

City of Talent, Oregon



ADOPTED BUDGET

Fiscal Year

2013-2014

CITY OF TALENT

2013-14 ANNUAL BUDGET

BUDGET COMMITTEE

Council

Councilor Teresa Cooke
Councilor Joan Dean
Councilor Diane Glendenning
Councilor Edwin (E. J.) McManus
Councilor Donald Steyskal
Councilor Darby Stricker

Citizens

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Anna D'Amato
Nick Medinger
Ian Reid
Marian Telerski

CITY STAFF

Thomas J. Corrigan, City Manager
Denise Woodman, Administrative Services Director
Mike Moran, Police Chief
Mark Knox, City Planner
Jeff Ballard, City Engineer
James Wickre, Municipal Judge

**City of Talent
2013-14 Annual Budget**

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City of Talent

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The Honorable William Cecil
Members of the Talent City Council and Talent Budget Committee
Citizens of the City of Talent

Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has.
Margaret Mead

It is our pleasure to present you with the proposed budget for the fiscal year 2013-2014. 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. Our single family home building permits are running very high for the spring months. Again this year we will strive to reduce costs as we also continue to complete projects designated as priorities by Council.

This year the City will see the completion of water and road improvements along North Front and look to begin engineering for Lithia Way, First Street, and the vital work on Rapp Road. We will update the pavement maintenance program and finally complete a plan for sidewalk work on sections of Talent Avenue and areas surrounding the school. We have already completed the site survey and surveying for some of the projects.

We have completed the lion's share of the parking lot work at Chuck Roberts Park. We continue to seek funding for our Parks Department's goals per the updated Parks Master Plan, including but not limited to, the possibility of new tennis courts, pocket park development, playground equipment and ADA access to enhance the enjoyment of Talent's citizens.

We will also place an emphasis on obtaining grants to accomplish other goals requested by the Council and adjunct committees.

In compliance with the Americans with Disabilities Act, if you need special assistance, please contact TTY phone number 1-800-735-2900 for English and for Spanish please contact TTY phone number 1-800-735-3896.

The City of Talent is an Equal Opportunity Provider

Last year City Hall realized increased security, as well as become a more safety-conscious entity, by virtue of a Risk Management Incentive Grant. This year we will endeavor to take this practice to other areas of our City such as the Skate Park, the Commons area, and our Community Center.

As we have obtained a CDBG federal grant through IFA for the new Talent Community Center, we can begin the environmental review now, the design process over the summer, and finally construction in the spring of 2014.

An emphasis has been placed on an increased level of residential service with minimal changes in staffing levels. Web-based utility payments will be finalized prior to the commencement of this fiscal year. We will also have presented to the people and our City Council our newly designed and more user-friendly City of Talent web site augmented with an OSU funded Parks and Recreation site.

Having completed a refinance of our debt service from our Rural Development loan for infrastructure, we are able to return our precious reserve fund monies to our water coffers. We will address the water rate study at the most appropriate time of the year as well as evaluate SDC charges to enrich our City's development. By the onset of this budget year, we will have completed a transition to all radio-controlled meters throughout the city. This has been a 5 year old project finally coming to fruition.

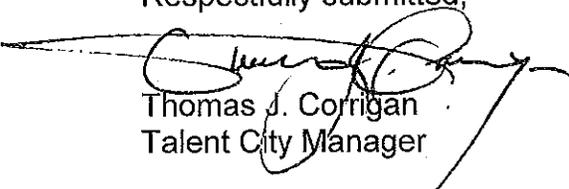
We will ascertain the best time frame for future reservoir construction.

We will continue to make advances to our economic development plan as the housing market and economy recovers.

I am confident that 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 2011-2012 and 2012-13; and a Glossary of terms that may be useful in understanding some of the terminology used in this Budget Report has also been included.

2013-14 BUDGET

The proposed budget reflects a 15% contingency line item and a minimum unappropriated ending fund balance of 5% for each operating fund. It is important to have this carryover from one year to provide a stable beginning fund balance. The League of Oregon Cities recommends a fund balance target for the General Fund of 40% of the operating expenses, in the form of contingency/beginning fund balance. The contingency and unappropriated ending fund balance for the General Fund is 21%. The Water Fund contingency and unappropriated ending fund balance is 32% this year due to a one time transfer from the Water Debt Service Reserve Fund.

All departments continue to realize the increased dependency on computer technology to do their jobs. This technology comes at a cost. 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 6 servers and approximately 30 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 existing collective bargaining agreement with union represented employees remains in effect for the next two years and will expire June 30, 2015. As per the agreement, the annual cost of living (COLA) adjustment is tied to the CPI-U, but will not be lower than 1% or higher than 4% in any of the three years. This year's COLA adjustment is 2.0% and will be effective July 1, 2013.

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 will increase as of July 1, 2013.

The City began budgeting for Accrued Leave Payouts in Fiscal Year 2009 to cover contractual expenditures due when an employee leaves city 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 two part-time positions to full-time, one in Community Development and one in Administration and Finance.

Community Development – A part-time Community Development Assistant position in the Community Development has been increased to a full time position in the proposed budget. This will provide much needed coverage in the department as building picks up and the department implements the State of Oregon on-line permit program. A part-time position filled in FY2012 will continue to provide office coverage and municipal code enforcement.

Administration – A full-time Computer Services Technician is being proposed for the Administration and Finance Department. This position was filled at 16 hours per week in FY 2013 to provide needed support as the City begins to update software programs, implement new services and meet increasing regulatory requirements. With the increased dependency on technology, outsourcing all Information Technology services is no longer cost effective. While this staff member will reside at City Hall, it is funded by and supports all city departments.

Computer Technology Services – The City has decreased the Computer Technology Services throughout the budget as the City plans to provide more Information Technology services in house. Outside network monitoring will continue to maintain a secure IT infrastructure for the city.

External Impacts

Economic impacts to the city are most apparent in the level of construction. The city is seeing an increase in building in 2012 and 2013. Information Technology continues to bring with it security and regulatory requirements. Fuel and materials cost increases are also felt by Police and Public Works departments. These have a direct impact to the City budget. The City needs to be mindful of are how the national and regional economy and changes in technology impact the citizens of Talent.

GENERAL FUND

The General Fund includes all Administration, Community Development and Police services. Within the administration heading is included the City Council, City Manager's office and staff, finance department and all municipal court costs. The maintenance of the City Hall, Community Center and the Depot are included as well. The Community Development Department includes the Planning Director and staff as well as the building inspection program and municipal code enforcement. 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 an increase in development related revenues. The Dedicated Public Safety Surcharge, established in FY 2009 will continue to provide a stable source of funding for the Police Department in FY 2014. The City Council will be reviewing the need for this funding on a biennial basis.

The major sources of revenue within the General Fund are the fund balance from the previous year, property taxes, franchise fees, building fees and police fines. The property tax is expected to remain flat based on information from the county assessor's office and no increase in franchise fees is anticipated. The latter is an assessment on utilities who sell their services within the City limits. The fee is calculated as a percentage agreed upon by the City and the utility and is based on their revenues. As the utility rates increase the fees collected on behalf of the City go up. The majority of franchise fees come from Pacific Power, Avista, Qwest, Charter, Recology Ashland Sanitary and the City's Water Utility.

Traffic fine revenue has leveled off over the last year with implementation of Oregon's new citation fee schedules and State assessments which became effective January 1, 2012. Collections remain equal to the three year average. An increase in fine revenue is budgeted as the City now places all uncollected fines with a collection agency.

The City has set aside money to purchase a court software module to assist tracking citations and fine collections.

Expenditures/Administration – Included in the administration fund are the City Manager's office, Finance Department, City Hall building operations, Council expenses, Community Center operation, 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 continues to set aside funds in the Building Maintenance Reserves for the City Hall, Community Center and the Police Station.

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

Harvest Festival - Funding of \$7,000 will cover some of the costs while again seeking sponsors for this annual event will continue to enrich the day's festivities.

Public Arts - Funding of \$8,000 will continue to enhance the city with expanded art displays in the upcoming year.

Together for Talent – Funding of \$550 for supplies is included in the Administration General Supplies budget to support committee sponsored forums and the annual Arbor Day celebration.

In addition to these expenses, any other minor program expenses are covered within the Administration budget. To the greatest extent possible the programs are expected to be self sustaining.

Expenditures/Community Development - The two largest expenses in the Community Development Office are personnel and the Building Inspection Program. The Building Inspection Program is contracted through the Jackson County Building Division where services are provided for plan checking, building inspections and some code enforcement issues. All clerical related details are handled within Talent's City Hall for the benefit of the local citizenry. The Community Development also houses the Planning Department which coordinates long and short range land use activities with the City Council and Planning Commission, including those associated with the Regional Problem Solving Plan, Transportation System Plan Update, Highway 99 Corridor Planning, etc. Lastly, Community Development Department administers a variety of activities with the citizenry relating to sign permits, home occupations, accessory units, code enforcement. Lastly, Community Development also reviews building plans for compliance with City Codes and conditions of approval as directed by the Planning Commission.

That said, between 2008 – 2011, the average annual number of building permits issued for residential construction was 14 permits and 2.25 for commercial

permits. Since the beginning of 2012, Talent has experienced a significant increase in permits issued including 27 residential permits and 1 commercial permit. From January 2013 through the first week of April 2013, there were 13 residential permits and 2 commercial permits. By late April 2013, the Community Development Department is expected to issue another 10 residential permits and at least one commercial permit which would be for the Oregon Shakespeare Festival's Scene Shop building along Talent Avenue. Finally, it should be also noted the above permits do not include "miscellaneous" permits associated with pre-existing developments such as residential additions, remodel permits, mechanical equipment, etc., but clearly there is a corresponding trend as these types of permits have also increased significantly. This trend is likely to continue for FY 2014 and 2015, but Talent is experiencing some shortages in available supplies and is looking at reviewing certain Urban Reserve Areas, such as TA-4 and TA-5, for consideration into the City's Urban Growth Boundaries and eventual annexation.

Contracting for Planning Director services and hiring a Planning Assistant in late 2012 has benefited the City by reducing overhead expenses while continuing to provide citizens of Talent the needed services. However, with the recent and foreseeable development pattern as well as the recent loss of a long-time employee covering the Department's clerical services, additional strain on the department's abilities to manage the growth is a concern which should be evaluated in the pending budget process. Finally, the contract with Jackson County to provide building inspection services has limited the City's exposure to excess overhead expenses as well. Building inspection services are paid from the revenues generated.

Expenditures /Police Department – The Police Department represents 58% of the General Fund Budget for FY 2014. This is a decrease from 61% in FY 2013. This is indicative of a Police Department. Other jurisdictions in the Rouge Valley are spending from 37% to 65% of their General Fund on police services

The City established a General Fund transfer to Vehicle Reserve Fund for police vehicles to allow the purchase of one vehicle and specialized equipment every three years. The City plans to transfer \$20,000 to the Reserve in FY 2014. The City will seek to continue an every two/three year vehicle replacement cycle in order to replace older high mileage vehicles and will look to purchase good quality, low mileage used vehicles when the opportunity arises.

Interfund Transfers – General Fund:

Within the General Fund proposed interfund transfers out are as follows:

To West Valley View Debt Service - \$6,450

To CIP Fund - City Hall, Community Center and Police Department Building Reserves – \$2,500 each
Police Vehicles - \$20,000
Finance Software - \$50,000
Community Center Building - \$75,000

PARKS FUND

The Parks Fund, supported by the Parks Utility fee, provides maintenance to all City Parks and open spaces supports capital improvement projects and park land acquisitions, as well as funding a part-time Recreation Coordinator for the Summer Parks and Recreations Program.

The amount of park space the Public Works Department maintains now includes the Talent Bark Park along with responsibility for a portion of the Bear Creek Greenway. Temporary staffing is used during the summer months to assist in park maintenance.

The City continues to support a Summer Recreation Program. The Recreation Coordinator starts program planning in the late winter and provides assistance through the Harvest Festival celebration in October. It is only through the generosity of the Phoenix-Talent School District that the City is able to offer such an expanse of programs. Many of the programs are inside and the City does not own such a facility. Proposed expenditures for Recreation Programs are \$20,210 for FY 2014.

With the Park Utility Fee supporting maintenance of increased park spaces and recreational programs, limited funds are available for capital improvements and land acquisition. The Parks Commission's has reviewed the Parks Master Plan and established improvement priorities to Chuck Roberts Park. This year the City plans to set aside funds for a Splash Pad at Chuck Roberts Park.

Interfund Transfers – Parks

One transfers to the CIP fund is planned for FY 2014.

Chuck Roberts Park Splash Pad - \$4,000

STREET FUND

The Street Utility Fee was increased in July 2007. This has provided stable funding for 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 future improvements on Highway 99.

Operating Expenses – The Public Works employees' time is charged to the Fund where work has been completed. The salaries of the employees are therefore broken down among the three funds where they work – Streets, Water and Parks. The associated benefits are also prorated based on the actual percentage of time spent in any one of the departments.

The City contracts for Public Works Director and engineering services. The Public Works Director fees are allocated to the three Public Works funds in the same percentages as employee salaries.

Interfund Transfers - Streets

The following transfers to the CIP fund for major street improvements are planned for FY 2014.

North Front Street Improvements - \$36,500
Highway 99 Street Improvements - \$100,000
Lithia Way Improvements - \$59,800
Rapp Road Improvements - \$103,550
Gibson Street Improvements - \$85,233

Street Projects - The Gibson Street improvements will be completed by the end of this fiscal year with the project scheduled to be closed in FY2014. North Front Street is slated for improvements in FY 2014. Funding is being set aside for future improvements to Lithia Way, Highway 99 and Rapp Road.

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 users, and expenses account for the costs of the operation.

The City has held water utility rates at the 2007 level in response to the economic conditions over the last 5 years. This is after the City was able to lower the rate in 2007 when the funding requirement for the Debt Service Reserve Fund was met. While rates to water customers have remained constant, the cost of operating the water utility has continued to rise. The fund will continue to be impacted by increases in the cost of operations. The City is completing a rate study to evaluate the funding needs of the water system operations and infrastructure.

Operating Expenses – Water fund - In addition to personal service expenses, 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; management assessment for the City's water rights at Lost Creek Reservoir; as well as all related costs to the billing and collection of water utility accounts.

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 will be closed as of FY 2014 and the balance in the fund will be transferred back to the Water Fund.

Interfund Transfers – Transfers to the CIP fund planned in FY 2014 are:

Gibson Street Improvements - \$13,000
Utility Billing Software- \$20,000
North Front Street Improvements - \$36,560
Radio Read Meters - \$14,950

Water system projects: The Highway 99 Water Line replacement project funded by a Community Development Block Grant of \$849,000 is complete. This budget proposes reallocating the remaining funding of \$59,645 received from the Water Fund to completion of the Radio Read Meter project.

The Gibson Street improvements will be completed by the end of this fiscal year with the project scheduled to be closed in FY2014. North Front Street is slated for improvements in FY 2014.

SYSTEM DEVELOPMENT CHARGE (SDC) FUND

The 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 greatest challenge for City staff is to estimate revenues for the coming year. So much is dependent on the building community and the experience in recent years has added caution in how these projections are made. Capital improvement projects are currently funded with existing fund balances and not projected revenues. The amounts allocated are:

Transfer to the Capital Improvement Fund:

Parks SDC Transfers – \$0 FY2013, \$0 FY2014
Street SDC Transfers – \$0 FY2013, \$130,850 FY2014
Water SDC Transfers - \$41,657 FY2013, \$2,400 FY2014
Storm Drain SDC Transfers –\$14,094 FY 2013, \$56,750 FY2014

Funds that remain in the SDC Fund are accounted for as “Reserved for Future Improvements”. Before any of these reserved funds could be transferred to the CIP Fund and actually spent they would have to go through a budget amendment process.

DEBT SERVICE FUNDS:

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 other outstanding debt obligation other than Water Fund debt is the West Valley View LID (Limited Improvement District). This 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 FY 2011, the city started transferring funds from the General Fund each year to meet the debt service obligation to eliminate this debt in 2018. The FY 2014 transfer is \$6,450.

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



City of Talent

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2013-2014 BUDGET CALENDAR

February 8, 2013	Asst. Finance Director provides Dept. Heads with current budget report
February 25, 2013	Dept. budgets/CIP submitted to City Manager/Administrative Services Director
March 4 – 6, 2013	Review Dept. budgets with City Manager/Administrative Services Director
April 9, 2013	Advertisement for Budget Committee Hearings to Newspaper
April 21, 2013	Budget Committee Public Hearing notice published/Posted on Website
May 2, 2013 6:30 p.m.	Budget Committee Training/Meeting to receive budget & budget message
May 9, 2012 6:30 p.m.	Budget Committee Work Session/Public Hearing
May 20, 2013	Financial Summary and Notice of Budget Hearing to Newspaper
June 1, 2013	Financial Summary and Notice of Budget Hearing published
June 19, 2013	City Council Budget Hearing for final adoption of budget
June 30, 2013	Last date for State Revenue Sharing Resolution to State
July 15, 2013	Last date to deliver budget document to County

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OUR VISION STATEMENT

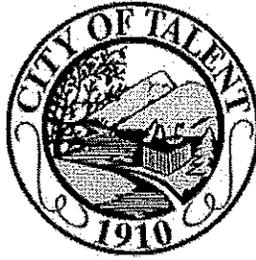
Talent: A small, people-oriented village offering creative opportunities for quality living, work and leisure.

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.



City of Talent

City Council/Planning Commission/Parks Commission Goals

2011 – 2012

Transportation System:

- Street Rehabilitation – Various Streets (*Staff*) – September, 2011
- Develop Trail/Bike/Walk Connectivity Master Plan – Amend Comprehensive Plan (*Parks/Planning Commissions*) - January, 2012
- Arnos Street Improvements (*Staff*) – September, 2011
- Gibson/Fairview Street Improvements (*Staff*) – April, 2012

Highway 99 Corridor:

- Partner with ODOT on financing and planning future Hwy 99 Improvements (*Council*) – Ongoing 2011/2012
- Pursue Annexation of Properties along Hwy 99 – City Sponsorship (*Council*) – March, 2012
- Prepare Master Plan for Hwy 99 Corridor Development (*Council/Planning Commission*) – April, 2011

City Water System:

- Future Water Reservoir Site Purchase (*Council*) – August, 2011
- Completion and update of Water Rate Study and Cost-of-Service Analysis (*Council/Staff*) – September, 2011
- Continue to Expand Water Meter Radio Read Program (*Staff*) – July, 2011
- Water Line Replacement (CDBG) – Hwy 99 (*Staff*) – November, 2011

Economic Development:

- Consider Participating in an Enterprise Zone Program (*Council*) – August, 2011
- Completion of Regional Problem Solving Process - Decide whether to continue (*Council*) – October, 2011
- Industrial Lands Master Planning – RPS TA4 (*Staff/Planning Commission/Council*) – July, 2012

Implement Code Enforcement Program:

- Fund and Hire Staff – Establish Priorities and Implement Formal Program (*Staff*) – October, 2011

Planning:

- Ordinance Establishing Cell Tower Standards (*Planning Commission/Council*) – October, 2011
- Ordinance Establishing Drive-thru Business Location Standards (*Planning Comm/Council*) – January, 2012
- Railroad District Master Plan – Correct Discrepancies (*Staff/Planning Comm/Council*) – September, 2011

Parks and Recreation:

- Develop a Grant Funding Strategy – Identification/Application/Implementation/Matching Funds (*Parks Commission*) – September, 2011
- Prioritize Park Development Strategy – Completion of Existing Parks, Pocket Park Land Acquisition and Development (*Parks Commission*) – August, 2011
- Parking Lot Construction at Chuck Roberts Park (*Staff/ODOT*) – December, 2012
- Repair Tennis Courts and Basketball Court – Chuck Roberts Park (*Staff*) – September, 2011
- Dog Park Opening (*Parks Commission*) – August, 2011
- Develop Ongoing Funding Strategies for Parks and Recreation Programs (*Staff/Parks Commission/Council*) – February, 2012

Community/Administrative/Process:

- Study Sessions - Council Briefing on Numerous City Topics (*Staff/Council*) – August, 2011
- City Website Updates – On line bill paying (*Staff*) – October, 2011

- Review of Talent Strategic Plan and Comprehensive Plan – Work Session/Briefing (*Planning Commission/Council*) – January, 2012
- Replace Phone System at City Hall (*Staff*) – September, 2011
- City Businesses Community Information Packet (*Council/Staff/Chamber*) – March, 2012

Public Arts :

- Develop a Public Arts Ordinance (*Staff/Public Arts Committee/Staff*) – November, 2011
- Art Display at City Hall (*Public Arts Committee*) – September, 2011
- Modify Sign Ordinance to Accommodate Public Art (*Staff*) – November, 2011

Notes:

1. Dates generally reflect anticipated start of working on each goal.
2. Approved/Adopted by City Council on August 17, 2011.

**City of Talent
2013-14 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 10 percent in the General, Street, Park and Water Funds to allow for unforeseen expenditures. The City Council established a goal to increase the percent set aside for contingency for each of these four funds annually until the 10 percent contingency is reached. In the proposed budget, the contingency meets 15% of expenditures goal for all four funds. An unappropriated ending fund balance has been established in each of the above funds. The League of Oregon Cities suggests having a fund balance target for the General Fund of 40% of the operating expenses in cash reserves in the form of contingency/beginning fund balance.

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 help fill a gap with the reduction in available workshops by the Department of Revenue.

**City of Talent
2013-14 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 usually 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
2013-14 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 in 2013-14.

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 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 City Water 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 Community Center, the Depot and the property at 105 N. Market Street are included under administration. Rental income and reimbursable 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 and municipal code enforcement program 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 improvement activities as well as recreation programs. 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. Other sources are funding from licenses, permits and fees, and miscellaneous revenues. Recreation programming fees are assessed to offset some of the programs expenses.

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 fiscal 07-08 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 **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 will be closed out in FY2014 as a result of the refunding of the 2000 Water Revenue bonds.

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 maintenance expenses shared by the cities in providing water to its respective city customers. Currently only Talent and Phoenix are accessing water from this system owned by the Medford Water Commission. Provisions are in place to allow Ashland to purchase water in the future. Revenues for this Fund will come from the cities of Phoenix (water, electrical, Medford Utility fee, insurance & audit) and Ashland (insurance, Medford Utility fee and audit) and transfers from the Talent Water Utility Fund.

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 Fund** is set up 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 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.

**City of Talent
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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 2013-2014. 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 2008-2009. 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 15% of expenditures contingency for each operating fund and an unappropriated ending fund balance of 5% of expenditures.

