



AGENDA

MOLALLA BUDGET COMMITTEE MEETING
May 28, 2020 6:30 PM
Molalla Adult Center
315 Kennel Ave., Molalla, OR 97038

Budget Officer: Dan Huff

*Member Keith Swigart
Member Leota Childress
Member Elizabeth Klein
Member DeLise Palumbo
Member Jody Newland
Member Terry Shankle
Member Crystal Robles*

*Member Rory Cramer
Member Glen Boreth
Member Michelle Carter
Member Christi Burns
Member Robert Thompson
Member Vacancy I
Member Vacancy II*

MEETING NOTICE: Due to health concerns of COVID-19, this City Council Meeting will be held in accordance to Governor Brown's Executive Order 20-25. Council Chambers is limited to 25 people. The meeting will be live-streamed via Facebook "Molalla City Council Meetings – LIVE".

Public comment will be taken in person, in written and Facebook live format. Written comments received by 5pm on May 27, 2020 will be read during the public comment section of the meeting on May 28, 2020. Comments on Facebook Live will be taken during the public comment section of the meeting on May 28, 2020. Comments, in person, written and Facebook Live will be subject to a three-minute limit per community member. To schedule public comment, please provide your name, phone number, and address with the city via phone message at 503-829-6855 ext. 228, or email to budgetcommitteecomments@cityofmolalla.com.

1. CALL TO ORDER

2. ROLL CALL

3. PRESENTATIONS, PROCLAMATIONS, AND CEREMONIES

- A. Elections of Budget Committee Chair and Vice-Chair

4. CONSENT AGENDA

5. BUDGET MESSAGE PRESENTATION

- A. Presentation by Budget Officer

6. PUBLIC HEARING

- A. Fiscal Year 2020-2021 State Revenue Sharing

7. PUBLIC COMMENT ON FISCAL YEAR BUDGET

(Citizens are allowed up to 3 minutes to present information relevant to the City but not listed as an item on the agenda. Prior to speaking, citizens shall complete a comment form and deliver it to the City Recorder. Members do not generally engage in dialog with those making comments but may refer the issue to the Budget Officer. Complaints shall first be addressed at the department level prior to addressing the City Council.)

8. REVIEW AND DELIBERATION ON FISCAL YEAR BUDGET

- A. Proposed Budget FY 20-21 (Document)
B. Department Presentation of Budget
- General – Finance Director
 - Library – Library Director

- Planning – Planning Director
- Police – Police Chief
- Public Works – Public Works Director

9. POSSIBLE BUDGET COMMITTEE MOTION

- A. Confirm meeting date for continued deliberations (if necessary)
- B. Move to accept the proposed budget (or as amended) and recommend its adoption to the City Council
- C. Move to approve a rate of ad valorem property taxes to be certified for collection. (City of Molalla's current rate is \$5.0358)

10. CONTINUE/ADJOURN MEETING

City of Molalla, Oregon & Molalla Urban Renewal Agency



Proposed Budget FY 2020-2021



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of Molalla

Oregon

For the Fiscal Year Beginning

July 1, 2019

Christopher P. Morill

Executive Director

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READERS GUIDE





Budget Committee

FY 2020-2020

City Council Members:

Keith Swigart, *Mayor*

Leota Childress, *Council President*

Elizabeth Klein

Jody Newland

DeLise Palumbo

Crystal Robles

Terry Shankle

Citizen Members:

Glen Boreth

Christie Burns

Michelle Carter

Rory Cramer

Robert Thompson

Vacant 1

Vacant 2

Staff:

Dan Huff, City Manager

Chaunee Seifried, Finance Director

Cindy Chauran, Senior Accountant

Christie DeSantis, City Recorder

Frank Schoenfeld, Chief of Police

Gerald Fisher, Public Works Director

Diana Hadley, Library Director

Alice Cannon, Planning Director



City of Molalla – Administration Office
117 N Molalla Avenue | PO Box 248 | Molalla, Oregon 97038
Phone: (503) 829-6855 Fax: (503) 829-3676

May 1, 2020

Honorable Mayor Keith Swigert
City Councilors
Budget Committee Members
Citizens of the City of Molalla

RE: 2020-2021 Budget Transmittal Message

I am pleased to present the proposed 2020-2021 Budget for the City of Molalla. This Budget is balanced, sustainable, with a focus on City Council visioning and goals. However, we maintain a level of concern regarding COVID-19 and future revenue. Based on projections and our conservative approach we developed this Budget on our “Best Practice” financial policies with a caveat that we may need to adjust as time moves forward.

Our efforts to improve fiscal management and community service provision are present throughout this Budget. Each Department has touched on aspects of the City of Molalla visioning and goal setting process that will shape Molalla’s future. As part of this process, we will need to examine staffing and workload issues much the same as we have over the past few years. As we do more and expect more, there is an effect on our ability to continue to address basic service provision and infrastructure. We may, however, experience a slight reduction in service provision if revenue, due to COVID-19 shut down, declines. The proposed Budget accomplishes some of our identified new tasks and general service provision to the Community with a look in the future.

Sustainable Budget

For the past 7-years we have taken a conservative approach in our budget process and that perspective continues to be our focus in each fund we manage. This past year we adopted new financial policies that fall under the Government Finance Officers “Best Practice” program to further our commitment to good financial practices. We have found an ability to provide a little more in areas that meet community needs with this conservative approach.

Currently, we do not have budgeting shortfalls due to self-imposed expenditure limits and the conservative approach we all practice. This type of approach is applied in each fund and in each five-year plan capital projects are allocated for operations, maintenance and reserves for present and future. Department Heads embrace this process and it leads to a healthy budget process.

	2017-18 ACTUAL	2018-19 ACTUAL	2019-20 BUDGET	2020-21 PROPOSED	Variance	% change
GENERAL FUND						
Admin	983,072	841,714	1,986,700	2,722,000	35,300	2%
Police	2,452,748	2,743,244	3,116,785	3,368,600	251,815	8%
Court	164,941	172,535	201,050	239,650	38,600	19%
City Council	23,731	67,542	47,000	63,700	16,700	36%
Parks	163,477	187,891	216,652	200,650	-16,002	-7%
Planning	111,934	140,162	312,750	351,400	38,650	12%
TOTAL GENERAL FUND	3,899,903	4,153,089	5,880,937	6,946,000	365,063	6%
SPECIAL REVENUE						
Library	779,623	840,473	3,511,100	3615600	104,500	3%
Street	717,519	971,500	6,597,152	6,676,216	79,064	1%
PD Restricted	82,146	74,025	97,751	77,284	-20,467	-21%
TOTAL SPECIAL REVENUE	1,579,288	1,885,998	10,206,003	10,369,100	163,097	2%
CAPITAL PROJECT						
Capital Projects	740,988	1,891,289	10,828,853	10,153,588	-675,265	-6%
Fleet Replacement	0	22,154	269,750	444,420	174,670	65%
TOTAL CAPITAL PROJECTS	740,988	1,913,443	11,098,603	10,598,008	-500,595	-5%
DEBT SERVICE						
Bonded Debt	31,050	64,964	0	0	0	0%
Sewer Debt Retirement	314,800	315,600	632,000	631,600	-400	0%
Water Debt Retirement	345,200	0	0	0	0	0%
CWSRF Debt Retirement	186,690	186,018	369,946	388,506	18,560	5%
TOTAL DEBT SERVICE	877,740	566,582	1,001,946	1,020,106	18,160	2%
SDC FUNDS						
Street SDC's	52,814	265,682	851,908	657,488	-194,420	-23%
Park SDC's	125,736	126,929	2,360,159	2,322,317	-37,842	-2%
Sewer SDC's	375,431	344,434	827,682	168,444	-659,238	-80%
Water SDC's	12,251	324,215	2,095,222	583,560	-1,511,662	-72%
Stormwater SDC's	4,626	60,000	134,624	103,474	-31,150	-23%
TOTAL SDC FUNDS	570,858	1,121,260	6,269,595	3,835,283	-2,434,312	-39%
ENTERPRISE						
Sewer	2,697,463	2,913,759	3,518,584	5,016,061	1,497,477	43%
Water	1,185,578	1,288,513	4,157,752	4,526,864	369,112	9%
Stormwater	207,345	303,481	408,345	378,462	-29,883	-7%
TOTAL ENTERPRISE	4,090,386	4,505,753	8,084,681	9,921,387	1,836,706	23%
Total City of Molalla	11,759,163	14,146,125	42,541,765	41,989,884	-551,881	-1%
URBAN RENEWAL	250,121	327,656	1,441,500	4,500,000	3,058,500	212%
TOTAL ALL FUNDS	12,009,284	14,473,781	43,983,265	47,189,884	2,506,619	6%

Public Works – Last fiscal year we added a Project Manager position in Public Works. Due to space accommodation issues we did not fill the position. Once our space issues are solved this fiscal year we will be filling that position in order to accommodate our growing large project list.

Wastewater – Council and Staff continue to work toward planned construction of a new Wastewater Treatment Plant. To date we are on track for financing and should begin design July 2020.

Street Capital – Toliver Road/Highway 213 intersection is currently under design through ODOT. We have secured an ODOT loan to contribute the City’s portion of that project. We have identified the 2.5 million loan package within street capital. We look forward to the partnership that is developing with ODOT and in order to bring this much needed project to the community.

Police Department – The Police Department is requesting one additional officer position. One additional officer on the road will provide an increased safety component for both the officers and the community that in turn will help us provide minimum staffing levels and reduce overtime needs. We continue working towards opportunities to begin the process of constructing a new Police Facility that will serve Molalla for years to come.

Administration – The City of Molalla as an agency has experienced a number of needed growth components in all departments to better serve our community. One component of that growth that we need to stay in compliance with is our Human Resource service to our own employees. We currently provide these services through Finance and to some level the City Manager’s Office. Within this budget we are proposing an additional mid-level staff person to help manage our growing Human Resources needs. This position is predominantly internal and will provide support to Department Heads and general employees alike. This position will be carefully planned to coincide with space and revenue availability.

The other increase is a purchase of a new server for our Caselle financial package. We have outgrown our current server as an agency. Our Caselle financial package runs all levels of finance throughout the City.

Parks

Within our Parks System we continue to find creative ways to make improvements and provide the high level of maintenance our community deserves. However, we have a general lack of funding for new/replacement equipment. One area that has been proposed by Staff is creation of a reserve fund that we can place funding into on an annual basis. This fund can also accept community donations or grant for future equipment purchases. Staff is proposing that we seed this fund with \$5,000.00 for fiscal year 2020 – 2021. We will continue to pursue a Parks Master Plan update, Greenway acquisitions and creative ways to improve our Park System.

Property Tax-General Overview

Property Tax revenues (\$3,333,000) are up an estimated 4% amounting to \$133,000 in additional General Fund revenue. Our overall budget has increased from \$ 43,983,265 to \$ 46,572,884 within the Proposed Budget. Personnel Services are up 5.1% and Material and Services are up 12.7% mainly due to the increases of two FTE. The balance of our budgetary increases can be identified in the ODOT transfer, transfers for Capital Outlay and various service increases.

Again, we have continued to present a conservative budget proposal in order to maintain our strong budget position within the 17 individual funds we manage. Our ability to increase and address our service provision to the community is reflected in our budgeting endeavors. We continue to operate conservatively and that has created a positive result in our increasing ability to address service provision, staffing levels, infrastructure upgrades and maintenance.

Throughout the City Council Visioning and Goal Setting processes, we understand that moving forward with infrastructure, safety and livability are aspects of Molalla that we need to address and not waiver from. Staff has made every effort to highlight that perspective throughout the budget document.

Look Ahead

- Water Master Plan completion
- Water and sewer line replacement on Patrol Street
- Main Street/Molalla Avenue Signalization
- Wastewater Treatment Plant funding and design
- Finalization of the Economic Development Plan
- Main Street bike/ped path
- Toliver Road/Highway 213 round-a-bout
- Visioning implementation
- Future Police Station coordination and planning
- Greenspace planning
- COVID-19 Recovery

Sustainable Staff

We have stated for a few years now that part of the equation in our ability to produce service is maintenance of our staffing levels. We continue to embrace the concept of doing as much as we can with the level of resources available and examine efficiencies as well as deficiencies. We have and continue to raise not only the staffing levels but the expertise of our staff. We need to continue maintaining and attracting quality people if we are going to continue our forward trek.

Five-Year Financial Forecast

The Budget Committee will recall that our long-term financial forecasts and analysis to identifies future financial challenges and opportunities, and then identifies strategies to secure financial sustainability in consideration of those challenges and opportunities. Our five-year forecast has been the cornerstone of our budget preparation process. Based on pre-COVID-19 our position has not changed. However, in looking for balance we sometimes compromise between services we provide as local government and the cost burden supported by the community. We will need to keep a close eye on revenue streams throughout the 2020-2021 Fiscal Year.

We provide information in our annual 5-year capital improvement plans within the budget document. We also have focused on master planning and projections in order to plan better for future year decision making. Based on our audit information and our projections for staffing, capital costs and infrastructure and service provision we believe our five-year forecast is positive.

Your role as the Budget Committee is to approve the total allocations within each of your 17 funds. One thing to remember is that “not spending” can create as much damage as spending too much. It is important for the Budget Committee to consider that we have a participatory process established in our local government and the budget process is one of your opportunities to weigh-in. The budgeting program works better when the community is active and hears about the proposed budget. Thank you again for participating as a Budget Committee member.

Although Molalla is healthy, we understand that the list of unmet needs is large and this Budget does not address all of the community’s needs. However, this budget is balanced and in compliance with Oregon Budget Law. We are in the position today because of the hard work of a few and we can address some of the needs that exist in our community. Molalla continues to move in the right direction.

Again, we would like to thank and compliment everyone involved in the Budget Committee and the budget process for the 2020-21 fiscal year. I would especially like to thank the many Staff members responsible for preparation of this proposed budget. Specifically, I would like to commend the Finance Department who works hard annually at raising the bar in our budget process and has done so again. As always, good things are happening in Molalla and we are appreciative that we are here making things happen and getting things done.

Sincerely,



Dan Huff
City Manager, Budget Officer, and Urban Renewal Director
City of Molalla

About Molalla

History

Molalla was incorporated in 1913. That year became a year of “firsts” for Molalla. It welcomed the first steam train, the first Molalla Buckeroo Rodeo, the first bank, the first locally published weekly newspaper, and the incorporation of the City. Over time, timber production became the community’s largest commodity. At one point, five saw mills were present. Molalla was a true timber town. Timber remained the mainstay of the community’s economy until the 1980s.



Prior to the first settlers arriving, the area was populated by the Molalla Indians. Descendants of the Molalla’s are now part of the Confederated Tribes of Grande Ronde. However, their presence and heritage exists today throughout our community. Efforts of the City of Molalla, Molalla River School District and non-profits have worked hard to bring healing and a more prominent Tribal presence back to the Molalla area.

Seeking fertile soils, ample water and rich grasses, pioneers were attracted to the Willamette Valley and Molalla. The community grew around the crossing of two Indian trails. William Russell filed the first land claim in the area in 1840. In 1850, a post office opened and the community began growing. By 1856, the first schools opened and the town had become a thriving timber, agricultural, and trade center. The year 1857 brought the first general store.

Today, Molalla is a community of 9,885 residents where citizens, business, and City government work together to ensure the community retains its hometown identity, livability, and natural beauty. Molalla’s rich past and beautiful setting is still reflected today in our commitment to our quality of life.

Location

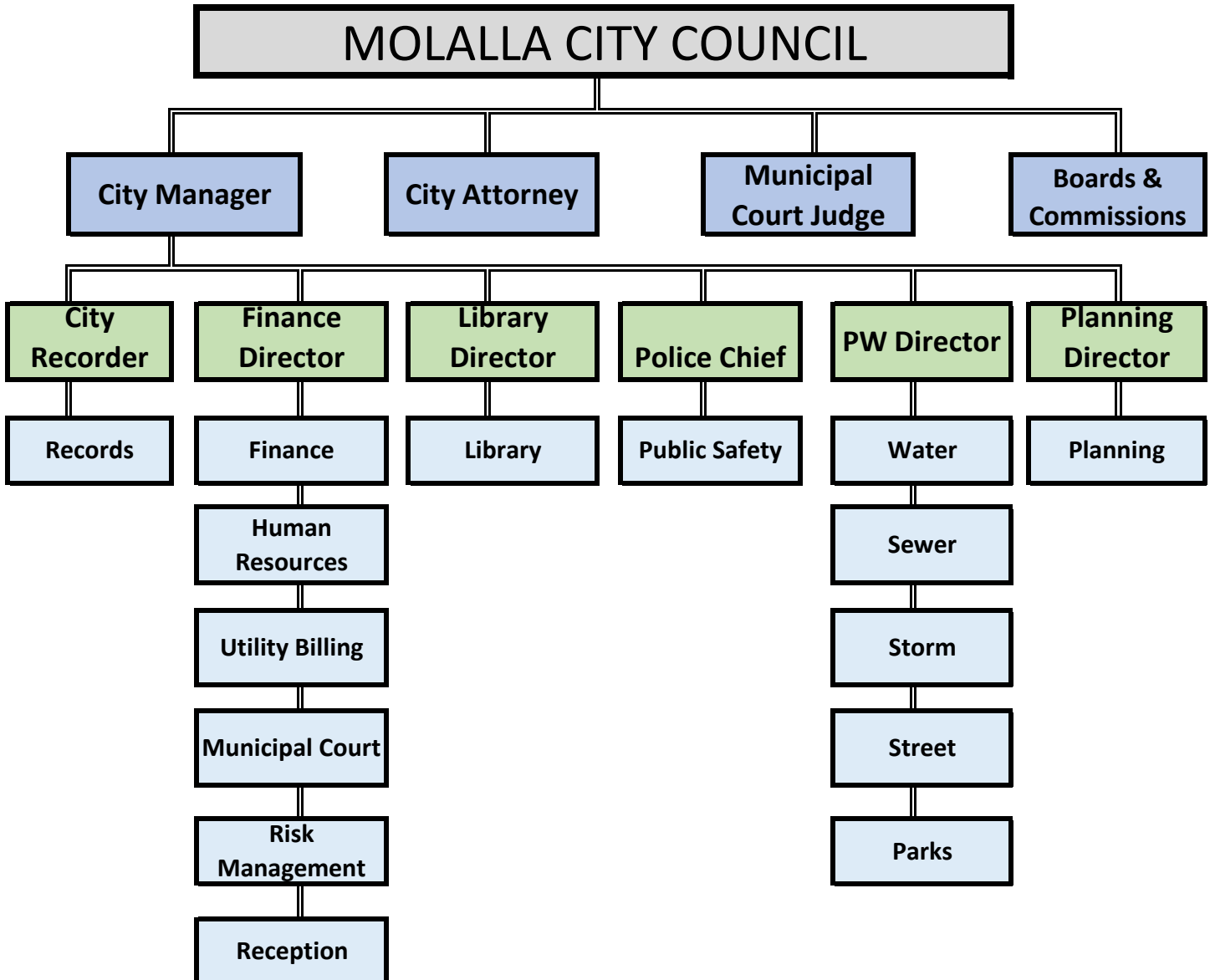
Molalla is part of the Mt. Hood Territory located at the foothills of the Cascade Range, near the Mount Hood National Forest, 15 miles south of Oregon City, and 13 miles east of Interstate 5. The City of Molalla is surrounded by the Molalla River Corridor, rich agriculture, ranches, and rural residential development.

City of Molalla Government

The City of Molalla maintains all authority granted to municipal corporations under Oregon State Statute, including the authority to issue debt, levy taxes on real property within its boundaries; and extend its corporate city limits by annexation.

The City provides a full range of services: law enforcement; public library; street operation and maintenance; parks; treatment and distribution of municipal water; collection and treatment of wastewater; storm water collection; current and long-range planning; finance and administration; urban renewal district and enterprise zone.

City of Molalla
Organizational Chart



Budget Calendar

The process followed in the preparation of this budget complies with the Local Budget Law established by the State of Oregon (ORS Chapter 294). The process and calendar of event leading up to the adoption of this budget are as follows.

January 08	Appoint Budget Officer by Resolution (ORS.294.331)
January	Budget worksheets delivered to departments.
March 16	Department Heads submit final proposed budgets to Budget Officer.
April	Budget 101 Presentation (if needed)
April 8	Budget Officer/Finance - Final Budget Worksheets.
May 20	Publish Notice of 1 st Budget Meeting (ORS.291.401) to include Shared Revenue hearing and Public Comment. Post on Website.
May 28	Budget Committee Meeting #1 (Thursday) Additional Budget Committee Meetings (if needed)
June 17	Budget Committee approves and forwards to City Council (ORS.406)
June 24	Publish Notice of Budget LB/UR Forms (ORS.294.421)
July 15	Budget Hearing before City Council (ORS 294.430) Submit tax certification document to County Assessor (ORS 294.555)

TO ALL: Budget committee has openings for the citizen committee. If interested please contact the City Recorder.



Budgeting in the City of Molalla

The City of Molalla prepares and adopts a budget in accordance with its city charter and ORS 294.305 through 294.565. The budget is presented in fund and department categories. Over-expenditures in any category are prohibited and unexpended budget appropriations lapse at the fiscal year's end.

Under the city's expenditure limitation, total expenditures cannot exceed the final appropriation once the budget is adopted. The budget can only be amended during the fiscal year through adoption of a supplemental budget. Supplemental budgets over 10% are adopted through the same process used for the regular budget, including the public hearings, and shall not extend beyond the end of the fiscal year during which they are submitted.

Supplemental budgets cannot be used to authorize a tax levy. Typically, the city has enough flexibility to carry out the programs prescribed in its adopted budget. During times when an adopted budget has no authority to make certain expenditures or when revenues are received for which the city had no prior knowledge, it is possible to use a supplemental budget in the current fiscal year.

City of Molalla Budget Committee

The Molalla Budget Committee consists of the city council plus an equal number of citizen members approved and appointed by the city council. State law, ORS 294.336, mandates a budget committee for all Oregon local governments.

Budgeting in the State of Oregon

Chapter 294.311 paragraph 5 of Oregon State Law defines a budget as:

A plan of financial operation embodying an estimate of expenditures for a given period or purpose and the proposed means of financing the estimated expenditures.

Local Budget Law

Local budget law for local government is set out in ORS 294.305 to 294.565. Chapter 294.321 defines the six major purposes of local budget law:

1. To establish standard procedures for preparation, presentation, administration, and appraisal of municipal corporations;
2. To provide a brief description of the programs of a municipal corporation and the fiscal policy which is to accomplish these programs;
3. To provide for estimation of revenues, expenditures and proposed taxes;
4. To provide specific methods for obtaining public views in the preparation of fiscal policy;
5. To provide for the control of revenues, and expenditures for the promotion of efficiency

and economy in the expenditure of public funds;

6. To enable the public, taxpayers and investors to be apprised of the financial policies and administration of the municipal corporation in which they are interested.

Local governments in Oregon operate on a fiscal year which begins July 1st and ends the following June

30th. Budgeting requires local governments to evaluate plans and priorities with regard to the financial resources available to meet those needs. In Oregon, a budget is necessary to justify the need for a given tax rate and amount of property taxes.

Basis of Accounting

All funds are budgeted using the modified accrual basis of accounting in accordance with budgetary

accounting practices. Subsection 24 of ORS Chapter 294.311 defines the modified accrual basis of accounting as:

"...Under this basis of accounting, revenues and other financial resource increments, such as bond proceeds, are recognized when they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures in the current period.

(b) As used in this subsection, "available" means collectable in the current period or soon enough thereafter to be used to pay liabilities of the current period. Under this basis of accounting, expenditures are recognized when the fund liability is incurred except for:

(A) Inventories of material and supplies that may be considered expenditures either when purchased or when used; and

(B) Prepaid insurance and similar items that may be considered expenditures either when paid for or when consumed.

This means revenues are recognized when they become measurable and available.

"Measurable" means the dollar value of the revenue is known. "Available" means it is collectible within the current period, or soon enough after the end of the current period, to pay off liabilities of the current period. Significant revenues are considered to be measurable and available under the modified accrual basis of accounting are property taxes and franchise fees. Expenditures are recognized when the liability is incurred, except for interest on general long-term obligations which is recorded when due.

Basis of Budgeting

All of the funds are budgeted using the modified accrual basis of accounting practices. In modified accrual, revenues are recognized when they become measurable and available.

"Measurable" means that the dollar value of the revenue is known. "Available" means it is collectible within the current period, or soon enough after the end of the current period, to pay off liabilities of the current period.

Significant revenues that are considered to be measurable and available under the modified

accrual basis of accounting are property taxes, franchise fees, and assessment lien installments received within approximately 60 days of the end of the fiscal year. Expenditures are recognized when the liability is incurred, except for interest on general long-term obligations which is recorded when due.

Budgetary goals:



Budget Contingency Plan

The purpose of the Budget Contingency Plan is to establish a guideline and general approach to respond to adverse financial and economic conditions which could negatively impact the City of Molalla’s fiscal health. The plan establishes a foundation of principles and goals upon which budgetary decisions will be based. The plan will create a proactive systematic response to adverse fiscal conditions, as opposed to reactionary decision-making that could have long-term negative impacts to the organization. While the plan is primarily focused on the General Fund, it also applies to all City funds as fiscal constraints are presented in these funds as well.

Principles & Goals

The guiding principles behind the plan include the continued ability to achieve the City’s mission to protect and enhance our community’s quality of life for present and future generations. It is achieved through careful planning, fiscal responsibility, and continuous improvement. In addition, the City will strive to continue providing a balance of services within its fiscal ability.

The primary goals of the plan are as follows:

- Maintain a balanced budget—primarily the General Fund
- Preserve the City’s core services
- Retain the City’s organizational infrastructure and ensure that appropriate internal review functions remain in force

Plan Trigger

Implementation of this plan will be predicated on one or more of the “triggers” outlined below:

1. Any adverse fiscal circumstances as determined by the City Manager, such as:
 - Natural or human-made disasters
 - Large, unexpected costs

- Economic downturns
2. Whenever there are two consecutive quarters of adverse fiscal results in the top four revenues. Adverse results may include actual declines in revenues and/or significant variances from projected revenues. The top four revenues include:
 - Property Tax
 - Utility User Fee
 - Franchise Fee
 - County Funds

Declines in revenues will be analyzed in conjunction with expenditure trends in order to consider the net impact to fund balance. To the extent expenditure savings offset declines in revenue, reduction measures will not be implemented.

KEY ELEMENTS

There are four key elements to this plan:

1. Utilize Reserve Funds

Depending on the type of fiscal constraint, it may be more prudent to utilize a portion of reserve funds, rather than affect the operations of the City. In the following example, reserve funds would be utilized up to the level of availability:

- A. Natural or human made disasters—In the event Emergency Reserves are utilized, the City will strive to maintain the desired operating reserve.

2. Provide ongoing Monitoring of City's Fiscal Health

In an effort to keep Council, employees, and the community apprised of the City's fiscal situation, the Finance Director will provide ongoing analysis, reporting and monitoring on a quarterly basis or more frequently if the need arises. In addition, the Council will be presented with the City's audited financial statements in accordance with generally accepted accounting principles on an annual basis.

3. Assess the Type of Fiscal Challenge

The type of duration of the fiscal impact will determine how best to respond to the situation. Different challenges call for different strategies.

- A. One-Time Events: One-time event that is not likely to continue indefinitely. "One-time" fixes are an appropriate response for "one-time" problems. Examples of "one-time" fixes include the use of inter-fund transfer or borrowing of funds, deferred funding, or replacement equipment for delays in capital projects.
- B. Ongoing Challenges: Ongoing downturn in revenues or ongoing increases in costs. In the case of ongoing challenges, "one-time" fixes will not be sustainable. A structural imbalance requires new ongoing revenues or ongoing expenditure reductions.

4. Identify Options

In the long-term, there are only two basic budget-balancing options:

- A. Increase Revenue
- B. Reduce Expenditure (and related service levels) in the short-term. Use of fund balances is an option, but it is not a viable long-term solution. An exception is the strategic use of fund balances that reduces future year operating costs or increases ongoing revenues.

General Strategy

Department Heads are responsible for crafting expenditure reduction options that:

1. Are realistic and ongoing
2. Reflect the least service impacts to the community
3. Are within the City's ability to do independently – no speculative reductions contingent upon actions by others
4. Can be implemented within three months after adoption
5. Maintain essential facilities, infrastructure, and equipment at reasonable levels
6. Reflect participation from throughout the organization

Key Principles in Preparing Operating Expenditure Reduction Measures

1. Reduction measures will be based on service priorities
 - A. Reallocating existing staff resources, when possible, to provide flexibility in meeting service demands while mitigating the need for lay-offs.
2. Any service reductions will be balanced and ensure that highest priority services are retained
 - A. Focus will be on retaining core services and reducing services with the least impact on the community.
3. Preserve organizational infrastructure and ensure that appropriate and necessary internal review functions remain.
4. Ensuring the City's ability to respond to an economic rebound by maintaining core staffing levels across all functions.

Legislative Advocacy

Depending on the reason for the adverse circumstances (and especially if they are driven by state or federal budget actions), the City will work closely with its elected representatives and others (such as the League of Oregon Cities) in mitigating service (and related cost) reductions.

Employee Involvement

Department Heads will encourage employee participation and involvement in preparing expenditure reduction options. The City will strive to identify potential position reductions

resulting from this plan as soon as practical before implementation in order to:

1. Communicate with affected employees regarding their employment outlook
2. Allow affected employees a reasonable amount of time to make other plans

There are downsides to this approach, and many organizations consciously keep force reduction actions under wraps as long as possible because of them. However, the City believes treating employees with respect means informing them about City plans affecting them as soon as possible.

