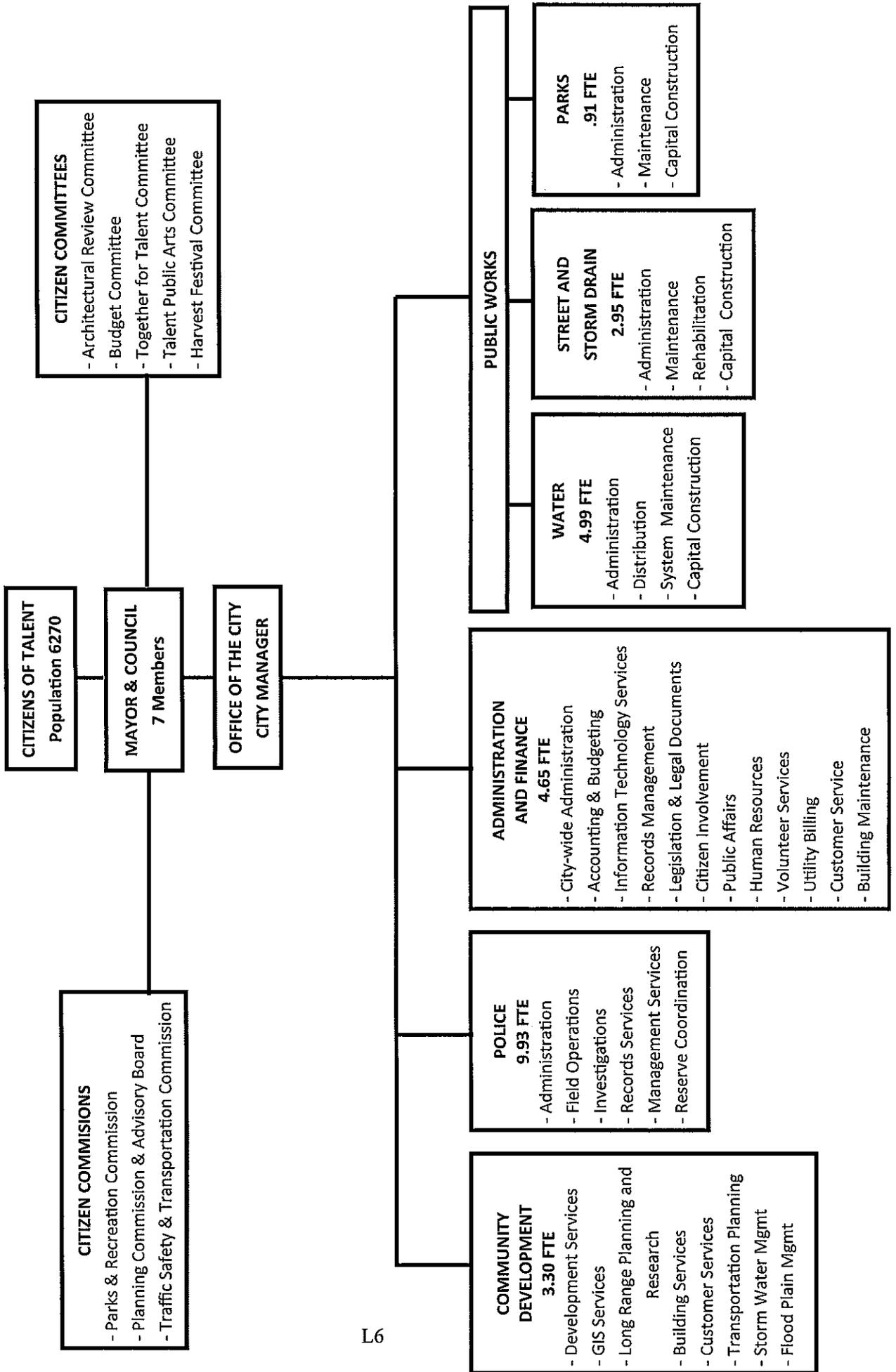
HOUSING:

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 2016-17 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 \$2.7054.

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 2014-2015 AND 2015-2016

	GOVERNMENT 2014-2015			CAP*		TOTAL RATE
	TAX	BOND	S. LEVY	TOTAL	TOTAL	
City	2.7281	0.2113		2.7281	2.9394	
County	1.7391	0.1507		1.7391	1.8898	
UR	2.3943		1.2845	3.6788	3.6788	
COUNTY UR	0.0000			0.0000	0.0000	
FD #5	2.6989			2.6989	2.6989	
RVTD	0.1496			0.1496	0.1496	
VECTOR	0.0363			0.0363	0.0363	
LIBRARY	0.4390			0.4390	0.4390	
4H AG/EXT	0.0000			0.0000	0.0000	
Soil/Wtr District	0.0423			0.0423	0.0423	
TOTAL	10.2276	0.362	1.2845	11.5121	11.8741	

	GOVERNMENT 2015-2016			CAP*		TOTAL RATE
	TAX	BOND	S. LEVY	TOTAL	TOTAL	
City	2.7054	0.2232		2.7054	2.9286	
County	1.6827	0.1436		1.6827	1.8263	
UR	2.5256		1.3190	3.8446	3.8446	
COUNTY UR	0.0000			0.0000	0.0000	
FD #5	2.6764			2.6764	2.6764	
RVTD	0.1484			0.1484	0.1484	
VECTOR	0.0360			0.0360	0.0360	
LIBRARY	0.4354			0.4354	0.4354	
4H AG/EXT	0.0325			0.0325	0.0325	
Soil/Wtr District	0.0419			0.0419	0.0419	
TOTAL	10.2843	0.3668	1.3190	11.6033	11.9701	

	SCHOOL 2014-2015		CAP*		TOTAL RATE
	RATE	BONDS	TOTAL	TOTAL	
TSD	3.5812	0.6769	3.5812	4.2581	
RCC	0.4329	0.1088	0.4329	0.5417	
ESD	0.2975		0.2975	0.2975	
TOTAL	4.3116	0.7857	4.3116	5.0973	

	SCHOOL 2015-2016		CAP*		TOTAL RATE
	RATE	BONDS	TOTAL	TOTAL	
TSD	3.5514	0.8061	3.5514	4.3575	
RCC	0.4293	0.1069	0.4293	0.5362	
ESD	0.2951		0.2951	0.2951	
TOTAL	4.2758	0.913	4.2758	5.1888	

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 2014-2015 16.9714
 Total Government + School 2015-2016 17.1589

City of Talent
2016-17 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.

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