

City of Talent, Oregon



ADOPTED BUDGET

Fiscal Year

2015-2016

CITY OF TALENT

2015-16 ANNUAL BUDGET

BUDGET COMMITTEE

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Councilor Anthony Abshire
Councilor Teresa Cooke
Councilor Joan Dean
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**City of Talent
2015-16 Annual Budget**

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City of Talent

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

I normally start my Budget Letters with a quote. In the past I have used:

“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

This year I feel it is more prudent to begin:

“The secret of getting things done is to act” Dante

It is our pleasure to present you with the proposed budget for the fiscal year 2015-2016. As the result of a concerted effort from all departments, this is a balanced budget that will meet all of the City’s legal obligations.

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

This year the City will see many road and sidewalk projects come to fruition. We have spent a considerable amount of time walking the streets and neighborhoods of our fair City, looking at where we can make the City both look and function better. We will continue to listen to the needs of our citizens while simultaneously improving our infrastructure. Projects for our water department, including our critical SCADA system that controls the flow and storage of water through Talent are in the budget. We will working with the other entities of Ashland and Phoenix that compromise our TAP water line. Waterline and road improvements are planned along North Front as well as engineering for Lithia Way, Second Street, and continue to assess Rapp Road and now Wagner Street. North Front Street has taken even more time as the railroad has been hesitant to sell the needed easement to the City. We have updated the pavement

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maintenance program and have awarded the contract sidewalk work on sections of Talent Avenue allowing for greater safety of residents and accessibility for ADA. We have sidewalk projects on both Second Street and Schoolhouse Road. We have a surveying firm making certain that we observe all Right-of-Ways. We have budgeted for the continuing maintenance of the City Hall, Library, and Police Department parking lots and have planned a project with Talent Urban Renewal for the historic Community Hall. It will be so very nice to have this glorious old building regain some of its luster.

We continue to seek funding for our Parks Department's goals per the updated Parks Master Plan, including but not limited to, the possibility of new tennis courts, pocket park development, ADA access on our new Heritage Trail, all designed to enhance the enjoyment of Talent's citizens. We have finished the new regulation sand volleyball court and have begun the splash pad construction.

We are readying ourselves for the Grand Opening of our new Community Center which will serve all of our citizens and guests. Imagine having five different requests for meeting rooms and be able to serve them all. We will now complete our work with Internet security as it has become a rising concern in almost every aspect of our lives, beginning with our water SCADA system and branching out into expanded Wi-Fi service.

An emphasis has been placed on an increased level of residential service. Updated financial software will make citizen's payments easier. We have added a monitor in City Hall for the public to be informed of upcoming events, meetings, and notices. We will add monitors to our new Community Center as well to keep the public informed.

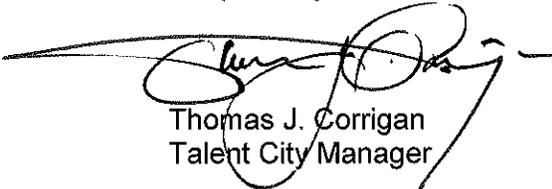
We have installed all of the necessary equipment for our radio controlled water meters throughout the city. We are still looking to ascertain the best time frame for future water reservoir construction.

We will continue to make advances to our economic development plan as the housing market and economy continues its recovery. We are set to being a Housing Needs study as well as look to improve our Development Charges to assist new businesses in making Talent their home. We will also keep on the path 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 2013-2014 and 2014-15; and a Glossary of terms that may be useful in understanding some of the terminology used in this Budget Report has also been included.

2015-16 BUDGET

The proposed budget reflects a minimum 15% contingency line item and an unappropriated ending fund balance of 7% to 30% for each operating fund with the exception of the Parks Fund which has no unappropriated ending fund balance. A short term loan to the Talent Urban Renewal Agency (outlined below) and the grant expenditure line item have not been included in the General Fund contingency and unappropriated ending fund balance calculation.

Interim financing for the Talent Urban Renewal District (TURA) of \$250,000 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 \$250,000 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 \$250,000.

It is important to have carryover from one year to the next to provide a stable beginning fund balance. The contingency and unappropriated ending fund balance for the General Fund is 27%. This is an increase of 2% from FY2015. The Water Fund contingency and unappropriated ending fund balance is 55%. The Water Debt Service Reserve Fund balance was transferred to the Water Utility Fund when the Water Bond was refinanced. These funds continues to serve the original

purpose of funding by including one annual debt service payment 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 City is entering collective bargaining with union-represented employees. The impact of these negotiations is unknown at this time. The current union agreement will expire June 30, 2015. In the current 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 contract years. Under the current contract, this year's COLA adjustment would be 1% effective July 1, 2015. The City's annual contribution of \$15,500 to employee health insurance premiums is also part of the collective bargaining agreement. The City's portion of the premium has been a set monthly contribution with employees being responsible for any premium increases above this cap. Using a flat dollar contribution has allowed the City to budget appropriately without having to anticipate unknown premium increases during the budget process. The premium is currently below the cap and the City pays 100% of the premium.

The City participates in the Oregon Public Employees Retirement System commonly referred to as PERS. The City is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the plan. The City participates in the State and Local Government Rate Pool (SLGRP). Employer rates are set on a bi-annual basis and employer rates for all of the four member groups will change as of July 1, 2015 for the 2015–2017 biennial period. The Tier 1&2 group rate increased by 2.8% and the OPSRP group rate decreased by 2.71%. The majority of the City's employees are members of the OPSRP group.

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 increase one part-time position in Administration and Finance to a full time position and to fill a new Public Works Maintenance Specialist 1 position. City Hall is open from 8:30 a.m. to 5:00 p.m. to

provide citizen services. The increase in the Administration and Finance position will provide needed front office coverage along with accounting and clerical duties. The Maintenance Specialist 1 position will provide for stable staffing within the Public Works department and reduce the City's dependency on temporary staffing.

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 increase of a part-time clerk position to full time will provide needed customer service coverage.

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 position has been filled on a full time basis since September 2013. No staffing level changes are planned for FY2016.

Police – The Police Department is currently planning for anticipated turnover in Patrol Officer staffing in July 2015. No staffing level changes are planned for FY2016.

Public Works – A full-time Maintenance Specialist 1 position is requested as part of this budget. The position if approved will reduce the City's dependency on temporary staffing and reduce the training and turnover typical of temporary staffing as well as accommodate increasing demands in Parks and Streets.

External Impacts

This year the most noticeable impact is the rising cost of insurance. General liability insurance is anticipated to increase by 7%–13% 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 national and regional economic 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

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2015-2016 BUDGET CALENDAR

January 20, 2015	Asst. Finance Director provides Dept. Heads with current budget report
February 20, 2015	Dept. budgets/CIP submitted to City Manager/Administrative Services Director
March 2 – 6, 2015	Review Dept. budgets with City Manager/Administrative Services Director
April 17, 2015	Advertisement for Budget Committee Hearings to Newspaper (Flash)
April 27, 2015	Post Budget Committee Hearing Notice on Website
May 2, 2015	Budget Committee Public Hearing Notice (TNR – May 2 nd Publication)
May 7, 2015 6:30 p.m.	Budget Committee Training/Meeting to receive budget & budget message
May 12, 2015 6:30 p.m.	Budget Committee Work Session/Public Hearing
May 14, 2015 6:30 p.m.	Budget Committee Work Session/Public Hearing (Continuation of May 12 th meeting if needed)
May 22, 2015	Financial Summary and Notice of Budget Hearing to Newspaper (TNR)
June 6, 2015	Financial Summary and Notice of Budget Hearing published (TNR)
June 17, 2015	City Council Budget Hearing for final adoption of budget
June 30, 2015	Last date for State Revenue Sharing Resolution to State
July 15, 2015	Last date to submit tax certification documents to County Assessor
Sept. 30, 2015	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.



Council Goals for FY 2015-16

Adopted by Council 03/04/2015

Economic Development

1. Develop an Economic Development Plan to present to Council
Lead agency: Council sub Committee on Economic Development
Timeline: Will be presented at first Council Meeting in April.

Planning

1. Complete Urban Growth Study (TA4 & TA5)
Lead agency: Community Development
Time Line: May 2016

Infrastructure

1. Determine best use of Town Hall, Old Library and TURA facilities.
Lead agency: City Manager & Council Committee
Timeline: August 2015
2. Update the existing water rate study.
Lead agency: City Staff & GSI
Time Line: October 2015
3. Complete CIP road projects.
Lead agency: City Staff
Time Line: part A: Public Input - October 2015 and Part B – October 2016

Citizen Involvement

Coordinate Volunteer Resources to clarify volunteer to job opportunities, refine recruiting efforts and arrange for recognition of volunteers.

1. Build a data management system to assist in coordinating volunteer activities.
Lead Agency: Ad-Hoc Volunteer Management Committee / Staff
Time Line: 11/20/15
2. Recruit 25 NEW volunteers
Lead Agency: Ad-Hoc Volunteer Management Committee
Time Line: 12/20/15

Culture & Recreation

1. Complete phase one of trail system in Chuck Roberts Park
Lead Agency: Public Works & parks volunteers
Time Line: October 2015
2. Revise and implement new Summer Recreation programs
Lead Agency: Parks & Recreation Commission/city staff
Timeline: July 2015
3. Develop a Public Arts Policy.
Lead Agency: TPAC and Staff
Time Line: March 2016

Budget & Finance

1. Prepare RFP for finance software, advertise and implement.
Lead Agency: Staff
Timeline: end of June 2016

Public Safety

1. Hold five information meetings with community groups
Lead agency: Police Chief
Timeline: June 2016
2. Have two meetings with teachers and staff at each of the schools in Talent.
Lead agency: Police Chief
Timeline: June 2016

**City of Talent
2015-16 Annual Budget**

BUDGET AND FINANCIAL POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**City of Talent
2015-16 Annual Budget**

BUDGET PROCESS

BUDGET PREPARATION

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

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

BUDGET ADOPTION

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

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

BUDGET AMENDMENTS

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

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

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

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

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

BUDGET BASIS

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

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

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

**City of Talent
2015-16 Annual Budget**

HOW TO USE THE BUDGET

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

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

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

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

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

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

The **Enterprise Fund** section contains revenue and expenditure summaries for the 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 Town Hall, Community Center, Depot and the property at 105 N. Market Street are included under administration. Rental income and reimbursable expenditures are included where appropriate.

Community Development receives funding from licenses, permits and fees, intergovernmental revenues and other sources. Major expenses are for contract services and salary related expenses. The accounting for the Building Inspection program 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. This fund was closed in FY2015.

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

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

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

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

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

The **TAP Operations Fund** is a fund established in 2007 to account for the operations of the TAP (Talent, Ashland & Phoenix) joint ownership of the Samike Regional Pump Station and the purchase of water, electricity, insurance and other repair and maintenance expenses shared by the cities in providing water to their respective city customers. Currently Talent and Phoenix are accessing water from this system owned by the Medford Water Commission. The City of Ashland connected to the TAP system in 2014 and will be receiving water through the TAP system in the summer 2015. Revenues for this Fund will come from the cities of Phoenix and Ashland, and transfers from the Talent Water Utility Fund. This fund will close as of June 30, 2015.

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.

RESOLUTION NO. 15-931-R

A RESOLUTION ADOPTING THE BUDGET, MAKING APPROPRIATIONS, LEVYING TAXES, AND CATEGORIZING TAXES FOR THE 2015/16 FISCAL YEAR

BE IT RESOLVED that the City Council of the City of Talent hereby adopts the budget for fiscal year 2015-16 in the sum of **\$10,704,725** now on file at City Hall.

BE IT FURTHER RESOLVED that the amounts for the fiscal year beginning July 1, 2015, and for the purposes shown below are hereby appropriated as follows:

General Fund

Personal Services	\$	1,685,150
Materials & Services		1,154,450
Capital Outlay		5,900
Transfers		79,500
Contingency		470,000
Total Appropriation	\$	3,395,000
Unappropriated	\$	182,000
Fund Total	\$	3,577,000

Library Fund

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

Park Fund

Personal Services	\$	75,500
Materials & Services		38,500
Capital Outlay		500
Transfers		-
Contingency		17,500
Total Appropriation	\$	132,000
Unappropriated	\$	-
Fund Total	\$	132,000

Street Fund

Personal Services	\$	284,000
Materials & Services		237,000
Capital Outlay		2,500
Transfers		169,000
Contingency		157,000
Total Appropriation		849,500
Unappropriated		54,000
Fund Total	\$	903,500

Water Utility Fund

Personal Services	\$	455,000
Materials & Services		488,900
Capital Outlay		12,400
Debt Service		306,350
Transfers		50,000
Contingency		239,000
Total Appropriation	\$	1,551,650
Unappropriated	\$	296,350
Fund Total	\$	1,848,000

TAP Operations Fund

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

Systems Development Charges Fund

Transfers		-
Total Appropriation		-
Reserve		930,350

Capital Improvement Projects Fund

Capital Outlay		2,958,675
Total Appropriation	\$	2,958,675
Reserve	\$	222,335
Fund Total	\$	3,181,010

West Valley View Debt Fund

Debt Service	\$	29,325
Total Appropriation	\$	29,325
Reserved for Future Expenditure	\$	24,125
Fund Total	\$	53,450

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

Debt Service	\$	79,415
Total Appropriation	\$	79,415

Summary

Total Appropriations, All Funds	\$	8,995,565
Total Unappropriated & Reserve Amounts, All Funds		1,709,160
Total Adopted Budget	\$	10,704,725

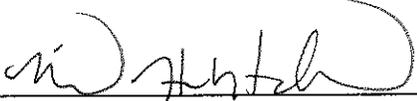
BE IT FURTHER RESOLVED that the City Council of the City of Talent hereby imposes taxes provided for in the adopted budget at the rate of \$3.2316 per \$1000 of assessed value for operations and in the amount of \$81,505 for bonds, and that these taxes are hereby imposed and categorized for tax year 2015-2016 upon the assessed value of all taxable property within the City.

CATEGORIZING THE TAX

		Excluded from Limitation
General Government Limitation:		
General Fund	\$3.2316/\$1,000	
Debt Service Fund		\$ 81,505

Duly enacted by the City Council in open session on June 17, 2015 by the following vote:

AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 0



 Melissa Huhtala/City Recorder and Custodian of City Records

**City of Talent
2015-16 Annual Budget**

FUND SUMMARIES

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

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

Fund Balance Trends - This report provides a history of the beginning fund balances since fiscal year 2010-2011. This is relevant information as the City is dependent on these fund balance carryovers to begin the next fiscal year. The source of the fund balance is the net of revenues from expenditures at the end of the prior year. The line item that remains constant is the "Contingency". The contingency usually remains unspent unless an unforeseen expense occurs that cannot be absorbed within the other operating funds. The City has established a minimum 15% of expenditures contingency for each operating fund and an unappropriated ending fund balance where available. The Parks Fund does not have an unappropriated ending fund balance for FY2016.

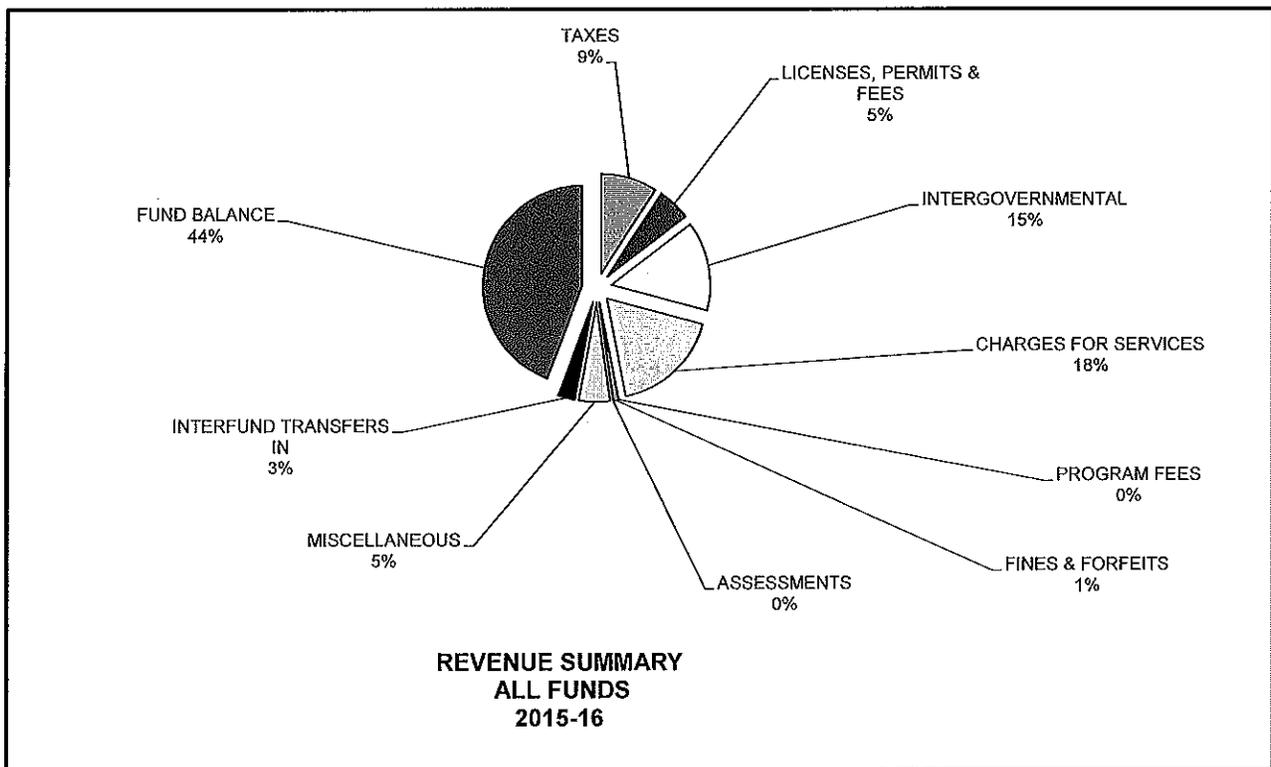
Interfund Transfers for All Funds and By Fund – This report provides a summary of the total of transfers from each fund and indicates where the money is coming from and going to. The journal transfer of these funds takes place during the fiscal year and is completed by the Assistant Finance Director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

**INTERFUND TRANSFERS ALL FUNDS
FISCAL YEAR 2015-16**

TRANSFER FROM:	AMOUNT	TRANSFER TO:	AMOUNT
		West Valley View Debt Service	6,000
		Total Debt Service	<u>6,000</u>
		CC460 - Community Center Furnishings	6,000
		CC461 - Community Center Landscaping	30,000
		CC905 - Police Dept Vehicle Reserve	20,000
		CC906 - Town Hall Repair Reserve	5,000
		CC909 - City Hall Repair Reserve	5,000
		CC910 - PD Building Repair Reserve	5,000
		CC911 - Community Center Repair Reserve	<u>2,500</u>
		Total CIP	<u>73,500</u>
General Fund-Projects	\$ <u>(79,500)</u>	Total Debt Service & CIP	<u>79,500</u>
Park Fund-Projects	<u>0</u>	Total CIP	<u>0</u>
		CC432 - Misc Sidewalk Improvements	10,000
		CC450 - North Front Street Improvements	20,000
		CC452 - Lithia Way Improvements	25,000
		CC453 - Rapp Road Improvements	25,000
		CC457 - Sidewalk @ Second and Schoolhouse	30,000
		CC458 - Town Hall Alley Improvements	34,000
		CC462 - Wagner Street Improvements	<u>25,000</u>
Street/Storm Fund - Projects	<u>(169,000)</u>	Total CIP	<u>169,000</u>
SDC Transportation	0		
SDC Storm Drain	0		
SDC Water	0		
SDC Parks	0		
Total SDC Funds	<u>0</u>	Total CIP	<u>0</u>
Water Fund	<u>(50,000)</u>	CC743 - SCADA System upgrade	50,000
		Total CIP	<u>50,000</u>
TOTAL TRANSFER OUT	\$ <u>(298,500)</u>	TOTAL TRANSFER IN	<u>298,500</u>
NET TOTAL BUDGET TRANSFERS			0.00

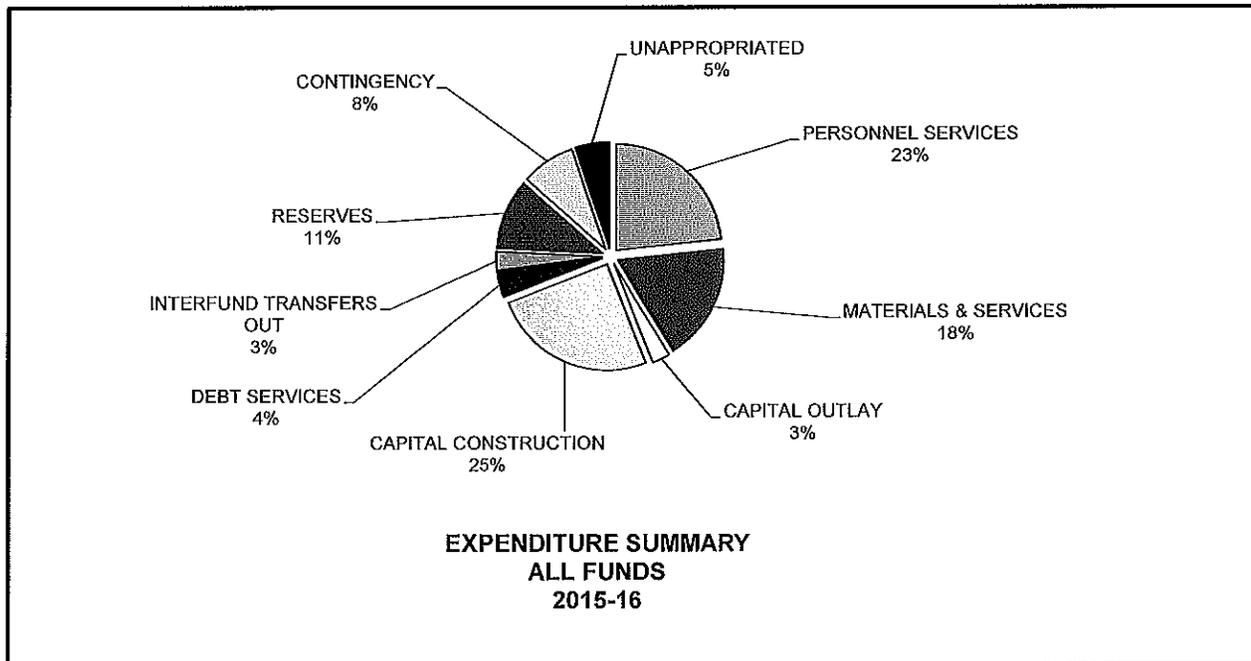
SUMMARY OF REVENUES BY CATEGORY
For Fiscal Year 2015-16
ALL FUNDS