Finalize and Implement Action Plan

1. With advice from Department Heads, the City Manager is responsible for preparing the recommended action plan
2. Council approval is required for implementation
3. Finance will closely monitor results of the action plan in achieving its goal and will quickly

RESOURCES & EXPENDITURES



CITY OF MOLALLA BUDGET SUMMARY PROPOSED FY 20-21

APPROPRIATED										REVENUES		
	Personal Services	Material & Services	Capital Outlay	Transfers	Contingency	Debt Service	Reserve	FB-not-allocated	Total Expenses	BFB	Revenues	Total Revenues
GENERAL FUND							200,000	500,000	200,000	2,500,000	4,946,000	7,446,000
Admin	796,900	370,100	35,000	0			0	0	1,202,000			
Police	2,374,600	624,000	0	370,000					3,368,600			
Court	154,850	84,800							239,650			
City Council		63,700							63,700			
Parks	110,200	82,550	0	7,900			0		200,650			
Planning	258,600	92,800							351,400			
Contingency					1,320,000			0	1,320,000			
TOTAL GENERAL FUND	3,695,150	1,317,950	35,000	377,900	1,320,000	0	200,000	0	6,946,000	2,500,000	4,946,000	7,446,000
SPECIAL REVENUE FUNDS												
Library	621,600	358,550	2,435,450	0	200,000				3,615,600	1,767,000	1,848,600	3,615,600
Street	412,900	563,700	1,700	5,469,800	228,116				6,676,216	434,216	6,242,000	6,676,216
PD Restricted		27,284	0	50,000					77,284	10,964	66,320	77,284
TOTAL SPECIAL REVENUE	1,034,500	949,534	2,437,150	5,519,800	428,116	0	0	0	10,369,100	2,212,180	8,156,920	10,369,100
CAPITAL PROJECT FUNDS												
Capital Projects			10,153,588						10,153,588	90,000	10,063,588	10,153,588
Fleet Replacement			217,000				227,420		444,420	0	0	0
CAPITAL PROJECTS	0	0	10,370,588	0	0	0	227,420	0	10,598,008	90,000	10,063,588	10,153,588
DEBT SERVICE FUNDS												
Bonded Debt									0			0
Sewer Debt Retirement						316,000	315,600		631,600	349,000	282,600	631,600
Water Debt Retirement						0			0	0	0	0
CWSRF Debt Retirement		6,004				198,614	183,888		388,506	184,618	203,888	388,506
TOTAL DEBT SERVICE	0	6,004	0	0	0	514,614	499,488	0	1,020,106	533,618	486,488	1,020,106
SDC FUNDS												
Street SDC's				657,488			0	0	657,488	593,983	63,505	657,488
Park SDC's				1,000,000			1,322,317		2,322,317	2,309,567	12,750	2,322,317
Sewer SDC's				143,991			24,453		168,444	114,339	54,105	168,444
Water SDC's		10,000		502,900			70,660		583,560	563,750	19,810	583,560
Stormwater SDC's				25,000			78,474		103,474	98,814	4,660	103,474
TOTAL SDC FUNDS	0	10,000	0	2,329,379	0	0	1,495,904	0	3,835,283	3,680,453	154,830	3,835,283
ENTERPRISE FUNDS												
Sewer	907,300	2,025,300	89,225	1,539,222	455,014		0		5,016,061	672,280	4,343,781	5,016,061
Water	736,800	676,700	1,700	940,200	841,000		1,330,464		4,526,864	2,399,264	2,127,600	4,526,864
Stormwater	144,400	105,800	3,100	67,900	57,262				378,462	92,962	285,500	378,462
TOTAL ENTERPRISE	1,788,500	2,807,800	94,025	2,547,322	1,353,276	0	1,330,464	0	9,921,387	3,164,506	6,756,881	9,921,387
	6,518,150	5,091,288	12,936,763	10,774,401	3,101,392	514,614	3,753,276	500,000	42,689,884	12,180,757	30,564,707	42,745,464

URBAN RENEWAL		150,000	3,000,000		150,000	600,000	600,000	0	4,500,000	1,516,000	2,984,000	4,500,000
TOTAL ALL FUNDS	6,518,150	5,241,288	15,936,763	10,774,401	3,251,392	1,114,614	4,353,276	500,000	47,189,884	13,696,757	33,548,707	47,245,464

CITY OF MOLALLA BUDGET SUMMARY ADOPTED PRIOR FY 19-20

APPROPRIATED										REVENUES		
	Personal Services	Material & Services	Capital Outlay	Transfers	Contingency	Debt Service	Reserve	FB-not allocated	Total	BFB	Revenues	Total Revenues
GENERAL FUND							100,000	1,000,000	1,100,000	2,047,385	4,833,552	6,880,937
Admin	702,200	356,500	50,000	0	0				1,108,700			0
Police	2,317,800	578,100	70,885	150,000					3,116,785			0
Court	119,050	82,000							201,050			0
City Council		47,000							47,000			0
Parks	112,700	96,052		7,900					216,652			0
Planning	195,250	117,500							312,750			0
Contingency					778,000				778,000			0
TOTAL GENERAL FUND	3,447,000	1,277,152	120,885	157,900	778,000	0	100,000	1,000,000	6,880,937	2,047,385	4,833,552	6,880,937
SPECIAL REVENUE FUNDS												0
Library	595,100	396,800	2,416,320	5,000	97,880				3,511,100	1,700,000	1,811,100	3,511,100
Street	411,500	500,300	6,500	5,543,800	135,052				6,597,152	498,152	6,099,000	6,597,152
PD Restricted		37,751	50,000	10,000					97,751	31,351	66,400	97,751
TOTAL SPECIAL REVENUE	1,006,600	934,851	2,472,820	5,558,800	232,932	0	0	0	10,206,003	2,229,503	7,976,500	10,206,003
CAPITAL PROJECT FUNDS												0
Capital Projects			10,828,853						10,828,853		10,828,853	10,828,853
Fleet Replacement			127,500				142,250		269,750	125,425	144,325	269,750
TOTAL CAPITAL PROJECTS	0	0	10,956,353	0	0	0	142,250	0	11,098,603	125,425	10,973,178	11,098,603
DEBT SERVICE FUNDS												0
Bonded Debt						0			0	0		0
Sewer Debt Retirement						382,000	250,000		632,000	316,000	316,000	632,000
Water Debt Retirement									0			0
CWSRF Debt Retirement		6,714				178,614	184,618		369,946	185,328	184,618	369,946
TOTAL DEBT SERVICE	0	6,714	0	0	0	560,614	434,618	0	1,001,946	501,328	500,618	1,001,946
SDC FUNDS												0
Street SDC's		0		731,000			120,908		851,908	812,688	39,220	851,908
Park SDC's				1,000,000			1,360,159		2,360,159	2,287,929	72,230	2,360,159
Sewer SDC's		0		825,043			2,639		827,682	780,682	47,000	827,682
Water SDC's		5,000		1,979,480			110,742		2,095,222	2,057,792	37,430	2,095,222
Stormwater SDC's				100,000			34,624		134,624	125,884	8,740	134,624
TOTAL SDC FUNDS	0	5,000	0	4,635,523	0	0	1,629,072	0	6,269,595	6,064,975	204,620	6,269,595
ENTERPRISE FUNDS												0
Sewer	885,500	1,499,790	6,500	741,300	385,494				3,518,584	740,584	2,778,000	3,518,584
Water	715,500	631,500	6,500	1,041,520	762,732		1,000,000		4,157,752	2,104,752	2,053,000	4,157,752
Stormwater	145,000	82,500	4,000	130,900	45,945				408,345	152,845	255,500	408,345
TOTAL ENTERPRISE	1,746,000	2,213,790	17,000	1,913,720	1,194,171	0	1,000,000	0	8,084,681	2,998,181	5,086,500	8,084,681
	6,199,600	4,437,507	13,567,058	12,265,943	2,205,103	560,614	3,305,940	1,000,000	43,541,765	13,966,797	29,574,968	43,541,765

URBAN RENEWAL		125,000	642,450	0	100,000	242,050	332,000		1,441,500	900,000	541,500	1,441,500
TOTAL ALL FUNDS	6,199,600	4,562,507	14,209,508	12,265,943	2,305,103	802,664	3,637,940	1,000,000	44,983,265	14,866,797	30,116,468	44,983,265

CITY OF MOLALLA
Contingency and Reserve Information
FY 2020-2021

FUND	Total Budgeted	Contingency and Reserves	% of		Operating Expenses	Per Policy	Over - Under
			Operating Budget	Operating Expenses			
General Fund	\$7,446,000	\$2,020,000	38%	\$5,271,700	\$1,054,340	\$965,660	
Library	\$3,615,600	\$200,000	20%	\$980,150	\$196,030	\$3,970	
Streets	\$6,676,216	\$228,116	23%	\$976,600	\$195,320	\$32,796	
Sewer	\$5,016,061	\$455,014	16%	\$2,932,600	\$439,890	\$15,124	
Water	\$4,526,864	\$455,014	32%	\$1,413,500	\$212,025	\$242,989	
Storm	\$378,462	\$57,262	23%	\$250,200	\$37,530	\$19,732	
Urban Renewal	\$4,500,000	\$150,000	100%	\$150,000	\$7,500	\$142,500	

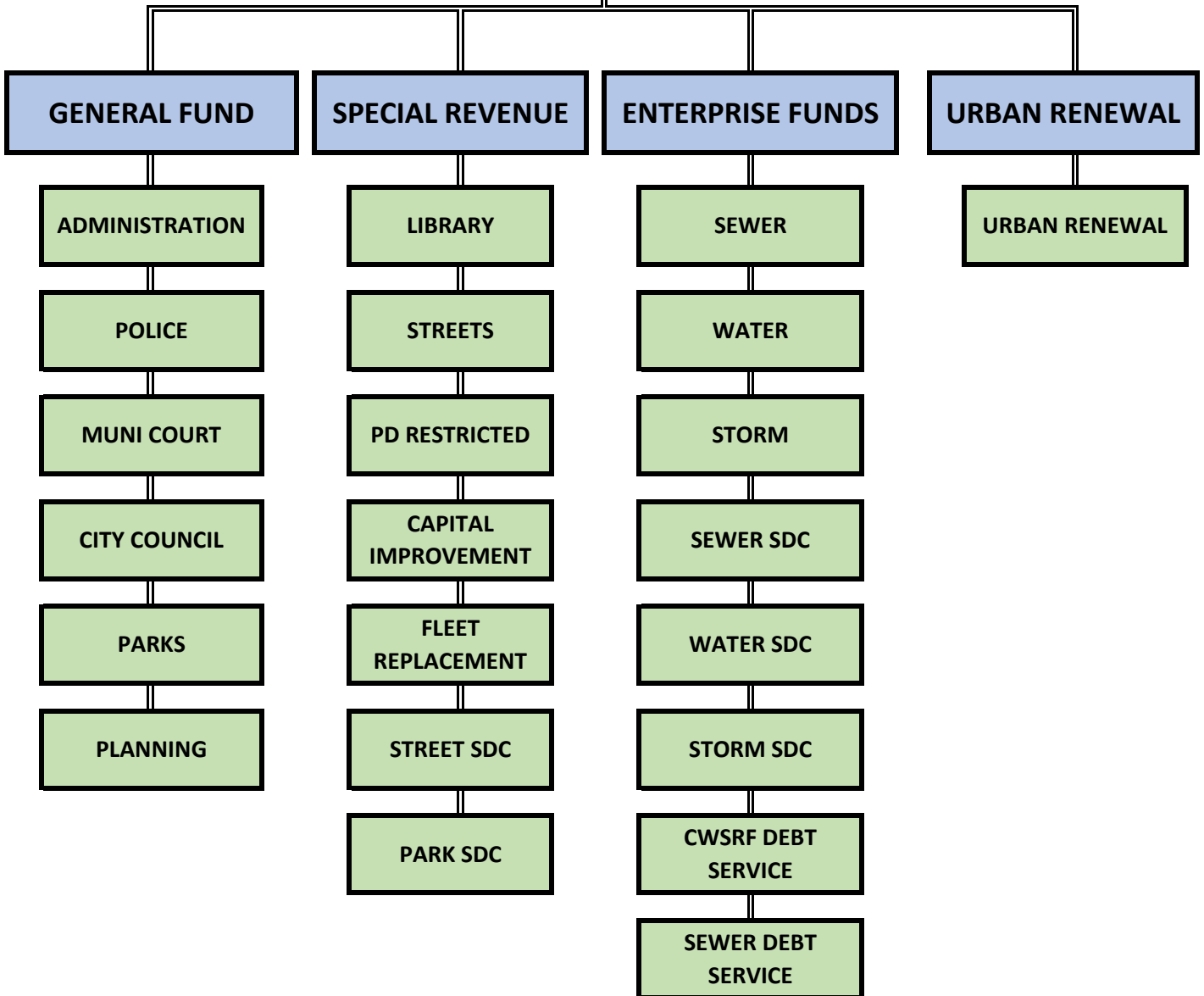
Operating expenses includes personnel services and material & services.

FUND	Recommended per Policy
General Fund	3 months or 20%
Library	3 months or 20%
Streets	3 months or 20%
Sewer	3 months or 15%
Water	3 months or 15%
Storm	3 months or 15%
Urban Renewal	2 months or 5%

City of Molalla
Fund Chart

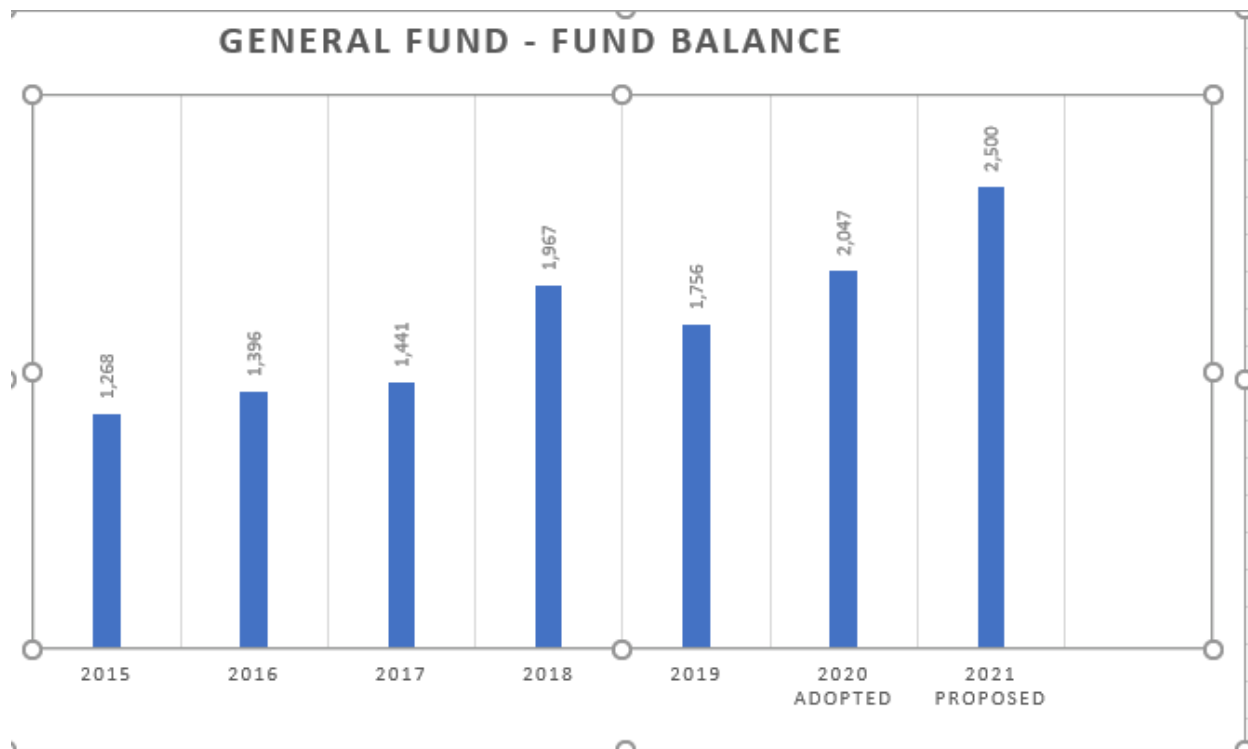
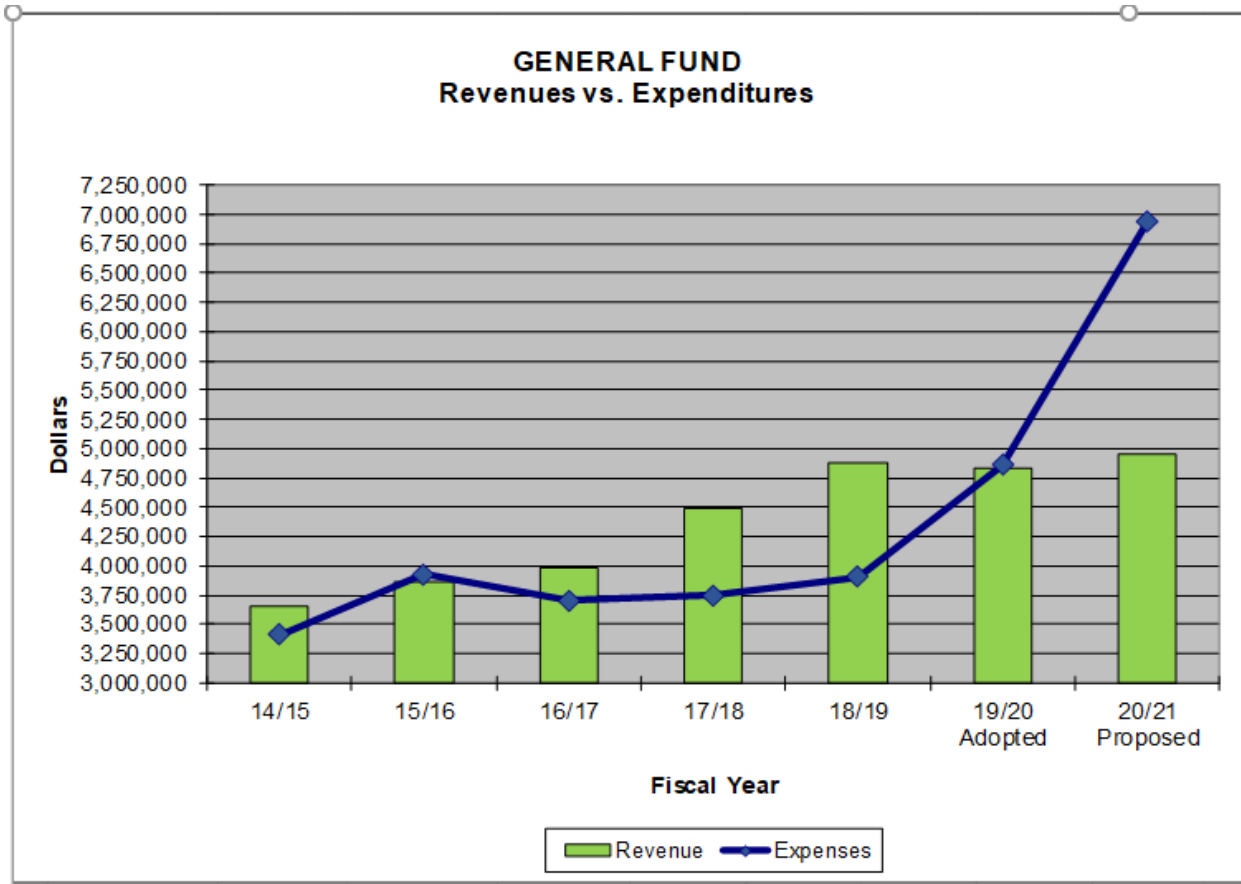


CITY OF MOLALLA FUNDS

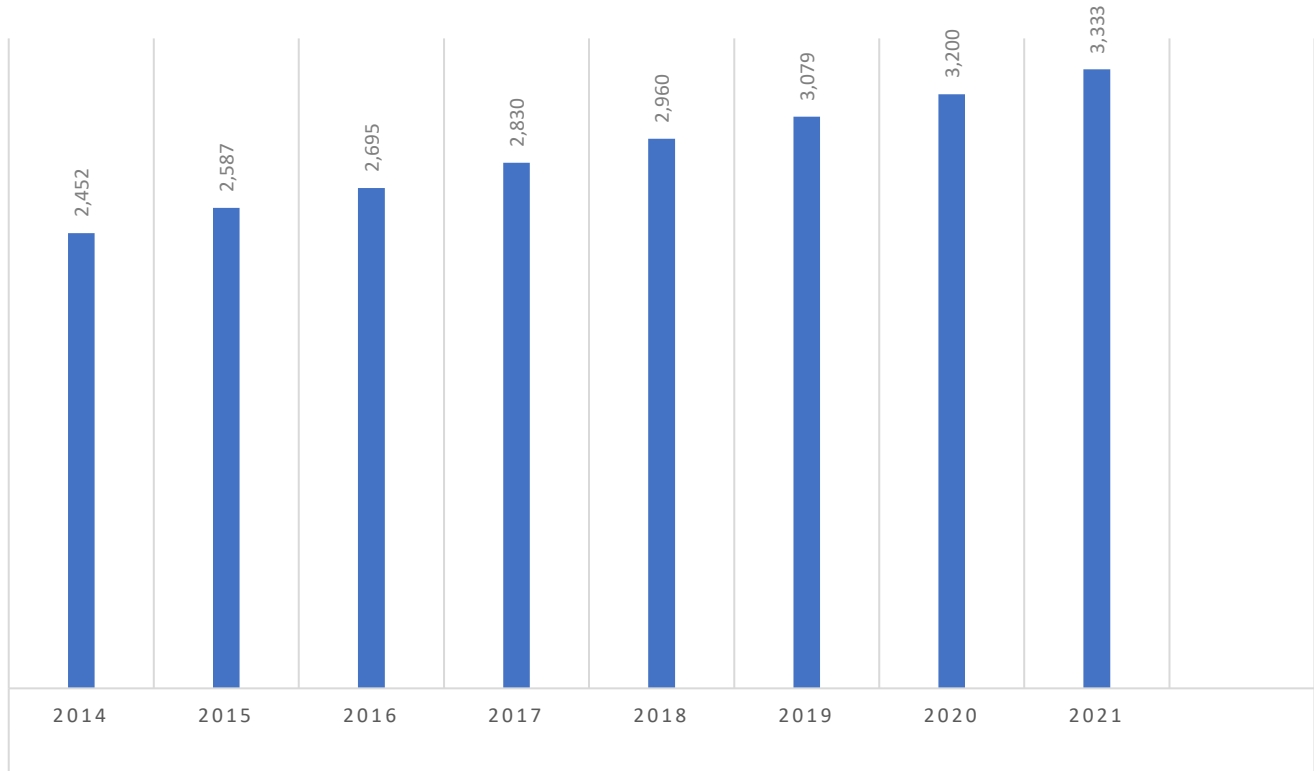


FULL TIME EQUIVALENT EMPLOYEES (FTE'S)

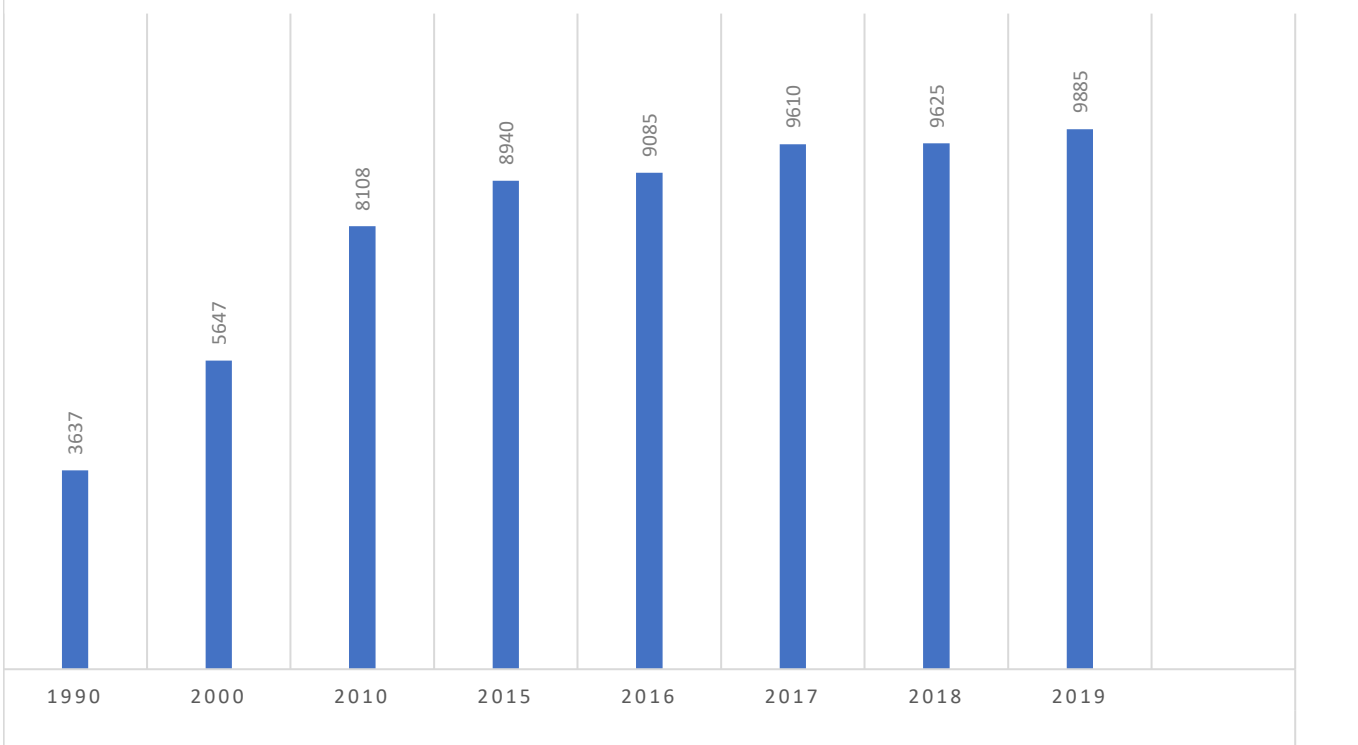
	18-19	19-20	20-21	Variance
GENERAL FUND				
Admin	4.75	5.25	6.10	0.85
Police	18.50	18.50	19.50	1.00
Court	0.75	0.75	1.00	0.25
Parks	1.00	0.86	0.86	0.00
Planning	1.00	2.00	2.50	0.50
Total General Fund	26.00	27.36	29.96	2.60
SPECIAL REVENUE FUNDS				
Library	7.20	8.20	8.70	0.50
Street	3.14	3.14	3.14	0.00
Total Special Revenue	10.34	11.34	11.84	0.50
ENTERPRISE FUNDS				
Sewer	5.90	7.85	7.85	0.00
Water	5.65	5.84	5.74	-0.10
Stormwater	1.07	1.22	1.22	0.00
Total Enterprise	12.62	14.91	14.81	-0.10
Total FTE	48.96	53.61	56.61	3.00



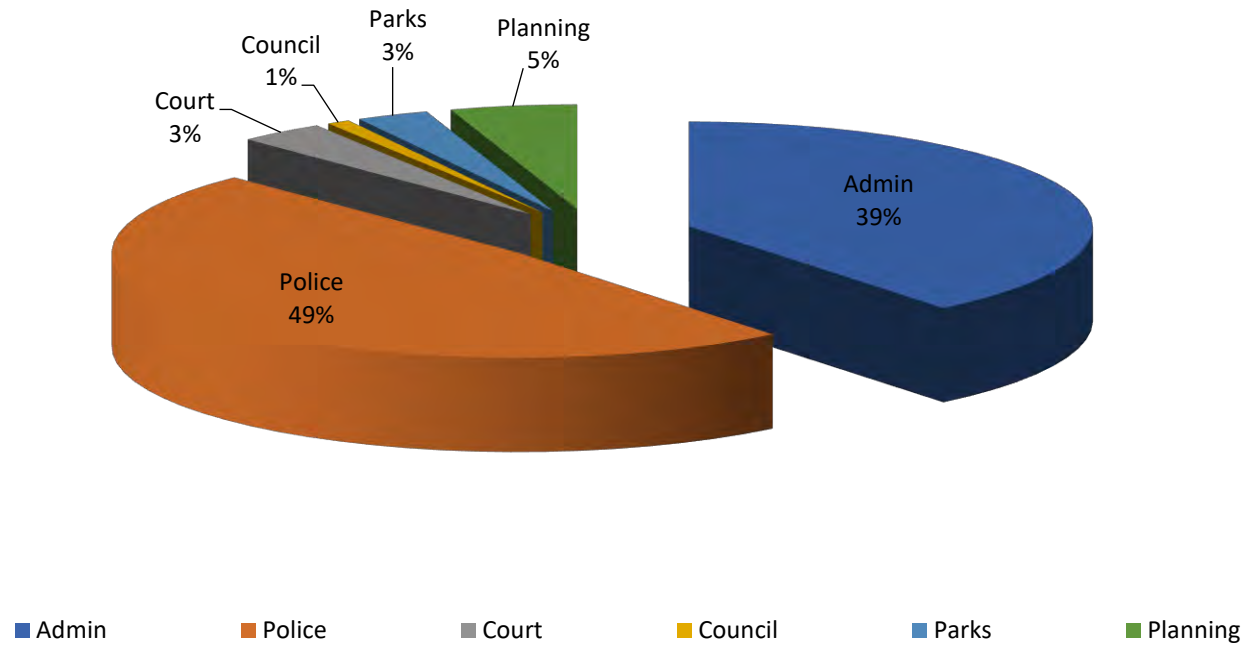
CITY OF MOLALLA PROPERTY TAXES



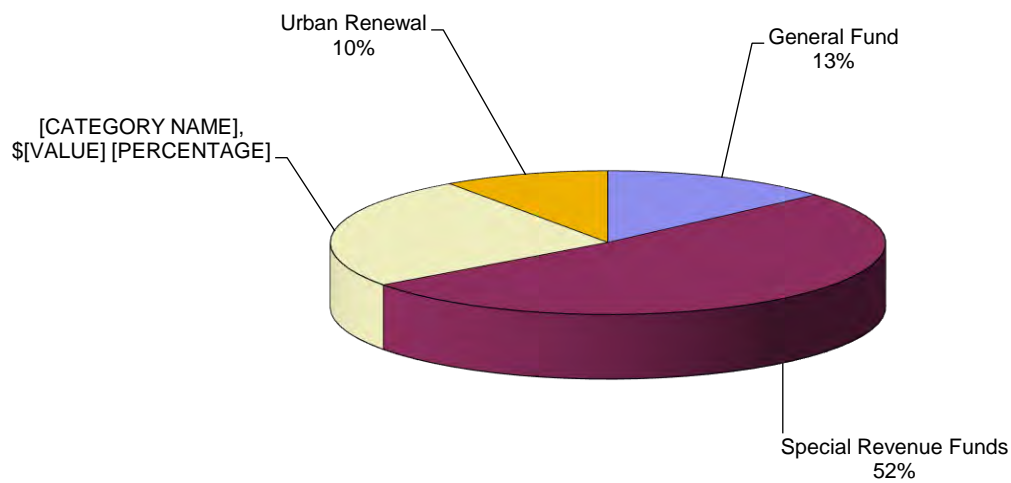
CITY OF MOLALLA POPULATION



General Fund Expenses by Department



All Expenditures by Fund Type





City of Molalla...



Molalla River School District
& Clackamas ESD 29¢



Clackamas County...

Molalla Fire District...

Urban Renewal 05¢

Clackamas Community College 04¢

Molalla Aquatic Center...

Financial Analysis

The proposed budget for FY 2019/2020 for the City of Molalla has been prepared in accordance with Oregon budget law and generally accepted accounting principles. This is a lean budget with continued focus on expenditure controls, building working capital, contingencies, and reserves, and focus on capital improvements to City infrastructure.