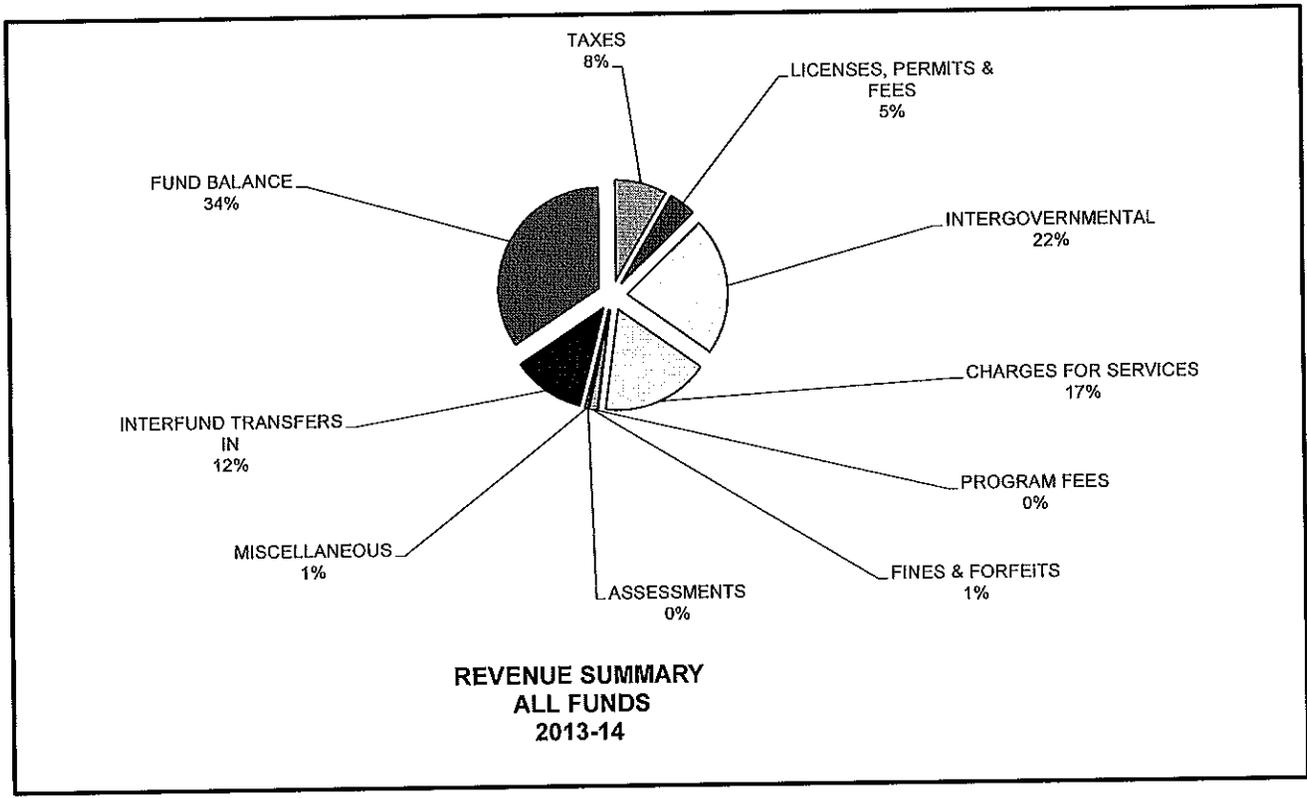
Interfund Transfers for All Funds and By Fund – This report provides a summary of the total of transfers from each fund and indicates where the money is coming from and going to. The journal transfer of these funds takes place during the fiscal year and is completed by the Assistant Finance Director 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 2013-14**

TRANSFER FROM:	AMOUNT	TRANSFER TO:	AMOUNT
		West Valley View Debt Service	6,450
		Total Debt Service	<u>6,450</u>
		Police Dept Vehicle Reserve CC 905	20,000
		Community Center Repair Reserve CC 906	2,500
		Software Program Reserve CC 907	50,000
		Community Center CC 454	75,000
		City Hall building Maintenance Reserve CC909	2,500
		Police Dept Building Maintenance Reserve CC 910	<u>2,500</u>
		Total CIP	<u>152,500</u>
General Fund-Projects	\$ <u>(158,950)</u>	Total Debt Service & CIP	<u>158,950</u>
Park Fund-Projects	<u>(4,000)</u>	Chuck Roberts Splashpad CC455	<u>4,000</u>
		N. Front Street Improvements CC 450	36,500
		Hwy 99 Street Improvements CC 451	100,000
		Lithia Way Improvements CC452	59,800
		Rapp Road Improvements CC453	103,550
		Gibson Street Improvements CC437	<u>85,233</u>
Street/Storm Fund - Projects	<u>(385,083)</u>	Total CIP	<u>385,083</u>
SDC Transportation	(130,850)	N. Front Street Improvements CC 450	30,050
SDC Storm Drain	(56,750)	Lithia Way Improvements CC452	100,800
SDC Water	(2,400)	N. Front Street Improvements CC 450	10,500
Total SDC Funds	<u>(190,000)</u>	Lithia Way Improvements CC452	46,250
		N. Front Street Improvements CC 450	<u>2,400</u>
		Total CIP	<u>190,000</u>
		Tap Operations Fund	218,375
		Gibson Street Improvements CC437	13,000
		Utility Billing Software	20,000
		N Front Street Improvements CC450	36,560
		Radio Read Water Meters CC 740	<u>14,950</u>
Water Fund	<u>(302,885)</u>	Total TAP & CIP Water Fund	<u>302,885</u>
Water Debt Reserve Fund	<u>(238,800)</u>	Water Fund	<u>238,800</u>
TOTAL TRANSFER OUT	\$ <u>(1,279,718)</u>	TOTAL TRANSFER IN	<u>1,279,718</u>
NET TOTAL BUDGET TRANSFERS			0.00

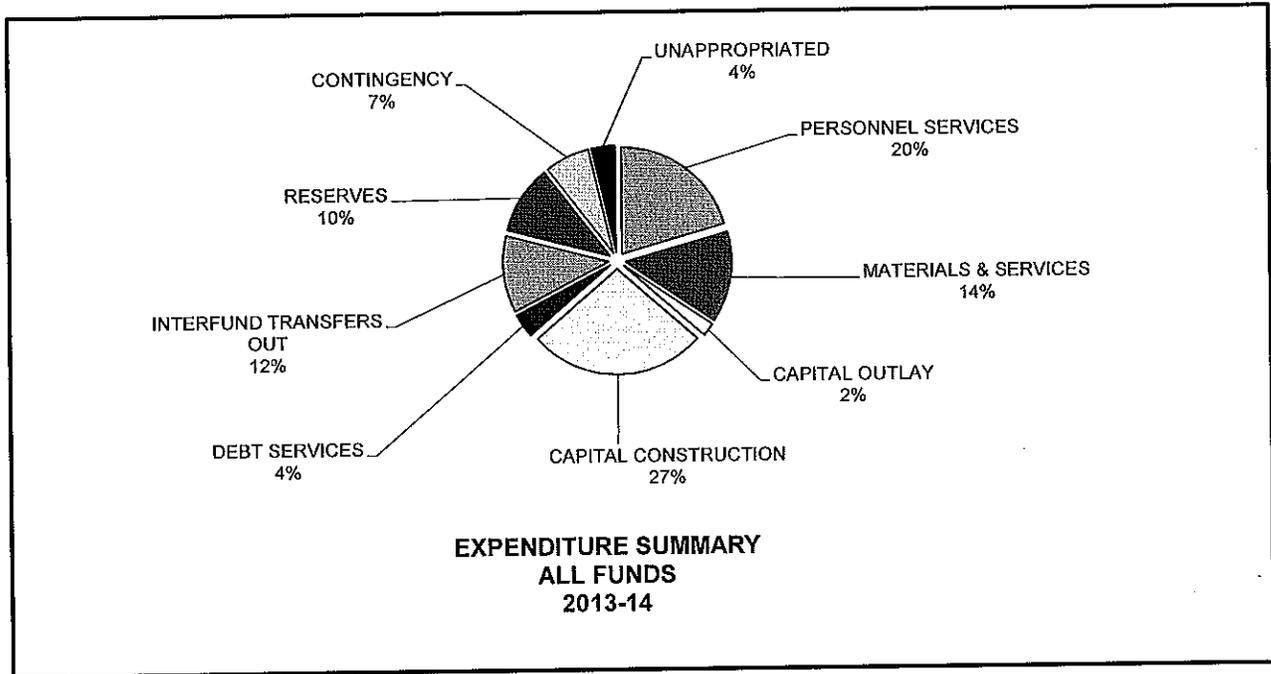
SUMMARY OF REVENUES BY CATEGORY
For Fiscal Year 2013-14
ALL FUNDS

Actual FY11	Actual FY12	Adopted FY13	REVENUE	Proposed FY14	Approved FY14	Adopted FY14
883,214	925,748	881,575	TAXES	913,350	913,350	913,350
480,596	519,269	452,000	LICENSES, PERMITS & FEES	479,000	479,000	479,000
1,136,137	1,006,936	914,180	INTERGOVERNMENTAL	2,402,135	2,402,135	2,402,135
1,831,749	1,887,493	1,785,595	CHARGES FOR SERVICES	1,884,135	1,884,135	1,884,135
5,065	4,089	10,000	PROGRAM FEES	4,000	4,000	4,000
156,159	159,033	130,000	FINES & FORFEITS	140,000	140,000	140,000
9,568	9,568	9,568	ASSESSMENTS	9,568	9,568	9,568
131,485	82,005	49,030	MISCELLANEOUS	44,895	44,895	44,895
738,523	471,106	785,362	INTERFUND TRANSFERS IN	1,279,718	1,279,718	1,279,718
3,744,971	4,105,016	3,455,519	FUND BALANCE	3,726,313	3,726,313	3,726,313
9,117,467	9,170,263	8,472,829	GRAND TOTAL ALL FUNDS	10,883,114	10,883,114	10,883,114
738,523	471,106	785,362	Less Interfund Transfers In	1,279,718	1,279,718	1,279,718
8,378,944	8,699,157	7,687,467	NET TOTAL ALL FUNDS	9,603,396	9,603,396	9,603,396



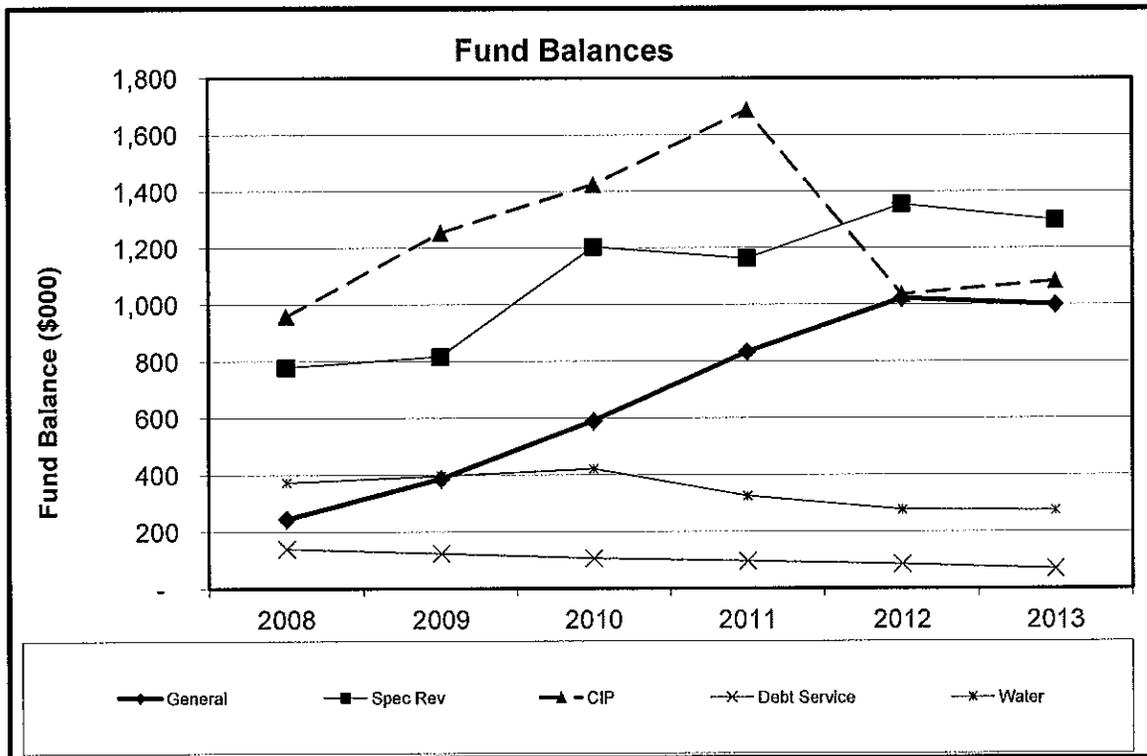
SUMMARY OF EXPENDITURES BY CATEGORY
For Fiscal Year 2013-14
ALL FUNDS

Actual FY11	Actual FY12	Adopted FY13		Proposed FY14	Approved FY14	Adopted FY14
1,636,034	1,751,769	2,037,400	PERSONNEL SERVICES	2,237,000	2,237,000	2,237,000
1,386,600	1,364,513	1,558,830	MATERIALS & SERVICES	1,520,970	1,520,970	1,520,970
66,679	285,348	179,978	CAPITAL OUTLAY	219,100	219,100	219,100
793,197	1,130,242	1,413,108	CAPITAL CONSTRUCTION	2,947,346	2,947,346	2,947,346
391,415	393,672	396,215	DEBT SERVICES	403,350	403,350	403,350
738,523	471,106	785,362	INTERFUND TRANSFERS OUT	1,279,718	1,279,718	1,279,718
0	0	1,103,669	RESERVES	1,137,650	1,137,650	1,137,650
0	0	664,195	CONTINGENCY	744,640	744,640	744,640
-	-	334,072	UNAPPROPRIATED	393,340	393,340	393,340
5,012,448	5,396,651	8,472,829	GRAND TOTAL- ALL FUNDS	10,883,114	10,883,114	10,883,114
738,523	471,106	785,362	Less Interfund Transfers Out	1,279,718	1,279,718	1,279,718
4,273,925	4,925,545	7,687,467	NET TOTAL- ALL FUNDS	9,603,396	9,603,396	9,603,396



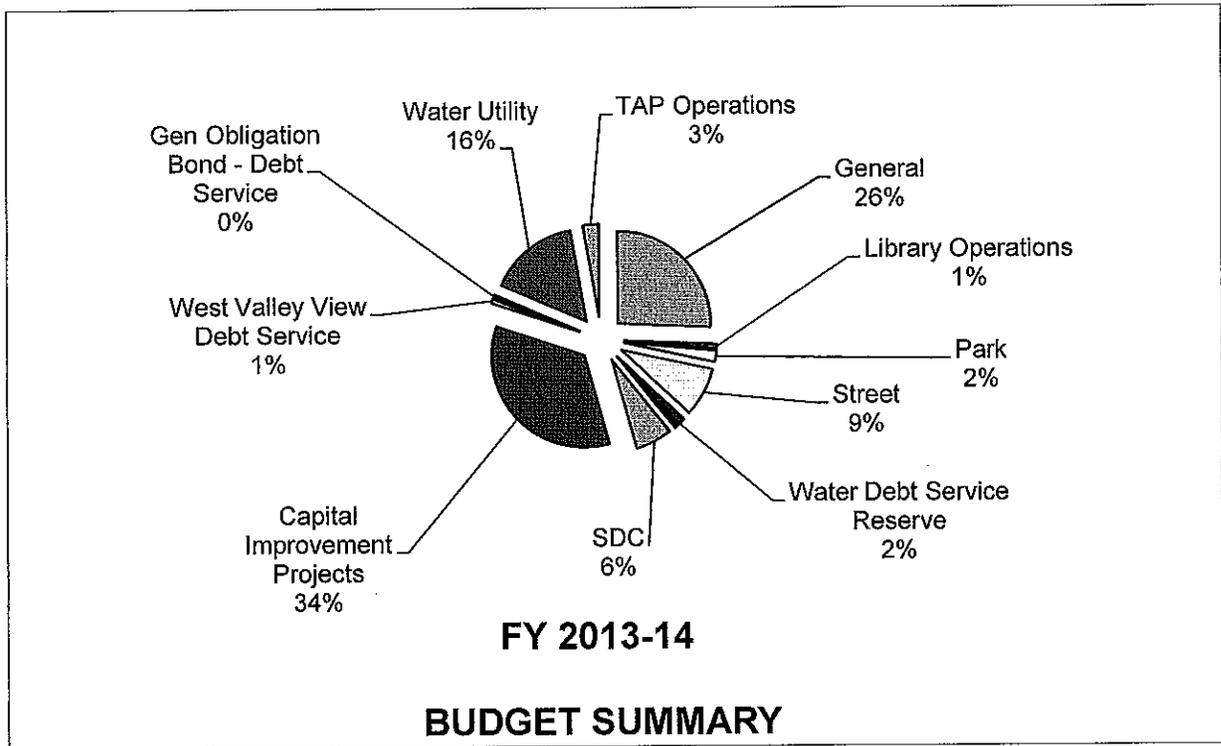
FUND BALANCE TRENDS

	July 2008	July 2009	July 2010	July 2011	July 2012	July 2013
INDIVIDUAL FUNDS						
General	<u>Actual</u> 244,813	<u>Actual</u> 385,643	<u>Actual</u> 589,297	<u>Actual</u> 833,034	<u>Actual</u> 1,021,149	<u>Budget</u> 1,000,000
Library Operations	6,797	11,976	13,163	14,084	16,392	17,500
Park	44,437	68,553	90,358	127,763	112,191	97,000
Street	139,668	218,770	413,693	483,481	573,326	400,000
Water Debt Service Reserve	230,632	230,935	238,970	236,658	238,403	238,800
SDC	356,585	286,266	447,563	301,444	414,271	546,470
Capital Improvement Projects	958,389	1,253,826	1,425,062	1,687,546	1,036,035	1,082,913
General Obligation Debt Service	5,423	3,266	3,602	7,210	9,133	5,000
West Valley View Debt Service	134,114	119,947	102,151	88,539	76,137	63,630
Water Utility	372,942	393,804	409,998	322,367	276,575	275,000
TAP Operations Fund	16	2,468	11,113	2,891	1	-
Totals	2,493,816	2,975,455	3,744,970	4,105,017	3,773,613	3,726,313
TOTAL BUDGET						
GROUPED FUNDS						
General Fund (Unrestricted use fund)	244,813	385,643	589,297	833,034	1,021,149	1,000,000
Special Revenue (Funds dedicated by Statute or Ordinance for a special purpose - Library, Park, Street, System Dev., and Water Debt Serv. Resv. Funds)	778,119	816,501	1,203,747	1,163,430	1,354,583	1,299,770
Capital Projects Funds (Funds reserved through budget process for specific capital improvement projects)	958,389	1,253,826	1,425,062	1,687,546	1,036,035	1,082,913
Debt Service Funds (Funds set aside to pay current and future debt - West Valley View LID and General Obligation Bond debt fund.)	139,537	123,213	105,763	95,749	85,270	68,630
Enterprise Funds (the Water Utility Fund and TAP Fund)	372,958	396,272	421,111	325,258	276,576	275,000
Totals	2,493,816	2,975,455	3,744,970	4,105,017	3,773,613	3,726,313



BUDGET SUMMARY BY FUND COMPARISON

	FY 2012-13 <u>Budget</u>	FY 2013-14 <u>Budget</u>	FY 2013-14 as a % of <u>Total Budget</u>	FY 2013-14 Increase/ (Decrease) <u>From FY 2012-13</u>
General	2,502,875	2,791,800	25.7%	11.5%
Library Operations	83,050	84,050	0.8%	1.2%
Park	208,000	216,500	2.0%	4.1%
Street	1,068,500	941,500	8.7%	-11.9%
Water Debt Service Reserve	235,385	238,800	2.2%	1.5%
SDC	477,126	697,940	6.4%	46.3%
Capital Improvement Projects	2,082,560	3,748,506	34.4%	80.0%
West Valley View Debt Service	91,978	79,858	0.7%	-13.2%
Gen Obligation Bond - Debt Service	65,000	68,350	0.6%	5.2%
Water Utility	1,392,700	1,713,800	15.7%	23.1%
TAP Operations	<u>265,655</u>	<u>302,010</u>	<u>2.8%</u>	<u>13.7%</u>
TOTAL BUDGET	8,472,829	10,883,114	100.0%	28.4%

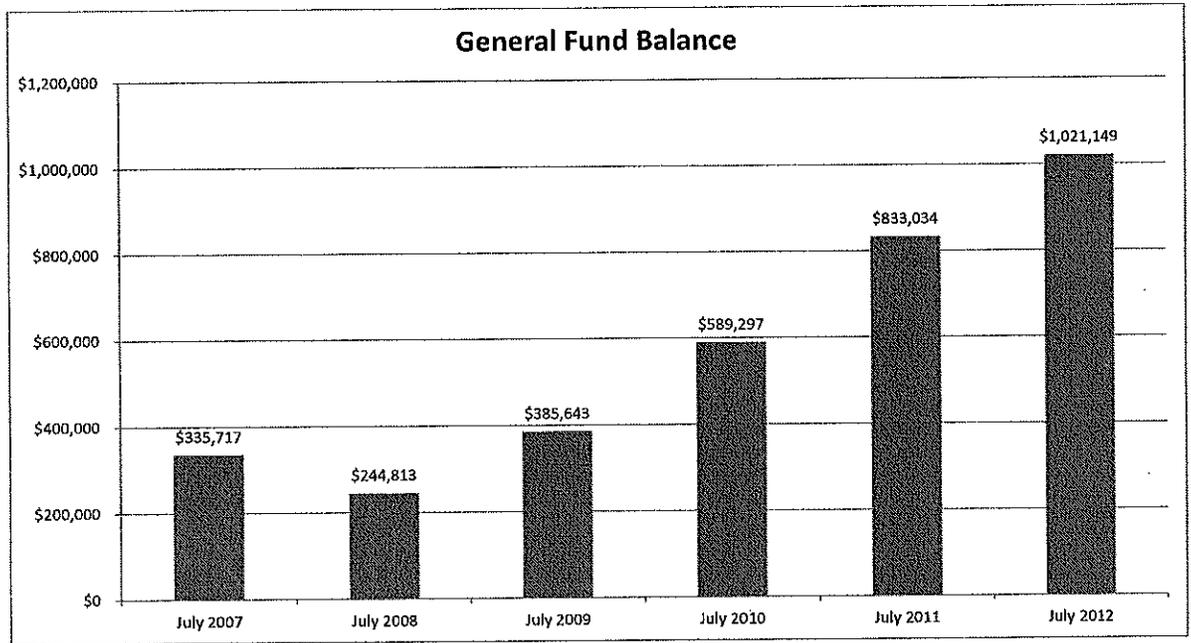


FULL-TIME EQUIVALENT PROGRAM ALLOCATION

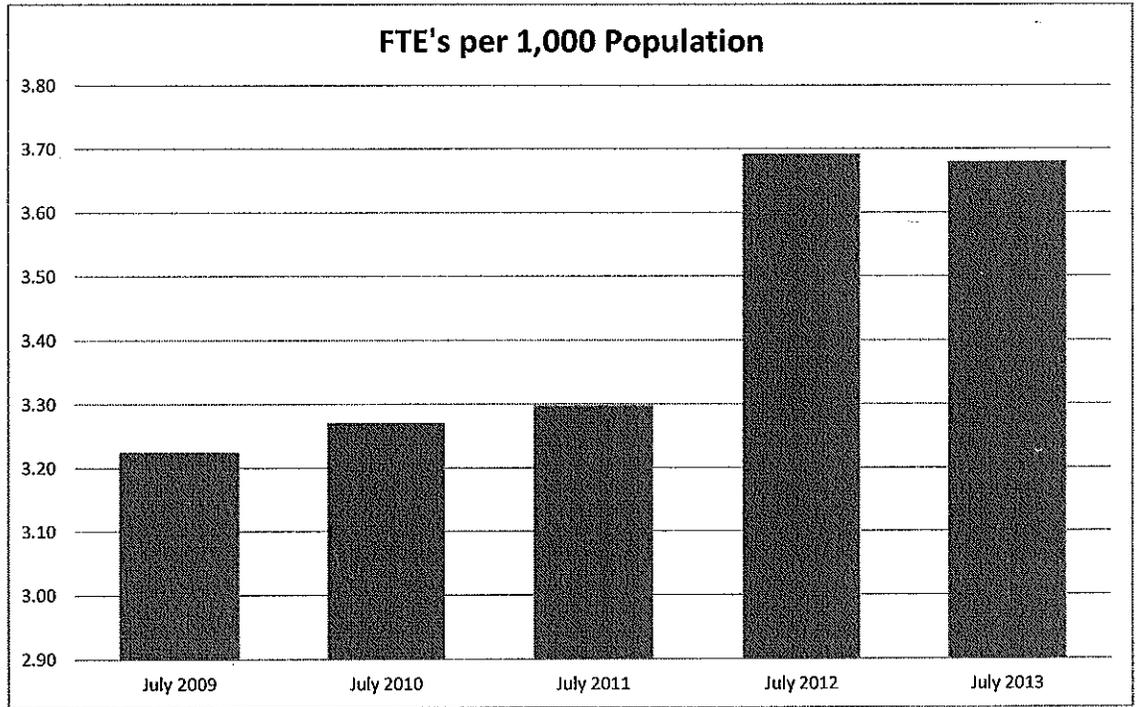
FY 2013-14 Budget

	<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	0.50				0.10	0.15	0.25	1.00
Administrative Services Director	0.50				0.10	0.15	0.25	1.00
City Record/Executive Assistant	1.00							1.00
Assist. Finance Director	0.50				0.05	0.15	0.30	1.00
Municipal Court Judge	0.03							0.03
Clerk 1-Receptionist	0.40	0.10					0.50	1.00
Utility Billing Clerk	0.10						0.90	1.00
Computer Support Tech- Requested	0.62	0.06	0.16	0.02	0.03	0.03	0.08	1.00
Recreation Coordinator				0.35				0.35
Community Development Assistant		1.40						1.40
Minute Taker		0.10						0.10
Police Chief			1.00					1.00
Sergeant			1.00					1.00
Corporal			1.00					1.00
Patrol Officer			5.00					5.00
Police Clerk			1.40					1.40
PW Superintendent					0.04	0.36	0.60	1.00
Maint. Spec 2					0.08	0.25	0.67	1.00
Maint. Spec 1	0.05				0.08	0.25	0.62	1.00
Main. Spec 1	0.05				0.08	0.25	0.62	1.00
Main Spec 1					0.50	0.40	0.10	1.00
Total FTE Per Program	3.75	1.66	9.56	0.37	1.06	1.99	4.89	23.28