Actual FY13	Actual FY14	Adopted FY15	REVENUE	Proposed FY16	Approved FY16	Adopted FY16
918,912	954,739	961,300	TAXES	983,215	983,215	983,215
632,032	565,604	549,500	LICENSES, PERMITS & FEES	582,000	582,000	582,000
837,714	646,344	2,306,210	INTERGOVERNMENTAL	1,558,000	1,558,000	1,558,000
2,204,862	2,016,430	1,950,300	CHARGES FOR SERVICES	1,898,000	1,898,000	1,898,000
4,268	1,696	1,000	PROGRAM FEES	-	-	-
146,589	137,861	148,000	FINES & FORFEITS	80,000	80,000	80,000
9,568	9,568	9,570	ASSESSMENTS	9,575	9,575	9,575
78,095	45,085	477,105	MISCELLANEOUS	552,325	552,325	552,325
767,455	1,257,476	517,200	INTERFUND TRANSFERS IN	298,500	298,500	298,500
3,773,613	4,141,762	4,238,180	FUND BALANCE	4,743,110	4,743,110	4,743,110
9,373,108	9,776,565	11,158,365	GRAND TOTAL ALL FUNDS	10,704,725	10,704,725	10,704,725
767,455	1,257,476	517,200	Less Interfund Transfers In	298,500	298,500	298,500
8,605,653	8,519,089	10,641,165	NET TOTAL ALL FUNDS	10,406,225	10,406,225	10,406,225



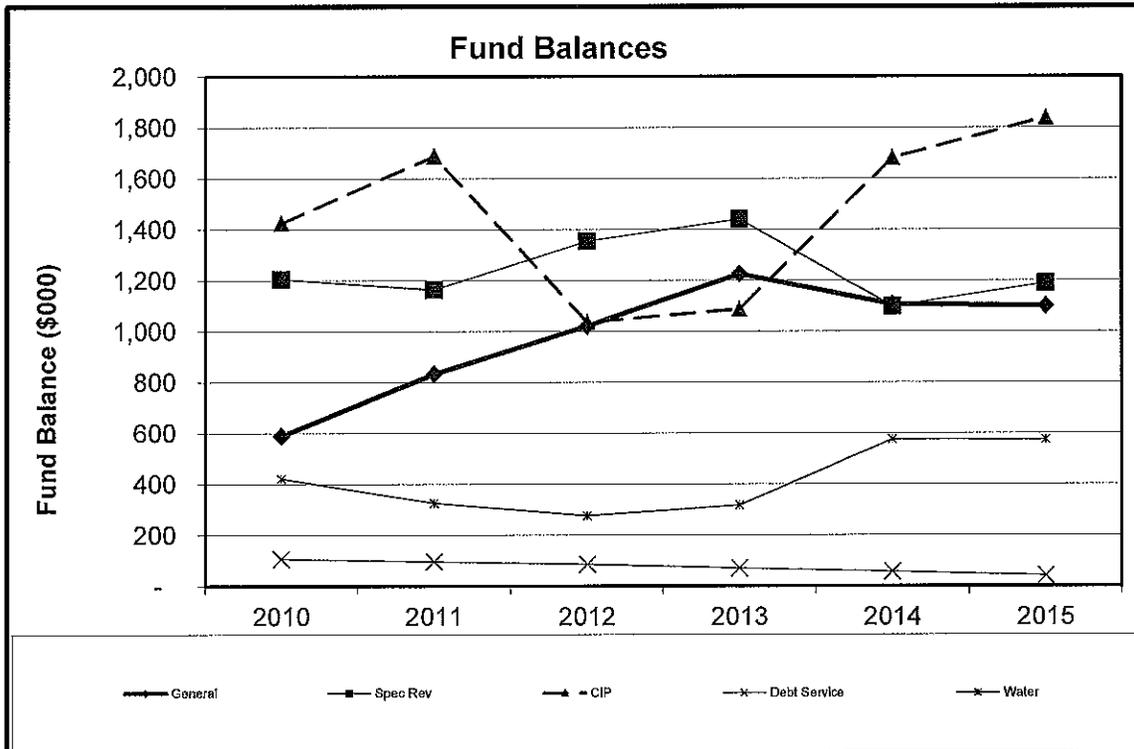
SUMMARY OF EXPENDITURES BY CATEGORY
For Fiscal Year 2015-16
ALL FUNDS

Actual FY13	Actual FY14	Adopted FY15		Proposed FY16	Approved FY16	Adopted FY16
1,829,558	2,004,896	2,384,400	PERSONNEL SERVICES	2,499,650	2,499,650	2,499,650
1,374,324	1,285,834	2,256,875	MATERIALS & SERVICES	1,918,850	1,918,850	1,918,850
106,981	100,727	140,550	CAPITAL OUTLAY	287,050	287,050	287,050
755,998	204,196	3,147,170	CAPITAL CONSTRUCTION	2,692,925	2,692,925	2,692,925
396,141	403,312	412,025	DEBT SERVICES	415,090	415,090	415,090
767,455	1,259,573	517,200	INTERFUND TRANSFERS OUT	298,500	298,500	298,500
0	0	982,110	RESERVES	1,152,685	1,152,685	1,152,685
0	0	636,435	CONTINGENCY	883,500	883,500	883,500
-	-	681,600	UNAPPROPRIATED	556,475	556,475	556,475
5,230,458	5,258,538	11,158,365	GRAND TOTAL- ALL FUNDS	10,704,725	10,704,725	10,704,725
767,455	1,259,573	517,200	Less Interfund Transfers Out	298,500	298,500	298,500
4,463,003	3,998,965	10,641,165	NET TOTAL - ALL FUNDS	10,406,225	10,406,225	10,406,225



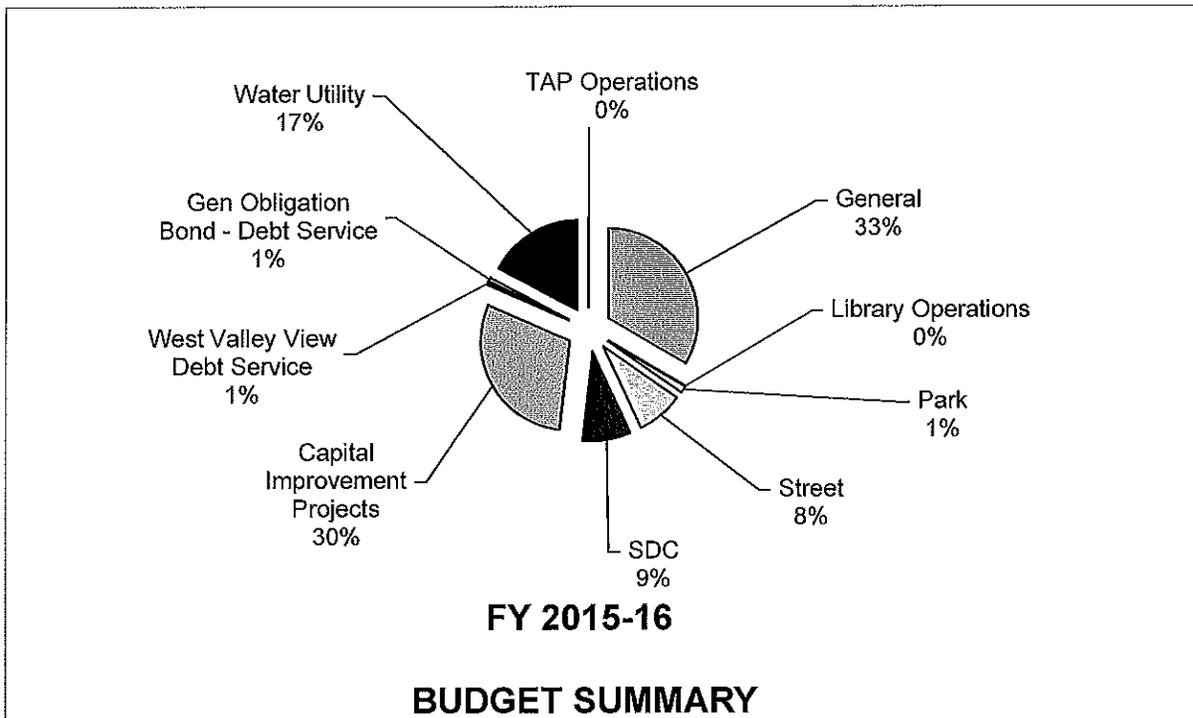
FUND BALANCE TRENDS

<u>INDIVIDUAL FUNDS</u>	July 2010	July 2011	July 2012	July 2013	July 2014	July 2015
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>
General	589,297	833,034	1,021,149	1,225,810	1,106,467	1,100,000
Library Operations	13,163	14,084	16,392	17,924	17,385	-
Park	90,358	127,763	112,191	68,854	26,778	15,500
Street	413,693	483,481	573,326	417,464	348,472	350,000
Water Debt Service Reserve	238,970	236,658	238,403	236,703	-	-
SDC	447,563	301,444	414,271	899,513	705,262	823,500
Capital Improvement Projects	1,425,062	1,687,546	1,036,035	1,087,045	1,681,000	1,838,510
General Obligation Debt Service	3,602	7,210	9,133	6,055	3,777	2,800
West Valley View Debt Service	102,151	88,539	76,137	63,675	52,351	37,800
Water Utility	409,998	322,367	276,575	316,618	533,790	575,000
TAP Operations Fund	11,113	2,891	1	5	42,002	-
Totals	3,744,970	4,105,017	3,773,611	4,139,666	4,517,284	4,743,110
TOTAL BUDGET						
GROUPED FUNDS						
General Fund (Unrestricted use fund)	589,297	833,034	1,021,149	1,225,810	1,106,467	1,100,000
Special Revenue (Funds dedicated by Statute or Ordinance for a special purpose - Library, Park, Street, System Dev., and Water Debt Serv. Resv. Funds)	1,203,747	1,163,430	1,354,582	1,440,457	1,097,897	1,189,000
Capital Projects Funds (Funds reserved through budget process for specific capital improvement projects)	1,425,062	1,687,546	1,036,035	1,087,045	1,681,000	1,838,510
Debt Service Funds (Funds set aside to pay current and future debt - West Valley View LID and General Obligation Bond debt fund.)	105,753	95,749	85,270	69,729	56,128	40,600
Enterprise Funds (the Water Utility Fund and TAP Fund)	421,111	325,258	276,576	316,623	575,792	575,000
Totals	4,105,017	3,773,611	4,139,666	4,517,284	4,743,110	4,743,110



BUDGET SUMMARY BY FUND COMPARISON

	FY 2014-15 <u>Budget</u>	FY 2015-16 <u>Budget</u>	FY 2015-16 as a % of <u>Total Budget</u>	FY 2015-16 Increase/ (Decrease) <u>From FY 2014-15</u>
General	3,412,300	3,577,000	33.4%	4.8%
Library Operations	84,050	-	0.0%	-100.0%
Park	156,750	132,000	1.2%	-15.8%
Street	811,500	903,500	8.4%	11.3%
SDC	760,525	930,350	8.7%	22.3%
Capital Improvement Projects	3,469,205	3,181,010	29.7%	-8.3%
West Valley View Debt Service	68,425	53,450	0.5%	-21.9%
Gen Obligation Bond - Debt Service	71,550	79,415	0.7%	11.0%
Water Utility	1,755,000	1,848,000	17.3%	5.3%
TAP Operations	569,060	-	0.0%	-100.0%
TOTAL BUDGET	<u>11,158,365</u>	<u>10,704,725</u>	<u>100.0%</u>	<u>-4.1%</u>



FULL-TIME EQUIVALENT PROGRAM ALLOCATION

FY 2015-16 Budget

	<u>Admin</u>	<u>Comm Dev</u>	<u>Police</u>	<u>Parks & Rec</u>	<u>Parks Maint</u>	<u>Streets</u>	<u>Water Utility</u>	<u>Total FTE Per Job Classification</u>
City Manager	0.45	0.10	0.10			0.20	0.15	1.00
Administrative Services Director	0.52					0.20	0.28	1.00
City Record/Executive Assistant	1.00							1.00
Assist. Finance Director	0.52					0.15	0.33	1.00
Information Technology Administrator	0.40	0.10	0.20			0.15	0.15	1.00
Clerk 1-Receptionist	0.40	0.10					0.50	1.00
Utility Billing Clerk	0.10						0.90	1.00
Clerk II - Requested Refill	1.00							1.00
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
Maint. Spec 1					0.08	0.25	0.67	1.00
Maint. Spec 1					0.50	0.40	0.10	1.00
Maint. Spec 1	0.05				0.10	0.65	0.20	1.00
Total FTE Per Program	4.50	2.87	9.78	-	0.89	2.95	5.07	26.06

**City of Talent
2015-16 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, and finance department. The maintenance of the City Hall, Town Hall, Community Center, Historical Society and the Depot are included as well. Throughout this budget, Town Hall refers to the existing historic building at 206 East Main Street. Community Center refers to the new building 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 steady development related revenues. The Dedicated Public Safety Surcharge, established in FY2009 will continue to provide a stable source of funding for the Police Department in FY2016. 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 state shared revenue. The Jackson County Assessor's Office will be conducting a revaluation project in Talent along with SE Medford, Phoenix and all rural areas in between. Many of these properties have not been reappraised in twenty years. This project will take some time and the full results will not be known until later during 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 Avista, Century Link, Charter, Pacific Power, Recology Ashland Sanitary and the City's Water Utility.

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

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

In this budget the city has set aside funds in the Building Maintenance Reserves for the City Hall, Town Hall, Community Center and the Police Station. The following Repair and Maintenance projects have been identified and are included in the departmental operating budgets and Capital Improvement Fund.

- City Hall Parking Lot resurfacing
- City Hall Sidewalk repairs
- Town Hall Handicap Ramp improvements

Harvest Festival - Funding of \$14,000 from booth rentals and donations will cover the majority of the costs with the exception of staff time for this annual event.

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

Expenditures/Community Development - The two largest expenses in the Community Development Office are personnel and the Building Inspection Program. The City's Building Inspection Program is contracted through the Jackson County Building Division where building inspection services are provided while all clerical responsibilities are handled by Community Development. 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.

In 2014, the City issued nearly 285 permits, 188 residential and 97 commercial permits. This trend is likely to continue for FY2015 and FY2016. However, Talent is experiencing some shortages in available lands. The conceptual planning for TA-4 and TA-5 Urban Reserve areas is in near completion. Following the approval of the conceptual plan, the city will apply for an urban growth boundary expansion.

Expenditures /Police Department – The Police Department represents 52% of the General Fund Budget for FY2016. This is a decrease from 55% in FY2015. 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 FY2016 to make the lease pay on the two vehicles purchased under a lease option in FY2015. The City will seek to continue an every two/three year vehicle replacement cycle in order to replace older high mileage vehicles. Good quality, low mileage used vehicles are purchased when the opportunity arises.

Interfund Transfers – General Fund:

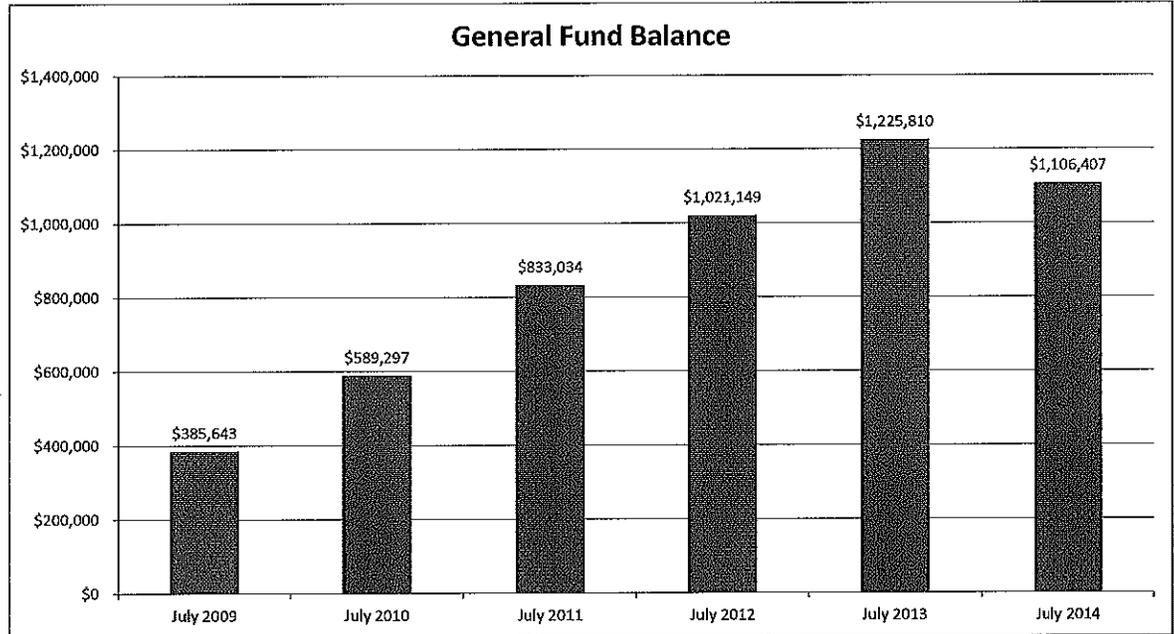
The following transfers from the General Fund totaling \$79,500 are planned for FY2016.

To West Valley View Debt Service - \$6,000

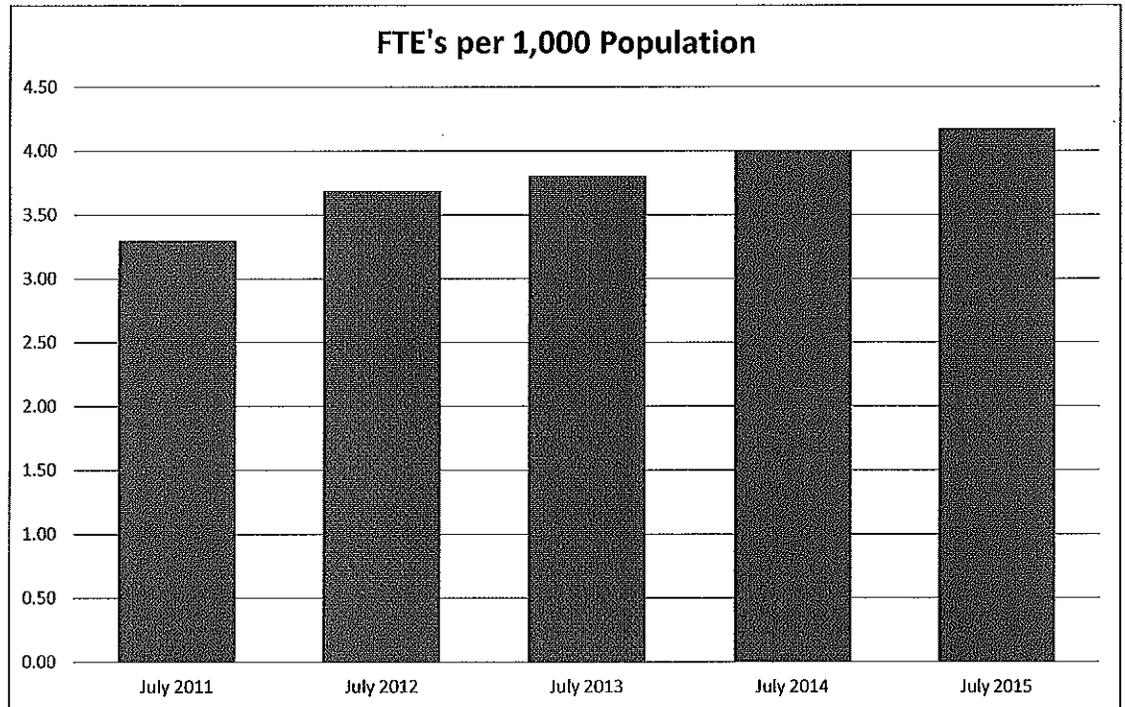
To CIP Fund – \$73,500

- Building Reserves – \$17,500
- CC905 Police Vehicles - \$20,000
- CC460 New Community Center Furnishing - \$6,000
- CC461 New Community Center Landscaping - \$30,000

General Fund Balance Trend



	<u>July 2009</u>	<u>July 2010</u>	<u>July 2011</u>	<u>July 2012</u>	<u>July 2013</u>	<u>July 2014</u>
General Fund Balance	\$385,643	\$589,297	\$833,034	\$1,021,149	\$1,225,810	\$1,106,407
General Fund Unreserved Balance as a % of Total Revenue	9.33%	10.68%	16.33%	24.13%	20.86%	17.28%
Total Budgeted City Revenues	\$4,133,732	\$5,516,403	\$5,101,129	\$4,231,948	\$5,877,083	\$6,402,985



	<u>July 2011</u>	<u>July 2012</u>	<u>July 2013</u>	<u>July 2014</u>	<u>July 2015</u>
FTE's per 1,000 Population	3.30	3.69	3.81	4.01	4.17
Full Time Employees	22	22	23	25	26
Population	6,670	6,095	6,115	6,170	6,230

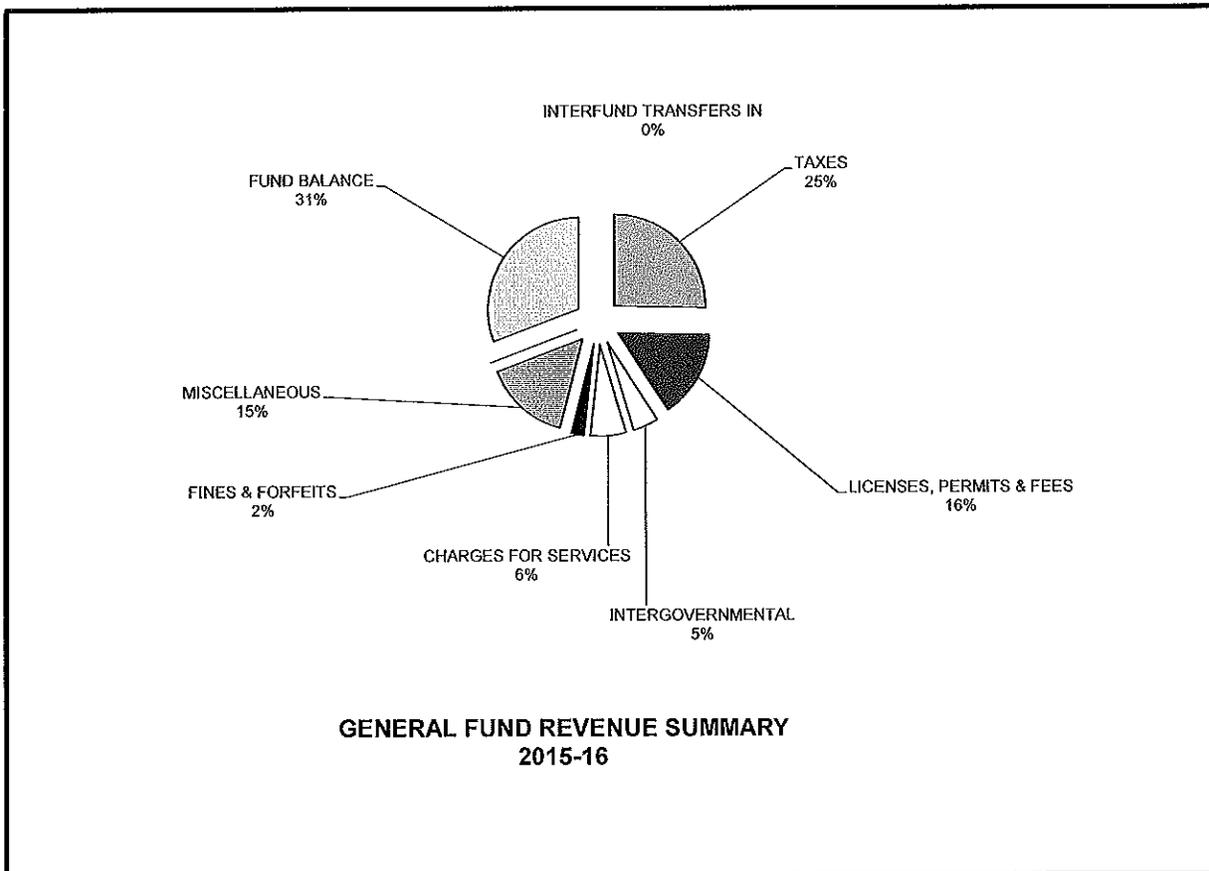
Note: July 2012 Population declined due to 2010 Census Data