Fund Descriptions

The financial structure of the City is organized and operated on the basis of fund accounting. There are both federal and state requirements for local governments to budget by fund as a means of maintaining records for resources which are designated to carry out specific activities or meet particular objectives. Oregon Administrative Rules define a fund as “a fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, balances and changes, all segregated for specific, regulated activities and objectives with special regulations, restrictions, or limitations.”

The City must prepare an itemized balanced budget for each fund. Each fund contains appropriations, which provide the local government with legal spending authority throughout the fiscal year. Throughout all funds, appropriations are established at the object classification level (personnel services, materials and services, capital outlay, debt service, transfers, operating contingency, reserves, and ending fund balance).

Government Funds

Government funds house most of the City’s functions and include the General Fund, Special Revenue Funds, and Debt Service Funds.

- GENERAL FUND – Money should be accounted for in the general fund unless there is a compelling reason to report them in some other fund type.
 - Administration
 - Police
 - Municipal Court
 - City Council
 - Parks
 - Planning

- SPECIAL REVENUE – accounts for money that is earmarked for a specific purpose. For example, gas tax or special district revenue.
 - Library Fund
 - Street Fund
 - Police Restricted
 - Capital Projects
 - Fleet Reserve
 - Transportation SDC’s
 - Parks SDC’s

- DEBT SERVICE FUNDS - The City maintains a dedicated fund for repayment of long-term debt including voter approved general obligation bonds, special revenue bonds, and Clear Water State Revolving Fund (CWSRF) debt.
 - Sewer Debt Retirement (Revenue Bond)
 - Clean Water State Revolving Fund (CWSRF)

- Bonded Debt, Utility Deposit, and Water Debt Retirement (Inactive Funds).
- SDC Fund – (The City collects systems development charges for streets, water, sewer, storm water, and parks).

- ENTERPRISE (or Proprietary) FUNDS – Governments often levy user charges for certain types of services. These funds record the resources and expenses of acquiring, operating, and maintaining a self-supporting facility or service.
 - Water Fund
 - Wastewater Fund
 - Storm Water Fund

BUDGET DETAILS



GENERAL FUND



Historical Data			GENERAL FUND RESOURCES	Budget for Next FY 20-21		
Actual				Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	Adopted Budget This Year Year 2019-2020				
\$1,391,197.82	\$1,980,749.81	\$2,047,385.00	BEGINNING FUND BALANCE	\$2,500,000.00	\$0.00	\$0.00
			GENERAL REVENUES			
\$2,960,332.31	\$3,079,223.87	\$3,200,000.00	CURRENT PROPERTY TAXES	\$3,333,000.00	\$0.00	\$0.00
\$31,126.03	\$185,301.16	\$100,000.00	PRIOR PROPERTY TAXES	\$40,000.00	\$0.00	\$0.00
\$93,467.42	\$100,379.36	\$75,000.00	REVENUE SHARING	\$75,000.00	\$0.00	\$0.00
\$134,463.80	\$68,261.26	\$20,000.00	STATE/LOCAL SHARED REVENUES	\$40,000.00	\$0.00	\$0.00
\$149,716.02	\$155,697.12	\$170,000.00	LIQUOR TAX	\$165,000.00	\$0.00	\$0.00
\$11,626.40	\$11,046.10	\$11,500.00	CIGARETTE TAX	\$11,000.00	\$0.00	\$0.00
\$207,984.74	\$378,829.62	\$287,000.00	INTEREST	\$320,000.00	\$0.00	\$0.00
\$46,847.10	\$42,540.38	\$47,000.00	NWNG FRANCHISE FEES	\$46,000.00	\$0.00	\$0.00
\$10,473.04	\$9,966.07	\$10,000.00	TELEPHONE FRANCHISE FEES	\$10,000.00	\$0.00	\$0.00
\$25,620.23	\$25,122.56	\$25,000.00	TV FRANCHISE FEES	\$25,000.00	\$0.00	\$0.00
\$75,000.00	\$75,000.00	\$75,000.00	PGE FRANCHISE FEES	\$75,000.00	\$0.00	\$0.00
\$3,746,657.09	\$4,131,367.50	\$4,020,500.00	TOTAL GENERAL REVENUES	\$4,140,000.00	\$0.00	\$0.00
			ADMINISTRATION REVENUES			
\$28,742.00	\$31,075.00	\$27,500.00	LICENSES	\$30,000.00	\$0.00	\$0.00
\$0.00	\$6,204.00	\$6,000.00	LEIN SEARCHES	\$6,000.00	\$0.00	\$0.00
\$26,291.00	\$49,844.80	\$4,090.00	SDC ADMINISTRATION FEE	\$8,000.00	\$0.00	\$0.00
\$26,340.01	\$26,459.52	\$25,000.00	GENERAL-MISCELLANEOUS	\$20,000.00	\$0.00	\$0.00
\$356,156.53	\$266,040.68	\$364,962.00	COST ALLOCATION PLAN	\$350,000.00	\$0.00	\$0.00
\$437,529.54	\$379,624.00	\$427,552.00	TOTAL ADMINISTRATION REVENUES	\$414,000.00	\$0.00	\$0.00
			Parks Revenue			
\$50,000.00	\$50,000.00	\$50,000.00	PGE Franchise	\$50,000.00	\$0.00	\$0.00
\$1,175.00	\$75.00	\$500.00	KEY DEPOSITS	\$100.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	SPECIAL EVENT RENTAL FEE	\$3,000.00	\$0.00	\$0.00
\$11,015.97	\$4,041.05	\$6,000.00	PARKS-MISCELLANEOUS	\$1,000.00	\$0.00	\$0.00
\$62,190.97	\$54,116.05	\$56,500.00	TOTAL PARKS REVENUES	\$54,100.00	\$0.00	\$0.00
			Court Revenue			
\$161,013.20	\$180,651.70	\$170,000.00	PD-FINES & BAILS	\$200,000.00	\$0.00	\$0.00
\$161,013.20	\$180,651.70	\$170,000.00	TOTAL COURT REVENUES	\$200,000.00	\$0.00	\$0.00

Historical Data			GENERAL FUND RESOURCES	Budget for Next FY 20-21		
Actual				Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	Adopted Budget This Year Year 2019-2020	RESOURCES-continued			
			Police Revenue			
\$4,315.00	\$2,555.83	\$4,000.00	PD-ALARM PERMITS	\$4,000.00	\$0.00	\$0.00
\$400.00	\$1,300.00	\$1,000.00	PD-TOW FEES	\$1,000.00	\$0.00	\$0.00
\$595.00	\$1,265.00	\$1,000.00	PD-REPORTS	\$1,000.00	\$0.00	\$0.00
\$7,004.70	\$531.00	\$4,000.00	PD-MISCELLANEOUS	\$2,000.00	\$0.00	\$0.00
\$0.00	\$50,000.00	\$50,000.00	PD-SCHOOL RESOURCE OFFICER	\$50,000.00	\$0.00	\$0.00
\$4,000.00	\$4,000.00	\$4,000.00	PD-OT REIMBURSE	\$4,000.00	\$0.00	\$0.00
\$262.04	\$592.14	\$1,500.00	PD-DUII GRANT	\$1,500.00	\$0.00	\$0.00
\$1,297.50	\$1,335.00	\$1,500.00	PD-VEST GRANT	\$1,500.00	\$0.00	\$0.00
\$17,874.24	\$61,578.97	\$67,000.00	TOTAL POLICE REVENUES	\$65,000.00	\$0.00	\$0.00
			City Council Revenue			
\$2,115.12	\$20,300.00	\$0.00	COMM VISIONING GRANT&DONAT	\$25,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	VETRANS MEMORIAL DONATIONS	\$400.00	\$0.00	\$0.00
\$0.00	\$11,615.00	\$8,000.00	CELEBRATE MOLALLA	\$2,500.00	\$0.00	\$0.00
\$15,000.00	\$11,420.02	\$9,000.00	NATIVE AMERICAN ART WALK GRANT	\$0.00	\$0.00	\$0.00
\$17,115.12	\$43,335.02	\$17,000.00	TOTAL CITY COUNCIL REVENUES	\$27,900.00	\$0.00	\$0.00
			Planning Revenue			
\$0.00	\$0.00	\$30,000.00	ECONOMIC DEV GRANT-FF	\$0.00	\$0.00	\$0.00
\$46,897.00	\$19,702.91	\$45,000.00	PLANNING FEES	\$45,000.00	\$0.00	\$0.00
\$46,897.00	\$19,702.91	\$75,000.00	TOTAL PLANNING REVENUES	\$45,000.00	\$0.00	\$0.00
\$4,489,277.16	\$4,870,376.15	\$4,833,552.00	TOTAL GENERAL FUND REVENUES	\$4,946,000.00	\$0.00	\$0.00
\$1,391,197.82	\$1,980,749.81	\$2,047,385.00	TOTAL FUND BALANCE	\$2,500,000.00	\$0.00	\$0.00
\$5,880,474.98	\$6,851,125.96	\$6,880,937.00	TOTAL ALL GENERAL FUND RESOURCES	\$7,446,000.00	\$0.00	\$0.00
			TOTAL GENERAL FUND NET			
\$5,880,474.98	\$6,851,125.96	\$6,880,937.00	TOTAL GENERAL FUND RESOURCES AND FB	\$7,446,000.00	\$0.00	\$0.00
\$3,899,902.55	\$4,152,953.57	\$6,880,937.00	TOTAL GENERAL FUND REQUIREMENTS	\$7,446,000.00	\$0.00	\$0.00
\$1,980,572.43	\$2,698,172.39	\$0.00	TOTAL NET GENERAL FUND	\$0.00	\$0.00	\$0.00

GENERAL FUND ADMINISTRATION DEPT

General Fund Administration includes the City Manager's office, City Recorder's office and Finance. Administration is where the City connects with the public and provides organizational and the business foundation for the City. This department provides many external services such as civic leadership, communication, engagement, administrative support, strategic planning economic development, city management, financial management and services, customer service, human resources, records management, risk management and information technology.

During the 2020-2021 Fiscal Year Administration will be upgrading our Caselle Software (Financial), electronic filing systems and potentially hiring a Human Resource staff member.

Historical Data						
Actual			Adopted Budget		Proposed By	Approved By
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	This Year Year 2019-2020	PERSONNEL SERVICES	Budget Officer	Budget Committee	Adopted By Governing Body
\$203,131.57	\$183,457.50	\$218,000.00	BENEFITS AND TAXES	\$247,000.00	\$0.00	\$0.00
\$423,228.94	\$431,993.35	\$484,200.00	SALARIES AND WAGES	\$549,900.00	\$0.00	\$0.00
\$626,360.51	\$615,450.85	\$702,200.00	TOTAL ADMIN PERSONNEL SERVICES	\$796,900.00	\$0.00	\$0.00
4.75	4.75	5.25	FTE	6.10		
			MATERIALS & SERVICES			
\$5,334.87	\$5,878.63	\$6,000.00	POWER	\$5,000.00	\$0.00	\$0.00
\$14,334.05	\$14,449.36	\$15,500.00	PHONE	\$16,500.00	\$0.00	\$0.00
\$17,722.82	\$13,396.31	\$20,000.00	OPERATIONS & MAINTENANCE	\$20,000.00	\$0.00	\$0.00
\$10,440.28	\$22,486.65	\$20,000.00	BUILDING MAINTENANCE	\$20,000.00	\$0.00	\$0.00
\$8,056.12	\$5,983.87	\$12,000.00	TRAINING & CONF. TRAVEL	\$12,000.00	\$0.00	\$0.00
\$10,202.14	\$12,327.52	\$12,000.00	DUES & MEMBERSHIP	\$12,000.00	\$0.00	\$0.00
\$5,434.83	\$2,696.54	\$8,000.00	POSTAGE	\$3,000.00	\$0.00	\$0.00
\$22,506.51	\$14,932.49	\$22,000.00	PRINTING & PUBLICATIONS	\$15,000.00	\$0.00	\$0.00
\$11,747.98	\$7,899.82	\$76,000.00	PROFESSIONAL SERVICES	\$56,000.00	\$0.00	\$0.00
\$9,187.00	\$12,429.50	\$14,500.00	INSURANCE/LIABILITY/GEN	\$22,000.00	\$0.00	\$0.00
\$947.96	\$100.00	\$1,000.00	KEY DEPOSIT REFUNDS	\$100.00	\$0.00	\$0.00
\$8,795.74	\$6,375.43	\$7,000.00	CUSTODIAN	\$3,500.00	\$0.00	\$0.00
\$1,261.27	\$860.01	\$2,000.00	CUSTODIAL SUPPLIES	\$0.00	\$0.00	\$0.00
\$8,766.24	\$7,835.29	\$11,000.00	OFFICE SUPPLIES	\$9,000.00	\$0.00	\$0.00
\$55,753.74	\$21,697.41	\$50,000.00	CITY ATTORNEY	\$45,000.00	\$0.00	\$0.00
\$32,732.75	\$29,223.28	\$42,000.00	COMPUTER SERVICES	\$79,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$5,000.00	RECORDS MANAGEMENT	\$20,000.00	\$0.00	\$0.00
\$26,000.00	\$27,691.25	\$32,000.00	AUDITS & BUDGETS	\$32,000.00	\$0.00	\$0.00
\$4,200.00	\$0.00	\$500.00	MEETINGS	\$0.00	\$0.00	\$0.00
\$253,424.30	\$206,263.36	\$356,500.00	TOTAL ADMIN MATERIALS & SERVICES	\$370,100.00	\$0.00	\$0.00

Historical Data			GENERAL FUND ADMINISTRATION			
Actual			<i>Continued</i>			
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	Adopted Budget This Year Year 2019-2020		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
CAPITAL OUTLAY						
\$53,286.92	\$0.00	\$50,000.00	CAPITAL IMPROVEMENTS	\$35,000.00	\$0.00	\$0.00
\$53,286.92	\$0.00	\$50,000.00	TOTAL ADMIN CAPITAL OUTLAY	\$35,000.00	\$0.00	\$0.00
TRANSFERS OUT						
\$50,000.00	\$0.00	\$0.00	TRANSFER TO PD RESTRICTED EVF	\$0.00	\$0.00	\$0.00
\$0.00	\$20,000.00	\$0.00	TRANSFER TO FLEET REPLACEMENT	\$0.00	\$0.00	\$0.00
\$50,000.00	\$20,000.00	\$0.00	TOTAL ADMIN TRANSFERS OUT	\$0.00	\$0.00	\$0.00
CONTINGENCY						
\$0.00	\$0.00	\$778,000.00	OPERATING CONTINGENCY	\$1,320,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$778,000.00	TOTAL OPERATING CONTINGENCY	\$1,320,000.00	\$0.00	\$0.00
FUND BALANCE/RESERVES						
\$0.00	\$0.00	\$100,000.00	FB RESERVE/PERS	\$195,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	FB RESERVE/PARKS EQUIPMENT	\$5,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$1,000,000.00	FUND BALANCE UNALLOCATED	\$500,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$1,100,000.00	TOTAL RESERVES	\$700,000.00	\$0.00	\$0.00
\$983,071.73	\$841,714.21	\$2,986,700.00	TOTAL ADMINISTRATION REQUIREMENTS	\$3,222,000.00	\$0.00	\$0.00

GENERAL FUND POLICE DEPARTMENT

The 2020-2021 budget for the Molalla Police Department will continue building on conservative and responsible visioning goals set in place by both the department and City of Molalla’s visioning plan. During the past fiscal year, we have continued to upgrade key equipment issues such as the final portion of our older fleet, aging laptop computers, and aging and damaged hardware used for ticket writing in our patrol vehicles. In an effort to address the goal of measuring the performance and accountability of our police department, we are excited to finally achieve the ability to become fully accredited through the Oregon Accreditation Alliance which should be completed by the end of this fiscal year or the beginning of 2020/21. We continue to build on our new on-line training software and improve on the use of social media to better communicate with our community.

In our Patrol and Police Records Departments, we have made many great changes and additions to services we provide our community to achieve the goal of becoming a better resources hub. With the addition of one patrol position and the implementation of a new patrol schedule, we can better face on-going challenges to provide better patrol shift coverage, more patrol shift supervision, and continue to create and promote a hometown feel that is welcoming and most importantly safe. Finally, with the hard work of the City and help from our community, we are working diligently to address our most urgent need, which is to provide an adequate facility to perform our duties in a professional manner and meet the Communities need for the future.

Historical Data			Budget for Next FY 20-21		
Actual				Approved By	
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	Adopted Budget This Year Year 2019-2020		Budget Committee	Adopted By Governing Body
			Proposed By Budget Officer		
PERSONNEL SERVICES					
\$575,930.82	\$627,771.61	\$674,000.00	BENEFITS AND TAXES	\$725,000.00	\$0.00
\$1,327,021.48	\$1,509,935.67	\$1,638,360.00	SALARIES AND WAGES	\$1,649,600.00	\$0.00
\$1,902,952.30	\$2,137,707.28	\$2,312,360.00	TOTAL POLICE PERSONNEL SERVICES	\$2,374,600.00	\$0.00
16.00	17.00	18.50	FTE	19.50	
MATERIALS & SERVICES					
\$4,758.66	\$4,973.29	\$7,500.00	POWER	\$7,500.00	\$0.00
\$26,608.19	\$26,938.83	\$28,000.00	PHONE	\$35,000.00	\$0.00
\$44,180.12	\$43,195.33	\$45,000.00	CONNECTIVITY/INTERNET	\$65,000.00	\$0.00
\$11,864.53	\$26,891.04	\$20,000.00	OPERATIONS & MAINTENANCE	\$20,000.00	\$0.00
\$3,398.18	\$10,081.26	\$4,560.00	BUILDING MAINTENANCE	\$10,000.00	\$0.00
\$8,604.98	\$17,504.93	\$18,000.00	TRAINING & CONF. TRAVEL	\$20,000.00	\$0.00
\$651.50	\$1,270.50	\$2,500.00	DUES & MEMBERSHIP	\$2,500.00	\$0.00
\$46,048.33	\$47,496.01	\$55,000.00	CONTRACTS & OBLIGATIONS	\$60,000.00	\$0.00
\$7,689.40	\$18,875.50	\$20,000.00	PROFESSIONAL SERVICES	\$10,000.00	\$0.00
\$49,969.00	\$46,920.98	\$44,400.00	INSURANCE/LIABILITY/GEN	\$47,500.00	\$0.00
\$37,182.30	\$44,509.07	\$45,000.00	VEHICLE FUEL	\$50,000.00	\$0.00
\$30,694.93	\$30,399.86	\$40,000.00	VEHICLE REPAIR	\$40,000.00	\$0.00
\$17,009.82	\$20,450.67	\$18,000.00	UNIFORMS	\$18,000.00	\$0.00
\$9,369.51	\$7,421.92	\$8,000.00	JANITOR	\$10,000.00	\$0.00
\$295.93	\$71.41	\$1,000.00	JANITOR SUPPLIES	\$0.00	\$0.00
\$99,098.04	\$114,883.03	\$110,600.00	CENTRAL DISPATCH	\$117,000.00	\$0.00

Historical Data			GENERAL FUND	Budget for Next FY 20-21		
Actual			POLICE			
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	Adopted Budget This Year Year 2019-2020	MATERIAL & SERVICES-cont	Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
\$0.00	\$0.00	\$0.00	LEGAL SERVICES	\$10,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$1,840.00	SPECIAL INVESTIGATION	\$10,000.00	\$0.00	\$0.00
\$6,546.61	\$6,462.03	\$8,500.00	OFFICE MACHINES & MAINT	\$8,500.00	\$0.00	\$0.00
\$9,371.62	\$14,890.04	\$18,000.00	FIREARMS	\$18,000.00	\$0.00	\$0.00
\$12,301.12	\$13,903.30	\$53,080.00	COMPUTER SVC,REP & UPGRADES	\$25,000.00	\$0.00	\$0.00
\$69,152.75	\$37,513.70	\$34,560.00	SUPPLIES / EQUIPMENT	\$40,000.00	\$0.00	\$0.00
\$494,795.52	\$534,652.70	\$583,540.00	TOTAL POLICE MATERIALS & SERVICES	\$624,000.00	\$0.00	\$0.00
			CAPITAL OUTLAY			
\$55,000.00	\$70,884.50	\$70,885.00	EMERGENCY VEHICLES	\$0.00	\$0.00	\$0.00
\$55,000.00	\$70,884.50	\$70,885.00	TOTAL POLICE CAPITAL OUTLAY	\$0.00	\$0.00	\$0.00
			TRANSFERS OUT			
\$0.00	\$0.00	\$100,000.00	TRANSFER TO CAP PROJECTS-PD	\$300,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$50,000.00	TRANSFER TO POLICE FLEET RES	\$70,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$150,000.00	TOTAL ADMIN TRANSFERS OUT	\$370,000.00	\$0.00	\$0.00
\$2,452,747.82	\$2,743,244.48	\$3,116,785.00	TOTAL POLICE REQUIREMENTS	\$3,368,600.00	\$0.00	\$0.00

GENERAL FUND MUNICIPAL COURT

The Molalla Municipal Court is a service to our community and as such it is important that our staff be available to answer the needs of the public. Personnel services increased from .75 to 1.0 FTE.

Historical Data			Budget for Next FY 20-21			
Actual			PERSONNEL SERVICES	Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	Adopted Budget This Year Year 2019-2020				
\$23,384.70	\$23,805.28	\$26,350.00	BENEFITS AND TAXES	\$37,350.00	\$0.00	\$0.00
\$86,981.17	\$87,187.12	\$94,500.00	SALARIES AND WAGES	\$117,500.00	\$0.00	\$0.00
\$110,365.87	\$110,992.40	\$120,850.00	TOTAL COURT PERSONNEL SERVICES	\$154,850.00	\$0.00	\$0.00
1.00	0.75	0.75	FTE	1.00		
			MATERIALS & SERVICES			
\$1,189.68	\$1,243.34	\$1,200.00	POWER	\$900.00	\$0.00	\$0.00
\$7,410.26	\$6,449.76	\$8,000.00	PHONE/COMPUTER/CONNECTIVITY	\$8,000.00	\$0.00	\$0.00
\$1,148.93	\$3,142.28	\$2,000.00	OPERATIONS & MAINTENANCE	\$3,000.00	\$0.00	\$0.00
\$389.04	\$3,000.00	\$3,000.00	BUILDING MAINTENANCE	\$6,000.00	\$0.00	\$0.00
\$500.28	\$394.35	\$1,000.00	TRAINING & CONF. TRAVEL	\$1,000.00	\$0.00	\$0.00
\$140.00	\$107.00	\$300.00	DUES & MEMBERSHIP	\$300.00	\$0.00	\$0.00
\$440.00	\$1,158.97	\$1,000.00	POSTAGE	\$1,000.00	\$0.00	\$0.00
\$812.42	\$1,358.68	\$2,200.00	PRINTING & PUBLICATIONS	\$1,500.00	\$0.00	\$0.00
\$1,440.00	\$1,078.50	\$1,000.00	PROFESSIONAL SERVICES	\$1,000.00	\$0.00	\$0.00
\$1,498.00	\$3,338.73	\$2,200.00	INSURANCE/LIABILITY/GEN	\$3,300.00	\$0.00	\$0.00
\$1,493.50	\$1,475.70	\$2,000.00	JANITOR	\$1,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$500.00	JANITOR SUPPLIES	\$0.00	\$0.00	\$0.00
\$1,058.55	\$1,373.53	\$1,300.00	OFFICE SUPPLIES	\$1,300.00	\$0.00	\$0.00
\$7,125.00	\$11,250.00	\$15,000.00	COURT APPOINTED ATTORNEY	\$15,000.00	\$0.00	\$0.00
\$1,115.00	\$390.81	\$2,000.00	BAIL REFUND	\$1,000.00	\$0.00	\$0.00
\$17,795.33	\$16,873.45	\$24,000.00	CLACKAMAS COUNTY	\$27,000.00	\$0.00	\$0.00
\$7,650.28	\$6,535.80	\$10,000.00	OR DEPT OF REVENUE	\$11,000.00	\$0.00	\$0.00
\$3,369.20	\$2,373.75	\$3,500.00	VICTIM RESTITUTION	\$2,500.00	\$0.00	\$0.00
\$54,575.47	\$61,544.65	\$80,200.00	TOTAL COURT MATERIALS & SERVICES	\$84,800.00	\$0.00	\$0.00
\$164,941.34	\$172,537.05	\$201,050.00	TOTAL COURT REQUIREMENTS	\$239,650.00	\$0.00	\$0.00

GENERAL FUND CITY COUNCIL DEPARTMENT

General Fund Administration includes the City Manager’s office, City Recorder’s office and Finance. Administration is where the City connects with the public and provides organizational and the business foundation for the City. This department provides many external services such as civic leadership, communication, engagement, administrative support, strategic planning economic development, city management, financial management and services, customer service, human recourses, records management, risk management and information technology.

During the 2020-2021 Fiscal Year Administration will be upgrading our Caselle Software (Financial), electronic filing systems and potentially hiring a Human Resource staff member.

Historical Data			Budget for Next FY 20-21			
Actual						
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	Adopted Budget This Year Year 2019-2020		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
MATERIALS & SERVICES						
\$416.65	\$315.57	\$1,000.00	OPERATIONS & MAINTENANCE	\$1,000.00	\$0.00	\$0.00
\$587.14	\$5,367.07	\$3,000.00	TRAINING	\$2,000.00	\$0.00	\$0.00
			DUES & MEMBERSHIP	\$700.00	\$0.00	\$0.00
\$2,978.98	\$11,573.38	\$0.00	VISIONING GRANT	\$25,000.00	\$0.00	\$0.00
\$0.00	\$26,633.64	\$9,000.00	NATIVE AMERICAN WALK GRANT	\$0.00	\$0.00	\$0.00
\$0.00	\$8,155.84	\$8,000.00	CELEBRATE MOLALLA	\$8,500.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	Vetrans Memorial Fund	\$500.00	\$0.00	\$0.00
\$5,490.00	\$4,250.00	\$6,500.00	BANNER PROJECT	\$6,500.00	\$0.00	\$0.00
\$13,258.47	\$11,107.88	\$14,500.00	MEETINGS AND STIPENDS	\$14,500.00	\$0.00	\$0.00
\$1,000.00	\$0.00	\$5,000.00	SPECIAL COUNCIL PROJECTS	\$5,000.00	\$0.00	\$0.00
\$23,731.24	\$67,403.38	\$47,000.00	TOTAL COUNCIL MATERIALS & SERVICES	\$63,700.00	\$0.00	\$0.00
\$23,731.24	\$67,403.38	\$47,000.00	TOTAL COUNCIL REQUIREMENTS	\$63,700.00	\$0.00	\$0.00

GENERAL FUND PARKS DEPARTMENT

The Park Fund is part of the General Fund budget. Personnel Service expenses have decreased after reallocation of staff positions more in line with the time they expend within the enterprise funds and cost efficiencies. A wage increase has been included for some Public Works positions. The wage increases are based on contract required and merit-based increases. Materials & Services expenses have increased to better represent the actual operating expenditures. There are no anticipated capital improvement expenses for this year. Transfers for fleet replacement remain flat.

Historical Data			Budget for Next FY 20-21			
Actual			PERSONNEL SERVICES	Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	Adopted Budget This Year Year 2019-2020				
\$39,513.64	\$24,388.90	\$38,000.00	BENEFITS AND TAXES	\$37,100.00	\$0.00	\$0.00
\$75,699.44	\$56,385.41	\$74,700.00	SALARIES AND WAGES	\$73,100.00	\$0.00	\$0.00
\$115,213.08	\$80,774.31	\$112,700.00	TOTAL PARKS PERSONNEL SERVICES	\$110,200.00	\$0.00	\$0.00
1.00	1.00	0.76	FTE	0.86		
			MATERIALS & SERVICES			
\$212.00	\$0.00	\$1,000.00	POWER	\$1,000.00	\$0.00	\$0.00
\$576.02	\$295.41	\$700.00	PHONE	\$2,400.00	\$0.00	\$0.00
\$0.00	\$0.00	\$500.00	NATURAL GAS	\$500.00	\$0.00	\$0.00
\$10,625.08	\$33,932.83	\$39,750.00	OPERATIONS & MAINTENANCE	\$36,000.00	\$0.00	\$0.00
\$13.98	\$1,006.20	\$5,000.00	BUILDING MAINTENANCE	\$5,000.00	\$0.00	\$0.00
\$85.00	\$972.35	\$500.00	TRAINING & CERTIFICATES	\$500.00	\$0.00	\$0.00
\$0.00	\$90.00	\$500.00	DUES & MEMBERSHIP	\$500.00	\$0.00	\$0.00
\$0.00	\$301.70	\$50.00	POSTAGE	\$50.00	\$0.00	\$0.00
\$0.00	\$0.00	\$3,352.00	COMPUTER NETWORK	\$2,700.00	\$0.00	\$0.00
\$6,264.80	\$15,269.75	\$25,000.00	PROFESSIONAL SERVICES	\$12,500.00	\$0.00	\$0.00
\$6,900.00	\$4,866.27	\$6,000.00	INSURANCE/LIABILITY/GEN	\$7,700.00	\$0.00	\$0.00
\$3,311.12	\$5,798.61	\$2,500.00	GAS & VEHICLE MAINTENANCE	\$2,500.00	\$0.00	\$0.00
\$3,825.08	\$1,832.34	\$6,500.00	VEHICLE REPAIR	\$6,500.00	\$0.00	\$0.00
\$843.23	\$575.24	\$1,200.00	UNIFORM & SAFETY GEAR	\$1,200.00	\$0.00	\$0.00
\$845.32	\$349.39	\$1,000.00	SMALL EQUIPMENT/TOOLS	\$1,000.00	\$0.00	\$0.00
\$0.00	\$2,177.22	\$2,500.00	SIGNS	\$2,500.00	\$0.00	\$0.00
\$33,501.63	\$67,467.31	\$96,052.00	TOTAL PARKS MATERIALS & SERVICES	\$82,550.00	\$0.00	\$0.00
			CAPITAL OUTLAY			
\$14,762.00	\$31,750.00	\$0.00	CAPITAL IMPROVEMENTS	\$0.00	\$0.00	\$0.00
\$14,762.00	\$31,750.00	\$0.00	TOTAL PARKS CAPITAL OUTLAY	\$0.00	\$0.00	\$0.00
			TRANSFERS OUT			
\$0.00	\$7,900.00	\$7,900.00	TRANSFER TO FLEET REPLACEMENT	\$7,900.00	\$0.00	\$0.00
\$0.00	\$7,900.00	\$7,900.00	TOTAL ADMIN TRANSFERS OUT	\$7,900.00	\$0.00	\$0.00
\$163,476.71	\$187,891.62	\$216,652.00	TOTAL PARKS REQUIREMENTS	\$200,650.00	\$0.00	\$0.00

GENERAL FUND PLANNING DEPARTMENT

The Planning Department serves the public in resolving issues affecting land use, land development, code enforcement and the quality of life in Molalla. Planning staff supports the work of the Planning Commission. Long range planning coordinates Molalla's land use policies, as reflected in the Development Code and Comprehensive Plan; while current planning tasks involve the reviewing land use applications for compliance with Molalla's Development Code. In 2020-2021, the Planning Department will complete an Economic Development Plan and embark on several updates to the Development Code, in support of City Council and Planning Commission goals.