General Fund Balance Trend



	<u>July 2007</u>	<u>July 2008</u>	<u>July 2009</u>	<u>July 2010</u>	<u>July 2011</u>	<u>July 2012</u>
General Fund Balance	\$335,717	\$244,813	\$385,643	\$589,297	\$833,034	\$1,021,149
General Fund Unreserved Balance as a % of Total Revenue	7.13%	6.69%	9.33%	10.68%	16.33%	24.13%
Total Budgeted City Revenues	\$4,707,645	\$3,656,963	\$4,133,732	\$5,516,403	\$5,101,129	\$4,231,948

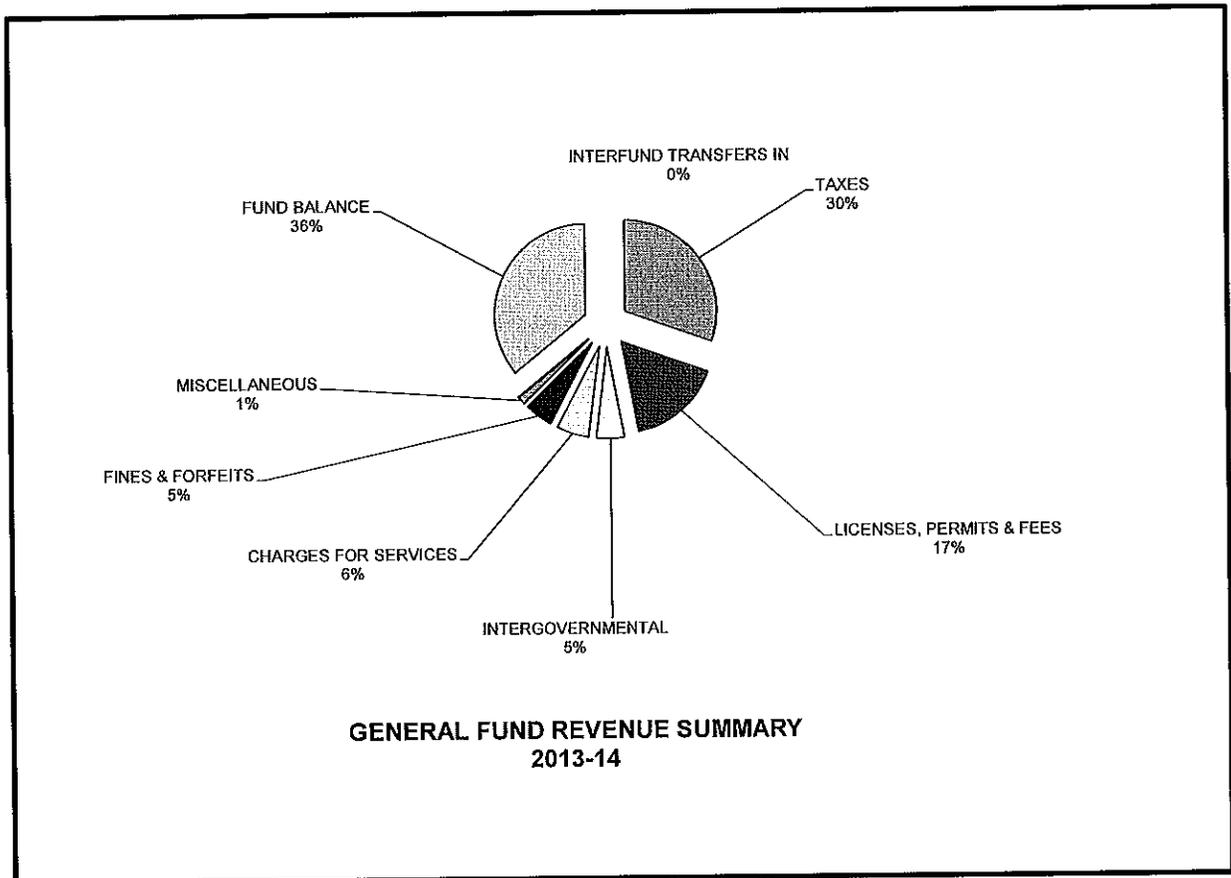


	<u>July 2009</u>	<u>July 2010</u>	<u>July 2011</u>	<u>July 2012</u>	<u>July 2013</u>
FTE's per 1,000 Population	3.23	3.27	3.30	3.69	3.68
Full Time Employees	21	22	22	23	23
Population	6,635	6,680	6,670	6,095	6,115

Note: July 2012 Population declined due to 2010 Census Data

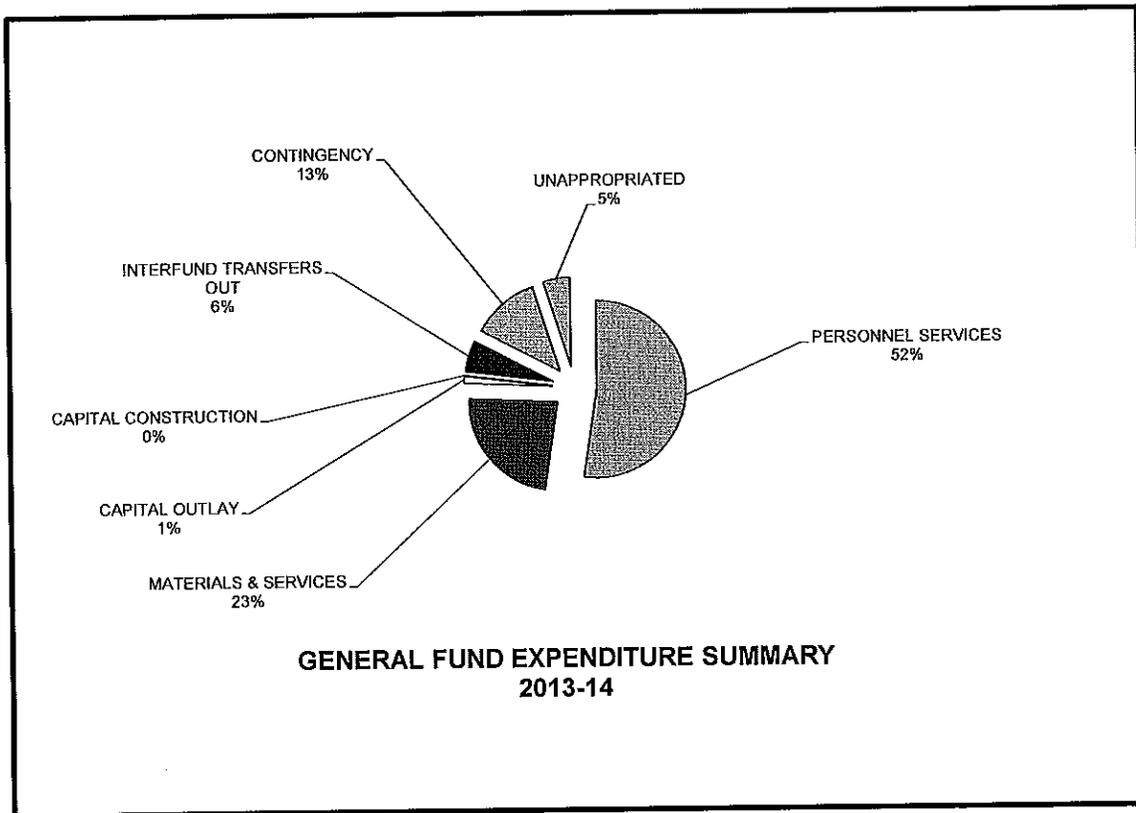
REVENUE SUMMARY
For Fiscal Year 2013-14
GENERAL FUND
BY CATEGORY

Actual FY11	Actual FY12	Adopted FY13	REVENUE	Proposed FY14	Approved FY14	Adopted FY14
830,819	862,589	822,575	TAXES	850,000	850,000	850,000
463,296	496,446	440,000	LICENSES, PERMITS & FEES	465,000	465,000	465,000
184,662	168,748	162,000	INTERGOVERNMENTAL	137,000	137,000	137,000
159,063	161,170	158,100	CHARGES FOR SERVICES	162,150	162,150	162,150
156,159	159,033	130,000	FINES & FORFEITS	140,000	140,000	140,000
103,325	55,317	40,200	MISCELLANEOUS	37,650	37,650	37,650
2,771	-	-	INTERFUND TRANSFERS IN	-	-	-
589,297	833,034	750,000	FUND BALANCE	1,000,000	1,000,000	1,000,000
2,489,391	2,736,337	2,502,875	GRAND TOTAL REVENUES	2,791,800	2,791,800	2,791,800
2,771	0	-	Less Interfund Transfers In	-	-	-
2,486,620	2,736,337	2,502,875	NET TOTAL REVENUES	2,791,800	2,791,800	2,791,800



EXPENDITURE SUMMARY
 For Fiscal Year 2013-14
 GENERAL FUND
 BY CATEGORY

Actual FY11	Actual FY12	Adopted FY13	EXPENDITURES	Proposed FY14	Approved FY14	Adopted FY14
1,063,558	1,110,847	1,287,100	PERSONNEL SERVICES	1,462,800	1,462,800	1,462,800
560,624	555,923	667,060	MATERIALS & SERVICES	651,350	651,350	651,350
8,075	15,568	33,050	CAPITAL OUTLAY	34,150	34,150	34,150
0	0	0	CAPITAL CONSTRUCTION	0	-	-
24,100	32,849	36,921	INTERFUND TRANSFERS OUT	158,950	158,950	158,950
0	0	397,500	CONTINGENCY	346,100	346,100	346,100
0	0	81,244	UNAPPROPRIATED	138,450	138,450	138,450
1,656,357	1,715,186	2,502,875	GRAND TOTAL EXPENDITURES	2,791,800	2,791,800	2,791,800
24,100	32,849	36,921	Less Interfund Transfers Out	158,950	158,950	158,950
1,632,257	1,682,337	2,465,954	NET TOTAL EXPENDITURES	2,632,850	2,632,850	2,632,850



EXPENDITURE SUMMARY & ANALYSIS
Adopted Budget for FY 2013-14
GENERAL FUND
BY DEPARTMENT AND CATEGORY

	<u>ADMINISTRATION</u>	<u>COUNCIL, DEPOT, & COMM CENTER</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>POLICE</u>	<u>NON- DEPARTMENTAL</u>	<u>TOTALS</u>
PERSONNEL SERVICES	374,500	14,200	109,100	965,000	-	1,462,800
MATERIALS AND SERVICES	181,770	51,600	152,030	265,950	-	651,350
CAPITAL OUTLAY	3,000	2,500	5,150	23,500	-	34,150
TRANSFERS TO OTHER FUNDS	-	-	-	-	158,950	158,950
CONTINGENCY	-	-	-	-	346,100	346,100
UNAPPROPRIATED ENDING FUND BALANCE	-	-	-	-	138,450	138,450
TOTALS	559,270	68,300	266,280	1,254,450	643,500	2,791,800
LESS TRANSFERS & CONTINGENCY						(643,500)
NET TOTAL (Operating Budget)						2,148,300
Prior Year Net Operating Budget						1,987,210
Increase / - Decrease						8.1%

GENERAL FUND EXPENDITURE ANALYSIS
FY 2013-14 Adopted Budget, Net of Transfers and Contingency

Table 1: Budget by Departments

ADMINISTRATION	559,270	26%
COUNCIL, DEPOT, COMM CTR.	68,300	3%
COMMUNITY DEVELOPMENT	266,280	12%
POLICE	1,254,450	58%
TOTAL	2,148,300	100%

Table 2: Budget by Categories

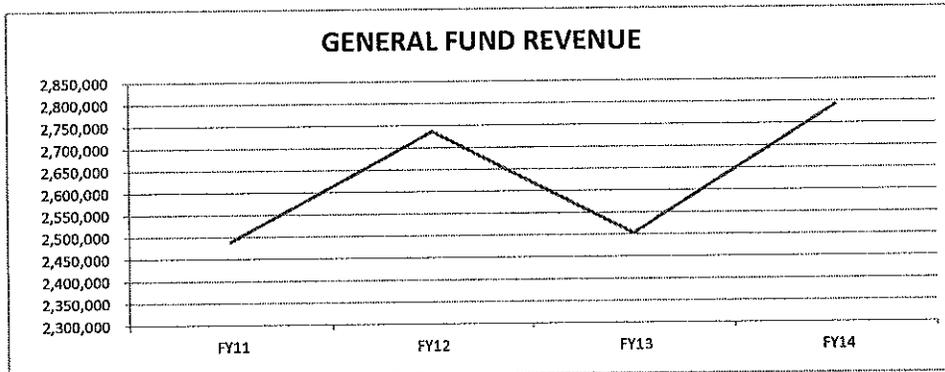
PERSONNEL SERVICES	1,462,800	68%
MATERIALS AND SERVICES	651,350	30%
CAPITAL OUTLAY	34,150	2%
TOTAL	2,148,300	100%

Table 3: Department Budgets by Categories

Administration		
PERSONNEL SERVICES	374,500	67%
MATERIALS AND SERVICES	181,770	33%
CAPITAL OUTLAY	3,000	1%
TOTAL	559,270	100%
Council, Depot, & Community Center		
PERSONNEL SERVICES	14,200	21%
MATERIALS AND SERVICES	51,600	76%
CAPITAL OUTLAY	2,500	4%
TOTAL	68,300	100%
Community Development		
PERSONNEL SERVICES	109,100	41%
MATERIALS AND SERVICES	152,030	57%
CAPITAL OUTLAY	5,150	2%
TOTAL	266,280	100%
Police		
PERSONNEL SERVICES	965,000	77%
MATERIALS AND SERVICES	265,950	21%
CAPITAL OUTLAY	23,500	2%
TOTAL	1,254,450	100%

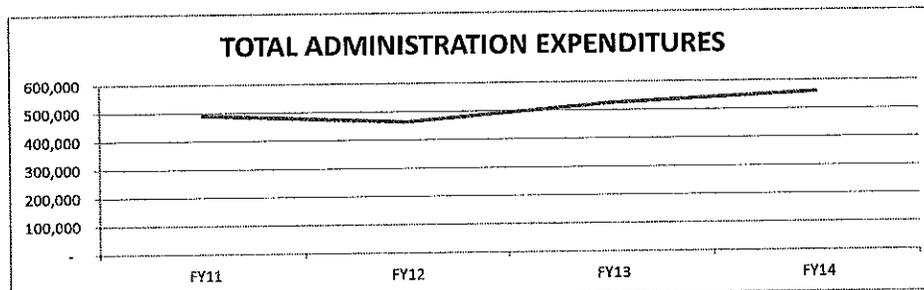
GENERAL FUND

Actual FY11	Actual FY12	Adopted FY13	REVENUES	Proposed FY14	Approved FY14	Adopted FY14
589,297	833,034	750,000	FUND BALANCE	1,000,000	1,000,000	1,000,000
806,539	833,974	806,000	PROP TAXES - CURRENT	825,000	825,000	825,000
24,280	28,616	16,575	PROP TAXES - DELINQUENT	25,000	25,000	25,000
233	185	-	PROP TAX INTEREST	-	-	-
387,645	404,800	375,000	FRANCHISE TAXES	385,000	385,000	385,000
27,505	27,650	25,000	BUSINESS LICENSES	25,000	25,000	25,000
48,146	63,915	40,000	BUILDING PERMITS	55,000	55,000	55,000
	80		BUILDING PERMIT CHANGE ADMIN FEE			
94,232	84,414	83,000	INTERGOVERNMENTAL REV	87,000	87,000	87,000
-	-	-	FEDERAL GOV GRANTS	-	-	-
-	-	-	STATE GOV GRANTS	-	-	-
7,094	6,889	6,000	POLICE OVERTIME GRANTS	5,000	5,000	5,000
3,090	-	-	POLICE GRANTS - OTHER	-	-	-
47,325	46,886	45,000	STATE SHARED REVENUE	45,000	45,000	45,000
32,921	30,559	28,000	911 TELEPHONE TAX	-	-	-
732	2,067	1,000	CHARGES FOR SERVICES	1,000	1,000	1,000
6,315	6,370	5,000	ZONING AND SUBDIVISION FEE	5,000	5,000	5,000
1,846	958	-	PLANNING TECHNOLOGY FEE	-	-	-
4,375	2,680	3,000	H FESTIVAL EARNED INCOME	3,000	3,000	3,000
2,872	4,010	1,500	H FESTIVAL DONATIONS	1,500	1,500	1,500
140,209	150,033	120,000	FINES	130,000	130,000	130,000
15,950	9,000	10,000	IMPOUND	10,000	10,000	10,000
140,983	140,245	144,000	PUBLIC SAFETY SURCHARGE	144,000	144,000	144,000
3,427	3,511	3,500	LIBRARY OPERATIONS ADMIN FEE	3,325	3,325	3,325
5,761	8,019	4,600	SDC ADMIN FEE	8,825	8,825	8,825
13,007	6,150	5,700	RENTAL INCOME	5,700	5,700	5,700
1,200	-	-	POLICE DONATIONS	-	-	-
-	-	-	DONATIONS TO PUBLIC ARTS	-	-	-
-	-	-	DONATIONS	-	-	-
-	594	-	OTHER GRANTS	-	-	-
-	-	-	FROM OTHER FUNDS	-	-	-
-	-	-	FROM SDC FUND	-	-	-
2,771	-	-	FROM LIBRARY OPERATIONS FUND	-	-	-
-	-	-	SALE OF ASSETS	-	-	-
17,256	3,728	-	INSURANCE CLAIM PROCEEDS	-	-	-
	238	200	ENGINEERING FEE REIMBURSEMENT	-	-	-
35,857	8,897	2,500	MISCELLANEOUS REFUNDS	1,100	1,100	1,100
2,479	4,416	2,000	INTEREST EARNINGS	2,000	2,000	2,000
<u>2,463,346</u>	<u>2,711,917</u>	<u>2,477,575</u>		<u>2,767,450</u>	<u>2,767,450</u>	<u>2,767,450</u>
15,271	18,521	19,150	DEPOT RENT	19,150	19,150	19,150
305	201	650	MISC REFUND & REIMBURSEMENTS	-	-	-
6,415	2,314	2,500	COMMUNITY CTR RENT	2,000	2,000	2,000
-	-	-	MISC REFUND & REIMBURSEMENTS	-	-	-
1,400	1,200	1,200	105 N MARKET RENT	1,200	1,200	1,200
2,654	2,185	1,800	MISC REFUND & REIMBURSEMENTS	2,000	2,000	2,000
2,489,391	2,736,337	2,502,875	TOTAL GEN FUND REVENUE	2,791,800	2,791,800	2,791,800



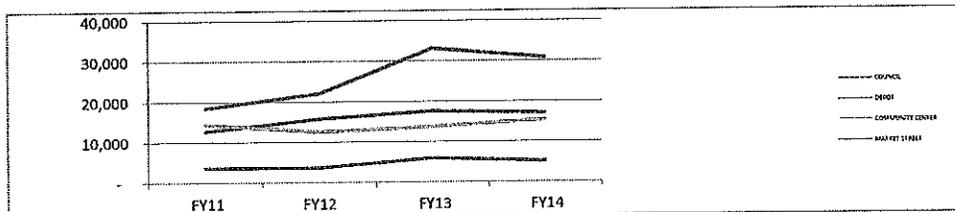
GENERAL FUND

Actual FY11	Actual FY12	Adopted FY13	EXPENDITURES	Proposed FY14	Approved FY14	Adopted FY14
ADMINISTRATION						
200,823	186,974	200,000	REGULAR SALARIES	236,500	236,500	236,500
-	574	1,000	OVERTIME	1,000	1,000	1,000
11,364	8,718	9,000	ACCRUED LEAVE PAYOUTS	9,000	9,000	9,000
<u>81,186</u>	<u>76,842</u>	<u>90,000</u>	FRINGE BENEFITS	<u>128,000</u>	<u>128,000</u>	<u>128,000</u>
293,372	273,108	300,000	TOTAL PERSONNEL SERVICES	374,500	374,500	374,500
1,517	20,838	5,000	BUSINESS CONSULTING SERVICES	5,000	5,000	5,000
5,135	2,341	10,000	ATTORNEY SERVICES	10,000	10,000	10,000
4,796	894	2,000	LABOR ATTORNEY SERVICES	2,000	2,000	2,000
1,706	1,682	2,000	AUDITOR	4,300	4,300	4,300
4,601	3,869	6,000	TRAINING PROVIDERS AND REG	5,000	5,000	5,000
2,420	1,550	3,000	TECHNICAL SUPPORT SERVICES	3,070	3,070	3,070
-	213	5,000	CONTRACTED PERSONNEL SERVICES	12,000	12,000	12,000
-	-	8,000	PUBLIC ARTS SUPPLIES	8,000	8,000	8,000
2,825	3,250	3,500	H FESTIVAL ENTERTAINMENT	3,500	3,500	3,500
3,664	3,192	3,500	H FESTIVAL SUPPLIES	3,500	3,500	3,500
13,514	6,009	20,000	COMPUTER TECHNOLOGY SERVICES	8,500	8,500	8,500
760	764	800	SEWER UTILITIES	900	900	900
148	170	250	DISPOSAL SERVICES	200	200	200
2,419	2,951	3,225	CUSTODIAL	3,300	3,300	3,300
5,523	9,420	12,000	REPAIR & MAINTENANCE SERVICES	12,000	12,000	12,000
3,715	4,040	6,500	PROPERTY AND CASUALTY INSURANCE	6,000	6,000	6,000
15,157	13,987	10,000	PHONE, INTERNET & RADIO COMMUNICATIONS	10,000	10,000	10,000
11,636	10,163	13,000	DUES, MEMBERSHIPS, & PUBLICATIONS	13,000	13,000	13,000
1,711	268	2,000	ADVERTISING	2,000	2,000	2,000
2,051	1,631	2,500	PRINTING AND BINDING	2,500	2,500	2,500
8,501	10,176	13,000	TRAVEL & MEETING EXPENSE	10,000	10,000	10,000
1,063	1,355	2,000	BANKING FEES	2,500	2,500	2,500
399	705	3,250	GENERAL SUPPLIES	5,000	5,000	5,000
3,219	4,541	3,600	OFFICE SUPPLIES	5,000	5,000	5,000
9,952	10,446	12,000	ENERGY UTILITIES	11,000	11,000	11,000
-	29	-	GASOLINE	500	500	500
1,693	1,574	2,000	POSTAGE	2,500	2,500	2,500
-	-	-	PROGRAMS	-	-	-
32,921	30,559	33,000	911 TELEPHONE TAX	-	-	-
29,291	31,763	30,000	COURT ASSESSMENTS	27,000	27,000	27,000
20,000	-	500	SECURITY DEPOSITS RELEASED	500	500	500
<u>42</u>	<u>2,365</u>	<u>1,500</u>	MISCELLANEOUS	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
190,379	180,745	219,125	TOTAL MATERIALS & SERVICES	181,770	181,770	181,770
CAPITAL OUTLAY						
-	-	-	SECURITY CAMERA	-	-	-
-	1,300	-	VEHICLES- ADMINISTRATION	-	-	-
-	5,382	-	FURNITURE AND FIXTURES	-	-	-
<u>6,408</u>	<u>3,421</u>	<u>5,000</u>	COMPUTER HARDWARE/PRINTERS	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
6,408	10,103	5,000	TOTAL CAPITAL OUTLAY	3,000	3,000	3,000
490,159	463,956	524,125	TOTAL ADMINISTRATION	559,270	559,270	559,270



