

# **City of Talent, Oregon**



## **ADOPTED BUDGET**

**Fiscal Year**

**2014-2015**

# CITY OF TALENT

## 2014-15 ANNUAL BUDGET

### BUDGET COMMITTEE

#### Council

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

#### Citizens

Anna D'Amato  
Michael LaNier  
Sherman Lamb  
Nick Medinger  
John Morrison

### CITY STAFF

Thomas J. Corrigan, City Manager  
Denise Woodman, Administrative Services Director  
Mike Moran, Police Chief  
Zac Moody, Community Development Director  
Jeff Ballard, City Engineer  
James Wickre, Municipal Judge

**City of Talent  
2014-15 Annual Budget**

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# City of Talent

Office of the City Manager

110 E. Main Street, P.O. Box 445, Talent, OR 97540

Telephone: (541) 535-1566 Fax: (541) 535-7423

E-mail: [TCorrigan@CityofTalent.org](mailto:TCorrigan@CityofTalent.org)

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***

***"No pecuniary consideration is more urgent than the regular redemption and discharge of the public debt; on none can delay be more injurious, or an economy of time more valuable."***

***George Washington***

***December 3, 1793***

It is our pleasure to present you with the proposed budget for the fiscal year 2014-2015. 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. North Front Street has taken considerable more time as the railroad has been hesitant to sell the needed easement to the City. We have updated the pavement maintenance program and have finally completed the engineering for sidewalk work on sections of Talent Avenue allowing for greater safety of residents and accessibility for ADA. We also will complete the work around the school on both Second Street and Schoolhouse Road. We have contracted the first of the crack-sealing projects for parking lots and roads and have planned a project with Talent Urban Renewal for the historic Community Hall.

We have completed 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 finish the new regulation

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sand volleyball court prior to this budget year and begin the splash pad construction. We are constantly looking to upgrade our beautiful City and bring citizens what they need.

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

Increased security, as well as became a more safety-conscious entity, by virtue of a Risk Management Incentive Grant for cameras both for City Hall and Police Department has been very productive. We will now complete our work with Internet security as it has become a rising concern in almost every aspect of our lives. 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 had obtained a CDBG federal grant through the IFA for the new Talent Community Center, we now have obtained an architect and engineer, and the work will begin this summer.

An emphasis has been placed on an increased level of residential service with minimal changes in staffing levels. Web-based utility payments have now been finalized. We 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. We have added a monitor in City Hall for the public to be informed of upcoming events, meetings, and notices. We will add these monitors to our new Community Center as well.

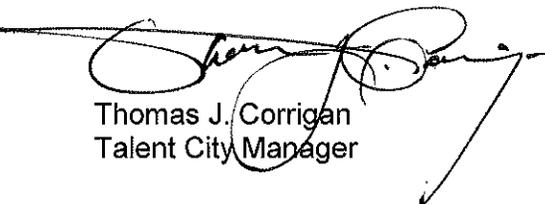
Having completed a refinance of our debt service from our Rural Development loan for infrastructure, we have returned our precious reserve fund monies to our water coffers. We will address the water rate study at the most appropriate time of the year of this year. We have purchased all of the necessary equipment and 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 are still looking to ascertain the best time frame for future water reservoir construction.

We will continue to make advances to our economic development plan as the housing market and economy continues its recovery. We will also keep on the path on of improving our insurance liability standards and legal handling of the City's interests while keeping our budget in mind.

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 2012-2013 and 2013-14; and a Glossary of terms that may be useful in understanding some of the terminology used in this Budget Report has also been included.

### **2014-15 BUDGET**

The proposed budget reflects a 15% contingency line item and a minimum unappropriated ending fund balance of 10% for each operating fund with the exception of the Parks Fund. A short term loan to the Talent Urban Renewal Agency (outlined below) has not be included in the General Fund contingency and unappropriated ending fund balance calculation.

Interim financing for the Talent Urban Renewal District (TURA) of \$450,000 is included in the General Fund Administration Budget. This is a limited duration loan with a 2% interest rate that is to be repaid during the fiscal year. The budget reflects both a \$450,000 expenditure and revenue line item. The short term financing will likely be in smaller increments which are repaid throughout the fiscal year. Under the cash basis of accounting each loan transaction is recorded as an expenditure and payment from TURA as a revenue. Total incremental financing during the year is not to exceed \$450,000.

It is important to have this carryover from one year to the next to provide a stable beginning fund balance. The contingency and unappropriated ending fund balance for the General Fund is 25%. This is an increase of 4% in unappropriated ending fund balance from FY2014. The Water Fund contingency and unappropriated ending fund balance is 58%. With the transfer from the Water Debt Service Reserve Fund balance to the Water Utility Fund, an annual debt service payment has been included in the unappropriated ending fund balance.

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 7 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 year and will expire June 30, 2015. As per the agreement, the annual cost of living (COLA) adjustment is tied to the CPI-U, and will not be lower than 1% or higher than 4% in any of the three years. This year's COLA adjustment is 1.1% and will be effective July 1, 2014. The City's annual contribution of \$15,084 to employee health insurance premiums is also part of the collective bargaining agreement. The City's portion of the premium is a set monthly contribution with employees being responsible for any premium increases above this cap. Using a flat dollar contribution allows the City to budget appropriately without having to anticipate unknown premium increases during the budget process.

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 increased as of July 1, 2013 for the 2013–2015 biennial period.

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

In this budget, the City proposes to refill one part-time position in Administration and Finance to provide needed front office coverage. City Hall is open from 8:30 a.m. to 5:00 p.m. to provide citizen services. This coverage was provided by the Computer Services Technician in FY2013 prior to expanding this position to a full time Administrator position in FY2014 with the retirement of the City's contracted Information Technology service provider.

**Community Development** – A part-time Community Development Assistant position in the Community Development was increased to a full time position in FY2014. This position, along with a part-time position filled in FY2012 continue to provide office coverage and municipal code enforcement. The Community Development Director's position was filled on a full time basis in September 2013 with the resignation of the City's contracted service provider.

**Administration** – A full-time Computer Services Administrator position was filled in FY2014. While this staff member works out of City Hall, it is funded by and supports all departments. The proposed refilling of a part-time clerk position will provide needed customer service coverage.

**Computer Technology Services** – The City has decreased the Computer Technology Services throughout the budget as the City performs all Information Technology services in house.

### ***External Impacts***

This year the most noticeable impact is the rising cost of insurance. General liability insurance is anticipated to increase by 26%–30% along with addition coverage requirements for excess cyber liability and excess crime coverage. Insurance pre-loss legal requirements as well as state and local ballot issues have resulted in increased legal review requirements as well. Information Technology continues to bring with it security and regulatory requirements. Fuel and materials cost increases are also felt by the Police and Public Works departments. These have a direct impact to the City budget as aging infrastructure needs upgrading and repair. The City needs to be mindful of how the national and regional economy and changes impact the citizens of Talent.

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



# City of Talent

110 E. Main Street, P.O. Box 445, Talent, OR 97540  
Telephone: (541) 535-1566 Fax: (541) 535-7423  
E-mail: [talent@cityoftalent.org](mailto:talent@cityoftalent.org)

## 2014-2015 BUDGET CALENDAR

*Updated April 18, 2014*

February 3, 2014	Asst. Finance Director provides Dept. Heads with current budget report
February 28, 2014	Dept. budgets/CIP submitted to City Manager/Administrative Services Director
March 3 – 7, 2014	Review Dept. budgets with City Manager/Administrative Services Director
April 18, 2014	Advertisement for Budget Committee Hearings to Newspaper (Flash)
April 28, 2014	Post Budget Committee Hearing Notice on Website
May 3, 2014	Budget Committee Public Hearing Notice (TNR – May 3 <sup>rd</sup> Publication)
May 8, 2014 6:30 p.m.	Budget Committee Training/Meeting to receive budget & budget message
May 13, 2014 6:30 p.m.	Budget Committee Work Session/Public Hearing
May 15, 2014 6:30 p.m.	Budget Committee Work Session/Public Hearing (Additional date if meeting continued)
May 23, 2014	Financial Summary and Notice of Budget Hearing to Newspaper (TNR)
May 31, 2014	Financial Summary and Notice of Budget Hearing published (TNR)
June 18, 2014	City Council Budget Hearing for final adoption of budget
June 30, 2014	Last date for State Revenue Sharing Resolution to State
July 15, 2014	Last date to submit tax certification documents to County Assessor
Sept. 30, 2014	Last date to submit budget document to County Clerk

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## **OUR VISION STATEMENT**

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

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

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

## **OUR MISSION STATEMENT**

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



## City of Talent 2013-2014 Adopted Council Goals

### Planning and Economic Development

**Attract business and sustainable Jobs-** Implement "Strategy for Economic Development"  
Work with County to find ways to use City Standards for any development of County Lands within the City. Develop a public arts policy before next budget cycle.

### Infrastructure

**Determine best use of City facilities and Community Centers -** Develop a study of best use of all City Facilities. Develop a strategy to fund and outfit new Community Center. Develop a capital improvement and maintenance and operation plan.

**Efficient operation & maintenance of City Water System-** Develop a current capital improvement plan for the City water system before next budget cycle. Complete and implement a water rate study and rate plan that reflects operation and maintenance cost.

**Update Capital Improvement Program for roads-** Update Capital improvement for roads and streets before next budget cycle.

### Citizen Involvement

**Information to and from residents in a timely manner-** Work with Urban Renewal to install a reader board to display community activities. Use the City Web Site as a vehicle to solicit public comment on specific issues. Update sign code.

### Culture and Recreation

**Promote eco-tourism-** Begin conversations with nature groups such as the Nature Conservancy and Audubon Society to see if there is interest in a Bear Creek preserve. Develop a concept plan that reflects the natural water based environment while providing access for tourism and local residents.

**Promote sports based tourism-** Evaluate opportunities to promote sport based tourism.  
Evaluate school property west of town for a sports park.

**Promote trails for connectivity-** Develop a priority list for trails.

### Budget and Finance

**Develop a maintenance Management System for all City infrastructure and equipment-** Capture cost data for all City infrastructure. Identify and evaluate options to obtain management consultant services to assist in evaluating and develop plans for the maintenance/improvements for all City services. Determine costs for capital and ongoing maintenance. Identify time frame for all projects in the CIP.

### Staffing Issues

**Provide a cost effective Public Works Division-** Complete a cost benefit analysis to weigh out the advantages and disadvantages of various organizational structures.

**Replace employee contracts with Personnel Policy-** Evaluate the benefits of replacing Employee personal contracts with a personnel policy that covers all employees.

### Public Safety

**Reduce property crime and gang activity in Talent -** Focus and expand Community outreach/education and enforcement.

**City of Talent  
2014-15 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 the 15% of expenditures goal for all four funds. An unappropriated ending fund balance has been established in each of the above funds with the exception of the Parks Fund.

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

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

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

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

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

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

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

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

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

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

*Rationale:* Budget Committee Members and City Council Members should annually attend a local budget law workshop when available to provide them with a better understanding of governmental budgets and accounting issues. They should review financial reports quarterly to increase the involvement in the financial oversight of the City. The City of Talent has provided annual Budget Committee training in conjunction with the Budget Committee meetings since 2010 to help fill a gap with the reduction in available workshops by the Department of Revenue.

**City of Talent  
2014-15 Annual Budget**

**BUDGET PROCESS**

**BUDGET PREPARATION**

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

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

**BUDGET ADOPTION**

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

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

## **BUDGET AMENDMENTS**

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

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

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

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

The supplemental budget process requires a public hearing, published notification, and approval by the City Council.

## **BUDGET BASIS**

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

The City of Talent prepares the budgets using the cash basis of accounting for Governmental Funds and Enterprise Funds. All adjustments will be made as of June 30<sup>th</sup> 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.

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**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 2014-15.

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 expenditures are included where appropriate.

**Community Development** receives funding from licenses, permits and fees, intergovernmental revenues and other sources. Major expenses are for contract services and salary related expenses. The accounting for the Building Inspection program 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 FY2008 to provide monies to augment the hours of operation for the Jackson County library located in Talent. The source of these funds come from the Library Surcharge and has allowed for an additional 20 hours a week of operation at the library.

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

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

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

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

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

The **TAP Operations Fund** is a fund established in 2007 to account for the operations of the TAP (Talent, Ashland & Phoenix) joint ownership of the Samike Regional Pump Station and the purchase of water, electricity, insurance and other repair and maintenance expenses shared by the cities in providing water to their respective city customers. Currently Talent and Phoenix are accessing water from this system owned by the Medford Water Commission. The City of Ashland will be receiving water through the TAP system in the summer 2014. Revenues for this Fund will come from the cities of Phoenix and Ashland, 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  
2014-15 Annual Budget**

**FUND SUMMARIES**

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

**Summary of Revenue and Expenditures** - These summary pages indicate the totals of all the City Funds and reflect the total anticipated revenue and expenditures less Interfund Transfers for the fiscal year 2014-2015. 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 2009-2010. 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 10% of expenditures. The unappropriated ending fund balance of 10% of expenditures was not met for the Parks Fund for FY2015.

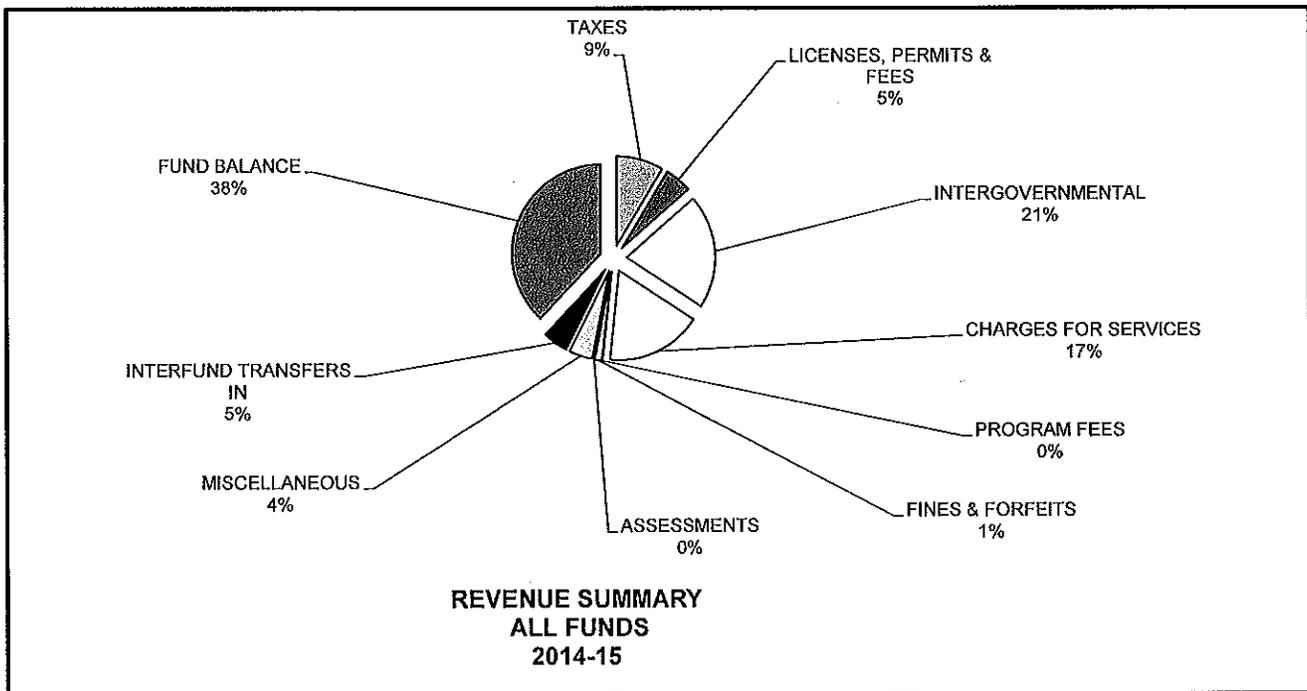
**Interfund Transfers for All Funds and By Fund** – This report provides a summary of the total of transfers from each fund and indicates where the money is coming from and going to. The journal transfer of these funds takes place during the fiscal year and is completed by the Assistant Finance Director by June 30<sup>th</sup> 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 2014-15**

TRANSFER FROM:	AMOUNT	TRANSFER TO:	AMOUNT
		West Valley View Debt Service	6,450
		Total Debt Service	<u>6,450</u>
		CC454 - Community Center	25,000
		CC458 - Community Hall Handicap Ramp	7,250
		CC905 - Police Dept Vehicle Reserve	20,000
		CC907 - Finance Software	20,000
		Total CIP	<u>72,250</u>
General Fund-Projects	\$ <u>(78,700)</u>	Total Debt Service & CIP	<u>78,700</u>
Park Fund-Projects	<u>0</u>	Total CIP	<u>0</u>
		CC432 - Misc. Sidewalk Improvments	15,000
		CC450 - North Front Street Improvements	60,000
		CC452 - Lithia Way Improvements	23,650
		CC453 - Rapp Road Improvements	25,000
		CC457 - Sidewalk @ Second and Schoolhouse	30,000
		CC458 - Community Hall Alley Improvements	45,000
Street/Storm Fund - Projects	<u>(198,650)</u>	Total CIP	<u>198,650</u>
SDC Transportation	0		
SDC Storm Drain	0		
SDC Water	0		
SDC Parks	0		
Total SDC Funds	<u>0</u>	Total CIP	<u>0</u>
		Tap Operations Fund	239,850
		Total CIP	0
Water Fund	<u>(239,850)</u>	Total TAP & CIP Water Fund	<u>239,850</u>
<b>TOTAL TRANSFER OUT</b>	<b>\$ <u>(517,200)</u></b>	<b>TOTAL TRANSFER IN</b>	<b><u>517,200</u></b>
		<b>NET TOTAL BUDGET TRANSFERS</b>	<b>0.00</b>

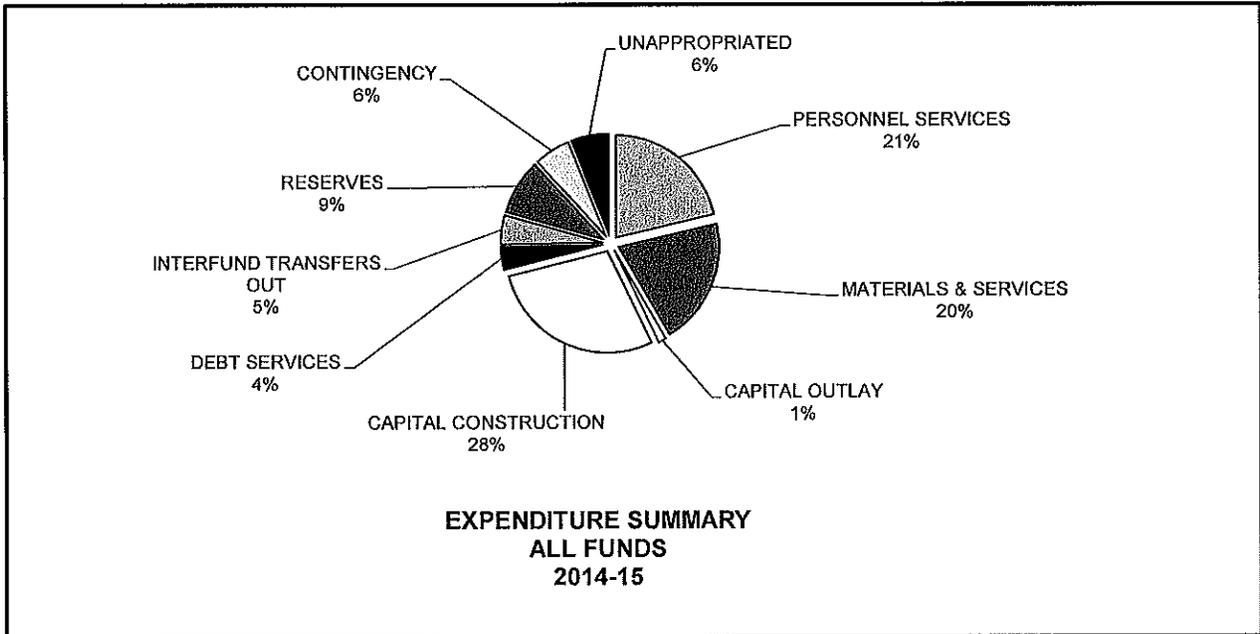
**SUMMARY OF REVENUES BY CATEGORY**  
For Fiscal Year 2014-15  
ALL FUNDS

Actual FY12	Actual FY13	Adopted FY14	REVENUE	Proposed FY15	Approved FY15	Adopted FY15
925,748	918,912	913,350	TAXES	961,300	961,300	961,300
519,189	632,032	479,000	LICENSES, PERMITS & FEES	549,500	549,500	549,500
1,006,936	837,714	2,402,135	INTERGOVERNMENTAL	2,306,210	2,306,210	2,306,210
1,887,493	2,204,862	1,884,135	CHARGES FOR SERVICES	1,950,300	1,950,300	1,950,300
5,554	4,268	4,000	PROGRAM FEES	1,000	1,000	1,500
159,033	146,589	140,000	FINES & FORFEITS	148,000	148,000	148,000
9,568	9,568	9,568	ASSESSMENTS	9,570	9,570	9,570
80,540	78,095	44,895	MISCELLANEOUS	477,105	477,105	476,605
564,203	767,455	1,279,718	INTERFUND TRANSFERS IN	517,200	517,200	517,200
4,105,016	3,773,613	3,726,313	FUND BALANCE	4,238,180	4,238,180	4,238,180
<b>9,263,280</b>	<b>9,373,108</b>	<b>10,883,114</b>	<b>GRAND TOTAL ALL FUNDS</b>	<b>11,158,365</b>	<b>11,158,365</b>	<b>11,158,365</b>
564,203	767,455	1,279,718	Less Interfund Transfers In	517,200	517,200	517,200
<b>8,699,077</b>	<b>8,605,653</b>	<b>9,603,396</b>	<b>NET TOTAL ALL FUNDS</b>	<b>10,641,165</b>	<b>10,641,165</b>	<b>10,641,165</b>



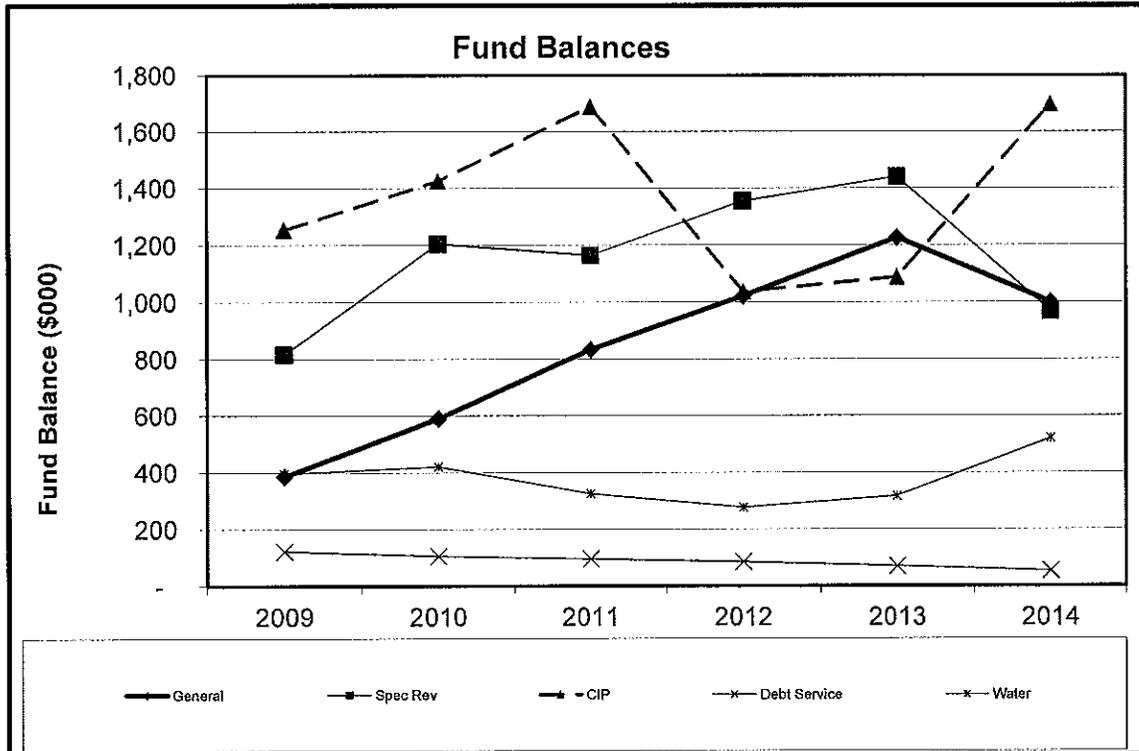
**SUMMARY OF EXPENDITURES BY CATEGORY**  
 For Fiscal Year 2014-15  
 ALL FUNDS