Historical Data			Budget for Next FY 20-21			
Actual			REQUIREMENTS	Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	Adopted Budget This Year Year 2019-2020				
			PERSONNEL SERVICES			
\$28,423.71	\$19,540.61	\$67,250.00	BENEFITS AND TAXES	\$67,000.00	\$0.00	\$0.00
\$57,200.10	\$50,760.74	\$128,000.00	SALARIES AND WAGES	\$191,600.00	\$0.00	\$0.00
\$85,623.81	\$70,301.35	\$195,250.00	TOTAL PLANNING PERSONNEL SERVICES	\$258,600.00	\$0.00	\$0.00
0.00	1.00	2.00	FTE	2.50		
			MATERIALS & SERVICES			
\$1,249.05	\$1,243.34	\$1,300.00	POWER	\$1,300.00	\$0.00	\$0.00
\$2,903.27	\$3,747.30	\$3,000.00	PHONE	\$3,000.00	\$0.00	\$0.00
\$3,342.35	\$2,945.87	\$4,000.00	OPERATIONS & MAINTENANCE	\$6,000.00	\$0.00	\$0.00
\$120.20	\$0.00	\$1,000.00	BUILDING MAINTENANCE	\$1,000.00	\$0.00	\$0.00
\$494.60	\$505.53	\$1,500.00	TRAINING & CONF. TRAVEL	\$2,000.00	\$0.00	\$0.00
\$0.00	\$167.00	\$600.00	DUES & MEMBERSHIP	\$1,500.00	\$0.00	\$0.00
\$1,524.32	\$1,143.59	\$2,000.00	POSTAGE	\$2,000.00	\$0.00	\$0.00
\$2,295.55	\$2,777.28	\$2,500.00	PRINTING & PUBLICATIONS	\$2,500.00	\$0.00	\$0.00
\$4,926.06	\$49,393.12	\$20,000.00	PROFESSIONAL SERVICES	\$20,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$60,000.00	ECONOMIC DEVELOPMENT PLAN	\$30,000.00	\$0.00	\$0.00
\$1,498.00	\$1,360.16	\$1,700.00	INSURANCE/LIABILITY/GEN	\$3,200.00	\$0.00	\$0.00
\$845.25	\$1,266.45	\$1,100.00	CUSTODIAN	\$1,100.00	\$0.00	\$0.00
\$1,077.52	\$1,738.22	\$1,500.00	OFFICE SUPPLIES	\$1,500.00	\$0.00	\$0.00
\$5,097.20	\$2,568.62	\$15,000.00	CITY ATTORNEY	\$15,000.00	\$0.00	\$0.00
\$936.53	\$305.00	\$2,000.00	COMPUTER SERVICES	\$2,000.00	\$0.00	\$0.00
\$0.00	\$700.00	\$300.00	MEETINGS AND BOARDS	\$700.00	\$0.00	\$0.00
\$26,309.90	\$69,861.48	\$117,500.00	TOTAL PLANNING MATERIALS & SERVICES	\$92,800.00	\$0.00	\$0.00
\$111,933.71	\$140,162.83	\$312,750.00	TOTAL PLANNING REQUIREMENTS	\$351,400.00	\$0.00	\$0.00
\$5,880,474.98	\$6,851,125.96	\$6,880,937.00	TOTAL GENERAL FUND RESOURCES AND FB	\$7,446,000.00	\$0.00	\$0.00
\$3,899,902.55	\$4,152,953.57	\$6,880,937.00	TOTAL GENERAL FUND REQUIREMENTS	\$7,446,000.00	\$0.00	\$0.00
\$1,980,572.43	\$2,698,172.39	\$0.00	TOTAL NET GENERAL FUND	\$0.00	\$0.00	\$0.00

SPECIAL REVENUE FUNDS



LIBRARY FUND

The Molalla Public Library is funded by the Clackamas County Library District and administratively managed by the City of Molalla. We continue to be a community Resource Hub open seven days a week, including four evenings, and provide events for our community. Over the next year, we will be adding a part time assistant dedicated to Youth Services so we can increase our programs and outreach, especially to schools and Head Start programs. We are also expanding our adult and teen programs and will be presenting another Music in the Park series this summer. The City will be moving forward on Library expansion preparation tasks as well. The budget prepared for next year allows us to continue to be a safe, hospitable, and inclusive place for all while growing with our community to provide updated resources and educational and family friendly events.

Planning for future Library expansion is identified within our capital funding.

Historical Data			Budget for Next FY 20-21			
Actual			RESOURCES	Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	Adopted Budget This Year Year 2019-2020				
\$1,533,336.48	\$1,655,469.91	\$1,700,000.00	BEGINNING FUND BALANCE	\$1,767,000.00	\$0.00	\$0.00
			REVENUE			
\$873,119.00	\$940,682.00	\$935,000.00	COUNTY FUNDS	\$975,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$850,000.00	LIBRARY DISTRICT CAPITAL FUNDS	\$850,000.00	\$0.00	\$0.00
\$4,073.00	\$7,169.00	\$5,500.00	GRANTS	\$4,500.00	\$0.00	\$0.00
\$2,978.03	\$2,910.05	\$3,000.00	COPIER INCOME	\$3,000.00	\$0.00	\$0.00
\$5,441.96	\$423.13	\$100.00	MISC	\$100.00	\$0.00	\$0.00
\$14,676.18	\$14,200.67	\$14,500.00	FINES	\$13,000.00	\$0.00	\$0.00
\$1,468.60	\$2,465.71	\$3,000.00	DONATIONS	\$3,000.00	\$0.00	\$0.00
\$901,756.77	\$967,850.56	\$1,811,100.00	TOTAL LIBRARY FUND REVENUES	\$1,848,600.00	\$0.00	\$0.00
\$1,533,336.48	\$1,655,469.91	\$1,700,000.00	TOTAL BEGINNING FUND BALANCE	\$1,767,000.00	\$0.00	\$0.00
\$2,435,093.25	\$2,623,320.47	\$3,511,100.00	TOTAL LIBRARY FUND RESOURCES	\$3,615,600.00	\$0.00	\$0.00

Historical Data			LIBRARY FUND REQUIREMENTS	Budget for Next FY 20-21		
Actual		Adopted Budget		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	This Year Year 2019-2020				
			PERSONNEL SERVICES			
\$157,956.04	\$172,933.41	\$191,500.00	BENEFITS AND TAXES	\$190,200.00	\$0.00	\$0.00
\$349,966.53	\$382,520.56	\$403,600.00	SALARIES AND WAGES	\$431,400.00	\$0.00	\$0.00
\$507,922.57	\$555,453.97	\$595,100.00	TOTAL LIBRARY PERSONNEL SERVICES	\$621,600.00	\$0.00	\$0.00
6.50	7.20	8.20	FTE	8.70		
			MATERIALS & SERVICES			
\$10,139.33	\$10,214.67	\$13,000.00	POWER	\$12,500.00	\$0.00	\$0.00
\$8,598.39	\$8,627.59	\$8,000.00	PHONE	\$8,800.00	\$0.00	\$0.00
\$1,229.89	\$1,230.26	\$1,500.00	NW NATURAL GAS	\$1,350.00	\$0.00	\$0.00
\$1,085.18	\$2,157.31	\$3,500.00	OPERATIONS & MAINTENANCE	\$3,500.00	\$0.00	\$0.00
\$12,337.62	\$27,509.66	\$30,000.00	BUILDING MAINTENANCE	\$25,500.00	\$0.00	\$0.00
\$3,295.74	\$3,597.57	\$5,000.00	TRAINING & CONF. TRAVEL	\$5,000.00	\$0.00	\$0.00
\$99.00	\$209.00	\$500.00	DUES & MEMBERSHIP	\$500.00	\$0.00	\$0.00
\$286.34	\$0.00	\$500.00	POSTAGE	\$400.00	\$0.00	\$0.00
\$3,207.00	\$3,995.00	\$10,000.00	PROFESSIONAL SERVICES	\$5,000.00	\$0.00	\$0.00
\$6,964.00	\$11,468.58	\$11,000.00	INSURANCE/LIABILITY/GEN	\$15,000.00	\$0.00	\$0.00
\$55,887.66	\$60,769.22	\$62,000.00	BOOKS	\$65,000.00	\$0.00	\$0.00
\$8,480.03	\$8,475.22	\$12,500.00	E-PUBLICATIONS	\$13,000.00	\$0.00	\$0.00
\$3,840.52	\$6,215.93	\$5,000.00	READY TO READ MATERIAL	\$4,500.00	\$0.00	\$0.00
\$20,181.89	\$21,157.37	\$28,000.00	AUDIO-VISUAL MATERIAL	\$30,000.00	\$0.00	\$0.00
\$6,296.91	\$9,276.28	\$9,000.00	DATA BASES	\$9,500.00	\$0.00	\$0.00
\$9,522.20	\$9,719.16	\$21,600.00	CUSTODIAN	\$25,500.00	\$0.00	\$0.00
\$10,799.61	\$10,432.30	\$18,000.00	OFFICE SUPPLIES	\$18,000.00	\$0.00	\$0.00
\$1,200.00	\$1,200.00	\$1,200.00	MOLALLA FIRE READER BOARD	\$0.00	\$0.00	\$0.00
\$80,894.81	\$61,693.68	\$95,000.00	COST ALLOCATION AGREEMENT	\$73,000.00	\$0.00	\$0.00
\$2,361.88	\$1,839.30	\$5,000.00	FURNITURE & FIXTURES	\$3,000.00	\$0.00	\$0.00
\$4,579.67	\$3,676.99	\$7,000.00	COPIER EXPENSES	\$7,500.00	\$0.00	\$0.00
\$11,523.89	\$13,979.05	\$22,000.00	PROGRAMS	\$24,000.00	\$0.00	\$0.00
\$2,941.25	\$3,204.12	\$2,500.00	PERIODICALS	\$3,000.00	\$0.00	\$0.00
\$5,947.96	\$4,371.35	\$25,000.00	EQUIPMENT	\$5,000.00	\$0.00	\$0.00
\$271,700.77	\$285,019.61	\$396,800.00	TOTAL LIBRARY MATERIALS & SERVICES	\$358,550.00	\$0.00	\$0.00

Historical Data			LIBRARY FUND			
Actual		Adopted Budget This Year Year 2019-2020	REQUIREMENTS <i>-cont</i>	Budget for Next FY 20-21		
Second Preceding Year 2017-2018	First Preceding Year 2018-2019			Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
			CAPITAL OUTLAY			
\$0.00	\$0.00	\$0.00	CAPITAL IMPROVEMENTS	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$2,416,320.00	CAPITAL PROJECT - CONSTRUCTION	\$2,435,450.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	BOOKS	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	E-PUBLICATIONS	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	READY TO READ MATERIAL	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	AUDIO-VISUAL MATERIAL	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	DATA BASES	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$2,416,320.00	TOTAL LIBRARY CAPITAL OUTLAY	\$2,435,450.00	\$0.00	\$0.00
			TRANSFERS OUT			
\$0.00	\$0.00	\$5,000.00	TRANSFER TO FLEET REPLACEMENT	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$5,000.00	TOTAL LIBRARY TRANSFERS OUT	\$0.00	\$0.00	\$0.00
			CONTINGENCY			
\$0.00	\$0.00	\$97,880.00	OPERATING CONTINGENCY	\$200,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$97,880.00	TOTAL OPERATING CONTINGENCY	\$200,000.00	\$0.00	\$0.00
\$779,623.34	\$840,473.58	\$3,511,100.00	TOTAL LIBRARY REQUIREMENTS	\$3,615,600.00	\$0.00	\$0.00
\$2,435,093.25	\$2,623,320.47	\$3,511,100.00	TOTAL FUND RESOURCES AND FUND BAL	\$3,615,600.00	\$0.00	\$0.00
\$779,623.34	\$840,473.58	\$3,511,100.00	TOTAL FUND REQUIREMENTS	\$3,615,600.00	\$0.00	\$0.00
\$1,655,469.91	\$1,782,846.89	\$0.00	TOTAL NET LIBRARY FUND	\$0.00	\$0.00	\$0.00

STREETS FUND

The Street Fund has two primary revenue sources; State Gas Tax and Franchise Fees. Public Works expects State gas tax revenues to increase slightly and PGE Franchise Fee revenues remain flat. The beginning fund balance is estimated to decrease by approximately 13% due to expenditures from the Capital Projects Fund. Personnel Service expenses increased and a wage increase has been included for some Public Works positions. The wage increases are based on contract required and merit-based increases. Materials & Services expenses have increased to better represent the actual operating expenditures. Capital Improvements and transfers to the Capital Project Fund have increased to cover Transportation Master Plan project costs. Transfers for fleet replacement remain flat and the Contingency line item has grown to 25.6% of revenue.

Historical Data			STREET FUND RESOURCES	Budget for Next FY 20-21		
Actual Second Preceding Year 2017-2018	First Preceding Year 2018-2019	Adopted Budget This Year Year 2019-2020		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
\$586,855.95	\$688,299.47	\$498,152.00	BEGINNING FUND BALANCE	\$434,216.00	\$0.00	\$0.00
			REVENUE			
\$593,789.91	\$700,430.44	\$720,000.00	STATE GAS TAX	\$710,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	VEHICLE REGISTRATION FEE	\$150,000.00	\$0.00	\$0.00
\$177,492.35	\$188,268.26	\$177,000.00	PGE FRANCHISE FEE	\$180,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	STP ALLOCATION	\$5,200,000.00	\$0.00	\$0.00
\$4,106.25	\$13,584.87	\$1,000.00	MISCELLANEOUS	\$1,000.00	\$0.00	\$0.00
\$43,574.58	\$12,785.00	\$1,000.00	PLAN REVIEW AND PERMITS	\$1,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$5,200,000.00	ODOT/213 & TOLIVER	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	STATE REVENUE SHARE	\$0.00	\$0.00	\$0.00
\$818,963.09	\$915,068.57	\$6,099,000.00	TOTAL STREET FUND REVENUES	\$6,242,000.00	\$0.00	\$0.00
\$586,855.95	\$688,299.47	\$498,152.00	TOTAL BEGINNING FUND BALANCE	\$434,216.00	\$0.00	\$0.00
\$1,405,819.04	\$1,603,368.04	\$6,597,152.00	TOTAL STREET FUND RESOURCES	\$6,676,216.00	\$0.00	\$0.00

Historical Data			STREET FUND			
			Budget for Next FY 20-21			
Actual	Actual	Adopted Budget		Proposed By	Approved By	Adopted By
Second Preceding	First Preceding	This Year	REQUIREMENTS	Budget Officer	Budget	Governing
Year 2017-2018	Year 2018-2019	Year 2019-2020			Committee	Body
			PERSONNEL SERVICES			
\$88,608.03	\$96,733.30	\$149,500.00	BENEFITS AND TAXES	\$154,100.00	\$0.00	\$0.00
\$186,514.11	\$200,916.46	\$262,000.00	SALARIES AND WAGES	\$258,800.00	\$0.00	\$0.00
\$275,122.14	\$297,649.76	\$411,500.00	TOTAL PERSONNEL SERVICES	\$412,900.00	\$0.00	\$0.00
3.00	3.14	3.24	FTE	3.14		
			MATERIALS & SERVICES			
\$89,808.51	\$100,594.12	\$93,000.00	POWER	\$106,000.00	\$0.00	\$0.00
\$5,880.73	\$6,357.56	\$7,500.00	PHONE	\$11,000.00	\$0.00	\$0.00
\$1,961.76	\$1,766.47	\$1,500.00	NATURAL GAS	\$1,700.00	\$0.00	\$0.00
\$3,522.32	\$5,993.93	\$10,000.00	O&M	\$29,200.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	O&M (PARKS)	\$0.00	\$0.00	\$0.00
\$2,191.56	\$2,433.82	\$10,500.00	BUILDING MAINTENANCE	\$3,400.00	\$0.00	\$0.00
\$865.91	\$1,522.19	\$5,100.00	TRANING & CONF. TRAVEL	\$5,600.00	\$0.00	\$0.00
\$585.20	\$730.50	\$1,200.00	DUES & MEMBERSHIP	\$1,200.00	\$0.00	\$0.00
\$0.00	\$677.88	\$200.00	POSTAGE	\$500.00	\$0.00	\$0.00
\$7,823.21	\$7,753.77	\$8,300.00	COMPUTER NETWORK	\$7,500.00	\$0.00	\$0.00
\$5,389.30	\$12,665.08	\$13,300.00	PROFESSIONAL SERVICES	\$13,300.00	\$0.00	\$0.00
\$0.00	\$0.00	\$5,000.00	LEGAL & RECORDING	\$10,000.00	\$0.00	\$0.00
\$24,152.00	\$21,901.49	\$25,000.00	INSURANCE/LIABILITY/GEN	\$27,000.00	\$0.00	\$0.00
\$3,991.47	\$3,014.25	\$9,500.00	VEHICLE FUEL	\$9,500.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	VEHICLE FUEL (PARKS)	\$0.00	\$0.00	\$0.00
\$14,283.47	\$11,728.76	\$25,500.00	VEHICLE REPAIR	\$25,200.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	VEHICLE REPAIR (PARKS)	\$0.00	\$0.00	\$0.00
\$3,021.51	\$2,552.81	\$2,700.00	UNIFORMS & SAFETY GEAR	\$4,600.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	UNIFORMS & SAFETY GEAR (PARKS)	\$0.00	\$0.00	\$0.00
\$62,765.58	\$49,508.01	\$70,000.00	COST ALLOCATION AGREEMENT	\$62,000.00	\$0.00	\$0.00
\$65,167.26	\$43,410.13	\$165,500.00	SIDEWALK / STREET REPAIRS	\$180,500.00	\$0.00	\$0.00
\$1,366.27	\$902.96	\$2,500.00	SMALL EQUIPMENT / TOOLS	\$1,500.00	\$0.00	\$0.00
\$0.00	\$0.00	\$500.00	PERMITS	\$500.00	\$0.00	\$0.00
\$32,346.92	\$41,570.00	\$33,500.00	SIGNAGE & STRIPING	\$33,500.00	\$0.00	\$0.00
\$0.00	\$0.00	\$10,000.00	NEW STREET LIGHTS	\$30,000.00	\$0.00	\$0.00
\$325,122.98	\$315,083.73	\$500,300.00	TOTAL MATERIALS % SERVICES	\$563,700.00	\$0.00	\$0.00

Historical Data			STREETS	Budget for Next FY 20-21		
Actual				REQUIREMENTS- <i>cont</i>	Proposed By	Approved By
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	Adopted Budget This Year Year 2019-2020			Budget Officer	Budget Committee
			CAPITAL OUTLAY			
\$66,992.07	\$0.00	\$0.00	CAPITAL IMPROVEMENTS	\$0.00	\$0.00	\$0.00
\$0.00	\$20,485.00	\$6,500.00	STREET EQUIPMENT	\$1,700.00	\$0.00	\$0.00
\$66,992.07	\$20,485.00	\$6,500.00	TOTAL CAPITAL OUTLAY	\$1,700.00	\$0.00	\$0.00
			TRANSFERS OUT			
\$26,582.38	\$318,481.82	\$5,524,000.00	TRANSFER TO CAPITAL PROJECT F	\$5,450,000.00	\$0.00	\$0.00
\$23,700.00	\$19,800.00	\$19,800.00	TRANSFER TO FLEET REPLACE FUND	\$19,800.00	\$0.00	\$0.00
\$50,282.38	\$338,281.82	\$5,543,800.00	TOTAL TRANSFERS OUT	\$5,469,800.00	\$0.00	\$0.00
			CONTINGENCY			
\$0.00	\$0.00	\$135,052.00	OPERATING CONTINGENCY	\$228,116.00	\$0.00	\$0.00
\$0.00	\$0.00	\$135,052.00	TOTAL OPERATING CONTINGENCY	\$228,116.00	\$0.00	\$0.00
\$717,519.57	\$971,500.31	\$6,597,152.00	TOTAL STREET FUND REQUIREMENTS	\$6,676,216.00	\$0.00	\$0.00
\$1,405,819.04	\$1,603,368.04	\$6,597,152.00	TOTAL FUND RESOURCES AND FUND BAL	\$6,676,216.00	\$0.00	\$0.00
\$717,519.57	\$971,500.31	\$6,597,152.00	TOTAL FUND REQUIREMENTS	\$6,676,216.00	\$0.00	\$0.00
\$688,299.47	\$631,867.73	\$0.00	TOTAL NET STREET FUND	\$0.00	\$0.00	\$0.00

PD RESTRICTED FUND

The account category titled PD Restricted Funds houses several smaller accounts designed to be protected or set-aside. For example, when citizens or a business entity donates money for a particular cause (like K9) those funds need to be held separately to ensure they are used for the reason they were designated. When funds are donated to the police department and are not designated to a particular area, they go into a Youth Athletic or Activity fund which the Department uses to pay for registration fees for families that otherwise could not afford to let their children participate. This category is also funded from any auctions or sales of surplus equipment. Similarly, our officers and staff personally donate monthly funds to a Youth Scholarship fund which awards an annual \$1000 college scholarship to a worthy graduating senior at Molalla High School. There is also a small portion of revenue that comes from traffic citations that is directed to be used for emergency vehicle replacement and related issues.

Historical Data			Budget for Next FY 20-21			
Actual			RESOURCES	Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
Second Preceding Year 2017-2018	First Preceding Year 2018- 2019	Adopted Budget This Year Year 2019-2020				
\$29,955.57	\$20,923.99	\$31,351.00	BEGINNING FUND BALANCE	\$10,964.00	\$0.00	\$0.00
			REVENUE			
\$16,919.45	\$13,559.51	\$14,000.00	EMERGENCY VEHICLE FUND	\$14,000.00	\$0.00	\$0.00
\$2,347.54	\$1,370.00	\$1,400.00	POLICE PAYROLL DONATIONS	\$1,320.00	\$0.00	\$0.00
\$3,848.00	\$1,803.00	\$1,000.00	POLICE AUCTION / YOUTH FUND	\$1,000.00	\$0.00	\$0.00
\$0.00	\$50,000.00	\$50,000.00	SHARED REVENUES	\$50,000.00	\$0.00	\$0.00
\$50,000.00	\$0.00	\$0.00	TRANSFER FROM GENERAL FUND	\$0.00	\$0.00	\$0.00
\$73,114.99	\$66,732.51	\$66,400.00	TOTAL STREET FUND REVENUES	\$66,320.00	\$0.00	\$0.00
\$29,955.57	\$20,923.99	\$31,351.00	TOTAL BEGINNING FUND BALANCE	\$10,964.00	\$0.00	\$0.00
\$103,070.56	\$87,656.50	\$97,751.00	TOTAL PD RESTRICTED FUND RESOURCES	\$77,284.00	\$0.00	\$0.00

PD RESTRICTED FUND

**Historical Data
Actual**

Budget for Next FY 20-21

Second Preceding Year 2017-2018	First Preceding Year 2018-2019	Adopted Budget This Year 2019-2020	REQUIREMENTS	Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
			MATERIALS & SERVICES			
\$0.00	\$0.00	\$1,751.00	K9 (Donation)	\$1,751.00	\$0.00	\$0.00
\$80,396.57	\$69,795.64	\$14,000.00	PD EMERGENCY VEHICLE FUND	\$0.00	\$0.00	\$0.00
\$750.00	\$3,230.00	\$1,000.00	YOUTH FUND	\$2,000.00	\$0.00	\$0.00
\$1,000.00	\$1,000.00	\$1,000.00	H.S. SCHOLARSHIP (eeDonation)	\$1,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$20,000.00	SUPPLIES / EQUIPMENT	\$22,533.00	\$0.00	\$0.00
\$82,146.57	\$74,025.64	\$37,751.00	TOTAL MATERIALS % SERVICES	\$27,284.00	\$0.00	\$0.00
			CAPITAL OUTLAY			
\$0.00	\$0.00	\$50,000.00	EMERGENCY VEHICLE	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$50,000.00	TOTAL CAPITAL OUTLAY	\$0.00	\$0.00	\$0.00
			TRANSFERS OUT			
\$0.00	\$0.00	\$10,000.00	TRANSFER TO FLEET REPLACEMENT	\$50,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$10,000.00	TOTAL TRANSFERS OUT	\$50,000.00	\$0.00	\$0.00
\$82,146.57	\$74,025.64	\$97,751.00	TOTAL PD RESTRICTED FUND REQUIREMENTS	\$77,284.00	\$0.00	\$0.00
\$103,070.56	\$87,656.50	\$97,751.00	TOTAL FUND RESOURCES AND FUND BAL	\$77,284.00	\$0.00	\$0.00
\$82,146.57	\$74,025.64	\$97,751.00	TOTAL FUND REQUIREMENTS	\$77,284.00	\$0.00	\$0.00
\$20,923.99	\$13,630.86	\$0.00	TOTAL NET PD RESTRICTED FUND	\$0.00	\$0.00	\$0.00

Capital Improvement Fund

The Capital Improvement Fund for FY 2020-21 is made up of a combination existing projects that began in FY 2019-20 and new projects beginning in FY 2020-21. The following is list of those projects with a brief explanation of their purpose:

Street Projects

- OR 211 Pedestrian-Bicycle Improvements – This project is partially funded with a Multimodal Transportation Enhance Program (MTEP) grant to provide a pedestrian and bicycle connection from the Safeway Shopping Center to east of Ona Way on the north side of Highway 211.
- OR 213 All Roads Transportation Safety (ARTS) Project – This project is a state delivered federal project to install safety upgrades, such as lighting and signage, to improve intersection safety along the Hwy 213 corridor. The project is focused mainly on the intersection of Hwy 213 and Toliver Road.
- Shops Decant Facility – This project will construct a drying bed for street sweeping materials to reduce the trucking and disposal costs of street sweeping debris.
- City Hall Remodel Ph 3 – This project will replace single pane windows in the conference room, upgrade portions of the HVAC system, add office space and improve material storage and clerical work areas.
- OR 213-Toliver Road Roundabout – This project will construct a roundabout to improvement traffic flow and safety at this high crash intersection. Improvements to crash rates were made recently with the reduction in speed limits along OR 213.
- OR 211-Molalla Avenue Signal – This project is listed in the Transportation Master Plan high priority project list and city's Capital Improvement Plan. This project will construct a signal and install dedicated left turn lanes in the east-west directions.
- Molalla Forest Road Bike/Ped Pathway Ph 1 – This project is listed in the Transportation Master Plan high priority project list, Parks Master Plan, and city's Capital Improvement Plan. This project will remove an old timber culvert at Bear Creek and prepare the site for a new pedestrian bridge.
- Molalla Avenue Intersection Improvements (Heintz and 5th) – This project is listed in the Transportation Master Plan high priority project list and city's Capital Improvement Plan. This project will construct a dedicated left turn lane in the north-south directions and create an all-way stop at both locations.

Sewer Projects

- WWTP Upgrade – This project will design and construct a new treatment process at the plant and eliminate treatment from the storage lagoons. The lagoons will be repurposed for treated effluent storage for surges in treated flows.
- WWMP Phase 1 Project 2 Patrol Street – This project will design and reconstruct the sewer on Patrol Street.
- City Hall Remodel Ph 3 – See Street Projects above.
- WWMP Phase 1 Project 4 Eckerd Ave – This project will design and reconstruct the sewer on Eckerd Avenue.
- WWMP Phase 1 Project 6 Molalla LS to May Street – This project will design and reconstruct the sewer from the Molalla Avenue lift station to the east end of May Street.

Water Projects

- Patrol Street Waterline – This project will design and reconstruct the waterline on Patrol Street.

- Eckerd Avenue Waterline – This project will design and reconstruct the waterline on Eckerd Avenue.
- WTP New Trident 1400 GPM Filter – The project will design and construct a new 2 MGD water treatment plant filtration unit bringing the plant treatment capacity to 4 MGD.
- WTP Sodium Hypochlorite & Controls Upgrade – This project will upgrade the chemical delivery system for the treatment plant and supervisory control and data acquisition (SCADA) to better control the water treatment process, replace aging equipment, and reduce maintenance costs.
- City Hall Remodel Ph 3 – See Street Projects above.
- Trout Creek Monitoring Station – This project will continue to read flows at the monitoring station on Trout Creek as part of the City’s monitoring requirements for water rights.
- Trout Creek Water Right Transfer – This project will move the water right from Trout Creek to the Molalla River intake so that the City’s water right is in one location at the point of access.
- Water Master Plan/Water Management & Conservation Plan/Risk Assessment and Emergency Response Plan – This project will update the 1996 Water Master Plan and develop a new water management plan meeting State of Oregon requirements.

Stormwater Projects

- City Hall Remodel Ph 3 – See Street Projects above.
- Shops Decant Facility – See Street Projects above.

Park Projects

- Molalla Forest Road Bike/Ped Pathway Ph 1 – See Street Projects above.
- Creamery Creek Park – This project will design and construct a small neighborhood park on Mary Drive next to Creamery Creek.
- Park Acquisition – This project will allow the City to acquire land for a future park. No specific location has been determined at this time.

Future Outlook

Because the community increased the Water, Sewer, and Stormwater Fund user fees as recommended in the 2017 rate study, the City has and will continue to be able to make necessary system improvements and replacements. Public Works continues to work on capital improvements that were on a deferred list. Completion of these projects will help the City of Molalla remain on its Pathway to Compliance and improve services to the community. The Sewer Fund has remained manageable and with the approved additional funding, the Wastewater Treatment Plant upgrade is now a reality. The Water Fund continues to remain healthy and the Storm Fund is growing slowly. The outlook for sewer, water, stormwater and parks systems are good. Streets will continue to struggle until a comprehensive funding strategy is approved by the community.