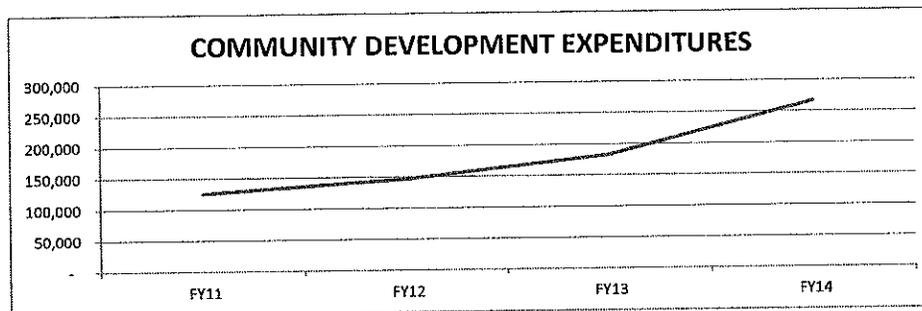
GENERAL FUND

Actual FY11	Actual FY12	Adopted FY13	EXPENDITURES	Proposed FY14	Approved FY14	Adopted FY14
CITY COUNCIL						
10,800	10,738	11,800	REGULAR SALARIES	12,400	12,400	12,400
1,275	1,379	1,400	FRINGE BENEFITS	1,800	1,800	1,800
<u>12,075</u>	<u>12,117</u>	<u>13,200</u>	TOTAL PERSONNEL SERVICES	<u>14,200</u>	<u>14,200</u>	<u>14,200</u>
1,540	2,266	2,000	ATTORNEY SERVICES	4,000	4,000	4,000
875	4,175	4,000	TRAINING PROVIDERS AND REG	4,000	4,000	4,000
833		-	CENTENNIAL EVENT			
-	80	1,400	COMPUTER TECHNOLOGY SERVICES	800	800	800
			PHONE, INTERNET & RADIO COMMUNICATIONS	800	800	800
367	281	500	DUES, MEMBERSHIPS, & PUBLICATIONS	500	500	500
-	91	500	ADVERTISING	500	500	500
133	137	2,000	PRINTING & BINDING	500	500	500
747	1,267	1,500	TRAVEL & MEETING EXPENSE	1,500	1,500	1,500
209	726	500	OFFICE SUPPLIES	500	500	500
-	60	1,000	MAYORS ECONOMIC & COMMUNITY DEVELOPMENT	1,000	1,000	1,000
<u>4,704</u>	<u>9,082</u>	<u>13,400</u>	TOTAL MATERIALS & SERVICES	<u>14,100</u>	<u>14,100</u>	<u>14,100</u>
CAPITAL OUTLAY						
			AUDIO SYSTEM			
1,667	834	6,500	FURNITURE & FIXTURES	2,500	2,500	2,500
<u>1,667</u>	<u>834</u>	<u>6,500</u>	TOTAL CAPITAL OUTLAY	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>
18,446	22,033	33,100	TOTAL CITY COUNCIL	30,800	30,800	30,800
DEPOT BUILDING						
660		200	ATTORNEY SERVICES	250	250	250
337	547	600	WATER UTILITY	600	600	600
809	1,727	850	SEWER UTILITIES	850	850	850
3,427	4,365	6,000	REPAIR & MAINTENANCE SERVICES	5,000	5,000	5,000
420	418	750	PROPERTY AND CASUALTY INSURANCE	575	575	575
2,744	4,313	4,650	ENERGY UTILITIES	5,100	5,100	5,100
4,314	4,409	4,550	PROPERTY TAXES	4,675	4,675	4,675
<u>12,712</u>	<u>15,779</u>	<u>17,600</u>	TOTAL MATERIALS & SERVICES	<u>17,050</u>	<u>17,050</u>	<u>17,050</u>
12,712	15,779	17,600	TOTAL DEPOT BUILDING	17,050	17,050	17,050
COMMUNITY CENTER						
-	483	-	COMPUTER TECHNOLOGY SERVICES	-	-	-
393	399	425	SEWER UTILITIES	425	425	425
422	45	-	DISPOSAL	50	50	50
3,512	3,312	3,500	CUSTODIAL	4,500	4,500	4,500
1,106	2,097	2,000	REPAIR & MAINTENANCE SERVICES	1,500	1,500	1,500
876	895	1,575	PROPERTY AND CASUALTY INSURANCE	1,375	1,375	1,375
-	-	-	PHONE INTERNET & RADIO COMMUNICATIONS	1,550	1,550	1,550
448	1,629	2,000	GENERAL SUPPLIES	2,000	2,000	2,000
3,641	3,496	4,000	ENERGY UTILITIES	3,750	3,750	3,750
4,004	149	200	MISCELLANEOUS	200	200	200
<u>14,403</u>	<u>12,506</u>	<u>13,700</u>	TOTAL MATERIALS & SERVICES	<u>15,350</u>	<u>15,350</u>	<u>15,350</u>
14,403	12,506	13,700	TOTAL COMMUNITY CENTER	15,350	15,350	15,350
MARKET STREET BUILDING						
-	-	-	WATER	-	-	-
189	191	200	SEWER UTILITIES	200	200	200
-	-	200	CUSTODIAL	200	200	200
312	368	2,000	REPAIR & MAINTENANCE SERVICES	1,500	1,500	1,500
322	319	560	PROPERTY AND CASUALTY INSURANCE	425	425	425
157	173	125	GENERAL SUPPLIES	125	125	125
2,656	2,596	2,850	ENERGY UTILITIES	2,650	2,650	2,650
<u>3,636</u>	<u>3,647</u>	<u>5,935</u>	TOTAL MATERIALS & SERVICES	<u>5,100</u>	<u>5,100</u>	<u>5,100</u>
3,636	3,647	5,935	TOTAL MARKET STREET BUILDING	5,100	5,100	5,100



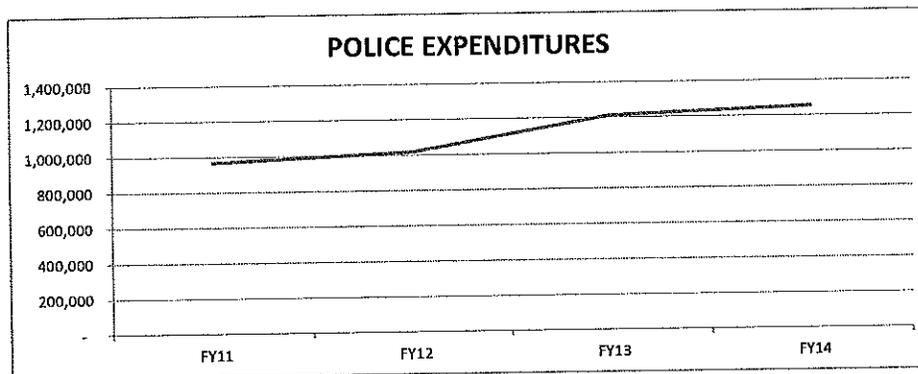
GENERAL FUND

Actual FY11	Actual FY12	Adopted FY13	COMMUNITY DEVELOPMENT EXPENDITURES	Proposed FY14	Approved FY14	Adopted FY14
PERSONNEL SERVICES						
17,355	25,947	42,000	REGULAR SALARIES	68,500	68,500	68,500
-	-	-	OVERTIME	1,000	1,000	1,000
-	-	300	ACCRUED LEAVE PAYOUT	3,000	3,000	3,000
3,270	4,095	10,600	FRINGE BENEFITS	36,600	36,600	36,600
<u>20,625</u>	<u>30,043</u>	<u>52,900</u>	TOTAL PERSONNEL SERVICES	<u>109,100</u>	<u>109,100</u>	<u>109,100</u>
MATERIALS & SERVICES						
61,358	62,019	75,000	BUSINESS CONSULTING SERVICES	75,000	75,000	75,000
429	33	4,000	ATTORNEY SERVICES	6,000	6,000	6,000
-	-	-	LABOR ATTORNEY SERVICES	500	500	500
583	462	650	AUDITOR	650	650	650
-	-	1,500	TRAINING PROVIDERS & REGISTRATIONS	1,500	1,500	1,500
95	713	1,000	ENGINEERING, DESIGN & CONST. MGMT	1,000	1,000	1,000
106	505	500	TECHNICAL SUPPORT SERVICES	600	600	600
-	3,813	-	PUBLIC ARTS SUPPLIES	-	-	-
34,628	40,648	30,000	BUILDING INSPECTION SERVICES	50,000	50,000	50,000
2,768	2,450	7,000	COMPUTER TECHNOLOGY SERVICES	4,000	4,000	4,000
-	-	800	CUSTODIAL	825	825	825
166	166	300	PROPERTY & CASUALTY INSURANCE	650	650	650
-	-	-	PHONE & RADIO COMMUNICATIONS	2,200	2,200	2,200
387	333	500	DUES, MEMBERSHIPS & PUBLICATIONS	500	500	500
1,163	764	1,500	ADVERTISING	1,700	1,700	1,700
1,486	1,347	1,000	PRINTING & BINDING	1,105	1,105	1,105
16	13	1,000	TRAVEL & MEETING EXPENSE	800	800	800
-	-	-	BANKING FEES	1,200	1,200	1,200
-	-	250	GENERAL SUPPLIES	200	200	200
1,156	1,671	2,000	OFFICE SUPPLIES	2,000	2,000	2,000
-	-	-	GASOLINE	500	500	500
639	1,084	1,200	POSTAGE	1,000	1,000	1,000
-	-	100	MISCELLANEOUS	100	100	100
<u>104,979</u>	<u>116,020</u>	<u>128,300</u>	TOTAL MATERIALS & SERVICES	<u>152,030</u>	<u>152,030</u>	<u>152,030</u>
CAPITAL OUTLAY						
-	-	-	COMPUTER HARDWARE/PRINTERS	5,150	5,150	5,150
-	550	1,000	MINOR EQUIPMENT	-	-	-
-	550	1,000	TOTAL CAPITAL OUTLAY	<u>5,150</u>	<u>5,150</u>	<u>5,150</u>
125,603	146,613	182,200	TOTAL COMM. DEVELOPMENT	266,280	266,280	266,280



GENERAL FUND

Actual FY11	Actual FY12	Adopted FY13	POLICE EXPENDITURES	Proposed FY14	Approved FY14	Adopted FY14
PERSONNEL SERVICES						
470,475	504,994	518,000	REGULAR SALARIES	554,000	554,000	554,000
28,975	32,755	51,000	OVERTIME	40,000	40,000	40,000
19,103	23,304	58,000	ACCRUED LEAVE PAYOUTS	53,000	53,000	53,000
<u>218,934</u>	<u>234,527</u>	<u>294,000</u>	FRINGE BENEFITS	<u>318,000</u>	<u>318,000</u>	<u>318,000</u>
737,486	795,580	921,000	TOTAL PERSONNEL SERVICES	965,000	965,000	965,000
MATERIALS & SERVICES						
517	55	1,000	ATTORNEY SERVICES	1,250	1,250	1,250
27,036	-	3,000	LABOR ATTORNEY SERVICES	2,000	2,000	2,000
3,069	2,686	3,350	AUDITOR	3,900	3,900	3,900
3,792	2,717	5,000	TRAINING PROVIDERS & REGISTRATIONS	5,000	5,000	5,000
11,118	11,521	13,000	TECHNICAL SUPPORT SERVICES	14,500	14,500	14,500
-	9,021	500	CONTRACTED PERSONNEL SERVICES	500	500	500
6,006	6,654	16,000	COMPUTER TECHNOLOGY SERVICES	10,500	10,500	10,500
73,467	75,121	77,750	ECSSO	79,775	79,775	79,775
375	377	450	SEWER UTILITIES	500	500	500
90	144	400	DISPOSAL SERVICES	400	400	400
1,781	3,459	2,875	CUSTODIAL	3,900	3,900	3,900
3,190	2,814	6,000	REPAIR & MAINTENANCE SERVICES	6,000	6,000	6,000
22,027	21,606	36,500	PROPERTY AND CASUALTY INSURANCE	36,000	36,000	36,000
12,569	12,608	14,000	PHONE, RADIO, & COMPUTER COMM.	9,000	9,000	9,000
876	1,302	1,200	DUES, MEMBERSHIPS, & PUBLICATIONS	1,200	1,200	1,200
33	95	300	ADVERTISING	550	550	550
2,651	3,410	2,500	PRINTING AND BINDING	3,500	3,500	3,500
3,995	2,371	8,000	TRAVEL & MEETING EXPENSE	8,000	8,000	8,000
-	425	425	BANKING FEES	425	425	425
4,396	7,215	8,750	GENERAL SUPPLIES	9,000	9,000	9,000
2,647	2,916	5,000	OFFICE SUPPLIES	4,700	4,700	4,700
6,570	6,470	8,000	ENERGY UTILITIES	8,000	8,000	8,000
12,110	12,241	11,000	VEHICLE REPAIR & MAINTENANCE	12,000	12,000	12,000
19,863	23,097	25,000	GASOLINE	26,000	26,000	26,000
1,353	1,014	1,500	POSTAGE	1,600	1,600	1,600
6,341	3,168	9,000	UNIFORMS	9,000	9,000	9,000
2,608	939	3,000	AMMUNITION	3,250	3,250	3,250
-	3,639	5,000	SAFETY EQUIPMENT	5,000	5,000	5,000
<u>1,331</u>	<u>1,059</u>	<u>500</u>	MISCELLANEOUS	<u>500</u>	<u>500</u>	<u>500</u>
229,811	218,144	269,000	TOTAL MATERIALS & SERVICES	265,950	265,950	265,950
CAPITAL OUTLAY						
-	950	4,550	MINOR EQUIPMENT	9,500	9,500	9,500
-	2,088		FURNITURE & FIXTURES			
-	<u>1,043</u>	<u>16,000</u>	COMPUTER HARDWARE / SOFTWARE	<u>14,000</u>	<u>14,000</u>	<u>14,000</u>
-	4,081	20,550	TOTAL CAPITAL OUTLAY	23,500	23,500	23,500
967,297	1,017,805	1,210,550	TOTAL POLICE	1,254,450	1,254,450	1,254,450



GENERAL FUND

Actual FY11	Actual FY112	Adopted FY13	EXPENDITURES	Proposed FY14	Approved FY14	Adopted FY14
			NON-DEPARTMENTAL			
5,600	5,800	6,350	TO WEST VALLEY VIEW DEBT SERVICE	6,450	6,450	6,450
18,500	27,049		TRANSFER TO CIP - GENERAL FUND			
-		2,500	NEW COMMUNITY CENTER CC454	75,000	75,000	75,000
-		2,500	CITY HALL BLDG MAINT RESERVE CC 909	2,500	2,500	2,500
-		2,500	POLICE DEPT BLDG MAINT RESERVE CC 910	2,500	2,500	2,500
-		2,500	COMMUNITY CENTER REPAIR RESERVE CC 906	2,500	2,500	2,500
-		10,000	SOFTWARE PROGRAM CC907	50,000	50,000	50,000
-		12,500	POLICE DEPT VEHICLE RESERVE CC 905	20,000	20,000	20,000
-	-	571	COMMUNITY DEV TECHNOLOGY RESERVE CC 908	-	-	-
<u>24,100</u>	<u>32,849</u>	<u>36,921</u>	TOTAL INTERFUND TRANSFERS OUT	<u>158,950</u>	<u>158,950</u>	<u>158,950</u>
		397,500	CONTINGENCY	346,100	346,100	346,100
-	-	81,244	UNAPPROPRIATED ENDING FUND BALANCE	<u>138,450</u>	<u>138,450</u>	<u>138,450</u>
-	-	478,744	TOTAL CONTINGENCY	<u>484,550</u>	<u>484,550</u>	<u>484,550</u>
24,100	32,849	515,665	TOTAL NON-DEPARTMENTAL	643,500	643,500	643,500
2,489,391	2,736,337	2,502,875	TOTAL GENERAL FUND REVENUE	2,791,800	2,791,800	2,791,800
1,656,357	1,715,186	2,502,875	TOTAL GENERAL FUND EXPENDITURES	2,791,800	2,791,800	2,791,800

**City of Talent
2013-14 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 current fee level is projected to support the increased library hours of operation through fiscal year 2016.

The Council entered into an agreement with Jackson County Commissioners to provide this enhanced service that the City pays for on a monthly basis. The fee for the enhanced service from July 2013-June 2014 is \$5,722 per month. This rate increases by 3% annually. The fee to Jackson County is paid at the end of each month for services rendered in the following month.

The City remains willing to work with the counties and other cities within the region to develop a long term solution to the funding for all of the Jackson County libraries.

**LIBRARY OPERATIONS FUND
FISCAL YEAR 2013-14**

**REVENUE SUMMARY
BY CATEGORY**

Actual FY 11	Actual FY12	Adopted FY13		Proposed FY14	Approved FY14	Adopted FY14
66,766	67,125	66,500	CHARGES FOR SERVICES	66,500	66,500	66,500
67	61	50	MISCELLANEOUS	50	50	50
-	-	-	INTERFUND TRANSFERS IN	-	-	-
<u>13,163</u>	<u>14,084</u>	<u>16,500</u>	FUND BALANCE	<u>17,500</u>	<u>17,500</u>	<u>17,500</u>
79,996	81,270	83,050	GRAND TOTAL REVENUE	84,050	84,050	84,050
-	-	-	Less Interfund Transfers In	-	-	-
79,996	81,270	83,050	NET TOTAL REVENUE	84,050	84,050	84,050

**EXPENDITURE SUMMARY
BY CATEGORY**

Actual FY 11	Actual FY12	Adopted FY13		Proposed FY14	Approved FY14	Adopted FY14
-	-	-	PERSONNEL SERVICES	-	-	-
63,141	64,879	67,100	MATERIALS & SERVICES	69,080	69,080	69,080
-	-	-	CAPITAL OUTLAY	-	-	-
-	-	-	CAPITAL CONSTRUCTION	-	-	-
-	-	-	DEBT SERVICE	-	-	-
2,771	-	-	INTERFUND TRANSFERS OUT	-	-	-
-	-	6,700	CONTINGENCY	10,350	10,350	10,350
-	-	9,250	UNAPPROPRIATED END FUND BALANCE	<u>4,620</u>	<u>4,620</u>	<u>4,620</u>
65,912	64,879	83,050	TOTAL EXPENDITURES	84,050	84,050	84,050
2,771	-	-	Less Interfund Transfers Out	-	-	-
63,141	64,879	83,050	NET TOTAL EXPENSES	84,050	84,050	84,050

LIBRARY OPERATIONS FUND

Actual FY 11	Actual FY12	Adopted FY13	REVENUES	Proposed FY14	Approved FY14	Adopted FY14
13,163	14,084	16,500	FUND BALANCE - COMMITTED	17,500	17,500	17,500
66,766	67,125	66,500	LIBRARY SURCHARGE	66,500	66,500	66,500
46	62	50	INTEREST EARNINGS	50	50	50
-	-	-	DONATIONS	-	-	-
21	(1)	-	MISC. REFUND & REIMBURSEMENTS	-	-	-
<u>79,996</u>	<u>81,270</u>	<u>83,050</u>	TOTAL GENERAL REVENUES	<u>84,050</u>	<u>84,050</u>	<u>84,050</u>
79,996	81,270	83,050	TOTAL FUND REVENUES	84,050	84,050	84,050

LIBRARY OPERATIONS FUND

Actual FY 11	Actual FY12	Adopted FY13	EXPENDITURES	Proposed FY14	Approved FY14	Adopted FY14
63,141	64,879	66,825	TECHNICAL SUPPORT SERVICES	68,830	68,830	68,830
-	-	-	COMPUTER TECHNOLOGY SERVICES	-	-	-
-	-	275	MISCELLANEOUS	250	250	250
<u>63,141</u>	<u>64,879</u>	<u>67,100</u>	TOTAL MATERIALS & SERVICES	<u>69,080</u>	<u>69,080</u>	<u>69,080</u>
63,141	64,879	67,100	TOTAL EXPENDITURES	69,080	69,080	69,080
2,771	-	-	TRANSFERS OUT TO GENERAL FUND	-	-	-
<u>2,771</u>	<u>-</u>	<u>-</u>	TOTAL TRANSFERS OUT	<u>-</u>	<u>-</u>	<u>-</u>
-	-	6,700	CONTINGENCY	10,350	10,350	10,350
-	-	9,250	UNAPPROPRIATED ENDING FUND BALANCE	4,620	4,620	4,620
<u>-</u>	<u>-</u>	<u>15,950</u>	TOTAL UNALLOCATED FUNDS	<u>14,970</u>	<u>14,970</u>	<u>14,970</u>
79,996	81,270	83,050	Total Library Operations Revenue	84,050	84,050	84,050
65,912	64,879	83,050	Total Library Operations Expenditures	84,050	84,050	84,050

PARKS FUND
FISCAL YEAR 2013-14

REVENUE SUMMARY
BY CATEGORY

Actual FY11	Actual FY12	Adopted FY13		Proposed FY14	Approved FY14	Adopted FY14
4,703	5,160	3,000	LICENSES, PERMITS & FEES	5,000	5,000	5,000
3,130	3,312	2,500	INTERGOVERNMENTAL	3,000	3,000	3,000
105,139	105,968	104,000	CHARGES FOR SERVICES	105,000	105,000	105,000
5,065	4,089	10,000	PROGRAM FEES	4,000	4,000	4,000
6,281	6,068	1,500	MISCELLANEOUS	2,500	2,500	2,500
-	-	-	INTERFUND TRANSFERS IN	-	-	-
<u>90,358</u>	<u>127,763</u>	<u>87,000</u>	FUND BALANCE	<u>97,000</u>	<u>97,000</u>	<u>97,000</u>
214,675	252,359	208,000	GRAND TOTAL REVENUE	216,500	216,500	216,500
-	-	-	Less Interfund Transfers In	-	-	-
214,675	252,359	208,000	NET TOTAL REVENUE	216,500	216,500	216,500

EXPENDITURE SUMMARY
BY CATEGORY

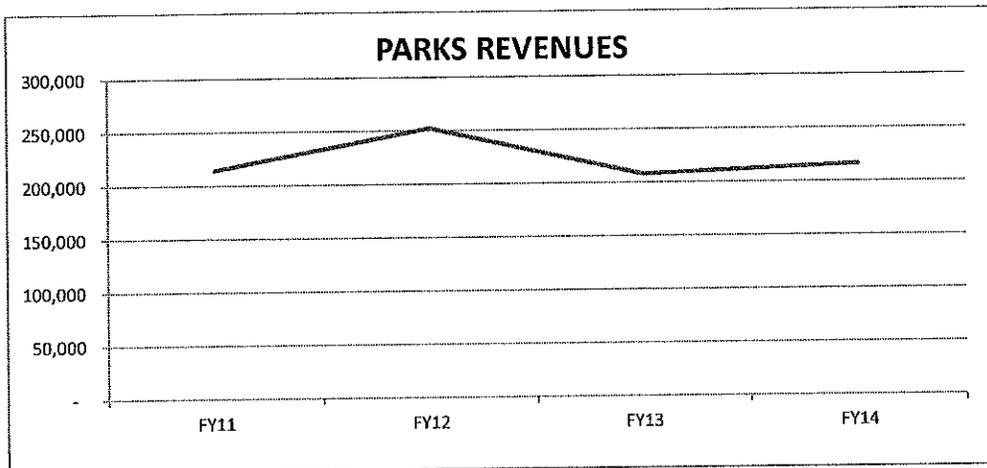
Actual FY11	Actual FY12	Adopted FY13		Proposed FY14	Approved FY14	Adopted FY14
63,298	80,673	109,800	PERSONNEL SERVICES	113,700	113,700	113,700
23,614	49,051	64,415	MATERIALS & SERVICES	57,710	57,710	57,710
-	445	1,000	CAPITAL OUTLAY	5,000	5,000	5,000
-	-	-	CAPITAL CONSTRUCTION	-	-	-
-	-	-	DEBT SERVICE	-	-	-
-	10,000	10,000	INTERFUND TRANSFERS OUT	4,000	4,000	4,000
-	-	-	RESERVES	-	-	-
-	-	22,785	CONTINGENCY	27,065	27,065	27,065
-	-	-	UNAPPROPRIATED END FUND BAL	<u>9,025</u>	<u>9,025</u>	<u>9,025</u>
86,912	140,169	208,000	GRAND TOTAL EXPENDITURES	216,500	216,500	216,500
-	10,000	10,000	Less Interfund Transfers Out	4,000	4,000	4,000
86,912	130,169	198,000	NET TOTAL EXPENSES	212,500	212,500	212,500