Actual FY12	Actual FY13	Adopted FY14		Proposed FY15	Approved FY15	Adopted FY15
1,751,769	1,829,558	2,237,000	PERSONNEL SERVICES	2,384,400	2,384,400	2,384,400
1,370,079	1,374,324	1,520,970	MATERIALS & SERVICES	2,256,875	2,256,875	2,256,875
72,797	110,047	199,100	CAPITAL OUTLAY	140,550	140,550	140,550
1,337,230	755,998	2,967,346	CAPITAL CONSTRUCTION	3,147,170	3,147,170	3,147,170
393,672	396,141	403,350	DEBT SERVICES	412,025	412,025	412,025
471,106	767,455	1,279,718	INTERFUND TRANSFERS OUT	517,200	517,200	517,200
0	0	1,137,650	RESERVES	982,110	982,110	982,110
0	0	744,640	CONTINGENCY	636,435	636,435	636,435
-	-	393,340	UNAPPROPRIATED	681,600	681,600	681,600
<b>5,396,653</b>	<b>5,233,523</b>	<b>10,883,114</b>	<b>GRAND TOTAL- ALL FUNDS</b>	<b>11,158,365</b>	<b>11,158,365</b>	<b>11,158,365</b>
471,106	767,455	1,279,718	Less Interfund Transfers Out	517,200	517,200	517,200
<b>4,925,547</b>	<b>4,466,068</b>	<b>9,603,396</b>	<b>NET TOTAL - ALL FUNDS</b>	<b>10,641,165</b>	<b>10,641,165</b>	<b>10,641,165</b>



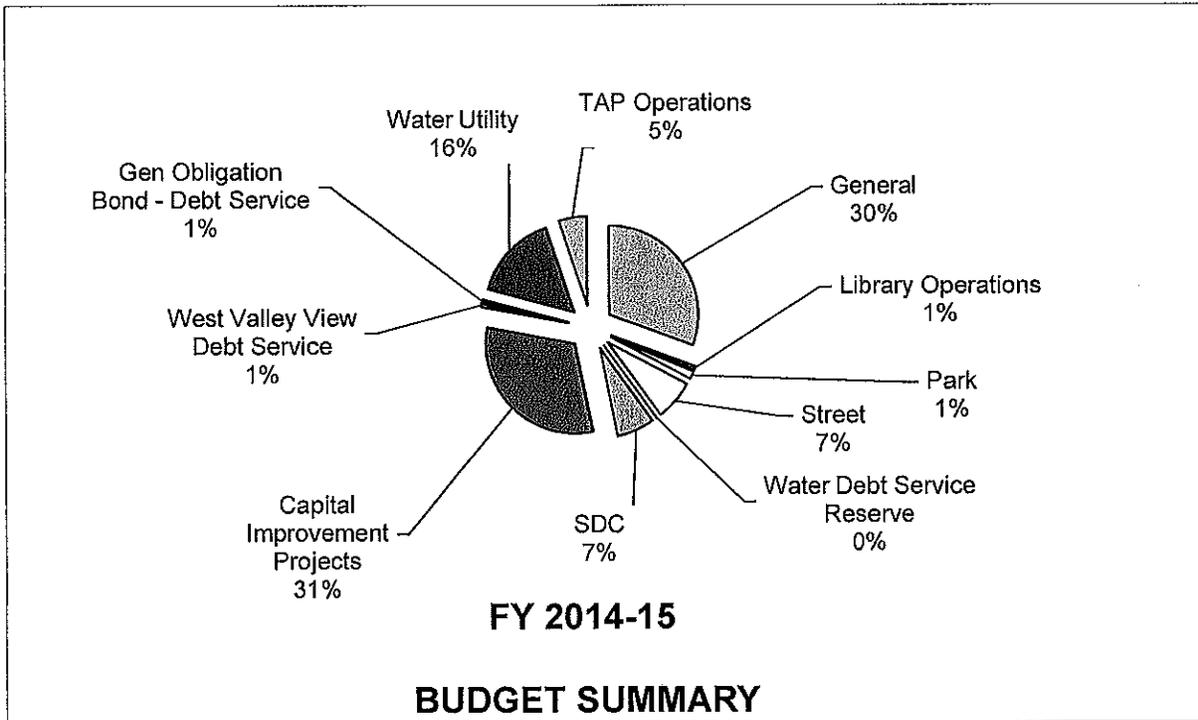
### FUND BALANCE TRENDS

INDIVIDUAL FUNDS	July 2009	July 2010	July 2011	July 2012	July 2013	July 2014
	Actual	Actual	Actual	Actual	Actual	Budget
General	385,643	589,297	833,034	1,021,149	1,225,810	1,000,000
Library Operations	11,976	13,163	14,084	16,392	17,924	16,000
Park	68,553	90,358	127,763	112,191	68,854	41,000
Street	218,770	413,693	483,481	573,326	417,464	273,000
Water Debt Service Reserve	230,935	238,970	236,658	238,403	236,703	-
SDC	286,266	447,563	301,444	414,271	699,513	638,875
Capital Improvement Projects	1,253,826	1,425,062	1,687,546	1,036,035	1,087,045	1,696,055
General Obligation Debt Service	3,266	3,602	7,210	9,133	6,055	950
West Valley View Debt Service	119,947	102,151	88,539	76,137	63,675	52,300
Water Utility	393,804	409,998	322,367	276,575	316,618	520,000
TAP Operations Fund	2,468	11,113	2,891	1	5	-
<b>Totals</b>	<b>2,975,455</b>	<b>3,744,970</b>	<b>4,105,017</b>	<b>3,773,611</b>	<b>4,139,666</b>	<b>4,238,180</b>
<b>TOTAL BUDGET</b>						
<b>GROUPED FUNDS</b>						
General Fund (Unrestricted use fund)	385,643	589,297	833,034	1,021,149	1,225,810	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)	816,501	1,203,747	1,163,430	1,354,582	1,440,457	968,875
Capital Projects Funds (Funds reserved through budget process for specific capital improvement projects)	1,253,826	1,425,062	1,687,546	1,036,035	1,087,045	1,696,055
Debt Service Funds (Funds set aside to pay current and future debt - West Valley View LID and General Obligation Bond debt fund.)	123,213	105,753	95,749	85,270	69,729	53,250
Enterprise Funds (the Water Utility Fund and TAP Fund)	396,272	421,111	325,258	276,576	316,623	520,000
<b>Totals</b>	<b>2,975,455</b>	<b>3,744,970</b>	<b>4,105,017</b>	<b>3,773,611</b>	<b>4,139,666</b>	<b>4,238,180</b>



## BUDGET SUMMARY BY FUND COMPARISON

	FY 2013-14 <u>Budget</u>	FY 2014-15 <u>Budget</u>	FY 2014-15 as a % of <u>Total Budget</u>	FY 2014-15 Increase/ (Decrease) <u>From FY 2013-14</u>
General	2,791,800	3,412,300	30.6%	22.2%
Library Operations	84,050	84,050	0.8%	0.0%
Park	216,500	156,750	1.4%	-27.6%
Street	941,500	811,500	7.3%	-13.8%
Water Debt Service Reserve	238,800	-	0.0%	-100.0%
SDC	697,940	760,525	6.8%	9.0%
Capital Improvement Projects	3,748,506	3,469,205	31.1%	-7.5%
West Valley View Debt Service	79,858	68,425	0.6%	-14.3%
Gen Obligation Bond - Debt Service	68,350	71,550	0.6%	4.7%
Water Utility	1,713,800	1,755,000	15.7%	2.4%
TAP Operations	<u>302,010</u>	<u>569,060</u>	<u>5.1%</u>	<u>88.4%</u>
<b>TOTAL BUDGET</b>	<b>10,883,114</b>	<b>11,158,365</b>	<b>100.0%</b>	<b>2.5%</b>



**FULL-TIME EQUIVALENT PROGRAM ALLOCATION**

FY 2014-15 Budget

	<u>Admin</u>	<u>Comm Dev</u>	<u>Police</u>	<u>Parks &amp; Rec</u>	<u>Parks Maint</u>	<u>Streets</u>	<u>Water Utility</u>	<u>Total FTE Per Job Classification</u>
City Manager	0.40	0.10	0.10		0.05	0.20	0.15	1.00
Administrative Services Director	0.50				0.02	0.20	0.28	1.00
City Record/Executive Assistant	1.00							1.00
Assist. Finance Director	0.50				0.02	0.15	0.33	1.00
Information Technology Administrator	0.40	0.10	0.18	0.01	0.01	0.15	0.15	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
Clerk II - Requested Refill	0.48							0.48
Recreation Coordinator				0.16				0.16
Community Development Director		1.00						1.00
Community Development Assistant		1.48						1.48
Minute Taker	0.01	0.09						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			1.48					1.48
PW Superintendent	0.05				0.05	0.45	0.45	1.00
Maint. Spec 2					0.08	0.25	0.67	1.00
Maint. Spec 1					0.08	0.25	0.67	1.00
Main. Spec 1					0.08	0.25	0.67	1.00
Main Spec 1					0.50	0.40	0.10	1.00
<b>Total FTE Per Program</b>	<b>3.87</b>	<b>2.87</b>	<b>9.76</b>	<b>0.17</b>	<b>0.89</b>	<b>2.30</b>	<b>4.87</b>	<b>24.73</b>

**City of Talent  
2014-15 Annual Budget**

**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 Hall, Community Center, Historical Society and the Depot are included as well. Throughout this budget, Community Hall refers to the existing historical building at 206 East Main Street. Community Center refers to the new building being constructed directly behind City Hall. The Community Development Department includes the Community Development 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 FY2009 will continue to provide a stable source of funding for the Police Department in FY2015. The City Council will review the need for this funding on a biennial basis.

The major sources of revenue within the General Fund are the beginning fund balance, property taxes, franchise fees, building fees and police fines. The Jackson County Assessor's Office will be conducting a revaluation project in Talent along with SE Medford, Phoenix and all rural areas in between. Many of these properties have not been reappraised in twenty years. This project will take some time and the full results will not be known until the 2015-2016 or 2016-2017 fiscal years. Franchise fees are an assessment on utilities who sell their services within the City limits. The fee is a calculated percentage of revenue agreed upon by the City and the utility. As the utility rates increase the fees collected on behalf of the City go up as well. The majority of franchise fees come from Pacific Power, Avista, Qwest, Charter, Recology Ashland Sanitary and the City's Water Utility.

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

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

In this budget the city has not set aside funds in the Building Maintenance Reserves for the City Hall, Community Hall and the Police Station. The following Repair and Maintenance projects have been identified and are included in the departmental operating budgets and Capital Improvement Fund.

- City Hall HVAC System software upgrade
- City Hall Parking Lot crack sealing
- City Hall Sidewalk repairs
- Community Hall Handicap Ramp improvements

**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.

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

**Expenditures/Community Development** - The two largest expenses in the Community Development Office are personnel and the Building Inspection Program. The City's Building Inspection Program is contracted through the Jackson County Building Division where building inspection services are provided while all clerical responsibilities are handled by Community Development. The Community Development also houses the Planning Department which coordinates long and short range land use activities with the City Council and Planning Commission. Lastly, Community Development administers the code enforcement program, ensuring that all land use ordinances and City regulations are followed and enforced. Hiring a full-time Community Development Director and a part-time code enforcement officer in late 2013 has benefited the City by reducing overhead expenses while continuing to provide citizens of Talent the needed services.

During 2011–2013 the City issued nearly 743 permits, 80 residential and 23 commercial permits, averaging 26 residential and 8 commercial permits each year. Since the beginning of 2014, the City has issued a total of 85 permits, equal to that of the same period in 2013. This trend is likely to continue for FY 2014 and 2015, but Talent is experiencing some shortages in available lands and has secured a grant from Oregon Department of Transportation to begin the conceptual planning to bring TA-4 and TA-5 Urban Reserve areas in to the City's Urban Growth Boundary and eventual annexation.

**Expenditures /Police Department** – The Police Department represents 55% of the General Fund Budget for FY2015. This is a decrease from 58% in FY2014. 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 vehicles and specialized equipment. The City plans to transfer \$20,000 to the Reserve in FY2015 to purchase a vehicle. The City will seek to continue

an every two/three year vehicle replacement cycle in order to replace older high mileage vehicles. Good quality, low mileage used vehicles are purchased when the opportunity arises.

**Interfund Transfers – General Fund:**

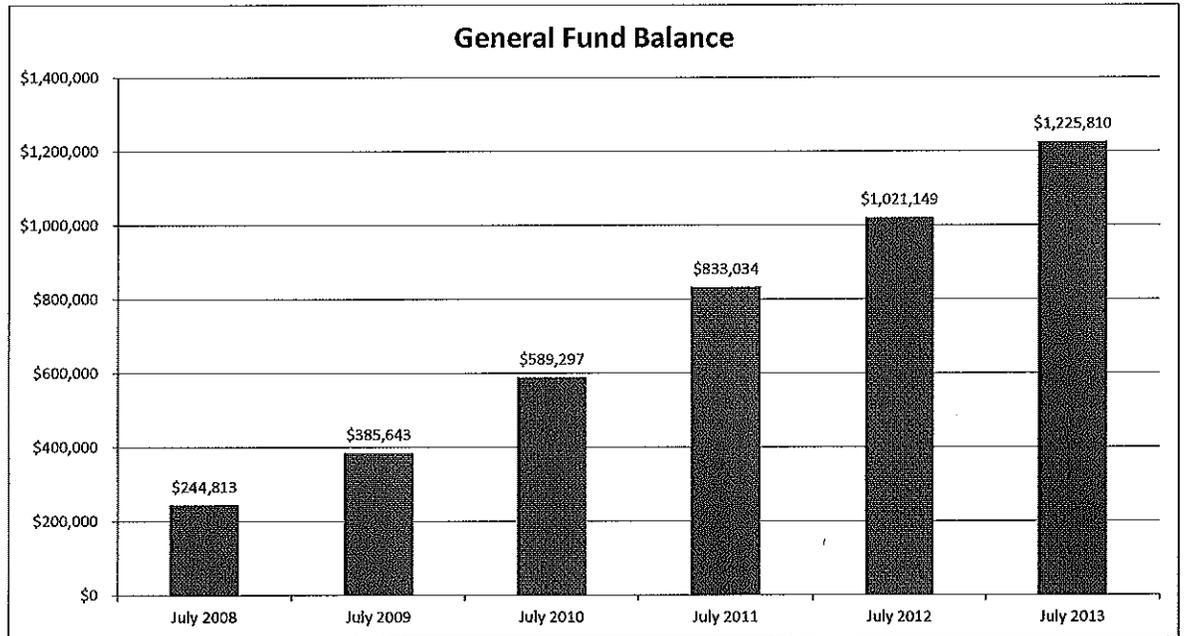
The following transfers from the General Fund totaling \$78,700 are planned for FY2015.

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

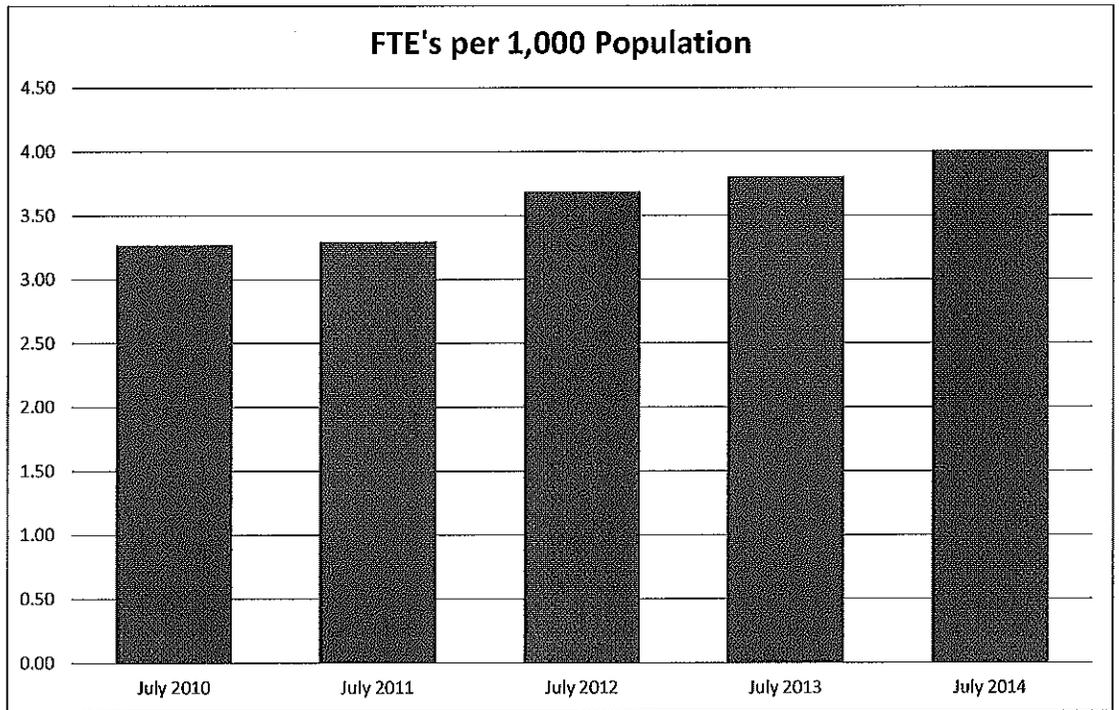
To CIP Fund – \$72,250

- Building Reserves – No transfers scheduled
- CC905 Police Vehicles - \$20,000
- CC907 Finance Software - \$20,000
- CC458 Community Hall Handicap Ramp - \$7,250
  - Additional funding provided by Talent Urban Renewal
- CC454 New Community Center Building - \$25,000
  - Building - \$15,000
  - Furnishings - \$10,000

## General Fund Balance Trend



	<u>July 2008</u>	<u>July 2009</u>	<u>July 2010</u>	<u>July 2011</u>	<u>July 2012</u>	<u>July 2013</u>
General Fund Balance	\$244,813	\$385,643	\$589,297	\$833,034	\$1,021,149	\$1,225,810
General Fund Unreserved Balance as a % of Total Revenue	6.69%	9.33%	10.68%	16.33%	24.13%	20.86%
Total Budgeted City Revenues	\$3,656,963	\$4,133,732	\$5,516,403	\$5,101,129	\$4,231,948	\$5,877,083



	<u>July 2010</u>	<u>July 2011</u>	<u>July 2012</u>	<u>July 2013</u>	<u>July 2014</u>
FTE's per 1,000 Population	3.27	3.30	3.69	3.81	4.01
Full Time Employees	22	22	22	23	25
Population	6,680	6,670	6,095	6,115	6,170

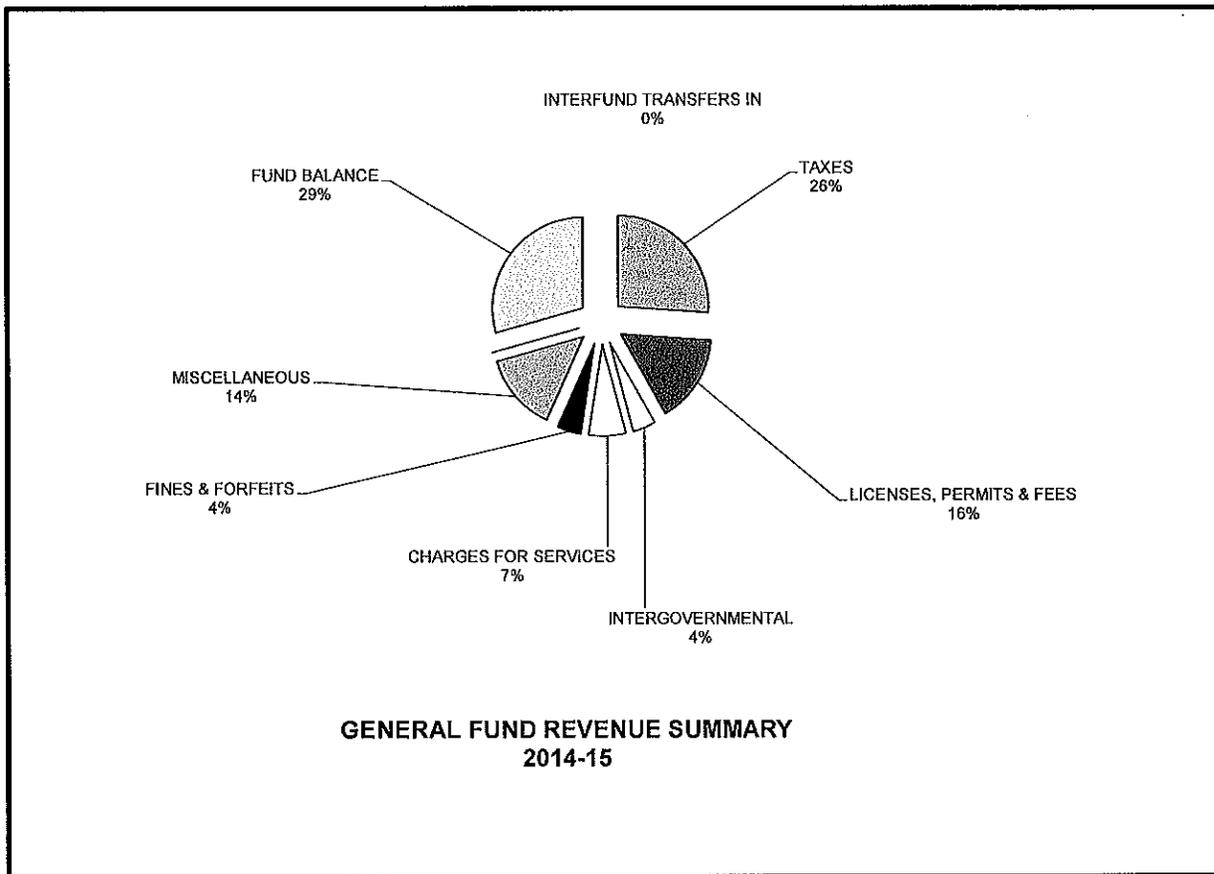
Note: July 2012 Population declined due to 2010 Census Data

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

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

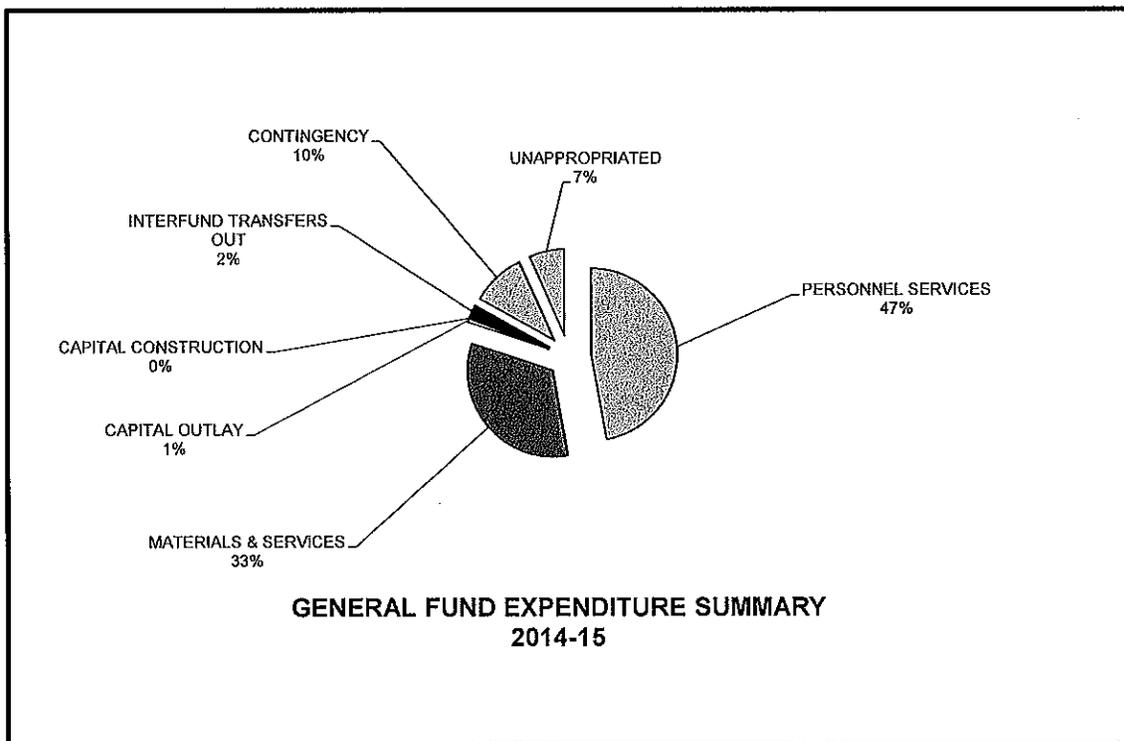
**REVENUE SUMMARY**  
 For Fiscal Year 2014-15  
 GENERAL FUND  
 BY CATEGORY