CAPITAL PROJECTS

Budget for Next FY 20-21

Historical Data			RESOURCES	Budget for Next FY 20-21		
Actual	First	Adopted Budget		Proposed By	Approved	Adopted By
Second	Preceding	This Year	Budget Officer	By	Governing	
Preceding	Year 2018-	Year 2019-2020		Budget	Body	
Year 2017-2018	2019			Committee		
\$0.00	\$0.00	\$0.00	BEGINNING FUND BALANCE	\$90,000.00	\$0.00	\$0.00
			REVENUE			
\$0.00	\$0.00	\$0.00	USDA GRANT	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	CDBG GRANT	\$0.00	\$0.00	\$0.00
\$26,582.38	\$318,481.82	\$5,524,000.00	TRANSFER FROM STREETS	\$5,450,000.00	\$0.00	\$0.00
\$228,209.32	\$311,006.55	\$359,000.00	TRANSFER FROM SEWER	\$1,150,000.00	\$0.00	\$0.00
\$40,019.09	\$188,300.36	\$1,019,520.00	TRANSFER FROM WATER	\$918,200.00	\$0.00	\$0.00
\$7,786.86	\$95,200.57	\$123,000.00	TRANSFER FROM STORMWATER	\$60,000.00	\$0.00	\$0.00
\$242,964.04	\$205,197.77	\$685,000.00	TRANSFER FROM SEWER SDC	\$0.00	\$0.00	\$0.00
\$12,251.10	\$324,214.88	\$1,979,480.00	TRANSFER FROM WATER SDC	\$502,900.00	\$0.00	\$0.00
\$52,813.59	\$261,959.10	\$731,000.00	TRANSFER FROM STREET SDC	\$657,488.00	\$0.00	\$0.00
\$125,736.08	\$126,928.87	\$207,853.00	TRANSFER FROM PARKS SDC	\$1,000,000.00	\$0.00	\$0.00
\$4,626.37	\$59,999.74	\$100,000.00	TRANSFER FROM STORM SDC	\$25,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$100,000.00	TRANSFER FROM GF-POLICE DEPT	\$300,000.00	\$0.00	\$0.00
\$740,988.83	\$1,891,289.66	\$10,828,853.00	TOTAL FUND REVENUES	\$10,063,588.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	TOTAL BEGINNING FUND BALANCE	\$90,000.00	\$0.00	\$0.00
\$740,988.83	\$1,891,289.66	\$10,828,853.00	TOTAL CAPITAL PROJECTS FUND RESOURCES	\$10,153,588.00	\$0.00	\$0.00

Historical Data			CAPITAL PROJECTS REQUIREMENTS	Budget for Next FY 20-21		
Actual Second Preceding	Actual First Preceding	Adopted Budget This Year Year 2019-2020		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
			CAPITAL OUTLAY			
\$0.00	\$0.00	\$0.00	USDA PROJECT	\$0.00	\$0.00	\$0.00
\$125,736.08	\$117,887.84	\$207,853.00	PARK CAPITAL PROJECTS	\$1,000,000.00	\$0.00	\$0.00
\$79,395.97	\$590,121.62	\$6,255,000.00	STREET CAPITAL PROJECTS	\$6,107,488.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	HWY 213 & TOLIVER INTERSECTION	\$0.00	\$0.00	\$0.00
\$471,748.36	\$500,646.50	\$1,044,000.00	SEWER CAPITAL PROJECTS	\$1,150,000.00	\$0.00	\$0.00
\$51,695.19	\$514,677.86	\$2,999,000.00	WATER CAPITAL PROJECTS	\$1,421,100.00	\$0.00	\$0.00
\$12,413.23	\$167,955.84	\$223,000.00	STORM WATER CAPITAL PROJECTS	\$85,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$100,000.00	POLICE FACILITY CAPITAL PROJ	\$390,000.00	\$0.00	\$0.00
\$740,988.83	\$1,891,289.66	\$10,828,853.00	TOTAL CAPITAL OUTLAY	\$10,153,588.00	\$0.00	\$0.00
\$740,988.83	\$1,891,289.66	\$10,828,853.00	TOTAL CAPITAL PROJECT FUND REQUIREMENTS	\$10,153,588.00	\$0.00	\$0.00
\$740,988.83	\$1,891,289.66	\$10,828,853.00	TOTAL FUND RESOURCES AND FUND BAL	\$10,153,588.00	\$0.00	\$0.00
\$740,988.83	\$1,891,289.66	\$10,828,853.00	TOTAL FUND REQUIREMENTS	\$10,153,588.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	TOTAL NET CAPITAL PROJECTS FUND	\$0.00	\$0.00	\$0.00

FLEET REPLACEMENT FUND

This fund is for purchase of replacement vehicles and equipment. Funds will be transferred each year from enterprise funds, governmental funds, and the Park Fund for future purchases. The intent is to set aside funding each year for a cash replacement of vehicles and equipment in an effort to avoid administrative and interests fees associated with financing vehicles and equipment.

Historical Data			Budget for Next FY 20-21			
Actual			RESOURCES	Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
Preceding Year 2017- 2018	First Preceding Year 2018-2019	Adopted Budget This Year Year 2019-2020				
\$0.00	\$71,100.00	\$125,425.00	BEGINNING FUND BALANCE	\$245,095.00	\$0.00	\$0.00
			REVENUE			
\$0.00	\$20,000.00	\$0.00	TRANSFER FROM GENERAL FUND	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$60,000.00	TRANSFER FROM POLICE	\$70,000.00	\$0.00	\$0.00
\$0.00	\$7,900.00	\$7,900.00	TRANSFER FROM GF PARKS	\$7,900.00	\$0.00	\$0.00
\$0.00	\$0.00	\$5,000.00	TRANSFER FROM LIBRARY	\$0.00	\$0.00	\$0.00
\$23,700.00	\$19,800.00	\$19,800.00	TRANSFER FROM STREETS	\$19,800.00	\$0.00	\$0.00
\$23,700.00	\$21,725.00	\$21,725.00	TRANSFER FROM SEWER	\$21,725.00	\$0.00	\$0.00
\$23,700.00	\$22,000.00	\$22,000.00	TRANSFER FROM WATER	\$22,000.00	\$0.00	\$0.00
\$0.00	\$7,900.00	\$7,900.00	TRANSFER FROM STORMWATER	\$7,900.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	TRANSFER FROM PD REST	\$50,000.00	\$0.00	\$0.00
\$71,100.00	\$99,325.00	\$144,325.00	TOTAL FUND REVENUES	\$199,325.00	\$0.00	\$0.00
\$0.00	\$71,100.00	\$125,425.00	TOTAL BEGINNING FUND BALANCE	\$245,095.00	\$0.00	\$0.00
\$71,100.00	\$170,425.00	\$269,750.00	TOTAL FLEET REPLACEMENT FUND RESOURCES	\$444,420.00	\$0.00	\$0.00

Historical Data			Budget for Next FY 20-21			
Actual		Adopted Budget	REQUIREMENTS	Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
Second Preceding	First Preceding Year 2018-2019	This Year Year 2019-2020				
			CAPITAL OUTLAY			
\$0.00	\$20,000.00	\$0.00	ADMIN FLEET	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$60,000.00	POLICE FLEET	\$145,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$7,500.00	PARKS FLEET	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$5,000.00	LIBRARY FLEET	\$0.00	\$0.00	\$0.00
\$0.00	\$538.65	\$13,750.00	STREET FLEET	\$18,000.00	\$0.00	\$0.00
\$0.00	\$538.65	\$13,750.00	SEWER FLEET	\$18,000.00	\$0.00	\$0.00
\$0.00	\$538.65	\$13,750.00	WATER FLEET	\$18,000.00	\$0.00	\$0.00
\$0.00	\$538.65	\$13,750.00	STORM FLEET	\$18,000.00	\$0.00	\$0.00
\$0.00	\$22,154.60	\$127,500.00	TOTAL CAPITAL OUTLAY	\$217,000.00	\$0.00	\$0.00
			RESERVES			
\$0.00	\$0.00	\$8,300.00	RESERVE-PARKS	\$16,200.00	\$0.00	\$0.00
\$0.00	\$0.00	\$48,300.00	RESERVE-STREETS	\$64,562.00	\$0.00	\$0.00
\$0.00	\$0.00	\$52,150.00	RESERVE-SEWER	\$70,336.00	\$0.00	\$0.00
\$0.00	\$0.00	\$32,700.00	RESERVE-WATER	\$71,161.00	\$0.00	\$0.00
\$0.00	\$0.00	\$800.00	RESERVE-STORMWATER	\$5,161.00	\$0.00	\$0.00
\$0.00	\$0.00	\$142,250.00	TOTAL RESERVE	\$227,420.00	\$0.00	\$0.00
\$0.00	\$22,154.60	\$269,750.00	TOTAL FLEET REPLACEMENT FUND REQUIREMENT	\$444,420.00	\$0.00	\$0.00
\$71,100.00	\$170,425.00	\$269,750.00	TOTAL FUND RESOURCES AND FUND BAL	\$444,420.00	\$0.00	\$0.00
\$0.00	\$22,154.60	\$269,750.00	TOTAL FUND REQUIREMENTS	\$444,420.00	\$0.00	\$0.00
\$71,100.00	\$148,270.40	\$0.00	TOTAL NET FLEET REPLACEMENT FUND	\$0.00	\$0.00	\$0.00

ENTERPRISE FUNDS



SEWER FUND

The Sewer Fund anticipates Monthly User Fee to increase based on new rates effective July 1, 2020 for FY 2020-21. Public Works is continuing its I&I and biosolids removal work and continued cost savings through repairs and efficiency improvements have been realized at the Wastewater Treatment Plant operations. The beginning fund balance has decreased from FY 2019-20 due to continued project related expenses. Personnel Service expenses increased due to the addition of a new Wastewater Treatment Plant Operator and a wage increase has been included for some Public Works positions. The wage increases are based on contract required and merit based increases.

The Materials & Services expenses increased in the Maintenance and Operation Divisions due to increases in I&I work and biosolids removal. Other line items adjustments have been made to better match existing expenditures. Transfers to the Sewer Debt Service and CWSRF Fund, and Fleet Replacement Fund have remained flat. Transfers to the Capital Projects Fund have increased by \$1,000,000 for the WWTP Upgrade project. Contingency line item has remained flat.

Historical Data			SEWER FUND	Budget for Next FY 20-21		
Actual				RESOURCES	Proposed By Budget Officer	Approved By Budget Committee
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	Adopted Budget This Year Year 2019-2020				
\$777,735.36	\$691,997.17	\$740,584.00	BEGINNING FUND BALANCE	\$672,280.00	\$0.00	\$0.00
			REVENUE			
\$722.93	\$536.93	\$1,000.00	MISCELLANEOUS	\$1,000.00	\$0.00	\$0.00
\$62,500.00	\$49,500.00	\$25,000.00	WASTEWATER DECREE ALLOCATION	\$25,000.00	\$0.00	\$0.00
\$3,762.42	\$11,797.07	\$1,000.00	PLAN REVIEW AND PERMITS	\$1,000.00	\$0.00	\$0.00
\$2,508,139.33	\$2,737,730.24	\$2,750,000.00	MONTHLY USER FEE	\$3,215,781.00	\$0.00	\$0.00
\$36,600.00	\$56,400.00	\$1,000.00	SERVICE CONNECTIONS	\$1,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	DEQ LOAN	\$1,100,000.00	\$0.00	\$0.00
\$2,611,724.68	\$2,855,964.24	\$2,778,000.00	TOTAL FUND REVENUES	\$4,343,781.00	\$0.00	\$0.00
\$777,735.36	\$691,997.17	\$740,584.00	TOTAL BEGINNING FUND BALANCE	\$672,280.00	\$0.00	\$0.00
\$3,389,460.04	\$3,547,961.41	\$3,518,584.00	TOTAL SEWER FUND RESOURCES	\$5,016,061.00	\$0.00	\$0.00
			REQUIREMENTS			
			PERSONNEL SERVICES			
\$185,246.42	\$197,856.21	\$299,000.00	BENEFITS AND TAXES	\$338,700.00	\$0.00	\$0.00
\$401,691.50	\$416,990.58	\$586,500.00	SALARIES AND WAGES	\$568,600.00	\$0.00	\$0.00
\$586,937.92	\$614,846.79	\$885,500.00	TOTAL PERSONNEL SERVICES	\$907,300.00	\$0.00	\$0.00
5.80	5.70	7.85	FTE	7.85		

Historical Data			SEWER FUND REQUIREMENTS	Budget for Next FY 20-21		
Actual	Actual	Adopted Budget		Proposed By	Approved By	Adopted By
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	This Year Year 2019-2020		Budget Officer	Budget Committee	Governing Body
SEWER MAINTENANCE DIVISION						
MATERIALS & SERVICES						
\$137,082.72	\$141,082.40	\$165,000.00	POWER	\$155,000.00	\$0.00	\$0.00
\$7,810.23	\$8,889.89	\$27,000.00	PHONE	\$28,000.00	\$0.00	\$0.00
\$416.51	\$655.94	\$1,000.00	NATURAL GAS	\$1,000.00	\$0.00	\$0.00
\$47,372.87	\$27,617.03	\$32,750.00	OPERATIONS & MAINTENANCE	\$15,000.00	\$0.00	\$0.00
\$7,271.20	\$5,495.44	\$10,500.00	BUILDING MAINTENANCE	\$3,400.00	\$0.00	\$0.00
\$2,671.95	\$2,446.66	\$5,000.00	TRANING & CONF. TRAVEL	\$6,500.00	\$0.00	\$0.00
\$467.30	\$1,880.50	\$2,500.00	DUES & MEMBERSHIP	\$3,000.00	\$0.00	\$0.00
\$6,546.02		\$11,000.00	POSTAGE	\$12,000.00	\$0.00	\$0.00
\$7,713.84	\$7,731.56	\$8,300.00	COMPUTER NETWORK	\$7,000.00	\$0.00	\$0.00
\$123,637.90	\$39,568.73	\$63,300.00	PROFESSIONAL SERVICES	\$42,000.00	\$0.00	\$0.00
\$396,050.25	\$233,205.69	\$175,000.00	LEGAL & RECORDING	\$150,000.00	\$0.00	\$0.00
\$24,152.00	\$24,772.94	\$27,000.00	INSURANCE/LIABILITY/GEN	\$27,000.00	\$0.00	\$0.00
\$1,274.09	\$1,734.85	\$5,000.00	VEHICLE FUEL	\$5,000.00	\$0.00	\$0.00
\$5,940.20	\$2,177.15	\$20,000.00	VEHICLE REPAIR	\$20,000.00	\$0.00	\$0.00
\$1,442.45	\$1,493.90	\$2,700.00	UNIFORMS & SAFETY GEAR	\$4,600.00	\$0.00	\$0.00
\$0.00	\$59,374.45	\$30,340.00	LITIGATION PAYOUT	\$0.00	\$0.00	\$0.00
\$107,195.91	\$78,370.38	\$104,000.00	COST ALLOCATION AGREEMENT	\$110,000.00	\$0.00	\$0.00
\$87,796.22	\$37,291.70	\$195,500.00	INFLOW & INFILTRATION	\$530,000.00	\$0.00	\$0.00
\$10,538.10	\$938.35	\$5,000.00	SEWER LINE REPAIR	\$5,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$2,500.00	NEW SEWER CONNECTIONS	\$2,500.00	\$0.00	\$0.00
\$2,887.00	\$4,665.00	\$5,000.00	PERMITS	\$5,000.00	\$0.00	\$0.00
\$617.05	\$168.46	\$2,500.00	SMALL EQUIP/TOOLS	\$1,500.00	\$0.00	\$0.00
\$19,034.65	\$33,281.05	\$33,000.00	LIFT STATION MAINT	\$26,000.00	\$0.00	\$0.00
\$997,918.46	\$712,842.07	\$933,890.00	IL SEWER MAINTENANCE-MATERIALS & SER'	\$1,159,500.00	\$0.00	\$0.00

SEWER OPERATIONS DIVISION

MATERIALS & SERVICES						
\$122,238.15	\$100,630.34	\$89,500.00	OPERATIONS & MAINTENANCE	\$89,500.00	\$0.00	\$0.00
\$37,274.77	\$6,456.38	\$10,000.00	BUILDING MAINTENANCE	\$17,500.00	\$0.00	\$0.00
\$906.28	\$1,517.68	\$1,200.00	TRANING & CONF. TRAVEL	\$1,200.00	\$0.00	\$0.00
\$181.00	\$388.00	\$1,000.00	DUES & MEMBERSHIP	\$1,000.00	\$0.00	\$0.00
\$4,979.21	\$4,075.28	\$2,500.00	VEHICLE FUEL	\$2,500.00	\$0.00	\$0.00
\$1,917.44	\$3,121.00	\$2,000.00	VEHICLE REPAIR	\$5,000.00	\$0.00	\$0.00

Historical Data			SEWER FUND REQUIREMENTS-cont	Budget for Next FY 20-21		
Actual Second Preceding Year 2017-2018	Actual First Preceding Year 2018-2019	Adopted Budget This Year Year 2019-2020		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
SEWER OPERATIONS DIVISION -CONT						
\$9,573.57	\$17,430.02	\$20,000.00	IRRIGATION FUEL	\$25,000.00	\$0.00	\$0.00
\$1,060.74	\$622.83	\$2,200.00	UNIFORMS & SAFETY GEAR	\$2,200.00	\$0.00	\$0.00
\$6,275.85	\$523,641.34	\$400,000.00	BIOSOLIDS REMOVAL	\$533,900.00	\$0.00	\$0.00
\$0.00	\$6,116.93	\$5,000.00	EFFLUENT MONITORING	\$4,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$18,500.00	LAB SUPPLIES/EQUIPMENT	\$18,500.00	\$0.00	\$0.00
\$217,360.09	\$192,579.40	\$198,000.00	CHLORINE & CHEMICALS	\$150,000.00	\$0.00	\$0.00
\$19,766.00	\$3,239.00	\$9,000.00	PERMITS	\$15,500.00	\$0.00	\$0.00
\$421,533.10	\$859,818.20	\$758,900.00	AL SEWER OPERATIONS-MATERIALS & SERV	\$865,800.00	\$0.00	\$0.00
CAPITAL OUTLAY						
\$65,729.07	\$0.00	\$0.00	CAPITAL IMPROVEMENTS	\$0.00	\$0.00	\$0.00
\$0.00	\$20,645.00	\$6,500.00	SEWER EQUIPMENT	\$89,225.00	\$0.00	\$0.00
\$65,729.07	\$20,645.00	\$6,500.00	TOTAL CAPITAL OUTLAY	\$89,225.00	\$0.00	\$0.00
TRANSFERS OUT						
\$316,350.00	\$316,000.00	\$316,000.00	TRANSFER TO SEWER DEBT	\$282,600.00	\$0.00	\$0.00
\$57,085.00	\$49,815.00	\$44,575.00	TRANSFER TO CWSRF	\$39,897.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	TRANSFER TO CWSRF#2	\$20,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	TRANSFER TO WSTER	\$25,000.00	\$0.00	\$0.00
\$228,209.32	\$311,006.55	\$359,000.00	TRANSFER TO CAPITAL PROJECT F	\$1,150,000.00	\$0.00	\$0.00
\$23,700.00	\$21,725.00	\$21,725.00	TRANSFER TO FLEET REPLACE FUND	\$21,725.00	\$0.00	\$0.00
\$625,344.32	\$698,546.55	\$741,300.00	TOTAL TRANSFERS OUT	\$1,539,222.00	\$0.00	\$0.00
CONTINGENCY/Reserve						
\$0.00	\$0.00	\$192,494.00	CONTINGENCY	\$455,014.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	RESERVE-WWTP	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$192,494.00	TOTAL OPERATING CONTINGENCY	\$455,014.00	\$0.00	\$0.00
\$2,697,462.87	\$2,906,698.61	\$3,518,584.00	TOTAL SEWER REQUIREMENTS	\$5,016,061.00	\$0.00	\$0.00
\$3,389,460.04	\$3,547,961.41	\$3,518,584.00	TOTAL FUND RESOURCES AND FUND BAL	\$5,016,061.00	\$0.00	\$0.00
\$2,697,462.87	\$2,906,698.61	\$3,518,584.00	TOTAL FUND REQUIREMENTS	\$5,016,061.00	\$0.00	\$0.00
\$691,997.17	\$641,262.80	\$0.00	TOTAL NET SEWER FUND	\$0.00	\$0.00	\$0.00

WATER FUND

The Water Fund anticipates Monthly User Fee to remain flat based on no rate increases for FY 2020-21. Public Works is currently working on a Water Treatment Plant upgrade, waterline replacements, a Water Master Plan and a Water Management and Conservation Plan update. The beginning fund balance increased from FY 2019-20 due to less than anticipated project related expenses. Personnel Service expenses increased and a wage increase has been included for some Public Works positions. The wage increases are based on contract required and merit-based increases.

The Materials & Services expenses have remained flat in the Maintenance and Operation Divisions due to efficiencies and reduction in overall costs. Transfers to the Capital Project Fund and Fleet Replacement Fund have remained flat. Contingency line item has increased to 40% and a \$1,300,000 reserve has been set up for upcoming water replacement projects.

Historical Data			Budget for Next FY 20-21			
Actual		Adopted Budget			Approved By	Adopted By
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	This Year Year 2019-2020	RESOURCES	Proposed By Budget Officer	Budget Committee	Governing Body
\$1,082,121.85	\$1,678,396.32	\$2,104,752.00	BEGINNING FUND BALANCE	\$2,399,264.00	\$0.00	\$0.00
			REVENUE			
\$722.93	\$14,370.53	\$1,000.00	MISCELLANEOUS	\$1,000.00	\$0.00	\$0.00
\$3,373.45	\$2,426.77	\$1,000.00	PLAN REVIEW AND PERMITS	\$1,000.00	\$0.00	\$0.00
\$1,740,531.42	\$1,831,565.15	\$2,050,000.00	MONTHLY USER FEE	\$2,100,000.00	\$0.00	\$0.00
\$37,225.00	\$57,600.00	\$1,000.00	SERVICE CONNECTIONS	\$600.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	TRANSFER FROM SEWER	\$25,000.00	\$0.00	\$0.00
\$1,781,852.80	\$1,905,962.45	\$2,053,000.00	TOTAL FUND REVENUES	\$2,127,600.00	\$0.00	\$0.00
\$1,082,121.85	\$1,678,396.32	\$2,104,752.00	TOTAL BEGINNING FUND BALANCE	\$2,399,264.00	\$0.00	\$0.00
\$2,863,974.65	\$3,584,358.77	\$4,157,752.00	TOTAL WATER FUND RESOURCES	\$4,526,864.00	\$0.00	\$0.00
			PERSONNEL SERVICES			
\$206,897.53	\$199,607.23	\$256,500.00	BENEFITS AND TAXES	\$275,400.00	\$0.00	\$0.00
\$401,481.81	\$424,381.69	\$459,000.00	SALARIES AND WAGES	\$461,400.00	\$0.00	\$0.00
\$608,379.34	\$623,988.92	\$715,500.00	TOTAL PERSONNEL SERVICES	\$736,800.00	\$0.00	\$0.00
5.50	5.65	5.84	FTE	5.74		
WATER MAINTENANCE DIVISION						
MATERIALS & SERVICES						
\$69,886.14	\$79,462.11	\$90,000.00	POWER	\$90,000.00	\$0.00	\$0.00
\$6,493.79	\$7,183.49	\$7,500.00	PHONE	\$18,000.00	\$0.00	\$0.00
\$26,801.93	\$29,695.45	\$24,500.00	OPERATIONS & MAINTENANCE	\$23,500.00	\$0.00	\$0.00

Historical Data			WATER FUND REQUIREMENTS	Budget for Next FY 20-21		
Actual	Adopted Budget	Proposed By		Approved By	Adopted By	
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	This Year Year 2019-2020	REQUIREMENTS	Budget Officer	Budget Committee	Governing Body
WATER MAINTENANCE DIVISION <i>cont</i>						
MATERIALS & SERVICES						
\$2,478.95	\$1,120.95	\$10,500.00	BUILDING MAINTENANCE	\$3,400.00	\$0.00	\$0.00
\$3,589.93	\$2,513.99	\$4,500.00	TRANING & CONF. TRAVEL	\$5,175.00	\$0.00	\$0.00
\$1,629.24	\$1,927.26	\$3,000.00	DUES & MEMBERSHIP	\$2,800.00	\$0.00	\$0.00
\$6,450.81	\$7,034.88	\$7,500.00	POSTAGE	\$11,000.00	\$0.00	\$0.00
\$7,674.63	\$7,703.22	\$8,300.00	COMPUTER NETWORK	\$7,425.00	\$0.00	\$0.00
\$4,501.90	\$5,993.73	\$16,000.00	PROFESSIONAL SERVICES	\$31,300.00	\$0.00	\$0.00
\$0.00	\$0.00	\$2,000.00	LEGAL & RECORDING	\$10,000.00	\$0.00	\$0.00
\$24,152.00	\$27,228.34	\$30,000.00	INSURANCE/LIABILITY/GEN	\$35,000.00	\$0.00	\$0.00
\$1,291.33	\$1,224.03	\$8,000.00	VEHICLE FUEL	\$8,000.00	\$0.00	\$0.00
\$3,017.99	\$2,887.17	\$20,000.00	VEHICLE REPAIR	\$20,000.00	\$0.00	\$0.00
\$799.10	\$1,179.66	\$2,700.00	UNIFORMS & SAFETY GEAR	\$4,600.00	\$0.00	\$0.00
\$81,169.49	\$56,542.38	\$80,000.00	COST ALLOCATION AGREEMENT	\$85,000.00	\$0.00	\$0.00
\$1,930.19	\$0.00	\$1,000.00	CHLORINE & CHEMICALS	\$1,000.00	\$0.00	\$0.00
\$43,154.42	\$62,184.83	\$65,000.00	WATER LINE REPAIR	\$100,000.00	\$0.00	\$0.00
\$42.69	\$4,972.73	\$10,000.00	NEW WATER CONNECTIONS	\$10,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$500.00	PERMITS	\$500.00	\$0.00	\$0.00
\$799.98	\$1,175.34	\$2,500.00	SMALL EQUIP/TOOLS	\$1,500.00	\$0.00	\$0.00
\$46,776.80	\$14,441.69	\$35,000.00	NEW WATER METERS	\$25,000.00	\$0.00	\$0.00
\$332,641.31	\$314,471.25	\$428,500.00	WATER MAINTENANCE-MATERIALS & SEI	\$493,200.00	\$0.00	\$0.00
WATER OPERATIONS DIVISION						
MATERIALS & SERVICES						
\$109,938.13	\$68,720.32	\$78,500.00	OPERATIONS & MAINTENANCE	\$58,300.00	\$0.00	\$0.00
\$5,932.08	\$3,723.54	\$10,500.00	BUILDING MAINTENANCE	\$20,200.00	\$0.00	\$0.00
\$1,146.65	\$1,099.00	\$3,500.00	TRANING & CONF. TRAVEL	\$3,100.00	\$0.00	\$0.00
\$298.50	\$507.00	\$1,000.00	DUES & MEMBERSHIP	\$1,000.00	\$0.00	\$0.00
\$4,146.83	\$4,824.75	\$5,000.00	VEHICLE FUEL	\$5,000.00	\$0.00	\$0.00
\$556.73	\$3,537.12	\$5,000.00	VEHICLE REPAIR	\$5,000.00	\$0.00	\$0.00
\$749.96	\$935.43	\$3,500.00	UNIFORMS & SAFETY GEAR	\$4,500.00	\$0.00	\$0.00
\$0.00	\$0.00	\$30,000.00	LAB SUPPLIES/EQUIPMENT	\$25,000.00	\$0.00	\$0.00
\$25,693.64	\$34,960.69	\$36,500.00	CHLORINE & CHEMICALS	\$31,500.00	\$0.00	\$0.00
\$5,374.00	\$614.00	\$2,500.00	PERMITS	\$2,900.00	\$0.00	\$0.00

Historical Data			WATER FUND			
Actual			Budget for Next FY 20-21			
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	Adopted Budget This Year Year 2019-2020	REQUIREMENTS- <i>cont</i>	Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
WATER OPERATIONS DIVISION						
MATERIALS & SERVICES - <i>cont</i>						
\$2,925.00	\$0.00	\$27,000.00	WATER RESERVOIR MAINTENANCE	\$27,000.00	\$0.00	\$0.00
\$156,761.52	\$118,921.85	\$203,000.00	WATER OPERATIONS-MATERIALS & SER	\$183,500.00	\$0.00	\$0.00
CAPITAL OUTLAY						
\$24,077.07	\$0.00	\$0.00	CAPITAL IMPROVEMENTS	\$0.00	\$0.00	\$0.00
\$0.00	\$20,830.48	\$6,500.00	WATER EQUIPMENT	\$1,700.00	\$0.00	\$0.00
\$24,077.07	\$20,830.48	\$6,500.00	TOTAL CAPITAL OUTLAY	\$1,700.00	\$0.00	\$0.00
TRANSFERS OUT						
\$0.00	\$0.00	\$0.00	TRANSFER TO WATER EXPANSI	\$0.00	\$0.00	\$0.00
\$40,019.09	\$188,300.36	\$1,019,520.00	TRANSFER TO CAPITAL PROJECT F	\$918,200.00	\$0.00	\$0.00
\$23,700.00	\$22,000.00	\$22,000.00	TRANSFER TO FLEET REPLACE FUND	\$22,000.00	\$0.00	\$0.00
\$63,719.09	\$210,300.36	\$1,041,520.00	TOTAL TRANSFERS OUT	\$940,200.00	\$0.00	\$0.00
CONTINGENCY						
\$0.00	\$0.00	\$762,732.00	OPERATING CONTINGENCY	\$841,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$762,732.00	TOTAL OPERATING CONTINGENCY	\$841,000.00	\$0.00	\$0.00
RESERVE						
\$0.00	\$0.00	\$1,000,000.00	RESERVE	\$1,330,464.00	\$0.00	\$0.00
\$0.00	\$0.00	\$1,000,000.00	TOTAL RESERVE	\$1,330,464.00	\$0.00	\$0.00
\$1,185,578.33	\$1,288,512.86	\$4,157,752.00	TOTAL WATER REQUIREMENTS	\$4,526,864.00	\$0.00	\$0.00
\$2,863,974.65	\$3,584,358.77	\$4,157,752.00	TOTAL FUND RESOURCES AND FUND BA	\$4,526,864.00	\$0.00	\$0.00
\$1,185,578.33	\$1,288,512.86	\$4,157,752.00	TOTAL FUND REQUIREMENTS	\$4,526,864.00	\$0.00	\$0.00
\$1,678,396.32	\$2,295,845.91	\$0.00	TOTAL NET WATER FUND	\$0.00	\$0.00	\$0.00

STORM WATER FUND

The Storm Fund anticipates Monthly User Fee to increase based on new rates effective July 1, 2020 for FY 2020-21. The beginning fund balance decreased slightly from FY 2019-20 due to ongoing project related expenses. Personnel Service expenses increased and a wage increase has been included for some Public Works positions. The wage increases are based on contract required and merit-based increases.

The Materials & Services expenses increased due to line item adjustments to better match existing expenditures. Transfers to the Capital Project Fund have decreased and Fleet Replacement Fund have remained flat. Contingency line item has increased 20% of revenue.