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

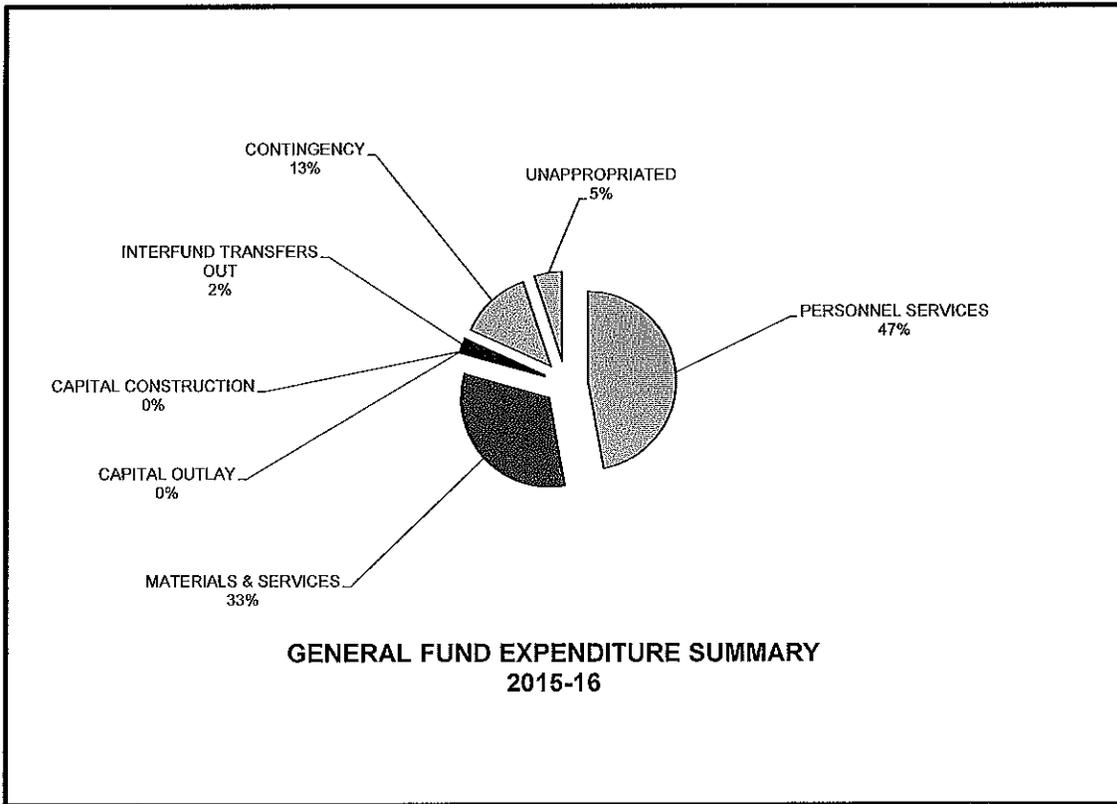
REVENUE SUMMARY
For Fiscal Year 2015-16
GENERAL FUND
BY CATEGORY

Actual FY13	Actual FY14	Adopted FY15	REVENUE	Proposed FY16	Approved FY16	Adopted FY16
857,143	888,725	890,700	TAXES	906,600	906,600	906,600
610,889	551,388	536,500	LICENSES, PERMITS & FEES	554,000	554,000	554,000
153,489	149,915	139,500	INTERGOVERNMENTAL	163,000	163,000	163,000
185,106	198,566	223,800	CHARGES FOR SERVICES	225,000	225,000	225,000
146,589	137,861	148,000	FINES & FORFEITS	80,000	80,000	80,000
58,786	34,195	473,800	MISCELLANEOUS	548,400	548,400	548,400
-	-	-	INTERFUND TRANSFERS IN	-	-	-
1,021,149	1,225,810	1,000,000	FUND BALANCE	1,100,000	1,100,000	1,100,000
3,033,151	3,186,460	3,412,300	GRAND TOTAL REVENUES	3,577,000	3,577,000	3,577,000
-	0	-	Less Interfund Transfers In	-	-	-
3,033,151	3,186,460	3,412,300	NET TOTAL REVENUES	3,577,000	3,577,000	3,577,000



EXPENDITURE SUMMARY
 For Fiscal Year 2015-16
 GENERAL FUND
 BY CATEGORY

Actual FY13	Actual FY14	Adopted FY15	EXPENDITURES	Proposed FY16	Approved FY16	Adopted FY16
1,141,545	1,337,430	1,609,400	PERSONNEL SERVICES	1,685,150	1,685,150	1,685,150
602,270	564,583	1,124,350	MATERIALS & SERVICES	1,154,450	1,154,450	1,154,450
23,616	18,288	23,100	CAPITAL OUTLAY	5,900	5,900	5,900
0	0	0	CAPITAL CONSTRUCTION	0	0	-
36,921	158,950	78,700	INTERFUND TRANSFERS OUT	79,500	79,500	79,500
0	0	346,050	CONTINGENCY	470,000	470,000	470,000
-	-	230,700	UNAPPROPRIATED	182,000	182,000	182,000
1,804,352	2,079,251	3,412,300	GRAND TOTAL EXPENDITURES	3,577,000	3,577,000	3,577,000
36,921	158,950	78,700	Less Interfund Transfers Out	79,500	79,500	79,500
1,767,431	1,920,301	3,333,600	NET TOTAL EXPENDITURES	3,497,500	3,497,500	3,497,500



EXPENDITURE SUMMARY & ANALYSIS
Adopted Budget for FY 2015-16
GENERAL FUND
BY DEPARTMENT AND CATEGORY

	<u>ADMINISTRATION</u>	<u>COUNCIL, BUILDINGS, COMMITTEES & COMMISSIONS</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>POLICE</u>	<u>NON- DEPARTMENTAL</u>	<u>TOTALS</u>
PERSONNEL SERVICES	446,500	13,400	242,250	983,000	-	1,685,150
MATERIALS AND SERVICES	661,100	102,125	145,625	245,600	-	1,154,450
CAPITAL OUTLAY	1,500	-	3,000	1,400	-	5,900
TRANSFERS TO OTHER FUNDS	-	-	-	-	79,500	79,500
CONTINGENCY	-	-	-	-	470,000	470,000
UNAPPROPRIATED ENDING FUND BALANCE	-	-	-	-	182,000	182,000
TOTALS	1,109,100	115,525	390,875	1,230,000	731,500	3,577,000
LESS TRANSFERS & CONTINGENCY						(731,500)
NET TOTAL (Operating Budget)						2,845,500
Prior Year Net Operating Budget						2,756,850
Increase / - Decrease						3.2%

GENERAL FUND EXPENDITURE ANALYSIS
FY 2015-16 Adopted Budget, Net of Transfers and Contingency

Table 1: Budget by Departments

ADMINISTRATION (exclude TURA Loan & Grant Expend.)	609,100	26%
COUNCIL, BUILDINGS, COMMITTEES & COMMISSIONS	115,525	5%
COMMUNITY DEVELOPMENT	390,875	17%
POLICE	1,230,000	52%
TOTAL	2,345,500	100%

Table 2: Budget by Categories

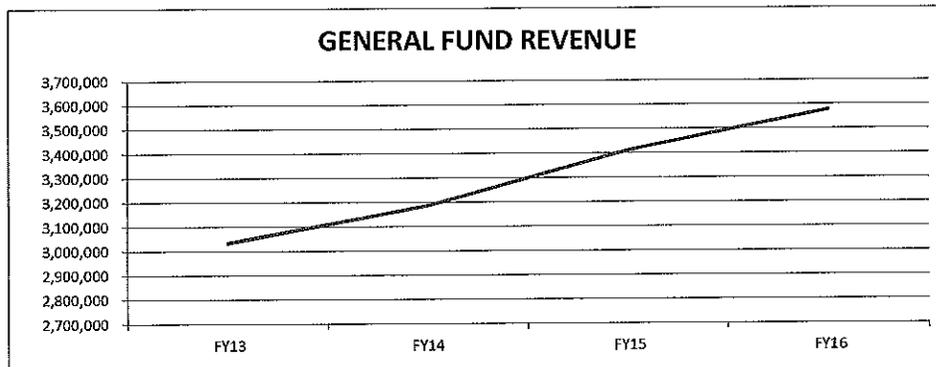
PERSONNEL SERVICES	1,685,150	59%
MATERIALS AND SERVICES	1,154,450	41%
CAPITAL OUTLAY	5,900	0%
TOTAL	2,845,500	100%

Table 3: Department Budgets by Categories

Administration		
PERSONNEL SERVICES	446,500	40%
MATERIALS AND SERVICES	661,100	60%
CAPITAL OUTLAY	1,500	0%
TOTAL	1,109,100	100%
Council, Buildings, Committees & Commissions		
PERSONNEL SERVICES	13,400	12%
MATERIALS AND SERVICES	102,125	88%
CAPITAL OUTLAY	-	0%
TOTAL	115,525	100%
Community Development		
PERSONNEL SERVICES	242,250	62%
MATERIALS AND SERVICES	145,625	37%
CAPITAL OUTLAY	3,000	1%
TOTAL	390,875	100%
Police		
PERSONNEL SERVICES	983,000	80%
MATERIALS AND SERVICES	245,600	20%
CAPITAL OUTLAY	1,400	0%
TOTAL	1,230,000	100%

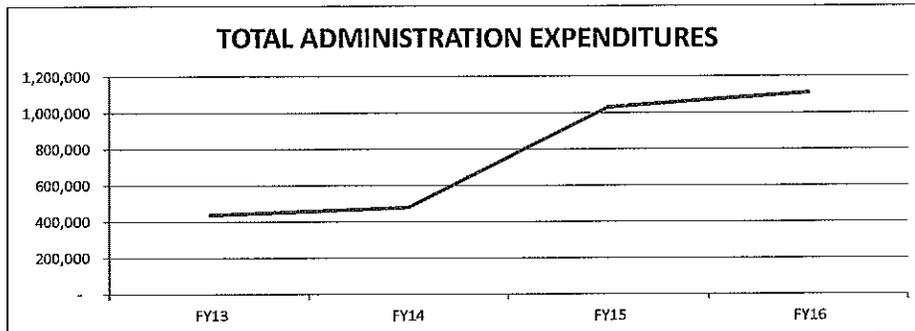
GENERAL FUND

Actual FY13	Actual FY14	Adopted FY15	REVENUES	Proposed FY16	Approved FY16	Adopted FY16
1,021,149	1,225,810	1,000,000	FUND BALANCE	1,100,000	1,100,000	1,100,000
829,088	845,653	850,700	PROP TAXES - CURRENT	882,600	882,600	882,600
28,055	43,072	40,000	PROP TAXES - DELINQUENT	24,000	24,000	24,000
432	242	-	PROP TAX INTEREST	-	-	-
398,839	412,606	409,000	FRANCHISE TAXES	415,000	415,000	415,000
-	-	-	OTHER CITY TAXES	10,000	10,000	10,000
26,595	27,005	25,000	BUSINESS LICENSES	29,000	29,000	29,000
185,455	111,777	102,500	BUILDING PERMITS	100,000	100,000	100,000
-	358	-	BUILDING PERMIT CHANGE ADMIN FEE	-	-	-
90,609	94,086	87,000	INTERGOVERNMENTAL REV	102,000	102,000	102,000
-	-	-	FEDERAL GOV GRANTS	-	-	-
-	-	-	STATE GOV GRANTS	-	-	-
5,385	4,054	3,000	POLICE OVERTIME GRANTS	6,000	6,000	6,000
-	-	-	POLICE GRANTS - OTHER	-	-	-
50,106	51,775	49,500	STATE SHARED REVENUE	55,000	55,000	55,000
7,389	-	-	911 TELEPHONE TAX	-	-	-
75	-	-	ALCOHOL TAX	-	-	-
849	1,473	1,000	CHARGES FOR SERVICES	500	500	500
11,280	18,853	7,500	ZONING AND SUBDIVISION FEE	9,000	9,000	9,000
-	19,234	60,000	COMMUNITY DEVELOPMENT FEE	65,000	65,000	65,000
137,189	131,250	140,000	FINES	75,000	75,000	75,000
9,400	6,611	8,000	IMPOUND	5,000	5,000	5,000
-	-	450,000	TURA LOAN PRINCIPAL PAYMENT	250,000	250,000	250,000
143,885	143,438	142,000	PUBLIC SAFETY SURCHARGE	144,000	144,000	144,000
3,586	3,493	3,300	LIBRARY OPERATIONS ADMIN FEE	-	-	-
3,214	1,724	1,500	CET ADMINISTRATION FEE	1,000	1,000	1,000
22,292	10,351	8,500	SDC ADMIN FEE	5,500	5,500	5,500
5,700	4,025	2,000	RENTAL INCOME	2,100	2,100	2,100
-	-	-	POLICE DONATIONS	-	-	-
53	29	-	DONATIONS TO PUBLIC ARTS	-	-	-
-	-	-	DONATIONS	-	-	-
9,406	-	-	OTHER GRANTS	250,000	250,000	250,000
-	-	-	FROM OTHER FUNDS	-	-	-
-	-	-	FROM SDC FUND	-	-	-
-	-	-	FROM LIBRARY OPERATIONS FUND	-	-	-
648	-	-	SALE OF ASSETS	-	-	-
2,500	-	-	INSURANCE CLAIM PROCEEDS	-	-	-
998	-	-	ENGINEERING FEE REIMBURSEMENT	-	-	-
4,094	(2,389)	1,000	MISCELLANEOUS REFUNDS	2,000	2,000	2,000
5,117	2,587	2,000	INTEREST EARNINGS	3,000	3,000	3,000
3,003,388	3,157,117	3,393,500		3,535,700	3,535,700	3,535,700
18,737	9,417	6,600	DEPOT RENT	20,000	20,000	20,000
187	100	-	DEPOT RENT LATE FEES	-	-	-
-	550	-	DEPOT MISC REFUND & REIMBURSEMENTS	-	-	-
1,535	1,285	1,000	TOWN HALL RENT	1,000	1,000	1,000
-	250	-	MISC REFUND & REIMBURSEMENTS	-	-	-
1,000	1,300	1,200	105 N MARKET RENT	1,200	1,200	1,200
-	-	-	COMMUNITY CENTER RENT	2,500	2,500	2,500
3,643	3,937	3,000	H FESTIVAL EARNED INCOME	4,000	4,000	4,000
2,900	10,550	5,000	H FESTIVAL DONATIONS	10,000	10,000	10,000
1,836	2,312	2,000	MISC REFUND & REIMBURSEMENTS	2,600	2,600	2,600
29,838	29,701	18,800		41,300	41,300	41,300
3,033,226	3,186,818	3,412,300	TOTAL GEN FUND REVENUE	3,577,000	3,577,000	3,577,000



GENERAL FUND

Actual FY13	Actual FY14	Adopted FY15	EXPENDITURES	Proposed FY16	Approved FY16	Adopted FY16
ADMINISTRATION						
199,963	219,750	235,500	REGULAR SALARIES	279,000	279,000	279,000
117	1,407	1,000	OVERTIME	1,000	1,000	1,000
2,572	4,947	11,000	ACCRUED LEAVE PAYOUTS	10,000	10,000	10,000
66,767	100,817	123,500	FRINGE BENEFITS	156,500	156,500	156,500
<u>269,419</u>	<u>326,921</u>	<u>371,000</u>	TOTAL PERSONNEL SERVICES	<u>446,500</u>	<u>446,500</u>	<u>446,500</u>
2,444	3,005	5,000	BUSINESS CONSULTING SERVICES	4,000	4,000	4,000
11,753	11,850	20,000	ATTORNEY SERVICES	15,000	15,000	15,000
-	-	1,000	LABOR ATTORNEY SERVICES	1,000	1,000	1,000
1,795	1,808	4,400	AUDITOR	4,200	4,200	4,200
2,819	1,678	5,000	TRAINING PROVIDERS AND REG	2,000	2,000	2,000
98	85	-	ENGINEERING, DESIGN & CONST MGMT SERV	-	-	-
1,781	5,856	3,000	TECHNICAL SUPPORT SERVICES	4,000	4,000	4,000
13,879	9,136	12,000	CONTRACTED PERSONNEL SERVICES	12,000	12,000	12,000
3,654	1,738	-	PUBLIC ARTS SUPPLIES	-	-	-
8,765	7,336	9,000	COMPUTER TECHNOLOGY SERVICES	9,000	9,000	9,000
764	766	900	SEWER UTILITIES	900	900	900
68	136	200	DISPOSAL SERVICES	200	200	200
2,771	2,892	3,700	CUSTODIAL	4,000	4,000	4,000
-	-	1,000	LAWN & GROUNDS MAINTENANCE	2,000	2,000	2,000
13,789	16,083	26,000	REPAIR & MAINTENANCE SERVICES	26,000	28,000	28,000
5,445	5,871	7,500	PROPERTY AND CASUALTY INSURANCE	9,200	9,200	9,200
13,021	7,057	7,500	PHONE, INTERNET & RADIO COMMUNICATIONS	7,000	7,000	7,000
9,642	10,585	13,000	DUES, MEMBERSHIPS, & PUBLICATIONS	11,000	11,000	11,000
1,715	(107)	1,500	ADVERTISING	1,500	1,500	1,500
1,474	1,908	2,000	PRINTING AND BINDING	2,000	2,000	2,000
4,364	4,685	10,000	TRAVEL & MEETING EXPENSE	5,000	5,000	5,000
1,801	943	2,500	BANKING FEES	2,500	2,500	2,500
7,601	3,322	6,000	GENERAL SUPPLIES	4,000	4,000	4,000
5,555	3,855	6,000	OFFICE SUPPLIES	5,000	5,000	5,000
10,011	10,534	13,300	ENERGY UTILITIES	12,000	12,000	12,000
153	54	500	GASOLINE	100	100	100
1,535	1,205	2,500	POSTAGE	2,500	2,500	2,500
-	-	-	PROGRAMS	-	-	-
7,389	-	-	911 TELEPHONE TAX	-	-	-
27,292	32,891	35,000	COURT ASSESSMENTS	10,000	10,000	10,000
-	-	500	SECURITY DEPOSITS RELEASED	-	-	-
816	1,711	3,000	MISCELLANEOUS	3,000	3,000	3,000
-	-	450,000	LOAN TO TURA	250,000	250,000	250,000
-	-	-	GRANT EXPENDITURES	250,000	250,000	250,000
<u>162,194</u>	<u>146,883</u>	<u>652,000</u>	TOTAL MATERIALS & SERVICES	<u>661,100</u>	<u>661,100</u>	<u>661,100</u>
CAPITAL OUTLAY						
-	-	-	SECURITY CAMERA	-	-	-
-	-	-	VEHICLES - ADMINISTRATION	-	-	-
4,220	-	-	FURNITURE AND FIXTURES	-	-	-
797	4,385	7,425	COMPUTER HARDWARE/PRINTERS	1,500	1,500	1,500
<u>5,017</u>	<u>4,385</u>	<u>7,425</u>	TOTAL CAPITAL OUTLAY	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>
436,630	478,189	1,030,425	TOTAL ADMINISTRATION	1,109,100	1,109,100	1,109,100