Actual FY12	Actual FY13	Adopted FY14	REVENUE	Proposed FY15	Approved FY15	Adopted FY15
862,589	857,143	850,000	TAXES	890,700	890,700	890,700
496,366	610,889	465,000	LICENSES, PERMITS & FEES	536,500	536,500	536,500
168,748	153,489	137,000	INTERGOVERNMENTAL	139,500	139,500	139,500
161,170	185,106	162,150	CHARGES FOR SERVICES	223,800	223,800	223,800
159,033	146,589	140,000	FINES & FORFEITS	148,000	148,000	148,000
55,317	58,786	37,650	MISCELLANEOUS	473,800	473,800	473,800
-	-	-	INTERFUND TRANSFERS IN	-	-	-
<u>833,034</u>	<u>1,021,149</u>	<u>1,000,000</u>	FUND BALANCE	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
<b>2,736,257</b>	<b>3,033,151</b>	<b>2,791,800</b>	<b>GRAND TOTAL REVENUES</b>	<b>3,412,300</b>	<b>3,412,300</b>	<b>3,412,300</b>
-	0	-	Less Interfund Transfers In	-	-	-
<b>2,736,257</b>	<b>3,033,151</b>	<b>2,791,800</b>	<b>NET TOTAL REVENUES</b>	<b>3,412,300</b>	<b>3,412,300</b>	<b>3,412,300</b>



**EXPENDITURE SUMMARY**  
 For Fiscal Year 2014-15  
**GENERAL FUND**  
**BY CATEGORY**

Actual FY12	Actual FY13	Adopted FY14	EXPENDITURES	Proposed FY15	Approved FY15	Adopted FY15
1,110,847	1,141,545	1,462,800	PERSONNEL SERVICES	1,609,400	1,609,400	1,609,400
555,922	602,270	651,350	MATERIALS & SERVICES	1,124,350	1,124,350	1,124,350
15,568	26,681	34,150	CAPITAL OUTLAY	23,100	23,100	23,100
0	0	0	CAPITAL CONSTRUCTION	0	0	-
32,849	36,921	158,950	INTERFUND TRANSFERS OUT	78,700	78,700	78,700
0	0	346,100	CONTINGENCY	346,050	346,050	346,050
0	0	138,450	UNAPPROPRIATED	230,700	230,700	230,700
<b>1,715,186</b>	<b>1,807,417</b>	<b>2,791,800</b>	<b>GRAND TOTAL EXPENDITURES</b>	<b>3,412,300</b>	<b>3,412,300</b>	<b>3,412,300</b>
32,849	36,921	158,950	Less Interfund Transfers Out	78,700	78,700	78,700
<b>1,682,337</b>	<b>1,770,496</b>	<b>2,632,850</b>	<b>NET TOTAL EXPENDITURES</b>	<b>3,333,600</b>	<b>3,333,600</b>	<b>3,333,600</b>



**EXPENDITURE SUMMARY & ANALYSIS**  
**Adopted Budget for FY 2014-15**  
**GENERAL FUND**  
**BY DEPARTMENT AND CATEGORY**

	ADMINISTRATION	COUNCIL, DEPOT, COMM HALL & COMM CENTER	COMMUNITY DEVELOPMENT	POLICE	NON-DEPARTMENTAL	TOTALS
PERSONNEL SERVICES	371,000	13,400	232,000	993,000	-	1,609,400
MATERIALS AND SERVICES	659,000	88,575	116,575	260,200	-	1,124,350
CAPITAL OUTLAY	7,425	2,500	3,575	9,600	-	23,100
TRANSFERS TO OTHER FUNDS	-	-	-	-	78,700	78,700
CONTINGENCY	-	-	-	-	346,050	346,050
UNAPPROPRIATED ENDING FUND BALANCE	-	-	-	-	230,700	230,700
<b>TOTALS</b>	<b>1,037,425</b>	<b>104,475</b>	<b>352,150</b>	<b>1,262,800</b>	<b>655,450</b>	<b>3,412,300</b>
LESS TRANSFERS & CONTINGENCY						(655,450)
<b>NET TOTAL (Operating Budget)</b>						<b>2,756,850</b>
<b>Prior Year Net Operating Budget</b>						<b>2,148,300</b>
<b>Increase / - Decrease</b>						<b>28.3%</b>

**GENERAL FUND EXPENDITURE ANALYSIS**  
FY 2014-15 Adopted Budget, Net of Transfers and Contingency

**Table 1: Budget by Departments**

ADMINISTRATION (excluding TURA Loan)	587,425	25%
COUNCIL, DEPOT, COMM HALL & COMM CTR.	104,475	5%
COMMUNITY DEVELOPMENT	352,150	15%
POLICE	1,262,800	55%
<b>TOTAL</b>	<b>2,306,850</b>	<b>100%</b>

**Table 2: Budget by Categories**

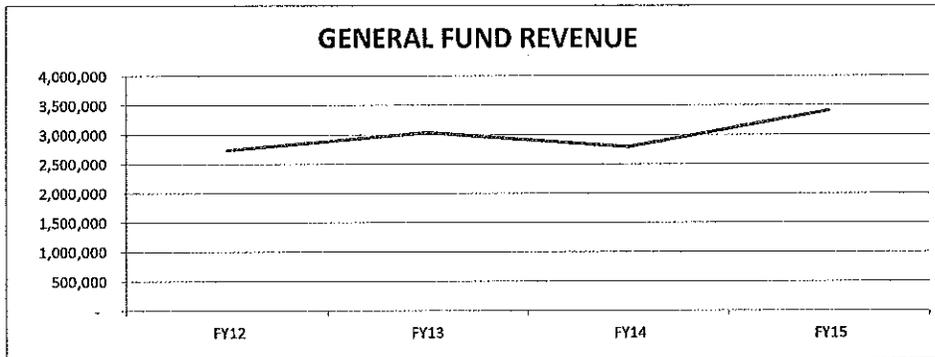
PERSONNEL SERVICES	1,609,400	58%
MATERIALS AND SERVICES	1,124,350	41%
CAPITAL OUTLAY	23,100	1%
<b>TOTAL</b>	<b>2,756,850</b>	<b>100%</b>

**Table 3: Department Budgets by Categories**

Administration		
PERSONNEL SERVICES	371,000	36%
MATERIALS AND SERVICES	659,000	64%
CAPITAL OUTLAY	7,425	1%
<b>TOTAL</b>	<b>1,037,425</b>	<b>100%</b>
Council, Depot, Community Hall & Community Center		
PERSONNEL SERVICES	13,400	13%
MATERIALS AND SERVICES	88,575	85%
CAPITAL OUTLAY	2,500	2%
<b>TOTAL</b>	<b>104,475</b>	<b>100%</b>
Community Development		
PERSONNEL SERVICES	232,000	66%
MATERIALS AND SERVICES	116,575	33%
CAPITAL OUTLAY	3,575	1%
<b>TOTAL</b>	<b>352,150</b>	<b>100%</b>
Police		
PERSONNEL SERVICES	993,000	79%
MATERIALS AND SERVICES	260,200	21%
CAPITAL OUTLAY	9,600	1%
<b>TOTAL</b>	<b>1,262,800</b>	<b>100%</b>

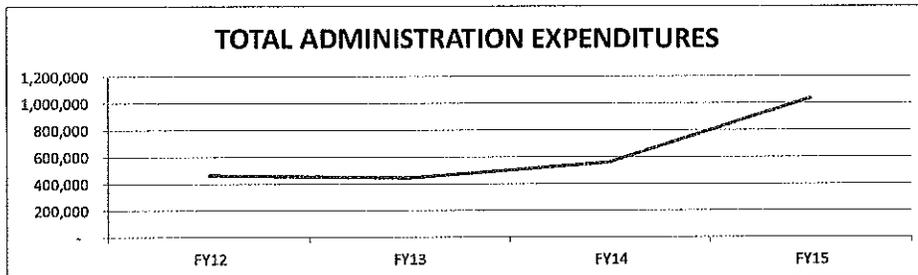
**GENERAL FUND**

Actual FY12	Actual FY13	Adopted FY14	REVENUES	Proposed FY15	Approved FY15	Adopted FY15
833,034	1,021,149	1,000,000	FUND BALANCE	1,000,000	1,000,000	1,000,000
833,974	829,088	825,000	PROP TAXES - CURRENT	850,700	850,700	850,700
28,616	28,055	25,000	PROP TAXES - DELINQUENT	40,000	40,000	40,000
185	432	-	PROP TAX INTEREST	-	-	-
404,800	398,839	385,000	FRANCHISE TAXES	409,000	409,000	409,000
27,650	26,595	25,000	BUSINESS LICENSES	25,000	25,000	25,000
63,915	185,455	55,000	BUILDING PERMITS	102,500	102,500	102,500
80	-	-	BUILDING PERMIT CHANGE ADMIN FEE	-	-	-
84,414	90,609	87,000	INTERGOVERNMENTAL REV	87,000	87,000	87,000
-	-	-	FEDERAL GOV GRANTS	-	-	-
-	-	-	STATE GOV GRANTS	-	-	-
8,889	5,385	5,000	POLICE OVERTIME GRANTS	3,000	3,000	3,000
-	-	-	POLICE GRANTS - OTHER	-	-	-
46,888	50,106	45,000	STATE SHARED REVENUE	49,500	49,500	49,500
30,559	7,389	-	911 TELEPHONE TAX	-	-	-
-	75	-	ALCOHOL TAX	-	-	-
2,067	849	1,000	CHARGES FOR SERVICES	1,000	1,000	1,000
6,370	11,280	5,000	ZONING AND SUBDIVISION FEE	7,500	7,500	7,500
958	-	-	COMMUNITY DEVELOPMENT FEE	60,000	60,000	60,000
2,660	3,643	3,000	H FESTIVAL EARNED INCOME	3,000	3,000	3,000
4,010	2,900	1,500	H FESTIVAL DONATIONS	5,000	5,000	5,000
150,033	137,189	130,000	FINES	140,000	140,000	140,000
9,000	9,400	10,000	IMPOUND	8,000	8,000	8,000
-	-	-	TURA LOAN PRINCIPAL PAYMENT	450,000	450,000	450,000
140,245	143,885	144,000	PUBLIC SAFETY SURCHARGE	142,000	142,000	142,000
3,511	3,586	3,325	LIBRARY OPERATIONS ADMIN FEE	3,300	3,300	3,300
-	3,214	-	CET ADMINISTRATION FEE	1,500	1,500	1,500
8,019	22,292	8,825	SDC ADMIN FEE	8,500	8,500	8,500
6,150	5,700	5,700	RENTAL INCOME	2,000	2,000	2,000
-	-	-	POLICE DONATIONS	-	-	-
-	53	-	DONATIONS TO PUBLIC ARTS	-	-	-
-	-	-	DONATIONS	-	-	-
594	9,406	-	OTHER GRANTS	-	-	-
-	-	-	FROM OTHER FUNDS	-	-	-
-	-	-	FROM SDC FUND	-	-	-
-	-	-	FROM LIBRARY OPERATIONS FUND	-	-	-
-	648	-	SALE OF ASSETS	-	-	-
3,728	2,500	-	INSURANCE CLAIM PROCEEDS	-	-	-
238	998	-	ENGINEERING FEE REIMBURSEMENT	-	-	-
8,897	4,094	1,100	MISCELLANEOUS REFUNDS	1,000	1,000	1,000
4,416	5,117	2,000	INTEREST EARNINGS	2,000	2,000	2,000
<b>2,711,917</b>	<b>3,009,931</b>	<b>2,767,450</b>		<b>3,401,500</b>	<b>3,401,500</b>	<b>3,401,500</b>
18,521	18,737	19,150	DEPOT RENT	6,600	6,600	6,600
201	187	-	DEPOT RENT LATE FEES	-	-	-
2,314	1,535	2,000	COMMUNITY HALL RENT	1,000	1,000	1,000
-	-	-	MISC REFUND & REIMBURSEMENTS	-	-	-
1,200	1,000	1,200	105 N MARKET RENT	1,200	1,200	1,200
2,185	1,836	2,000	MISC REFUND & REIMBURSEMENTS	2,000	2,000	2,000
<b>2,736,337</b>	<b>3,033,226</b>	<b>2,791,800</b>	<b>TOTAL GEN FUND REVENUE</b>	<b>3,412,300</b>	<b>3,412,300</b>	<b>3,412,300</b>



**GENERAL FUND**

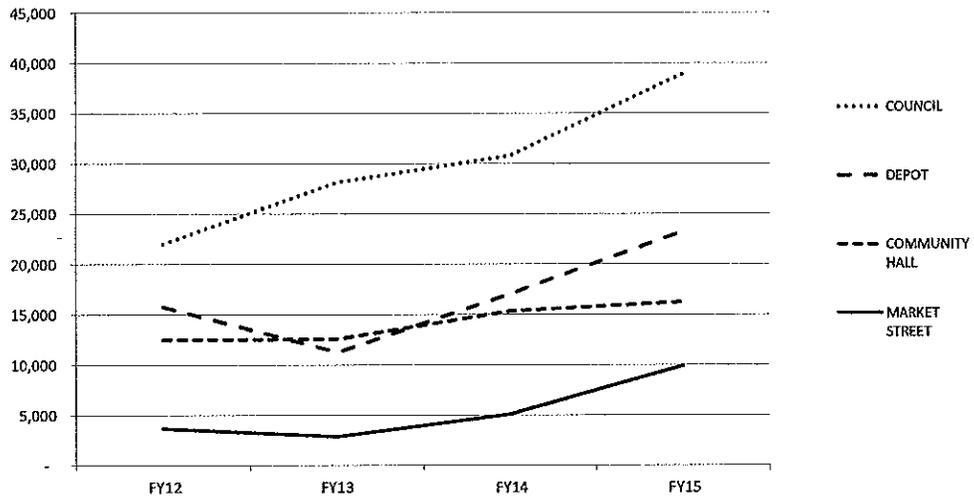
Actual FY12	Actual FY13	Adopted FY14	EXPENDITURES	Proposed FY15	Approved FY15	Adopted FY15
<b>ADMINISTRATION</b>						
186,974	199,963	236,500	REGULAR SALARIES	235,500	235,500	235,500
574	117	1,000	OVERTIME	1,000	1,000	1,000
8,718	2,572	9,000	ACCRUED LEAVE PAYOUTS	11,000	11,000	11,000
<u>76,842</u>	<u>66,767</u>	<u>128,000</u>	FRINGE BENEFITS	<u>123,500</u>	<u>123,500</u>	<u>123,500</u>
273,108	269,419	374,500	<b>TOTAL PERSONNEL SERVICES</b>	371,000	371,000	371,000
20,838	2,444	5,000	BUSINESS CONSULTING SERVICES	5,000	5,000	5,000
2,341	11,753	10,000	ATTORNEY SERVICES	20,000	20,000	20,000
894	-	2,000	LABOR ATTORNEY SERVICES	1,000	1,000	1,000
1,682	1,795	4,300	AUDITOR	4,400	4,400	4,400
3,869	2,819	5,000	TRAINING PROVIDERS AND REG	5,000	5,000	5,000
	98		ENGINEERING, DESIGN & CONST MGMT SERV	-	-	-
1,550	1,781	3,070	TECHNICAL SUPPORT SERVICES	3,000	3,000	3,000
213	13,879	12,000	CONTRACTED PERSONNEL SERVICES	12,000	12,000	12,000
-	3,654	8,000	PUBLIC ARTS SUPPLIES	-	-	-
3,250	2,400	3,500	H FESTIVAL ENTERTAINMENT	3,500	3,500	3,500
3,192	4,460	3,500	H FESTIVAL SUPPLIES	3,500	3,500	3,500
6,009	8,765	8,500	COMPUTER TECHNOLOGY SERVICES	9,000	9,000	9,000
764	764	900	SEWER UTILITIES	900	900	900
170	68	200	DISPOSAL SERVICES	200	200	200
2,951	2,771	3,300	CUSTODIAL	3,700	3,700	3,700
-	-	-	LAWN & GROUNDS MAINTENANCE	1,000	1,000	1,000
9,420	13,789	12,000	REPAIR & MAINTENANCE SERVICES	26,000	26,000	26,000
4,040	5,445	6,000	PROPERTY AND CASUALTY INSURANCE	7,500	7,500	7,500
13,987	13,021	10,000	PHONE, INTERNET & RADIO COMMUNICATIONS	7,500	7,500	7,500
10,163	9,642	13,000	DUES, MEMBERSHIPS, & PUBLICATIONS	13,000	13,000	13,000
288	1,715	2,000	ADVERTISING	1,500	1,500	1,500
1,631	1,474	2,500	PRINTING AND BINDING	2,000	2,000	2,000
10,176	4,364	10,000	TRAVEL & MEETING EXPENSE	10,000	10,000	10,000
1,355	1,801	2,500	BANKING FEES	2,500	2,500	2,500
705	7,601	5,000	GENERAL SUPPLIES	6,000	6,000	6,000
4,541	5,565	5,000	OFFICE SUPPLIES	6,000	6,000	6,000
10,446	10,011	11,000	ENERGY UTILITIES	13,300	13,300	13,300
29	153	500	GASOLINE	500	500	500
1,574	1,535	2,500	POSTAGE	2,500	2,500	2,500
-	-	-	PROGRAMS	-	-	-
30,559	7,389	-	911 TELEPHONE TAX	-	-	-
31,763	27,292	27,000	COURT ASSESSMENTS	35,000	35,000	35,000
-	-	500	SECURITY DEPOSITS RELEASED	500	500	500
2,365	816	3,000	MISCELLANEOUS	3,000	3,000	3,000
-	-	-	LOAN TO TURA	450,000	450,000	450,000
<u>180,745</u>	<u>169,054</u>	<u>181,770</u>	<b>TOTAL MATERIALS &amp; SERVICES</b>	<u>659,000</u>	<u>659,000</u>	<u>659,000</u>
<b>CAPITAL OUTLAY</b>						
-	-	-	SECURITY CAMERA	-	-	-
1,300	-	-	VEHICLES - ADMINISTRATION	-	-	-
5,382	4,220	-	FURNITURE AND FIXTURES	-	-	-
<u>3,421</u>	<u>797</u>	<u>3,000</u>	COMPUTER HARDWARE/PRINTERS	<u>7,425</u>	<u>7,425</u>	<u>7,425</u>
10,103	5,017	3,000	<b>TOTAL CAPITAL OUTLAY</b>	7,425	7,425	7,425
<b>463,956</b>	<b>443,490</b>	<b>559,270</b>	<b>TOTAL ADMINISTRATION</b>	<b>1,037,425</b>	<b>1,037,425</b>	<b>1,037,425</b>



**GENERAL FUND**

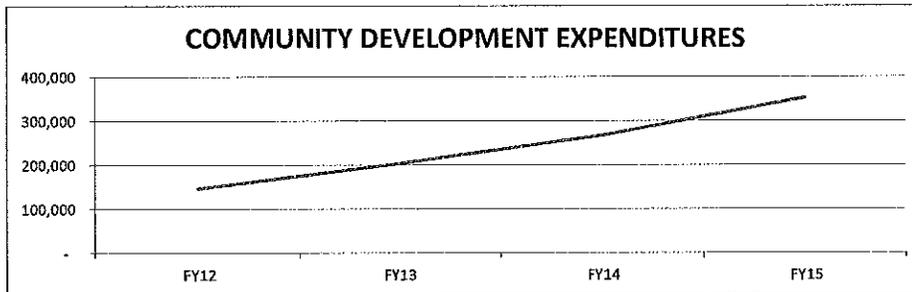
Actual FY12	Actual FY13	Adopted FY14	EXPENDITURES	Proposed FY15	Approved FY15	Adopted FY15
			<b>CITY COUNCIL</b>			
10,738	10,675	12,400	REGULAR SALARIES	12,000	12,000	12,000
1,379	1,328	1,800	FRINGE BENEFITS	1,400	1,400	1,400
12,117	12,003	14,200	<b>TOTAL PERSONNEL SERVICES</b>	13,400	13,400	13,400
	1,470		<b>BUSINESS CONSULTING SERVICES</b>	-	-	-
2,266	4,070	4,000	ATTORNEY SERVICES	5,000	5,000	5,000
4,175	1,185	4,000	TRAINING PROVIDERS AND REG	2,500	2,500	2,500
80	1,470	800	COMPUTER TECHNOLOGY SERVICES	800	800	800
	-	800	PHONE, INTERNET & RADIO COMMUNICATIONS	-	-	-
281	283	500	DUES, MEMBERSHIPS, & PUBLICATIONS	500	500	500
91	531	500	ADVERTISING	250	250	250
137	1,823	500	PRINTING & BINDING	500	500	500
1,287	907	1,500	TRAVEL & MEETING EXPENSE	2,000	2,000	2,000
726	786	500	OFFICE SUPPLIES	500	500	500
60	567	1,000	MAYORS ECONOMIC & COMMUNITY DEVELOPMENT	1,000	1,000	1,000
-	-	-	COUNCIL DISCRETIONARY	10,000	10,000	10,000
9,082	13,092	14,100	<b>TOTAL MATERIALS &amp; SERVICES</b>	23,050	23,050	23,050
			<b>CAPITAL OUTLAY</b>			
834	3,066	2,500	FURNITURE & FIXTURES	2,500	2,500	2,500
834	3,066	2,500	<b>TOTAL CAPITAL OUTLAY</b>	2,500	2,500	2,500
22,033	28,161	30,800	<b>TOTAL CITY COUNCIL</b>	38,950	38,950	38,950
			<b>DEPOT BUILDING</b>			
	-	250	ATTORNEY SERVICES	500	500	500
547	544	600	WATER UTILITY	550	550	550
1,727	811	850	SEWER UTILITIES	850	850	850
4,365	321	5,000	REPAIR & MAINTENANCE SERVICES	10,000	10,000	10,000
418	486	575	PROPERTY AND CASUALTY INSURANCE	700	700	700
4,313	4,580	5,100	ENERGY UTILITIES	5,600	5,600	5,600
4,409	4,537	4,675	PROPERTY TAXES	5,050	5,050	5,050
15,779	11,279	17,050	<b>TOTAL MATERIALS &amp; SERVICES</b>	23,250	23,250	23,250
15,779	11,279	17,050	<b>TOTAL DEPOT BUILDING</b>	23,250	23,250	23,250
			<b>COMMUNITY HALL</b>			
483	1,045	-	COMPUTER TECHNOLOGY SERVICES	-	-	-
399	395	425	SEWER UTILITIES	425	425	425
45	-	50	DISPOSAL	50	50	50
3,312	3,350	4,500	CUSTODIAL	4,900	4,900	4,900
2,097	639	1,500	REPAIR & MAINTENANCE SERVICES	1,600	1,600	1,600
895	1,170	1,375	PROPERTY AND CASUALTY INSURANCE	1,600	1,600	1,600
-	170	1,550	PHONE INTERNET & RADIO COMMUNICATIONS	1,475	1,475	1,475
1,629	2,413	2,000	GENERAL SUPPLIES	2,000	2,000	2,000
3,496	3,412	3,750	ENERGY UTILITIES	4,000	4,000	4,000
149	-	200	MISCELLANEOUS	200	200	200
12,506	12,594	15,350	<b>TOTAL MATERIALS &amp; SERVICES</b>	16,250	16,250	16,250
12,506	12,594	15,350	<b>TOTAL COMMUNITY HALL</b>	16,250	16,250	16,250
			<b>MARKET STREET BUILDING</b>			
-	-	-	WATER	-	-	-
191	191	200	SEWER UTILITIES	225	225	225
	-	200	CUSTODIAL	200	200	200
368	20	1,500	REPAIR & MAINTENANCE SERVICES	6,000	6,000	6,000
319	351	425	PROPERTY AND CASUALTY INSURANCE	500	500	500
173	34	125	GENERAL SUPPLIES	125	125	125
2,596	2,251	2,650	ENERGY UTILITIES	2,850	2,850	2,850
3,647	2,847	5,100	<b>TOTAL MATERIALS &amp; SERVICES</b>	9,900	9,900	9,900
3,647	2,847	5,100	<b>TOTAL MARKET STREET BUILDING</b>	9,900	9,900	9,900
			<b>COMMUNITY CENTER</b>			
-	-	-	COMPUTER TECHNOLOGY SERVICES	-	-	-
-	-	-	SEWER UTILITIES	425	425	425
-	-	-	DISPOSAL	50	50	50
-	-	-	CUSTODIAL	4,850	4,850	4,850
-	-	-	REPAIR & MAINTENANCE SERVICES	1,600	1,600	1,600
-	-	-	PROPERTY AND CASUALTY INSURANCE	1,600	1,600	1,600
-	-	-	PHONE INTERNET & RADIO COMMUNICATIONS	1,400	1,400	1,400
-	-	-	GENERAL SUPPLIES	2,000	2,000	2,000
-	-	-	ENERGY UTILITIES	4,000	4,000	4,000
-	-	-	MISCELLANEOUS	200	200	200
-	-	-	<b>TOTAL MATERIALS &amp; SERVICES</b>	16,125	16,125	16,125
-	-	-	<b>TOTAL COMMUNITY CENTER</b>	16,125	16,125	16,125