Historical Data
Actual

Budget for Next FY 20-21

Historical Data			Budget for Next FY 20-21			
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	Adopted Budget This Year 2019-2020	RESOURCES			
			Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
\$104,296.90	\$143,127.52	\$152,845.00	BEGINNING FUND BALANCE	\$92,962.00	\$0.00	\$0.00
			REVENUE			
\$0.00	\$867.80	\$0.00	MISCELLANEOUS	\$0.00	\$0.00	\$0.00
\$9,484.27	\$4,156.46	\$500.00	PLAN REVIEW AND PERMITS	\$500.00	\$0.00	\$0.00
\$236,691.54	\$258,949.30	\$255,000.00	MONTHLY USER FEE	\$285,000.00	\$0.00	\$0.00
\$246,175.81	\$263,973.56	\$255,500.00	TOTAL FUND REVENUES	\$285,500.00	\$0.00	\$0.00
\$104,296.90	\$143,127.52	\$152,845.00	TOTAL BEGINNING FUND BALANCE	\$92,962.00	\$0.00	\$0.00
\$350,472.71	\$407,101.08	\$408,345.00	TOTAL STORM WATER FUND RESOURCES	\$378,462.00	\$0.00	\$0.00

STORM WATER FUND

Historical Data			Budget for Next FY 20-21			
Actual		Adopted Budget	REQUIREMENTS	Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	This Year Year 2019-2020				
			PERSONNEL SERVICES			
\$33,753.05	\$38,917.83	\$52,500.00	BENEFITS AND TAXES	\$53,700.00	\$0.00	\$0.00
\$80,535.72	\$80,870.06	\$92,500.00	SALARIES AND WAGES	\$90,700.00	\$0.00	\$0.00
\$114,288.77	\$119,787.89	\$145,000.00	TOTAL PERSONNEL SERVICES	\$144,400.00	\$0.00	\$0.00
1.00	1.07	1.22	FTE	1.22		
			MATERIALS & SERVICES			
\$0.00	\$0.00	\$0.00	POWER	\$15,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	PHONE	\$4,000.00	\$0.00	\$0.00
\$5,134.77	\$10,589.82	\$7,000.00	OPERATIONS & MAINTENANCE	\$18,000.00	\$0.00	\$0.00
\$0.00	\$233.83	\$2,000.00	BUILDING MAINTENANCE	\$1,300.00	\$0.00	\$0.00
\$372.79	\$520.44	\$1,500.00	TRANING & CONF. TRAVEL	\$2,700.00	\$0.00	\$0.00
\$37.20	\$337.50	\$500.00	DUES & MEMBERSHIP	\$600.00	\$0.00	\$0.00
\$575.38	\$2,374.53	\$500.00	POSTAGE	\$3,000.00	\$0.00	\$0.00
\$2,533.91	\$2,567.77	\$3,000.00	COMPUTER NETWORK	\$2,700.00	\$0.00	\$0.00
\$3,909.67	\$3,145.30	\$11,000.00	PROFESSIONAL SERVICES	\$10,600.00	\$0.00	\$0.00
\$36.50	\$0.00	\$500.00	LEGAL & RECORDING	\$500.00	\$0.00	\$0.00
\$6,900.00	\$6,823.22	\$7,500.00	INSURANCE/LIABILITY/GEN	\$9,000.00	\$0.00	\$0.00
\$1,264.35	\$2,447.30	\$3,000.00	VEHICLE FUEL	\$3,000.00	\$0.00	\$0.00
\$771.22	\$9,191.22	\$8,500.00	VEHICLE REPAIR	\$12,800.00	\$0.00	\$0.00
\$127.80	\$83.16	\$1,000.00	UNIFORMS & SAFETY GEAR	\$1,600.00	\$0.00	\$0.00
\$13,528.23	\$20,251.08	\$15,000.00	COST ALLOCATION AGREEMENT	\$15,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$500.00	PERMITS	\$500.00	\$0.00	\$0.00
\$0.00	\$85.76	\$1,000.00	SMALL EQUIP/TOOLS	\$500.00	\$0.00	\$0.00
\$400.00	\$1,200.00	\$20,000.00	STORM DRAINS	\$5,000.00	\$0.00	\$0.00
\$35,591.82	\$59,850.93	\$82,500.00	TOTAL MATERIALS & SERVICES	\$105,800.00	\$0.00	\$0.00

Historical Data			STORM WATER FUND REQUIREMENTS- <i>cont</i>	Budget for Next FY 20-21		
Actual		Adopted Budget		Proposed By	Approved By	Adopted By
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	This Year Year 2019-2020	Budget Officer	Budget Committee	Governing Body	
			CAPITAL OUTLAY			
\$49,677.74	\$0.00	\$0.00	CAPITAL IMPROVEMENTS	\$0.00	\$0.00	
\$0.00	\$20,741.95	\$4,000.00	STORM EQUIPMENT	\$3,100.00	\$0.00	
\$49,677.74	\$20,741.95	\$4,000.00	TOTAL CAPITAL OUTLAY	\$3,100.00	\$0.00	
			TRANSFERS OUT			
\$7,786.86	\$95,200.57	\$123,000.00	TRANSFER TO CAPITAL PROJECT F	\$60,000.00	\$0.00	
\$0.00	\$7,900.00	\$7,900.00	TRANSFER TO FLEET REPLACE FUND	\$7,900.00	\$0.00	
\$7,786.86	\$103,100.57	\$130,900.00	TOTAL TRANSFERS OUT	\$67,900.00	\$0.00	
			CONTINGENCY			
\$0.00	\$0.00	\$45,945.00	CONTINGENCY	\$57,262.00	\$0.00	
\$0.00	\$0.00	\$45,945.00	TOTAL OPERATING CONTINGENCY	\$57,262.00	\$0.00	
\$207,345.19	\$303,481.34	\$408,345.00	TOTAL STORM WATER REQUIREMENTS	\$378,462.00	\$0.00	
\$350,472.71	\$407,101.08	\$408,345.00	TOTAL FUND RESOURCES AND FUND BAL	\$378,462.00	\$0.00	
\$207,345.19	\$303,481.34	\$408,345.00	TOTAL FUND REQUIREMENTS	\$378,462.00	\$0.00	
\$143,127.52	\$103,619.74	\$0.00	TOTAL NET STORM WATER FUND	\$0.00	\$0.00	

SDC FUNDS



System Development Charges

In June 2016, the Molalla City Council examined and adopted the City's Capital Improvement Plans (CIP) and in July 2016 adopted an update the System Development Charge (SDC) methodologies and fees to maintain compliance with state statutes. These Capital Improvement Plans are based on the Master Plans for each area of the municipal infrastructure as supplemented by an inventory of projects identified by City staff subsequent to adopting the plans.

The City of Molalla's System Development Charges are divided into five areas of infrastructure in compliance with the requirements of the Oregon Revised Statutes, to include:

1. Water supply, treatment, distribution, and storage system;
2. Wastewater collection, treatment, and disposal;
3. Storm water and flood control systems;
4. Transportation systems;
5. Parks and recreation facilities.

SDC METHODOLOGY OVERVIEW

Oregon Revised Statutes 223.297 through 223.314 provide the statutory basis for application of System Development Charges. This statute is intended to provide a uniform framework for development of equitable funding to support orderly growth.

Based on the statutes, SDCs are composed of:

- Reimbursement Fees to address the value of existing improvements,
- Improvement Fees to address the cost of needed future improvements, or
- Combination of both Reimbursement and Improvement Fees.

The City's updated methodologies identify current "replacement value" for all existing improvements to establish the basis of the Reimbursement Fee. The basis for the Improvement Fee is the "estimated cost" of improvements not yet constructed, but needed, to serve future populations.

Existing improvements typically have surplus capacity for future users as well as deficiencies in serving the existing users. Similarly, projects on the Capital Improvement Plan listing are required to provide capacity for future users. They also frequently resolve deficiencies in service to the existing users. To account for the available capacity in the City's infrastructure and the concurrent need to undertake capital improvements to resolve deficiencies, the Molalla SDC Methodologies include a combination of both Reimbursement Fees and Improvement Fees.

To assure an equitable allocation of costs between existing and future users, the value of all existing facilities and the estimated cost of all future improvements are allocated to all users, current and future equally, based on their proportionate use of the available capacity. This methodology avoids double charging for capacity and is also independent of current population. With this approach there is no need to identify percentage of remaining capacity to serve future users, nor to estimate future population growth. This allocation is dependent only upon the ultimate capacity of the facility and the value or cost of the facility.

Although all SDCs are primarily related to population, the rate of population growth has no impact on calculation of the fee. The fee is based on funding needed for improvements to support growth, independent of when that population growth is realized. In periods of high growth, SDC revenues will accrue more quickly to allow construction of needed improvements earlier to support the accelerated growth. In periods of low growth, revenues will accrue more slowly, but the need for infrastructure improvements to support this growth is also protracted.

SDCs are typically collected with the issuance of building permits. As a result, the unit of measure for allocating SDC costs is defined in various unique forms for each utility, but is generally based on the impact of one single family residential unit which is adopted to be one Equivalent Dwelling Unit (EDU).

SDC ADMINISTRATION REQUIREMENTS

Per ORS 223.311, System Development Charge revenues must be deposited in dedicated accounts for each utility and an annual accounting prepared identifying amounts collected for each utility, amounts spent on each qualified project, and the annual cost of complying with these requirements.

The statute mandates that Reimbursement fees may be expended on any capital improvements or associated debt service within the subject infrastructure. Improvement Fees may only be spent on projects included in the Capital Improvement Plan for each infrastructure, including associated debt service. Accordingly, it is important to account for reimbursement and improvement fees separately.

LOOKING FORWARD INTO 2020/2021

Several projects have been identified for FY 2020/21 that will utilize system development charge fees for increasing system capacity. The following is a list of those projects:

Sewer SDC

No SDC's are available for projects.

Water SDC

Patrol Street Waterline Replacement, Eckerd Avenue Waterline Replacement, WTP New 1400 GPM Trident Filtration Plant, WTP Sodium Hypochlorite and Controls Upgrade, and WTP ACH Feed System Improvements, Water Master Plan, Water Management and Conservation Plan, and Risk Assessment and Emergency Response Plan.

Street SDC

OR 211 Pedestrian and Bicycle Improvements (213 to Ona Way), OR 213 ARTS Project, Molalla Forest Road Bike/Pedestrian Path Ph 1, Molalla Ave Intersection Improvements (Heintz and 5th), OR 211-Molalla Ave Signal, and Shops Decant Facility.

Parks SDC

Molalla Forest Road Bike/Pedestrian Path Ph 1, Creamery Creek Park, and Future Park Land Acquisition

Stormwater SDC

Shops Decant Facility.

After FY 2020/21, the City of Molalla anticipates little to no funding of projects with SDC revenues and the reserves on all SDC accounts except for Parks will be below \$100,000.

System Development Charges

In June 2016, the Molalla City Council examined and adopted the City's Capital Improvement Plans (CIP) and in July 2016 adopted an update the System Development Charge (SDC) methodologies and fees to maintain compliance with state statutes. These Capital Improvement Plans are based on the Master Plans for each area of the municipal infrastructure as supplemented by an inventory of projects identified by City staff subsequent to adopting the plans.

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SDCs are typically collected with the issuance of building permits. As a result, the unit of measure for allocating SDC costs is defined in various unique forms for each utility, but is generally based on the impact of one single family residential unit which is adopted to be one Equivalent Dwelling Unit (EDU).

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LOOKING FORWARD INTO 2020/2021

Several projects have been identified for FY 2020/21 that will utilize system development charge fees for increasing system capacity. The following is a list of those projects:

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No SDC's are available for projects.

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OR 211 Pedestrian and Bicycle Improvements (213 to Ona Way), OR 213 ARTS Project, Molalla Forest Road Bike/Pedestrian Path Ph 1, Molalla Ave Intersection Improvements (Heintz and 5th), OR 211-Molalla Ave Signal, and Shops Decant Facility.

Parks SDC

Molalla Forest Road Bike/Pedestrian Path Ph 1, Creamery Creek Park, and Future Park Land Acquisition

Stormwater SDC

Shops Decant Facility.

After FY 2020/21, the City of Molalla anticipates little to no funding of projects with SDC revenues and the reserves on all SDC accounts except for Parks will be below \$100,000.

Historical Data			STREET SDC FUND			
Actual			Budget for Next FY 20-21			
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	Adopted Budget This Year Year 2019-2020	RESOURCES	Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
\$606,476.22	\$813,582.63	\$812,688.00	BEGINNING FUND BALANCE	\$593,983.00	\$0.00	\$0.00
			REVENUE			
\$0.00	\$0.00	\$0.00	TRANSPORTATION SDC	\$0.00	\$0.00	\$0.00
\$52,935.00	\$103,363.00	\$7,690.00	TRANSPORTATION - REIMBURSEMENT	\$3,845.00	\$0.00	\$0.00
\$206,985.00	\$440,934.00	\$31,530.00	TRANSPORTATION - IMPROVEMENT	\$59,660.00	\$0.00	\$0.00
\$259,920.00	\$544,297.00	\$39,220.00	TOTAL FUND REVENUES	\$63,505.00	\$0.00	\$0.00
\$606,476.22	\$813,582.63	\$812,688.00	TOTAL BEGINNING FUND BALANCE	\$593,983.00	\$0.00	\$0.00
\$866,396.22	\$1,357,879.63	\$851,908.00	TOTAL STREET SDC FUND RESOURCES	\$657,488.00	\$0.00	\$0.00
			REQUIREMENTS			
\$0.00	\$3,723.20	\$0.00	PROFESSIONAL SERVICES	\$0.00	\$0.00	\$0.00
\$0.00	\$3,723.20	\$0.00	TOTAL MATERIALS % SERVICES	\$0.00	\$0.00	\$0.00
			CAPITAL OUTLAY			
\$0.00	\$0.00	\$0.00	CAPITAL IMPROVEMENTS	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	TOTAL CAPITAL OUTLAY	\$0.00	\$0.00	\$0.00
			TRANSFERS OUT			
\$52,813.59	\$261,959.10	\$731,000.00	TRANSFER TO CAPITAL PROJECTS	\$657,488.00	\$0.00	\$0.00
\$52,813.59	\$261,959.10	\$731,000.00	TOTAL TRANSFERS OUT	\$657,488.00	\$0.00	\$0.00
			RESERVE			
\$0.00	\$0.00	\$30,485.00	RESERVE - IMPROVEMENT SDC	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$90,423.00	RESERVE - REIMBURSEMENT SDC	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$120,908.00	TOTAL RESERVES	\$0.00	\$0.00	\$0.00
\$52,813.59	\$265,682.30	\$851,908.00	TOTAL STREET SDC FUND REQUIREMENTS	\$657,488.00	\$0.00	\$0.00
\$866,396.22	\$1,357,879.63	\$851,908.00	TOTAL FUND RESOURCES AND FUND BAL	\$657,488.00	\$0.00	\$0.00
\$52,813.59	\$265,682.30	\$851,908.00	TOTAL FUND REQUIREMENTS	\$657,488.00	\$0.00	\$0.00
\$813,582.63	\$1,092,197.33	\$0.00	TOTAL NET STREET SDC FUND	\$0.00	\$0.00	\$0.00

Historical Data
Actual

PARK SDC FUND

Budget for Next FY 20-21

Second Preceding Year 2017-2018	First Preceding Year 2018-2019	Adopted Budget This Year 2019-2020	RESOURCES	Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
\$1,476,440.59	\$1,787,784.51	\$2,287,929.00	BEGINNING FUND BALANCE	\$2,309,567.00	\$0.00	\$0.00
			REVENUE			
\$437,080.00	\$833,581.00	\$72,230.00	PARK SDC - IMPROVEMENT FEE	\$12,750.00	\$0.00	\$0.00
\$437,080.00	\$833,581.00	\$72,230.00	TOTAL FUND REVENUES	\$12,750.00	\$0.00	\$0.00
\$1,476,440.59	\$1,787,784.51	\$2,287,929.00	TOTAL BEGINNING FUND BALANCE	\$2,309,567.00	\$0.00	\$0.00
			TOTAL PARK SDC FUND RESOURCES	\$2,322,317.00	\$0.00	\$0.00
			REQUIREMENTS			
			MATERIAL & SERVICES			
\$0.00	\$0.00	\$0.00	PROFESSIONAL SERVICES	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	TOTAL MATERIALS % SERVICES	\$0.00	\$0.00	\$0.00
			CAPITAL OUTLAY			
\$0.00	\$0.00	\$0.00	CAPITAL IMPROVEMENTS	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	TOTAL CAPITAL OUTLAY	\$0.00	\$0.00	\$0.00
			TRANSFERS OUT			
\$125,736.08	\$126,928.87	\$1,000,000.00	TRANSFER TO CAPITAL PROJECTS	\$1,000,000.00	\$0.00	\$0.00
\$125,736.08	\$126,928.87	\$1,000,000.00	TOTAL TRANSFERS OUT	\$1,000,000.00	\$0.00	\$0.00
			RESERVE			
\$0.00	\$0.00	\$1,360,159.00	RESERVE	\$1,322,317.00	\$0.00	\$0.00
\$0.00	\$0.00	\$1,360,159.00	TOTAL RESERVES	\$1,322,317.00	\$0.00	\$0.00
\$125,736.08	\$126,928.87	\$2,360,159.00	TOTAL PARK SDC FUND REQUIREMENTS	\$2,322,317.00	\$0.00	\$0.00
\$1,913,520.59	\$2,621,365.51	\$2,360,159.00	TOTAL FUND RESOURCES AND FUND BAL	\$2,322,317.00	\$0.00	\$0.00
\$125,736.08	\$126,928.87	\$2,360,159.00	TOTAL FUND REQUIREMENTS	\$2,322,317.00	\$0.00	\$0.00
\$1,787,784.51	\$2,494,436.64	\$0.00	TOTAL NET PARK SDC FUND	\$0.00	\$0.00	\$0.00

Historical Data
Actual

SEWER SDC FUND

Budget for Next FY 20-21

Historical Data			RESOURCES	Budget for Next FY 20-21		
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	Adopted Budget This Year 2019-2020		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
\$754,785.31	\$681,347.27	\$780,682.00	BEGINNING FUND BALANCE	\$114,339.00	\$0.00	\$0.00
			REVENUE			
\$16,097.00	\$22,242.00	\$1,980.00	SEWER SDC - REIMBURSEMENT FEE	\$990.00	\$0.00	\$0.00
\$285,896.00	\$526,606.20	\$45,020.00	SEWER SDC - IMPROVEMENT FEE	\$53,115.00	\$0.00	\$0.00
\$301,993.00	\$548,848.20	\$47,000.00	TOTAL FUND REVENUES	\$54,105.00	\$0.00	\$0.00
\$754,785.31	\$681,347.27	\$780,682.00	TOTAL BEGINNING FUND BALANCE	\$114,339.00	\$0.00	\$0.00
\$1,056,778.31	\$1,230,195.47	\$827,682.00	TOTAL SEWER SDC FUND RESOURCES	\$168,444.00	\$0.00	\$0.00
			REQUIREMENTS			
			MATERIAL & SERVICES			
\$0.00	\$3,723.20	\$0.00	PROFESSIONAL SERVICES	\$0.00	\$0.00	\$0.00
\$0.00	\$3,723.20	\$0.00	TOTAL MATERIALS & SERVICES	\$0.00	\$0.00	\$0.00
			TRANSFERS OUT			
\$132,467.00	\$135,513.00	\$140,043.00	TRANSFER TO SEWER CWSRF FUND	\$143,991.00	\$0.00	\$0.00
\$242,964.04	\$205,197.77	\$685,000.00	TRANSFER TO CAPITAL PROJECTS	\$0.00	\$0.00	\$0.00
\$375,431.04	\$340,710.77	\$825,043.00	TOTAL TRANSFERS OUT	\$143,991.00	\$0.00	\$0.00
			RESERVE			
\$0.00	\$0.00	\$2,484.00	RESERVE - IMPROVEMENT SDC	\$11,722.00	\$0.00	\$0.00
\$0.00	\$0.00	\$155.00	RESERVE - REIMBURSEMENT SDC	\$12,731.00	\$0.00	\$0.00
\$0.00	\$0.00	\$2,639.00	TOTAL RESERVE	\$24,453.00	\$0.00	\$0.00
\$375,431.04	\$344,433.97	\$827,682.00	TOTAL SEWER SDC FUND REQUIREMENTS	\$168,444.00	\$0.00	\$0.00
\$1,056,778.31	\$1,230,195.47	\$827,682.00	TOTAL FUND RESOURCES AND FUND BAL	\$168,444.00	\$0.00	\$0.00
\$375,431.04	\$344,433.97	\$827,682.00	TOTAL FUND REQUIREMENTS	\$168,444.00	\$0.00	\$0.00
\$681,347.27	\$885,761.50	\$0.00	TOTAL NET SEWER SDC FUND	\$0.00	\$0.00	\$0.00

Historical Data
Actual

WATER SDC FUND

Budget for Next FY 20-21

Second Preceding Year 2017-2018	First Preceding Year 2018-2019	Adopted Budget This Year Year 2019-2020	RESOURCES	Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
\$1,852,277.05	\$2,081,037.27	\$2,057,792.00	BEGINNING FUND BALANCE	\$563,750.00	\$0.00	\$0.00
			REVENUE			
\$41,696.00	\$66,440.00	\$6,190.00	WATER SDC - REIMBURSEMENT FEE	\$3,095.00	\$0.00	\$0.00
\$199,315.32	\$349,180.00	\$31,240.00	WATER SDC - IMPROVMENT FEE	\$16,715.00	\$0.00	\$0.00
\$241,011.32	\$415,620.00	\$37,430.00	TOTAL FUND REVENUES	\$19,810.00	\$0.00	\$0.00
\$1,852,277.05	\$2,081,037.27	\$2,057,792.00	TOTAL BEGINNING FUND BALANCE	\$563,750.00	\$0.00	\$0.00
\$2,093,288.37	\$2,496,657.27	\$2,095,222.00	TOTAL WATER SDC FUND RESOURCES	\$583,560.00	\$0.00	\$0.00
			REQUIREMENTS			
			MATERIAL & SERVICES			
\$0.00	\$0.00	\$5,000.00	PROFESSIONAL SERVICES	\$10,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$5,000.00	TOTAL MATERIALS & SERVICES	\$10,000.00	\$0.00	\$0.00
			CAPITAL OUTLAY			
\$0.00	\$0.00	\$0.00	CAPITAL IMPROVEMENTS	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	TOTAL CAPITAL OUTLAY	\$0.00	\$0.00	\$0.00
			TRANSFERS OUT			
\$12,251.10	\$324,214.88	\$1,979,480.00	TRANSFER TO CAPITAL PROJECT F	\$502,900.00	\$0.00	\$0.00
\$12,251.10	\$324,214.88	\$1,979,480.00	TOTAL TRANSFERS OUT	\$502,900.00	\$0.00	\$0.00
			RESERVE			
\$0.00	\$0.00	\$31,287.00	RESERVE - IMPROVEMENT SDC	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$79,455.00	RESERVE - REIMBURSEMENT SDC	\$70,660.00	\$0.00	\$0.00
\$0.00	\$0.00	\$110,742.00	TOTAL TRANSFERS OUT	\$70,660.00	\$0.00	\$0.00
\$12,251.10	\$324,214.88	\$2,095,222.00	TOTAL WATER SDC FUND REQUIREMENTS	\$583,560.00	\$0.00	\$0.00
\$2,093,288.37	\$2,496,657.27	\$2,095,222.00	TOTAL FUND RESOURCES AND FUND BAL	\$583,560.00	\$0.00	\$0.00
\$12,251.10	\$324,214.88	\$2,095,222.00	TOTAL FUND REQUIREMENTS	\$583,560.00	\$0.00	\$0.00
\$2,081,037.27	\$2,172,442.39	\$0.00	TOTAL NET WATER SDC FUND	\$0.00	\$0.00	\$0.00

Historical Data			STORM WATER SDC FUND	Budget for Next FY 20-21		
Actual				RESOURCES	Proposed By Budget Officer	Approved By Budget Committee
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	Adopted Budget This Year 2019-2020				
\$50,288.55	\$112,738.18	\$125,884.00	BEGINNING FUND BALANCE	\$98,814.00	\$0.00	\$0.00
			REVENUE			
\$3,438.00	\$6,282.00	\$410.00	STORM SDC - REMIBURSEMENT FEE	\$205.00	\$0.00	\$0.00
\$63,638.00	\$131,868.00	\$8,330.00	STORM SDC - IMPROVEMENT FEE	\$4,455.00	\$0.00	\$0.00
\$67,076.00	\$138,150.00	\$8,740.00	TOTAL FUND REVENUES	\$4,660.00	\$0.00	\$0.00
\$50,288.55	\$112,738.18	\$125,884.00	TOTAL BEGINNING FUND BALANCE	\$98,814.00	\$0.00	\$0.00
\$117,364.55	\$250,888.18	\$134,624.00	TOTAL STORM WATER SDC FUND RESOURCES	\$103,474.00	\$0.00	\$0.00

Historical Data			STORM WATER SDC FUND	Budget for Next FY 20-21		
Actual				REQUIREMENTS	Proposed By Budget Officer	Approved By Budget Committee
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	Adopted Budget This Year 2019-2020				
\$0.00	\$0.00	\$0.00	MATERIAL & SERVICES			
\$0.00	\$0.00	\$0.00	PROFESSIONAL SERVICES	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	TOTAL MATERIALS & SERVICES	\$0.00	\$0.00	\$0.00
			CAPITAL OUTLAY			
\$0.00	\$0.00	\$0.00	CAPITAL IMPROVEMENTS	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	TOTAL CAPITAL OUTLAY	\$0.00	\$0.00	\$0.00
			TRANSFERS OUT			
\$4,626.37	\$59,999.74	\$100,000.00	TRANSFER TO CAPITAL PROJECTS	\$25,000.00	\$0.00	\$0.00
\$4,626.37	\$59,999.74	\$100,000.00	TOTAL TRANSFERS OUT	\$25,000.00	\$0.00	\$0.00
			RESERVE			
\$0.00	\$0.00	\$26,389.00	RESERVE - IMPROVEMENT SDC	\$67,934.00	\$0.00	\$0.00

\$0.00	\$0.00	\$8,235.00	RESERVE - REIMBURSEMENT SDC	\$10,540.00	\$0.00	\$0.00
\$0.00	\$0.00	\$34,624.00	TOTAL RESERVES	\$78,474.00	\$0.00	\$0.00
\$4,626.37	\$59,999.74	\$134,624.00	TOTAL STORM WATER SDC FUND REQUIREMENTS	\$103,474.00	\$0.00	\$0.00
\$117,364.55	\$250,888.18	\$134,624.00	TOTAL FUND RESOURCES AND FUND BAL	\$103,474.00	\$0.00	\$0.00
\$4,626.37	\$59,999.74	\$134,624.00	TOTAL FUND REQUIREMENTS	\$103,474.00	\$0.00	\$0.00
\$112,738.18	\$190,888.44	\$0.00	TOTAL NET STORM WATER SDC FUND	\$0.00	\$0.00	\$0.00

DEBT SERVICE FUNDS



SEWER DEBT RETIREMENT

In 2010, the City of Molalla refinanced the 1995 and 2000 Sewer Revenue Bonds into one bond at a lesser interest rate. The 2010 loan amount was \$3,545,000 and it is to be paid in full in 2025. Two requirements of the bond exist which affect the budget. First, the City must always keep in reserve the next fiscal year's principal and interest payment. Second, the City is to create a rate stabilization line item and the balance may be zero. Those funds must be expended before any rate changes are implemented. Those funds carry no criteria for expenditure and can be used at the City's discretion for sewer related operations and projects. The budget is reflecting a reduction in the rate stabilization amount as the sewer proprietary fund now funds both the sewer revenue debt retirement and the CWSRF loan. CWSRF is historically and correctly funded through Sewer SDC's.

Issue Date – 05/25/2010 (Refinanced)

Final Maturity – 03/01/2025

Initial Loan Amount - \$3,545,000.00

Interest Rate – 3.0% FY 10-17, 4% FY 18-25

Remitted from – Sewer Proprietary

The following table shows the debt service repayment schedule for the 2010 Sewer Revenue Bonds:

Fiscal Year	Principal	Interest	Reserve	Total Debt Service
2020-2021	\$ 260,000.00	\$ 56,000.00	<i>\$315,600.00</i>	\$ 316,000.00
2021-2022	\$ 270,000.00	\$ 45,600.00	<i>\$314,800.00</i>	\$ 315,600.00
2022-2023	\$ 280,000.00	\$ 34,800.00	<i>\$313,600.00</i>	\$ 314,800.00
2023-2024	\$ 290,000.00	\$ 23,600.00	<i>\$312,000.00</i>	\$ 313,600.00
2024-2025	\$ 300,000.00	\$ 12,000.00	\$ -	\$ 312,000.00
TOTAL	\$1,400,000.00	\$ 172,000.00		\$,572,000.00

SEWER DEBT RETIREMENT

Budget for Next FY 20-21

Historical Data				Budget for Next FY 20-21		
Actual Second Preceding Year 2018-	First Preceding Year 2018- 2019	Adopted Budget This Year Year 2019-		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
\$314,050.00	\$315,600.00	\$316,000.00	RESOURCES			
			BEGINNING FUND BALANCE	\$349,000.00	\$0.00	\$0.00
			REVENUE			
\$316,350.00	\$316,000.00	\$316,000.00	TRANSFER FROM SEWER FUND	\$282,600.00	\$0.00	\$0.00
\$316,350.00	\$316,000.00	\$316,000.00	TOTAL FUND REVENUES	\$282,600.00	\$0.00	\$0.00
\$314,050.00	\$315,600.00	\$316,000.00	TOTAL BEGINNING FUND BALANCE	\$349,000.00	\$0.00	\$0.00
\$630,400.00	\$631,600.00	\$632,000.00	TOTAL SEWER DEBT RETIREMENT FUND RESOURCES	\$631,600.00	\$0.00	\$0.00
 REQUIREMENTS						
			DEBT SERVICE			
\$84,800.00	\$75,600.00	\$66,000.00	2010 SEWER REV BOND - INTEREST	\$56,000.00	\$0.00	\$0.00
\$230,000.00	\$240,000.00	\$316,000.00	2010 SEWER REV BOND - PRINCIPA	\$260,000.00	\$0.00	\$0.00
\$314,800.00	\$315,600.00	\$382,000.00	TOTAL DEBT SERVICE	\$316,000.00	\$0.00	\$0.00
			RESERVE			
\$0.00	\$0.00	\$250,000.00	2010 SEWER REV BOND - RESERVE	\$315,600.00	\$0.00	\$0.00
\$0.00	\$0.00	\$250,000.00	TOTAL RESERVE	\$315,600.00	\$0.00	\$0.00
\$314,800.00	\$315,600.00	\$632,000.00	TOTAL SEWER DEBT RETIREMENT FUND REQUIREMENTS	\$631,600.00	\$0.00	\$0.00
\$630,400.00	\$631,600.00	\$632,000.00	TOTAL FUND RESOURCES AND FUND BAL	\$631,600.00	\$0.00	\$0.00
\$314,800.00	\$315,600.00	\$632,000.00	TOTAL FUND REQUIREMENTS	\$631,600.00	\$0.00	\$0.00
\$315,600.00	\$316,000.00	\$0.00	TOTAL NET SEWER DEBT RETIREMENT FUND	\$0.00	\$0.00	\$0.00

CWSRF

CWSRF (Clean Water State Revolving Fund) was used for capacity improvements at the waste water treatment plant. This is a 20 year loan that began in 2008. The loan may be re-paid using sewer SDC's or revenues from sewer proprietary. Original loan amount was \$2,670,000 with a final payment due 01/10/2028. The loan also maintains a next fiscal year principal and interest reserve requirement.