NOTE:
RECREATION PROGRAM ONLY

REVENUE						
7,082	5,554	11,500	PROGRAM FEES	4,000	4,000	4,000
<u>2,578</u>	<u>2,590</u>	<u>-</u>	MISCELLANEOUS	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>
9,660	8,144	11,500	TOTAL REVENUE	6,500	6,500	6,500
EXPENSES						
9,003	11,050	16,000	PERSONNEL SERVICES	13,000	13,000	13,000
<u>4,387</u>	<u>3,165</u>	<u>9,680</u>	MATERIALS & SERVICES	<u>7,210</u>	<u>7,210</u>	<u>7,210</u>
13,390	14,215	25,680	TOTAL EXPENDITURES	20,210	20,210	20,210

PARKS FUND

Actual FY11	Actual FY12	Adopted FY13	REVENUES	Proposed FY14	Approved FY14	Adopted FY14
90,358	127,763	87,000	FUND BALANCE - COMMITTED	97,000	97,000	97,000
3,130	3,312	2,500	INTERGOVERNMENTAL REVENUE	3,000	3,000	3,000
4,703	5,160	3,000	TRANSIENT ROOM TAX	5,000	5,000	5,000
(180)			FILL CHARGE REVENUE	-	-	-
105,319	105,968	104,000	PARKS UTILITY FEE	105,000	105,000	105,000
332	451		INTEREST EARNINGS	-	-	-
175	926		DONATIONS	-	-	-
-			PARK RENTAL FEES	-	-	-
-			TRANSFER IN FROM GENERAL FUND	-	-	-
7	9		PENNIES FOR PARKS	-	-	-
1,172	626	-	MISC REFUNDS & REIMBURSEMENTS	-	-	-
<u>205,015</u>	<u>244,214</u>	<u>196,500</u>	TOTAL GENERAL REVENUES	<u>210,000</u>	<u>210,000</u>	<u>210,000</u>
5,065	4,089	10,000	PROGRAM FEES	4,000	4,000	4,000
2,017	1,466	1,500	H FESTIVAL RUN	1,500	1,500	1,500
-	2,470		DONATIONS - PROGRAMS	1,000	1,000	1,000
2,578	120	-	PROGRAM FUNDRAISERS	-	-	-
<u>9,660</u>	<u>8,144</u>	<u>11,500</u>	TOTAL PROGRAM REVENUES	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>
214,675	252,359	208,000	TOTAL FUND REVENUES	216,500	216,500	216,500



PARKS FUND

Actual FY11	Actual FY12	Adopted FY13	EXPENDITURES	Proposed FY14	Approved FY14	Adopted FY14
PERSONNEL SERVICES - PROGRAMS						
7,473	8,888	12,000	REGULAR SALARIES	9,000	9,000	9,000
-	-	-	OVERTIME	-	-	-
-	-	-	ACCRUED LEAVE PAYOUTS	-	-	-
1,530	2,162	4,000	FRINGE BENEFITS	4,000	4,000	4,000
9,003	11,050	16,000	TOTAL PERSONNEL SERVICES	13,000	13,000	13,000
MATERIALS & SERVICES - PROGRAMS						
242	-	200	ATTORNEY SERVICES	200	200	200
-	71	85	AUDITOR	85	85	85
1,881	1,310	2,000	TRAINING PROVIDERS & REGISTRATIONS	2,000	2,000	2,000
302	200	300	TECHICAL SUPPORT SERVICES	500	500	500
1,123	-	-	FUND RAISING EVENTS	-	-	-
-	-	1,000	SCHOLARSHIPS FOR PROGRAMS	-	-	-
-	30	3,000	COMPUTER TECHNOLOGY SERVICES	1,000	1,000	1,000
-	-	500	RENTAL OF EQUIPMENT & VEHICLES	500	500	500
80	69	125	PROPERTY & CASUALTY INSURANCE	425	425	425
-	-	370	PHONE, INTERNET & RADIO	600	600	600
700	550	1,000	ADVERTISING	750	750	750
-	325	100	PRINTING & BINDING	400	400	400
59	609	1,000	GENERAL SUPPLIES	750	750	750
4,387	3,165	9,680	TOTAL MATERIALS & SERVICES	7,210	7,210	7,210
13,390	14,215	25,680	TOTAL EXPENDITURES - PROGRAMS	20,210	20,210	20,210
PERSONNEL SERVICES - MAINTENANCE						
32,584	44,329	55,600	REGULAR SALARIES	58,400	58,400	58,400
2,846	3,547	4,100	OVERTIME	4,100	4,100	4,100
1,543	352	3,600	ACCRUED LEAVE PAYOUTS	3,000	3,000	3,000
17,323	21,395	30,500	FRINGE BENEFITS	35,200	35,200	35,200
54,295	69,623	93,800	TOTAL PERSONNEL SERVICES	100,700	100,700	100,700
MATERIALS & SERVICES - MAINTENANCE						
292	8,647	8,500	BUSINESS CONSULTING SERVICES	5,775	5,775	5,775
22	-	1,000	ATTORNEY SERVICES	1,000	1,000	1,000
-	-	500	LABOR ATTORNEY SERVICES	500	500	500
506	413	510	AUDITOR	550	550	550
45	45	150	TRAINING PROVIDERS & REGISTRATIONS	125	125	125
-	1,391	1,625	ENGINEERING, DESIGN & CONST MGMT	1,000	1,000	1,000
106	100	500	TECHICAL SUPPORT SERVICES	200	200	200
2,685	3,035	6,000	CONTRACTED PERSONNEL SERVICES	9,000	9,000	9,000
745	980	3,000	COMPUTER TECHNOLOGY SERVICES	1,000	1,000	1,000
1,252	1,258	1,400	SEWER UTILITIES	1,300	1,300	1,300
1,767	1,767	2,000	DISPOSAL SERVICES	2,500	2,500	2,500
-	-	-	CUSTODIAL	800	800	800
-	900	2,000	LAWN & TREE CARE	2,000	2,000	2,000
2,951	9,798	9,000	REPAIR & MAINTENANCE SERVICES	6,000	6,000	6,000
1,347	1,859	3,200	PROPERTY & CASUALTY INSURANCE	2,500	2,500	2,500
-	-	-	PHONE, INTERNET AND RADIO	1,300	1,300	1,300
-	-	300	ADVERTISING	500	500	500
-	-	100	PRINTING & BINDING	250	250	250
4,728	12,638	11,000	GENERAL SUPPLIES	11,000	11,000	11,000
-	-	100	OFFICE SUPPLIES	100	100	100
2,292	2,709	2,300	ENERGY UTILITIES	2,000	2,000	2,000
489	346	1,200	GASOLINE	1,000	1,000	1,000
-	-	350	MISCELLANEOUS	100	100	100
19,227	45,886	54,735	TOTAL MATERIALS & SERVICES	50,500	50,500	50,500
73,522	115,509	148,535	TOTAL EXPENDITURES - MAINTENANCE	151,200	151,200	151,200

Actual FY11	Actual FY12	Adopted FY13	CAPITAL OUTLAY	Proposed FY14	Approved FY14	Adopted FY14
-	445	-	FURNITURE & FIXTURES	2,500	2,500	2,500
-	-	1,000	COMPUTER HARDWARE/PRINTERS	2,500	2,500	2,500
-	445	1,000	MINOR EQUIPMENT	-	-	-
-	445	1,000	TOTAL CAPITAL OUTLAY	5,000	5,000	5,000
-	10,000	-	TRANSFERS OUT TO CIP FUND	-	-	-
-	-	10,000	CHUCK ROBERTS PARK SPLASHPAD CC455	4,000	4,000	4,000
-	10,000	10,000	PARKS LAND ACQUISTION CC802	-	-	-
-	10,000	10,000	TOTAL TRANSFERS OUT	4,000	4,000	4,000
-	-	22,785	CONTINGENCY	27,065	27,065	27,065
-	-	-	UNAPPROPRIATED ENDING FUND BALANCE	9,025	9,025	9,025
-	-	22,785	TOTAL UNALLOCATED FUNDS	36,090	36,090	36,090
214,675	252,359	208,000	Total Parks Revenue	216,500	216,500	216,500
86,912	140,169	208,000	Total Parks Expenditures	216,500	216,500	216,500

STREET FUND
FISCAL YEAR 2013-14

REVENUE SUMMARY
BY CATEGORY

Actual FY11	Actual FY12	Adopted FY13		Proposed FY14	Approved FY14	Adopted FY14
597	8,776	1,000	LICENSES, PERMITS & FEES	1,000	1,000	1,000
309,824	327,892	321,000	INTERGOVERNMENTAL	329,000	329,000	329,000
207,624	216,187	210,000	CHARGES FOR SERVICES	210,000	210,000	210,000
-	-	-	PROGRAM FEES	-	-	-
2,264	3,493	1,500	MISCELLANEOUS	1,500	1,500	1,500
-	-	-	INTERFUND TRANSFERS IN	-	-	-
413,693	483,481	535,000	FUND BALANCE	400,000	400,000	400,000
934,003	1,039,830	1,068,500	GRAND TOTAL REVENUE	941,500	941,500	941,500
-	-	-	Less Interfund Transfers In	-	-	-
934,003	1,039,830	1,068,500	NET TOTAL REVENUE	941,500	941,500	941,500

EXPENDITURE SUMMARY
BY CATEGORY

Actual FY11	Actual FY12	Adopted FY13		Proposed FY14	Approved FY14	Adopted FY14
108,027	119,443	197,750	PERSONNEL SERVICES	204,000	204,000	204,000
183,287	177,385	213,450	MATERIALS & SERVICES	193,450	193,450	193,450
1,475	14,677	1,000	CAPITAL OUTLAY	2,000	2,000	2,000
-	-	-	CAPITAL CONSTRUCTION	-	-	-
-	-	-	DEBT SERVICE	-	-	-
157,732	155,000	393,600	INTERFUND TRANSFERS OUT	385,083	385,083	385,083
-	-	-	RESERVES	-	-	-
-	-	82,450	CONTINGENCY	117,700	117,700	117,700
-	-	180,250	UNAPPROPRIATED END FUND BALANCE	39,267	39,267	39,267
450,521	466,504	1,068,500	TOTAL EXPENDITURES	941,500	941,500	941,500
157,732	155,000	393,600	Less Interfund Transfers Out	385,083	385,083	385,083
292,789	311,504	674,900	NET TOTAL EXPENSES	556,417	556,417	556,417

STREET FUND

Actual FY11	Actual FY12	Adopted FY13	REVENUES	Proposed FY14	Approved FY14	Adopted FY14
413,693	483,481	535,000	FUND BALANCE - COMMITTED	400,000	400,000	400,000
597	8,776	1,000	ENCROACHMENT PERMITS	1,000	1,000	1,000
309,824	327,892	321,000	MOTOR FUEL TAX	329,000	329,000	329,000
159,702	159,566	160,000	STREET UTILITY FEE	160,000	160,000	160,000
47,922	56,621	50,000	STORM DRAIN UTILITY FEE	50,000	50,000	50,000
-	-	-	SALE OF ASSETS	-	-	-
843	1,504	-	MISCELLANEOUS REFUNDS AND INSURANCE CLAIM PROCEEDS	-	-	-
-	-	-	INTEREST EARNINGS	1,500	1,500	1,500
<u>1,421</u>	<u>1,989</u>	<u>1,500</u>				
934,003	1,039,830	1,068,500	TOTAL REVENUES & OTHER RESOURCES	941,500	941,500	941,500

STREET FUND

Actual FY11	Actual FY12	Adopted FY13	EXPENDITURES	Proposed FY14	Approved FY14	Adopted FY14
			PERSONNEL SERVICES			
68,124	77,915	122,500	REGULAR SALARIES	119,000	119,000	119,000
3,453	3,474	3,500	OVERTIME	3,500	3,500	3,500
2,646	1,756	6,000	ACCRUED LEAVE PAYOUTS	8,000	8,000	8,000
<u>33,804</u>	<u>36,297</u>	<u>65,750</u>	FRINGE BENEFITS	<u>73,500</u>	<u>73,500</u>	<u>73,500</u>
108,027	119,443	197,750	TOTAL PERSONNEL SERVICES	204,000	204,000	204,000
			MATERIALS & SERVICES			
32,298	15,989	6,000	BUSINESS CONSULTING SERVICES	6,000	6,000	6,000
704	-	2,500	ATTORNEY SERVICES	2,500	2,500	2,500
12,989	-	2,500	LABOR ATTORNEY SERVICES	1,200	1,200	1,200
1,584	1,913	2,800	AUDITOR	2,150	2,150	2,150
438	248	800	TRAINING PROVIDERS AND REGISTRATIONS	800	800	800
18,416	29,308	18,000	ENGINEERING, DESIGN & CONSULTING	18,000	18,000	18,000
4,829	5,239	12,000	TECHICAL SUPPORT SERVICES	12,000	12,000	12,000
5,370	5,726	6,000	CONTRACTED PERSONNEL SERVICES	6,000	6,000	6,000
5,154	3,037	6,100	COMPUTER TECHNOLOGY SERVICES	2,500	2,500	2,500
-	-	-	GIS UPKEEP AND MAINTENANCE	-	-	-
511	464	550	DISPOSAL SERVICES	600	600	600
1,693	1,255	1,700	CUSTODIAL	800	800	800
-	-	3,000	LAWN & TREE CARE	3,000	3,000	3,000
17,342	25,805	40,000	REPAIR & MAINTENANCE SERVICE	39,500	39,500	39,500
-	259	1,000	RENTAL OF EQUIPMENT & VEHICLES	1,000	1,000	1,000
9,717	7,658	12,800	PROPERTY AND CASUALTY INSURANCE	13,000	13,000	13,000
6,089	5,816	1,500	PHONE AND RADIO COMMUNICATIONS	2,800	2,800	2,800
1,824	1,278	2,800	DUES, MEMBERSHIPS & PUBLICATIONS	2,000	2,000	2,000
490	189	500	ADVERTISING	500	500	500
1,395	1,100	1,500	PRINTING & BINDING	1,500	1,500	1,500
300	490	1,700	TRAVEL & MEETING EXPENSE	1,000	1,000	1,000
16,141	22,942	25,000	GENERAL SUPPLIES	25,000	25,000	25,000
125	553	500	OFFICE SUPPLIES	700	700	700
38,277	39,464	50,000	ENERGY UTILITIES	40,000	40,000	40,000
5,097	5,629	9,000	GASOLINE	6,500	6,500	6,500
660	508	1,000	POSTAGE	800	800	800
1,635	1,883	2,400	UNIFORMS	2,000	2,000	2,000
210	631	1,700	SAFETY EQUIPMENT	1,500	1,500	1,500
-	-	100	MISCELLANEOUS	100	100	100
<u>183,287</u>	<u>177,385</u>	<u>213,450</u>	TOTAL MATERIALS & SERVICES	<u>193,450</u>	<u>193,450</u>	<u>193,450</u>

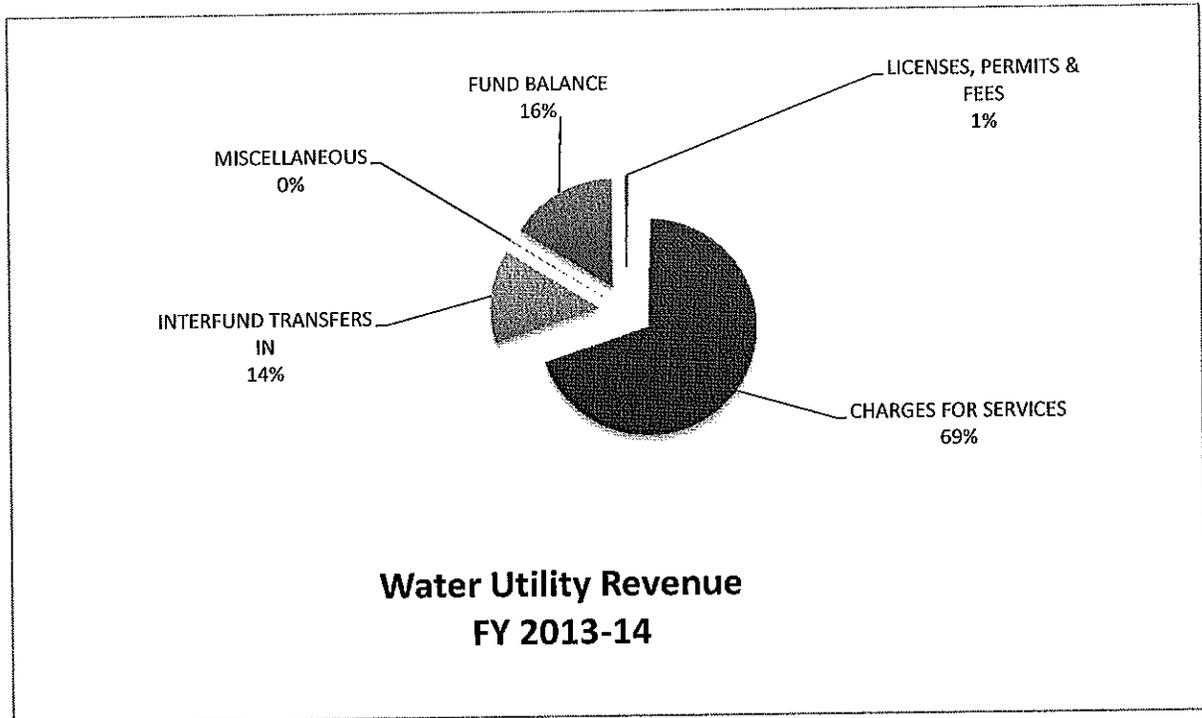
STREET FUND

Actual FY11	Actual FY12	Adopted FY13		Proposed FY14	Approved FY14	Adopted FY14
			CAPITAL OUTLAY			
1,475	13,957	1,000	MINOR EQUIPMENT	1,000	1,000	1,000
-	720	-	COMPUTER HARDWARE / SOFTWARE	1,000	1,000	1,000
<u>1,475</u>	<u>14,677</u>	<u>1,000</u>	TOTAL CAPITAL OUTLAY	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
			TRANSFERS OUT			
			TO GENERAL FUND			
			TO CIP FUND			
-	-	10,000	SIDEWALK IMPROVE. CC432			
-	-	83,600	N FRONT STREET IMPROVE. CC450	36,500	36,500	36,500
-	-	300,000	HWY 99 STREET IMPROVE. CC 451	100,000	100,000	100,000
			LITHIA WAY IMPROVEMENTS CC452	59,800	59,800	59,800
			RAPP ROAD IMPROVEMENTS CC453	103,550	103,550	103,550
	150,000	-	GIBSON STREET IMPROVEMENTS CC437	85,233	85,233	85,233
136,982	5,000	-	ARNOS STREET IMPROVEMENTS CC 444	-	-	-
<u>20,750</u>	<u>-</u>	<u>-</u>	TALENT AVENUE SIDEWALK CC446	<u>-</u>	<u>-</u>	<u>-</u>
<u>157,732</u>	<u>155,000</u>	<u>393,600</u>	TOTAL TRANSFERS OUT	<u>385,083</u>	<u>385,083</u>	<u>385,083</u>
			UNALLOCATED FUNDS			
-	-	82,450	CONTINGENCY	117,700	117,700	117,700
-	-	180,250	UNAPPROPRIATED ENDING FUND BALANCE	<u>39,267</u>	<u>39,267</u>	<u>39,267</u>
<u>-</u>	<u>-</u>	<u>262,700</u>	TOTAL UNALLOCATED FUNDS	<u>156,967</u>	<u>156,967</u>	<u>156,967</u>
934,003	1,039,830	1,068,500	Total Street Revenues	941,500	941,500	941,500
450,521	466,504	1,068,500	Total Street Expenditures	941,500	941,500	941,500

**WATER FUND
FISCAL YEAR 2013-14**

**REVENUE SUMMARY
BY CATEGORY**

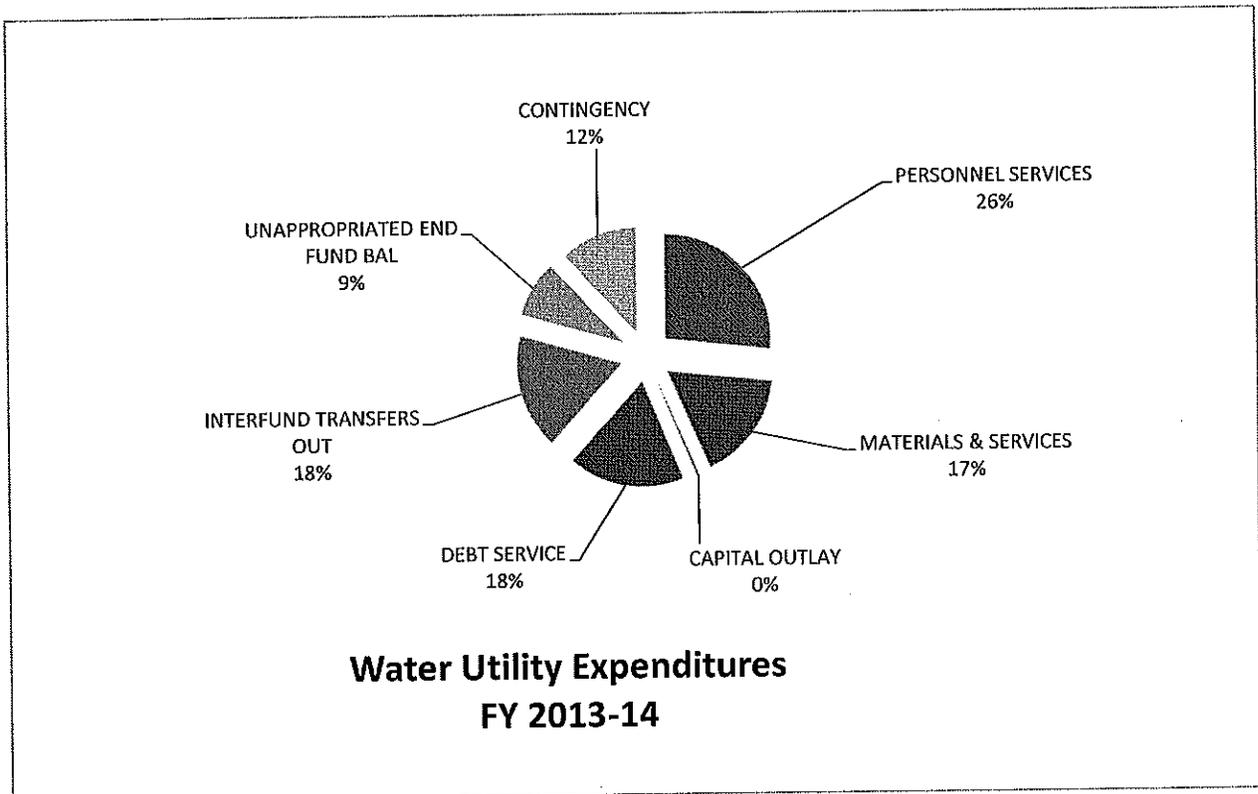
Actual FY11	Actual FY12	Adopted FY13	REVENUES	Proposed FY14	Approved FY14	Adopted FY14
12,000	8,887	8,000	LICENSES, PERMITS & FEES	8,000	8,000	8,000
-	-	-	INTERGOVERNMENTAL	-	-	-
1,185,941	1,186,581	1,160,500	CHARGES FOR SERVICES	1,190,500	1,190,500	1,190,500
-	-	-	PROGRAM FEES	-	-	-
2,218	2,172	1,500	MISCELLANEOUS	1,500	1,500	1,500
8,000	3,600	1,700	INTERFUND TRANSFERS IN	238,800	238,800	238,800
<u>409,998</u>	<u>322,367</u>	<u>221,000</u>	FUND BALANCE	<u>275,000</u>	<u>275,000</u>	<u>275,000</u>
1,618,157	1,523,608	1,392,700	GRAND TOTAL REVENUE	1,713,800	1,713,800	1,713,800
8,000	3,600	1,700	Less Interfund Transfers In	238,800	238,800	238,800
1,610,157	1,520,008	1,391,000	NET TOTAL REVENUE	1,475,000	1,475,000	1,475,000