**COMBINED - CITY COUNCIL, DEPOT BLDG,  
COMMUNITY HALL AND MARKET STREET BLDG**



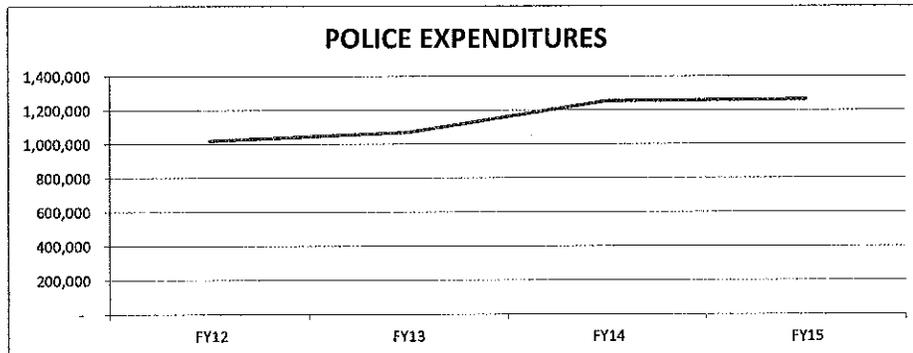
**GENERAL FUND**

Actual FY12	Actual FY13	Adopted FY14	COMMUNITY DEVELOPMENT EXPENDITURES	Proposed FY15	Approved FY15	Adopted FY15
<b>PERSONNEL SERVICES</b>						
25,947	30,614	68,500	REGULAR SALARIES	149,500	149,500	149,500
	-	1,000	OVERTIME	500	500	500
	57	3,000	ACCRUED LEAVE PAYOUT	4,000	4,000	4,000
<u>4,095</u>	<u>10,738</u>	<u>36,600</u>	FRINGE BENEFITS	<u>78,000</u>	<u>78,000</u>	<u>78,000</u>
30,043	41,409	109,100	<b>TOTAL PERSONNEL SERVICES</b>	232,000	232,000	232,000
<b>MATERIALS &amp; SERVICES</b>						
62,019	59,290	75,000	BUSINESS CONSULTING SERVICES	2,100	2,100	2,100
33	14,168	6,000	ATTORNEY SERVICES	11,000	11,000	11,000
	-	500	LABOR ATTORNEY SERVICES	1,000	1,000	1,000
462	393	650	AUDITOR	825	825	825
	400	1,500	TRAINING PROVIDERS & REGISTRATIONS	750	750	750
713	1,876	1,000	ENGINEERING, DESIGN & CONST. MGMT	2,100	2,100	2,100
505	726	600	TECHNICAL SUPPORT SERVICES	1,500	1,500	1,500
3,813	-	-	PUBLIC ARTS SUPPLIES	-	-	-
-	-	-	CONTRACTED PERSONNEL SERVICES	500	500	500
40,648	69,337	50,000	BUILDING INSPECTION SERVICES	76,275	76,275	76,275
2,450	4,321	4,000	COMPUTER TECHNOLOGY SERVICES	6,400	6,400	6,400
	460	825	CUSTODIAL	925	925	925
166	557	650	PROPERTY & CASUALTY INSURANCE	850	850	850
	829	2,200	PHONE & RADIO COMMUNICATIONS	2,500	2,500	2,500
333	353	500	DUES, MEMBERSHIPS & PUBLICATIONS	500	500	500
764	2,291	1,700	ADVERTISING	3,000	3,000	3,000
1,347	1,596	1,105	PRINTING & BINDING	1,500	1,500	1,500
13	330	800	TRAVEL & MEETING EXPENSE	800	800	800
	302	1,200	BANKING FEES	500	500	500
	271	200	GENERAL SUPPLIES	200	200	200
1,671	2,311	2,000	OFFICE SUPPLIES	2,000	2,000	2,000
	54	500	GASOLINE	250	250	250
1,084	755	1,000	POSTAGE	1,000	1,000	1,000
-	15	100	MISCELLANEOUS	100	100	100
<u>116,020</u>	<u>160,635</u>	<u>152,030</u>	<b>TOTAL MATERIALS &amp; SERVICES</b>	<u>116,575</u>	<u>116,575</u>	<u>116,575</u>
<b>CAPITAL OUTLAY</b>						
-	1,540	5,150	COMPUTER HARDWARE/PRINTERS	3,575	3,575	3,575
550	-	-	MINOR EQUIPMENT	-	-	-
<u>550</u>	<u>1,540</u>	<u>5,150</u>	<b>TOTAL CAPITAL OUTLAY</b>	<u>3,575</u>	<u>3,575</u>	<u>3,575</u>
<b>146,613</b>	<b>203,584</b>	<b>266,280</b>	<b>TOTAL COMM. DEVELOPMENT</b>	<b>352,150</b>	<b>352,150</b>	<b>352,150</b>



**GENERAL FUND**

Actual FY12	Actual FY13	Adopted FY14	POLICE EXPENDITURES	Proposed FY15	Approved FY15	Adopted FY15
<b>PERSONNEL SERVICES</b>						
504,994	515,178	554,000	REGULAR SALARIES	573,500	573,500	573,500
32,765	29,608	40,000	OVERTIME	35,000	35,000	35,000
23,304	20,655	53,000	ACCRUED LEAVE PAYOUTS	47,000	47,000	47,000
<u>234,527</u>	<u>253,273</u>	<u>318,000</u>	FRINGE BENEFITS	<u>337,500</u>	<u>337,500</u>	<u>337,500</u>
795,580	818,714	965,000	<b>TOTAL PERSONNEL SERVICES</b>	993,000	993,000	993,000
<b>MATERIALS &amp; SERVICES</b>						
55	1,671	1,250	ATTORNEY SERVICES	7,500	7,500	7,500
	-	2,000	LABOR ATTORNEY SERVICES	8,000	8,000	8,000
2,686	2,786	3,900	AUDITOR	3,900	3,900	3,900
2,717	1,784	5,000	TRAINING PROVIDERS & REGISTRATIONS	4,000	4,000	4,000
11,521	10,349	14,500	TECHNICAL SUPPORT SERVICES	5,000	5,000	5,000
9,021	1,327	500	CONTRACTED PERSONNEL SERVICES	500	500	500
6,654	9,145	10,500	COMPUTER TECHNOLOGY SERVICES	9,000	9,000	9,000
75,121	77,718	79,775	ECSSO	77,225	77,225	77,225
377	435	500	SEWER UTILITIES	500	500	500
144	102	400	DISPOSAL SERVICES	400	400	400
3,459	3,242	3,900	CUSTODIAL	4,300	4,300	4,300
2,814	4,415	6,000	REPAIR & MAINTENANCE SERVICES	6,000	6,000	6,000
21,606	30,858	38,000	PROPERTY AND CASUALTY INSURANCE	42,500	42,500	42,500
12,608	14,437	9,000	PHONE, RADIO, & COMPUTER COMM.	10,000	10,000	10,000
1,302	3,342	1,200	DUES, MEMBERSHIPS, & PUBLICATIONS	1,200	1,200	1,200
95	800	550	ADVERTISING	550	550	550
3,410	3,392	3,500	PRINTING AND BINDING	3,500	3,500	3,500
2,371	1,934	8,000	TRAVEL & MEETING EXPENSE	5,000	5,000	5,000
425	425	425	BANKING FEES	425	425	425
7,215	11,340	9,000	GENERAL SUPPLIES	7,500	7,500	7,500
2,916	3,600	4,700	OFFICE SUPPLIES	3,000	3,000	3,000
6,470	6,625	8,000	ENERGY UTILITIES	8,000	8,000	8,000
12,241	13,548	12,000	VEHICLE REPAIR & MAINTENANCE	13,000	13,000	13,000
23,097	20,102	26,000	GASOLINE	25,000	25,000	25,000
1,014	1,241	1,600	POSTAGE	1,500	1,500	1,500
3,168	2,748	9,000	UNIFORMS	5,000	5,000	5,000
939	2,073	3,250	AMMUNITION	3,200	3,200	3,200
3,639	2,949	5,000	SAFETY EQUIPMENT	4,000	4,000	4,000
<u>1,059</u>	<u>381</u>	<u>500</u>	MISCELLANEOUS	<u>500</u>	<u>500</u>	<u>500</u>
218,144	232,769	265,950	<b>TOTAL MATERIALS &amp; SERVICES</b>	260,200	260,200	260,200
<b>CAPITAL OUTLAY</b>						
950	3,130	9,500	MINOR EQUIPMENT	3,500	3,500	3,500
2,088	-	-	FURNITURE & FIXTURES	-	-	-
<u>1,043</u>	<u>13,929</u>	<u>14,000</u>	COMPUTER HARDWARE / SOFTWARE	<u>6,100</u>	<u>6,100</u>	<u>6,100</u>
4,081	17,058	23,500	<b>TOTAL CAPITAL OUTLAY</b>	9,600	9,600	9,600
<b>1,017,805</b>	<b>1,068,541</b>	<b>1,254,450</b>	<b>TOTAL POLICE</b>	<b>1,262,800</b>	<b>1,262,800</b>	<b>1,262,800</b>



**GENERAL FUND**

<b>Actual FY12</b>	<b>Actual FY13</b>	<b>Adopted FY14</b>		<b>Proposed FY15</b>	<b>Approved FY15</b>	<b>Adopted FY15</b>
			<b>NON-DEPARTMENTAL</b>			
5,800	6,350	6,450	TO WEST VALLEY VIEW DEBT SERVICE	6,450	6,450	6,450
27,049	30,571		TRANSFER TO CIP - GENERAL FUND	-	-	-
		75,000	NEW COMMUNITY CENTER CC454	25,000	25,000	25,000
			COMMUNITY HALL HANDICAP RAMP CC 459	7,250	7,250	7,250
-		2,500	CITY HALL BLDG MAINT RESERVE CC 909	-	-	-
-		2,500	POLICE DEPT BLDG MAINT RESERVE CC 910	-	-	-
-		2,500	COMMUNITY CENTER REPAIR RESERVE CC 906	-	-	-
-		50,000	SOFTWARE PROGRAM CC907	20,000	20,000	20,000
-		20,000	POLICE DEPT VEHICLE RESERVE CC 905	20,000	20,000	20,000
-	-	-	COMMUNITY DEV TECHNOLOGY RESERVE CC 908	-	-	-
<u>32,849</u>	<u>36,921</u>	<u>158,950</u>	<b>TOTAL INTERFUND TRANSFERS OUT</b>	<u>78,700</u>	<u>78,700</u>	<u>78,700</u>
		346,100	CONTINGENCY	346,050	346,050	346,050
-	-	138,450	UNAPPROPRIATED ENDING FUND BALANCE	<u>230,700</u>	<u>230,700</u>	<u>230,700</u>
-	-	484,550	<b>TOTAL UNALLOCATED FUNDS</b>	<u>576,750</u>	<u>576,750</u>	<u>576,750</u>
<b>32,849</b>	<b>36,921</b>	<b>643,500</b>	<b>TOTAL NON-DEPARTMENTAL</b>	<b>655,450</b>	<b>655,450</b>	<b>655,450</b>
<b>2,736,337</b>	<b>3,033,226</b>	<b>2,791,800</b>	<b>TOTAL GENERAL FUND REVENUE</b>	<b>3,412,300</b>	<b>3,412,300</b>	<b>3,412,300</b>
<b>1,715,186</b>	<b>1,807,417</b>	<b>2,791,800</b>	<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>3,412,300</b>	<b>3,412,300</b>	<b>3,412,300</b>

**City of Talent  
2014-15 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 2017.

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 2014-June 2015 is \$5,893 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 Jackson County 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 2014-15**

**REVENUE SUMMARY**  
**BY CATEGORY**

Actual FY12	Actual FY13	Adopted FY14		Proposed FY15	Approved FY15	Adopted FY15
67,125	68,299	66,500	CHARGES FOR SERVICES	68,000	68,000	68,000
61	58	50	MISCELLANEOUS	50	50	50
-	-	-	INTERFUND TRANSFERS IN	-	-	-
<u>14,084</u>	<u>16,392</u>	<u>17,500</u>	FUND BALANCE	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>
81,270	84,749	84,050	GRAND TOTAL REVENUE	84,050	84,050	84,050
-	-	-	Less Interfund Transfers In	-	-	-
<b>81,270</b>	<b>84,749</b>	<b>84,050</b>	<b>NET TOTAL REVENUE</b>	<b>84,050</b>	<b>84,050</b>	<b>84,050</b>

**EXPENDITURE SUMMARY**  
**BY CATEGORY**

Actual FY12	Actual FY13	Adopted FY14		Proposed FY15	Approved FY15	Adopted FY15
-	-	-	PERSONNEL SERVICES	-	-	-
64,879	66,825	69,080	MATERIALS & SERVICES	71,175	71,175	71,175
-	-	-	CAPITAL OUTLAY	-	-	-
-	-	-	CAPITAL CONSTRUCTION	-	-	-
-	-	-	DEBT SERVICE	-	-	-
-	-	-	INTERFUND TRANSFERS OUT	-	-	-
-	-	10,350	CONTINGENCY	10,675	10,675	10,675
-	-	<u>4,620</u>	UNAPPROPRIATED END FUND BALANCE	<u>2,200</u>	<u>2,200</u>	<u>2,200</u>
64,879	66,825	84,050	TOTAL EXPENDITURES	84,050	84,050	84,050
-	-	-	Less Interfund Transfers Out	-	-	-
<b>64,879</b>	<b>66,825</b>	<b>84,050</b>	<b>NET TOTAL EXPENSES</b>	<b>84,050</b>	<b>84,050</b>	<b>84,050</b>

### LIBRARY OPERATIONS FUND

Actual FY12	Actual FY13	Adopted FY14	REVENUES	Proposed FY15	Approved FY15	Adopted FY15
14,084	16,392	17,500	FUND BALANCE - COMMITTED	16,000	16,000	16,000
67,125	68,299	66,500	LIBRARY SURCHARGE	68,000	68,000	68,000
62	60	50	INTEREST EARNINGS	50	50	50
-	-	-	DONATIONS	-	-	-
(1)	(2)	-	MISC. REFUND & REIMBURSEMENTS	-	-	-
<u>81,270</u>	<u>84,749</u>	<u>84,050</u>	TOTAL GENERAL REVENUES	<u>84,050</u>	<u>84,050</u>	<u>84,050</u>
<b>81,270</b>	<b>84,749</b>	<b>84,050</b>	<b>TOTAL FUND REVENUES</b>	<b>84,050</b>	<b>84,050</b>	<b>84,050</b>

### LIBRARY OPERATIONS FUND

Actual FY12	Actual FY13	Adopted FY14	EXPENDITURES	Proposed FY15	Approved FY15	Adopted FY15
64,879	66,825	68,830	TECHNICAL SUPPORT SERVICES	70,900	70,900	70,900
-	-	-	COMPUTER TECHNOLOGY SERVICES	-	-	-
-	-	250	MISCELLANEOUS	<u>275</u>	<u>275</u>	<u>275</u>
<u>64,879</u>	<u>66,825</u>	<u>69,080</u>	TOTAL MATERIALS & SERVICES	<u>71,175</u>	<u>71,175</u>	<u>71,175</u>
<b>64,879</b>	<b>66,825</b>	<b>69,080</b>	<b>TOTAL EXPENDITURES</b>	<b>71,175</b>	<b>71,175</b>	<b>71,175</b>
-	-	-	TRANSFERS OUT TO GENERAL FUND	-	-	-
-	-	-	<b>TOTAL TRANSFERS OUT</b>	-	-	-
-	-	10,350	CONTINGENCY	10,675	10,675	10,675
-	-	4,620	UNAPPROPRIATED ENDING FUND BALANCE	<u>2,200</u>	<u>2,200</u>	<u>2,200</u>
-	-	14,970	<b>TOTAL UNALLOCATED FUNDS</b>	<u>12,875</u>	<u>12,875</u>	<u>12,875</u>
<b>81,270</b>	<b>84,749</b>	<b>84,050</b>	<b>Total Library Operations Revenue</b>	<b>84,050</b>	<b>84,050</b>	<b>84,050</b>
<b>64,879</b>	<b>66,825</b>	<b>84,050</b>	<b>Total Library Operations Expenditures</b>	<b>84,050</b>	<b>84,050</b>	<b>84,050</b>

**City of Talent  
2014-15 Annual Budget**

**PARKS FUND**

The Parks Fund, supported by the Parks Utility fee, provides maintenance for City Parks and open spaces, supports capital improvement projects and park land acquisitions, as well as funding 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 currently does not own such a facility. A limited program is anticipated this year and proposed expenditures for Recreation Programs are \$9,475 for FY2015.

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 has reviewed the Parks Master Plan and established improvement priorities to Chuck Roberts Park. Last year the City set aside funds for a Splash Pad at Chuck Roberts Park. Other maintenance projects include sand volleyball courts at Chuck Roberts Park. The City is also looking to add more park land and open space with the receipt of donated land.

**Interfund Transfers – Parks**

No transfers from the Parks Fund to the CIP Fund are planned for FY2015.

***Park Projects*** - Heritage Trail funding of \$15,000 has been allocated from existing Park funding in the Capital Improvement Fund.

**PARKS FUND**  
**FISCAL YEAR 2014-15**

**REVENUE SUMMARY**  
**BY CATEGORY**

<b>Actual FY12</b>	<b>Actual FY13</b>	<b>Adopted FY14</b>		<b>Proposed FY15</b>	<b>Approved FY15</b>	<b>Adopted FY15</b>
5,160	5,626	5,000	LICENSES, PERMITS & FEES	3,000	3,000	3,000
3,312	3,334	3,000	INTERGOVERNMENTAL	3,250	3,250	3,250
105,968	107,796	105,000	CHARGES FOR SERVICES	108,000	108,000	108,000
5,554	4,268	4,000	PROGRAM FEES	1,000	1,000	1,500
4,602	1,640	2,500	MISCELLANEOUS	500	500	-
-	-	-	INTERFUND TRANSFERS IN	-	-	-
127,763	112,191	97,000	FUND BALANCE	41,000	41,000	41,000
<u>252,359</u>	<u>234,855</u>	<u>216,500</u>	<b>GRAND TOTAL REVENUE</b>	<u>156,750</u>	<u>156,750</u>	<u>156,750</u>
-	-	-	Less Interfund Transfers In	-	-	-
<b>252,359</b>	<b>234,855</b>	<b>216,500</b>	<b>NET TOTAL REVENUE</b>	<b>156,750</b>	<b>156,750</b>	<b>156,750</b>

**EXPENDITURE SUMMARY**  
**BY CATEGORY**

<b>Actual FY12</b>	<b>Actual FY13</b>	<b>Adopted FY14</b>		<b>Proposed FY15</b>	<b>Approved FY15</b>	<b>Adopted FY15</b>
80,673	97,832	113,700	PERSONNEL SERVICES	85,500	85,500	85,500
49,051	58,173	57,710	MATERIALS & SERVICES	50,300	50,300	50,300
445	-	5,000	CAPITAL OUTLAY	500	500	500
-	-	-	CAPITAL CONSTRUCTION	-	-	-
-	-	-	DEBT SERVICE	-	-	-
10,000	10,000	4,000	INTERFUND TRANSFERS OUT	-	-	-
-	-	-	RESERVES	-	-	-
-	-	27,065	CONTINGENCY	20,450	20,450	20,450
-	-	9,025	UNAPPROPRIATED END FUND BAL	-	-	-
<u>140,169</u>	<u>166,005</u>	<u>216,500</u>	<b>GRAND TOTAL EXPENDITURES</b>	<u>156,750</u>	<u>156,750</u>	<u>156,750</u>
10,000	10,000	4,000	Less Interfund Transfers Out	-	-	-
<b>130,169</b>	<b>156,005</b>	<b>212,500</b>	<b>NET TOTAL EXPENSES</b>	<b>156,750</b>	<b>156,750</b>	<b>156,750</b>

**NOTE:**

**RECREATION PROGRAM ONLY**

**REVENUE**

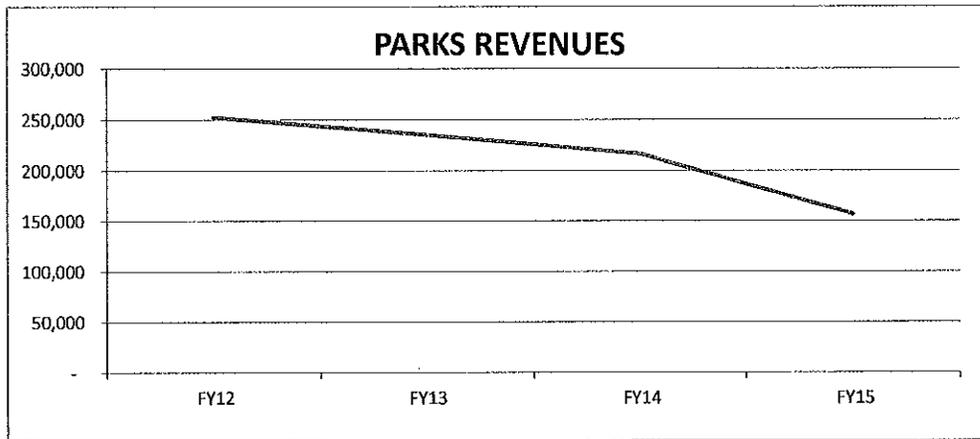
5,554	4,268	4,000	PROGRAM FEES	1,000	1,000	1,000
<u>2,590</u>	<u>150</u>	<u>2,500</u>	MISCELLANEOUS	<u>500</u>	<u>500</u>	<u>500</u>
8,144	4,418	6,500	TOTAL REVENUE	1,500	1,500	1,500

**EXPENSES**

11,050	8,974	13,000	PERSONNEL SERVICES	6,500	6,500	6,500
<u>3,165</u>	<u>3,922</u>	<u>7,210</u>	MATERIALS & SERVICES	<u>2,975</u>	<u>2,975</u>	<u>2,975</u>
14,215	12,896	20,210	TOTAL EXPENDITURES	9,475	9,475	9,475

### PARKS FUND

Actual FY12	Actual FY13	Adopted FY14	REVENUES	Proposed FY15	Approved FY15	Adopted FY15
127,763	112,191	97,000	FUND BALANCE - COMMITTED	41,000	41,000	41,000
3,312	3,334	3,000	INTERGOVERNMENTAL REVENUE	3,250	3,250	3,250
5,160	5,626	5,000	TRANSIENT ROOM TAX	3,000	3,000	3,000
		-	FILL CHARGE REVENUE	-	-	-
105,968	107,796	105,000	PARKS UTILITY FEE	108,000	108,000	108,000
451	360	-	INTEREST EARNINGS	-	-	-
926		-	DONATIONS	-	-	-
		-	PARK RENTAL FEES	-	-	-
		-	TRANSFER IN FROM GENERAL FUND	-	-	-
9	7	-	PENNIES FOR PARKS	-	-	-
626	1,123	-	MISC REFUNDS & REIMBURSEMENTS	-	-	-
<u>244,214</u>	<u>230,437</u>	<u>210,000</u>	TOTAL GENERAL REVENUES	<u>155,250</u>	<u>155,250</u>	<u>155,250</u>
4,089	2,790	4,000	PROGRAM FEES	1,000	1,000	1,000
1,466	1,478	1,500	H FESTIVAL RUN	500	500	500
2,470	150	1,000	DONATIONS - PROGRAMS	-	-	-
120	-	-	PROGRAM FUNDRAISERS	-	-	-
<u>8,144</u>	<u>4,418</u>	<u>6,500</u>	TOTAL PROGRAM REVENUES	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>
<b>252,359</b>	<b>234,855</b>	<b>216,500</b>	<b>TOTAL FUND REVENUES</b>	<b>156,750</b>	<b>156,750</b>	<b>156,750</b>