Issue Date – 08/01/2008

Final Maturity – 01/10/2028

Initial Loan Amount - \$2,670,000.00

Interest Rate – 2.8%

Remitted from – Sewer Proprietary / Sewer SDC

The following table shows the debt service repayment schedule for the Clean Water State Revolving Fund:

Fiscal Year	Principal	Interest	Admin Fee	Reserve	Total Debt Service
2020-2021	\$ 143,991.00	\$ 34,623.00	\$ 6,004.00	\$ 183,888.00	\$ 184,318.00
2021-2022	\$ 148,051.00	\$ 30,563.00	\$ 5,274.00	\$ 183,137.00	\$ 183,888.00
2022-2023	\$ 152,226.00	\$ 26,388.00	\$ 4,523.00	\$ 182,365.00	\$ 182,137.00
2023-2024	\$ 156,518.00	\$ 22,096.00	\$ 3,751.00	\$ 181,572.00	\$ 182,365.00
2024-2025	\$ 160,931.00	\$ 17,683.00	\$ 2,958.00	\$ 180,756.00	\$ 181,572.00
2025-2026	\$ 165,469.00	\$ 13,145.00	\$ 2,142.00	\$ 179,917.00	\$ 180,756.00
2026-2027	\$ 170,135.00	\$ 8,479.00	\$ 1,303.00	\$ 179,063.00	\$ 179,917.00
2027-2028	\$ 174,941.00	\$ 3,682.00	\$ 440.00	\$ 0.00	\$ 179,063.00
Total	\$1,272,262.00	\$156,659.00	\$26,395.00		\$1,454,015.00

CWSRF DEBT RETIREMENT

Historical Data			RESOURCES	Budget for Next FY 20-21		
Actual Second Preceding Year 2018-2019	First Preceding Year 2018- 2019	Adopted Budget This Year Year 2019-		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
\$183,156.00	\$186,018.00	\$185,328.00	BEGINNING FUND BALANCE	\$184,618.00	\$0.00	\$0.00
			REVENUE			
\$132,467.00	\$135,513.00	\$140,043.00	TRANSFER FROM SEWER SDC FUND	\$143,991.00	\$0.00	\$0.00
\$57,085.00	\$49,815.00	\$44,575.00	TRANSFER FROM SEWER	\$59,897.00	\$0.00	\$0.00
\$189,552.00	\$185,328.00	\$184,618.00	TOTAL FUND REVENUES	\$203,888.00	\$0.00	\$0.00
\$183,156.00	\$186,018.00	\$185,328.00	TOTAL BEGINNING FUND BALANCE	\$184,618.00	\$0.00	\$0.00
\$372,708.00	\$371,346.00	\$369,946.00	TOTAL CWSRF DEBT RETIREMENT FUND RESOURCES	\$388,506.00	\$0.00	\$0.00
REQUIREMENTS						
MATERIAL & SERVICES						
\$8,076.00	\$7,404.00	\$6,714.00	CWSRF - ADMIN FEE	\$6,004.00	\$0.00	\$0.00
\$8,076.00	\$7,404.00	\$6,714.00	TOTAL MATERIALS % SERVICES	\$6,004.00	\$0.00	\$0.00
DEBT SERVICE						
\$46,147.00	\$42,411.00	\$38,571.00	CWSRF - INTEREST	\$54,623.00	\$0.00	\$0.00
\$132,467.00	\$136,203.00	\$140,043.00	CWSRF - PRINCIPAL	\$143,991.00	\$0.00	\$0.00
\$178,614.00	\$178,614.00	\$178,614.00	TOTAL DEBT SERVICE	\$198,614.00	\$0.00	\$0.00
RESERVE						
\$0.00	\$0.00	\$184,618.00	CWSRF - RESERVE	\$183,888.00	\$0.00	\$0.00
\$0.00	\$0.00	\$184,618.00	TOTAL RESERVE OUT	\$183,888.00	\$0.00	\$0.00
\$186,690.00	\$186,018.00	\$369,946.00	TOTAL CSWRF DEBT RETIREMENT FUND REQUIREMENTS	\$388,506.00	\$0.00	\$0.00
\$372,708.00	\$371,346.00	\$369,946.00	TOTAL FUND RESOURCES AND FUND BAL	\$388,506.00	\$0.00	\$0.00
\$186,690.00	\$186,018.00	\$369,946.00	TOTAL FUND REQUIREMENTS	\$388,506.00	\$0.00	\$0.00
\$186,018.00	\$185,328.00	\$0.00	TOTAL NET CWSRF DEBT RETIREMENT FUND	\$0.00	\$0.00	\$0.00

INACTIVE FUNDS



Historical Data			HISTORY ONLY BONDED DEBT FUND RESOURCES	Budget for Next FY 20-21		
Actual				Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	Adopted Budget This Year Year 2019-2020				
\$65,714.00	\$64,964.00	\$0.00	BEGINNING FUND BALANCE	\$0.00	\$0.00	\$0.00
			REVENUE			
\$30,300.00	\$0.00	\$0.00	CURRENT PROPERTY TAXES	\$0.00	\$0.00	\$0.00
\$30,300.00	\$0.00	\$0.00	TOTAL FUND REVENUES	\$0.00	\$0.00	\$0.00
\$65,714.00	\$64,964.00	\$0.00	TOTAL BEGINNING FUND BALANCE	\$0.00	\$0.00	\$0.00
			TOTAL BONDED DEBT FUND RESOURCES	\$0.00	\$0.00	\$0.00
\$96,014.00	\$64,964.00	\$0.00				
			REQUIREMENTS			
			DEBT SERVICE			
\$1,050.00	\$0.00	\$0.00	2010 GO WATER BOND INTEREST	\$0.00	\$0.00	\$0.00
\$30,000.00	\$0.00	\$0.00	2010 GO WATER BOND PRINCIPAL	\$0.00	\$0.00	\$0.00
\$31,050.00	\$0.00	\$0.00	TOTAL DEBT SERVICE	\$0.00	\$0.00	\$0.00
			TRANSFERS OUT			
\$0.00	\$64,964.00	\$0.00	RESO 2018-13 TRANSFER TO CLOSE	\$0.00	\$0.00	\$0.00
\$0.00	\$64,964.00	\$0.00	TOTAL TRANSFERS OUT	\$0.00	\$0.00	\$0.00
\$31,050.00	\$64,964.00	\$0.00	TOTAL BONDED DEBT FUND REQUIREMENTS	\$0.00	\$0.00	\$0.00
\$96,014.00	\$64,964.00	\$0.00	TOTAL FUND RESOURCES AND FUND BAL	\$0.00	\$0.00	\$0.00
\$31,050.00	\$64,964.00	\$0.00	TOTAL FUND REQUIREMENTS	\$0.00	\$0.00	\$0.00
\$64,964.00	\$0.00	\$0.00	TOTAL NET BONDED DEBT FUND	\$0.00	\$0.00	\$0.00

Historical Data			HISTORY ONLY WATER DEBT RETIREMENT RESOURCES	Budget for Next FY 20-21		
Actual				Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	Adopted Budget This Year Year 2019-2020				
\$359,725.00	\$14,525.00	\$0.00	BEGINNING FUND BALANCE	\$0.00	\$0.00	\$0.00
			REVENUE			
\$0.00	\$0.00	\$0.00	TRANSFER FROM WATER FUND	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	TOTAL FUND REVENUES	\$0.00	\$0.00	\$0.00
\$359,725.00	\$14,525.00	\$0.00	TOTAL BEGINNING FUND BALANCE	\$0.00	\$0.00	\$0.00
\$359,725.00	\$14,525.00	\$0.00	TOTAL SEWER DEBT RETIREMENT FUND RESOURCES	\$0.00	\$0.00	\$0.00
REQUIREMENTS						
			DEBT SERVICE			
\$5,200.00	\$0.00	\$0.00	2010 REVENUE BOND - INTEREST	\$0.00	\$0.00	\$0.00
\$340,000.00	\$0.00	\$0.00	2010 REVENUE BOND - PRINCIPAL	\$0.00	\$0.00	\$0.00
\$345,200.00	\$0.00	\$0.00	TOTAL DEBT SERVICE	\$0.00	\$0.00	\$0.00
\$345,200.00	\$0.00	\$0.00	TOTAL WATER DEBT RETIREMENT FUND REQUIREMENTS	\$0.00	\$0.00	\$0.00
\$359,725.00	\$14,525.00	\$0.00	TOTAL FUND RESOURCES AND FUND BAL	\$0.00	\$0.00	\$0.00
\$345,200.00	\$0.00	\$0.00	TOTAL FUND REQUIREMENTS	\$0.00	\$0.00	\$0.00
\$14,525.00	\$14,525.00	\$0.00	TOTAL NET WATER DEBT RETIREMENT FUND	\$0.00	\$0.00	\$0.00

URBAN RENEWAL





City of Molalla – Urban Renewal Agency
Director's Office
117 N Molalla Avenue | PO Box 248 | Molalla, Oregon 97038
Phone: (503) 829-6855 Fax: (503) 829-3676

May 1, 2020

Members of the Urban Renewal Agency
Mayor Keith Swigart
Molalla Citizens

RE: Molalla Urban Renewal Agency – 2020-2021 Budget Transmittal Memo

I am pleased to submit the proposed Budget for the City of Molalla Urban Renewal Agency for fiscal year 2020-2021. This proposed Budget includes action items and projects that will promote transportation projects and take a proactive role in community Economic Development and revitalization.

Urban Renewal is a tool used to help improve and spur Economic Development within a specific district by using Tax Increment Financing (TIF) to implement capital improvements and other projects within the District. The basic purpose of Urban Renewal is to increase the total assessed value of the District, and during the District timeline, use the funds derived from that increase in assessed value to fund various projects in the Urban Renewal Plan. Once the District expires, the full assessed value of the district comes back on the tax rolls and the increased revenue goes into the City's General Fund.

In order to improve our projections of District health and project development we commissioned a financial audit of the Molalla Urban Renewal District (MURD). The projections we received indicate that the City of Molalla Urban Renewal District will support additional debt. We are not proposing that we obtain debt to the level the original plan identified, however. We are suggesting that we obtain loan to create a fund of \$3 million to not only produce projects but also provide relief for our Transportation SDC's and our Street Fund.

TIF revenue for the 2019-2020 tax year continues to increase at a greater rate than anticipated. Within the 2019-2020 Budget we anticipated \$540,000 in TIF revenue for the fiscal year. By February of our fiscal year we have received \$469,709. We expect that number to increase to \$560,000 by the end of the fiscal year. Based on anticipated development and redevelopment within the District we will likely see revenue increase to \$650,000 - \$800,000 over the next few years. We have budgeted for a loan of \$2.4 million and \$600,000 in debt service for the 2020-2021 fiscal year.

The significance of Molalla's level of revenue is that we are generating funds to pay back debt. This tax financing option is used to create debt to initiate development and projects that would not be financially feasible without the infrastructure improvements made possible by Urban Renewal. In this Budget we are proposing to use revenue we have accumulated to create additional debt and therefore promote economic development and revitalization.

In addition to preparing a Fiscal Audit of District finances we also have commissioned consultant assistance to update the existing Urban Renewal Plan. Plan updates most likely will not be complete prior to the adoption of the Budget document but we can project certain changes in circumstances from 2008 compared with today.

Timing and changes in circumstances did not lead us to pursue last year's projects. However, we believe moving forward with a MURA loan during the 2020-2021 fiscal year. Due to COVID-19, it may be even more imperative to participate and facilitate revitalization within the City. Urban Renewal provides the City an additional funding source to pay debt that would otherwise be attributable to separate funds generated from users and developers. For 2020-2021 we are proposing the following projects for Urban renewal funding:

1. Molalla Avenue/Highway 211 signalization
2. Main Street/Highway 211 bike/ped path
3. Leroy Avenue dry sewer main extension
4. Leroy Avenue Extension
5. Percentage/preparation for new Police Building
6. Opportunity/partnership projects
7. Downtown streetscape/sidewalk projects

City Council will have an opportunity to either authorize or not authorize this proposal at future Council meetings. The proposed FY 2020-2021 Budget for the MURA is balanced as required by Oregon State Budget Law.

Sincerely,



Dan Huff
Agency Director

The Molalla Urban Renewal Agency, although a different corporation with its own Board, functions under the administration of the City of Molalla and is governed by the same financial policies, procedures, and goals. In addition, the agency is budgeted and audited in partnership with the City.

In 2015 the Agency bonded using a full faith in credit bond in partnership with the City of Molalla. The Molalla Urban Renewal Agency will be responsible for the debt repayment meaning the Agency must always keep in reserve the next fiscal year's principal and interest payment. The URA bond is designed as a fourteen (14) year pay-off (before the sunset of the URA), with a call date at ten (10) years and with a no-penalty payoff. This will open the URA timeline and/or capture a second bond opportunity if the Agency so elects.

The bonding process required a rating from Standard and Poor's. They assigned an underlying rating of the City of Molalla and "AA-"to obligations. This is an improvement from the rating received during the re-finance of debt in 2010. The City of Molalla and the Molalla Urban Renewal Agency continue to remain in good standing with EMMA (EMMA is the official repository for information on virtually all municipal bonds, providing free public access to official disclosures, trade data, and other information about the municipal securities market).

The debt repayment schedule is:

CITY OF MOLALLA CLACKAMAS COUNTY, OREGON FULL FAITH AND CREDIT OBLIGATIONS,
SERIES 2015

New Money Projects, BQ, S&P "AA-"Rating

Debt Service Target Increase Annually at 3%, 2029 Final Maturity, Final Pricing (Psc4)

Period Ending	Principal	Interest	Total Debt	Reserve
06/30/2021	165,000	82,400.00	247,400.00	255,800.00
06/30/2022	180,000	75,800.00	255,800.00	268,600.00
06/30/2023	200,000	68,600.00	268,600.00	260,600.00
06/30/2024	200,000	60,600.00	260,600.00	277,600.00
06/30/2025	225,000	52,600.00	277,600.00	293,600.00
06/30/2026	250,000	43,600.00	293,600.00	293,600.00
06/30/2027	260,000	33,600.00	293,600.00	303,200.00
06/30/2028	280,000	23,200.00	303,200.00	312,000.00
06/30/2029	300,000	12,000.00	312,000.00	0.00
	2,060,000	452,400.00	2,512,400.00	

The Series 2015 bond has the same principal, interest, and debt reserve requirement as noted in all of the City of Molalla debts.

Historical Data			URBAN RENEWAL	Budget for Next FY 20-21		
Actual				RESOURCES	Proposed By	Approved By
Second Preceding Year 2017-2018	First Preceding Year 2018-2019	Adopted Budget This Year 2019-2020		Budget Officer	Budget Committee	Governing Body
\$747,500.18	\$1,030,342.13	\$900,000.00	BEGINNING FUND BALANCE	\$1,516,000.00	\$0.00	\$0.00
			REVENUE			
\$531,966.32	\$549,744.28	\$540,000.00	PROPERTY TAX	\$570,000.00	\$0.00	\$0.00
\$997.31	\$1,598.89	\$1,500.00	INTEREST	\$2,500.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	BOND/LOAN	\$2,411,500.00	\$0.00	\$0.00
\$532,963.63	\$551,343.17	\$541,500.00	TOTAL FUND REVENUES	\$2,984,000.00	\$0.00	\$0.00
\$747,500.18	\$1,030,342.13	\$900,000.00	TOTAL BEGINNING FUND BALANCE	\$1,516,000.00	\$0.00	\$0.00
\$1,280,463.81	\$1,581,685.30	\$1,441,500.00	TOTAL URBAN RENEWAL FUND RESOURCES	\$4,500,000.00	\$0.00	\$0.00

Historical Data			URBAN RENEWAL REQUIREMENTS	Budget for Next FY 20-21		
Actual	Adopted Budget	Proposed By Budget Officer		Approved By Budget Committee	Adopted By Governing Body	
Second Preceding	First Preceding Year 2018-2019					This Year Year 2019-2020
			MATERIAL & SERVICES			
\$796.25	\$1,406.43	\$25,000.00	OPERATION & MAINTENANCE	\$50,000.00	\$0.00	\$0.00
\$24,181.00	\$67.50	\$100,000.00	PROFESSIONAL SERVICES	\$100,000.00	\$0.00	\$0.00
\$24,977.25	\$1,473.93	\$125,000.00	TOTAL MATERIALS % SERVICES	\$150,000.00	\$0.00	\$0.00
			DEBT SERVICE			
\$130,000.00	\$140,000.00	\$155,000.00	URA BOND- PRINCIPAL	\$400,000.00	\$0.00	\$0.00
\$95,144.43	\$91,182.05	\$87,050.00	URA BOND- INTEREST	\$200,000.00	\$0.00	\$0.00
\$225,144.43	\$231,182.05	\$242,050.00	TOTAL DEBT SERVICE	\$600,000.00	\$0.00	\$0.00
			CAPITAL OUTLAY			
\$0.00	\$95,000.00	\$642,450.00	CAPITAL IMPROVEMENTS	\$3,000,000.00	\$0.00	\$0.00
\$0.00	\$95,000.00	\$642,450.00	TOTAL CAPITAL OUTLAY	\$3,000,000.00	\$0.00	\$0.00
			CONTINGENCY			
\$0.00	\$0.00	\$100,000.00	CONTINGENCY	\$150,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$100,000.00	TOTAL CONTINGENCY	\$150,000.00	\$0.00	\$0.00
			RESERVE			
\$0.00	\$0.00	\$0.00	RESERVE	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$332,000.00	URA BOND - RESERVE	\$600,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$332,000.00	TOTAL RESERVES	\$600,000.00	\$0.00	\$0.00
\$250,121.68	\$327,655.98	\$1,441,500.00	TOTAL URBAN RENEWAL FUND REQUIREMENTS	\$4,500,000.00	\$0.00	\$0.00
\$1,280,463.81	\$1,581,685.30	\$1,441,500.00	TOTAL FUND RESOURCES AND FUND BAL	\$4,500,000.00	\$0.00	\$0.00
\$250,121.68	\$327,655.98	\$1,441,500.00	TOTAL FUND REQUIREMENTS	\$4,500,000.00	\$0.00	\$0.00
\$1,030,342.13	\$1,254,029.32	\$0.00	TOTAL NET URBAN RENEWAL FUND	\$0.00	\$0.00	\$0.00

APPENDIX



Molalla Area Vision and Action Plan 2030

January 1, 2020

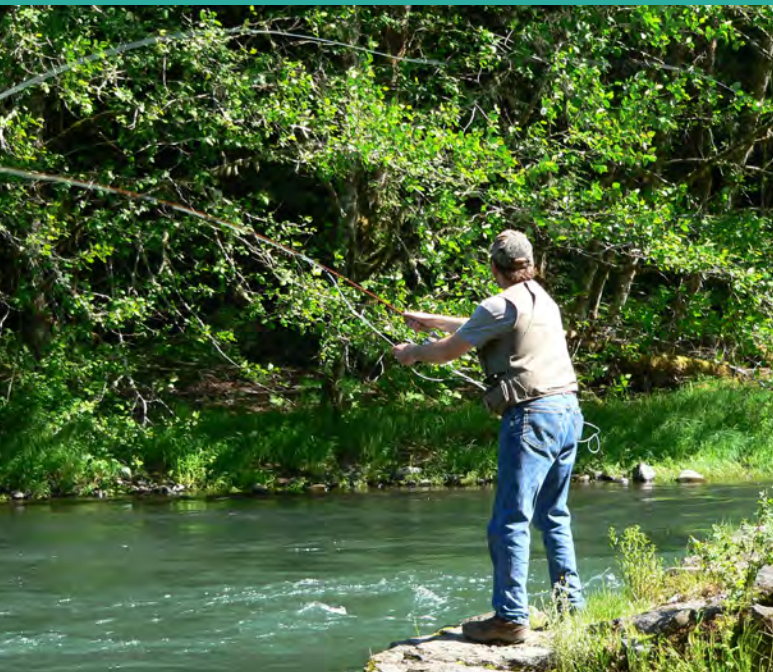
**Adopted by Molalla City Council on
January 22, 2020**



Cover photo by
Blue Sky Rafting
(Courtesy Of The Molalla River Alliance)

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Fly fishing on the Molalla
Photo: David Jackson Photography

About this Plan

The Molalla Area Vision and Action Plan 2030 came from the work of dedicated citizens who sought to engage as many people as possible in producing a blueprint for Molalla's future. The plan outlines the vision, values, focus areas, strategies, and actions for all sectors of government, business, non-profits, individuals, and groups to use.

The planning process, spanning two and a half years, focused on listening to the people who live in and around Molalla, and make this their home. Listening and engagement took many forms including public meetings, stakeholder interviews, public surveys, group exercises and public events that included almost 1,000 people. Appendix A acknowledges those who have participated in the visioning process and Appendix B details the process.

The Ford Family Foundation supported this process every step of the way, including providing mentorship, funding, and community-building training for City Council members and project leaders Councilors Childress and Klein. Facilitation of the process by the Molalla City Council is a key example of the City's objective to have a clear and strategic citizen-led action plan.





MOLALLA AREA SERVICES AREAS OF RESPONSIBILITY & INTERSECTIONS OF WORK

The following diagram illustrates sectors that can use this plan to guide development of services, businesses, initiatives and activities. The diagram illustrates how any organization or group can utilize this plan to align their strategic efforts with the plan’s focus areas. Sector content within the diagram came from public feedback and does not include all services provided in and around Molalla.

Implementation

The plan will be implemented by committees made up of individuals from organizations named as Potential Partners in each focus area as well as others interested in a particular area. These committees will take ownership of one or more action items in their focus area. The plan will be reviewed annually to assess progress on all key focus areas, strategies and actions, and to make changes and additions.



Dancer at 2018 Molalla 4th of July Parade
Photo: David Jackson Photography

About Molalla

Molalla, a community of approximately 9,800 residents, has a rich past and beautiful setting which is reflected today in its commitment to quality of life. The population is estimated to grow to 13,400 by 2030.

Located at the foothills of the Cascade Range, near the Mount Hood National Forest, the city is situated 30 miles southeast of Portland, 32 miles northeast of Salem, and 13 miles east of Interstate 5. It is about an hour drive to the Oregon Coast, the Columbia River Gorge, and Mt. Hood for winter sports. The City of Molalla is near the Molalla River Recreation Area, and surrounded by rich agricultural land, ranches, and rural residential development. It has been said that Molalla is in the middle of nowhere yet in the middle of everywhere.



Molalla's Tribal Heritage story of Coyote swallowing match with Grizzly Bear. Public Art created by Ben Dye

HISTORY AND FUTURE

Prior to the arrival of the first European settlers, the area was populated by the Molalla Indians. Descendants of the Molallas are now part of the Confederated Tribes of Grand Ronde. Recognition of Molalla's Native American heritage is prominent in the community through education and art. In 2017 the Confederated Tribes of Grand Ronde entered into an agreement with the Molalla River School District which changed its logo to a bear and coyote in order to retain its Indians mascot name. The school district agreed to use the Grand Ronde Tribe's fourth- and eighth-grade history curriculum.

Seeking fertile soils, ample water and rich grasses, pioneers were attracted to the Willamette Valley and Molalla area. The community established itself at the crossing of two Indian trails. That crossing is the downtown intersection of Molalla today. William Russell filed the first land claim in the area in 1840. In 1850, a post office opened, and the community began growing. By 1856, the first schools opened, and in 1857, the first general store.

In 1913 Molalla welcomed the first steam train, the first Molalla Buckeroo Rodeo, the first bank, the first locally published weekly newspaper, and the incorporation of the City. Over time, timber production became the community's largest commodity. At one point, with five sawmills operating, Molalla was a true timber town. Timber remained the mainstay of the community's economy until the 1980s.

Like many other rural communities in Oregon, the downturn of the timber industry in the 1980s impacted the community and required that Molalla evolve and diversify its economic base. Today, due to its proximity to Portland and Salem, approximately 90% of working residents, other than home business owners, work outside of Molalla, making it a bedroom community.



1914 Workers grading Robbins Hill
Photo: Molalla Area Historical Society

This plan represents community momentum to re-define Molalla's identity and future. Despite past challenges, Molalla demonstrates resilience. City government is focused on collaboration, creative problem solving, and support of community needs through effective leadership. Public schools are on an academic upswing and a strong network of non-profit organizations and innovative businesses demonstrate care for citizens through many fundraising events. Share the Love, for example, is an event held annually by Molalla High School that raises thousands of dollars for individuals and families in dire circumstances.

Findings

Appendix C shows survey responses to “What would improve the quality of life in Molalla?” People consistently called for grocery stores, restaurants, traffic and pedestrian improvements, parks and recreation, more business and retail establishments, and events/activities including children’s activities.

People also responded through stakeholder interviews to a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis. The analysis asked “What are the internal strengths and weaknesses of Molalla? What are external opportunities the city can reach for and better engage with? What are external threats and limitations facing Molalla?” A summary of the SWOT analysis is shown in Appendix D.

The planning process focused on identifying what people value most about Molalla, understanding which elements of the community they wish to preserve, and how they would like to see Molalla transform over the next 10 years.

Following is a word cloud image illustrating the top words that people used to describe the Molalla area. The larger the word, the more often people used it to describe what they value most about living in Molalla. These words became the foundation from which this plan was crafted.



2030 Vision and Values

Through public input it became apparent that the core values must be maintained and expanded to be more forward-thinking and inclusive. Five community values emerged to make up the 2030 vision. This vision creates the picture and goal of what the community wants Molalla to be in 2030.

In 2030 Molalla is:

1. A **resilient** community that passionately recognizes and builds on its history, culture, and location
2. a **welcoming**, friendly and vibrant community with an attractive hometown feel that is safe, hospitable, and inclusive of all residents, businesses and visitors
3. an **economically sound** and growing community which is evident in the diversity of businesses, partnerships, education, innovation, and the strong work ethic of its people
4. A full-service **hub of resources**
5. a **beautiful and tranquil** area where people are deeply connected to its unique natural features



Vision Focus Areas

STRATEGIES

ACTIONS

PARTNERS



This section of the plan provides strategies for how Molalla will reach the 2030 vision. It details areas of focus, actions, and partners. Strategies and actions provide guidance and concrete steps to realize the vision focus areas. These were carefully crafted from all the findings in the planning process, with special attention given to themes that were mentioned consistently as key to community improvement.

This plan also leaves room for additional ideas and actions that result from people working collaboratively toward community betterment. Often these spontaneous acts bring needed innovation, direction, spark, and fun to successfully motivate people toward achieving the vision.



FOCUS AREA #1

Molalla is... a resilient community that passionately recognizes and builds on its history, culture, and location

STRATEGIES:

- Be deliberate about building identity
- Embed collaborative thinking and practice in all actions
- Identify, support, and build on local culture including arts, history, heritage, and humanities

Anyone interested in implementing actions is a potential partner.

ACTIONS

Develop an awareness campaign that:

- celebrates the unique and interesting aspects of the area
- builds local pride of place and confidence in the Molalla community identity
- increases awareness about managed growth efforts
- Highlights community achievements (Share the Love, Running Club Charitable Giving, service orgs. efforts on behalf of those in need, etc.)

Create a live, work and play promotion video for Molalla

Cultivate and continue to build on relationships with heritage partners

Inventory local arts, heritage, historical sites, and other cultural assets, and make information available online (such as Dibble House, galleries, Apple Festival, Celebrate Molalla, farmers market, FFA)

Preserve significant buildings and other visible elements of local history

Build relationships by incentivizing collaborative work projects and be inclusive in planning and decision making events

POTENTIAL PARTNERS

Chamber of Commerce (Chamber), City of Molalla (City), media partners, non-profits, Molalla River School District (MRSD), student groups, businesses, Kiwanis, Elks, Rotary, VFW, etc.

Chamber, City

Confederated Tribes of Grand Ronde, Molalla Area Historical Society, City

Chamber, City, heritage partners, non-profits

Molalla Area Historical Society, business owners, City

City, Chamber, service organizations, community, MRSD, Molalla Fire District (MFD)

FOCUS AREA #2

Molalla is... a welcoming, friendly and vibrant community with an attractive hometown feel that is safe, hospitable, and inclusive of all residents, businesses and visitors

STRATEGIES

- Develop the physical infrastructure needed to support a welcoming community
- Foster socially welcoming activities and embrace diversity as our strength
- Engage youth

ACTIONS

POTENTIAL PARTNERS

Research aesthetic design and architectural standards to create a plan which promotes development of an appealing and cohesive identity for downtown and throughout the community

City, business owners

Utilize the Transportation Master Plan to improve infrastructure and safety for all modes of travel (pedestrian, vehicles, bicycles, etc.) and identify new opportunities to enhance livability, i.e., Rails to Trails, bike/pedestrian paths, etc.

City, Clackamas County, Oregon Department of Transportation (ODOT), City of Canby, MRSD, MFD, Southern Pacific Hillvista Investment Co.