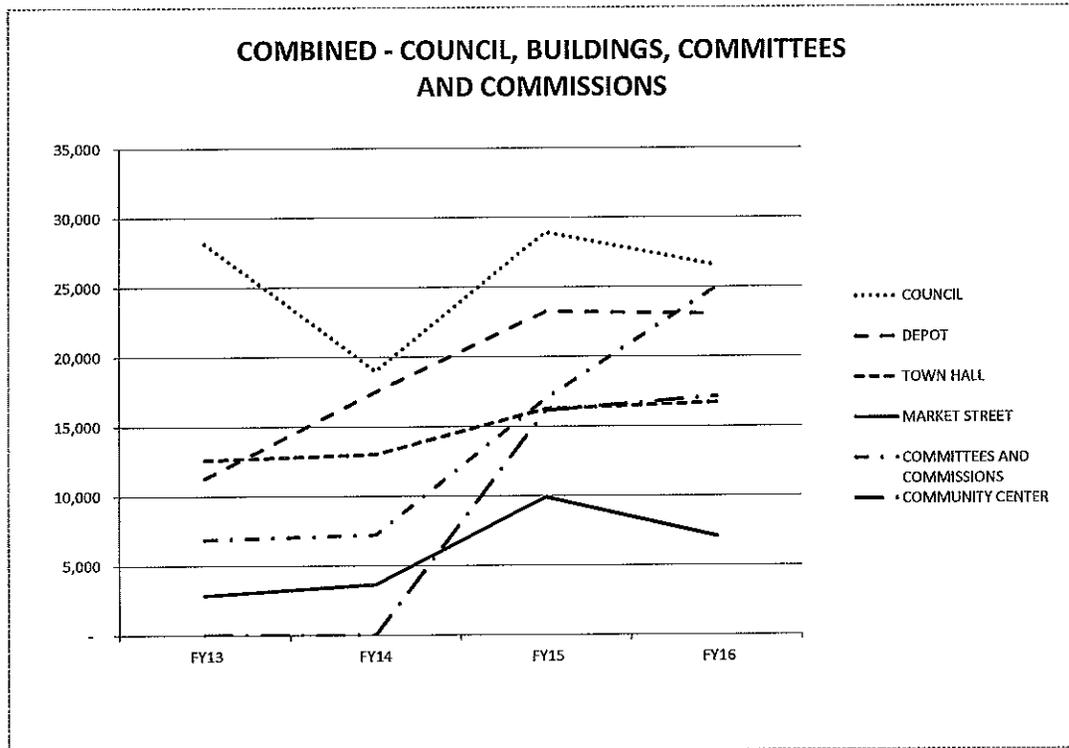


GENERAL FUND

Actual FY13	Actual FY14	Adopted FY15	EXPENDITURES	Proposed FY16	Approved FY16	Adopted FY16
CITY COUNCIL						
10,675	10,800	12,000	REGULAR SALARIES	12,000	12,000	12,000
1,328	1,243	1,400	FRINGE BENEFITS	1,400	1,400	1,400
<u>12,003</u>	<u>12,043</u>	<u>13,400</u>	TOTAL PERSONNEL SERVICES	<u>13,400</u>	<u>13,400</u>	<u>13,400</u>
1,470	-	-	BUSINESS CONSULTING SERVICES	-	-	-
4,070	2,780	5,000	ATTORNEY SERVICES	5,000	5,000	5,000
1,185	335	2,500	TRAINING PROVIDERS AND REG	2,500	2,500	2,500
1,470	651	800	COMPUTER TECHNOLOGY SERVICES	1,000	1,000	1,000
-	-	-	PHONE, INTERNET & RADIO COMMUNICATIONS	100	100	100
283	380	500	DUES, MEMBERSHIPS, & PUBLICATIONS	500	500	500
531	282	250	ADVERTISING	300	300	300
1,823	65	500	PRINTING & BINDING	250	250	250
907	2,183	2,000	TRAVEL & MEETING EXPENSE	2,000	2,000	2,000
786	47	500	OFFICE SUPPLIES	500	500	500
567	214	1,000	MAYORS ECONOMIC & COMMUNITY DEVELOPMENT	1,000	1,000	1,000
<u>13,092</u>	<u>6,937</u>	<u>13,050</u>	TOTAL MATERIALS & SERVICES	<u>13,150</u>	<u>13,150</u>	<u>13,150</u>
CAPITAL OUTLAY						
3,066	-	-	MINOR EQUIPMENT	-	-	-
-	-	2,500	FURNITURE & FIXTURES	-	-	-
<u>3,066</u>	<u>-</u>	<u>2,500</u>	TOTAL CAPITAL OUTLAY	<u>-</u>	<u>-</u>	<u>-</u>
28,161	18,980	28,950	TOTAL CITY COUNCIL	26,550	26,550	26,550
DEPOT BUILDING						
-	-	500	ATTORNEY SERVICES	500	500	500
544	441	550	WATER UTILITY	500	500	500
811	814	850	SEWER UTILITIES	850	850	850
-	9	-	LAWN CARE	-	-	-
321	7,493	10,000	REPAIR & MAINTENANCE SERVICES	10,000	10,000	10,000
486	620	700	PROPERTY AND CASUALTY INSURANCE	750	750	750
-	147	-	GENERAL SUPPLIES	250	250	250
4,580	3,254	5,600	ENERGY UTILITIES	5,000	5,000	5,000
4,537	4,711	5,050	PROPERTY TAXES	5,200	5,200	5,200
<u>11,279</u>	<u>17,489</u>	<u>23,250</u>	TOTAL MATERIALS & SERVICES	<u>23,050</u>	<u>23,050</u>	<u>23,050</u>
11,279	17,489	23,250	TOTAL DEPOT BUILDING	23,050	23,050	23,050
TOWN HALL						
1,045	-	-	COMPUTER TECHNOLOGY SERVICES	-	-	-
395	396	425	SEWER UTILITIES	450	450	450
-	-	50	DISPOSAL	50	50	50
3,350	3,938	4,900	CUSTODIAL	4,500	4,500	4,500
-	-	-	LAWN CARE	500	500	500
639	1,150	1,600	REPAIR & MAINTENANCE SERVICES	1,500	1,500	1,500
1,170	1,498	1,600	PROPERTY AND CASUALTY INSURANCE	1,700	1,700	1,700
170	1,366	1,475	PHONE INTERNET & RADIO COMMUNICATIONS	1,500	1,500	1,500
2,413	1,115	2,000	GENERAL SUPPLIES	2,000	2,000	2,000
3,412	3,534	4,000	ENERGY UTILITIES	4,000	4,000	4,000
-	-	200	MISCELLANEOUS	500	500	500
<u>12,594</u>	<u>12,997</u>	<u>16,250</u>	TOTAL MATERIALS & SERVICES	<u>16,700</u>	<u>16,700</u>	<u>16,700</u>
12,594	12,997	16,250	TOTAL TOWN HALL	16,700	16,700	16,700
MARKET STREET BUILDING						
-	-	-	WATER	-	-	-
191	191	225	SEWER UTILITIES	225	225	225
-	-	200	CUSTODIAL	200	200	200
-	-	-	LAWN AND TREE CARE	500	500	500
20	775	6,000	REPAIR & MAINTENANCE SERVICES	3,000	3,000	3,000
351	440	500	PROPERTY AND CASUALTY INSURANCE	500	500	500
34	71	125	GENERAL SUPPLIES	150	150	150
2,251	2,168	2,850	ENERGY UTILITIES	2,500	2,500	2,500
<u>2,847</u>	<u>3,645</u>	<u>9,900</u>	TOTAL MATERIALS & SERVICES	<u>7,075</u>	<u>7,075</u>	<u>7,075</u>
2,847	3,645	9,900	TOTAL MARKET STREET BUILDING	7,075	7,075	7,075

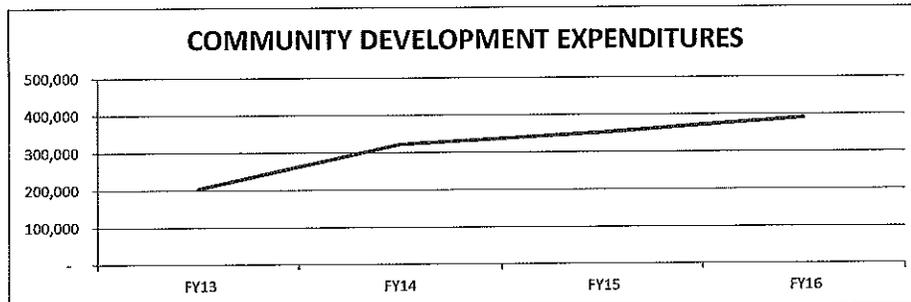
GENERAL FUND

Actual FY13	Actual FY14	Adopted FY15	EXPENDITURES	Proposed FY16	Approved FY16	Adopted FY16
-	-	-	COMMUNITY CENTER			
-	-	-	COMPUTER TECHNOLOGY SERVICES	1,000	1,000	1,000
-	-	425	SEWER UTILITIES	400	400	400
-	-	50	DISPOSAL	50	50	50
-	-	4,850	CUSTODIAL	4,500	4,500	4,500
-	-	-	LAWN AND TREE CARE	500	500	500
-	-	1,600	REPAIR & MAINTENANCE SERVICES	1,500	1,500	1,500
-	-	1,600	PROPERTY AND CASUALTY INSURANCE	1,700	1,700	1,700
-	-	1,400	PHONE INTERNET & RADIO COMMUNICATIONS	1,500	1,500	1,500
-	-	2,000	GENERAL SUPPLIES	1,500	1,500	1,500
-	-	4,000	ENERGY UTILITIES	4,000	4,000	4,000
-	-	200	MISCELLANEOUS	500	500	500
-	-	16,125	TOTAL MATERIALS & SERVICES	17,150	17,150	17,150
-	-	16,125	TOTAL COMMUNITY CENTER	17,150	17,150	17,150
			COMMITTEES AND COMMISSIONS			
2,400	3,100	3,500	H FESTIVAL ENTERTAINMENT	7,500	7,500	7,500
4,460	4,107	3,500	H FESTIVAL SUPPLIES	7,500	7,500	7,500
-	-	10,000	COUNCIL DISCRETIONARY	10,000	10,000	10,000
6,860	7,207	17,000	TOTAL COMMITTEES AND COMMISSIONS	25,000	25,000	25,000



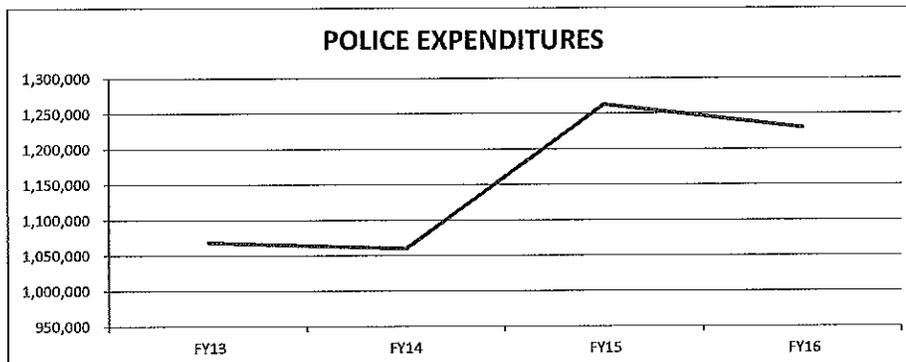
GENERAL FUND

Actual FY13	Actual FY14	Adopted FY15	COMMUNITY DEVELOPMENT EXPENDITURES	Proposed FY16	Approved FY16	Adopted FY16
PERSONNEL SERVICES						
30,614	110,783	149,500	REGULAR SALARIES	157,500	157,500	157,500
-	-	500	OVERTIME	250	250	250
57	-	4,000	ACCRUED LEAVE PAYOUT	5,000	5,000	5,000
<u>10,738</u>	<u>53,288</u>	<u>78,000</u>	FRINGE BENEFITS	<u>79,500</u>	<u>79,500</u>	<u>79,500</u>
41,409	164,071	232,000	TOTAL PERSONNEL SERVICES	242,250	242,250	242,250
MATERIALS & SERVICES						
59,290	14,779	2,100	BUSINESS CONSULTING SERVICES	28,000	28,000	28,000
14,168	15,282	11,000	ATTORNEY SERVICES	11,000	11,000	11,000
-	-	1,000	LABOR ATTORNEY SERVICES	1,000	1,000	1,000
393	487	825	AUDITOR	1,000	1,000	1,000
400	-	750	TRAINING PROVIDERS & REGISTRATIONS	500	500	500
1,876	1,283	2,100	ENGINEERING, DESIGN & CONST. MGMT	-	-	-
726	1,194	1,500	TECHNICAL SUPPORT SERVICES	1,000	1,000	1,000
-	-	-	PUBLIC ARTS SUPPLIES	-	-	-
-	85	500	CONTRACTED PERSONNEL SERVICES	1,500	1,500	1,500
69,337	108,802	76,275	BUILDING INSPECTION SERVICES	83,900	83,900	83,900
4,321	3,747	6,400	COMPUTER TECHNOLOGY SERVICES	3,200	3,200	3,200
460	783	925	CUSTODIAL	1,000	1,000	1,000
557	692	850	PROPERTY & CASUALTY INSURANCE	1,550	1,550	1,550
829	1,892	2,500	PHONE & RADIO COMMUNICATIONS	2,500	2,500	2,500
353	448	500	DUES, MEMBERSHIPS & PUBLICATIONS	1,000	1,000	1,000
2,291	1,270	3,000	ADVERTISING	2,500	2,500	2,500
1,596	1,283	1,500	PRINTING & BINDING	1,750	1,750	1,750
330	74	800	TRAVEL & MEETING EXPENSE	500	500	500
302	143	500	BANKING FEES	500	500	500
271	-	200	GENERAL SUPPLIES	200	200	200
2,311	2,178	2,000	OFFICE SUPPLIES	1,500	1,500	1,500
54	54	250	GASOLINE	125	125	125
755	698	1,000	POSTAGE	1,250	1,250	1,250
15	169	100	MISCELLANEOUS	150	150	150
<u>160,635</u>	<u>155,323</u>	<u>116,575</u>	TOTAL MATERIALS & SERVICES	<u>145,625</u>	<u>145,625</u>	<u>145,625</u>
CAPITAL OUTLAY						
1,540	2,520	3,575	COMPUTER HARDWARE/PRINTERS	3,000	3,000	3,000
-	-	-	MINOR EQUIPMENT	-	-	-
<u>1,540</u>	<u>2,520</u>	<u>3,575</u>	TOTAL CAPITAL OUTLAY	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
203,584	321,914	352,150	TOTAL COMM. DEVELOPMENT	390,875	390,875	390,875



GENERAL FUND

Actual FY13	Actual FY14	Adopted FY15	POLICE EXPENDITURES	Proposed FY16	Approved FY16	Adopted FY16
PERSONNEL SERVICES						
515,178	536,998	573,500	REGULAR SALARIES	580,000	580,000	580,000
29,608	18,510	35,000	OVERTIME	25,000	25,000	25,000
20,655	15,826	47,000	ACCRUED LEAVE PAYOUTS	50,000	50,000	50,000
253,273	263,061	337,500	FRINGE BENEFITS	328,000	328,000	328,000
818,714	834,395	993,000	TOTAL PERSONNEL SERVICES	983,000	983,000	983,000
MATERIALS & SERVICES						
1,671	9,113	7,500	ATTORNEY SERVICES	5,000	5,000	5,000
-	-	8,000	LABOR ATTORNEY SERVICES	8,000	8,000	8,000
2,786	3,229	3,900	AUDITOR	3,500	3,500	3,500
1,784	1,874	4,000	TRAINING PROVIDERS & REGISTRATIONS	2,000	2,000	2,000
10,349	4,127	5,000	TECHNICAL SUPPORT SERVICES	7,500	7,500	7,500
1,327	-	500	CONTRACTED PERSONNEL SERVICES	500	500	500
9,145	4,941	9,000	COMPUTER TECHNOLOGY SERVICES	10,000	10,000	10,000
77,718	79,773	77,225	ECSSO	81,100	81,100	81,100
435	378	500	SEWER UTILITIES	500	500	500
102	102	400	DISPOSAL SERVICES	400	400	400
3,242	3,740	4,300	CUSTODIAL	4,300	4,300	4,300
-	-	-	LAWN CARE	500	500	500
4,415	6,994	6,000	REPAIR & MAINTENANCE SERVICES	6,000	6,000	6,000
30,858	30,577	42,500	PROPERTY AND CASUALTY INSURANCE	46,000	46,000	46,000
14,437	10,397	10,000	PHONE, RADIO, & COMPUTER COMM.	10,000	10,000	10,000
3,342	1,991	1,200	DUES, MEMBERSHIPS, & PUBLICATIONS	750	750	750
800	72	550	ADVERTISING	250	250	250
3,392	2,230	3,500	PRINTING AND BINDING	2,500	2,500	2,500
1,934	1,991	5,000	TRAVEL & MEETING EXPENSE	2,000	2,000	2,000
425	425	425	BANKING FEES	500	500	500
11,340	4,067	7,500	GENERAL SUPPLIES	4,000	4,000	4,000
3,600	3,507	3,000	OFFICE SUPPLIES	2,800	2,800	2,800
6,625	6,466	8,000	ENERGY UTILITIES	8,000	8,000	8,000
13,548	8,471	13,000	VEHICLE REPAIR & MAINTENANCE	9,000	9,000	9,000
20,102	19,226	25,000	GASOLINE	16,000	16,000	16,000
1,241	1,037	1,500	POSTAGE	1,000	1,000	1,000
2,748	1,962	5,000	UNIFORMS	7,000	7,000	7,000
2,073	2,098	3,200	AMMUNITION	3,000	3,000	3,000
2,949	3,881	4,000	SAFETY EQUIPMENT	3,000	3,000	3,000
381	1,433	500	MISCELLANEOUS	500	500	500
232,769	214,102	260,200	TOTAL MATERIALS & SERVICES	245,600	245,600	245,600
CAPITAL OUTLAY						
-	265	-	GENERAL SUPPLIES	-	-	-
3,130	7,156	3,500	MINOR EQUIPMENT	-	-	-
-	-	-	FURNITURE & FIXTURES	-	-	-
13,929	3,962	6,100	COMPUTER HARDWARE / SOFTWARE	1,400	1,400	1,400
17,059	11,383	9,600	TOTAL CAPITAL OUTLAY	1,400	1,400	1,400
1,068,542	1,059,880	1,262,800	TOTAL POLICE	1,230,000	1,230,000	1,230,000



GENERAL FUND

Actual FY13	Actual FY14	Adopted FY15		Proposed FY16	Approved FY16	Adopted FY16
NON-DEPARTMENTAL						
6,350	6,450	6,450	TO WEST VALLEY VIEW DEBT SERVICE	6,000	6,000	6,000
30,571		-	TRANSFER TO CIP - GENERAL FUND			
	75,000	25,000	NEW COMMUNITY CENTER CC454			
		7,250	TOWN HALL HANDICAP RAMP CC 459			
			COMMUNITY CENTER FIXTURES CC460	6,000	6,000	6,000
			COMMUNITY CENTER GROUNDS CC461	30,000	30,000	30,000
-	2,500	-	CITY HALL BLDG MAINT RESERVE CC 909	5,000	5,000	5,000
-	2,500	-	POLICE DEPT BLDG MAINT RESERVE CC 910	5,000	5,000	5,000
			COMMUNITY CENTER BLDG MAINT RES CC 911	2,500	2,500	2,500
-	2,500	-	TOWN HALL REPAIR RESERVE CC 906	5,000	5,000	5,000
-	50,000	20,000	SOFTWARE PROGRAM CC907			
-	20,000	20,000	POLICE DEPT VEHICLE RESERVE CC 905	20,000	20,000	20,000
-	-	-	COMMUNITY DEV TECHNOLOGY RESERVE CC 908	-	-	-
<u>36,921</u>	<u>158,950</u>	<u>78,700</u>	TOTAL INTERFUND TRANSFERS OUT	<u>79,500</u>	<u>79,500</u>	<u>79,500</u>
		346,050	CONTINGENCY	470,000	470,000	470,000
-	-	<u>230,700</u>	UNAPPROPRIATED ENDING FUND BALANCE	<u>182,000</u>	<u>182,000</u>	<u>182,000</u>
-	-	576,750	TOTAL UNALLOCATED FUNDS	652,000	652,000	652,000
36,921	158,950	655,450	TOTAL NON-DEPARTMENTAL	731,500	731,500	731,500
3,033,226	3,186,818	3,412,300	TOTAL GENERAL FUND REVENUE	3,577,000	3,577,000	3,577,000
1,807,418	2,079,251	3,412,300	TOTAL GENERAL FUND EXPENDITURES	3,577,000	3,577,000	3,577,000

**City of Talent
2015-16 Annual Budget**

LIBRARY OPERATIONS FUND

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

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

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

LIBRARY OPERATIONS FUND
FISCAL YEAR 2015-16

REVENUE SUMMARY
BY CATEGORY

Actual FY13	Actual FY14	Adopted FY15		Proposed FY16	Approved FY16	Adopted FY16
68,299	68,248	68,000	CHARGES FOR SERVICES	-	-	-
58	43	50	MISCELLANEOUS	-	-	-
-	-	-	INTERFUND TRANSFERS IN	-	-	-
<u>16,392</u>	<u>17,924</u>	<u>16,000</u>	FUND BALANCE	-	-	-
84,749	86,215	84,050	GRAND TOTAL REVENUE	-	-	-
-	-	-	Less Interfund Transfers In	-	-	-
84,749	86,215	84,050	NET TOTAL REVENUE	-	-	-

EXPENDITURE SUMMARY
BY CATEGORY

Actual FY13	Actual FY14	Adopted FY15		Proposed FY16	Approved FY16	Adopted FY16
-	-	-	PERSONNEL SERVICES	-	-	-
66,825	68,830	71,175	MATERIALS & SERVICES	-	-	-
-	-	-	CAPITAL OUTLAY	-	-	-
-	-	-	CAPITAL CONSTRUCTION	-	-	-
-	-	-	DEBT SERVICE	-	-	-
-	-	-	INTERFUND TRANSFERS OUT	-	-	-
-	-	10,675	CONTINGENCY	-	-	-
-	-	<u>2,200</u>	UNAPPROPRIATED END FUND BALANCE	-	-	-
66,825	68,830	84,050	TOTAL EXPENDITURES	-	-	-
-	-	-	Less Interfund Transfers Out	-	-	-
66,825	68,830	84,050	NET TOTAL EXPENSES	-	-	-

LIBRARY OPERATIONS FUND

Actual FY13	Actual FY14	Adopted FY15	REVENUES	Proposed FY16	Approved FY16	Adopted FY16
16,392	17,924	16,000	FUND BALANCE - COMMITTED			
68,299	68,248	68,000	LIBRARY SURCHARGE			
60	44	50	INTEREST EARNINGS			
	-	-	DONATIONS	-	-	-
(2)	(1)	-	MISC. REFUND & REIMBURSEMENTS	-	-	-
84,749	86,215	84,050	TOTAL GENERAL REVENUES	-	-	-
84,749	86,215	84,050	TOTAL FUND REVENUES	-	-	-

LIBRARY OPERATIONS FUND

Actual FY13	Actual FY14	Adopted FY15	EXPENDITURES	Proposed FY16	Approved FY16	Adopted FY16
66,825	68,830	70,900	TECHNICAL SUPPORT SERVICES			
-	-	-	COMPUTER TECHNOLOGY SERVICES			
-	-	275	MISCELLANEOUS	-	-	-
66,825	68,830	71,175	TOTAL MATERIALS & SERVICES	-	-	-
66,825	68,830	71,175	TOTAL EXPENDITURES	-	-	-
-	-	-	TRANSFERS OUT TO GENERAL FUND	-	-	-
-	-	-	TOTAL TRANSFERS OUT	-	-	-
-	-	10,675	CONTINGENCY			
-	-	2,200	UNAPPROPRIATED ENDING FUND BALANCE	-	-	-
-	-	12,875	TOTAL UNALLOCATED FUNDS	-	-	-
84,749	86,215	84,050	Total Library Operations Revenue	-	-	-
66,825	68,830	84,050	Total Library Operations Expenditures	-	-	-

**City of Talent
2015-16 Annual Budget**

PARKS FUND

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

The amount of park space the Public Works Department maintains now includes the open space at Old Bridge Village and the Parklet on Home Street and Lapree. The City has nine park facilities, seven of which are improved parks and the Wagner Creek Trail, along with responsibility for a portion of the Bear Creek Greenway.

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

With increasing costs for supporting maintenance of the City parks and open spaces and limited recreation program revenue over the last few years, the Parks Utility fee funding is not available for capital improvements and land acquisition.

The Parks Commission has reviewed the Parks Master Plan and established improvement priorities to Chuck Roberts Park. The sand volley ball court was completed in 2014 and the splash pad is scheduled to open this summer. Work on Wagner Park is taking place as well. 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 FY2016.

Park Projects - Heritage Trail funding of \$15,000 is included in existing Park funding in the Capital Improvement Fund.