**PARKS FUND**

Actual FY12	Actual FY13	Adopted FY14	EXPENDITURES	Proposed FY15	Approved FY15	Adopted FY15
<b>PERSONNEL SERVICES - PROGRAMS</b>						
8,888	7,013	9,000	REGULAR SALARIES	5,000	5,000	5,000
-	127	-	OVERTIME	-	-	-
-	-	-	ACCRUED LEAVE PAYOUTS	-	-	-
<u>2,162</u>	<u>1,834</u>	<u>4,000</u>	FRINGE BENEFITS	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>
11,050	8,974	13,000	<b>TOTAL PERSONNEL SERVICES</b>	6,500	6,500	6,500
<b>MATERIALS &amp; SERVICES - PROGRAMS</b>						
	-	200	ATTORNEY SERVICES	200	200	200
71	70	85	AUDITOR	75	75	75
1,310	542	2,000	TRAINING PROVIDERS & REGISTRATIONS	250	250	250
200	705	500	TECHICAL SUPPORT SERVICES	250	250	250
		-	FUND RAISING EVENTS	-	-	-
		-	SCHOLARSHIPS FOR PROGRAMS	-	-	-
30	456	1,000	COMPUTER TECHNOLOGY SERVICES	550	550	550
	426	500	RENTAL OF EQUIPMENT & VEHICLES	-	-	-
69	364	425	PROPERTY & CASUALTY INSURANCE	350	350	350
	271	600	PHONE, INTERNET & RADIO	350	350	350
550	400	750	ADVERTISING	400	400	400
325	486	400	PRINTING & BINDING	250	250	250
<u>609</u>	<u>202</u>	<u>750</u>	GENERAL SUPPLIES	<u>300</u>	<u>300</u>	<u>300</u>
3,165	3,922	7,210	<b>TOTAL MATERIALS &amp; SERVICES</b>	2,975	2,975	2,975
<b>14,215</b>	<b>12,896</b>	<b>20,210</b>	<b>TOTAL EXPENDITURES - PROGRAMS</b>	<b>9,475</b>	<b>9,475</b>	<b>9,475</b>
<b>PERSONNEL SERVICES - MAINTENANCE</b>						
44,329	51,251	58,400	REGULAR SALARIES	46,000	46,000	46,000
3,547	2,589	4,100	OVERTIME	3,000	3,000	3,000
352	540	3,000	ACCRUED LEAVE PAYOUTS	1,000	1,000	1,000
<u>21,395</u>	<u>34,478</u>	<u>35,200</u>	FRINGE BENEFITS	<u>29,000</u>	<u>29,000</u>	<u>29,000</u>
69,623	88,858	100,700	<b>TOTAL PERSONNEL SERVICES</b>	79,000	79,000	79,000
<b>MATERIALS &amp; SERVICES -MAINTENANCE</b>						
8,647	10,795	5,775	BUSINESS CONSULTING SERVICES	1,000	1,000	1,000
	27	1,000	ATTORNEY SERVICES	1,000	1,000	1,000
	-	500	LABOR ATTORNEY SERVICES	1,000	1,000	1,000
413	419	550	AUDITOR	600	600	600
45	50	125	TRAINING PROVIDERS & REGISTRATIONS	100	100	100
1,391	2,704	1,000	ENGINEERING, DESIGN & CONST MGMT	1,200	1,200	1,200
100	493	200	TECHICAL SUPPORT SERVICES	250	250	250
3,035	8,229	9,000	CONTRACTED PERSONNEL SERVICES	9,000	9,000	9,000
980	743	1,000	COMPUTER TECHNOLOGY SERVICES	750	750	750
1,258	1,259	1,300	SEWER UTILITIES	1,300	1,300	1,300
1,767	2,173	2,500	DISPOSAL SERVICES	2,450	2,450	2,450
	351	800	CUSTODIAL	650	650	650
900	-	2,000	LAWN & TREE CARE	2,500	2,500	2,500
9,798	6,345	6,000	REPAIR & MAINTENANCE SERVICES	6,000	6,000	6,000
1,859	2,143	2,500	PROPERTY & CASUALTY INSURANCE	2,800	2,800	2,800
	1,094	1,300	PHONE, INTERNET AND RADIO	875	875	875
	-	500	ADVERTISING	100	100	100
	486	250	PRINTING & BINDING	700	700	700
12,638	13,877	11,000	GENERAL SUPPLIES	11,000	11,000	11,000
	18	100	OFFICE SUPPLIES	50	50	50
2,709	2,374	2,000	ENERGY UTILITIES	2,500	2,500	2,500
346	656	1,000	GASOLINE	1,200	1,200	1,200
			UNIFORMS	250	250	250
-	15	100	MISCELLANEOUS	50	50	50
<u>45,886</u>	<u>54,251</u>	<u>50,500</u>	<b>TOTAL MATERIALS &amp; SERVICES</b>	<u>47,325</u>	<u>47,325</u>	<u>47,325</u>
<b>115,509</b>	<b>143,109</b>	<b>151,200</b>	<b>TOTAL EXPENDITURES - MAINTENANCE</b>	<b>126,325</b>	<b>126,325</b>	<b>126,325</b>

**PARKS FUND**

Actual FY12	Actual FY13	Adopted FY14	EXPENDITURES	Proposed FY15	Approved FY15	Adopted FY15
445	-	2,500	FURNITURE & FIXTURES			
		2,500	COMPUTER HARDWARE/PRINTERS			
-	-	-	MINOR EQUIPMENT	500	500	500
<u>445</u>	<u>-</u>	<u>5,000</u>	TOTAL CAPITAL OUTLAY	<u>500</u>	<u>500</u>	<u>500</u>
			<b>TRANSFERS OUT</b>			
10,000	-		TO CIP FUND	-	-	-
		4,000	CHUCK ROBERTS PARK SPLASHPAD CC455	-	-	-
-	10,000	-	PARKS LAND ACQUISTION CC802	-	-	-
<u>10,000</u>	<u>10,000</u>	<u>4,000</u>	TOTAL TRANSFERS OUT	<u>-</u>	<u>-</u>	<u>-</u>
-	-	27,065	CONTINGENCY	20,450	20,450	20,450
-	-	9,025	UNAPPROPRIATED ENDING FUND BALANCE	-	-	-
<u>-</u>	<u>-</u>	<u>36,090</u>	TOTAL UNALLOCATED FUNDS	<u>20,450</u>	<u>20,450</u>	<u>20,450</u>
<b>252,359</b>	<b>234,855</b>	<b>216,500</b>	Total Parks Revenue	<b>156,750</b>	<b>156,750</b>	<b>156,750</b>
<b>140,169</b>	<b>166,005</b>	<b>216,500</b>	Total Parks Expenditures	<b>156,750</b>	<b>156,750</b>	<b>156,750</b>

**City of Talent  
2014-15 Annual Budget**

**STREET FUND**

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

**Operating Expenses** – The Public Works Department is responsible for the City's infrastructure. Employees split their time between Parks, Streets and Water projects. Time is charged to the Fund where work is being completed. The salaries of the employees are therefore broken down among the three funds where they work – Parks, Streets, and Water. Associated benefits are also prorated based on the actual percentage of time spent in any given department. The City Manager is serving as the Public Works Director and the City contracts for engineering services.

Ongoing maintenance planned for FY2015 includes a crack sealing project on interior city streets.

Minor Equipment purchases planned for FY2015 are:

- Street Sander - \$8,000
- ½ Pavement Cutter - \$2,500
  - ½ of the \$5,000 cost funded by the Water Fund
- Computer hardware replacement - \$500

**Interfund Transfers - Streets**

The following transfers to the Capital Improvement Fund totaling \$198,650 for major street improvements are planned for FY2015.

- CC432 Miscellaneous Sidewalk Improvements - \$15,000
- CC450 North Front Street Improvements - \$60,000
  - Project Engineering and Construction - \$40,000
  - Railroad Right of Way - \$20,000
- CC452 Lithia Way Improvements - \$23,650
- CC453 Rapp Road Improvements - \$25,000
- CC457 Sidewalk on Second Street and Schoolhouse - \$30,000
- CC458 Community Hall Alley Improvements - \$45,000

**Street Projects** - North Front Street is slated for improvements in FY2015.

**STREET FUND**  
**FISCAL YEAR 2014-15**

**REVENUE SUMMARY**  
**BY CATEGORY**

<b>Actual FY12</b>	<b>Actual FY13</b>	<b>Adopted FY14</b>		<b>Proposed FY15</b>	<b>Approved FY15</b>	<b>Adopted FY15</b>
8,776	1,567	1,000	LICENSES, PERMITS & FEES	1,000	1,000	1,000
327,892	330,101	329,000	INTERGOVERNMENTAL	332,000	332,000	332,000
216,187	214,220	210,000	CHARGES FOR SERVICES	205,000	205,000	205,000
-	-	-	PROGRAM FEES	-	-	-
3,493	2,948	1,500	MISCELLANEOUS	500	500	500
-	-	-	INTERFUND TRANSFERS IN	-	-	-
483,481	573,326	400,000	FUND BALANCE	273,000	273,000	273,000
1,039,830	1,122,162	941,500	GRAND TOTAL REVENUE	811,500	811,500	811,500
-	-	-	Less Interfund Transfers In	-	-	-
<b>1,039,830</b>	<b>1,122,162</b>	<b>941,500</b>	<b>NET TOTAL REVENUE</b>	<b>811,500</b>	<b>811,500</b>	<b>811,500</b>

**EXPENDITURE SUMMARY**  
**BY CATEGORY**

<b>Actual FY12</b>	<b>Actual FY13</b>	<b>Adopted FY14</b>		<b>Proposed FY15</b>	<b>Approved FY15</b>	<b>Adopted FY15</b>
119,443	156,404	204,000	PERSONNEL SERVICES	232,000	232,000	232,000
177,385	153,971	193,450	MATERIALS & SERVICES	218,100	218,100	218,100
14,677	724	2,000	CAPITAL OUTLAY	11,000	11,000	11,000
-	-	-	CAPITAL CONSTRUCTION	-	-	-
-	-	-	DEBT SERVICE	-	-	-
155,000	393,600	385,083	INTERFUND TRANSFERS OUT	198,650	198,650	198,650
-	-	-	RESERVES	-	-	-
-	-	117,700	CONTINGENCY	70,000	70,000	70,000
-	-	39,267	UNAPPROPRIATED END FUND BALANCE	81,750	81,750	81,750
466,504	704,699	941,500	TOTAL EXPENDITURES	811,500	811,500	811,500
155,000	393,600	385,083	Less Interfund Transfers Out	198,650	198,650	198,650
<b>311,504</b>	<b>311,099</b>	<b>556,417</b>	<b>NET TOTAL EXPENSES</b>	<b>612,850</b>	<b>612,850</b>	<b>612,850</b>

### STREET FUND

Actual FY12	Actual FY13	Adopted FY14	REVENUES	Proposed FY15	Approved FY15	Adopted FY15
483,481	573,326	400,000	FUND BALANCE - COMMITTED	273,000	273,000	273,000
8,776	1,567	1,000	ENCROACHMENT PERMITS	1,000	1,000	1,000
327,892	330,101	329,000	MOTOR FUEL TAX	332,000	332,000	332,000
159,566	162,269	160,000	STREET UTILITY FEE	155,000	155,000	155,000
56,621	51,951	50,000	STORM DRAIN UTILITY FEE	50,000	50,000	50,000
	-	-	SALE OF ASSETS	-	-	-
1,504	1,152	-	MISCELLANEOUS REFUNDS AND	-	-	-
	-	-	INSURANCE CLAIM PROCEEDS	-	-	-
<u>1,989</u>	<u>1,796</u>	<u>1,500</u>	INTEREST EARNINGS	<u>500</u>	<u>500</u>	<u>500</u>
<b>1,039,830</b>	<b>1,122,162</b>	<b>941,500</b>	<b>TOTAL REVENUES &amp; OTHER RESOURCES</b>	<b>811,500</b>	<b>811,500</b>	<b>811,500</b>

### STREET FUND

Actual FY12	Actual FY13	Adopted FY14	EXPENDITURES	Proposed FY15	Approved FY15	Adopted FY15
			<b>PERSONNEL SERVICES</b>			
77,915	88,377	119,000	REGULAR SALARIES	138,500	138,500	138,500
3,474	3,062	3,500	OVERTIME	3,500	3,500	3,500
1,756	1,999	8,000	ACCRUED LEAVE PAYOUTS	6,000	6,000	6,000
<u>36,297</u>	<u>62,966</u>	<u>73,500</u>	FRINGE BENEFITS	<u>84,000</u>	<u>84,000</u>	<u>84,000</u>
119,443	156,404	204,000	<b>TOTAL PERSONNEL SERVICES</b>	232,000	232,000	232,000
			<b>MATERIALS &amp; SERVICES</b>			
15,989	6,037	6,000	BUSINESS CONSULTING SERVICES	30,000	30,000	30,000
	2,821	2,500	ATTORNEY SERVICES	3,000	3,000	3,000
	-	1,200	LABOR ATTORNEY SERVICES	1,500	1,500	1,500
1,913	2,322	2,150	AUDITOR	2,100	2,100	2,100
248	290	800	TRAINING PROVIDERS AND REGISTRATIO	800	800	800
29,308	22,154	18,000	ENGINEERING, DESIGN & CONSULTING	18,000	18,000	18,000
5,239	9,402	12,000	TECHICAL SUPPORT SERVICES	11,000	11,000	11,000
5,726	3,049	6,000	CONTRACTED PERSONNEL SERVICES	5,000	5,000	5,000
3,037	1,294	2,500	COMPUTER TECHNOLOGY SERVICES	1,600	1,600	1,600
464	583	600	DISPOSAL SERVICES	800	800	800
1,255	925	800	CUSTODIAL	1,050	1,050	1,050
-	-	3,000	LAWN & TREE CARE	2,500	2,500	2,500
25,805	26,498	39,500	REPAIR & MAINTENANCE SERVICE	45,000	45,000	45,000
259	443	1,000	RENTAL OF EQUIPMENT & VEHICLES	800	800	800
7,658	11,129	13,000	PROPERTY AND CASUALTY INSURANCE	16,500	16,500	16,500
5,816	3,132	2,800	PHONE AND RADIO COMMUNICATIONS	2,500	2,500	2,500
1,278	1,231	2,000	DUES, MEMBERSHIPS & PUBLICATIONS	1,500	1,500	1,500
189	-	500	ADVERTISING	400	400	400
1,100	1,172	1,500	PRINTING & BINDING	1,200	1,200	1,200
490	455	1,000	TRAVEL & MEETING EXPENSE	700	700	700
22,942	14,778	25,000	GENERAL SUPPLIES	21,000	21,000	21,000
553	545	700	OFFICE SUPPLIES	500	500	500
39,464	38,098	40,000	ENERGY UTILITIES	41,000	41,000	41,000
5,629	5,145	6,500	GASOLINE	6,000	6,000	6,000
508	520	800	POSTAGE	600	600	600
1,883	1,594	2,000	UNIFORMS	2,000	2,000	2,000
631	339	1,500	SAFETY EQUIPMENT	1,000	1,000	1,000
-	15	100	MISCELLANEOUS	50	50	50
<u>177,385</u>	<u>153,971</u>	<u>193,450</u>	<b>TOTAL MATERIALS &amp; SERVICES</b>	<u>218,100</u>	<u>218,100</u>	<u>218,100</u>

**STREET FUND**

Actual FY12	Actual FY13	Adopted FY14	CAPITAL OUTLAY	Proposed FY15	Approved FY15	Adopted FY15
			<b>CAPITAL OUTLAY</b>			
720	-	-	FURNITURE AND FIXTURES	-	-	-
13,957	724	1,000	MINOR EQUIPMENT	10,500	10,500	10,500
-	-	1,000	COMPUTER HARDWARE / SOFTWARE	500	500	500
<u>14,677</u>	<u>724</u>	<u>2,000</u>	<b>TOTAL CAPITAL OUTLAY</b>	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>
			<b>TRANSFERS OUT</b>			
			TO GENERAL FUND	-	-	-
			TO CIP FUND	-	-	-
-	10,000		MISC SIDEWALK IMPROVEMENTS CC432	15,000	15,000	15,000
-	83,600	36,500	N FRONT STREET IMPROVEMENTS CC450	60,000	60,000	60,000
-	300,000	100,000	HWY 99 STREET IMPROVEMENTS CC 451	-	-	-
		59,800	LITHIA WAY IMPROVEMENTS CC452	23,650	23,650	23,650
		103,550	RAPP ROAD IMPROVEMENTS CC453	25,000	25,000	25,000
150,000		85,233	GIBSON STREET IMPROVEMENTS CC437	-	-	-
5,000		-	ARNOS STREET IMPROVEMENTS CC 444	-	-	-
			SECOND & SCHOOLHOUSE SIDEWALK CC	30,000	30,000	30,000
-	-	-	COMMUNITY HALL ALLEY IMPROVEMENT I	45,000	45,000	45,000
<u>155,000</u>	<u>393,600</u>	<u>385,083</u>	<b>TOTAL TRANSFERS OUT</b>	<u>198,650</u>	<u>198,650</u>	<u>198,650</u>
			<b>UNALLOCATED FUNDS</b>			
-	-	117,700	CONTINGENCY	70,000	70,000	70,000
-	-	39,267	UNAPPROPRIATED ENDING FUND BALANC	81,750	81,750	81,750
-	-	156,967	<b>TOTAL UNALLOCATED FUNDS</b>	<u>151,750</u>	<u>151,750</u>	<u>151,750</u>
<b>1,039,830</b>	<b>1,122,162</b>	<b>941,500</b>	<b>Total Street Revenues</b>	<b>811,500</b>	<b>811,500</b>	<b>811,500</b>
<b>466,504</b>	<b>704,699</b>	<b>941,500</b>	<b>Total Street Expenditures</b>	<b>811,500</b>	<b>811,500</b>	<b>811,500</b>

**City of Talent  
2014-15 Annual Budget**

**WATER FUND**

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

The City's water utility rates have remained unchanged since 2007 when the City was able to lower the rate after the funding requirement for the Debt Service Reserve Fund was met. The City continues to make operating efficiency improvements. Public Works is just finishing a five year project retrofitting water meters to radio read meters. Utility billing process efficiencies include an email utility bill presentment option, preauthorized payment option and online payment access. 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 thus limiting funding available for capital projects.

***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; annual assessment for the City's water rights at Lost Creek Reservoir; and all utility billing and collection costs.

Minor Equipment purchases planned for FY2015 are:

- ½ Pavement Cutter - \$2,500
  - ½ of the \$5,000 cost funded by the Street Fund
- Computer hardware and equipment replacement - \$3,000

***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 is closed as of FY2014 and the balance in the fund has been transferred back to the Water Fund.

**Interfund Transfers - Water**

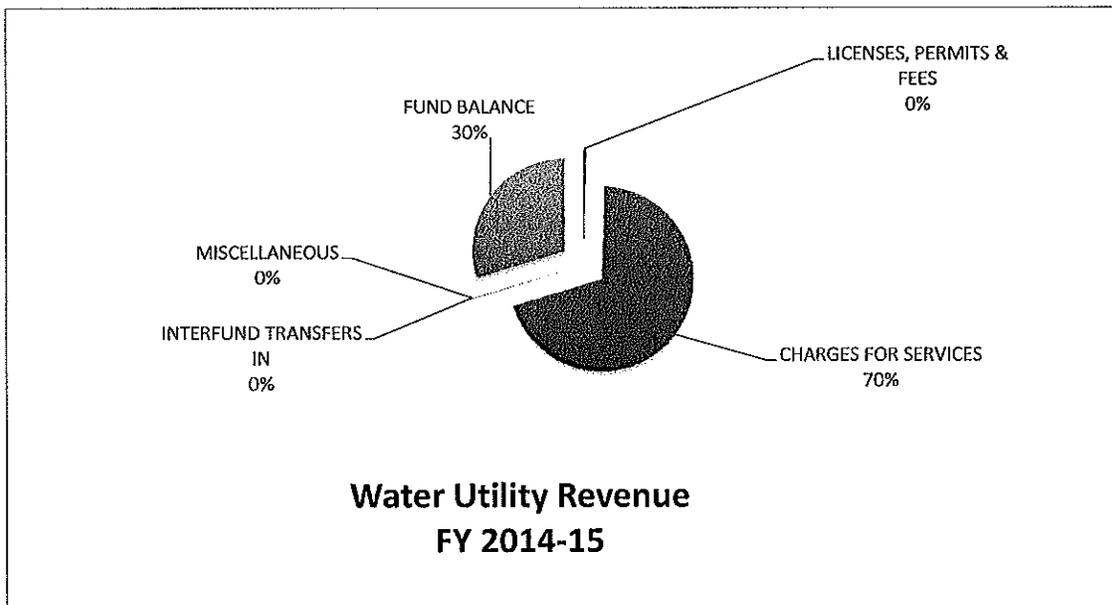
No transfers from the Water Fund to the CIP Fund are planned in FY2015.