**WATER FUND
FISCAL YEAR 2013-14**

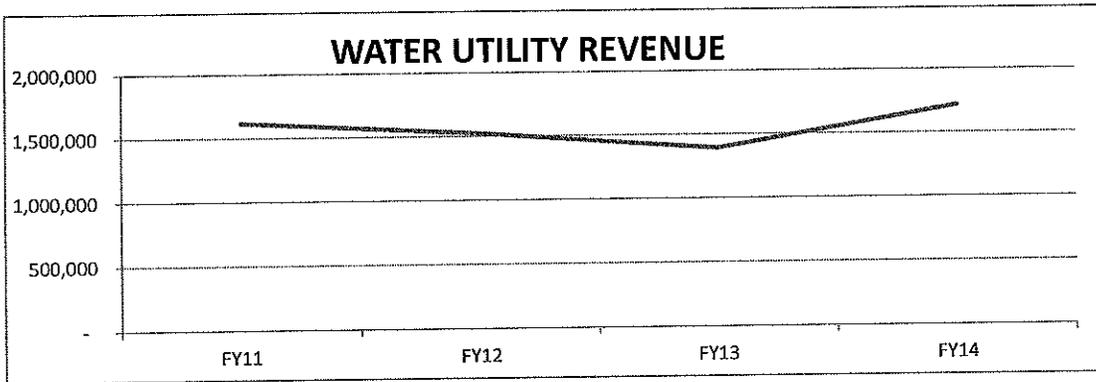
**EXPENDITURE SUMMARY
BY CATEGORY**

Actual FY11	Actual FY12	Adopted FY13		Proposed FY14	Approved FY14	Adopted FY14
401,151	440,806	442,750	PERSONNEL SERVICES	456,500	456,500	456,500
298,389	262,837	305,150	MATERIALS & SERVICES	286,770	286,770	286,770
11,411	10,173	3,000	CAPITAL OUTLAY	6,500	6,500	6,500
-	-	-	CAPITAL CONSTRUCTION	-	-	-
302,560	302,560	302,565	DEBT SERVICE	307,500	307,500	307,500
282,279	230,657	208,475	INTERFUND TRANSFERS OUT	302,885	302,885	302,885
-	-	-	RESERVES	-	-	-
-	-	130,760	CONTINGENCY	204,025	204,025	204,025
-	-	-	UNAPPROPRIATED END FUND BALANCE	149,620	149,620	149,620
<u>1,295,790</u>	<u>1,247,033</u>	<u>1,392,700</u>	GRAND TOTAL EXPENDITURES	<u>1,713,800</u>	<u>1,713,800</u>	<u>1,713,800</u>
282,279	230,657	208,475	Less Interfund Transfers Out	302,885	302,885	302,885
1,013,511	1,016,376	1,184,225	NET TOTAL EXPENSES	1,410,915	1,410,915	1,410,915



WATER UTILITY FUND

Actual FY11	Actual FY12	Adopted FY13	REVENUES	Proposed FY14	Approved FY14	Adopted FY14
409,998	322,367	221,000	FUND BALANCE - COMMITTED	275,000	275,000	275,000
124	478	500	COMMERCIAL WATER SALES	500	500	500
1,185,817	1,186,104	1,160,000	WATER REVENUE	1,190,000	1,190,000	1,190,000
12,000	8,887	8,000	NEW CONNECTIONS	8,000	8,000	8,000
-		-	RENTAL INCOME	-	-	-
267		-	SALE OF ASSETS	-	-	-
-		-	INSURANCE CLAIM PROCEEDS	-	-	-
741	1,032	-	MISC REFUNDS & REIMBURSEMENTS	-	-	-
8,000	3,600	1,700	FROM WATER DEBT SERVICE RESERVE	238,800	238,800	238,800
1,211	1,140	1,500	INTEREST EARNINGS	1,500	1,500	1,500
<u>1,618,157</u>	<u>1,523,608</u>	<u>1,392,700</u>	TOTAL REVENUE & RESOURCES	<u>1,713,800</u>	<u>1,713,800</u>	<u>1,713,800</u>



WATER UTILITY FUND

Actual FY11	Actual FY12	Adopted FY13	EXPENDITURES	Proposed FY14	Approved FY14	Adopted FY14
PERSONNEL SERVICES						
267,745	296,379	271,000	REGULAR SALARIES	271,000	271,000	271,000
5,496	5,791	8,500	OVERTIME	10,000	10,000	10,000
5,365	3,701	15,000	ACCRUED LEAVE PAYOUTS	13,500	13,500	13,500
<u>122,545</u>	<u>134,935</u>	<u>148,250</u>	FRINGE BENEFITS	<u>162,000</u>	<u>162,000</u>	<u>162,000</u>
401,151	440,806	442,750	TOTAL PERSONNEL SERVICES	456,500	456,500	456,500
MATERIALS & SERVICES						
41,016	26,269	19,700	BUSINESS CONSULTING	29,225	29,225	29,225
759		2,500	ATTORNEY SERVICES	2,500	2,500	2,500
13,992		2,500	LABOR ATTORNEY SERVICES	500	500	500
3,618	4,050	6,400	AUDITOR	4,500	4,500	4,500
1,300	1,688	1,800	TRAINING PROVIDERS AND REGISTRATIONS	1,800	1,800	1,800
19,613	14,291	13,000	ENGINEERING, DESIGN & CONST MGMT	8,000	8,000	8,000
6,594	4,130	8,000	TECHNICAL SUPPORT SERVICES	8,000	8,000	8,000
7,563	5,182	6,000	CONTRACTED PERSONAL SERVICES	1,000	1,000	1,000
8,467	6,725	14,000	COMPUTER TECHNOLOGY SERVICES	6,500	6,500	6,500
1,000		-	GIS UPKEEP & MAINTENANCE	-	-	-
-	130	150	TID ASSESSMENT	100	100	100
302	304	400	SEWER UTILITIES	350	350	350
379	379	550	DISPOSAL SERVICES	550	550	550
1,693	1,255	1,400	CUSTODIAL	800	800	800
12,081	14,171	25,000	REPAIR & MAINENANCE SERVICES	20,000	20,000	20,000
25,382	23,523	26,000	LOST CREEK WATER STORAGE MAINT CONT	29,200	29,200	29,200
-		1,500	RENTAL OF EQUIPMENT & VEHICLES	500	500	500
4,265	5,017	8,400	PROPERTY AND CASUALTY INSURANCE	11,000	11,000	11,000
6,089	5,816	4,200	PHONE & RADIO COMMUNICATIONS	3,000	3,000	3,000
3,600	2,830	2,000	DUES, MEMBERSHIPS & PUBLICATIONS	2,000	2,000	2,000
213	189	500	ADVERTISING	500	500	500
1,395	1,100	4,000	PRINTING & BINDING (FLASH)	2,000	2,000	2,000
1,407	760	2,500	TRAVEL & MEETING EXPENSE	1,000	1,000	1,000
1,063	1,355	1,500	BANKING FEES	2,500	2,500	2,500
25,722	29,802	30,000	GENERAL SUPPLIES	30,000	30,000	30,000
3,321	3,935	5,000	OFFICE SUPPLIES	4,000	4,000	4,000
32,360	37,157	39,000	ENERGY UTILITIES	40,500	40,500	40,500
5,762	5,629	9,000	GASOLINE	6,000	6,000	6,000
8,194	6,523	8,000	POSTAGE	8,500	8,500	8,500
1,635	1,883	2,500	UNIFORMS	1,600	1,600	1,600
59,085	58,745	58,000	IN LIEU OF FRANCHISE FEE PAYMENT	59,500	59,500	59,500
434		1,500	SAFETY EQUIPMENT	1,000	1,000	1,000
88	-	150	MISCELLANEOUS	145	145	145
<u>298,389</u>	<u>262,837</u>	<u>305,150</u>	TOTAL MATERIALS & SERVICES	<u>286,770</u>	<u>286,770</u>	<u>286,770</u>
CAPITAL OUTLAY						
	3,448	1,000	MINOR EQUIPMENT	4,000	4,000	4,000
8,080		-	PORTABLE AIR COMPRESSOR - JACKHAMMER			
		2,000	UTILITY BILLING PRINTER			
<u>3,331</u>	<u>6,725</u>	<u>-</u>	HARDWARE/SOFTWARE	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>
11,411	10,173	3,000	TOTAL CAPITAL OULAY	6,500	6,500	6,500

WATER UTILITY FUND

Actual FY11	Actual FY12	Adopted FY13	EXPENDITURES	Proposed FY14	Approved FY14	Adopted FY14
			DEBT SERVICE			
57,540	60,129	62,835	2013 BOND PRINCIPAL	120,000	120,000	120,000
167,524	164,935	162,230	2013 BOND INTEREST	110,000	110,000	110,000
62,260	62,883	63,515	OCED LOAN PRINCIPAL	64,150	64,150	64,150
<u>15,236</u>	<u>14,613</u>	<u>13,985</u>	OCED LOAN INTEREST	<u>13,350</u>	<u>13,350</u>	<u>13,350</u>
302,560	302,560	302,565	TOTAL DEBT SERVICE	307,500	307,500	307,500
			TRANSFERS OUT			
		-	TO GENERAL FUND			
172,861	183,657	186,475	TO TAP OPERATING FUND	218,375	218,375	218,375
		2,000	TO CIP FUND			
	22,000	-	WATER RATE STUDY CC 227	13,000	13,000	13,000
66,348		-	GIBSON STREET IMPROVEMENTS CC 437			
18,070		-	ARNOS STREET IMPROVEMENTS CC 444			
		-	S FIRST STREET WATERLINE CC 445			
			UTILITY BILLING SOFTWARE	20,000	20,000	20,000
			N FRONT STREET IMPROVE. CC450	36,560	36,560	36,560
<u>25,000</u>	<u>25,000</u>	<u>20,000</u>	RADIO READ METERS CC 740	<u>14,950</u>	<u>14,950</u>	<u>14,950</u>
282,279	230,657	208,475	TOTAL TRANSFERS OUT	302,885	302,885	302,885
			UNALLOCATED			
-	-	130,760	CONTINGENCY	204,025	204,025	204,025
-	-	-	UNAPPROPRIATED ENDING FUND BALANCE	<u>149,620</u>	<u>149,620</u>	<u>149,620</u>
-	-	130,760	TOTAL UNALLOCATED FUNDS	353,645	353,645	353,645
1,618,157	1,523,608	1,392,700	TOTAL REVENUE & RESOURCES	1,713,800	1,713,800	1,713,800
1,295,790	1,247,033	1,392,700	TOTAL EXPENDITURES	1,713,800	1,713,800	1,713,800

WATER DEBT SERVICE RESERVE FUND

Actual FY11	Actual FY12	Adopted FY13	REVENUE & OTHER RESOURCES	Proposed FY14	Approved FY14	Adopted FY14
<u>238,971</u>	<u>236,658</u>	<u>233,685</u>	FUND BALANCE - RESTRICTED	<u>238,800</u>	<u>238,800</u>	<u>238,800</u>
238,971	236,658	233,685	TOTAL FUND BALANCE	238,800	238,800	238,800
<u>5,687</u>	<u>5,345</u>	<u>1,700</u>	INTEREST	-	-	-
5,687	5,345	1,700	TOTAL MISCELLANEOUS	-	-	-
-	-	-	TRANSFER IN FROM WATER FUND	-	-	-
-	-	-	TOTAL INTERFUND TRANSFERS IN	-	-	-
244,658	242,003	235,385	TOTAL REVENUE & OTHER RESOURCES	238,800	238,800	238,800

WATER DEBT SERVICE RESERVE FUND

Actual FY11	Actual FY12	Adopted FY13	EXPENDITURES	Proposed FY14	Approved FY14	Adopted FY14
NON-DEPARTMENTAL						
<u>8,000</u>	<u>3,600</u>	<u>1,700</u>	TRANSFER OUT TO WATER FUND	<u>238,800</u>	<u>238,800</u>	<u>238,800</u>
8,000	3,600	1,700	TOTAL INTERFUND TRANSFERS OUT	238,800	238,800	238,800
-	-	<u>233,685</u>	RESERVED FOR DEBT SERVICE	-	-	-
-	-	233,685	TOTAL UNAPPROPRIATED	-	-	-
8,000	3,600	235,385	TOTAL NON-DEPARTMENTAL	238,800	238,800	238,800
244,658	242,003	235,385	FUND REVENUE	238,800	238,800	238,800
8,000	3,600	235,385	FUND EXPENDITURES	238,800	238,800	238,800

City of Talent
2013-14 Annual Budget

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 Revenue 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 Fund user fees.

Fund Stability. This fund is stable since the revenue source is the water user fee. The City is obligated to make these annual payments and, if necessary to meet this annual payment a rate increase would be required.

City of Talent
2013-14 Annual Budget

USDA RURAL DEVELOPMENT LOAN

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 is for 40 years at an interest rate of 4.5%. Loan payments are 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 \$230,000 for payment on this bond.

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

Fund Stability. The USDA has a requirement that a reserve fund be set up that represents 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 will be transferred back to the Water Fund and the Debt Service Reserve fund closed.

**City of Talent
2013-14 Annual Budget**

TAP OPERATIONS FUND OVERVIEW

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 FY 2008. This function had previously been a service provided by the Rogue Valley Council of Governments (RVCOG).

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. Since only Phoenix and Talent are actually purchasing water today, they share the costs of water and electricity. Ashland has the option to connect to the system but has not done so. They are therefore only billed for the insurance, utility fees and the audit expense.

It was decided through a joint agreement of the three cities that the City of Talent would take over the management and billing for the accounts of the TAP. The bills from the Water Commission, the City of Medford and Pacific Power are sent to Talent and the other cities are billed according to their share of the costs. The City of Phoenix, in turn performs the routine maintenance at the Regional Pump Station.

The water costs are based on meter readings of the two cities and the other costs are based on a formula agreed to by the three cities through an IGA. This agreement states that rather than exchange monies for this service provided Talent would assume these administrative expenses and the City of Phoenix would be responsible for the operations of the pump stations. Should there be other than routine maintenance at the pump station the two cities would share these costs. The FY 2014 budget includes a line item for Repair and Maintenance for repairs above and beyond the routine maintenance provided by the City of Phoenix.

Representatives of the three cities meet three times a year or more frequently if the need arise.

TAP OPERATIONS FUND
FISCAL YEAR 2013-14

REVENUE SUMMARY
BY CATEGORY

Actual FY11	Actual FY12	Adopted FY13		Proposed FY14	Approved FY14	Adopted FY14
73,471	73,458	79,180	INTERGOVERNMENTAL	83,635	83,635	83,635
172,861	183,657	186,475	INTERFUND TRANSFERS IN	218,375	218,375	218,375
2,992	-	-	MISCELLANEOUS	-	-	-
11,113	2,891	-	FUND BALANCE	-	-	-
260,437	260,006	265,655	GRAND TOTAL REVENUE	302,010	302,010	302,010
172,861	183,657	186,475	Less Interfund Transfers In	218,375	218,375	218,375
87,576	76,349	79,180	NET TOTAL REVENUE	83,635	83,635	83,635

EXPENDITURE SUMMARY
BY CATEGORY

Actual FY11	Actual FY12	Adopted FY13		Proposed FY14	Approved FY14	Adopted FY14
257,545	254,440	241,655	MATERIALS AND SERVICES	262,610	262,610	262,610
-	5,565	-	CAPITAL OUTLAY	-	-	-
-	-	24,000	CONTINGENCY	39,400	39,400	39,400
-	-	-	UNAPPROPRIATED END FUND BALANCE	-	-	-
257,545	260,005	265,655	TOTAL EXPENDITURES	302,010	302,010	302,010
257,545	260,005	265,655	NET TOTAL EXPENSES	302,010	302,010	302,010

TAP OPERATIONS FUND

Actual FY11	Actual FY12	Adopted FY13	REVENUES	Proposed FY14	Approved FY14	Adopted FY14
11,113	2,891	-	FUND BALANCE - COMMITTED	-	-	-
73,471	73,458	79,180	INTERGOVERNMENTAL REVENUE	83,635	83,635	83,635
172,861	183,657	186,475	TRANSFERS IN FROM WATER FUND	218,375	218,375	218,375
2,992	-	-	MISC REFUNDS AND REIMBURSEMENTS	-	-	-
-	-	-	INTEREST EARNINGS	-	-	-
<u>260,437</u>	<u>260,006</u>	<u>265,655</u>	TOTAL REVENUE & RESOURCES	<u>302,010</u>	<u>302,010</u>	<u>302,010</u>

TAP OPERATIONS FUND

Actual FY11	Actual FY12	Adopted FY13	EXPENDITURES	Proposed FY14	Approved FY14	Adopted FY14
785	775	555	AUDITOR	925	925	925
-	-	2,500	REPAIR & MAINTENANCE	5,000	5,000	5,000
7,935	4,394	3,850	PROPERTY AND CASUALTY INSURANCE	725	725	725
28,171	30,009	28,550	ENERGY UTILITIES	35,260	35,260	35,260
220,655	219,262	205,000	WHOLESALE WATER PURCHASES	219,500	219,500	219,500
-	-	1,200	MISCELLANEOUS	1,200	1,200	1,200
<u>257,545</u>	<u>254,440</u>	<u>241,655</u>	TOTAL MATERIALS & SERVICES	<u>262,610</u>	<u>262,610</u>	<u>262,610</u>
-	5,565	-	CAPITAL OUTLAY COMPUTER HARDWARE/SOFTWARE	-	-	-
-	5,565	-	TOTAL CAPITAL OUTLAY	-	-	-
-	-	24,000	CONTINGENCY	39,400	39,400	39,400
-	-	24,000	TOTAL UNALLOCATED FUNDS	<u>39,400</u>	<u>39,400</u>	<u>39,400</u>
<u>257,545</u>	<u>260,005</u>	<u>265,655</u>	TOTAL EXPENDITURES	<u>302,010</u>	<u>302,010</u>	<u>302,010</u>
<u>260,437</u>	<u>260,006</u>	<u>265,655</u>	TOTAL REVENUE & RESOURCES	<u>302,010</u>	<u>302,010</u>	<u>302,010</u>

**City of Talent
2013-14 Annual Budget**

SYSTEM DEVELOPMENT CHARGE (SDC) OVERVIEW

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. This growth has slowed considerably over the last few years and since 2007-09 has been limited. The revenue projection in the proposed budget is based on five (5) new Single Family Residential (SFR) housing starts in FY 2014. The proposed budget transfers to capital improvement projects utilize revenues previously collected in the SDC Fund. 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.

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.

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 also is required to pay an SDC fee to the Rogue Valley Sewer Services (RVS), but that is collected directly by RVS. The current total charge for a single-family residence (SFR) combining the MWC and RVS charges with the City charges is \$10,771.00. These fees are comparable to other cities within the Rogue Valley.

The City's SDC Ordinance allows for the annual adjustment of the rates in March of each year based on the construction cost index as reported in the Engineering News Record. The City last adjusted SDC rates in March 2008.

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.

Planned SDC Expenditures: In the current proposed budget there is a commitment to transfer SDC funds to the Capital Improvement Fund for a limited number of projects. These SDC funds will be combined with other funds from the Street, Park and Water Utility Funds to make projects possible. Existing SDC revenues have been combined to support these transfers.

Fund Categories and Projected Appropriations:

Due to the unpredictability of the new revenues coming into the SDC fund, projects for funding are being proposed only from existing funds at the end of the current fiscal year.

Parks SDC - The Parks SDC funds are limited due to limitations on Parks SDCs and 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.

No transfers of Parks SDC's to the CIP fund are planned in FY 2014.

Streets/Transportation SDC – A transfer of Street/Transportation SDC's to the CIP fund of \$130,850 for the North Front Street and Lithia Way Improvements is planned in FY 2014.

Water SDC –. A transfer of Water SDC's to the CIP fund of \$2,400 for the North Front Street Improvements is planned for FY 2014.

Storm Drains SDC – A transfers of Storm Drain SDC's to the CIP fund of \$56,750 for the North Front Street and Lithia Way Improvements is planned in FY 2014.

**CITY OF TALENT
SDC RATE ADJUSTMENTS FOR 2008**

WATER

Meter Size	Mar-02	Mar-03	Mar-04	*10/4/2004	Mar-05	Jan-06	Mar-07	Mar-08
3/4"x5/8"	\$ 1,179.05	\$ 1,201.45	\$ 1,261.52	\$ 2,495	\$ 2,653	\$ 2,653	\$ 2,709	\$ 2,796
1"	2,358.09	2,402.90	2,523.04	6,238	6,634	6,634	6,773	6,992
1-1/2"	5,895.23	6,007.24	6,307.60	12,475	13,267	13,267	13,546	13,982
2"	9,432.37	9,611.59	10,092.17	19,960	21,227	21,227	21,673	22,371
3"	18,864.74	19,223.17	20,184.33	39,920	42,455	42,455	43,346	44,742
4"	29,476.16	30,036.21	31,538.02	62,375	66,336	66,336	67,729	69,910
6"	58,952.32	60,072.41	63,076.03	124,750	132,672	132,672	135,458	139,819
8	94,323.71	96,115.86	100,921.65	199,600	212,275	212,275	216,732	223,711
1	135,590.33	138,166.55	145,074.87	286,925	305,145	305,145	311,553	321,585

PARKS

	Mar-02	Mar-03	Mar-04	Mar-05	Jan-06	Mar-07	Mar-08
Single Family	\$ 747.26	\$ 761.46	\$ 799.53	\$ 850.30	\$ 1,402	\$ 1,431	\$ 1,458
Multifamily	542.71	553.03	580.68	617.55	1,018	1,039	1,075
Mobile Home Park Units	512.72	522.46	548.59	583.42	962	982	1,015

TRANSPORTATION

	Mar-02	Mar-03	Mar-04	Mar-05	Jan-06	Mar-07	Mar-08
Per Trip Unit/Peak Hour Trip	\$ 105.52	\$ 107.52	\$ 112.90	\$ 120.06	\$ 2,394	\$ 2,444	\$ 2,523
"Average" Single Family	1,007.65	1,026.80	1,078.16	\$1,146.62	\$ 2,418	\$ 2,468	\$ 2,548

STORMWATER

	Jul-02	Mar-03	Mar-04	Mar-05	Jan-06	Mar-07	Mar-08
Single Family - Per EDU	\$ 801.69	\$ 816.92	\$ 857.75	\$ 912.21	\$ 1,215	\$ 1,241	\$ 1,281
All other (times square feet of impervious area)	0.2672	0.2723	0.2859	0.3041	0.4050	0.4135	0.4268

* Adjustments made to water SDC based on Water Master Plan update

Construction Cost Index percentage change

Historical Costs

March 2007 to March 2008

Engineering News Record:

3.22%

As of

Amended April 2, 2008

**SYSTEM DEVELOPMENT CHARGES FUND
FISCAL YEAR 2013-14**

**REVENUE SUMMARY
BY CATEGORY**

Actual FY11	Actual FY12	Adopted FY13		Proposed FY14	Approved FY14	Adopted FY14
-	-	-	LICENSES, PERMITS & FEES	-	-	-
-	-	-	INTERGOVERNMENTAL	-	-	-
107,216	150,462	86,495	CHARGES FOR SERVICES	149,985	149,985	149,985
-	-	-	PROGRAM FEES	-	-	-
1,254	1,365	2,020	MISCELLANEOUS	1,485	1,485	1,485
-	-	-	INTERFUND TRANSFERS IN	-	-	-
<u>447,563</u>	<u>301,444</u>	<u>388,611</u>	FUND BALANCE	<u>546,470</u>	<u>546,470</u>	<u>546,470</u>
556,033	453,271	477,126	GRAND TOTAL REVENUE	697,940	697,940	697,940
-	-	-	Less Interfund Transfers In	-	-	-
556,033	453,271	477,126	NET TOTAL REVENUE	697,940	697,940	697,940

**EXPENDITURE SUMMARY
BY CATEGORY**

Actual FY11	Actual FY12	Adopted FY13		Proposed FY14	Approved FY14	Adopted FY14
-	-	-	PERSONNEL SERVICES	-	-	-
-	-	-	MATERIALS & SERVICES	-	-	-
-	-	-	CAPITAL OUTLAY	-	-	-
-	-	-	CAPITAL CONSTRUCTION	-	-	-
-	-	-	DEBT SERVICE	-	-	-
254,589	39,000	134,666	INTERFUND TRANSFERS OUT	190,000	190,000	190,000
-	-	342,460	RESERVES	507,940	507,940	507,940
-	-	-	CONTINGENCY	-	-	-
-	-	-	UNAPPROPRIATED END FUND BAL	-	-	-
<u>254,589</u>	<u>39,000</u>	<u>477,126</u>	TOTAL EXPENDITURES	<u>697,940</u>	<u>697,940</u>	<u>697,940</u>
254,589	39,000	134,666	Less Interfund Transfers Out	190,000	190,000	190,000
-	-	342,460	NET TOTAL EXPENSES	507,940	507,940	507,940