PARKS FUND
FISCAL YEAR 2015-16

REVENUE SUMMARY
BY CATEGORY

Actual FY13	Actual FY14	Adopted FY15		Proposed FY16	Approved FY16	Adopted FY16
5,626	5,399	3,000	LICENSES, PERMITS & FEES	5,000	5,000	5,000
3,334	3,528	3,250	INTERGOVERNMENTAL	3,500	3,500	3,500
107,796	107,676	108,000	CHARGES FOR SERVICES	108,000	108,000	108,000
4,268	1,696	1,000	PROGRAM FEES	-	-	-
1,640	1,099	500	MISCELLANEOUS	-	-	-
-	-	-	INTERFUND TRANSFERS IN	-	-	-
<u>112,191</u>	<u>68,854</u>	<u>41,000</u>	FUND BALANCE	<u>15,500</u>	<u>15,500</u>	<u>15,500</u>
234,855	188,252	156,750	GRAND TOTAL REVENUE	132,000	132,000	132,000
-	-	-	Less Interfund Transfers In	-	-	-
234,855	188,252	156,750	NET TOTAL REVENUE	132,000	132,000	132,000

EXPENDITURE SUMMARY
BY CATEGORY

Actual FY13	Actual FY14	Adopted FY15		Proposed FY16	Approved FY16	Adopted FY16
97,832	99,077	85,500	PERSONNEL SERVICES	75,500	75,500	75,500
58,173	56,829	50,300	MATERIALS & SERVICES	38,500	38,500	38,500
-	1,569	500	CAPITAL OUTLAY	500	500	500
-	-	-	CAPITAL CONSTRUCTION	-	-	-
-	-	-	DEBT SERVICE	-	-	-
10,000	4,000	-	INTERFUND TRANSFERS OUT	-	-	-
-	-	-	RESERVES	-	-	-
-	-	20,450	CONTINGENCY	17,500	17,500	17,500
-	-	-	UNAPPROPRIATED END FUND BAL	-	-	-
<u>166,005</u>	<u>161,475</u>	<u>156,750</u>	GRAND TOTAL EXPENDITURES	<u>132,000</u>	<u>132,000</u>	<u>132,000</u>
10,000	4,000	-	Less Interfund Transfers Out	-	-	-
156,005	157,475	156,750	NET TOTAL EXPENSES	132,000	132,000	132,000

NOTE:

RECREATION PROGRAM ONLY

REVENUE

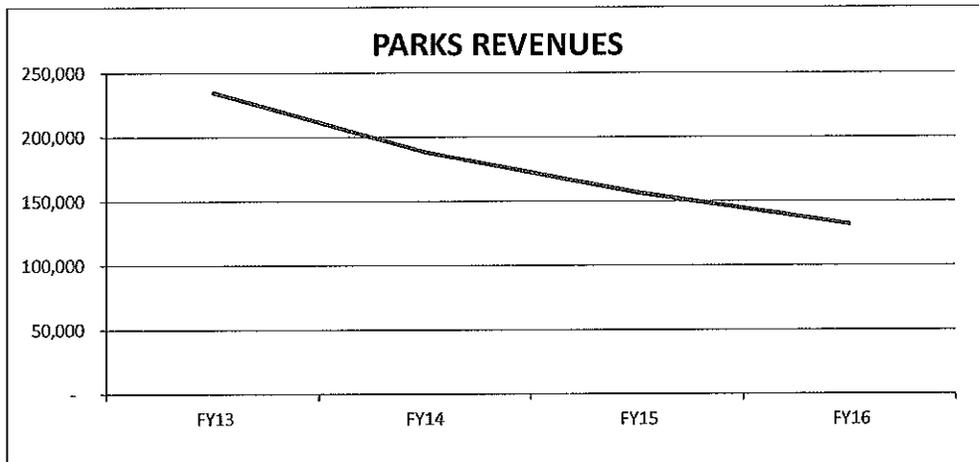
4,268	1,696	1,500	PROGRAM FEES	-	-	-
<u>150</u>	<u>380</u>	<u>500</u>	MISCELLANEOUS	<u>-</u>	<u>-</u>	<u>-</u>
4,418	2,076	2,000	TOTAL REVENUE	-	-	-

EXPENSES

8,974	7,521	6,500	PERSONNEL SERVICES	-	-	-
<u>3,922</u>	<u>4,981</u>	<u>2,975</u>	MATERIALS & SERVICES	<u>-</u>	<u>10,000</u>	<u>10,000</u>
12,896	12,502	9,475	TOTAL EXPENDITURES	-	10,000	10,000

PARKS FUND

Actual FY13	Actual FY14	Adopted FY15	REVENUES	Proposed FY16	Approved FY16	Adopted FY16
112,191	68,854	41,000	FUND BALANCE - COMMITTED	15,500	15,500	15,500
3,334	3,528	3,250	INTERGOVERNMENTAL REVENUE	3,500	3,500	3,500
5,626	5,399	3,000	TRANSIENT ROOM TAX	5,000	5,000	5,000
	-	-	FILL CHARGE REVENUE			
107,796	107,676	108,000	PARKS UTILITY FEE	108,000	108,000	108,000
360	107	-	INTEREST EARNINGS			
	50	-	DONATIONS			
	-	-	PARK RENTAL FEES			
	-	-	TRANSFER IN FROM GENERAL FUND			
7	8	-	PENNIES FOR PARKS			
1,123	554	-	MISC REFUNDS & REIMBURSEMENTS	-	-	-
<u>230,437</u>	<u>186,176</u>	<u>155,250</u>	TOTAL GENERAL REVENUES	<u>132,000</u>	<u>132,000</u>	<u>132,000</u>
2,790	1,696	1,000	PROGRAM FEES			
1,478	-	500	H FESTIVAL RUN			
150	380	-	DONATIONS - PROGRAMS			
-	-	-	PROGRAM FUNDRAISERS	-	-	-
<u>4,418</u>	<u>2,076</u>	<u>1,500</u>	TOTAL PROGRAM REVENUES	<u>-</u>	<u>-</u>	<u>-</u>
234,855	188,252	156,750	TOTAL FUND REVENUES	132,000	132,000	132,000



PARKS FUND

Actual FY13	Actual FY14	Adopted FY15	EXPENDITURES	Proposed FY16	Approved FY16	Adopted FY16
PERSONNEL SERVICES - PROGRAMS						
7,013	5,525	5,000	REGULAR SALARIES			
127	-	-	OVERTIME			
1,834	1,996	1,500	FRINGE BENEFITS	-	-	-
<u>8,974</u>	<u>7,521</u>	<u>6,500</u>	TOTAL PERSONNEL SERVICES	-	-	-
MATERIALS & SERVICES - PROGRAMS						
-	-	200	ATTORNEY SERVICES			
70	68	75	AUDITOR			
542	400	250	TRAINING PROVIDERS & REGISTRATIONS			
705	237	250	TECHICAL SUPPORT SERVICES			
456	1,917	550	COMPUTER TECHNOLOGY SERVICES		3,000	3,000
426	-	-	RENTAL OF EQUIPMENT & VEHICLES		700	700
364	384	350	PROPERTY & CASUALTY INSURANCE		200	200
271	303	350	PHONE, INTERNET & RADIO			
400	393	400	ADVERTISING		300	300
486	994	250	PRINTING & BINDING		300	300
202	285	300	GENERAL SUPPLIES	-	5,500	5,500
<u>3,922</u>	<u>4,981</u>	<u>2,975</u>	TOTAL MATERIALS & SERVICES	-	10,000	10,000
12,896	12,502	9,475	TOTAL EXPENDITURES - PROGRAMS	-	10,000	10,000
PERSONNEL SERVICES - MAINTENANCE						
51,251	56,742	46,000	REGULAR SALARIES	42,000	42,000	42,000
2,589	3,283	3,000	OVERTIME	3,000	3,000	3,000
540	566	1,000	ACCRUED LEAVE PAYOUTS	2,000	2,000	2,000
34,478	30,965	29,000	FRINGE BENEFITS	28,500	28,500	28,500
<u>88,858</u>	<u>91,556</u>	<u>79,000</u>	TOTAL PERSONNEL SERVICES	75,500	75,500	75,500
MATERIALS & SERVICES -MAINTENANCE						
10,795	589	1,000	BUSINESS CONSULTING SERVICES	1,000	500	500
27	-	1,000	ATTORNEY SERVICES	1,000	500	500
-	-	1,000	LABOR ATTORNEY SERVICES	1,000	1,000	1,000
419	459	600	AUDITOR	500	500	500
50	86	100	TRAINING PROVIDERS & REGISTRATIONS	100	100	100
2,704	1,850	1,200	ENGINEERING, DESIGN & CONST MGMT	1,200	600	600
493	226	250	TECHICAL SUPPORT SERVICES	250	250	250
8,229	10,976	9,000	CONTRACTED PERSONNEL SERVICES			
743	2,081	750	COMPUTER TECHNOLOGY SERVICES	1,000	750	750
1,259	1,261	1,300	SEWER UTILITIES	1,300	1,300	1,300
2,173	2,504	2,450	DISPOSAL SERVICES	2,500	2,400	2,400
351	842	650	CUSTODIAL	600	600	600
-	2,575	2,500	LAWN & TREE CARE	1,750	1,400	1,400
6,345	8,673	6,000	REPAIR & MAINTENANCE SERVICES	6,000	3,000	3,000
2,143	2,485	2,800	PROPERTY & CASUALTY INSURANCE	3,200	3,000	3,000
1,094	754	875	PHONE, INTERNET AND RADIO	800	800	800
-	23	100	ADVERTISING	100	100	100
486	559	700	PRINTING & BINDING	450	450	450
13,877	11,901	11,000	GENERAL SUPPLIES	11,000	6,500	6,500
18	15	50	OFFICE SUPPLIES	50	50	50
2,374	2,211	2,500	ENERGY UTILITIES	2,600	2,600	2,600
656	1,699	1,200	GASOLINE	1,500	1,500	1,500
-	71	250	UNIFORMS	550	550	550
15	8	50	MISCELLANEOUS	50	50	50
<u>54,251</u>	<u>51,848</u>	<u>47,325</u>	TOTAL MATERIALS & SERVICES	38,500	28,500	28,500
143,109	143,404	126,325	TOTAL EXPENDITURES - MAINTENANCE	114,000	104,000	104,000

PARKS FUND

Actual FY13	Actual FY14	Adopted FY15	EXPENDITURES	Proposed FY16	Approved FY16	Adopted FY16
-	36		FURNITURE & FIXTURES			
-	1,533	500	COMPUTER HARDWARE/PRINTERS	500	500	500
-	1,569	500	MINOR EQUIPMENT	500	500	500
			TOTAL CAPITAL OUTLAY			
			TRANSFERS OUT			
		-	TO CIP FUND	-	-	-
	4,000	-	CHUCK ROBERTS PARK SPLASHPAD CC455	-	-	-
10,000	-	-	PARKS LAND ACQUISTION CC802	-	-	-
10,000	4,000	-	TOTAL TRANSFERS OUT	-	-	-
-	-	20,450	CONTINGENCY	17,500	17,500	17,500
-	-	-	UNAPPROPRIATED ENDING FUND BALANCE	-	-	-
-	-	20,450	TOTAL UNALLOCATED FUNDS	17,500	17,500	17,500
234,855	188,252	156,750	Total Parks Revenue	132,000	132,000	132,000
166,005	161,475	156,750	Total Parks Expenditures	132,000	132,000	132,000

**City of Talent
2015-16 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 work is performed – 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.

The City plans to survey the street right of ways in FY2016 ahead of upcoming street improvement projects.

Minor Equipment purchases planned for FY2016 are:

- Small tool replacements - \$2,000
- Computer hardware replacement - \$500

Interfund Transfers - Streets

The following transfers to the Capital Improvement Fund totaling \$169,000 for major street improvements are planned for FY2016.

- CC432 Miscellaneous Sidewalk Improvements - \$10,000
- CC450 North Front Street Improvements Right of Way - \$20,000
- CC452 Lithia Way Improvements - \$25,000
- CC453 Rapp Road Improvements - \$25,000
- CC457 Sidewalk on Second Street and Schoolhouse - \$30,000
- CC458 Town Hall Alley Improvements - \$34,000
- CC462 Wagner Street Improvements - \$25,000

Street Projects - The Town Hall Alley and North Front Street are slated for improvements in FY2016 along with engineering of Wagner Street.

STREET FUND
FISCAL YEAR 2015-16

REVENUE SUMMARY
BY CATEGORY

Actual FY13	Actual FY14	Adopted FY15		Proposed FY16	Approved FY16	Adopted FY16
1,567	1,817	1,000	LICENSES, PERMITS & FEES	1,000	1,000	1,000
330,101	349,303	332,000	INTERGOVERNMENTAL	341,500	341,500	341,500
214,220	208,120	205,000	CHARGES FOR SERVICES	210,500	210,500	210,500
-	-	-	PROGRAM FEES	-	-	-
2,948	2,527	500	MISCELLANEOUS	500	500	500
-	-	-	INTERFUND TRANSFERS IN	-	-	-
<u>573,326</u>	<u>417,464</u>	<u>273,000</u>	FUND BALANCE	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>
1,122,162	979,231	811,500	GRAND TOTAL REVENUE	903,500	903,500	903,500
-	-	-	Less Interfund Transfers In	-	-	-
1,122,162	979,231	811,500	NET TOTAL REVENUE	903,500	903,500	903,500

EXPENDITURE SUMMARY
BY CATEGORY

Actual FY13	Actual FY14	Adopted FY15		Proposed FY16	Approved FY16	Adopted FY16
156,404	124,791	232,000	PERSONNEL SERVICES	284,000	284,000	284,000
153,971	119,670	218,100	MATERIALS & SERVICES	237,000	237,000	237,000
724	1,213	11,000	CAPITAL OUTLAY	2,500	2,500	2,500
-	-	-	CAPITAL CONSTRUCTION	-	-	-
-	-	-	DEBT SERVICE	-	-	-
393,600	385,083	198,650	INTERFUND TRANSFERS OUT	169,000	169,000	169,000
-	-	-	RESERVES	-	-	-
-	-	70,000	CONTINGENCY	157,000	157,000	157,000
-	-	<u>81,750</u>	UNAPPROPRIATED END FUND BALANCE	<u>54,000</u>	<u>54,000</u>	<u>54,000</u>
704,699	630,757	811,500	TOTAL EXPENDITURES	903,500	903,500	903,500
393,600	385,083	198,650	Less Interfund Transfers Out	169,000	169,000	169,000
311,099	245,674	612,850	NET TOTAL EXPENSES	734,500	734,500	734,500

STREET FUND

Actual FY13	Actual FY14	Adopted FY15	REVENUES	Proposed FY16	Approved FY16	Adopted FY16
573,326	417,464	273,000	FUND BALANCE - COMMITTED	350,000	350,000	350,000
1,567	1,817	1,000	ENCROACHMENT PERMITS	1,000	1,000	1,000
330,101	349,303	332,000	MOTOR FUEL TAX	341,500	341,500	341,500
162,269	155,384	155,000	STREET UTILITY FEE	156,000	156,000	156,000
51,951	52,736	50,000	STORM DRAIN UTILITY FEE	54,500	54,500	54,500
1,152	1,919	-	MISCELLANEOUS REFUNDS AND	-	-	-
1,796	608	500	INTEREST EARNINGS	500	500	500
1,122,162	979,231	811,500	TOTAL REVENUES & OTHER RESOURCES	903,500	903,500	903,500

STREET FUND

Actual FY13	Actual FY14	Adopted FY15	EXPENDITURES	Proposed FY16	Approved FY16	Adopted FY16
PERSONNEL SERVICES						
88,377	76,135	138,500	REGULAR SALARIES	170,000	170,000	170,000
3,062	3,216	3,500	OVERTIME	3,500	3,500	3,500
1,999	2,784	6,000	ACCRUED LEAVE PAYOUTS	5,000	5,000	5,000
62,966	42,656	84,000	FRINGE BENEFITS	105,500	105,500	105,500
156,404	124,791	232,000	TOTAL PERSONNEL SERVICES	284,000	284,000	284,000
MATERIALS & SERVICES						
6,037	1,171	30,000	BUSINESS CONSULTING SERVICES	30,000	30,000	30,000
2,821	3,746	3,000	ATTORNEY SERVICES	3,000	3,000	3,000
-	1,773	1,500	LABOR ATTORNEY SERVICES	1,500	1,500	1,500
2,322	1,801	2,100	AUDITOR	2,300	2,300	2,300
290	234	800	TRAINING PROVIDERS AND REGISTRATIO	800	800	800
22,154	10,411	18,000	ENGINEERING, DESIGN & CONSULTING	18,000	18,000	18,000
9,402	9,385	11,000	TECHICAL SUPPORT SERVICES	18,000	18,000	18,000
3,049	5,110	5,000	CONTRACTED PERSONNEL SERVICES	2,000	2,000	2,000
1,294	1,497	1,600	COMPUTER TECHNOLOGY SERVICES	1,850	1,850	1,850
583	818	800	DISPOSAL SERVICES	1,200	1,200	1,200
925	970	1,050	CUSTODIAL	1,100	1,100	1,100
-	1,500	2,500	LAWN & TREE CARE	10,000	10,000	10,000
26,498	10,251	45,000	REPAIR & MAINTENANCE SERVICE	50,000	50,000	50,000
443	967	800	RENTAL OF EQUIPMENT & VEHICLES	800	800	800
11,129	12,917	16,500	PROPERTY AND CASUALTY INSURANCE	18,500	18,500	18,500
3,132	1,969	2,500	PHONE AND RADIO COMMUNICATIONS	2,500	2,500	2,500
1,231	1,264	1,500	DUES, MEMBERSHIPS & PUBLICATIONS	1,500	1,500	1,500
-	195	400	ADVERTISING	400	400	400
1,172	1,041	1,200	PRINTING & BINDING	1,100	1,100	1,100
455	-	700	TRAVEL & MEETING EXPENSE	800	800	800
14,778	7,932	21,000	GENERAL SUPPLIES	21,000	21,000	21,000
545	152	500	OFFICE SUPPLIES	500	500	500
38,098	37,987	41,000	ENERGY UTILITIES	41,000	41,000	41,000
5,145	4,447	6,000	GASOLINE	6,000	6,000	6,000
520	411	600	POSTAGE	600	600	600
1,594	1,528	2,000	UNIFORMS	1,500	1,500	1,500
339	126	1,000	SAFETY EQUIPMENT	1,000	1,000	1,000
15	67	50	MISCELLANEOUS	50	50	50
153,971	119,670	218,100	TOTAL MATERIALS & SERVICES	237,000	237,000	237,000

STREET FUND

Actual FY13	Actual FY14	Adopted FY15	CAPITAL OUTLAY	Proposed FY16	Approved FY16	Adopted FY16
			CAPITAL OUTLAY			
-	144	-	FURNITURE AND FIXTURES	-	-	-
724	1,069	10,500	MINOR EQUIPMENT	2,000	2,000	2,000
-	-	500	COMPUTER HARDWARE / SOFTWARE	500	500	500
<u>724</u>	<u>1,213</u>	<u>11,000</u>	TOTAL CAPITAL OUTLAY	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>
			TRANSFERS OUT			
			TO GENERAL FUND	-	-	-
			TO CIP FUND	-	-	-
10,000		15,000	MISC SIDEWALK IMPROVEMTS CC432	10,000	10,000	10,000
83,600	36,500	60,000	N FRONT STREET IMPROVEMTS CC450	20,000	20,000	20,000
300,000	100,000	-	HWY 99 STREET IMPROVEMTS CC 451			
	59,800	23,650	LITHIA WAY IMPROVEMENTS CC452	25,000	25,000	25,000
	103,550	25,000	RAPP ROAD IMPROVEMENTS CC453	25,000	25,000	25,000
	85,233	-	GIBSON STREET IMPROVEMTS CC437			
	-	-	ARNOS STREET IMPROVEMTS CC 444			
		30,000	2ND & SCHOOLHOUSE SIDEWALK CC457	30,000	30,000	30,000
-	-	45,000	TOWN HALL ALLEY IMPROVEMT CC458	34,000	34,000	34,000
-	-	-	WAGNER STREET IMPROVEMTS CC 462	25,000	25,000	25,000
<u>393,600</u>	<u>385,083</u>	<u>198,650</u>	TOTAL TRANSFERS OUT	<u>169,000</u>	<u>169,000</u>	<u>169,000</u>
			UNALLOCATED FUNDS			
-	-	70,000	CONTINGENCY	157,000	157,000	157,000
-	-	81,750	UNAPPROPRIATED ENDING FUND BALANC	54,000	54,000	54,000
-	-	151,750	TOTAL UNALLOCATED FUNDS	<u>211,000</u>	<u>211,000</u>	<u>211,000</u>
1,122,162	979,231	811,500	Total Street Revenues	903,500	903,500	903,500
704,699	630,757	811,500	Total Street Expenditures	903,500	903,500	903,500

**City of Talent
2015-16 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 finishing a five year project retrofitting water meters to radio read meters this last year. 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 personnel services expense, the largest single cost in the Water Fund is the purchase of water from the Medford Water Commission. The amount purchased is based on consumption levels by both City residents and those outside the City limits who are purchasing City water. The remainder of the operating expenses includes maintenance of the current facilities; annual assessment for the City's water rights at Lost Creek Reservoir; and all utility billing and collection costs.

The City of Talent expenditures for the purchase of water and operation of the TAP regional Booster Pump Station are included in the Water Utility Fund budget. For fiscal years 2008 through 2015, these expenditures were part of the TAP Operations budget which included the City of Phoenix and City of Ashland as well. Beginning with FY 2016, the Rogue Valley Council of Governments (RVCOG) will assume the bookkeeping duties for the TAP operations and maintenance. Each city will be billed by and pay directly to RVCOG their portion of the TAP expenses.

Minor Equipment purchases planned for FY2016 are:

- Dechlorinator - \$1,200
- Meter Reading Handheld - \$10,000
- Computer hardware and equipment replacement - \$1,200

Water Fund Debt Service – In April 2013, the City was able to refund the 2000 Water Revenue Bond at a lower interest rate, paying off the loan from United State Department of Agriculture (USDA) Rural Development. The new bond is backed by the Full Faith and

Credit of the City of Talent, removing the debt service reserve requirement associated with the USDA Rural Development loan. The Water Debt Service Reserve Fund was closed as of FY2014 and the balance in the fund has been transferred back to the Water Fund. These funds continue to be held in the Unappropriated Fund balance for payment of the final debt service.

Interfund Transfers – Water

The following transfers from the Water Fund to the CIP Fund are planned in FY2016.