***Water Projects:*** North Front Street is slated for improvements in FY2015

**WATER FUND  
FISCAL YEAR 2014-15**

**REVENUE SUMMARY  
BY CATEGORY**

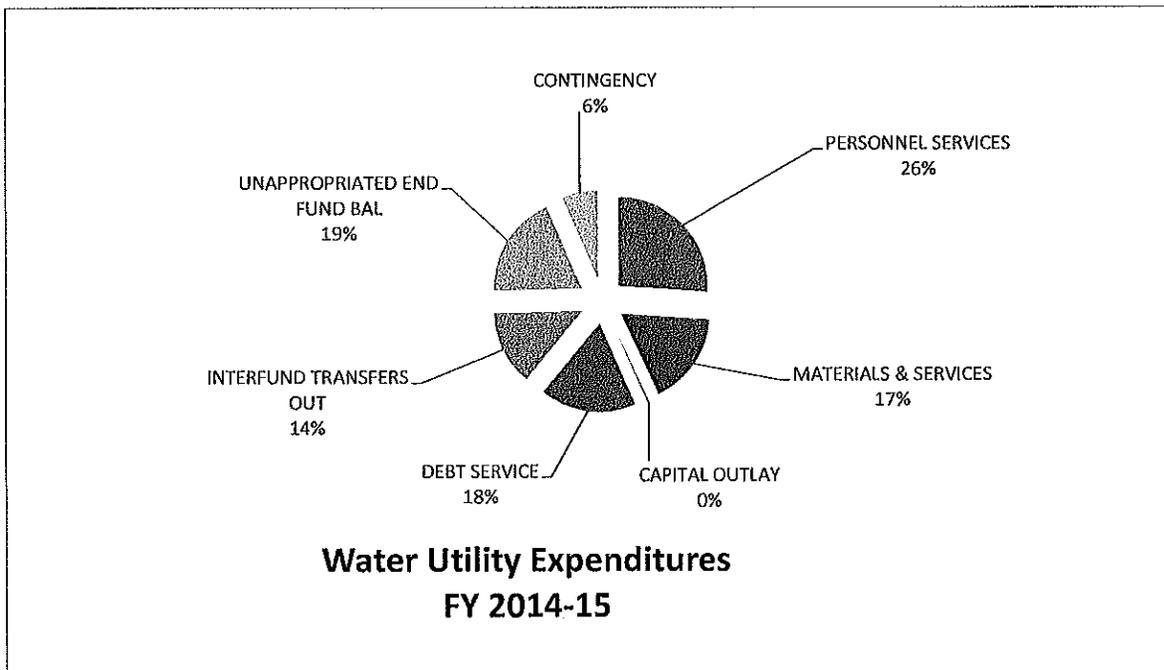
<b>Actual FY12</b>	<b>Actual FY13</b>	<b>Adopted FY14</b>	<b>REVENUES</b>	<b>Proposed FY15</b>	<b>Approved FY15</b>	<b>Adopted FY15</b>
8,887	13,950	8,000	LICENSES, PERMITS & FEES	9,000	9,000	9,000
-	-	-	INTERGOVERNMENTAL	-	-	-
1,186,581	1,211,175	1,190,500	CHARGES FOR SERVICES	1,225,000	1,225,000	1,225,000
-	-	-	PROGRAM FEES	-	-	-
2,172	8,478	1,500	MISCELLANEOUS	1,000	1,000	1,000
3,600	1,700	238,800	INTERFUND TRANSFERS IN	-	-	-
322,367	276,575	275,000	FUND BALANCE	520,000	520,000	520,000
<u>1,523,608</u>	<u>1,511,878</u>	<u>1,713,800</u>	<b>GRAND TOTAL REVENUE</b>	<u>1,755,000</u>	<u>1,755,000</u>	<u>1,755,000</u>
3,600	1,700	238,800	Less Interfund Transfers In	-	-	-
<b>1,520,008</b>	<b>1,510,178</b>	<b>1,475,000</b>	<b>NET TOTAL REVENUE</b>	<b>1,755,000</b>	<b>1,755,000</b>	<b>1,755,000</b>



**WATER FUND  
FISCAL YEAR 2014-15**

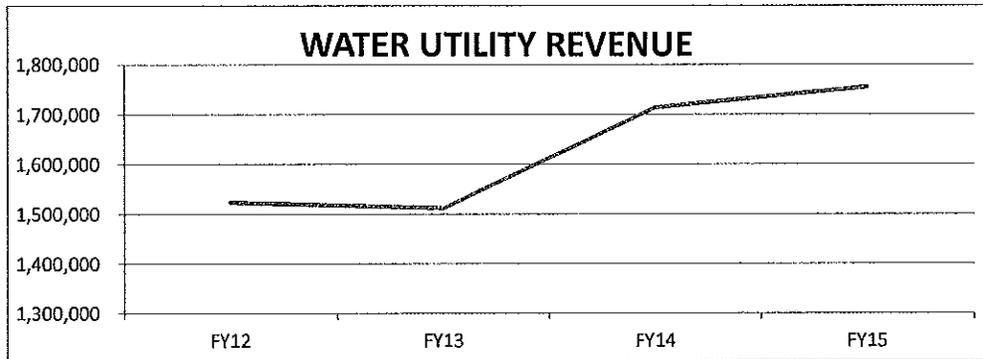
**EXPENDITURE SUMMARY  
BY CATEGORY**

<b>Actual FY12</b>	<b>Actual FY13</b>	<b>Adopted FY14</b>		<b>Proposed FY15</b>	<b>Approved FY15</b>	<b>Adopted FY15</b>
440,806	433,777	456,500	PERSONNEL SERVICES	457,500	457,500	457,500
262,837	267,632	286,770	MATERIALS & SERVICES	298,150	298,150	298,150
10,173	724	6,500	CAPITAL OUTLAY	5,500	5,500	5,500
-	-	-	CAPITAL CONSTRUCTION	-	-	-
302,560	302,561	307,500	DEBT SERVICE	309,125	309,125	309,125
230,657	190,568	302,885	INTERFUND TRANSFERS OUT	239,850	239,850	239,850
-	-	-	RESERVES	-	-	-
-	-	204,025	CONTINGENCY	115,000	115,000	115,000
-	-	149,620	UNAPPROPRIATED END FUND BALANCE	329,875	329,875	329,875
<b>1,247,033</b>	<b>1,195,262</b>	<b>1,713,800</b>	<b>GRAND TOTAL EXPENDITURES</b>	<b>1,755,000</b>	<b>1,755,000</b>	<b>1,755,000</b>
230,657	190,568	302,885	Less Interfund Transfers Out	239,850	239,850	239,850
<b>1,016,376</b>	<b>1,004,694</b>	<b>1,410,915</b>	<b>NET TOTAL EXPENSES</b>	<b>1,515,150</b>	<b>1,515,150</b>	<b>1,515,150</b>



## WATER UTILITY FUND

Actual FY12	Actual FY13	Adopted FY14	REVENUES	Proposed FY15	Approved FY15	Adopted FY15
322,367	276,575	275,000	FUND BALANCE - COMMITTED	520,000	520,000	520,000
478	259	500	COMMERCIAL WATER SALES	-	-	-
1,186,104	1,210,916	1,190,000	WATER REVENUE	1,225,000	1,225,000	1,225,000
8,887	13,950	8,000	NEW CONNECTIONS	9,000	9,000	9,000
-	-	-	RENTAL INCOME	-	-	-
-	-	-	SALE OF ASSETS	-	-	-
-	4,270	-	FINANCING PROCEEDS	-	-	-
1,032	452	-	MISC REFUNDS & REIMBURSEMENTS	-	-	-
3,600	1,700	238,800	FROM WATER DEBT SERVICE RESERVE	-	-	-
1,140	3,756	1,500	INTEREST EARNINGS	1,000	1,000	1,000
<b>1,523,608</b>	<b>1,511,878</b>	<b>1,713,800</b>	<b>TOTAL REVENUE &amp; RESOURCES</b>	<b>1,755,000</b>	<b>1,755,000</b>	<b>1,755,000</b>



## WATER UTILITY FUND

Actual FY12	Actual FY13	Adopted FY14	EXPENDITURES	Proposed FY15	Approved FY15	Adopted FY15
<b>PERSONNEL SERVICES</b>						
296,379	287,907	271,000	REGULAR SALARIES	271,500	271,500	271,500
5,791	7,798	10,000	OVERTIME	10,000	10,000	10,000
3,701	3,690	13,500	ACCRUED LEAVE PAYOUTS	10,000	10,000	10,000
134,935	134,382	162,000	FRINGE BENEFITS	166,000	166,000	166,000
<u>440,806</u>	<u>433,777</u>	<u>456,500</u>	<b>TOTAL PERSONNEL SERVICES</b>	<u>457,500</u>	<u>457,500</u>	<u>457,500</u>
<b>MATERIALS &amp; SERVICES</b>						
26,269	17,507	29,225	BUSINESS CONSULTING	30,000	30,000	30,000
	1,036	2,500	ATTORNEY SERVICES	2,500	2,500	2,500
	-	500	LABOR ATTORNEY SERVICES	1,500	1,500	1,500
4,050	5,238	4,500	AUDITOR	4,500	4,500	4,500
1,688	280	1,800	TRAINING PROVIDERS AND REGISTRATIC	2,000	2,000	2,000
14,291	8,846	8,000	ENGINEERING, DESIGN & CONST MGMT	7,000	7,000	7,000
4,130	6,314	8,000	TECHNICAL SUPPORT SERVICES	9,500	9,500	9,500
5,182	14,056	1,000	CONTRACTED PERSONAL SERVICES	8,000	8,000	8,000
6,725	4,134	6,500	COMPUTER TECHNOLOGY SERVICES	7,000	7,000	7,000
130	130	100	TID ASSESSMENT	150	150	150
304	304	350	SEWER UTILITIES	350	350	350
379	459	550	DISPOSAL SERVICES	600	600	600
1,255	879	800	CUSTODIAL	1,300	1,300	1,300
14,171	10,536	20,000	REPAIR & MAINENANCE SERVICES	15,000	15,000	15,000
23,523	27,730	29,200	LOST CREEK WATER STORAGE MAINT CC	27,000	27,000	27,000
-	-	500	RENTAL OF EQUIPMENT & VEHICLES	500	500	500
5,017	9,427	11,000	PROPERTY AND CASUALTY INSURANCE	13,000	13,000	13,000
5,816	6,410	3,000	PHONE & RADIO COMMUNICATIONS	4,500	4,500	4,500
2,830	2,607	2,000	DUES, MEMBERSHIPS & PUBLICATIONS	2,700	2,700	2,700
189	288	500	ADVERTISING	600	600	600
1,100	1,330	2,000	PRINTING & BINDING	7,350	7,350	7,350
760	307	1,000	TRAVEL & MEETING EXPENSE	1,000	1,000	1,000
1,355	1,801	2,500	BANKING FEES	2,600	2,600	2,600
29,802	30,909	30,000	GENERAL SUPPLIES	25,000	25,000	25,000
3,935	3,897	4,000	OFFICE SUPPLIES	3,000	3,000	3,000
37,157	38,249	40,500	ENERGY UTILITIES	42,500	42,500	42,500
5,629	4,846	6,000	GASOLINE	5,100	5,100	5,100
6,523	8,197	8,500	POSTAGE	8,550	8,550	8,550
1,883	1,594	1,600	UNIFORMS	1,800	1,800	1,800
58,745	59,967	59,500	IN LIEU OF FRANCHISE FEE PAYMENT	62,500	62,500	62,500
-	339	1,000	SAFETY EQUIPMENT	1,000	1,000	1,000
-	15	145	MISCELLANEOUS	50	50	50
<u>262,837</u>	<u>267,632</u>	<u>286,770</u>	<b>TOTAL MATERIALS &amp; SERVICES</b>	<u>298,150</u>	<u>298,150</u>	<u>298,150</u>
<b>CAPITAL OUTLAY</b>						
3,448	724	4,000	MINOR EQUIPMENT	2,500	2,500	2,500
1,605	-	-	FURNITURE AND FIXTURES	-	-	-
5,120	-	2,500	COMPUTER HARDWARE/SOFTWARE	3,000	3,000	3,000
<u>10,173</u>	<u>724</u>	<u>6,500</u>	<b>TOTAL CAPITAL OULAY</b>	<u>5,500</u>	<u>5,500</u>	<u>5,500</u>

**WATER UTILITY FUND**

<b>Actual FY12</b>	<b>Actual FY13</b>	<b>Adopted FY14</b>	<b>EXPENDITURES</b>	<b>Proposed FY15</b>	<b>Approved FY15</b>	<b>Adopted FY15</b>
			<b>DEBT SERVICE</b>			
60,129	62,835	120,000	2013 BOND PRINCIPAL	115,000	115,000	115,000
164,935	162,229	110,000	2013 BOND INTEREST	116,625	116,625	116,625
62,883	63,512	64,150	OCED LOAN PRINCIPAL	64,790	64,790	64,790
<u>14,613</u>	<u>13,985</u>	<u>13,350</u>	OCED LOAN INTEREST	<u>12,710</u>	<u>12,710</u>	<u>12,710</u>
302,560	302,561	307,500	<b>TOTAL DEBT SERVICE</b>	309,125	309,125	309,125
			<b>TRANSFERS OUT</b>			
183,657	168,568	218,375	TO TAP OPERATING FUND	239,850	239,850	239,850
			TO CIP FUND	-	-	-
	2,000		WATER RATE STUDY CC 227	-	-	-
22,000		13,000	GIBSON STREET IMPROVEMENTS CC 437	-	-	-
		20,000	UTILITY BILLING SOFTWARE CC907	-	-	-
		36,560	N FRONT STREET IMPROVE. CC450	-	-	-
<u>25,000</u>	<u>20,000</u>	<u>14,950</u>	RADIO READ METERS CC740	<u>-</u>	<u>-</u>	<u>-</u>
230,657	190,568	302,885	<b>TOTAL TRANSFERS OUT</b>	239,850	239,850	239,850
			<b>UNALLOCATED</b>			
-	-	204,025	CONTINGENCY	115,000	115,000	115,000
-	-	<u>149,620</u>	UNAPPROPRIATED ENDING FUND BALAN	<u>329,875</u>	<u>329,875</u>	<u>329,875</u>
-	-	353,645	<b>TOTAL UNALLOCATED FUNDS</b>	444,875	444,875	444,875
<b>1,523,608</b>	<b>1,511,878</b>	<b>1,713,800</b>	<b>TOTAL REVENUE &amp; RESOURCES</b>	<b>1,755,000</b>	<b>1,755,000</b>	<b>1,755,000</b>
<b>1,247,033</b>	<b>1,195,262</b>	<b>1,713,800</b>	<b>TOTAL EXPENDITURES</b>	<b>1,755,000</b>	<b>1,755,000</b>	<b>1,755,000</b>

**WATER DEBT SERVICE RESERVE FUND**

Actual FY12	Actual FY13	Adopted FY14	REVENUE & OTHER RESOURCES	Proposed FY15	Approved FY15	Adopted FY15
<u>236,658</u>	<u>238,403</u>	<u>238,800</u>	FUND BALANCE - RESTRICTED	-	-	-
236,658	238,403	238,800	TOTAL FUND BALANCE	-	-	-
<u>5,345</u>	<u>-</u>	<u>-</u>	INTEREST	-	-	-
5,345	-	-	TOTAL MISCELLANEOUS	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	TRANSFER IN FROM WATER FUND	-	-	-
-	-	-	TOTAL INTERFUND TRANSFERS IN	-	-	-
<b>242,003</b>	<b>238,403</b>	<b>238,800</b>	<b>TOTAL REVENUE &amp; OTHER RESOURCES</b>	-	-	-

**WATER DEBT SERVICE RESERVE FUND**

Actual FY12	Actual FY13	Adopted FY14	EXPENDITURES	Proposed FY15	Approved FY15	Adopted FY15
			<b>NON-DEPARTMENTAL</b>			
<u>3,600</u>	<u>1,700</u>	<u>238,800</u>	TRANSFER OUT TO WATER FUND	-	-	-
3,600	1,700	238,800	TOTAL INTERFUND TRANSFERS OUT	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	RESERVED FOR DEBT SERVICE	-	-	-
-	-	-	TOTAL UNAPPROPRIATED	-	-	-
3,600	1,700	238,800	TOTAL NON-DEPARTMENTAL	-	-	-
<b>242,003</b>	<b>238,403</b>	<b>238,800</b>	<b>FUND REVENUE</b>	-	-	-
<b>3,600</b>	<b>1,700</b>	<b>238,800</b>	<b>FUND EXPENDITURES</b>	-	-	-

**City of Talent  
2014-15 Annual Budget**

**LOCAL OREGON CAPITAL ASSETS PROGRAM (LOCAP) BOND**

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

A new bond was issued through the League of Oregon Cities, Local Oregon Capital Assets Program (LOCAP). The 2013 LOCAP Bond matures in 2036. The proposed budget includes \$231,625 for payment on this bond.

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

**Fund Stability.** The USDA had a requirement that a reserve fund be set up representing one year's annual payment. This is no longer a requirement as the USDA Rural Development loan is paid in full. The Debt Service Reserve fund balance was transferred back to the Water Fund in FY2014 and the Debt Service Reserve fund closed.

**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  
2014-15 Annual Budget**

**TAP OPERATIONS FUND**

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

**Tap Operations**

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

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, Pacific Power and other maintenance vendors 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 for regional meters to each city 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 cities would share these costs. The FY2015 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 arises.

**TAP OPERATIONS FUND**  
**FISCAL YEAR 2014-15**

**REVENUE SUMMARY**  
**BY CATEGORY**

<b>Actual FY12</b>	<b>Actual FY13</b>	<b>Adopted FY14</b>		<b>Proposed FY15</b>	<b>Approved FY15</b>	<b>Adopted FY15</b>
73,458	56,889	83,635	INTERGOVERNMENTAL	329,210	329,210	329,210
183,657	168,568	218,375	INTERFUND TRANSFERS IN	239,850	239,850	239,850
-	-	-	MISCELLANEOUS	-	-	-
<u>2,891</u>	<u>1</u>	<u>-</u>	FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
260,006	225,458	302,010	GRAND TOTAL REVENUE	569,060	569,060	569,060
183,657	168,568	218,375	Less Interfund Transfers In	239,850	239,850	239,850
<b>76,349</b>	<b>56,890</b>	<b>83,635</b>	<b>NET TOTAL REVENUE</b>	<b>329,210</b>	<b>329,210</b>	<b>329,210</b>

**EXPENDITURE SUMMARY**  
**BY CATEGORY**

<b>Actual FY12</b>	<b>Actual FY13</b>	<b>Adopted FY14</b>		<b>Proposed FY15</b>	<b>Approved FY15</b>	<b>Adopted FY15</b>
260,006	225,453	262,610	MATERIALS AND SERVICES	494,800	494,800	494,800
-	-	-	CAPITAL OUTLAY	-	-	-
-	-	39,400	CONTINGENCY	74,260	74,260	74,260
-	-	-	UNAPPROPRIATED END FUND BALANCE	-	-	-
<u>260,006</u>	<u>225,453</u>	<u>302,010</u>	TOTAL EXPENDITURES	<u>569,060</u>	<u>569,060</u>	<u>569,060</u>
<b>260,006</b>	<b>225,453</b>	<b>302,010</b>	<b>NET TOTAL EXPENSES</b>	<b>569,060</b>	<b>569,060</b>	<b>569,060</b>

### TAP OPERATIONS FUND

Actual FY12	Actual FY13	Adopted FY14	REVENUES	Proposed FY15	Approved FY15	Adopted FY15
2,891	1	-	FUND BALANCE - COMMITTED	-	-	-
73,458	56,889	83,635	INTERGOVERNMENTAL REVENUE	329,210	329,210	329,210
183,657	168,568	218,375	TRANSFERS IN FROM WATER FUND	239,850	239,850	239,850
-	-	-	MISC REFUNDS AND REIMBURSEMENTS	-	-	-
-	-	-	INTEREST EARNINGS	-	-	-
<u>260,006</u>	<u>225,458</u>	<u>302,010</u>	<b>TOTAL REVENUE &amp; RESOURCES</b>	<u>569,060</u>	<u>569,060</u>	<u>569,060</u>

### TAP OPERATIONS FUND

Actual FY12	Actual FY13	Adopted FY14	EXPENDITURES	Proposed FY15	Approved FY15	Adopted FY15
775	573	925	AUDITOR	925	925	925
-	3,309	5,000	REPAIR & MAINTENANCE	19,000	19,000	19,000
4,394	631	725	PROPERTY AND CASUALTY INSURANCE	875	875	875
30,009	27,622	35,260	ENERGY UTILITIES	70,500	70,500	70,500
219,262	193,318	219,500	WHOLESALE WATER PURCHASES	402,000	402,000	402,000
5,566	-	-	COMPUTER HARDWARE/SOFTWARE	-	-	-
-	-	1,200	MISCELLANEOUS	1,500	1,500	1,500
<u>260,006</u>	<u>225,453</u>	<u>262,610</u>	<b>TOTAL MATERIALS &amp; SERVICES</b>	<u>494,800</u>	<u>494,800</u>	<u>494,800</u>
-	-	-	CAPITAL OUTLAY	-	-	-
-	-	-	MINOR EQUIPMENT	-	-	-
-	-	-	<b>TOTAL CAPITAL OUTLAY</b>	-	-	-
-	-	39,400	CONTINGENCY	74,260	74,260	74,260
-	-	39,400	<b>TOTAL UNALLOCATED FUNDS</b>	<u>74,260</u>	<u>74,260</u>	<u>74,260</u>
<b>260,006</b>	<b>225,458</b>	<b>302,010</b>	<b>TOTAL REVENUE &amp; RESOURCES</b>	<b>569,060</b>	<b>569,060</b>	<b>569,060</b>
<b>260,006</b>	<b>225,453</b>	<b>302,010</b>	<b>TOTAL EXPENDITURES</b>	<b>569,060</b>	<b>569,060</b>	<b>569,060</b>

**City of Talent  
2014-15 Annual Budget**

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

The Parks SDC funds are 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

**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 is also required to pay an SDC fee to the Rogue Valley Sewer Services (RVS) which is collected directly by RVS. These fees are comparable with other cities within the Rogue Valley.

The City's SDC Ordinance allows for the annual adjustment of the rates based on the March construction cost index as reported in the Engineering News Record. The City last adjusted SDC rates in March 2014 based on the 2013 construction cost index. SDC rates were not adjusted between March 2008 and March 2014.

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

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

#### **Interfund Transfers – SDC**

No transfers from the SDC Fund to the CIP Fund are planned in FY2015.

**CITY OF TALENT  
SDC RATE ADJUSTMENTS THROUGH 2013**

**WATER**

Meter Size	Mar-07	Mar-08	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13
3/4"x5/8"	\$ 2,709	\$ 2,708	\$ 2,736	\$ 2,716	\$ 2,744	\$ 2,844	\$ 2,960
1"	\$ 6,773	\$ 6,769	\$ 6,842	\$ 6,790	\$ 6,860	\$ 7,109	\$ 7,401
1-1/2"	\$ 13,546	\$ 13,538	\$ 13,682	\$ 13,579	\$ 13,718	\$ 14,218	\$ 14,801
2"	\$ 21,673	\$ 21,660	\$ 21,892	\$ 21,726	\$ 21,949	\$ 22,748	\$ 23,681
3"	\$ 43,346	\$ 43,320	\$ 43,784	\$ 43,451	\$ 43,899	\$ 45,497	\$ 47,362
4"	\$ 67,729	\$ 67,688	\$ 68,412	\$ 67,893	\$ 68,592	\$ 71,089	\$ 74,003
6"	\$ 135,458	\$ 135,376	\$ 136,825	\$ 135,785	\$ 137,184	\$ 142,177	\$ 148,006
8	\$ 216,732	\$ 216,602	\$ 218,920	\$ 217,256	\$ 219,494	\$ 227,483	\$ 236,810
1	\$ 311,553	\$ 311,366	\$ 314,697	\$ 312,306	\$ 315,523	\$ 327,008	\$ 340,415

**PARKS**

	Mar-07	Mar-08	Mar-09	Mar-10	Mar-11	Mar-12	Mar-14
Single Family	\$ 1,431	\$ 1,430	\$ 1,445	\$ 1,434	\$ 1,449	\$ 1,502	\$ 1,564
Multi-Family	\$ 1,039	\$ 1,038	\$ 1,049	\$ 1,042	\$ 1,052	\$ 1,091	\$ 1,135
Mobile Home Park Units	\$ 982	\$ 981	\$ 992	\$ 984	\$ 995	\$ 1,031	\$ 1,073

**TRANSPORTATION**

	Mar-07	Mar-08	Mar-09	Mar-10	Mar-11	Mar-12	Mar-14
Per Trip Unit/Peak Hour Trip	\$ 2,444	\$ 2,443	\$ 2,469	\$ 2,450	\$ 2,475	\$ 2,565	\$ 2,670
"Average" Single Family	\$ 2,468	\$ 2,467	\$ 2,493	\$ 2,474	\$ 2,499	\$ 2,590	\$ 2,697

**STORMWATER**

	Mar-07	Mar-08	Mar-09	Mar-10	Mar-11	Mar-12	Mar-14
Single Family - Per EDU	\$ 1,241	\$ 1,240	\$ 1,254	\$ 1,244	\$ 1,257	\$ 1,303	\$ 1,356
All other (times square feet of impervious area)	\$ 0.4135	\$ 0.4133	\$ 0.4177	\$ 0.4145	\$ 0.4188	\$ 0.4340	\$ 0.4518

Construction Cost Index percentage change

Engineering News Record: As of 3/1/2013

Mar-08 -0.60%

Mar-09 1.07%

Mar-10 -0.76%

Mar-11 1.03%

Mar-12 3.64%

Mar-13 4.10%

Amended Resolution# 14-911-R, Feb 19, 2014

**SYSTEM DEVELOPMENT CHARGES FUND  
FISCAL YEAR 2014-15**

**REVENUE SUMMARY  
BY CATEGORY**

<b>Actual FY12</b>	<b>Actual FY13</b>	<b>Adopted FY14</b>		<b>Proposed FY15</b>	<b>Approved FY15</b>	<b>Adopted FY15</b>
-	-	-	LICENSES, PERMITS & FEES	-	-	-
-	-	-	INTERGOVERNMENTAL	-	-	-
150,462	418,266	149,985	CHARGES FOR SERVICES	120,500	120,500	120,500
-	-	-	PROGRAM FEES	-	-	-
1,365	1,643	1,485	MISCELLANEOUS	1,150	1,150	1,150
-	-	-	INTERFUND TRANSFERS IN	-	-	-
<u>301,444</u>	<u>414,271</u>	<u>546,470</u>	FUND BALANCE	<u>638,875</u>	<u>638,875</u>	<u>638,875</u>
453,271	834,180	697,940	GRAND TOTAL REVENUE	760,525	760,525	760,525
-	-	-	Less Interfund Transfers In	-	-	-
<b>453,271</b>	<b>834,180</b>	<b>697,940</b>	<b>NET TOTAL REVENUE</b>	<b>760,525</b>	<b>760,525</b>	<b>760,525</b>

**EXPENDITURE SUMMARY  
BY CATEGORY**

<b>Actual FY12</b>	<b>Actual FY13</b>	<b>Adopted FY14</b>		<b>Proposed FY15</b>	<b>Approved FY15</b>	<b>Adopted FY15</b>
-	-	-	PERSONNEL SERVICES	-	-	-
-	-	-	MATERIALS & SERVICES	-	-	-
-	-	-	CAPITAL OUTLAY	-	-	-
-	-	-	CAPITAL CONSTRUCTION	-	-	-
-	-	-	DEBT SERVICE	-	-	-
39,000	134,666	190,000	INTERFUND TRANSFERS OUT	-	-	-
-	-	507,940	RESERVES	760,525	760,525	760,525
-	-	-	CONTINGENCY	-	-	-
-	-	-	UNAPPROPRIATED END FUND BAL	-	-	-
<u>39,000</u>	<u>134,666</u>	<u>697,940</u>	TOTAL EXPENDITURES	<u>760,525</u>	<u>760,525</u>	<u>760,525</u>
39,000	134,666	190,000	Less Interfund Transfers Out	-	-	-
-	-	<b>507,940</b>	<b>NET TOTAL EXPENSES</b>	<b>760,525</b>	<b>760,525</b>	<b>760,525</b>