SYSTEM DEVELOPMENT CHARGE FUND

Actual FY11	Actual FY12	Adopted FY13		Proposed FY14	Approved FY14	Adopted FY14
Transportation Revenue						
223,274	116,857	161,151	IMP SDC FUND BAL RESTRICT	174,830	174,830	174,830
31,528	33,511	37,237	REIM SDC FUND BAL RESTRICT	44,830	44,830	44,830
580	554	800	IMP SDC INTEREST	560	560	560
101	145	185	REIM SDC INTEREST	130	130	130
22,956	51,872	26,566	IMPROVEMENT SDC	51,710	51,710	51,710
1,882	4,253	2,178	REIMBURSEMENT SDC	4,240	4,240	4,240
<u>280,321</u>	<u>207,191</u>	<u>228,117</u>	TOTAL TRANSPORTATION REVENUE	<u>276,300</u>	<u>276,300</u>	<u>276,300</u>
Transportation Expenditures						
129,953	-	-	ARNOS ST IMPROVEMENTS	-	-	-
-	-	78,915	N FRONT STREET IMPROVE. CC450	30,050	30,050	30,050
-	-	-	LITHIA WAY IMPROVEMENTS CC452	100,800	100,800	100,800
-	-	149,202	RESERVE FOR FUTURE PROJECTS	145,450	145,450	145,450
<u>129,953</u>	<u>-</u>	<u>228,117</u>	TOTAL TRANSPORTATION EXPENDITURES	<u>276,300</u>	<u>276,300</u>	<u>276,300</u>
Storm Drain Revenue						
24,727	8,620	18,799	IMP SDC FUND BAL RESTRICT	23,640	23,640	23,640
77,854	45,845	54,145	REIM SDC FUND BAL RESTRICT	73,600	73,600	73,600
63	53	100	IMP SDC INTEREST	75	75	75
209	204	270	REIM SDC INTEREST	200	200	200
8,556	12,160	8,107	IMPROVEMENT SDC	12,120	12,120	12,120
6,847	9,731	6,488	REIMBURSEMENT SDC	9,700	9,700	9,700
<u>118,256</u>	<u>76,614</u>	<u>87,909</u>	TOTAL STORM DRAIN REVENUE	<u>119,335</u>	<u>119,335</u>	<u>119,335</u>
Storm Drain Expenditures						
CR PARK PARKING LOT						
63,791	-	-	ARNOS ST IMPROVEMENTS	-	-	-
-	-	14,094	N FRONT STREET IMPROVE. CC450	10,500	10,500	10,500
-	-	-	LITHIA WAY IMPROVEMENTS CC452	46,250	46,250	46,250
-	-	73,815	RESERVE FOR FUTURE PROJECTS	62,585	62,585	62,585
<u>63,791</u>	<u>-</u>	<u>87,909</u>	TOTAL STORM DRAIN EXPENDITURES	<u>119,335</u>	<u>119,335</u>	<u>119,335</u>

SYSTEM DEVELOPMENT CHARGE FUND

Actual FY11	Actual FY12	Adopted FY13		Proposed FY14	Approved FY14	Adopted FY14
Water Revenue						
14,368	13,967	9,989	IMP SDC FUND BAL RESTRICT	27,270	27,270	27,270
38,710	49,619	54,620	REIM SDC FUND BAL RESTRICT	103,520	103,520	103,520
50	41	70	IMP SDC INTEREST	60	60	60
138	196	330	REIM SDC INTEREST	240	240	240
13,917	11,945	6,636	IMPROVEMENT SDC	11,900	11,900	11,900
41,750	35,836	19,909	REIMBURSEMENT SDC	35,725	35,725	35,725
<u>108,931</u>	<u>111,604</u>	<u>91,554</u>	TOTAL WATER REVENUE	<u>178,715</u>	<u>178,715</u>	<u>178,715</u>
Water Expenditures						
	39,000		ARNOS ST IMPROVEMENTS			
45,345	-		S FIRST ST WATER LINE			
-	-	41,657	N FRONT STREET IMPROVE. CC450	2,400	2,400	2,400
-	-	49,897	RESERVE FOR FUTURE PROJECTS	176,315	176,315	176,315
<u>45,345</u>	<u>39,000</u>	<u>91,554</u>	TOTAL WATER EXPENDITURES	<u>178,715</u>	<u>178,715</u>	<u>178,715</u>
Parks Revenue						
19,425	10,733	22,993	IMP SDC FUND BAL RESTRICT	51,840	51,840	51,840
17,678	22,292	29,677	REIM SDC FUND BAL RESTRICT	46,940	46,940	46,940
52	77	115	IMP SDC INTEREST	105	105	105
61	95	150	REIM SDC INTEREST	115	115	115
6,756	15,442	10,400	IMPROVEMENT SDC	15,395	15,395	15,395
4,553	9,222	6,211	REIMBURSEMENT SDC	9,195	9,195	9,195
<u>48,525</u>	<u>57,861</u>	<u>69,546</u>	TOTAL PARK REVENUE	<u>123,590</u>	<u>123,590</u>	<u>123,590</u>
Parks Expenditures						
15,500	-	-	TALENT AVE DOG PARK	-	-	-
-	-	69,546	RESERVE FOR FUTURE PROJECTS	123,590	123,590	123,590
<u>15,500</u>	<u>-</u>	<u>69,546</u>	TOTAL PARK EXPENDITURES	<u>123,590</u>	<u>123,590</u>	<u>123,590</u>
254,589	39,000	477,126	TOTAL SDC EXPENDITURES	697,940	697,940	697,940
556,033	453,271	477,126	TOTAL SDC REVENUE	697,940	697,940	697,940

SYSTEM DEVELOPMENT CHARGE FUND

Actual FY11	Actual FY12	Adopted FY13		Proposed FY14	Approved FY14	Adopted FY14
Fund Summary Revenue						
447,563	301,444	388,611	TOTAL FUND BALANCE	546,470	546,470	546,470
1,254	1,365	2,020	TOTAL INTEREST EARNINGS	1,485	1,485	1,485
<u>107,216</u>	<u>150,462</u>	<u>86,495</u>	TOTAL SDC REVENUE	<u>149,985</u>	<u>149,985</u>	<u>149,985</u>
556,033	453,271	477,126	TOTAL SDC REVENUE	697,940	697,940	697,940
Fund Summary Expenses						
129,953	-	-	TRANSFER TO CIP FUND - STREET PROJECTS	130,850	130,850	130,850
63,791	-	-	TRANSFER TO CIP FUND STORM DRAIN PROJECTS	56,750	56,750	56,750
45,345	39,000	-	TRANSFER TO CIP FUND - WATER PROJECTS	2,400	2,400	2,400
15,500	-	-	TRANSFER TO CIP FUND - PARKS PROJECTS	-	-	-
-	-	<u>342,460</u>	RESERVE FOR FUTURE PROJECTS	<u>507,940</u>	<u>507,940</u>	<u>507,940</u>
254,589	39,000	342,460	TOTAL SDC EXPENDITURES	697,940	697,940	697,940

**City of Talent
2013-2014 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 FY11	Actual FY12	Adopted FY13	REVENUE & OTHER RESOURCES	Proposed FY14	Approved FY14	Adopted FY14
<u>3,602</u>	<u>7,210</u>	<u>6,000</u>	FUND BALANCE - RESTRICTED	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
3,602	7,210	6,000	TOTAL FUND BALANCE	5,000	5,000	5,000
52,396	63,159	59,000	PROPERTY TAX - PD BOND	63,350	63,350	63,350
<u>72</u>	<u>81</u>	<u>-</u>	INTEREST	<u>-</u>	<u>-</u>	<u>-</u>
72	81	-	TOTAL MISCELLANEOUS	-	-	-
<u>9,052</u>	<u>-</u>	<u>-</u>	TRANSFER IN FROM CIP FUND	<u>-</u>	<u>-</u>	<u>-</u>
9,052	-	-	TOTAL INTERFUND TRANSFERS IN	-	-	-
65,121	70,450	65,000	TOTAL REVENUE & OTHER RESOURCES	68,350	68,350	68,350

GENERAL OBLIGATION

Actual FY11	Actual FY12	Adopted FY13	EXPENDITURES	Proposed FY14	Approved FY14	Adopted FY14
BOND & INTEREST PAYMENTS						
25,000	30,000	35,000	LOAN PRINCIPAL	40,000	40,000	40,000
32,486	31,318	30,000	LOAN INTEREST	28,350	28,350	28,350
<u>425</u>	<u>-</u>	<u>-</u>	BOND FEES	<u>-</u>	<u>-</u>	<u>-</u>
57,911	61,318	65,000	TOTAL DEBT SERVICE	68,350	68,350	68,350
57,911	61,318	65,000	TOTAL BOND & INTEREST PAYMENTS	68,350	68,350	68,350
65,121	70,450	65,000	FUND REVENUE	68,350	68,350	68,350
57,911	61,318	65,000	FUND EXPENDITURES	68,350	68,350	68,350

**City of Talent
2013-2014 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, 2013 is \$120,000.

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 FY 14 annual payment to the bank with interest and principal is \$26,900. There is one remaining property owner making annual payments with a remaining balance of \$40,290.

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 of \$6,450 from the General Fund to the West Valley View Debt Service Fund are anticipated.

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 re-evaluate how to pay off the remaining balance. The outstanding principal is greater than the amount in principal debt owing. Refinancing does not appear to be a viable option due to the specific requirements of LID loans.

**CITY OF TALENT
WEST VALLEY VIEW DEBT SERVICE
CASH FLOW ANALYSIS
FISCAL YEAR 2013-14**

	FY14	FY15	FY16	FY17	FY18
Current Fund Balance	63,630	52,364	37,211	23,446	11,072
Transfer in from General Fund	6,450	6,450	6,450	6,450	6,392
LID Payment Receipts	9,568	9,568	9,568	9,568	9,568
Debt Service Payments	(26,900)	(30,750)	(29,312)	(27,875)	(26,438)
Bank Fees	<u>(594)</u>	<u>(594)</u>	<u>(594)</u>	<u>(594)</u>	<u>(594)</u>
	52,154	37,038	23,323	10,995	(0)
Interest @ 0.33%	<u>210</u>	<u>173</u>	<u>123</u>	<u>77</u>	<u>(0)</u>
Ending Balance	52,364	37,211	23,446	11,072	(0)

WEST VALLEY VIEW DEBT SERVICE FUND

Actual FY11	Actual FY12	Adopted FY13	REVENUE & OTHER RESOURCES	Proposed FY14	Approved FY14	Adopted FY14
<u>102,152</u>	<u>88,539</u>	<u>75,500</u>	FUND BALANCE - RESTRICTED	<u>63,630</u>	<u>63,630</u>	<u>63,630</u>
102,152	88,539	75,500	TOTAL FUND BALANCE	63,630	63,630	63,630
5,829	6,214	6,624	PRINCIPAL PAYMENTS	7,062	7,062	7,062
3,739	3,354	2,944	INTEREST PAYMENTS	2,506	2,506	2,506
-	-	-	LATE FEES	-	-	-
<u>9,568</u>	<u>9,568</u>	<u>9,568</u>	TOTAL ASSESSMENTS	<u>9,568</u>	<u>9,568</u>	<u>9,568</u>
2,164	2,024	560	INTEREST	210	210	210
<u>2,164</u>	<u>2,024</u>	<u>560</u>	TOTAL MISCELLANEOUS	<u>210</u>	<u>210</u>	<u>210</u>
5,600	5,800	6,350	TRANSFER IN FROM GENERAL FUND	6,450	6,450	6,450
<u>5,600</u>	<u>5,800</u>	<u>6,350</u>	TOTAL INTERFUND TRANSFERS	<u>6,450</u>	<u>6,450</u>	<u>6,450</u>
119,483	105,931	91,978	TOTAL REVENUE & OTHER RESOURCES	79,858	79,858	79,858

WEST VALLEY VIEW DEBT SERVICE FUND

Actual FY11	Actual FY12	Adopted FY13	EXPENDITURES	Proposed FY14	Approved FY14	Adopted FY14
BOND & INTEREST PAYMENTS						
20,000	20,000	20,000	BOND SERIES '98 PRINCIPAL	20,000	20,000	20,000
10,350	9,200	8,050	BOND SERIES '98 INTEREST	6,900	6,900	6,900
<u>594</u>	<u>594</u>	<u>600</u>	BOND FEES	<u>600</u>	<u>600</u>	<u>600</u>
<u>30,944</u>	<u>29,794</u>	<u>28,650</u>	TOTAL DEBT SERVICE	<u>27,500</u>	<u>27,500</u>	<u>27,500</u>
30,944	29,794	28,650	TOTAL BOND & INTEREST PAYMENTS	27,500	27,500	27,500
NON-DEPARTMENTAL						
-	-	63,328	UNAPPROPRIATED ENDING FUND BALANCE	52,358	52,358	52,358
-	-	63,328	TOTAL UNAPPROPRIATED	52,358	52,358	52,358
-	-	63,328	TOTAL NON-DEPARTMENTAL	52,358	52,358	52,358
119,483	105,931	91,978	FUND REVENUE	79,858	79,858	79,858
30,944	29,794	91,978	FUND EXPENDITURES	79,858	79,858	79,858

**City of Talent
2013-14 Annual Budget**

CAPITAL IMPROVEMENT PROGRAM FUND

The Capital Improvement Program Fund 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 Charges, or externally from grants, loans, and other agencies, including the Urban Renewal Agency. This fund was originally created in fiscal 2004-2005.

Merits of a CIP Fund:

The CIP Fund provides for improved reporting of the status of current projects as well as new projects and their source of funding. Each project is assigned a cost center number used for tracking all revenue and expenditures by project.

One of the benefits to a capital improvement fund is that the 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 to be able to carry over projects from one year to the next when projects have not been completed in a current year.

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 commitment of dollars 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 customary accounting mechanism to manage these projects is to establish a separate accounting 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 FY 14.

It is possible that projects beyond FY 2014 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 or problem can be solved in another manner.

Budget Pages:

Over the last five years the City has completed a number of major projects. While there is still more to do, funding remains the constraining factor. Grant Funding is a major source of funding for the Chuck Roberts Park parking lot scheduled for completion Spring 2013.

A page has been included to indicate the projects proposed for FY 2014 and the various sources of funds for the individual projects. Sources can be the Street Fund, Water Utility Fund, SDC Fund, and other outside agencies.

In the Expenditure section of the budget the projects have been grouped under category: General (City Hall, Community Center and Police Department), Parks, Streets, Storm Water, 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 FY 2011 and the Community Center in FY 2013 and is setting aside funding for future building maintenance.

Park Improvements: The parking lot at Chuck Roberts Park is undergoing major rehabilitation. Due to the age of the parking lot and ongoing drainage problems this area was significantly damaged. Park improvements have been largely funded by grants with SDCs meeting the match. The parking lot is scheduled for completion Spring 2013. This is a Green Standards project and the City is receiving CMAQ funding to complete this project.

Street/Storm Improvements: Street improvements on Gibson were completed in 2013. This was a major project for the City with the replacement of the water line, installation of storm drainage and sidewalk and curbs. Street Improvements on North Front Street are scheduled for FY 2014. The City is also setting aside funding for future projects on Lithia Way and Rapp Road.

Water Improvements: The Gibson Street was completed in 2013. The North Front Street project, combining Street, Storm Drain and Water components is scheduled for FY 2014. Public Works plans to complete the radio read meter project in FY 2014. The funds remaining from the Highway 99 Waterline Project would be allocated to the Radio Read Meters in order to complete this project. The City will continue to look for funding options for the future construction of a reservoir. The reservoir land was purchased in 2012.

Equipment/Vehicle Reserves:

In addition to the construction projects, sub headings have been established for Equipment/Vehicle Reserve within the Fund Budget. By setting aside money for the replacement of police cars, public works vehicles and heavy equipment the City can avoid a large single expense in any one-year. Once the Fund is working correctly with a well-developed equipment replacement schedule, there should be money available to replace a vehicle when it has met its useful life out of these funds. The revenue sources for these reserve funds come from transfers from the General, Street and Water Funds.

Included in this report is information about the Police Department Fleet and Public Works Department Fleet and a projected replacement schedule.

The Police Department purchased a patrol SUV and Public Works replaced one pickup with an SUV in FY 2013.

A transfer from the General Fund of \$20,000 for the Police Vehicle Reserve is proposed for FY2014. The Police Department pursues the purchase of quality used vehicles when available. Additional funding will be needed in FY 2015 for the purchase of a new vehicle if a quality used vehicle is not available in FY 2014. The Police Department was able to add a good used vehicle to the fleet in FY 2012.

TALENT PD FLEET

Veh #	Year	Make	License	VIN	Mileage (01-01-11)	Current Function	Planned Function	Date Purch	Cost	Notes
Active Fleet										
728	2004	CrownVic	E225690	2FAFP71W94X104727	100000	Chief	Chief	10/03	22000	
730	2004	CrownVic	E228178	2FAFP71W74X120487	93890	Patrol	Patrol	12/03	24210	
732	2006	CrownVic	E237041	2FAFP71W36X132641	100260	Patrol	Patrol	05/06	32991	
734	2008	Crown Vic	E245582	2FAHP71V58X151825	69838	Patrol	Patrol	03/08	N/A	
735	2009	CrownVic	E244377	2FAHP71V09X145271	13280	Supervisor	Supervisor	10/09	28481	
736	1999	Crown Vic	XBE640	2FAHP71W4xxx185267	95443	Detective	Detective	09/09	Free	
737	2007	Crown Vic	E242205	2FAFP71W87X135102	36038	Patrol	Patrol	08/10	9500	
Inactive/Pending Disposal										

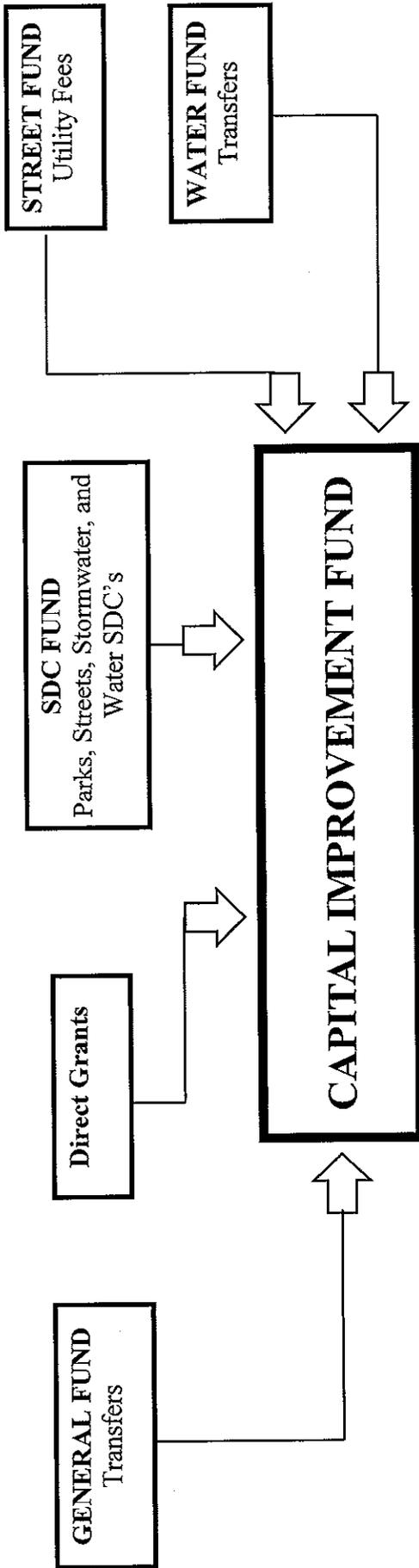
(@ End of FY)	728 Chief	730 Sgt(s)	732 Patrol	734 Patrol	735 Sgt(s)	736 Detective	737 Patrol	738	739
10/11									
11/12	Sell by 07-2012	Sell by 07-2012	Sell by 07-2012	Refurb to Chief Car	Return to Det. Car	Sell by 07-2015		Buy used 2011	Buy new 2011
12/13									
13/14									
14/15				Sell by 07-2015					
15/16									
16/17									

CITY OF TALENT
PUBLIC WORKS DEPARTMENT
FLEET REPLACEMENT SCHEDULE

Vehicle Make/Year	2005 Toy Tundra		2007 Ford F350 (4x4)		2013 Ford Escape		2003 Chevy 2500HD		2003 Ford Ranger		2004 Chevy 1500		2003 Ford DT	
	Milage/K	Life/Yr	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	74	7	36	5	4	1	46	9	53	9	63	8	12	9
2013/2014	83	8	45	6	12	2	53	10	60	10	71	9	14	10
2014/2015	92	9	53	7	20	3	59	11	66	11	79	10	15	11
2015/2016	101	10	62	8	28	4	66	12	73	12	87	11	17	12
2016/2017	110	11	70	9	36	5	72	13	79	13	95	12	18	13
2017/2018	119	12	79	10	44	6	Replace	Replace	86	14	103	13	20	14
2018/2019	128	13	87	11	52	7	Replace	Replace	Replace	14	111	14	21	15
2019/2020	137	14	96	12	60	8	Replace	Replace	Replace	Replace	Replace	Replace	23	16
2020/2021	Replace	104	104	13	68	9	Replace	Replace	Replace	Replace	Replace	Replace	24	17
2021/2022		113	113	14	76	10	Replace	Replace	Replace	Replace	Replace	Replace	26	18
2022/2023					84	11								

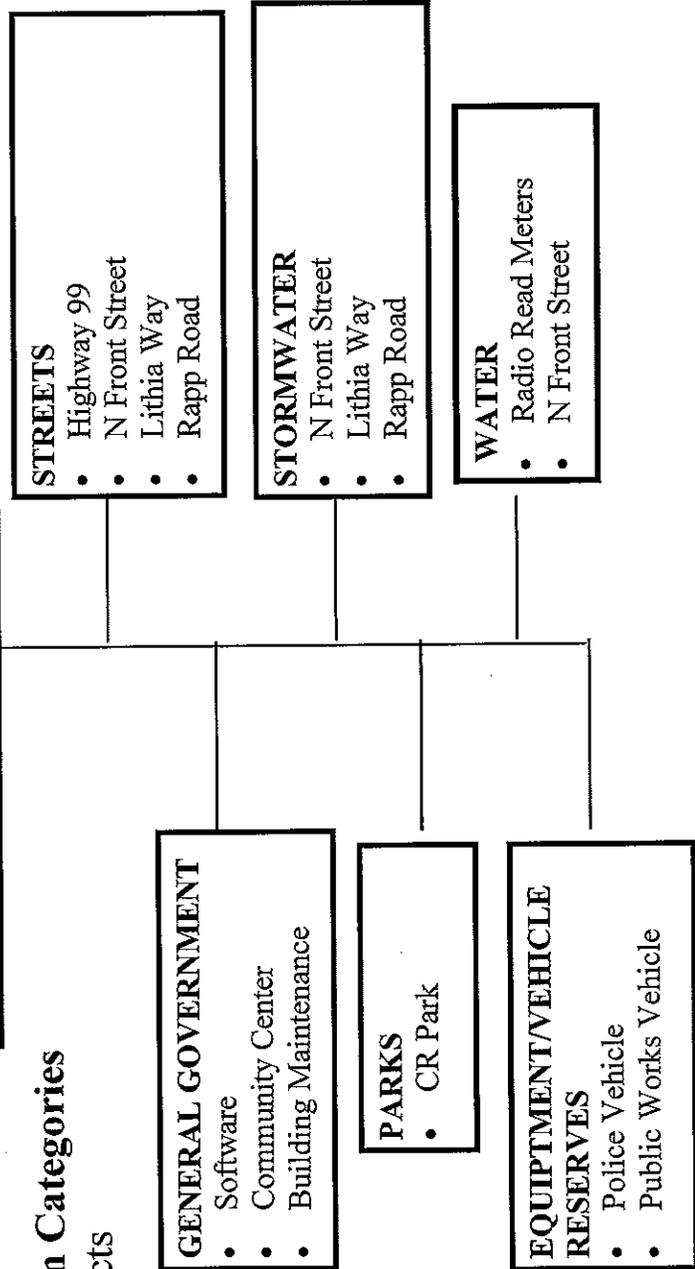
Monitor all Vehicles for increasing maintenance issues