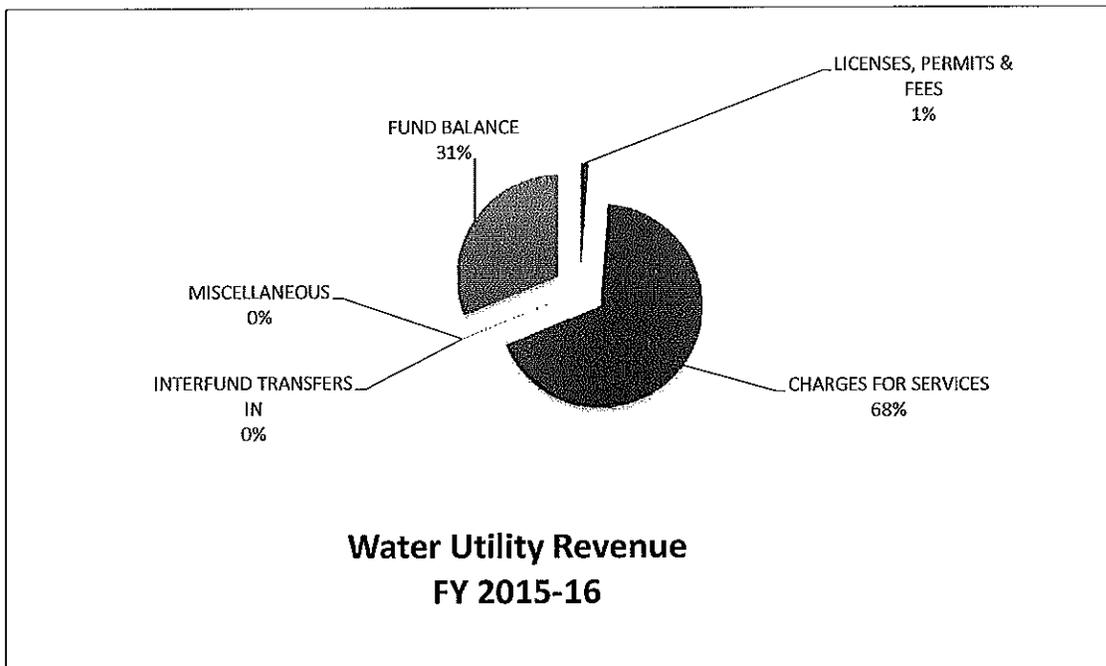
- CC743 - SCADA system upgrade- \$50,000

Water Projects: North Front Street is slated for improvements in FY2016 along with an upgrade to the Water Distribution SCADA system. This SCADA system upgrade is being completed in conjunction with the City of Phoenix and City of Ashland as part of the TAP Intertie System. This upgrade will be paid for over a period of two years.

**WATER FUND
FISCAL YEAR 2015-16**

**REVENUE SUMMARY
BY CATEGORY**

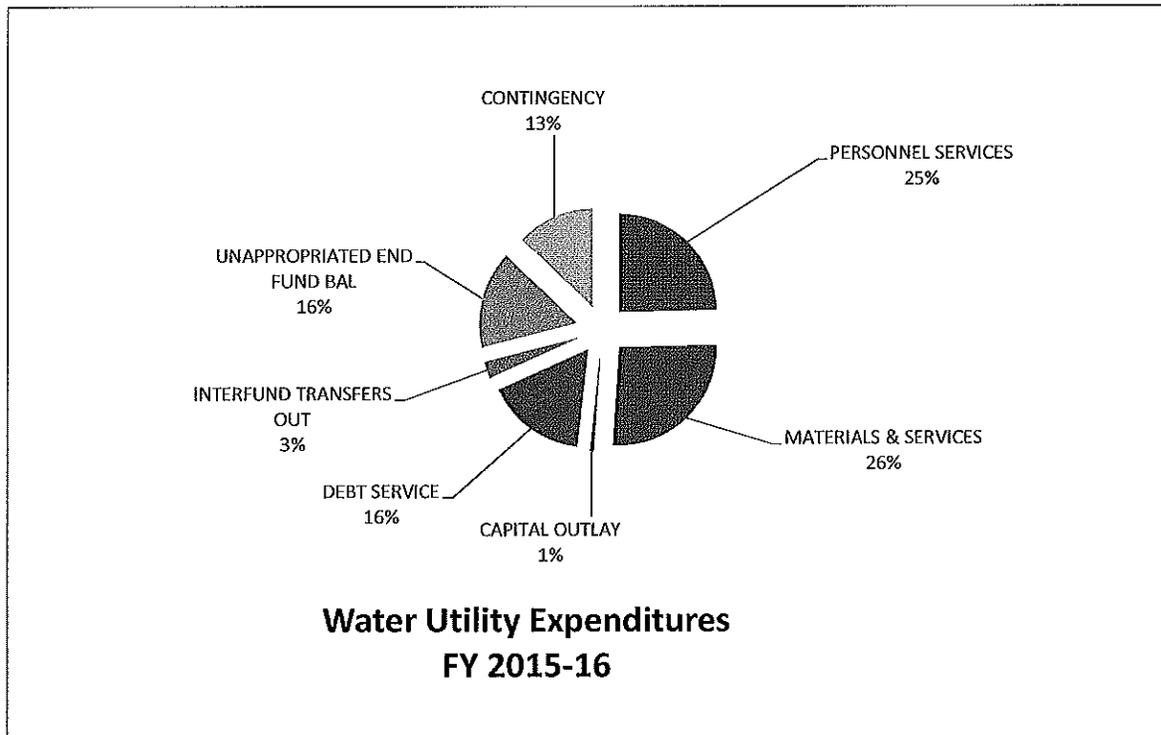
Actual FY13	Actual FY14	Adopted FY15	REVENUES	Proposed FY16	Approved FY16	Adopted FY16
13,950	7,000	9,000	LICENSES, PERMITS & FEES	22,000	22,000	22,000
-	-	-	INTERGOVERNMENTAL	-	-	-
1,211,175	1,239,607	1,225,000	CHARGES FOR SERVICES	1,250,000	1,250,000	1,250,000
-	-	-	PROGRAM FEES	-	-	-
8,478	1,829	1,000	MISCELLANEOUS	1,000	1,000	1,000
1,700	236,703	-	INTERFUND TRANSFERS IN	-	-	-
<u>276,575</u>	<u>316,618</u>	<u>520,000</u>	FUND BALANCE	<u>575,000</u>	<u>575,000</u>	<u>575,000</u>
1,511,878	1,801,757	1,755,000	GRAND TOTAL REVENUE	1,848,000	1,848,000	1,848,000
1,700	236,703	-	Less Interfund Transfers In	-	-	-
1,510,178	1,565,054	1,755,000	NET TOTAL REVENUE	1,848,000	1,848,000	1,848,000



**WATER FUND
FISCAL YEAR 2015-16**

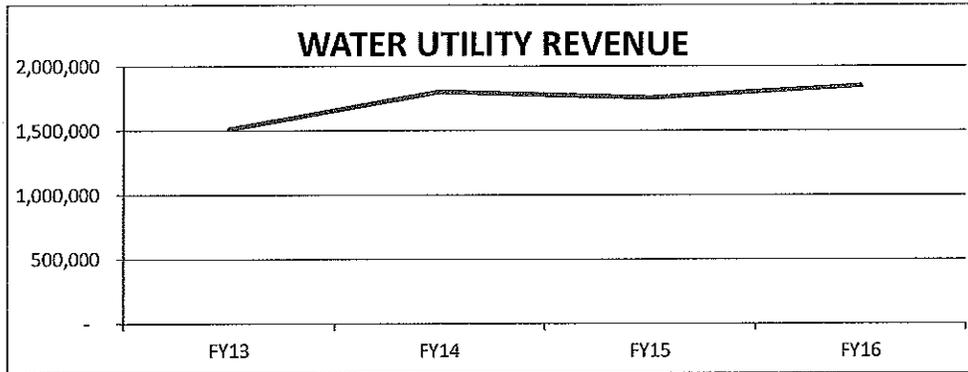
**EXPENDITURE SUMMARY
BY CATEGORY**

Actual FY13	Actual FY14	Adopted FY15		Proposed FY16	Approved FY16	Adopted FY16
433,777	443,598	457,500	PERSONNEL SERVICES	455,000	455,000	455,000
267,632	228,143	298,150	MATERIALS & SERVICES	488,900	488,900	488,900
724	6,012	5,500	CAPITAL OUTLAY	12,400	12,400	12,400
-	-	-	CAPITAL CONSTRUCTION	-	-	-
302,561	307,475	309,125	DEBT SERVICE	306,350	306,350	306,350
190,568	282,740	239,850	INTERFUND TRANSFERS OUT	50,000	50,000	50,000
-	-	-	RESERVES	-	-	-
-	-	115,000	CONTINGENCY	239,000	239,000	239,000
-	-	329,875	UNAPPROPRIATED END FUND BALANCE	296,350	296,350	296,350
1,195,262	1,267,968	1,755,000	GRAND TOTAL EXPENDITURES	1,848,000	1,848,000	1,848,000
190,568	282,740	239,850	Less Interfund Transfers Out	50,000	50,000	50,000
1,004,694	985,228	1,515,150	NET TOTAL EXPENSES	1,798,000	1,798,000	1,798,000



WATER UTILITY FUND

Actual FY13	Actual FY14	Adopted FY15	REVENUES	Proposed FY16	Approved FY16	Adopted FY16
276,575	316,618	520,000	FUND BALANCE - COMMITTED	575,000	575,000	575,000
259	-	-	COMMERCIAL WATER SALES			
1,210,916	1,239,607	1,225,000	WATER REVENUE	1,250,000	1,250,000	1,250,000
13,950	7,000	9,000	NEW CONNECTIONS	2,000	2,000	2,000
-	-	-	LATE FEES	20,000	20,000	20,000
-	-	-	RENTAL INCOME			
-	-	-	SALE OF ASSETS			
4,270	-	-	FINANCING PROCEEDS			
452	733	-	MISC REFUNDS & REIMBURSEMENTS			
1,700	236,703	-	FROM WATER DEBT SERVICE RESERVE			
3,756	1,096	1,000	INTEREST EARNINGS	1,000	1,000	1,000
1,511,878	1,801,757	1,755,000	TOTAL REVENUE & RESOURCES	1,848,000	1,848,000	1,848,000



WATER UTILITY FUND

Actual FY13	Actual FY14	Adopted FY15	EXPENDITURES	Proposed FY16	Approved FY16	Adopted FY16
PERSONNEL SERVICES						
287,907	287,539	271,500	REGULAR SALARIES	271,000	271,000	271,000
7,798	6,059	10,000	OVERTIME	10,000	10,000	10,000
3,690	4,947	10,000	ACCRUED LEAVE PAYOUTS	8,000	8,000	8,000
<u>134,382</u>	<u>145,053</u>	<u>166,000</u>	FRINGE BENEFITS	<u>166,000</u>	<u>166,000</u>	<u>166,000</u>
433,777	443,598	457,500	TOTAL PERSONNEL SERVICES	455,000	455,000	455,000
MATERIALS & SERVICES						
17,507	6,603	30,000	BUSINESS CONSULTING	15,000	15,000	15,000
1,036	9,758	2,500	ATTORNEY SERVICES	4,000	4,000	4,000
-	2,106	1,500	LABOR ATTORNEY SERVICES	1,500	1,500	1,500
5,238	3,715	4,500	AUDITOR	4,750	4,750	4,750
280	946	2,000	TRAINING PROVIDERS AND REGISTRATIC	2,000	2,000	2,000
8,846	3,799	7,000	ENGINEERING, DESIGN & CONST MGMT	7,000	7,000	7,000
6,314	7,370	9,500	TECHNICAL SUPPORT SERVICES	9,500	9,500	9,500
14,056	5,652	8,000	CONTRACTED PERSONAL SERVICES	2,000	2,000	2,000
4,134	3,003	7,000	COMPUTER TECHNOLOGY SERVICES	4,000	4,000	4,000
130	144	150	TID ASSESSMENT	150	150	150
304	305	350	SEWER UTILITIES	350	350	350
459	667	600	DISPOSAL SERVICES	600	600	600
879	1,058	1,300	CUSTODIAL	1,300	1,300	1,300
10,536	11,022	15,000	REPAIR & MAINENANCE SERVICES	35,000	35,000	35,000
27,730	24,996	27,000	LOST CREEK WATER STORAGE MAINT C	27,000	27,000	27,000
-	734	500	RENTAL OF EQUIPMENT & VEHICLES	500	500	500
9,427	10,270	13,000	PROPERTY AND CASUALTY INSURANCE	14,800	14,800	14,800
6,410	3,793	4,500	PHONE & RADIO COMMUNICATIONS	4,500	4,500	4,500
2,607	3,538	2,700	DUES, MEMBERSHIPS & PUBLICATIONS	3,000	3,000	3,000
288	230	600	ADVERTISING	500	500	500
1,330	3,118	7,350	PRINTING & BINDING	7,000	7,000	7,000
307	-	1,000	TRAVEL & MEETING EXPENSE	1,500	1,500	1,500
1,801	1,224	2,600	BANKING FEES	2,000	2,000	2,000
30,909	6,183	25,000	GENERAL SUPPLIES	35,000	35,000	35,000
3,897	1,455	3,000	OFFICE SUPPLIES	2,000	2,000	2,000
38,249	40,141	42,500	ENERGY UTILITIES	72,000	72,000	72,000
4,846	4,231	5,100	GASOLINE	5,000	5,000	5,000
8,197	8,653	8,550	POSTAGE	8,700	8,700	8,700
1,594	1,831	1,800	UNIFORMS	2,200	2,200	2,200
-	-	-	WHOLESALE WATER PURCHASES	150,000	150,000	150,000
59,967	61,020	62,500	IN LIEU OF FRANCHISE FEE PAYMENT	65,000	65,000	65,000
339	126	1,000	SAFETY EQUIPMENT	1,000	1,000	1,000
<u>15</u>	<u>452</u>	<u>50</u>	MISCELLANEOUS	<u>50</u>	<u>50</u>	<u>50</u>
267,632	228,143	298,150	TOTAL MATERIALS & SERVICES	488,900	488,900	488,900
CAPITAL OUTLAY						
724	4,276	2,500	MINOR EQUIPMENT	11,200	11,200	11,200
-	179	-	FURNITURE AND FIXTURES	-	-	-
<u>-</u>	<u>1,557</u>	<u>3,000</u>	COMPUTER HARDWARE/SOFTWARE	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>
724	6,012	5,500	TOTAL CAPITAL OULAY	12,400	12,400	12,400

WATER UTILITY FUND

Actual FY13	Actual FY14	Adopted FY15	EXPENDITURES	Proposed FY16	Approved FY16	Adopted FY16
DEBT SERVICE						
62,835	120,000	115,000	2013 BOND PRINCIPAL	115,000	115,000	115,000
162,229	109,978	116,625	2013 BOND INTEREST	113,750	113,750	113,750
63,512	64,147	64,790	OCED LOAN PRINCIPAL	65,500	65,500	65,500
<u>13,985</u>	<u>13,350</u>	<u>12,710</u>	OCED LOAN INTEREST	<u>12,100</u>	<u>12,100</u>	<u>12,100</u>
302,561	307,475	309,125	TOTAL DEBT SERVICE	306,350	306,350	306,350
TRANSFERS OUT						
168,568	198,230	239,850	TO TAP OPERATING FUND			
		-	TO CIP FUND	-	-	-
2,000		-	WATER RATE STUDY CC 227	-	-	-
	13,000	-	GIBSON STREET IMPROVEMENTS CC 437	-	-	-
	20,000	-	UTILITY BILLING SOFTWARE CC907	-	-	-
	36,560	-	N FRONT STREET IMPROVE. CC450	-	-	-
20,000	14,950		RADIO READ METERS CC740			
-	-	-	SCADA SYSTEM CC743	50,000	50,000	50,000
<u>190,568</u>	<u>282,740</u>	<u>239,850</u>	TOTAL TRANSFERS OUT	50,000	50,000	50,000
UNALLOCATED						
-	-	115,000	CONTINGENCY	239,000	239,000	239,000
-	-	329,875	UNAPPROPRIATED ENDING FUND BALAN	296,350	296,350	296,350
-	-	444,875	TOTAL UNALLOCATED FUNDS	535,350	535,350	535,350
1,511,878	1,801,757	1,755,000	TOTAL REVENUE & RESOURCES	1,848,000	1,848,000	1,848,000
1,195,262	1,267,968	1,755,000	TOTAL EXPENDITURES	1,848,000	1,848,000	1,848,000

WATER DEBT SERVICE RESERVE FUND

Actual FY13	Actual FY14	Adopted FY15	REVENUE & OTHER RESOURCES	Proposed FY16	Approved FY16	Adopted FY16
238,403	238,800	-	FUND BALANCE - RESTRICTED	-	-	-
238,403	238,800	-	TOTAL FUND BALANCE	-	-	-
-	-	-	INTEREST	-	-	-
-	-	-	TOTAL MISCELLANEOUS	-	-	-
-	-	-	TRANSFER IN FROM WATER FUND	-	-	-
-	-	-	TOTAL INTERFUND TRANSFERS IN	-	-	-
238,403	238,800	-	TOTAL REVENUE & OTHER RESOURCES	-	-	-

WATER DEBT SERVICE RESERVE FUND

Actual FY13	Actual FY14	Adopted FY15	EXPENDITURES	Proposed FY16	Approved FY16	Adopted FY16
NON-DEPARTMENTAL						
1,700	238,800	-	TRANSFER OUT TO WATER FUND	-	-	-
1,700	238,800	-	TOTAL INTERFUND TRANSFERS OUT	-	-	-
-	-	-	RESERVED FOR DEBT SERVICE	-	-	-
-	-	-	TOTAL UNAPPROPRIATED	-	-	-
1,700	238,800	-	TOTAL NON-DEPARTMENTAL	-	-	-
238,403	238,800	-	FUND REVENUE	-	-	-
1,700	238,800	-	FUND EXPENDITURES	-	-	-

**City of Talent
2015-16 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 \$228,750 for payment on this bond.

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

Fund Stability. The USDA had a requirement that a reserve fund be set up representing one year's annual payment. This is no longer a requirement as the USDA Rural Development loan is paid in full. The Debt Service Reserve fund balance was transferred back to the Water Fund in FY2014 and the Debt Service Reserve fund closed. These funds are held in the Water Utility Fund unappropriated fund balance to maintain the original purpose of the funds and provide continued assurance of fund stability.

OREGON ECONOMIC DEVELOPMENT DEPARTMENT

The City obtained a Safe Drinking Water Revolving Loan through the Oregon Economic Development Department in the amount of \$2,000,000 to finance additions, replacements, expansions and improvements to the City's water system related to the TAP Inter-tie project. The interest rate is 1% for the 30-year period of the bond. Payments are made from the Water 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
2015-16 Annual Budget**

TAP OPERATIONS FUND

The City entered into an agreement with the City of Phoenix and the City of Ashland to take over the financial administration of the TAP (Talent, Ashland, and Phoenix) funds beginning with FY2008. This function had previously been a service provided by the Rogue Valley Council of Governments (RVCOG). The TAP Committee will contract with RVCOG for these services beginning in July 2015.

Tap Operations

The cities of Talent, Ashland and Phoenix jointly own a pump station facility located on Samike Road in East Medford. This facility was built to facilitate the three cities access to the Medford Water Commission water. Once the facility became operational the costs each year involved the purchase of water, electricity, Medford utility fees, insurance on the building and audit. Talent and Phoenix have been purchasing water since the Samike Regional Pump Station was built. The City of Ashland completed the connection to the TAP system in the summer 2014 and will receive water through the system in the summer 2015.

The City of Talent will close the TAP Operations Fund as of June 30, 2015. The City of Talent expenditures for the purchase of water, and operation and maintenance of the regional pump station facility are budgeted in the Water Utility Fund for fiscal year 2016.

TAP OPERATIONS FUND
FISCAL YEAR 2015-16

REVENUE SUMMARY
BY CATEGORY

Actual FY13	Actual FY14	Adopted FY15		Proposed FY16	Approved FY16	Adopted FY16
56,889	91,545	329,210	INTERGOVERNMENTAL	-	-	-
168,568	198,230	239,850	INTERFUND TRANSFERS IN	-	-	-
-	-	-	MISCELLANEOUS	-	-	-
1	5	-	FUND BALANCE	-	-	-
<u>225,458</u>	<u>289,780</u>	<u>569,060</u>	GRAND TOTAL REVENUE	-	-	-
168,568	198,230	239,850	Less Interfund Transfers In	-	-	-
56,890	91,550	329,210	NET TOTAL REVENUE	-	-	-

EXPENDITURE SUMMARY
BY CATEGORY

Actual FY13	Actual FY14	Adopted FY15		Proposed FY16	Approved FY16	Adopted FY16
225,453	247,779	494,800	MATERIALS AND SERVICES	-	-	-
-	-	-	CAPITAL OUTLAY	-	-	-
-	-	74,260	CONTINGENCY	-	-	-
-	-	-	UNAPPROPRIATED END FUND BALANCE	-	-	-
<u>225,453</u>	<u>247,779</u>	<u>569,060</u>	TOTAL EXPENDITURES	-	-	-
225,453	247,779	569,060	NET TOTAL EXPENSES	-	-	-

TAP OPERATIONS FUND

Actual FY13	Actual FY14	Adopted FY15	REVENUES	Proposed FY16	Approved FY16	Adopted FY16
1	5	-	FUND BALANCE - COMMITTED	-	-	-
56,889	91,545	329,210	INTERGOVERNMENTAL REVENUE			
168,568	198,230	239,850	TRANSFERS IN FROM WATER FUND			
-	-	-	MISC REFUNDS AND REIMBURSEMENTS	-	-	-
-	-	-	INTEREST EARNINGS	-	-	-
<u>225,458</u>	<u>289,780</u>	<u>569,060</u>	TOTAL REVENUE & RESOURCES	-	-	-

TAP OPERATIONS FUND

Actual FY13	Actual FY14	Adopted FY15	EXPENDITURES	Proposed FY16	Approved FY16	Adopted FY16
573	708	925	AUDITOR			
3,309	14,973	19,000	REPAIR & MAINTENANCE			
631	668	875	PROPERTY AND CASUALTY INSURANCE			
27,622	32,956	70,500	ENERGY UTILITIES			
193,318	198,474	402,000	WHOLESALE WATER PURCHASES			
-	-	-	COMPUTER HARDWARE/SOFTWARE			
-	-	1,500	MISCELLANEOUS	-	-	-
<u>225,453</u>	<u>247,779</u>	<u>494,800</u>	TOTAL MATERIALS & SERVICES	-	-	-
-	-	-	CAPITAL OUTLAY	-	-	-
-	-	-	MINOR EQUIPMENT	-	-	-
-	-	-	TOTAL CAPITAL OUTLAY	-	-	-
-	-	74,260	CONTINGENCY			
-	-	<u>74,260</u>	TOTAL UNALLOCATED FUNDS	-	-	-
225,458	289,780	569,060	TOTAL REVENUE & RESOURCES	-	-	-
225,453	247,779	569,060	TOTAL EXPENDITURES	-	-	-

**City of Talent
2015-16 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 assessing Parks SDCs and the issuance of development SDC credits. The City does not assess Park SDCs on commercial developments. In addition developers are more likely to request SDC credits when adding parks to their developments that will benefit more than the population the housing development is intended to serve.