**SYSTEM DEVELOPMENT CHARGE FUND**

Actual FY12	Actual FY13	Adopted FY14		Proposed FY15	Approved FY15	Adopted FY15
<b>Transportation Revenue</b>						
116,857	169,283	174,830	IMP SDC FUND BAL RESTRICT	170,250	170,250	170,250
33,511	37,909	44,830	REIM SDC FUND BAL RESTRICT	55,350	55,350	55,350
554	615	560	IMP SDC INTEREST	300	300	300
145	143	130	REIM SDC INTEREST	100	100	100
51,872	154,440	51,710	IMPROVEMENT SDC	55,000	55,000	55,000
4,253	12,663	4,240	REIMBURSEMENT SDC	5,000	5,000	5,000
<u>207,191</u>	<u>375,053</u>	<u>276,300</u>	<b>TOTAL TRANSPORTATION REVENUE</b>	<u>286,000</u>	<u>286,000</u>	<u>286,000</u>
<b>Transportation Expenditures</b>						
-	78,915	30,050	N FRONT STREET IMPROVEMENTS CC450	-	-	-
-	-	100,800	LITHIA WAY IMPROVEMENTS CC452	-	-	-
-	-	145,450	RESERVE FOR FUTURE PROJECTS	286,000	286,000	286,000
<u>-</u>	<u>78,915</u>	<u>276,300</u>	<b>TOTAL TRANSPORTATION EXPENDITURES</b>	<u>286,000</u>	<u>286,000</u>	<u>286,000</u>
<b>Storm Drain Revenue</b>						
8,620	20,833	23,640	IMP SDC FUND BAL RESTRICT	42,175	42,175	42,175
45,845	55,781	73,600	REIM SDC FUND BAL RESTRICT	70,175	70,175	70,175
53	85	75	IMP SDC INTEREST	75	75	75
204	219	200	REIM SDC INTEREST	125	125	125
12,160	45,319	12,120	IMPROVEMENT SDC	10,000	10,000	10,000
9,731	36,267	9,700	REIMBURSEMENT SDC	8,000	8,000	8,000
<u>76,614</u>	<u>158,504</u>	<u>119,335</u>	<b>TOTAL STORM DRAIN REVENUE</b>	<u>130,550</u>	<u>130,550</u>	<u>130,550</u>
<b>Storm Drain Expenditures</b>						
-	14,094	10,500	N FRONT STREET IMPROVEMENTS CC450	-	-	-
-	-	46,250	LITHIA WAY IMPROVEMENTS CC452	-	-	-
-	-	62,585	RESERVE FOR FUTURE PROJECTS	130,550	130,550	130,550
<u>-</u>	<u>14,094</u>	<u>119,335</u>	<b>TOTAL STORM DRAIN EXPENDITURES</b>	<u>130,550</u>	<u>130,550</u>	<u>130,550</u>

**SYSTEM DEVELOPMENT CHARGE FUND**

<b>Actual FY12</b>	<b>Actual FY13</b>	<b>Adopted FY14</b>		<b>Proposed FY15</b>	<b>Approved FY15</b>	<b>Adopted FY15</b>
<b>Water Revenue</b>						
13,967	11,987	27,270	IMP SDC FUND BAL RESTRICT	45,000	45,000	45,000
49,619	60,617	103,520	REIM SDC FUND BAL RESTRICT	163,950	163,950	163,950
41	64	60	IMP SDC INTEREST	75	75	75
196	272	240	REIM SDC INTEREST	250	250	250
11,945	30,926	11,900	IMPROVEMENT SDC	10,500	10,500	10,500
35,836	92,777	35,725	REIMBURSEMENT SDC	11,000	11,000	11,000
<u>111,604</u>	<u>196,643</u>	<u>178,715</u>	<b>TOTAL WATER REVENUE</b>	<u>230,775</u>	<u>230,775</u>	<u>230,775</u>
<b>Water Expenditures</b>						
39,000	-	-	ARNOS STREET IMPROVEMENTS CC444	-	-	-
-	41,657	2,400	N FRONT STREET IMPROVE. CC450	-	-	-
-	-	176,315	RESERVE FOR FUTURE PROJECTS	230,775	230,775	230,775
<u>39,000</u>	<u>41,657</u>	<u>178,715</u>	<b>TOTAL WATER EXPENDITURES</b>	<u>230,775</u>	<u>230,775</u>	<u>230,775</u>
<b>Parks Revenue</b>						
10,733	26,252	51,840	IMP SDC FUND BAL RESTRICT	32,000	32,000	32,000
22,292	31,609	46,940	REIM SDC FUND BAL RESTRICT	59,975	59,975	59,975
77	119	105	IMP SDC INTEREST	125	125	125
95	126	115	REIM SDC INTEREST	100	100	100
15,442	28,722	15,395	IMPROVEMENT SDC	13,000	13,000	13,000
9,222	17,152	9,195	REIMBURSEMENT SDC	8,000	8,000	8,000
<u>57,861</u>	<u>103,980</u>	<u>123,590</u>	<b>TOTAL PARK REVENUE</b>	<u>113,200</u>	<u>113,200</u>	<u>113,200</u>
<b>Parks Expenditures</b>						
-	-	123,590	RESERVE FOR FUTURE PROJECTS	113,200	113,200	113,200
<u>-</u>	<u>-</u>	<u>123,590</u>	<b>TOTAL PARK EXPENDITURES</b>	<u>113,200</u>	<u>113,200</u>	<u>113,200</u>
<b>39,000</b>	<b>134,666</b>	<b>697,940</b>	<b>TOTAL SDC EXPENDITURES</b>	<b>760,525</b>	<b>760,525</b>	<b>760,525</b>
<b>453,271</b>	<b>834,180</b>	<b>697,940</b>	<b>TOTAL SDC REVENUE</b>	<b>760,525</b>	<b>760,525</b>	<b>760,525</b>

**SYSTEM DEVELOPMENT CHARGE FUND**

Actual FY12	Actual FY13	Adopted FY14		Proposed FY15	Approved FY15	Adopted FY15
<b>Fund Summary Revenue</b>						
301,444	414,271	546,470	TOTAL FUND BALANCE	638,875	638,875	638,875
1,365	1,643	1,485	TOTAL INTEREST EARNINGS	1,150	1,150	1,150
<u>150,462</u>	<u>418,266</u>	<u>149,985</u>	TOTAL SDC REVENUE	<u>120,500</u>	<u>120,500</u>	<u>120,500</u>
<b>453,271</b>	<b>834,180</b>	<b>697,940</b>	<b>TOTAL SDC REVENUE</b>	<b>760,525</b>	<b>760,525</b>	<b>760,525</b>
<b>Fund Summary Expenses</b>						
-	78,915	130,850	TRANSFER TO CIP FUND - STREET PROJECTS	-	-	-
-	14,094	56,750	TRANSFER TO CIP FUND STORM DRAIN PROJECTS	-	-	-
39,000	41,657	2,400	TRANSFER TO CIP FUND - WATER PROJECTS	-	-	-
-	-	-	TRANSFER TO CIP FUND - PARKS PROJECTS	-	-	-
-	-	<u>507,940</u>	RESERVE FOR FUTURE PROJECTS	<u>760,525</u>	<u>760,525</u>	<u>760,525</u>
<b>39,000</b>	<b>134,666</b>	<b>697,940</b>	<b>TOTAL SDC EXPENDITURES</b>	<b>760,525</b>	<b>760,525</b>	<b>760,525</b>

**City of Talent  
2014-15 Annual Budget**

**DEBT SERVICE FUNDS**

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

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

The West Valley View LID (Limited Improvement District) bond was incurred by the City in 1998 to pay for improvements on West Valley View. It became apparent that the projected payments into this fund would not be sufficient to pay off this debt service by the 2018 maturity date. In FY2011, the City started transferring funds from the General Fund each year in order to meet the debt service obligation and eliminate this debt in 2018. The FY2015 transfer is \$6,450.

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

**PER CAPITA OUTSTANDING DEBT  
FISCAL YEAR 2014-15**

<u>Description</u>	<u>Principal Outstanding July 1, 2014</u>	<u>FY15 Principal Payment</u>	<u>Principal Outstanding June 30, 2014</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Cost per Capita</u>
Limited Tax Improvement Bonds						
W. Valley View Road L.I.D.	\$ 100,000	\$ 25,000	\$ 75,000	5.75%	2018	\$ 12.16
Police Station Renovations	\$ 605,000	\$ 45,000	\$ 560,000	4.25%	2022	\$ 90.76
<b>General Debt Service</b>	<b>\$ 705,000</b>	<b>\$ 70,000</b>	<b>\$ 635,000</b>			<b>\$ 102.92</b>
Oregon Economic Development Dept.						
Safe Drinking Water Loan	\$ 1,270,804	\$ 64,790	\$ 1,206,014	1.00%	2031	\$ 195.46
USDA Rural Development						
Medford Water Intertie Construction	\$ -	\$ -	\$ -			\$ -
2013 LOCAP Bond						
Refunded 2000 Water Revenue Bond	\$ 3,525,000	\$ 115,000	\$ 3,410,000	3.00%	2036	\$ 552.67
<b>Water Debt Service</b>	<b>\$ 4,795,804</b>	<b>\$ 179,790</b>	<b>\$ 4,616,014</b>			<b>\$ 748.14</b>
<b>TOTAL DEBT SERVICE</b>	<b>\$ 5,500,804</b>	<b>\$ 249,790</b>	<b>\$ 5,251,014</b>			<b>\$ 851.06</b>

Population 6,170

**City of Talent  
2014-2015 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 FY12	Actual FY13	Adopted FY14	REVENUE & OTHER RESOURCES	Proposed FY15	Approved FY15	Adopted FY15
7,210	9,133	5,000	FUND BALANCE - RESTRICTED	950	950	950
7,210	9,133	5,000	TOTAL FUND BALANCE	950	950	950
63,159	61,769	63,350	PROPERTY TAX - PD BOND	70,600	70,600	70,600
81	90	-	INTEREST	-	-	-
81	90	-	TOTAL MISCELLANEOUS	-	-	-
-	-	-	TRANSFER IN FROM CIP FUND	-	-	-
-	-	-	TOTAL INTERFUND TRANSFERS IN	-	-	-
70,450	70,992	68,350	TOTAL REVENUE & OTHER RESOURCES	71,550	71,550	71,550

**GENERAL OBLIGATION**

Actual FY12	Actual FY13	Adopted FY14	EXPENDITURES	Proposed FY15	Approved FY15	Adopted FY15
			BOND & INTEREST PAYMENTS			
30,000	35,000	40,000	LOAN PRINCIPAL	45,000	45,000	45,000
31,318	29,936	28,350	LOAN INTEREST	26,550	26,550	26,550
-	-	-	BOND FEES	-	-	-
61,318	64,936	68,350	TOTAL DEBT SERVICE	71,550	71,550	71,550
61,318	64,936	68,350	TOTAL BOND & INTEREST PAYMENTS	71,550	71,550	71,550
70,450	70,992	68,350	FUND REVENUE	71,550	71,550	71,550
61,318	64,936	68,350	FUND EXPENDITURES	71,550	71,550	71,550

**City of Talent  
2014-2015 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, 2014 is \$100,000.

**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 FY15 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 \$33,229.

**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 2014-15**

	FY15	FY16	FY17	FY18
Current Fund Balance	52,304	37,083	23,319	10,964
Transfer in from General Fund	6,450	6,500	6,500	6,500
LID Payment Receipts	9,568	9,568	9,568	9,568
Debt Service Payments	(30,750)	(29,312)	(27,875)	(26,438)
Bank Fees	<u>(594)</u>	<u>(594)</u>	<u>(594)</u>	<u>(594)</u>
	36,978	23,245	10,918	0
Interest @ 0.20%	<u>105</u>	<u>74</u>	<u>47</u>	<u>0</u>
Ending Balance	37,083	23,319	10,964	0

**WEST VALLEY VIEW DEBT SERVICE FUND**

Actual FY12	Actual FY13	Adopted FY14	REVENUE & OTHER RESOURCES	Proposed FY15	Approved FY15	Adopted FY15
<u>88,539</u>	<u>76,137</u>	<u>63,630</u>	FUND BALANCE - RESTRICTED	<u>52,300</u>	<u>52,300</u>	<u>52,300</u>
88,539	76,137	63,630	TOTAL FUND BALANCE	52,300	52,300	52,300
6,214	6,624	7,062	PRINCIPAL PAYMENTS	7,530	7,530	7,530
3,354	2,944	2,506	INTEREST PAYMENTS	2,040	2,040	2,040
-	-	-	LATE FEES	-	-	-
<u>9,568</u>	<u>9,568</u>	<u>9,568</u>	TOTAL ASSESSMENTS	<u>9,570</u>	<u>9,570</u>	<u>9,570</u>
<u>2,024</u>	<u>264</u>	<u>210</u>	INTEREST	<u>105</u>	<u>105</u>	<u>105</u>
2,024	264	210	TOTAL MISCELLANEOUS	105	105	105
<u>5,800</u>	<u>6,350</u>	<u>6,450</u>	TRANSFER IN FROM GENERAL FUND	<u>6,450</u>	<u>6,450</u>	<u>6,450</u>
5,800	6,350	6,450	TOTAL INTERFUND TRANSFERS	6,450	6,450	6,450
<b>105,931</b>	<b>92,319</b>	<b>79,858</b>	<b>TOTAL REVENUE &amp; OTHER RESOURCES</b>	<b>68,425</b>	<b>68,425</b>	<b>68,425</b>

**WEST VALLEY VIEW DEBT SERVICE FUND**

Actual FY12	Actual FY13	Adopted FY14	EXPENDITURES	Proposed FY15	Approved FY15	Adopted FY15
<b>BOND &amp; INTEREST PAYMENTS</b>						
20,000	20,000	20,000	BOND SERIES '98 PRINCIPAL	25,000	25,000	25,000
9,200	8,050	6,900	BOND SERIES '98 INTEREST	5,750	5,750	5,750
594	594	600	BOND FEES	600	600	600
<u>29,794</u>	<u>28,644</u>	<u>27,500</u>	TOTAL DEBT SERVICE	<u>31,350</u>	<u>31,350</u>	<u>31,350</u>
29,794	28,644	27,500	TOTAL BOND & INTEREST PAYMENTS	31,350	31,350	31,350
<b>NON-DEPARTMENTAL</b>						
-	-	52,358	UNAPPROPRIATED ENDING FUND BALANCE	37,075	37,075	37,075
-	-	52,358	TOTAL UNAPPROPRIATED	37,075	37,075	37,075
-	-	52,358	TOTAL NON-DEPARTMENTAL	37,075	37,075	37,075
<b>105,931</b>	<b>92,319</b>	<b>79,858</b>	<b>FUND REVENUE</b>	<b>68,425</b>	<b>68,425</b>	<b>68,425</b>
<b>29,794</b>	<b>28,644</b>	<b>79,858</b>	<b>FUND EXPENDITURES</b>	<b>68,425</b>	<b>68,425</b>	<b>68,425</b>

**City of Talent  
2014-15 Annual Budget**

**CAPITAL IMPROVEMENT PROGRAM FUND**

The Capital Improvement Program Fund (CIP) is utilized to manage capital projects in the coming year, and also to allow funds to be set aside for capital projects beyond the current budget year. Revenue sources for the Capital Improvement Fund for specific projects can come internally from the General, Streets, Parks, Water or System Development Charge funds, or externally from grants, loans, and other agencies, including the Talent Urban Renewal Agency (TURA). This fund was originally created in fiscal year 2004-2005.

**Merits of a CIP Fund:**

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

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

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

**What is Included in the CIP?** - Projects included in the Capital Improvement Fund are generally over \$5,000 in cost and have a useful life of more than one year. A Capital Improvement Program (CIP) has been developed for all capital projects identified as important to be completed in the next five years. While the CIP identifies the projects, sets the priorities and assigns costs in today's dollars, the 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 FY2015.

It is possible that projects beyond FY2014 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 was a major source of funding for the Chuck Roberts Park parking lot improvements completed in 2013.

A page has been included to indicate the projects proposed for FY2015 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 Hall, Community Center and Police Department), Parks, Streets, Storm Drains, Water, Vehicle & Equipment, and Reserves.

### **Project Highlights:**

**General Projects:** The City established a reserve for building maintenance and repair for both the City Hall and the Police Station in FY2011 and the Community Hall in FY2013 and has set aside funding each year for future capital building maintenance projects. No transfers to the Building Reserves are planned for FY2015. Specific repair and maintenance projects have been identified and are included in the General Fund operating budgets. A capital improvement project for the Community Hall is planned for FY2015. This project includes alley, parking and handicap ramp improvements. This project is being jointly funded by the City of Talent and the Talent Urban Renewal Agency. Along with improvements at the Community Hall, construction of the new Community Center building will take place in the coming fiscal year.

**Park Improvements:** The parking lot at Chuck Roberts Park has undergone major rehabilitation. This is a Green Standards project and the City received CMAQ funding to complete this project. Heritage Trail grant matching funds of \$15,000 are proposed from remaining funds available after the completion of the Chuck Roberts Park parking lot.

**Street/Storm Improvements:** Street Improvement projects planned for FY2015

- North Front Street Improvements
- Sidewalk Improvements on Second Street and Schoolhouse
- Miscellaneous Sidewalk Improvements
- Community Hall Alley Improvements

The City is also setting aside additional funding for future projects on Lithia Way and Rapp Road.

**Water Improvements:** Water Improvement projects planned for FY2015

- North Front Street Improvements

Funding of the Public Works Department radio read meter project was completed in FY2014 with funds remaining from the Highway 99 Waterline Project. Land for a future reservoir site was purchased in 2012. Remaining funds are being held in reserve for this future reservoir construction project. The City will continue to look for grant funding options for this project as well.

#### **Equipment/Vehicle Reserves:**

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

Included in this report is a projected Fleet Replacement Schedule for the Police Department and Public Works Department. The Police Department pursues the purchase of quality used vehicles when available. In FY2014, the Public Works Department received a 2000 Ford F250 pickup donated by Avista.

**Vehicle Replacements:** Vehicle replacements planned for FY2015

- Police Vehicle

**TALENT PD FLEET**

Veh #	Year	Make	License	VIN	Mileage (02-25-14)	Current Function	Planned Function	Date Purch	Cost	Notes
<b>Active Fleet</b>										
732	2006	Crown Vic	E237041	2FAFP71W36X132641	123288	Patrol	Patrol	05/06	unk	
734	2008	Crown Vic	E245582	2FAHP71V58X151825	104349	Patrol	Patrol	05/06	32991	
735	2009	Crown Vic	E244377	2FAHP71V09X145271	59508	Patrol	Patrol	10/09	28481	
736	1999	Crown Vic	379GKD	2FAHP71W4xxx185267	111210	Unmarked	Travel/Det	09/09	Free	
737	2007	Crown Vic	E242205	2FAFP71W87X135102	112384	Patrol	Patrol	08/10	9500	
739	2003	Crown Vic	E222590	2FAFP71WX3X115668	115340	Chief	Chief	04/12	\$950	
742	2013	Ford Expl	E259066	1FM5K8AR9DGB63752	12188	Patrol	Super/SUV	12/12	39900	
<b>Inactive/Pending Disposal</b>										

(@ End of FY)	732 Patrol	734 Patrol	735 Patrol	736 Detective	737 Patrol	739 Adm	742 Patrol	7 A	7 B	7 C
13/14										
14/15	Sell this yr					Chief car	12-2012	New Car	New Car	
15/16										New Car*
16/17										
17/18										
18/19										
19/20										

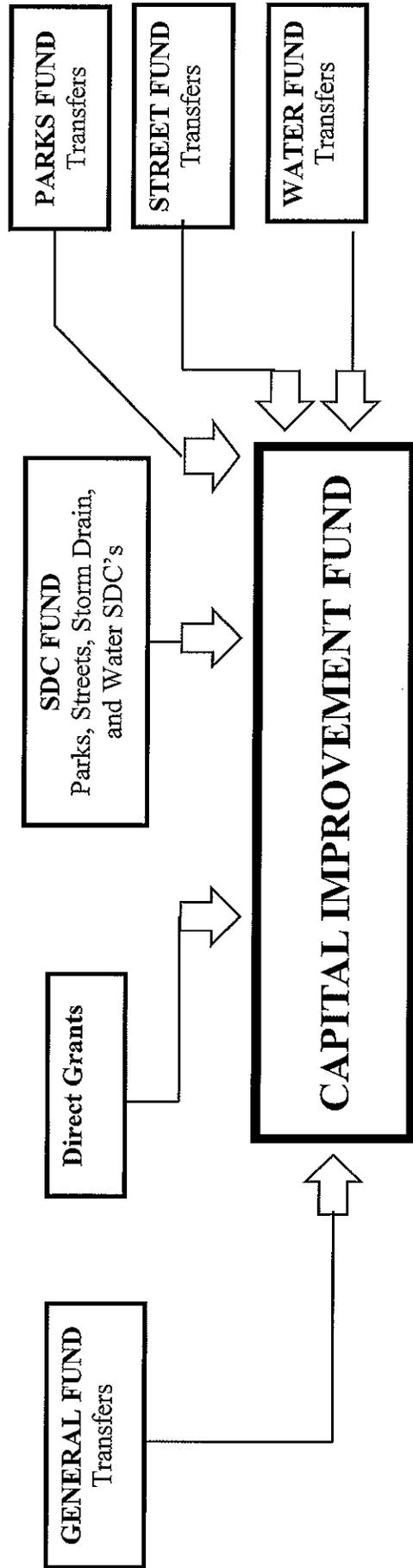
• New car in 15/16 if second car not obtained 14/15

CITY OF TALENT  
PUBLIC WORKS DEPARTMENT  
FLEET REPLACEMENT SCHEDULE

Vehicle Make/Year	2005 Toy Tundra		2008 Ford F350 (4x4)		2013 Ford Escape		2003 Chevy 2500HD		2003 Ford Ranger		2004 Chevy 1500		2003 Ford DT		2006 F350 (2x4)	
	Milage/K	Life/Yr	Milage/K	Life/Yr	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	76	8	42	6	8	2	50	10	56	10	68	9	13	10	33	8
2014/2015	85	9	51	7	16	3	57	11	63	11	76	10	15	11	42	9
2015/2016	94	10	59	8	24	4	63	12	Replace	11	84	11	16	12	50	10
2016/2017	103	11	68	9	32	5	70	13			92	12	18	13	59	11
2017/2018	112	12	76	10	40	6	76	14			100	13	19	14	67	12
2018/2019	121	13	85	11	48	7	83	15			108	14	21	15	76	13
2019/2020	130	14	93	12	56	8	89	16			Replace		22	16	84	14
2020/2021	139	15	102	13	64	9	96	17					24	17	93	15
2021/2022	148	16	110	14	72	10	Replace						25	18	101	16
2022/2023	Replace		119	15	80	11							27	19	Replace	
2023/2024			Replace	16	88	12							28	20		