Revenue Sources



Program Categories

• Projects



CAPITAL IMPROVEMENT PROJECTS FUND
FISCAL YEAR 2013-14

REVENUE SUMMARY
BY CATEGORY

Actual FY11	Actual FY12	Adopted FY13		Proposed FY14	Approved FY14	Adopted FY14
-	-	-	LICENSES, PERMITS & FEES	-	-	-
565,050	433,526	349,500	INTERGOVERNMENTAL	1,849,500	1,849,500	1,849,500
5,162	6,078	-	MISCELLANEOUS	-	-	-
540,239	278,049	590,837	INTERFUND TRANSFERS IN	816,093	816,093	816,093
<u>1,425,062</u>	<u>1,687,546</u>	<u>1,142,223</u>	FUND BALANCE	<u>1,082,913</u>	<u>1,082,913</u>	<u>1,082,913</u>
2,535,513	2,405,199	2,082,560	GRAND TOTAL REVENUE	3,748,506	3,748,506	3,748,506
540,239	278,049	590,837	Less Interfund Transfers In	816,093	816,093	816,093
1,995,274	2,127,150	1,491,723	NET TOTAL REVENUE	2,932,413	2,932,413	2,932,413

EXPENDITURE SUMMARY
BY CATEGORY

Actual FY11	Actual FY12	Adopted FY13		Proposed FY14	Approved FY14	Adopted FY14
-	-	-	PERSONNEL SERVICES	-	-	-
-	-	-	MATERIALS & SERVICES	-	-	-
45,718	238,922	141,928	CAPITAL OUTLAY	171,450	171,450	171,450
793,197	1,130,242	1,413,108	CAPITAL CONSTRUCTION	2,947,346	2,947,346	2,947,346
9,052	-	-	INTERFUND TRANSFERS OUT	-	-	-
-	-	527,524	RESERVES	629,710	629,710	629,710
-	-	-	CONTINGENCY	-	-	-
-	-	-	UNAPPROPRIATED END FUND BALANCE	-	-	-
<u>847,967</u>	<u>1,369,164</u>	<u>2,082,560</u>	GRAND TOTAL EXPENDITURES	<u>3,748,506</u>	<u>3,748,506</u>	<u>3,748,506</u>
9,052	-	-	Less Interfund Transfers Out	-	-	-
838,915	1,369,164	2,082,560	NET TOTAL EXPENSES	3,748,506	3,748,506	3,748,506

CAPITAL IMPROVEMENT PROJECTS FUND

Actual FY11	Actual FY12	Adopted FY13		Proposed FY14	Approved FY14	Adopted FY14
REVENUE & OTHER RESOURCES						
FUND BALANCE						
1,425,062	1,687,546	1,142,223	FUND BALANCE - COMMITTED	953,558	953,558	953,558
-	-	-	UNALLOCATED GENERAL PROJECTS	1,255	1,255	1,255
-	-	-	UNALLOCATED PARKS PROJECTS	10,210	10,210	10,210
-	-	-	UNALLOCATED STREET PROJECTS	405	405	405
-	-	-	UNALLOCATED STORM DRAIN PROJECTS	1,680	1,680	1,680
-	-	-	UNALLOCATED WATER PROJECTS	115,805	115,805	115,805
<u>1,425,062</u>	<u>1,687,546</u>	<u>1,142,223</u>	TOTAL FUND BALANCE	<u>1,082,913</u>	<u>1,082,913</u>	<u>1,082,913</u>
INTERGOVERNMENTAL						
29,132			FROM OTHER GOVERNMENT AGENCIES			
	433,526	-	CDBG GRANT - HWY 99 WATERLINE REPLACE	-	-	-
			CDBG GRANT - COMMUNITY CENTER	1,500,000	1,500,000	1,500,000
535,918		-	ODOT MOD. GRANT - W. VALLEY VIEW DWTWN	-	-	-
-	-	349,500	CMAQ GRANT - CHUCK ROBERTS PARKING LOT	349,500	349,500	349,500
<u>565,050</u>	<u>433,526</u>	<u>349,500</u>	TOTAL INTERGOVERNMENTAL	<u>1,849,500</u>	<u>1,849,500</u>	<u>1,849,500</u>
MISCELLANEOUS						
	25	-	MISCELLANEOUS	-	-	-
5,162	6,053	-	INTEREST	-	-	-
<u>5,162</u>	<u>6,078</u>	<u>-</u>	TOTAL MISCELLANEOUS	<u>-</u>	<u>-</u>	<u>-</u>
TRANSFERS FROM OTHER FUNDS						
			GENERAL FUND TRANSFER-COMMUNITY CENTER CC454	75,000	75,000	75,000
		10,000	GENERAL FUND TRANSFER-COURT/FINANCE SOFTWARE CC 907	50,000	50,000	50,000
11,000	9,049		GENERAL FUND TRANSFER-POLICE CAR CC 736	-	-	-
			GENERAL FUND TRANSFER-POLICE CAR CC 742	-	-	-
	11,000	12,500	GENERAL FUND TRANSFER-POLICE VEHICLE RESERVE CC 905	20,000	20,000	20,000
		2,500	GENERAL FUND TRANSFER-COMM CENTER REPR RESRV CC906	2,500	2,500	2,500
2,500	2,500	2,500	GENERAL FUND TRANSFER-CITY HALL BLDG MAINT RESERVE CC 909	2,500	2,500	2,500
2,500	2,500	2,500	GENERAL FUND TRANSFER-POLICE BLDG MAINT RESERVE CC 910	2,500	2,500	2,500
2,500	2,000	571	GENERAL FUND TRANSFER-COMM DEV TECH RESERVE CC 908	-	-	-
			PARKS FUND TRANSFER-CR PARK TENNIS COURTS CC 449	-	-	-
			PARKS FUND TRANSFER-CR PARK SPLASHPAD CC 454	4,000	4,000	4,000
	10,000	10,000	PARKS FUND TRANSFER-PARKS LAND ACQ CC 802	-	-	-
15,500			PARKS SDC IMPROVE-TALENT AVE DOG PARK CC 448	-	-	-
			WATER PROJECTS- N FRONT STREET IMPROV CC 450	-	-	-
		10,000	STREET FUND-SIDEWALK IMPROV CC 432	-	-	-
	150,000		STREET FUND-GIBSON CC 437	85,233	85,233	85,233
20,750			STREET FUND-TALENT AVE CURB & SIDEWALK CC 446	-	-	-
136,982	5,000		STREET FUND-ARNOS STREET IMPROV CC 444	-	-	-
		83,600	STREET FUND-N FRONT STREET IMPROV CC 450	36,500	36,500	36,500
			STREET FUND-LITHIA WAY IMPROVEMENTS CC 452	59,800	59,800	59,800
			STREET FUND-RAPP ROAD IMPROVEMENTS CC 453	103,550	103,550	103,550
		300,000	STREET FUND-HWY 99 STREET IMPROV CC 451	100,000	100,000	100,000
129,953			TRANS SDC IMPROVE-ARNOS ST IMPROV CC 444	-	-	-
		78,915	TRANS SDC IMPROV N FRONT STREET IMPROV CC 450	30,050	30,050	30,050
			TRANS SDC IMPROV LITHIA WAY IMPROV CC 452	100,800	100,800	100,800
24,726			STORM DRAIN IMPROV SDC - ARNOS STREET IMPROV CC 444	-	-	-
39,065			STORM DRAIN REIMB SDC - ARNOS STREET IMPROV CC 444	-	-	-
		14,094	STORM DRAIN IMPROV SDC - N FRONT STREET IMPROV CC 450	10,500	10,500	10,500
			STORM DRAIN IMPROV SDC - RAPP ROAD IMPROV CC 452	46,250	46,250	46,250
		2,000	WATER UTILITY FUND - WATER UTILITY RATE STUDY CC 227	-	-	-
			WATER UTILITY FUND - HWY 99 WATER MAIN CC 442	-	-	-
25,000	25,000	20,000	WATER UTILITY FUND - RADIO READ METERS CC 740	14,950	14,950	14,950
			WATER UTILITY FUND - GIBSON CC 437	13,000	13,000	13,000
18,070			WATER UTILITY FUND - S FIRST STREET WATERLINE CC 445	-	-	-
66,348			WATER UTILITY FUND - ARNOS STREET IMPROV CC 444	-	-	-
			WATER UTILITY FUND - N FRONT STREET IMPROV CC 450	36,560	36,560	36,560
			WATER UTILITY FUND - UTILITY BILLING SOFTWARE CC 907	20,000	20,000	20,000
	22,000		WATER IMPROV SDC - GIBSON CC 437	-	-	-
14,367			WATER IMPROV SDC - S FIRST STREET WATERLINE CC 445	-	-	-
30,978			WATER REIMB SDC - S FIRST STREET WATERLINE CC 445	-	-	-
		32,000	WATER REIMB SDC - N FRONT STREET IMPROV CC 450	-	-	-
		9,657	WATER IMPROV SDC - N FRONT STREET IMPROV CC 450	2,400	2,400	2,400
	13,966		WATER IMPROV SDC - ARNOS STREET IMPROV CC 444	-	-	-
	25,034		WATER REIMB SDC - ARNOS STREET IMPROV CC 444	-	-	-
<u>540,239</u>	<u>278,049</u>	<u>590,837</u>	TOTAL INTERFUND TRANSFERS IN	<u>816,093</u>	<u>816,093</u>	<u>816,093</u>
2,535,513	2,405,199	2,082,560	TOTAL REVENUE & OTHER RESOURCES	3,748,506	3,748,506	3,748,506

**CAPITAL IMPROVEMENT PROJECTS FUND
EXPENDITURES**

Actual FY11	Actual FY12	Adopted FY13	CAPITAL CONSTRUCTION	Proposed FY14	Approved FY14	Adopted FY14
GENERAL GOVERNMENT PROJECTS						
-	-	-	CIP UNALLOCATED GENERAL FUNDING CC 995	1,255	1,255	1,255
			COMMUNITY CENTER CC454	1,575,000	1,575,000	1,575,000
		4,710	COMMUNITY CENTER REPAIR RESERVE CC 906	7,230	7,230	7,230
		20,150	COURT SOFTWARE PROGRAM RESERVE CC 907	70,240	70,240	70,240
		6,624	COMM DEV TECHNOLOGY RESERVE SOFTWARE CC 908	6,670	6,670	6,670
		7,505	CITY HALL BLDG MAINT RESERVE CC 909	10,040	10,040	10,040
		7,505	POLICE DEPT BLDG MAINT RESERVE CC 910	10,040	10,040	10,040
		-	UNALLOCATED FUNDS	-	-	-
-	-	46,494	TOTAL GENERAL GOVERNMENT	1,680,475	1,680,475	1,680,475
PARKS PROJECTS						
		9,766	CIP UNALLOCATED PARK FUNDING CC 996	210	210	210
33	2,373	433,782	CHUCK ROBERTS PARK PARKING LOT CC 429	422,930	422,930	422,930
11,191		-	DOG PARK TALENT AVENUE CC 448	-	-	-
		-	CHUCK ROBERTS PARK SPLASH PAD CC 455	26,000	26,000	26,000
		66,281	PARKS LAND ACQUISITION CC 802	54,810	54,810	54,810
		-	UNALLOCATED FUNDS	-	-	-
11,224	2,373	509,829	TOTAL PARKS	503,950	503,950	503,950
TRANSPORTATION PROJECTS						
		21,830	CIP UNALLOCATED STREET FUNDING CC 997	405	405	405
		10,000	SIDEWALK IMPROVEMENTS CC 432	10,000	10,000	10,000
572,679		-	WEST VALLEY VIEW DOWNTOWN CC 441	-	-	-
	103,097	-	MISC ALLEY PAVEMENT CC 436	-	-	-
	3,208	376,683	GIBSON IMPROV CC 437	37,000	37,000	37,000
808		-	DOG PARK TALENT AVE CC 448	-	-	-
		162,515	N FRONT STREET IMPROVEMENTS CC 450	229,065	229,065	229,065
		-	LITHIA WAY IMPROVEMENTS CC 452	160,600	160,600	160,600
		-	RAPP ROAD IMPROVEMENTS CC 453	103,550	103,550	103,550
50,695		-	TALENT AVE CURB & SIDEWALK OBV TO RAPP CC 446	-	-	-
18,868	248,004	-	ARNOS STREET IMPROVEMENT CC 444	-	-	-
643,049	354,309	571,028	TOTAL STREETS	540,620	540,620	540,620

**CAPITAL IMPROVEMENT PROJECTS FUND
EXPENDITURES**

Actual FY11	Actual FY12	Adopted FY13		Proposed FY14	Approved FY14	Adopted FY14
CAPITAL CONSTRUCTION						
STORMWATER PROJECTS						
		3,550	CIP UNALLOCATED STORM DRAIN FUNDING CC 998	1,680	1,680	1,680
		9,229	GIBSON STREET CC 437			
	65,986	-	ARNOS STREET IMPROVEMENT CC 444			
		14,094	N FRONT STREET IMPROVEMENT CC 450	24,594	24,594	24,594
		-	LITHIA WAY IMPROVEMENTS CC 452	46,250	46,250	46,250
-	-	-	UNALLOCATED FUNDS	-	-	-
-	65,986	26,873	TOTAL STORMWATER	72,524	72,524	72,524
WATER PROJECTS						
		515	CIP UNALLOCATED WATER FUNDING CC 999	160	160	160
		-	UTILITY BILLING SOFTWARE CC907	20,000	20,000	20,000
7,260	202,584	-	RESERVOIR LAND ACQUISITION CC 801			
		136,212	GIBSON STREET CC 437	13,000	13,000	13,000
34,238	610,945	-	HWY 99 WATER MAIN CC 442			
-	90,800	-	ARNOS STREET IMPROVEMENT CC 444			
55,444		-	S FIRST STREET WATERLINE CC 445			
30,131		-	WATER MASTER PLAN CC 225			
1,774		-	WATER MGMT & CONSERVATION PLAN CC 226			
1,975	5,830	2,500	WATER UTILITY RATE STUDY CC 227			
8,103		-	SCADA SYSTEM CC 447			
24,985	26,105	20,000	RADIO READ WATER METERS CC 740	73,645	73,645	73,645
-	-	122,157	N FRONT STREET IMPROVEMENT CC 450	136,617	136,617	136,617
163,909	936,264	281,384	TOTAL WATER	243,422	243,422	243,422
VEHICLES & EQUIPMENT						
			CSO VEHICLE			
10,233	10,233	-	POLICE VEHICLE CC 736	-	-	-
10,500		-	POLICE 2007 CROWN VIC #737 CC 741	-	-	-
		-	POLICE VEHICLE CC 742	-	-	-
		79,543	PW EQUIPMENT RESERVE CC 904	57,830	57,830	57,830
		39,885	POLICE VEHICLE RESERVE CC 905	19,975	19,975	19,975
-	-	-	UNALLOCATED FUNDS	-	-	-
20,733	10,233	119,428	TOTAL EQUIPMENT	77,805	77,805	77,805
9,052	-	-	TRANSFER TO GO BOND DEBT SERVICE FUND	-	-	-
9,052	-	-	TOTAL TRANSFERS	-	-	-
		300,000	RESERVE FOR FUTURE HWY 99 STREET IMPROV CC 451	400,000	400,000	400,000
-	-	227,524	RESERVE FOR RESERVOIR LAND IMPROV CC 801	229,710	229,710	229,710
-	-	527,524	TOTAL RESERVES	629,710	629,710	629,710
2,535,513	2,405,199	2,082,560	FUND REVENUE	3,748,506	3,748,506	3,748,506
847,967	1,369,164	2,082,560	FUND EXPENDITURES	3,748,506	3,748,506	3,748,506

**City of Talent
2013-14 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. While the 2000 Census provided a population figure of 5,589, the July 2010 census figure from Portland State University is 6680. 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 86 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 2008 to 2011, overall construction dropped significantly where the annual residential permits issued was 14 permits and 2.25 commercial permits. Since the beginning of 2012 there has been a significant increase in permits issued, but not necessarily to pre-2007 levels. In 2012, residential permits totaled 27 and one commercial permit. From January 2013 through the end of April 2013, there

were 23 residential permits and three commercial permits one of which was for the 71,000 square foot Oregon Shakespeare Festival's Scene Shop building along Talent Avenue.

Considering the closure of the Talent Wal-Mart store in 2012, growth in the commercial sector of Talent has remained steady. Since 2011, a number of significant developments have occurred which include the redevelopment of the new Camelot Theatre Building, construction of the Talent Physical Therapy building along Highway 99 and the current construction of the Oregon Shakespeare Festival Scene Shop along Talent Avenue. 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. 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.

Considering the difficult economic times over the past five years, Talent has overall been able to maintain a slow and healthy growth rate and at the same time provide 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 developed a good working relationship with the School and has been able to use their facilities for recreational programs during the summer months.

The City has six developed parks with the completion of the Talent Bark Park and some 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 with improvements to the parking area at Chuck Roberts Park on schedule for completion in Spring 2013.

A Mayor and six City Councilors, a Planning Commission and a Parks and Recreation 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, a municipal court, administration and financial services, community development and planning, a water distribution system, and maintains streets, storm sewers, and parks.

**City of Talent
2013-14 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:

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
1920	278

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	20:1
Total Enrollment	2,699

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)	3

RECREATION AND CULTURE:

Number of Parks - including Dog Park	10
Number of Museums	1
Number of Libraries	1

HOUSEHOLD INCOME: (2010)

Median Household Income	\$35,347
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ELECTIONS:

Registered Voters	3,422
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)	
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
2000	164,958

TAXES:

Sales Tax	None
Consolidated Property Tax Rate (per \$1,000 assessed value)	\$16.37

HOUSING UNITS:

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

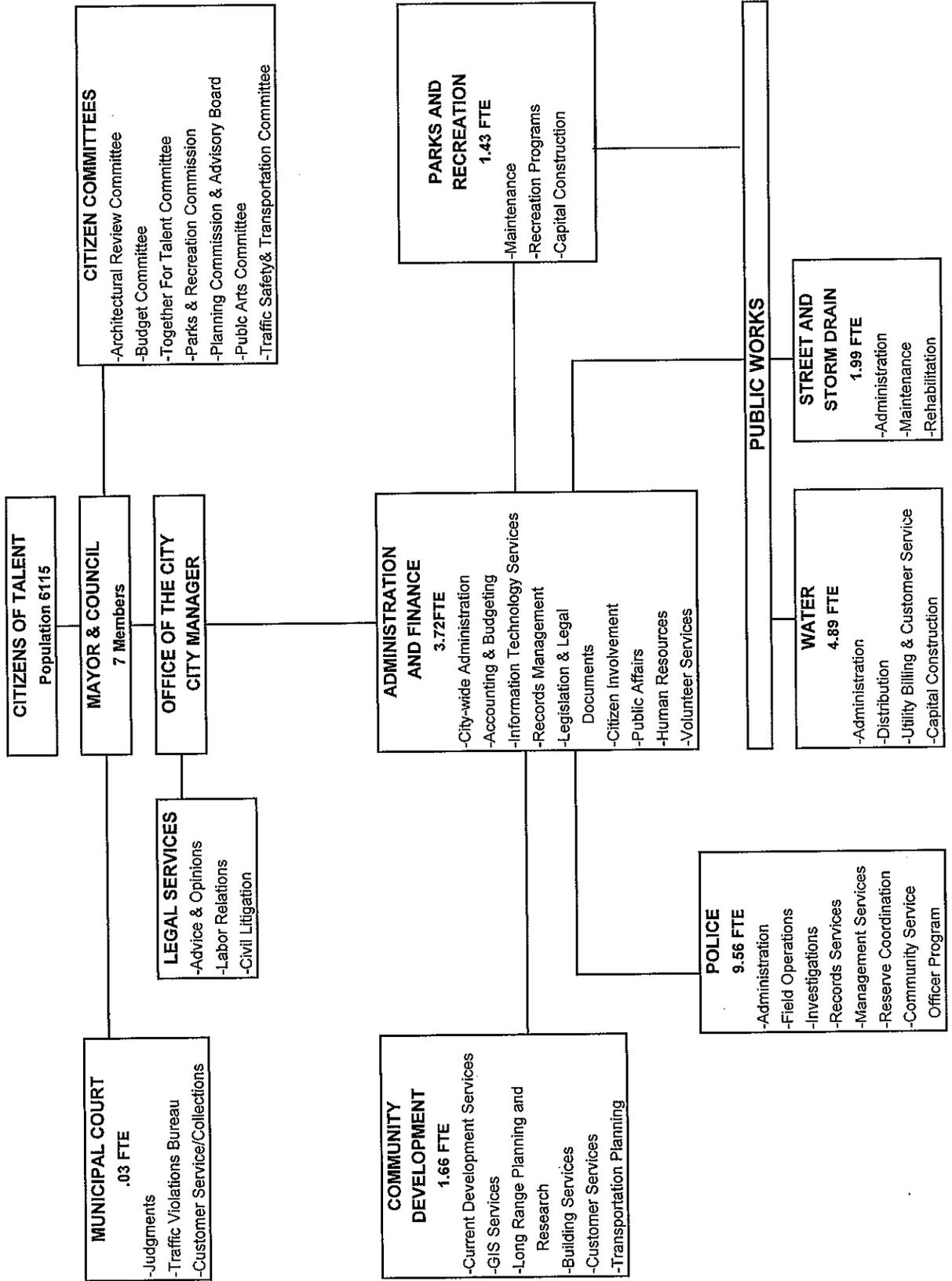
HOUSING:

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 2013-14 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 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 2012/2013 was \$2.7721

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 2011-2012 AND 2012-2013

GOVERNMENT 2011-2012				CAP*		TOTAL	
TAX	BOND	S. LEVY	TOTAL	TOTAL	RATE		
City	0.2030		2.7781	2.7781	2.9811		
County	0.1683		1.7278	1.7278	1.8961		
UR		1.2298	3.3140	3.3140	3.3140		
COUNTY UR	0.0000		0.0000	0.0000	0.0000		
FD #5	2.7481		2.7481	2.7481	2.7481		
RVTD	0.1524		0.1524	0.1524	0.1524		
VECTOR	0.0369		0.0369	0.0369	0.0369		
Soil/Wtr District	0.0430		0.0430	0.0430	0.0430		
TOTAL	9.5705	1.2298	10.8003	10.8003	11.1716		

GOVERNMENT 2012-2013				CAP*		TOTAL	
TAX	BOND	S. LEVY	TOTAL	TOTAL	RATE		
City	0.1954		2.7721	2.7721	2.9675		
County	0.1667		1.7242	1.7242	1.8909		
UR		1.2504	2.1071	3.3575	3.3575		
COUNTY UR	0.0000		0.0000	0.0000	0.0000		
FD #5	2.7422		2.7422	2.7422	2.7422		
RVTD	0.1521		0.1521	0.1521	0.1521		
VECTOR	0.0368		0.0368	0.0368	0.0368		
Soil/Wtr District	0.0429		0.0429	0.0429	0.0429		
TOTAL	9.5774	1.2504	10.8278	10.8278	11.1899		

SCHOOL 2011-2012				CAP*		TOTAL	
RATE	BONDS	TOTAL	TOTAL	TOTAL	RATE		
TSD	0.7183	3.6468	4.3651	3.639	4.3297		
RCC	0.441	0.4409	0.5474	0.4399	0.5502		
ESD	0.303	0.303	0.303	0.3023	0.3023		
TOTAL	4.391	4.3907	5.2155	4.3812	5.1822		

SCHOOL 2012-2013				CAP*		TOTAL	
RATE	BONDS	TOTAL	TOTAL	TOTAL	RATE		
TSD	0.6907	3.639	4.3297	3.639	4.3297		
RCC	0.1103	0.4399	0.5502	0.4399	0.5502		
ESD		0.3023	0.3023	0.3023	0.3023		
TOTAL	0.801	4.3812	5.1822	4.3812	5.1822		

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 2011-2012 16.3871
 Total Government + School 2012-2013 16.3721

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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