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

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

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

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

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

Interfund Transfers – SDC

No transfers from the SDC Fund to the CIP Fund are planned in FY2016.

**CITY OF TALENT
SDC RATE ADJUSTMENTS THROUGH MARCH 2015**

WATER

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

PARKS

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

TRANSPORTATION

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

STORMWATER

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

Construction Cost Index percentage change from March 2011- March 2015

Mar-11	-0.76%
Mar-12	1.03%
Mar-13	3.64%
Mar-14	4.10%
Mar-15	2.78%

SYSTEM DEVELOPMENT CHARGES FUND
FISCAL YEAR 2015-16

REVENUE SUMMARY
BY CATEGORY

Actual FY13	Actual FY14	Adopted FY15		Proposed FY16	Approved FY16	Adopted FY16
-	-	-	LICENSES, PERMITS & FEES	-	-	-
-	-	-	INTERGOVERNMENTAL	-	-	-
418,266	194,213	120,500	CHARGES FOR SERVICES	104,500	104,500	104,500
-	-	-	PROGRAM FEES	-	-	-
1,643	1,538	1,150	MISCELLANEOUS	2,350	2,350	2,350
-	-	-	INTERFUND TRANSFERS IN	-	-	-
<u>414,271</u>	<u>699,512</u>	<u>638,875</u>	FUND BALANCE	<u>823,500</u>	<u>823,500</u>	<u>823,500</u>
834,180	895,263	760,525	GRAND TOTAL REVENUE	930,350	930,350	930,350
-	-	-	Less Interfund Transfers In	-	-	-
834,180	895,263	760,525	NET TOTAL REVENUE	930,350	930,350	930,350

EXPENDITURE SUMMARY
BY CATEGORY

Actual FY13	Actual FY14	Adopted FY15		Proposed FY16	Approved FY16	Adopted FY16
-	-	-	PERSONNEL SERVICES	-	-	-
-	-	-	MATERIALS & SERVICES	-	-	-
-	-	-	CAPITAL OUTLAY	-	-	-
-	-	-	CAPITAL CONSTRUCTION	-	-	-
-	-	-	DEBT SERVICE	-	-	-
134,666	190,000	-	INTERFUND TRANSFERS OUT	-	-	-
-	-	760,525	RESERVES	930,350	930,350	930,350
-	-	-	CONTINGENCY	-	-	-
-	-	-	UNAPPROPRIATED END FUND BAL	-	-	-
<u>134,666</u>	<u>190,000</u>	<u>760,525</u>	TOTAL EXPENDITURES	<u>930,350</u>	<u>930,350</u>	<u>930,350</u>
134,666	190,000	-	Less Interfund Transfers Out	-	-	-
-	-	760,525	NET TOTAL EXPENSES	930,350	930,350	930,350

SYSTEM DEVELOPMENT CHARGE FUND

Actual FY13	Actual FY14	Adopted FY15		Proposed FY16	Approved FY16	Adopted FY16
Transportation Revenue						
169,283	245,423	170,250	IMP SDC FUND BAL RESTRICT	216,000	216,000	216,000
37,909	50,714	55,350	REIM SDC FUND BAL RESTRICT	60,000	60,000	60,000
615	416	300	IMP SDC INTEREST	600	600	600
143	125	100	REIM SDC INTEREST	200	200	200
154,440	62,452	55,000	IMPROVEMENT SDC	47,000	47,000	47,000
12,663	5,120	5,000	REIMBURSEMENT SDC	4,000	4,000	4,000
<u>375,053</u>	<u>364,250</u>	<u>286,000</u>	TOTAL TRANSPORTATION REVENUE	<u>327,800</u>	<u>327,800</u>	<u>327,800</u>
Transportation Expenditures						
78,915	30,050	-	N FRONT STREET IMPROVEMENTS CC450	-	-	-
-	100,800	-	LITHIA WAY IMPROVEMENTS CC452	-	-	-
-	-	286,000	RESERVE FOR FUTURE PROJECTS	327,800	327,800	327,800
<u>78,915</u>	<u>130,850</u>	<u>286,000</u>	TOTAL TRANSPORTATION EXPENDITURES	<u>327,800</u>	<u>327,800</u>	<u>327,800</u>
Storm Drain Revenue						
20,833	52,142	42,175	IMP SDC FUND BAL RESTRICT	57,500	57,500	57,500
55,781	92,267	70,175	REIM SDC FUND BAL RESTRICT	82,500	82,500	82,500
85	100	75	IMP SDC INTEREST	150	150	150
219	173	125	REIM SDC INTEREST	250	250	250
45,319	15,736	10,000	IMPROVEMENT SDC	10,000	10,000	10,000
36,267	12,593	8,000	REIMBURSEMENT SDC	8,000	8,000	8,000
<u>158,504</u>	<u>173,011</u>	<u>130,550</u>	TOTAL STORM DRAIN REVENUE	<u>158,400</u>	<u>158,400</u>	<u>158,400</u>
Storm Drain Expenditures						
14,094	10,500	-	N FRONT STREET IMPROVEMENTS CC450	-	-	-
-	46,250	-	LITHIA WAY IMPROVEMENTS CC452	-	-	-
-	-	130,550	RESERVE FOR FUTURE PROJECTS	158,400	158,400	158,400
<u>14,094</u>	<u>56,750</u>	<u>130,550</u>	TOTAL STORM DRAIN EXPENDITURES	<u>158,400</u>	<u>158,400</u>	<u>158,400</u>

SYSTEM DEVELOPMENT CHARGE FUND

Actual FY13	Actual FY14	Adopted FY15		Proposed FY16	Approved FY16	Adopted FY16
Water Revenue						
11,987	33,319	45,000	IMP SDC FUND BAL RESTRICT	57,500	57,500	57,500
60,617	121,666	163,950	REIM SDC FUND BAL RESTRICT	200,500	200,500	200,500
64	94	75	IMP SDC INTEREST	150	150	150
272	345	250	REIM SDC INTEREST	550	550	550
30,926	16,122	10,500	IMPROVEMENT SDC	9,000	9,000	9,000
<u>92,777</u>	<u>48,365</u>	<u>11,000</u>	REIMBURSEMENT SDC	<u>5,500</u>	<u>5,500</u>	<u>5,500</u>
196,643	219,911	230,775	TOTAL WATER REVENUE	273,200	273,200	273,200
Water Expenditures						
-	-	-	ARNOS STREET IMPROVEMENTS CC444	-	-	-
41,657	2,400	-	N FRONT STREET IMPROVE. CC450	-	-	-
-	-	<u>230,775</u>	RESERVE FOR FUTURE PROJECTS	<u>273,200</u>	<u>273,200</u>	<u>273,200</u>
41,657	2,400	230,775	TOTAL WATER EXPENDITURES	273,200	273,200	273,200
Parks Revenue						
26,252	55,093	32,000	IMP SDC FUND BAL RESTRICT	83,500	83,500	83,500
31,609	48,888	59,975	REIM SDC FUND BAL RESTRICT	66,000	66,000	66,000
119	155	125	IMP SDC INTEREST	250	250	250
126	130	100	REIM SDC INTEREST	200	200	200
28,722	21,178	13,000	IMPROVEMENT SDC	13,000	13,000	13,000
<u>17,152</u>	<u>12,647</u>	<u>8,000</u>	REIMBURSEMENT SDC	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>
103,980	138,091	113,200	TOTAL PARK REVENUE	170,950	170,950	170,950
Parks Expenditures						
-	-	<u>113,200</u>	RESERVE FOR FUTURE PROJECTS	<u>170,950</u>	<u>170,950</u>	<u>170,950</u>
-	-	113,200	TOTAL PARK EXPENDITURES	170,950	170,950	170,950
134,666	190,000	760,525	TOTAL SDC EXPENDITURES	930,350	930,350	930,350
834,180	895,263	760,525	TOTAL SDC REVENUE	930,350	930,350	930,350

SYSTEM DEVELOPMENT CHARGE FUND

Actual FY13	Actual FY14	Adopted FY15		Proposed FY16	Approved FY16	Adopted FY16
Fund Summary Revenue						
414,271	699,512	638,875	TOTAL FUND BALANCE	823,500	823,500	823,500
1,643	1,538	1,150	TOTAL INTEREST EARNINGS	2,350	2,350	2,350
<u>418,266</u>	<u>194,213</u>	<u>120,500</u>	TOTAL SDC REVENUE	<u>104,500</u>	<u>104,500</u>	<u>104,500</u>
834,180	895,263	760,525	TOTAL SDC REVENUE	930,350	930,350	930,350
Fund Summary Expenses						
78,915	130,850	-	TRANSFER TO CIP FUND - STREET PROJECTS	-	-	-
14,094	56,750	-	TRANSFER TO CIP FUND STORM DRAIN PROJECTS	-	-	-
41,657	2,400	-	TRANSFER TO CIP FUND - WATER PROJECTS	-	-	-
-	-	-	TRANSFER TO CIP FUND - PARKS PROJECTS	-	-	-
-	-	<u>760,525</u>	RESERVE FOR FUTURE PROJECTS	<u>930,350</u>	<u>930,350</u>	<u>930,350</u>
134,666	190,000	760,525	TOTAL SDC EXPENDITURES	930,350	930,350	930,350

**City of Talent
2015-16 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 FY2016 transfer is \$6,000.

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

**PER CAPITA OUTSTANDING DEBT
FISCAL YEAR 2015-16**

<u>Description</u>	<u>Principal Outstanding July 1, 2015</u>	<u>FY16 Principal Payment</u>	<u>Principal Outstanding June 30, 2016</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Cost per Capita</u>
Limited Tax Improvement Bonds						
W. Valley View Road L.I.D.	\$ 75,000	\$ 25,000	\$ 50,000	5.75%	2018	\$ 8.03
Police Station Renovations	\$ 560,000	\$ 55,000	\$ 505,000	4.25%	2022	\$ 81.06
General Debt Service	\$ 635,000	\$ 80,000	\$ 555,000			\$ 89.09
Oregon Economic Development Dept.						
Safe Drinking Water Loan	\$ 1,206,014	\$ 65,436	\$ 1,140,578	1.00%	2031	\$ 183.08
USDA Rural Development						
Medford Water Intertie Construction	\$ -	\$ -	\$ -			\$ -
2013 LOCAP Bond						
Refunded 2000 Water Revenue Bond	\$ 3,410,000	\$ 115,000	\$ 3,295,000	3.00%	2036	\$ 528.89
Water Debt Service	\$ 4,616,014	\$ 180,436	\$ 4,435,578			\$ 711.97
TOTAL DEBT SERVICE	\$ 5,251,014	\$ 260,436	\$ 4,990,578			\$ 801.06

Population 6,230

**City of Talent
2015-2016 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 FY13	Actual FY14	Adopted FY15	REVENUE & OTHER RESOURCES	Proposed FY16	Approved FY16	Adopted FY16
9,133	6,055	950	FUND BALANCE - RESTRICTED	2,800	2,800	2,800
9,133	6,055	950	TOTAL FUND BALANCE	2,800	2,800	2,800
61,769	66,014	70,600	PROPERTY TAX - PD BOND	76,615	76,615	76,615
90	50	-	INTEREST	-	-	-
90	50	-	TOTAL MISCELLANEOUS	-	-	-
-	-	-	TRANSFER IN FROM CIP FUND	-	-	-
-	-	-	TOTAL INTERFUND TRANSFERS IN	-	-	-
70,992	72,119	71,550	TOTAL REVENUE & OTHER RESOURCES	79,415	79,415	79,415

GENERAL OBLIGATION

Actual FY13	Actual FY14	Adopted FY15	EXPENDITURES	Proposed FY16	Approved FY16	Adopted FY16
			BOND & INTEREST PAYMENTS			
35,000	40,000	45,000	LOAN PRINCIPAL	55,000	55,000	55,000
29,936	28,343	26,550	LOAN INTEREST	24,415	24,415	24,415
-	-	-	BOND FEES	-	-	-
64,936	68,343	71,550	TOTAL DEBT SERVICE	79,415	79,415	79,415
64,936	68,343	71,550	TOTAL BOND & INTEREST PAYMENTS	79,415	79,415	79,415
70,992	72,119	71,550	FUND REVENUE	79,415	79,415	79,415
64,936	68,343	71,550	FUND EXPENDITURES	79,415	79,415	79,415

**City of Talent
2015-2016 Annual Budget**

WEST VALLEY VIEW DEBT SERVICE FUND

The West Valley View Debt Service Fund was established to finance improvements to the West Valley View Local Improvement District (LID). The original loan in the amount of \$340,000 was issued April 1, 1998 with a principal payment due in May of each year for 20 (twenty) years, and interest payments due in May and November. The Bond will mature in 2018. The interest rate for this loan is set at 5.75%. The principal amount owing as of July 1, 2015 is \$75,000.

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

Special Assessments. The City collects assessed payments from property owners benefiting from improvements within this local improvement district. These payments were intended to cover the principal payments and interest throughout the life of the bond. Due to previous prepayments made by a number of the affected property owners with no prepayment penalty, the City now collects \$9,568 per year and the FY16 annual payment to the bank with interest and principal is \$29,312. There is one remaining property owner making annual payments with a remaining balance of \$25,701.

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 \$6,000 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 2015-16**

	FY16	FY17	FY18
Current Fund Balance	37,791	24,123	11,364
Transfer in from General Fund	6,000	5,500	5,500
LID Payment Receipts	9,568	9,568	9,568
Debt Service Payments	<u>(29,312)</u>	<u>(27,875)</u>	<u>(26,438)</u>
	24,047	11,316	(6)
Interest @ 0.20%	<u>76</u>	<u>48</u>	<u>6</u>
Ending Balance	24,123	11,364	(0)

WEST VALLEY VIEW DEBT SERVICE FUND

Actual FY13	Actual FY14	Adopted FY15	REVENUE & OTHER RESOURCES	Proposed FY16	Approved FY16	Adopted FY16
<u>76,137</u>	<u>63,675</u>	<u>52,300</u>	FUND BALANCE - RESTRICTED	<u>37,800</u>	<u>37,800</u>	<u>37,800</u>
76,137	63,675	52,300	TOTAL FUND BALANCE	37,800	37,800	37,800
6,624	7,062	7,530	PRINCIPAL PAYMENTS	8,025	8,025	8,025
2,944	2,506	2,040	INTEREST PAYMENTS	1,550	1,550	1,550
-	-	-	LATE FEES	-	-	-
<u>9,568</u>	<u>9,568</u>	<u>9,570</u>	TOTAL ASSESSMENTS	<u>9,575</u>	<u>9,575</u>	<u>9,575</u>
<u>264</u>	<u>153</u>	<u>105</u>	INTEREST	<u>75</u>	<u>75</u>	<u>75</u>
264	153	105	TOTAL MISCELLANEOUS	75	75	75
6,350	6,450	6,450	TRANSFER IN FROM GENERAL FUND	6,000	6,000	6,000
<u>6,350</u>	<u>6,450</u>	<u>6,450</u>	TOTAL INTERFUND TRANSFERS	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>
92,319	79,846	68,425	TOTAL REVENUE & OTHER RESOURCES	53,450	53,450	53,450

WEST VALLEY VIEW DEBT SERVICE FUND

Actual FY13	Actual FY14	Adopted FY15	EXPENDITURES	Proposed FY16	Approved FY16	Adopted FY16
BOND & INTEREST PAYMENTS						
20,000	20,000	25,000	BOND SERIES '98 PRINCIPAL	25,000	25,000	25,000
8,050	6,900	5,750	BOND SERIES '98 INTEREST	4,325	4,325	4,325
<u>594</u>	<u>594</u>	<u>600</u>	BOND FEES	<u>-</u>	<u>-</u>	<u>-</u>
<u>28,644</u>	<u>27,494</u>	<u>31,350</u>	TOTAL DEBT SERVICE	<u>29,325</u>	<u>29,325</u>	<u>29,325</u>
28,644	27,494	31,350	TOTAL BOND & INTEREST PAYMENTS	29,325	29,325	29,325
NON-DEPARTMENTAL						
-	-	37,075	UNAPPROPRIATED ENDING FUND BALANCE	24,125	24,125	24,125
-	-	37,075	TOTAL UNAPPROPRIATED	24,125	24,125	24,125
-	-	37,075	TOTAL NON-DEPARTMENTAL	24,125	24,125	24,125
92,319	79,846	68,425	FUND REVENUE	53,450	53,450	53,450
28,644	27,494	68,425	FUND EXPENDITURES	53,450	53,450	53,450

**City of Talent
2015-16 Annual Budget**

CAPITAL IMPROVEMENT PROGRAM FUND

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

Merits of a CIP Fund:

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

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

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

What is Included in the CIP? - Projects included in the Capital Improvement Fund are generally over \$5,000 in cost and have a useful life of more than one year. A Capital Improvement Program (CIP) has been developed for all capital projects identified as important to be completed in the next five years. While the CIP identifies the projects, sets the priorities and assigns costs in today's dollars, the accounting mechanism to manage these projects is to establish a separate 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 FY2016.

It is possible that projects beyond FY2016 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:

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

A page has been included to indicate the projects proposed for FY2016 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, Town 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, the Town Hall in FY2013 and proposes a reserve for the Community Center as part of the FY2016 budget. Each reserve has been funded with \$2,500 each year except for FY2015 when no transfers were made. Transfers to each existing Building Reserve of \$5,000 are planned for FY2016 along with initial funding of \$2,500 for the Community Center. These reserves will be used for future capital repairs. Other General projects planned for FY2016 are:

- Community Center Furnishings and Fixtures
- Community Center Landscaping
- Town Hall Handicap Ramp

Park Improvements: Park Improvements projects planned for FY2016

- Chuck Roberts Park Heritage Trail

Street/Storm Improvements: Street Improvement projects planned for FY2016

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

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

Water Improvements: Water Improvement projects planned for FY2016

- North Front Street Improvements
- SCADA System upgrade

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 funds available to replace vehicles and equipment at the end of their useful life. The revenue sources for these reserve funds come from transfers from the General, Street and Water Funds.

Included in this report is a projected Fleet Replacement Schedule for the Police Department and Public Works Department. The Police Department purchased two vehicles in FY2015 using a three year lease option.

Vehicle Replacements: Vehicle replacements planned for FY2016

- Police Vehicle – Annual Lease Payment

TALENT PD FLEET

Veh #	Year	Make	License	VIN	Mileage (05-05-15)	Current Function	Planned Function	Date Purch	Cost	Notes
Active Fleet										
734	2008	Crown Vic	E245582	2FAHP71V58X151825	110141	Patrol	Patrol	05/06	32991	
735	2009	Crown Vic	E244377	2FAHP71V09X145271	84610	Patrol	Patrol	10/09	28481	
736	1999	Crown Vic	379GKD	2FAHP71W4xxx185267	114377	Unmarked	Travel/Det	09/09	Free	
737	2007	Crown Vic	E242205	2FAFP71W87X135102	127788	Patrol	Patrol	08/10	9500	
739	2003	Crown Vic	E222590	2FAFP71WX3X115668	124446	Chief	Chief	04/12	950	
742	2013	Ford Expl	E259066	1FM5K8AR9DGB63752	27515	Supervisor	Supervisor	12/12	39900	
743	2015	Ford Taurus	E263856	1FAHP2L82FG129116	1800	Patrol	Patrol	01/15	33791	
744	2015	Ford Expl	E263855	11FM5K8AR1FGB26357	1608	Patrol	Patrol	01/15	38453	
Inactive/Pending Disposal										
732	2006	Crown Vic		2FAFP71W36X132641		Parts	Parts	05006		Used as parts car 043015

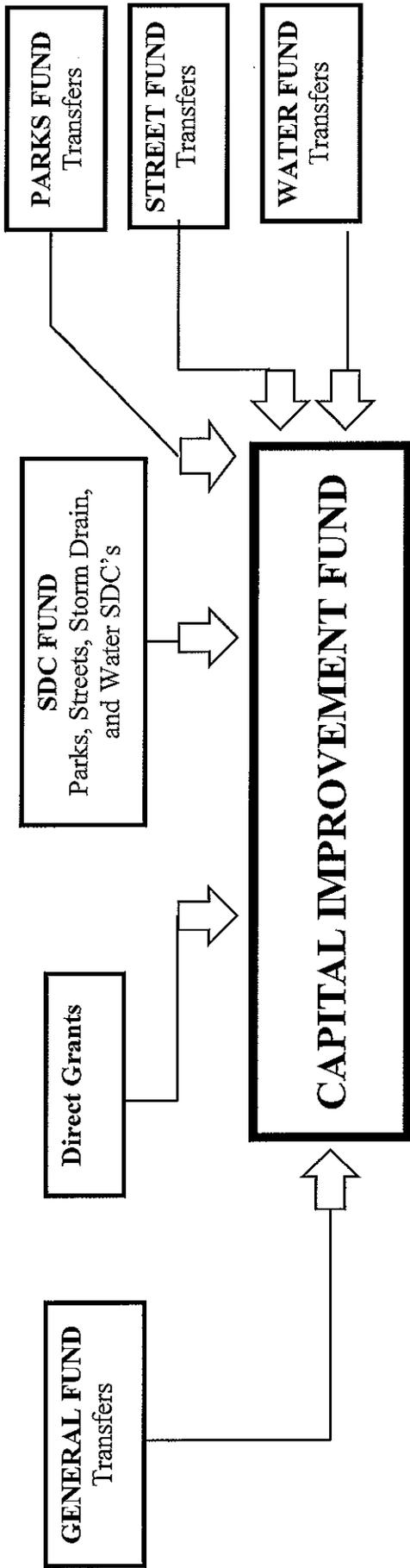
(@ End of FY)	732 Patrol	734 Patrol	735 Patrol	736 Detective	737 Patrol	739 Adm	742 Patrol	743 Patrol	744 Patrol
13/14									
14/15	Parts Car					Chief car		New Car	New Car
15/16									
16/17									Find new chief car
17/18									New car
18/19									
19/20									

CITY OF TALENT
PUBLIC WORKS DEPARTMENT
FLEET REPLACEMENT SCHEDULE

Vehicle Make/Year Driver	2005 Toy Tundra		2008 Ford F350 (4x4)		2013 Ford Escape		2003 Chevy 2500HD		2003 Ford Ranger		2004 Chevy 1500		2003 Ford DT		2006 F350 (2x4)	
	Milage/K	Life/Yr	Milage/K	Life/Yr	Milage/K	Life/Yr	Milage/K	Life/Yr	Milage/K	Life/Yr	Milage/K	Life/Yr	Milage/K	Life/Yr	Milage/K	Life/Yr
Previous	76	8	42	6	8	2	50	10	56	10	68	9	13	10	33	8
Current	79	9	45	7	9	3	54	11	59	11	73	10	14	11	36	9
2015/2016	88	10	54	8	17	4	61	12	Replace	11	81	11	16	12	45	10
2016/2017	97	11	62	9	25	5	67	13			89	12	17	13	53	11
2017/2018	106	12	71	10	33	6	74	14			97	13	19	14	62	12
2018/2019	115	13	79	11	41	7	80	15			105	14	20	15	70	13
2019/2020	124	14	88	12	49	8	87	16			Replace		22	16	79	14
2020/2021	133	15	96	13	57	9	93	17					23	17	87	15
2021/2022	142	16	105	14	65	10	Replace						25	18	96	16
2022/2023	Replace		113	15	73	11							26	19	Replace	
2023/2024			Replace		81	12							28	20		