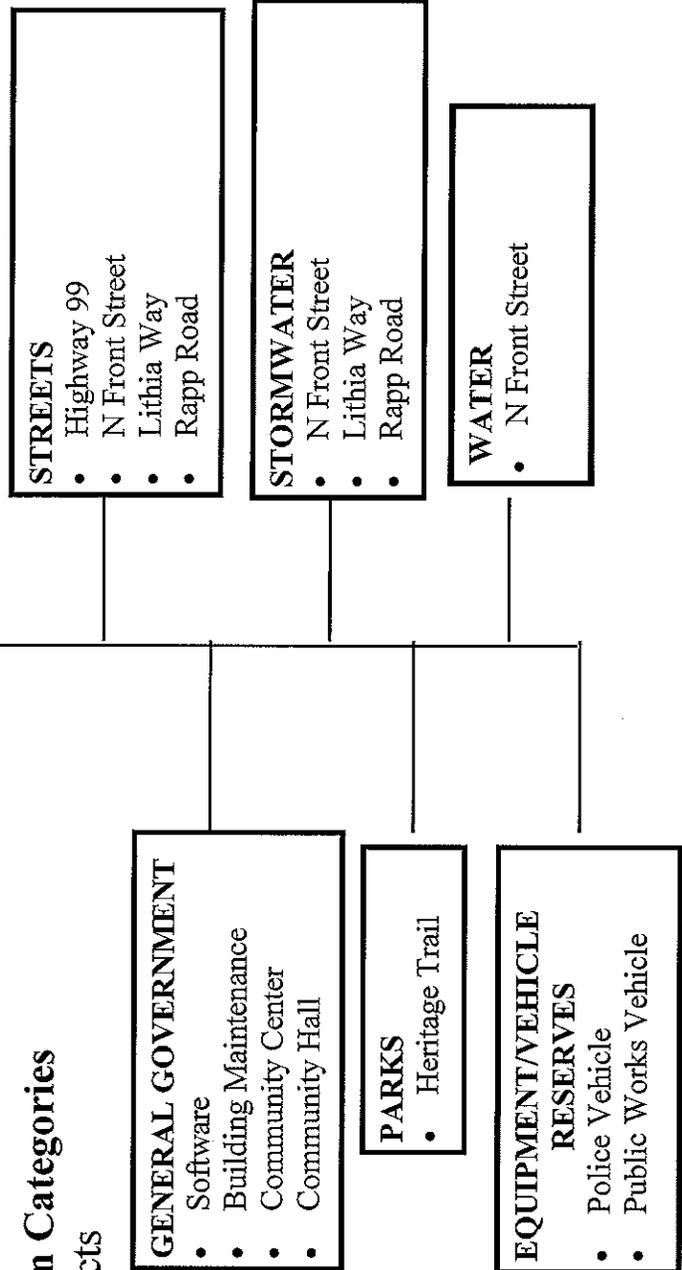
Monitor all Vehicles for increasing maintenance issues

# Revenue Sources



# Program Categories

- Projects



**CAPITAL IMPROVEMENT PROJECTS FUND**  
**FISCAL YEAR 2014-15**

**REVENUE SUMMARY**  
**BY CATEGORY**

Actual FY12	Actual FY13	Adopted FY14		Proposed FY15	Approved FY15	Adopted FY15
-	-	-	LICENSES, PERMITS & FEES	-	-	-
433,526	293,901	1,849,500	INTERGOVERNMENTAL	1,502,250	1,502,250	1,502,250
6,078	4,188	-	MISCELLANEOUS	-	-	-
371,146	590,837	816,093	INTERFUND TRANSFERS IN	270,900	270,900	270,900
<u>1,687,546</u>	<u>1,036,035</u>	<u>1,082,913</u>	FUND BALANCE	<u>1,696,055</u>	<u>1,696,055</u>	<u>1,696,055</u>
2,498,296	1,924,961	3,748,506	<b>GRAND TOTAL REVENUE</b>	3,469,205	3,469,205	3,469,205
371,146	590,837	816,093	Less Interfund Transfers In	270,900	270,900	270,900
<b>2,127,150</b>	<b>1,334,124</b>	<b>2,932,413</b>	<b>NET TOTAL REVENUE</b>	<b>3,198,305</b>	<b>3,198,305</b>	<b>3,198,305</b>

**EXPENDITURE SUMMARY**  
**BY CATEGORY**

Actual FY12	Actual FY13	Adopted FY14		Proposed FY15	Approved FY15	Adopted FY15
-	-	-	PERSONNEL SERVICES	-	-	-
-	-	-	MATERIALS & SERVICES	-	-	-
31,935	81,917	151,450	CAPITAL OUTLAY	100,450	100,450	100,450
1,337,230	755,998	2,967,346	CAPITAL CONSTRUCTION	3,147,170	3,147,170	3,147,170
-	-	-	INTERFUND TRANSFERS OUT	-	-	-
-	-	629,710	RESERVES	221,585	221,585	221,585
-	-	-	CONTINGENCY	-	-	-
-	-	-	UNAPPROPRIATED END FUND BALANCE	-	-	-
<u>1,369,165</u>	<u>837,916</u>	<u>3,748,506</u>	<b>GRAND TOTAL EXPENDITURES</b>	<u>3,469,205</u>	<u>3,469,205</u>	<u>3,469,205</u>
-	-	-	Less Interfund Transfers Out	-	-	-
<b>1,369,165</b>	<b>837,916</b>	<b>3,748,506</b>	<b>NET TOTAL EXPENSES</b>	<b>3,469,205</b>	<b>3,469,205</b>	<b>3,469,205</b>

**CAPITAL IMPROVEMENT PROJECTS FUND**

Actual FY12	Actual FY13	Adopted FY14	REVENUE & OTHER RESOURCES	Proposed FY15	Approved FY15	Adopted FY15
<b>FUND BALANCE</b>						
1,687,546	1,036,035	953,558	FUND BALANCE - COMMITTED TO PROJECTS	1,685,055	1,685,055	1,685,055
-	-	1,255	FUND BALANCE UNALLOCATED GENERAL PROJECTS	1,370	1,370	1,370
-	-	10,210	FUND BALANCE UNALLOCATED PARKS PROJECTS	325	325	325
-	-	405	FUND BALANCE UNALLOCATED STREET PROJECTS	5,425	5,425	5,425
-	-	1,680	FUND BALANCE UNALLOCATED STORM DRAIN PROJECTS	2,015	2,015	2,015
-	-	115,805	FUND BALANCE UNALLOCATED WATER PROJECTS	1,865	1,865	1,865
<u>1,687,546</u>	<u>1,036,035</u>	<u>1,082,913</u>	<b>TOTAL FUND BALANCE</b>	<u>1,696,055</u>	<u>1,696,055</u>	<u>1,696,055</u>
<b>INTERGOVERNMENTAL</b>						
		349,500	CMAQ GRANT - CHUCK ROBERTS PARKING LOT	-	-	-
433,526	293,901	-	CDBG GRANT - HWY 99 WATERLINE REPLACE	-	-	-
-	-	1,500,000	CDBG GRANT - COMMUNITY CENTER	1,450,000	1,450,000	1,450,000
-	-	-	FROM TALENT URBAN RENEWAL AGENCY	52,250	52,250	52,250
<u>433,526</u>	<u>293,901</u>	<u>1,849,500</u>	<b>TOTAL INTERGOVERNMENTAL</b>	<u>1,502,250</u>	<u>1,502,250</u>	<u>1,502,250</u>
<b>MISCELLANEOUS</b>						
25	275	-	MISCELLANEOUS	-	-	-
6,053	3,913	-	INTEREST	-	-	-
<u>6,078</u>	<u>4,188</u>	<u>-</u>	<b>TOTAL MISCELLANEOUS</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TRANSFERS FROM OTHER FUNDS</b>						
		75,000	GENERAL FUND TRANSFER-COMM CNTR CC454	25,000	25,000	25,000
		-	GENERAL FUND TRANSFER-COMM HALL HANDICAP RAMP CC 459	7,250	7,250	7,250
9,049	10,000	50,000	GENERAL FUND TRANSFER-CRT/FINANCE SOFTWARE CC 907	20,000	20,000	20,000
11,000	12,500	-	GENERAL FUND TRANSFER-POLICE CAR CC 736	-	-	-
	2,500	2,500	GENERAL FUND TRANSFER-POLICE VEHICLE RESERVE CC 905	20,000	20,000	20,000
2,500	2,500	2,500	GENERAL FUND TRANSFER-COMM CNTR REPR RESRV CC906	-	-	-
2,500	2,500	2,500	GENERAL FUND TRANSFER-CITY HALL BLDG MAINT RES CC 909	-	-	-
2,000	571	-	GENERAL FUND TRANSFER-POLICE BLDG MAINT RES CC 910	-	-	-
		4,000	GENERAL FUND TRANSFER-COMM DEV TECH RES CC 908	-	-	-
10,000	10,000	-	PARKS FUND TRANSFER-CR PARK SPLASHPAD CC 454	-	-	-
	10,000	-	PARKS FUND TRANSFER-PARKS LAND ACQ CC 802	-	-	-
150,000		85,233	STREET FUND-SIDEWALK IMPROV CC 432	15,000	15,000	15,000
5,000		-	STREET FUND-GIBSON CC 437	-	-	-
		-	STREET FUND-ARNOS STREET IMPROV CC 444	-	-	-
	83,600	36,500	STREET FUND-N FRONT STREET IMPROV CC 450	60,000	60,000	60,000
		59,800	STREET FUND-LITHIA WAY IMPROVEMENTS CC 452	23,650	23,650	23,650
		103,550	STREET FUND-RAPP ROAD IMPROVEMENTS CC 453	25,000	25,000	25,000
	300,000	100,000	STREET FUND-HWY 99 STREET IMPROV CC 451	-	-	-
		-	STREET FUND-SIDEWALK SECOND & SCHOOLHOUSE CC457	30,000	30,000	30,000
		-	STREET FUND-COMMUNITY HALL ALLEY IMPROVE CC458	45,000	45,000	45,000
93,097		-	STREET FUND-UNALLOCATED CC436	-	-	-
	78,915	30,050	TRANS SDC IMPROV N FRONT STREET IMPROV CC 450	-	-	-
		100,800	TRANS SDC IMPROV LITHIA WAY IMPROV CC 452	-	-	-
	14,094	10,500	STORM DRAIN IMPROV SDC - N FRONT STREET IMPROV CC 450	-	-	-
		46,250	STORM DRAIN IMPROV SDC - RAPP ROAD IMPROV CC 452	-	-	-
	2,000	-	WATER UTILITY FUND - WATER UTILITY RATE STUDY CC 227	-	-	-
25,000	20,000	14,950	WATER UTILITY FUND - RADIO READ METERS CC 740	-	-	-
22,000		13,000	WATER UTILITY FUND - GIBSON CC 437	-	-	-
		36,560	WATER UTILITY FUND - N FRONT STREET IMPROV CC 450	-	-	-
		20,000	WATER UTILITY FUND - UTILITY BILLING SOFTWARE CC 907	-	-	-
	32,000	-	WATER REIMB SDC - N FRONT STREET IMPROV CC 450	-	-	-
	9,657	2,400	WATER IMPROV SDC - N FRONT STREET IMPROV CC 450	-	-	-
13,966	-	-	WATER IMPROV SDC - ARNOS STREET IMPROV CC 444	-	-	-
25,034	-	-	WATER REIMB SDC - ARNOS STREET IMPROV CC 444	-	-	-
<u>371,146</u>	<u>590,837</u>	<u>816,093</u>	<b>TOTAL INTERFUND TRANSFERS IN</b>	<u>270,900</u>	<u>270,900</u>	<u>270,900</u>
<b>2,498,296</b>	<b>1,924,961</b>	<b>3,748,506</b>	<b>TOTAL REVENUE &amp; OTHER RESOURCES</b>	<b>3,469,205</b>	<b>3,469,205</b>	<b>3,469,205</b>

**CAPITAL IMPROVEMENT PROJECTS FUND  
EXPENDITURES**

Actual FY12	Actual FY13	Adopted FY14		Proposed FY15	Approved FY15	Adopted FY15
<b>CAPITAL CONSTRUCTION</b>						
<b>GENERAL GOVERNMENT PROJECTS</b>						
-	-	1,255	CIP UNALLOCATED GENERAL FUNDING CC 995	1,370	1,370	1,370
		1,575,000	COMMUNITY CENTER CC454	1,550,000	1,550,000	1,550,000
		-	COMMUNITY HALL HANDICAP RAMP CC459	14,500	14,500	14,500
-	-	7,230	COMMUNITY CENTER REPAIR RESERVE CC 906	7,245	7,245	7,245
-	-	70,240	COURT SOFTWARE PROGRAM RESERVE CC 907	110,400	110,400	110,400
-	-	6,670	COMM DEV TECHNOLOGY RESERVE SOFTWARE CC 908	6,680	6,680	6,680
-	-	10,040	CITY HALL BLDG MAINT RESERVE CC 909	10,060	10,060	10,060
-	-	10,040	POLICE DEPT BLDG MAINT RESERVE CC 910	10,060	10,060	10,060
-	-	1,680,475	<b>TOTAL GENERAL GOVERNMENT</b>	<b>1,710,315</b>	<b>1,710,315</b>	<b>1,710,315</b>
<b>PARKS PROJECTS</b>						
		210	CIP UNALLOCATED PARK FUNDING CC 996	325	325	325
2,373	5,614	422,930	CHUCK ROBERTS PARK PARKING LOT CC 429	28,880	28,880	28,880
		26,000	CHUCK ROBERTS PARK SPLASH PAD CC 455	26,000	26,000	26,000
		-	HERITAGE TRAIL CC 456	15,000	15,000	15,000
-	-	54,810	PARKS LAND ACQUISITION CC 802	56,845	56,845	56,845
2,373	5,614	503,950	<b>TOTAL PARKS</b>	<b>127,050</b>	<b>127,050</b>	<b>127,050</b>
<b>TRANSPORTATION PROJECTS</b>						
		405	CIP UNALLOCATED STREET FUNDING CC 997	5,425	5,425	5,425
		10,000	MISC SIDEWALK IMPROVEMENTS CC 432	15,000	15,000	15,000
103,097		-	MISC ALLEY PAVEMENT CC 436	-	-	-
3,208	449,644	37,000	GIBSON IMPROV CC 437	-	-	-
	3,269	229,065	N FRONT STREET IMPROVEMENTS CC 450	254,470	254,470	254,470
		160,600	HWY 99 STREET IMPROVEMENTS CC 451	400,000	400,000	400,000
		103,550	LITHIA WAY IMPROVEMENTS CC 452	160,600	160,600	160,600
		-	RAPP ROAD IMPROVEMENTS CC 453	128,550	128,550	128,550
		-	SIDEWALK SECOND & SCHOOLHOUSE CC 457	30,000	30,000	30,000
		-	COMMUNITY HALL ALLEY IMPROVEMENTS CC 458	90,000	90,000	90,000
248,004	11,364	-	ARNOS STREET IMPROVEMENT CC 444	-	-	-
354,309	464,277	540,620	<b>TOTAL STREETS</b>	<b>1,084,045</b>	<b>1,084,045</b>	<b>1,084,045</b>

**CAPITAL IMPROVEMENT PROJECTS FUND  
EXPENDITURES**

Actual FY12	Actual FY13	Adopted FY14	CAPITAL CONSTRUCTION	Proposed FY15	Approved FY15	Adopted FY15
			<b>STORMWATER PROJECTS</b>			
		1,680	CIP UNALLOCATED STORM DRAIN FUNDING CC 998	2,015	2,015	2,015
65,986	11,388	-	GIBSON STREET CC 437	-	-	-
	128	-	ARNOS STREET IMPROVEMENT CC 444	-	-	-
	282	24,594	N FRONT STREET IMPROVEMENT CC 450	27,584	27,584	27,584
-	-	46,250	LITHIA WAY IMPROVEMENTS CC 452	46,250	46,250	46,250
65,986	11,798	72,524	<b>TOTAL STORMWATER</b>	75,849	75,849	75,849
			<b>WATER PROJECTS</b>			
		160	CIP UNALLOCATED WATER FUNDING CC 999	1,865	1,865	1,865
		20,000	UTILITY BILLING SOFTWARE CC907	-	-	-
202,584			RESERVOIR LAND ACQUISITION CC 801	-	-	-
	161,331	13,000	GIBSON STREET CC 437	-	-	-
610,945	110,521		HWY 99 WATER MAIN CC 442	-	-	-
90,800			ARNOS STREET IMPROVEMENT CC 444	-	-	-
5,830			WATER UTILITY RATE STUDY CC 227	2,500	2,500	2,500
28,105	19,895	73,645	RADIO READ WATER METERS CC 740	-	-	-
-	2,458	136,817	N FRONT STREET IMPROVEMENT CC 450	148,046	148,046	148,046
936,264	294,205	243,422	<b>TOTAL WATER</b>	152,411	152,411	152,411
			<b>VEHICLES &amp; EQUIPMENT</b>			
10,233		-	POLICE VEHICLE CC 736	-	-	-
	22,010	57,830	PW EQUIPMENT RESERVE CC 904	57,950	57,950	57,950
-	40,012	19,975	POLICE VEHICLE RESERVE CC 905	40,000	40,000	40,000
10,233	62,022	77,805	<b>TOTAL EQUIPMENT</b>	97,950	97,950	97,950
		400,000	RESERVE FOR FUTURE HWY 99 STREET IMPROV CC 451	-	-	-
-	-	229,710	RESERVE FOR FUTURE RESERVOIR CC 801	221,585	221,585	221,585
-	-	629,710	<b>TOTAL RESERVES</b>	221,585	221,585	221,585
2,498,296	1,924,961	3,748,506	<b>FUND REVENUE</b>	3,469,205	3,469,205	3,469,205
1,369,165	837,916	3,748,506	<b>FUND EXPENDITURES</b>	3,469,205	3,469,205	3,469,205

**City of Talent  
2014-15 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 2010 Census provided a population figure of 6,066, and the July 2013 census figure from Portland State University is 6,170. 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 were 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 construction of the Oregon Shakespeare Festival Scene Shop along Talent Avenue. Brammo Inc. an electric motor cycle manufacturing facility moved into the vacated Wal-Mart building in late 2013. Along with a variety of smaller commercial developments, as well as tenant improvements within the relatively new Clearview commercial development along Highway 99, commercial development in Talent has been active. Further, the Community Development Department has experienced a significant up-tick in pre-applications for new and existing commercial expansions relating to new service sector construction. 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](http://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 seven developed parks with the improvements to Wagner Creek 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 parking area improvements at Chuck Roberts Park completed in 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  
2014-15 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:**

2013	6170
2012	6115
2011	6095
2010 (Official Census)	6066
2009	6680
2008	6635
2007	6525
2006	6415
2005	6255
2004	5890
2003	5705
2002	5520
2000 (Official Census)	5589
1999	5065
1998	5050
1997	5010
1996	4765
1995	4530
1994	4205
1993	4010
1992	3830
1991	3625
1990 (Official Census)	3274
1980 (Official Census)	2577
1970	1389
1960	868
1950	739
1940	381
1930	421
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'
<b>Temperature:</b>	
Lowest Monthly Average	29 degrees F
Highest Monthly Average	87 degrees F
Hottest Month	July
Coldest Month	January
Driest Month	July
Wettest Month	November
<b>Precipitation:</b>	
Average Annual Precipitation	19.76"

**EDUCATION:**

(Phoenix/Talent public school district)	
Number of Attendance Centers	5 (+ 1 Charter)
Student/Teacher Ratio	24:1
Total Enrollment	2,669

**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)	2

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

**ASSESSED PROPERTY VALUATION:**

(in thousands of dollars)	
2013	337,983
2012	324,594
2011	321,697
2010	311,618
2009	303,929
2008	294,037
2007	280,088
2006	264,365
2005	242,726
2004	216,186
2003	200,548
2002	190,482
2001	169,849
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

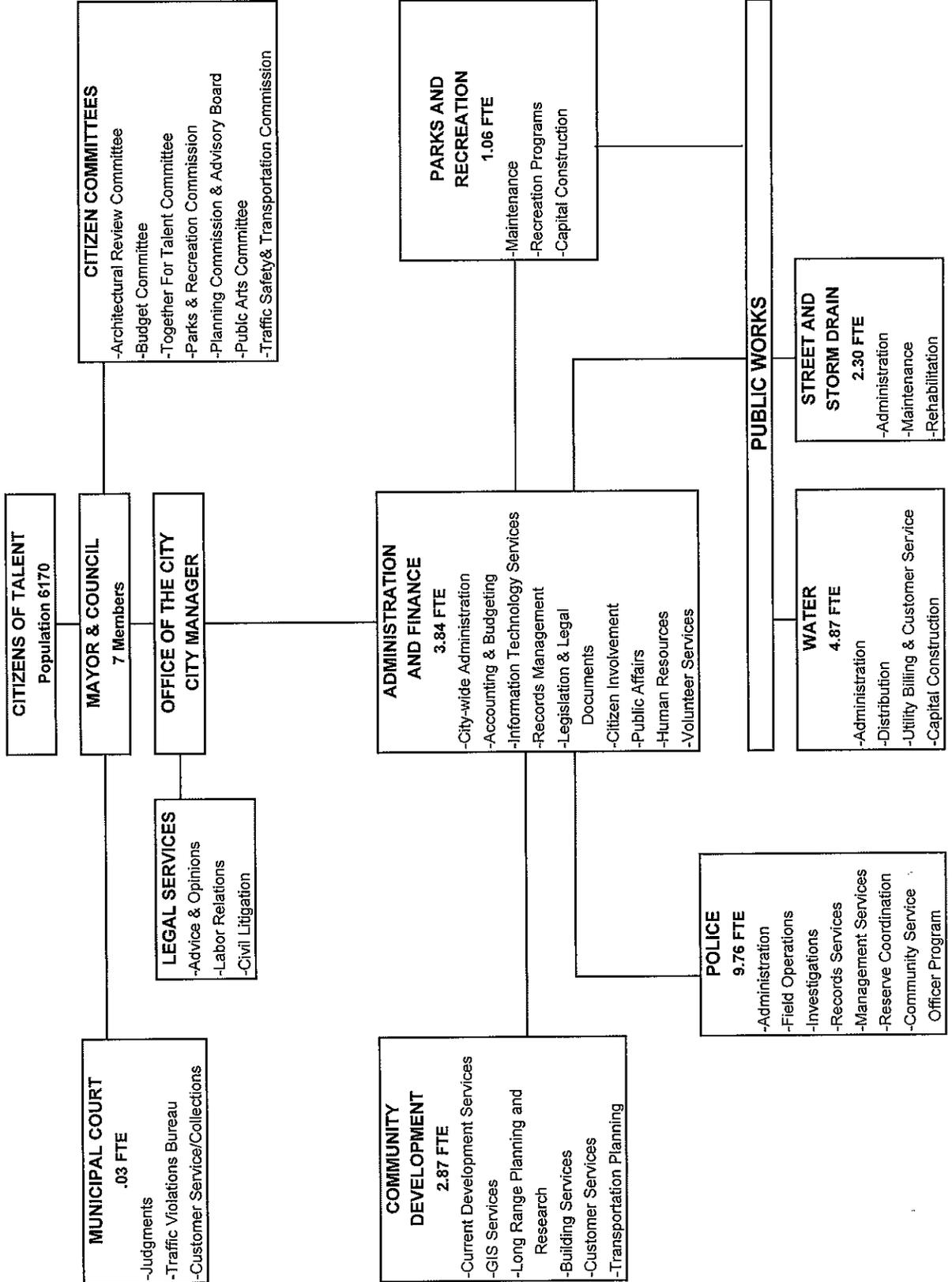
**HOUSING:**

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 2014-15 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, RVRTD, 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 2013/2014 was \$2.7440

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 2012-2013 AND 2013-2014**

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	3.3575	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		
<b>TOTAL</b>	<b>9.5774</b>	<b>1.2504</b>	<b>10.8278</b>	<b>10.8278</b>	<b>11.1899</b>		

GOVERNMENT 2013-2014				CAP*		TOTAL	
TAX	BOND	S. LEVY	TOTAL	TOTAL	RATE		
City	0.1994		2.7440	2.7440	2.9434		
County	0.1604		1.7067	1.7067	1.8671		
UR		1.3183	2.2444	3.5627	3.5627		
COUNTY UR	0.0000		0.0000	0.0000	0.0000		
FD #5	2.7143		2.7143	2.7143	2.7143		
RVTD	0.1505		0.1505	0.1505	0.1505		
VECTOR	0.0365		0.0365	0.0365	0.0365		
Soil/Wtr District	0.0425		0.0425	0.0425	0.0425		
<b>TOTAL</b>	<b>9.6389</b>	<b>1.3183</b>	<b>10.9572</b>	<b>10.9572</b>	<b>11.3170</b>		

SCHOOL 2012-2013				CAP*		TOTAL	
RATE	BONDS	TOTAL	RATE	TOTAL	RATE		
TSD	0.6907	3.639	4.3297	4.3297	4.3297		
RCC	0.1103	0.4399	0.5502	0.5502	0.5502		
ESD	0.302	0.3023	0.3023	0.3023	0.3023		
<b>TOTAL</b>	<b>0.801</b>	<b>4.3812</b>	<b>5.1822</b>	<b>5.1822</b>	<b>5.1822</b>		

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

SCHOOL 2013-2014				CAP*		TOTAL	
RATE	BONDS	TOTAL	RATE	TOTAL	RATE		
TSD	0.7365	3.6022	4.3387	4.3387	4.3387		
RCC	0.1124	0.4355	0.5479	0.5479	0.5479		
ESD	0.2993	0.2993	0.2993	0.2993	0.2993		
<b>TOTAL</b>	<b>0.8489</b>	<b>4.337</b>	<b>5.1859</b>	<b>5.1859</b>	<b>5.1859</b>		

Total Tax Rate  
 Total Government + School 2012-2013 16.3721  
 Total Government + School 2013-2014 16.5029

## 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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