Monitor all Vehicles for increasing maintenance issues

Revenue Sources



Program Categories

- Projects

- STREETS**
- Highway 99
 - N Front Street
 - Lithia Way
 - Rapp Road
 - Wagner Street
 - Town Hall Alley
 - Sidewalk Improvements

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

- WATER**
- N Front Street
 - SCADA System

- GENERAL GOVERNMENT**
- Software
 - Building Maintenance
 - Community Center
 - Town Hall

- PARKS**
- Heritage Trail

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

CAPITAL IMPROVEMENT PROJECTS FUND
FISCAL YEAR 2015-16

REVENUE SUMMARY
BY CATEGORY

Actual FY13	Actual FY14	Adopted FY15		Proposed FY16	Approved FY16	Adopted FY16
-	-	-	LICENSES, PERMITS & FEES	-	-	-
293,901	52,053	1,502,250	INTERGOVERNMENTAL	1,050,000	1,050,000	1,050,000
4,188	3,651	-	MISCELLANEOUS	-	-	-
590,837	816,093	270,900	INTERFUND TRANSFERS IN	292,500	292,500	292,500
<u>1,036,035</u>	<u>1,087,045</u>	<u>1,696,055</u>	FUND BALANCE	<u>1,838,510</u>	<u>1,838,510</u>	<u>1,838,510</u>
1,924,961	1,958,842	3,469,205	GRAND TOTAL REVENUE	3,181,010	3,181,010	3,181,010
590,837	816,093	270,900	Less Interfund Transfers In	292,500	292,500	292,500
1,334,124	1,142,749	3,198,305	NET TOTAL REVENUE	2,888,510	2,888,510	2,888,510

EXPENDITURE SUMMARY
BY CATEGORY

Actual FY13	Actual FY14	Adopted FY15		Proposed FY16	Approved FY16	Adopted FY16
-	-	-	PERSONNEL SERVICES	-	-	-
-	-	-	MATERIALS & SERVICES	-	-	-
81,917	73,645	100,450	CAPITAL OUTLAY	265,750	265,750	265,750
755,998	204,196	3,147,170	CAPITAL CONSTRUCTION	2,692,925	2,692,925	2,692,925
-	-	-	INTERFUND TRANSFERS OUT	-	-	-
-	-	221,585	RESERVES	222,335	222,335	222,335
-	-	-	CONTINGENCY	-	-	-
-	-	-	UNAPPROPRIATED END FUND BALANCE	-	-	-
<u>837,916</u>	<u>277,841</u>	<u>3,469,205</u>	GRAND TOTAL EXPENDITURES	<u>3,181,010</u>	<u>3,181,010</u>	<u>3,181,010</u>
-	-	-	Less Interfund Transfers Out	-	-	-
837,916	277,841	3,469,205	NET TOTAL EXPENSES	3,181,010	3,181,010	3,181,010

CAPITAL IMPROVEMENT PROJECTS FUND

Actual FY13	Actual FY14	Adopted FY15	REVENUE & OTHER RESOURCES	Proposed FY16	Approved FY16	Adopted FY16
FUND BALANCE						
1,036,035	952,042	1,685,055	FUND BALANCE - COMMITTED TO PROJECTS	1,799,560	1,799,560	1,799,560
-	1,253	1,370	FUND BALANCE UNALLOCATED GENERAL PROJECTS	1,650	1,650	1,650
-	10,179	325	FUND BALANCE UNALLOCATED PARKS PROJECTS	475	475	475
-	3,782	5,425	FUND BALANCE UNALLOCATED STREET PROJECTS	8,900	8,900	8,900
-	2,555	2,015	FUND BALANCE UNALLOCATED STORM DRAIN PROJECTS	23,275	23,275	23,275
-	117,234	1,865	FUND BALANCE UNALLOCATED WATER PROJECTS	4,650	4,650	4,650
1,036,035	1,087,045	1,696,055	TOTAL FUND BALANCE	1,838,510	1,838,510	1,838,510
INTERGOVERNMENTAL						
293,901	-	-	CDBG GRANT - HWY 99 WATERLINE REPLACE	-	-	-
-	52,053	1,450,000	CDBG GRANT - COMMUNITY CENTER	1,050,000	1,050,000	1,050,000
-	-	52,250	FROM TALENT URBAN RENEWAL AGENCY	-	-	-
293,901	52,053	1,502,250	TOTAL INTERGOVERNMENTAL	1,050,000	1,050,000	1,050,000
MISCELLANEOUS						
275	-	-	MISCELLANEOUS	-	-	-
3,913	3,651	-	INTEREST	-	-	-
4,188	3,651	-	TOTAL MISCELLANEOUS	-	-	-
TRANSFERS FROM OTHER FUNDS						
	75,000	25,000	GENERAL FUND TRANSFER-COMM CNTR CC454			
		7,250	GENERAL FUND TRANSFER-TOWN HALL HANDCP RAMP CC 459			
			GENERAL FUND TRANSFER-COMM CNTR FIXTURES CC460	6,000	6,000	6,000
			GENERAL FUND TRANSFER-COMM CNTR GROUNDS CC461	30,000	30,000	30,000
12,500	20,000	20,000	GENERAL FUND TRANSFER-POLICE VEHICLE RESERVE CC 905	20,000	20,000	20,000
2,500	2,500		GENERAL FUND TRANSFER-TOWN HALL REPR RESRV CC906	5,000	5,000	5,000
10,000	50,000	20,000	GENERAL FUND TRANSFER-FINANCE SOFTWARE CC 907			
571	-		GENERAL FUND TRANSFER-COMM DEV TECH RES CC 908			
2,500	2,500		GENERAL FUND TRANSFER-CITY HALL BLDG MAINT RES CC 909	5,000	5,000	5,000
2,500	2,500		GENERAL FUND TRANSFER-POLICE BLDG MAINT RES CC 910	5,000	5,000	5,000
			GENERAL FUND TRANSFER-COMM CNTR BLDG MAINT CC 911	2,500	2,500	2,500
	4,000		PARKS FUND TRANSFER-CR PARK SPLASHPAD CC 454			
10,000			PARKS FUND TRANSFER-PARKS LAND ACQ CC 802			
10,000		15,000	STREET FUND-SIDEWALK IMPROV CC 432	10,000	10,000	10,000
	85,233		STREET FUND-GIBSON CC 437			
83,600	36,500	60,000	STREET FUND-N FRONT STREET IMPROV CC 450	20,000	20,000	20,000
300,000	100,000		STREET FUND-HWY 99 STREET IMPROV CC 451			
	59,800	23,650	STREET FUND-LITHIA WAY IMPROVEMENTS CC 452	25,000	25,000	25,000
	103,550	25,000	STREET FUND-RAPP ROAD IMPROVEMENTS CC 453	25,000	25,000	25,000
		30,000	STREET FUND-SIDEWALK SECOND & SCHOOLHOUSE CC457	30,000	30,000	30,000
		45,000	STREET FUND-TOWN HALL ALLEY IMPROVE CC458	34,000	34,000	34,000
			STREET FUND-WAGNER STREET IMPROVEMENTS CC 462	25,000	25,000	25,000
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			
	13,000		WATER UTILITY FUND - GIBSON CC 437			
	36,560		WATER UTILITY FUND - N FRONT STREET IMPROV CC 450			
20,000	14,950		WATER UTILITY FUND - RADIO READ METERS CC 740			
			WATER UTILITY FUND - SCADA SYSTEM CC 743	50,000	50,000	50,000
	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	-	-	-
590,837	816,093	270,900	TOTAL INTERFUND TRANSFERS IN	292,500	292,500	292,500
1,924,961	1,958,842	3,469,205	TOTAL REVENUE & OTHER RESOURCES	3,181,010	3,181,010	3,181,010

**CAPITAL IMPROVEMENT PROJECTS FUND
EXPENDITURES**

Actual FY13	Actual FY14	Adopted FY15	CAPITAL CONSTRUCTION	Proposed FY16	Approved FY16	Adopted FY16
			GENERAL GOVERNMENT PROJECTS			
	73,542	1,550,000	COMMUNITY CENTER CC454	1,070,000	1,070,000	1,070,000
	-	14,500	TOWN HALL HANDICAP RAMP CC459	7,250	7,250	7,250
-	-	-	COMMUNITY CENTER FIXTURES CC460	6,325	6,325	6,325
-	-	-	COMMUNITY CENTER GROUNDS CC461	30,000	30,000	30,000
-	-	7,245	TOWN HALL REPAIR RESERVE CC 906	12,350	12,350	12,350
-	-	110,400	FINANCE SOFTWARE UPGRADE CC 907	110,725	110,725	110,725
-	-	6,680	COMM DEV TECHNOLOGY CC 908	6,700	6,700	6,700
-	-	10,060	CITY HALL BLDG MAINT RESERVE CC 909	15,100	15,100	15,100
-	-	10,060	POLICE DEPT BLDG MAINT RESERVE CC 910	15,100	15,100	15,100
-	-	-	COMMUNITY CENTER BLDG MAINT CC911	2,500	2,500	2,500
-	-	1,370	CIP UNALLOCATED GENERAL FUNDING CC 995	1,650	1,650	1,650
-	73,542	1,710,315	TOTAL GENERAL GOVERNMENT	1,277,700	1,277,700	1,277,700
			PARKS PROJECTS			
5,614	34,552	28,880	CHUCK ROBERTS PARK PARKING LOT CC 429			
	-	26,000	CHUCK ROBERTS PARK SPLASH PAD CC 455			
		15,000	HERITAGE TRAIL CC 456	15,000	15,000	15,000
-	-	56,845	PARKS LAND ACQUISITION CC 802	55,025	55,025	55,025
-	-	325	CIP UNALLOCATED PARK FUNDING CC 996	475	475	475
5,614	34,552	127,050	TOTAL PARKS	70,500	70,500	70,500
			TRANSPORTATION PROJECTS			
	1,925	15,000	MISC SIDEWALK IMPROVEMENTS CC 432	32,965	32,965	32,965
449,644	57,712	-	GIBSON IMPROV CC 437			
11,364	-	-	ARNOS STREET IMPROVEMENT CC 444	-	-	-
3,269	7,697	254,470	N FRONT STREET IMPROVEMENTS CC 450	274,395	274,395	274,395
		400,000	HWY 99 STREET IMPROVEMENTS CC 451	400,000	400,000	400,000
		160,600	LITHIA WAY IMPROVEMENTS CC 452	185,600	185,600	185,600
		128,550	RAPP ROAD IMPROVEMENTS CC 453	153,550	153,550	153,550
		30,000	SIDEWALK SECOND & SCHOOLHOUSE CC 457	59,260	59,260	59,260
		90,000	TOWN HALL ALLEY IMPROVEMENTS CC 458	79,000	79,000	79,000
		-	WAGNER STREET IMPROVEMENTS CC 462	25,000	25,000	25,000
-	-	5,425	CIP UNALLOCATED STREET FUNDING CC 997	8,900	8,900	8,900
464,277	67,334	1,084,045	TOTAL STREETS	1,218,670	1,218,670	1,218,670

**CAPITAL IMPROVEMENT PROJECTS FUND
EXPENDITURES**

Actual FY13	Actual FY14	Adopted FY15	CAPITAL CONSTRUCTION	Proposed FY16	Approved FY16	Adopted FY16
STORMWATER PROJECTS						
11,388	1,416	-	GIBSON STREET CC 437			
128	-	-	ARNOS STREET IMPROVEMENT CC 444			
282	678	27,584	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
-	-	2,015	CIP UNALLOCATED STORM DRAIN FUNDING CC 998	23,275	23,275	23,275
<u>11,798</u>	<u>2,094</u>	<u>75,849</u>	TOTAL STORMWATER	<u>97,109</u>	<u>97,109</u>	<u>97,109</u>
WATER PROJECTS						
		2,500	WATER UTILITY RATE STUDY CC 227			
161,331	20,872	-	GIBSON STREET CC 437			
110,521	-	-	HWY 99 WATER MAIN CC 442			
2,458	5,802	148,046	N FRONT STREET IMPROVEMENT CC 450	148,046	148,046	148,046
19,895	73,645	-	RADIO READ WATER METERS CC 740			
-	-	-	SCADA SYSTEM CC743	50,000	50,000	50,000
-	-	1,865	CIP UNALLOCATED WATER FUNDING CC 999	4,650	4,650	4,650
<u>294,205</u>	<u>100,319</u>	<u>152,411</u>	TOTAL WATER	<u>202,696</u>	<u>202,696</u>	<u>202,696</u>
VEHICLES & EQUIPMENT						
22,010	-	57,950	PW EQUIPMENT RESERVE CC 904	58,150	58,150	58,150
40,012	-	40,000	POLICE VEHICLE RESERVE CC 905	33,850	33,850	33,850
<u>62,022</u>	<u>-</u>	<u>97,950</u>	TOTAL EQUIPMENT	<u>92,000</u>	<u>92,000</u>	<u>92,000</u>
-	-	221,585	RESERVE FOR FUTURE RESERVOIR CC 801	222,335	222,335	222,335
-	-	221,585	TOTAL RESERVES	222,335	222,335	222,335
1,924,961	1,958,842	3,469,205	FUND REVENUE	3,181,010	3,181,010	3,181,010
837,916	277,841	3,469,205	FUND EXPENDITURES	3,181,010	3,181,010	3,181,010

**City of Talent
2015-16 Annual Budget**

Community Profile

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

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

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

Talent is just off Interstate 5, seven miles south of Medford and four miles north of Ashland, in Jackson County. The July 2014 census figure from Portland State University is 6,230. The mean elevation is 1,635'. Average temperatures vary from a low of 28 to a high of 46 degrees in winter, with morning fog and occasional snow. Summer temperatures average from a low of 51 to an average high of 87 degrees. Normal annual precipitation is 19 inches.

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

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

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

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

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

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

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

The Rogue Valley Sewer Services (RVS) provides regional sanitary sewer service, including Talent. In addition, the City has a partnership with RVS to provide storm water management services. Jackson County Fire District No. 5 provides fire and emergency medical services to the city and surrounding area. The Fire District is a separate taxing district. The Talent Irrigation District has offices located in Talent, and provides water for nearby agricultural irrigation, as well as for some urban irrigation purposes within the city limits. This district is

also separate from city government. With the residential use of TID for irrigation purposes there is a real risk of cross contamination with City water. The City will continue to work to eliminate this risk by working with residents and businesses to comply with City regulations relating to this.

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

The City has seven developed parks with the improvements to Wagner Creek Park and 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. The sand volley ball court was completed at Chuck Roberts Park in 2014 and the splash pad is scheduled to open in June 2015.

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

**City of Talent
2015-16 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:

2014	6230
2013	6170
2012	6115
2011	6095
2010 (Official Census)	6066
2009	6680
2008	6635
2007	6525
2006	6415
2005	6255
2004	5890
2003	5705
2002	5520
2000 (Official Census)	5589
1999	5065
1998	5050
1997	5010
1996	4765
1995	4530
1994	4205
1993	4010
1992	3830
1991	3625
1990 (Official Census)	3274
1980 (Official Census)	2577
1970	1389
1960	868
1950	739
1940	381
1930	421
1920	278

POPULATION INCREASE:

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

AGE COMPOSITION:

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

MEDIAN AGE:

2010	38.4
2000	34.3
1990	37.3
1980	31.1
1970	30.3

CLIMATE:

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

EDUCATION:

(Phoenix/Talent public school district)	
Number of Attendance Centers	5 (+ 1 Charter)
Student/Teacher Ratio	25:1
Total Enrollment	2,683

FIRE PROTECTION:

(Jackson County Fire District No. 5)	
Number of Stations	1
Number of Firefighters	28
Number of Volunteers	40

POLICE PROTECTION:

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

RECREATION AND CULTURE:

Number of Parks - including Dog Park	11
Number of Museums	1
Number of Libraries	1

HOUSEHOLD INCOME: (2010)

Median Household Income	\$35,347
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ELECTIONS:

Registered Voters	3,444
Number of Votes Cast in Last City Election	1,307
Percentage Voting in Last General Election	37.95%

ASSESSED PROPERTY VALUATION:

(in thousands of dollars)	
2014	355,422
2013	337,983
2012	324,594
2011	321,697
2010	311,618
2009	303,929
2008	294,037
2007	280,088
2006	264,365
2005	242,726
2004	216,186
2003	200,548
2002	190,482
2001	169,849
2000	164,958

TAXES:

Sales Tax	None
Consolidated Property Tax Rate (per \$1,000 assessed value)	\$16.97

HOUSING UNITS:

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

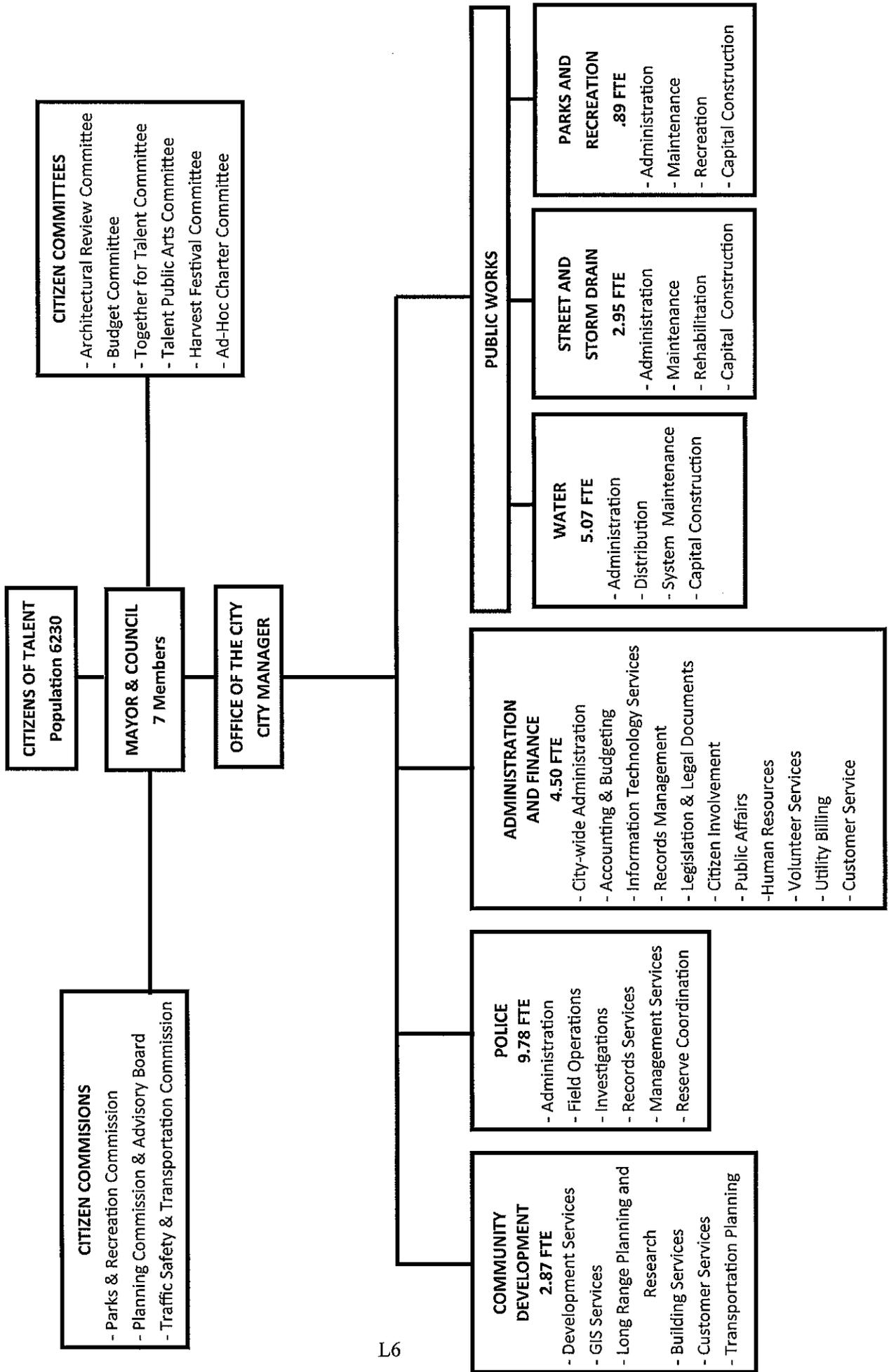
HOUSING:

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 2015-16 Proposed Budget**



Oregon's Property Tax System Measure 5 and 50

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

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

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

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

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

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

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

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

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

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

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

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

The governmental tax rate cap established for the City of Talent after Measure 50 was passed is set at \$3.2316. The actual rate used for 2014/2015 was \$2.7281

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 2013-2014 AND 2014-2015

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		
LIBRARY							
Soil/Wtr District	0.0425		0.0425	0.0425	0.0425		
TOTAL	9.6389	0.3598	1.3183	10.9572	11.317		

GOVERNMENT 2014-2015				CAP*		TOTAL	
TAX	BOND	S. LEVY	TOTAL	TOTAL	RATE		
City	0.2113		2.7281	2.7281	2.9394		
County	0.1507		1.7391	1.7391	1.8898		
UR		1.2845	2.3943	3.6788	3.6788		
COUNTY UR	0.0000		0.0000	0.0000	0.0000		
FD #5	2.6989		2.6989	2.6989	2.6989		
RVTD	0.1496		0.1496	0.1496	0.1496		
VECTOR	0.0363		0.0363	0.0363	0.0363		
LIBRARY	0.4390		0.4390	0.4390	0.4390		
Soil/Wtr District	0.0423		0.0423	0.0423	0.0423		
TOTAL	10.2276	0.3620	1.2845	11.5121	11.8741		

SCHOOL 2013-2014				CAP*		TOTAL	
RATE	BONDS	TOTAL	RATE	TOTAL	RATE		
TSD	0.7365	3.6022	4.3387				
RCC	0.436	0.1124	0.5479				
ESD	0.299	0.2993	0.2993				
TOTAL	0.8489	4.337	5.1859				

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

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

Total Tax Rate
 Total Government + School 2013-2014 16.5029
 Total Government + School 2014-2015 16.9714

2015-16 Annual Budget

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Ordinance: A formal legislative enactment by the City Council.

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

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

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

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

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

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

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

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

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

Supplemental Budget: Prepared to meet unexpected needs or to spend revenues not anticipated at the time the regular budget was adopted. The supplemental budget cannot be used to authorize a tax.

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

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

Unappropriated Ending Fund Balance: Amount set aside in the budget to be used as a cash carryover to the next year's budget. This amount cannot be legally used.

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