Implement wastewater treatment plant improvements to ensure compliance

City, state and federal agencies

Form a citizen advisory committee to provide input for development of an updated Parks/Greenspace Master Plan

City, service organizations, neighborhood associations, landowners

- Maintain and improve existing parks and recreation areas
- Add new community parks or elements to existing parks, i.e., dog park, serenity park, tree park, nature park

Map all points of entry to the city and identify landowner contacts to develop a plan to improve gateway, wayfinding and informational signage

City, state agencies

FOCUS AREA #2

(continued)

STRATEGIES

- Develop the physical infrastructure needed to support a welcoming community
- Engage youth
- Foster socially welcoming activities and embrace diversity as our strength

ACTIONS

POTENTIAL PARTNERS

Build a new police station	City, landowners
Develop and implement a property reuse/redevelopment/new development strategy for properties along Highway 211 and in downtown	Chamber, City
Ensure that K–12 educational facilities meet community needs	MRSD, community
Improve downtown curb appeal: paint buildings, add vibrant colors with flowers/landscaping, artwork, banners, lighting	Property owners, Chamber
Improve awareness about free public parking locations in the downtown area	City
Create centrally located information board for community announcements and information	City, community groups, MRSD
Develop clear, consistent, effective ways of communicating with local people, including those whose first language is not English, as well as visitors <ul style="list-style-type: none"> • Monthly newsletter • Community calendar • Resource directory • Facebook, Next Door Neighbor (social media) • Molalla Communications reader boards 	City, Chamber, Mt. Hood Territory, County, Plaza Los Robles, Todos Juntos, regional contacts, MRSD, Library, Molalla Communications
Enhance City website to add event information and cross promote with Chamber and other entities	City, Chamber, service organizations, MRSD, MFD
Develop system for collecting and updating email address list for monthly community newsletter	City

FOCUS AREA #2

(continued)

STRATEGIES

- Develop the physical infrastructure needed to support a welcoming community
- Engage youth
- Foster socially welcoming activities and embrace diversity as our strength

ACTIONS

POTENTIAL PARTNERS

Promote and utilize “Just Serve” website for connecting volunteers and volunteer opportunities

JustServe.org, community organizations

Create and deliver area resource guide to new utility bill customers

Service organizations, City, Clackamas County and specifically Health, Housing, and Human Services

Develop and encourage a wide range of events for the entire community

- Recreational/parks events
- National Night Out
- Buckeroo, Celebrate Molalla and other existing events
- Drug take-back day (April 27)

Police Department, MRSD, Library, City, Chamber

Create community-building activities, education, and awareness programs that intentionally focus on including all cultures and ethnic groups

Business owners, MRSD, City, Plaza Los Robles, Todos Juntos, service organizations

Add extra safety patrols in Molalla River Corridor

Community, Clackamas County, City

Hold a contest to create a slogan or theme for Molalla that supports this plan and tells our story

City, community

Organize community groups to hold cleanup events for neighborhoods, parks and other community areas

Community, businesses

Engage youth in City government and plan implementation committees

Youth, MRSD, service organizations

FOCUS AREA #3

Molalla is... an economically sound and growing community which is evident in the diversity of businesses, partnerships, education, innovation, and the strong work ethic of its people

STRATEGIES

- Develop and sustain an environment for successful economic development and managed growth
- Encourage youth participation in job development

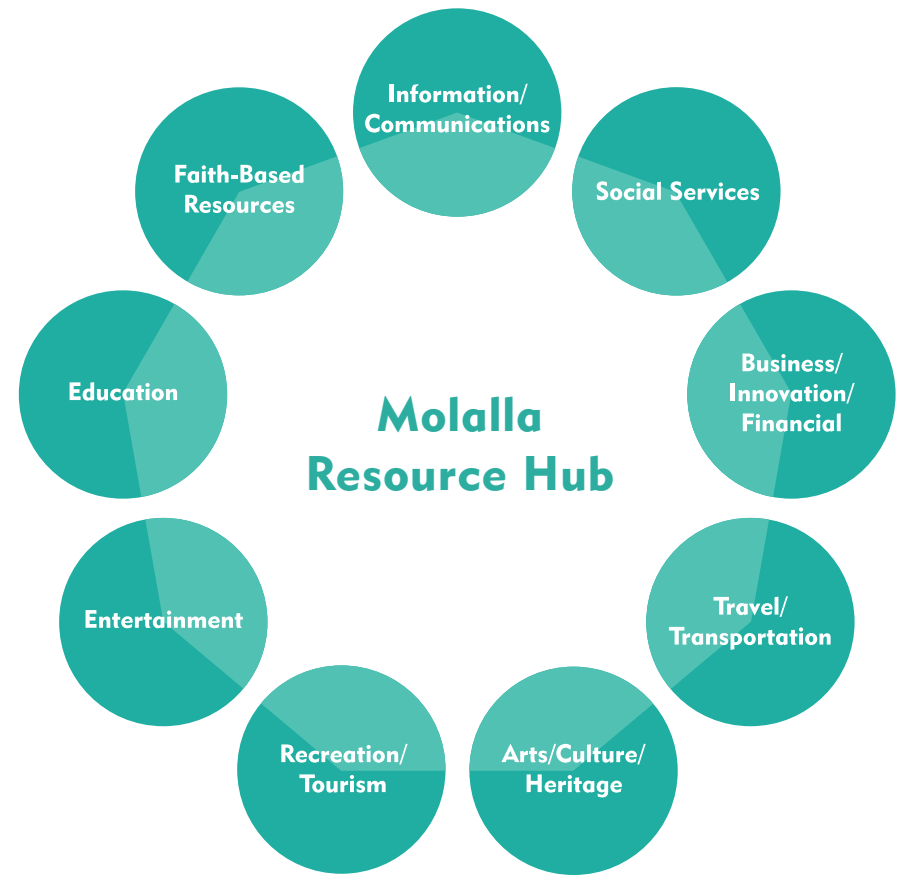
ACTIONS

POTENTIAL PARTNERS

Develop directory of small to large businesses	City, Chamber
Create an economic development plan that identifies a foundation to grow resources and services for the community, i.e. shopping, entertainment, dining, and generates jobs	Clackamas County, City
Host a conference with local businesses, City of Molalla, and the MRSD Board of Directors on innovation and possible areas for growth in Molalla’s local workforce	Local businesses, City, MRSD
Create a branding and marketing plan to encourage entrepreneurs and attract new businesses	Chamber of Commerce
Form a group to advise and advocate for business development	Business community
Strengthen promotion and support of local businesses, craftspeople, artisans, etc. (Made in Molalla)	Chamber of Commerce, business community
Develop a “start a new business” checklist for City website	Chamber, City
Create school/community/business initiatives to develop more local internships for students	Businesses, MRSD, Chamber, service organizations
Promote career technical education for youth, job development, and continuing education	Clackamas Community College, MRSD, Oregon Universities, Colleges, Extension Services

FOCUS AREA #4

Molalla is... a full-service hub of resources



STRATEGIES

- Inventory and promote available services, resources, and opportunities in Molalla

ACTIONS

Inventory existing community services and resources, identify gaps, and develop a digital and printable resource database/guide to be shared through service groups, the library, newspaper, and City website

Identify regional community needs and the infrastructure required to support them. Study successful models of collaborative efforts that have addressed such needs. Attract missing services to Molalla (Social Security Administration, Oregon Health Authority, health care, expanded bus service, language interpreters) and encourage greater collaboration across non-profits serving families.

POTENTIAL PARTNERS

Service organizations, City, Library, adult center, Molalla Aquatic Center

County, City/police, state agencies, non-profit agencies

FOCUS AREA #5

A beautiful and tranquil area where people are deeply connected to its unique natural features

STRATEGIES

- Strengthen regional partnerships to identify key natural resources
- Develop new and support existing programs dedicated to protecting natural areas
- Create sustainable tourism activities and promotion campaigns

ACTIONS

POTENTIAL PARTNERS

Develop regional partnerships across public and private groups to promote wise use of natural resources and to celebrate and promote the wild and scenic Molalla River

City, non-profits, Molalla River Alliance, Bureau of Land Management, tree farmers, Molalla River Watch, Weyerhaeuser, Mt. Hood Territory

Add signage for Molalla River Recreational Area and promote the river corridor

City, ODOT, BLM, Friends of the Molalla River area, Molalla River Alliance

Develop places and spaces that promote tranquility

MRSD, City, community, businesses

Organize volunteer events for cleanup and maintenance of natural resources including the Molalla River

Molalla River Alliance, community, We Love Clean Rivers, Molalla River Watch

Develop strategies and funding resources to educate Molalla area residents about environmental sustainability through good stewardship and daily actions people can take

City, environmental organizations, OSU Extension Services, Forestry Service, MRSD

Appendix A

ACKNOWLEDGEMENTS



Photo: David Jackson Photography

A HUGE THANK YOU TO...

The approximately 1,000 people who gave input to this planning process, including those who participated in public input sessions and stakeholder interviews

Molalla High School, Molalla Communications, Molalla Public Library, and the Moose Lodge provided public meeting spaces

The Ford Family Foundation for its ongoing support

Molalla City Council, and especially Elizabeth Klein and Leota Childress for their leadership

City of Molalla staff

Community Development Consultant Bill Flood

A special thanks to the High School Leadership students for their insights!

Appendix B

PLAN PROCESS

SCHEDULE	ACTIVITY
May 17, 2017	Initial meeting with The Ford Family Foundation
June 21, 2017	Public meeting to test surveys
Summer 2017	Input from early Visioning Committee
Fall 2017–Winter 2018	Two public surveys gather input from approximately 600 Molalla area residents
Spring 2018	Community development consultant Bill Flood contracted to determine public values, needs and desires to improve Molalla’s quality of life and assist with plan development
Summer 2018	Surveys analyzed and summarized, community values drafted
Fall 2018	First Molalla Community Celebration held with approximately 2,500 people attending; gathered feedback from community members on values and vision
Fall 2018	Analyzed strengths, weaknesses, opportunities, and threats through interviews with 50 stakeholders, including 25 high school leadership students
December 2018	Two community meetings held to review values and vision, and begin strategy development: <ul style="list-style-type: none"> • High School • Moose Lodge
Winter 2018	Four community meetings held to develop draft goals, actions, timeline, and partners: <ul style="list-style-type: none"> • City focus at City Council retreat • Youth focus at Molalla High School • Business focus at Molalla Communications • Non-profit services focus at Library
Spring 2019	Plan writing, re-writing
July 2019	First draft plan developed
Fall 2019	Plan review
Winter 2019–2020	City Council approves Vision and Action Plan
Winter 2019–2020	Begin hiring process for Vision and Action Plan Implementation Coordinator

Appendix C

SURVEY RESPONSES

Two on-line public surveys gathered input from approximately 600 Molalla area residents. Following are responses from the second survey to the question “What would improve the quality of life in Molalla?”

WHAT WOULD IMPROVE THE QUALITY OF LIFE IN MOLALLA?	# OF PEOPLE RESPONDING 444 TOTAL	% OF PEOPLE RESPONDING TO THIS ITEM
Grocery	152	34%
Restaurants (including fast-food)	121	27%
Traffic improvements (roads, streets, lights)	83	19%
School improvements (especially a new middle school)	82	18%
Pedestrian improvements (sidewalks/trails/walking, bike lanes, lights)	69	16%
Parks, recreation	58	13%
More retail	56	13%
More business (especially downtown)	39	9%
Events, activities, including children’s activities	40	9%
Coffee shop	32	7%
Youth hang-out spot, activities	30	7%
Movie theatre	29	7%

SURVEY RESPONSES (continued)

Appendix C: Survey Responses

WHAT WOULD IMPROVE THE QUALITY OF LIFE IN MOLALLA?	# OF PEOPLE RESPONDING 444 TOTAL	% OF PEOPLE RESPONDING TO THIS ITEM
Local culture (support for aesthetic improvements, library, rodeo, arts, food carts, farmer's market, etc.)	28	6%
Facelift for downtown	26	6%
Address drugs, crime, safety	21	5%
Open pool/aquatic center	20	5%
Transport/bus (especially to Woodburn)	19	4%
Clinic (Spanish-speaking)	14	3%
Bring people together, build community	12	3%
Parking	8	2%
More jobs	8	2%
Address homeless issue	7	2%
New development with infrastructure, housing, affordable and senior housing	7	2%
No new housing/building	6	1%
Spanish interpreters	4	1%

Appendix D

RESULTS FROM STAKEHOLDER INTERVIEWS

Over 50 people responded through stakeholder interviews to a SWOT analysis. The analysis asked “What are the internal strengths and weaknesses of Molalla? What are external opportunities the City can reach for and better engage with? What are external threats and limitations facing Molalla?” Following is a summary of responses.

STRENGTHS

- People care about one another
- People are dedicated to hard work
- Our diversity—multiple generations and ages, cultures, ethnicities, agricultural workers, blue collar workers, and professionals, etc.
- A small-town feeling, relaxed and slower paced environment—peaceful, quiet, and safe
- The natural setting, resources, and history
- Proximity to agriculture
- Location in the region
- Schools are on the rise
- City is improving services
- Strong non-profits
- Room to grow
- Optimism, excitement about claiming the future
- Businesses, services, projects, initiatives in Molalla that are working

Appendix D

RESULTS FROM STAKEHOLDER INTERVIEWS (continued)

Appendix D: Results from Stakeholder Interviews

WEAKNESSES

- Lack of strong, positive identity; low self-esteem
- Lack of vision
- Negative myths about Molalla that are barriers to advancement
- Visual look of downtown and points of arrival in Molalla are not strong
- Not enough community engagement and volunteerism
- Not all people feel safe
- Lack of enough retail, industry, and local jobs
- Struggle to find balance of growth/change while preserving current values

OPPORTUNITIES

- Address all the prior weaknesses
- Molalla's population is nearing 10,000 residents, creating opportunities for expanded market offerings
- Build on the unique natural setting
- Existing events that can build identity
- Existing partners including the Confederated Tribes of Grand Ronde, Clackamas County Economic Development Department, and the Oregon Department of Transportation, as well as great potential for new partnerships
- Attract visitors and others traveling on Molalla's main highways and arterial roads to stop, linger, and experience all Molalla has to offer

THREATS

- Not having control over Highways 213 and 211 (Molalla's Main Street) which are the major arterials of traffic into the community
- Being a commuter town with people not supporting and doing business in Molalla
- Some perceive the location as too far from other communities
- Lack of clear, strong identity
- If Molalla doesn't claim its future, someone else will
- Trying so hard to maintain status quo that opportunities are missed

Appendix E

VOCABULARY & ACRONYMS

Actions – Specific steps, activities, projects or programs to implement strategies

Evaluation and Assessment – Specifically how the Implementation Action Committee will annually reflect on and measure progress toward reaching the vision and implementing actions and strategies

MFD – Molalla Fire District

MRSD – Molalla River School District

ODOT – Oregon Department of Transportation

Potential Partner(s) – A person or group/organization collaborating with others toward an area of mutual interest

SCTD – South Clackamas Transportation District

Strategies – Statements describing how to implement the vision focus areas

SWOT – Strengths, weaknesses, opportunities, threats

Values – Core beliefs of community members

Vision – The picture of what the community wants Molalla to be in 2030

Vision Focus Areas – Key areas and topics for putting the vision into practice

Financial Goals and Policies

Financial Goals

The City of Molalla's financial goals seek to:

- Ensure the financial integrity of the City
- Improve financial information for decision makers at all levels
- Assist policy makers as they contemplate decisions affecting the City on a long-term basis, and be a manager as they implement policy on a day-to-day basis

Financial Objectives

The City of Molalla's fiscal policies address the following major areas:

1. Budget Policy – to account for public funds, to manage municipal finances wisely, and to plan for the provision of services desired by the public through the budget cycle.
2. Debt Policy – to help ensure that all debt is issued both prudently and cost effectively and is essential to ensure that the City Council maintains a sound debt position and protects the credit quality of its obligations.
3. Expenditure Policy – to establish guidelines the City to efficiently and effectively process expenditure transactions.
4. Fund Balance and Reserve Policy – to maintain existing service levels and maintain a stable financial position during periods of economic uncertainty.
5. Revenue policy - Addresses property taxes, user charges, and other sources to adequately fund desired services
6. Grants Management Policy – assist in pursuing, acquiring, and administering federal grant funding by providing clear guidelines.
7. Revenue Policy – to establish guidelines to encourage diversification and stabilization of the revenue base.



RESOLUTION NUMBER 2019-17

A RESOLUTION ADOPTING THE CITY OF MOLALLA FINANCIAL POLICIES.

WHEREAS, the City of Molalla has a responsibility to ensure it handles public funds appropriately; and

WHEREAS, written, adopted financial policies and have many benefits in assisting Council with the financial management of the City; and

WHEREAS, the auditing firm for the City has recommended that Council adopt financial policies that promote sound financial management practices designed to meet Council’s goals and objectives; and

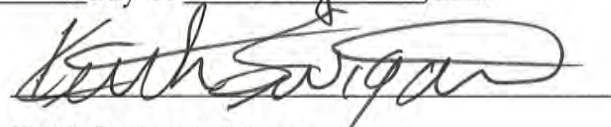
WHEREAS, staff has prepared the City of Molalla Financial Policies document that outlines procedures, safeguards, and internal controls for public fund management; and

WHEREAS, the City of Molalla Financial Policies document, attached hereto as Exhibit A,

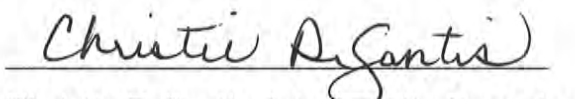
NOW, THEREFORE BE IT RESOLVED, That the City of Molalla Finance Policies document, attached hereto as Attachment A, is hereby adopted.

PASSED AND ADOPTED by the City of Molalla City Council and signed by me, and the City Recorder, in authentication of its passage.

Duly Appointed this 24th day of July, 2019


Keith Swigart, Mayor

ATTEST:


Christie DeSantis, Interim City Recorder

City of Molalla



Budget Policy

Adopted July 24, 2019

Resolution 2019-17

This document supersedes any and all previous budget policies.

I. Purpose

The purpose of this policy is to establish guidelines for The City of Molalla (City) to account for public funds, to manage municipal finances wisely, and to plan for the provision of services desired by the public through the budget cycle.

This policy is designed to provide conceptual standards for financial decision-making, enhance consistency in financial decisions, and establish parameters to use in directing the day-to-day financial affairs of the City.

II. Scope

This policy governs the budgeting process, monitoring of budget execution, performance monitoring, and any revision of the budget.

III. Objectives

The primary objectives of budget activities shall be:

- To ensure that the annual budgeting process is performed timely and supports the City's financial and operational planning objectives and processes.
- To ensure actual versus budget is reviewed and monitored for significant variances.
- To ensure that expenditures made are in line with program objectives.
- To ensure that budgets are reviewed periodically for relevance and revised as necessary.

To the extent possible, the City's budget process will:

- Incorporate a long-term perspective,
- Establish linkages to broad organizational goals,
- Focus budget decisions on results and outcomes,
- Involve and promote effective communication with stakeholders, and

IV. Policy Statement**A. Oregon Local Budget Law**

The City is subject to the requirements of Oregon Local Budget Law under ORS Section 294.

B. Long-term Focus

The City recognizes the importance of long-term strategic planning. Similarly, it recognizes that prudent financial planning considers the multi-year implications of financial decisions. The City shall maintain a long-term focus in its financial planning that is mindful of the long-term objectives of the City.

C. Conservatism

Revenues will be projected conservatively, but realistically, considering:

1. past experience,

2. the volatility of the revenue source,
3. inflation and other economic conditions, and
4. the costs of providing the related service.

Expenditures will be projected conservatively considering:

1. a conservative but likely scenario of events (versus “worst case”),
2. specific, identified needs of the program or service,
3. historic consumption and trends, and
4. inflation and other economic trends.

D. Matching Concept

The City will make an effort to match one-time resources with one-time uses in the development of the budget. Similarly, recurring resources will be identified with recurring uses to the extent possible.

If it becomes necessary to use one-time resources to balance the City’s budget, a plan for achieving a structural balance will be developed simultaneously that identifies revenue enhancements or expenditure decreases to bring the budget back into balance

E. Contingencies and Unappropriated Ending Fund Balance

Contingencies will be budgeted in all operating funds to provide flexibility and to address unforeseen circumstances that may arise after the budget is adopted. There shall be no expenditures from contingencies. Transfers of appropriations to expenditure categories may be made with City Council approval.

The City will report an unappropriated ending fund balance in the debt service funds equal to the first scheduled debt service payment of the subsequent year. Unappropriated fund balances may not be appropriated or spent. Unappropriated balances will then be available and appropriated in the following year to ensure adequate resources to cover debt service.

F. Budget Development

1. The operating budget is the City’s financial operating plan. All funds will be subject to appropriation by the City Council.
2. The budget will be balanced for each fund. The proposed cash resources of each fund (beginning of year fund balance plus estimated receipts) will equal or exceed appropriations. When necessary, the following budget-balancing strategies will be used, in order of priority:
 - a. Reduce expenditures through improved productivity.
 - b. Create new service fees or increase existing fees and charges.
 - c. Reduce or eliminate services.
3. Unencumbered appropriations lapse at the end of the fiscal year.

4. The City Manager shall serve as the City's Budget Officer, and as such will present the proposed budget to the Budget Committee for consideration and eventual approval. The Finance Director is the City Manager's alternate.
5. Public hearings will be held to obtain public input on the City's proposed and approved budget.
6. The City's budget shall be prepared on a budgetary basis. The budget will be sufficiently detailed to identify all significant sources and uses of funds. Adopted budget for current year data, second proceeding year actuals, and first proceeding year actual results will be presented for comparative purposes.
7. The budget will be adopted by the City Council no later than June 30.

G. Budget Modification

1. The adopted budget may be amended to transfer appropriations between funds or budget categories through resolution of the City Council.
2. A supplemental budget may be adopted by the City Council, following a public hearing, to increase the adopted appropriations of any fund.

City of Molalla



Debt Policy

**Adopted July 24, 2019
Resolution 2019-17**

This document supersedes any and all previous debt policies.

I. Purpose

This Debt Policy for the City of Molalla (City) is established to help ensure that all debt is issued both prudently and cost effectively. This policy sets forth comprehensive guidelines for the financing of capital expenditures of the City. Adherence to the policy is essential to ensure that the City Council maintains a sound debt position and protects the credit quality of its obligations.

II. Governing Authority

The City's debt policy shall be operated in conformance with Oregon Revised Statutes, applicable federal law and other regulatory requirements. The Finance Director will maintain the debt policy and develop recommendations for debt financing.

III. Scope

This policy applies to all financing activities of the City.

IV. Objectives

The objectives of the policy shall be that:

- i. the City obtain financing only when necessary,
- ii. the process for identifying the timing and amount of debt or other financing be as efficient as possible,
- iii. the most favorable interest rate and other related costs be obtained, and
- iv. when appropriate, future financial flexibility be maintained.

V. Conditions of Debt**1. Debt Limits****i. Legal Restrictions**

- The City shall observe and comply with all legal restrictions including State constitution or law, local charter, by-laws, resolution or ordinance, or covenant, and bond referenda approved by voters.

ii. Public Policies

- The City shall observe and support appropriate public policy considerations including the purposes for which debt proceeds may be used or prohibited,
- The types of debt that may be issued or prohibited, the relationship to and integration with the Capital Improvement Program, and policy goals related to economic development, including potential public-private partnerships.

iii. Financial Restrictions**A. Direct Debt**

The City shall develop and maintain financial information in the consideration and evaluation of its debt position including the ratio of debt

per capita, the ratio of debt to personal income, the ratio of debt to taxable property value, and debt service payments as a percentage of general fund revenues or expenditures.

B. Revenue Debt

The City may consider issuance of revenue bonds as an alternative to other types of financing when the situation and conditions of the borrowing so indicate, and upon advice from financial advisors and/or bond counsel.

C. Conduit Debt

The City shall not engage in the issuance of conduit debt.

D. Short-term Debt

The City may engage in short-term financing if cash or working capital needs so dictate. All short-term borrowings should reflect the same objectives as those identified for debt financing above.

E. Variable Rate Debt

The City may consider issuance of variable rate debt as an alternative to other types of financing when the situation and conditions of the borrowing so indicate, and upon advice from financial advisors and/or bond counsel.

2. Debt Structuring Practices

The City shall consult with financial advisors and bond counsel, and within the framework of applicable accounting and reporting requirements to identify and implement sound debt structuring practices for each type of bond to the best advantage of the City, including:

- Maximum term
- Average maturity
- Debt service pattern (i.e. equal payments or equal principal amortization)
- Use of optional redemption features that reflect market conditions and/or needs of the City,
- Use of variable or fixed-rate debt, credit enhancements, short-term debt, and limitations as to when, and to what extent, each can be used, and
- Other structuring practices should be considered, such as capitalizing interest during the construction of the project and deferral of principal, and/or other internal credit support, including general obligation pledges.

3. Debt Issuance Practices

The City shall employ sound practices for debt issuance in the context of best practices and strong internal controls, including:

- Selection and use of professional service providers, including an independent financial advisor, to assist with determining the method of sale and the selection of other financing team members,

- Criteria for determining the sale method (competitive, negotiated, private placement) and investment of proceeds,
- Use of comparative bond pricing services or market indices as a benchmark in negotiated transactions, as well as to evaluate final bond pricing results,
- Criteria for issuance of refunding bonds, and
- Use of credit ratings, minimum bond ratings, determination of the number of ratings, and selection of rating services.

4. Debt Management Practices

The City shall manage outstanding debt to the direct advantage of the City, and ultimately to the benefit of citizens. In doing so, the City shall:

- Establish and maintain appropriate funds and accounting structures to properly support budgeting, recording, and reporting of debt service activities,
- Establish, document, and maintain a system of internal control over debt activities including proper approvals for debt issuance and debt service payments, and
- Provide for periodic review of the City's debt position for purposes of reporting to the City Council and evaluation of opportunities for refunding or other adjustments to the portfolio.

City of Molalla



Expenditure Policy

Adopted July 24, 2019
Resolution 2019-17

This document supersedes any and all previous expenditures policies.

I. Purpose

The purpose of this policy is to establish guidelines for the City of Molalla to efficiently and effectively process expenditure transactions.

II. Scope

This policy is applicable to all expenditure transactions of the City.

III. Objectives

- A. To ensure a fundamental level of integrity, directness, and transparency in how the City spends public funds.
- B. To ensure City expenditures directly support services to customers and citizens.

IV. Policy Statements

- A. All payments due shall be paid as agreed . The City shall take advantage of vendor discounts to the extent practicable and available.
- B. All payments must be properly authorized and supported by appropriate documentation. Proper authorization may consist of an approved purchase order or direct approval on an original invoice or payment request. Approval is based on City Charter limits. Appropriate documentation consists of an original invoice or payment request and proof of receipt of goods and services. Payment shall not be made on copies of invoices.
- C. All checks require two (2) signatures, one of which is the Mayor or a City Councilor if available. Signers include the City Manager, Department Head, at least 2 Councilors and the Mayor. Payments other than by check require the same approval process.
- D. Expenditure-related duties shall be assigned to City staff in such a manner that there is appropriate separation of duties. Specifically, the initiation, authorization, and processing of expenditures shall be assigned to separate individuals.
- E. Access shall be restricted to City staff with direct responsibilities for expenditure-related functions, and only those functions as assigned.
 - 1. System access shall be assigned and maintained according to specific functional assignments and accessed by unique login and password, by employee.
 - 2. Access to blank check stock shall be restricted and under the control of the Finance Director. All check numbers in sequence shall be properly accounted for.
 - 3. Voided checks shall be appropriately cancelled (stamped or marked "void" and the signature lines removed) and retained until after completion of the annual audit.

City of Molalla



Expenditure Policy

Adopted July 24, 2019
Resolution 2019-17

This document supersedes any and all previous expenditures policies.

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 - 3. Voided checks shall be appropriately cancelled (stamped or marked "void" and the signature lines removed) and retained until after completion of the annual audit.

City of Molalla



Fund Balance and Reserve Policy

Adopted July 24, 2019
Resolution 2019-17

This document supersedes any and all previous fund balance and reserve policies.

I. Purpose

The City wishes to maintain existing service levels and maintain a stable financial position during periods of economic uncertainty. To that end, the City will establish prudent reserves in certain funds in order to ensure financial stability throughout the fiscal year including provision for unforeseen contingencies and consideration to revenue timing. This policy establishes threshold minimums for the City's funds and is intended to serve as a guide for operational, budgetary, and policy decisions made by the City Council and management.

II. Definition

Fund balance is defined as the difference between assets and liabilities in a fund. Reserves are broadly referred to as the portion of fund balance held in reserve to provide a buffer against risk, unforeseen circumstances, or for planned future expenditures.

For purposes of this policy, the terms "fund balance" and "reserves" may be used together and interchangeably to refer to amounts retained in the City's various funds for purposes of offsetting risk, providing flexibility and stability, or for specific future expenditures.

An adequate fund balance is critical to lessen the impact of revenue shortfalls and/or unanticipated expenditures over time and provide a lower level of financial risk. Fund balance also serves as a source of bridge funding from year to year, allowing the City to maintain or transition to sustainable service levels.

III. Policy Statement

The City will establish and maintain a minimum fund balance in identified funds to:

1. Provide sufficient resources to meet cash flow needs;
2. Maintain an investment grade bond rating capacity;
3. Cover unforeseen emergencies;
4. Avoid short-term borrowing to fund operations; and
5. Set aside funds for major capital projects or equipment purchase when deemed appropriate.

Fund balance targets for respective funds are as follows:

General Fund

A minimum fund balance equal to three (3) months of operations or 20% of budgeted expenditures in the Fund.

Library Fund

A minimum fund balance equal to three (3) months of operations or 8% of budgeted expenditures in the Fund.

Street Fund

A minimum fund balance equal to three (3) months of operations or 15% of budgeted expenditures in the Fund.

Urban Renewal Agency Fund

A minimum fund balance equal to two (2) months of operations or 5% of budgeted expenditures in the Fund.

Enterprise Funds:

Water Fund

A minimum fund balance equal to three (3) months of operations or 15% of budgeted expenditures in the Fund.

Sewer Fund

A minimum fund balance equal to three (3) months of operations or 15% of budgeted expenditures in the Fund.

Storm Water Fund

A minimum fund balance equal to three (3) months of operations or 15% of budgeted expenditures in the Fund.

City of Molalla



Grants Management Policy

Adopted July 24, 2019
Resolution 2019-17

This document supersedes any and all previous grants management policies.

I. Purpose

To assist City of Molalla (City) personnel involved in pursuing, acquiring, and administering federal grant funding by providing clear guidelines for alignment with the overall purpose of the City and with specific project goals. While specifically addressing requirements of federal funding, this policy shall also be applied to non-federal grants and programs as appropriate.

II. Authority

The City Council shall ensure federal funds received by the City are administered in accordance with federal requirements including, but not limited to, the federal Uniform Grant Guidance¹.

The City Council designates the City Manager or the Finance Director as the City's primary contact for all federal programs and funding. Administration and management of individual funding programs shall be accomplished by the respective departments working in conjunction with the Finance Director or designee.

III. Policy Statement

The City encourages the consideration of grants as a funding source for established or planned projects as appropriate. Grant funding should only be pursued as it relates to current or planned projects, and not funding for projects yet to be identified.

The Finance Director shall establish and maintain a sound financial management system. The system shall ensure internal controls and federal grant management standards address the receipt of both direct and pass-through federal grants, track costs and expenditures of funds associated with grant awards, maintain a high level of transparency and accountability, and document all applicable procedures².

A. Guidelines

Financial management standards and procedures shall ensure that the following responsibilities are fulfilled:

1. Identification

The City must identify in its accounts, all federal awards received and expended and the federal programs under which they were received.

2. Financial Reporting

Accurate, current, and complete disclosure of the financial results of each federal award or program must be made in accordance with the financial reporting requirements of the Governmental Accounting Standards Board (GASB) and generally accepted accounting principles for government.

3. Accounting Records

The City must maintain records which adequately identify the source and application of funds provided for federally-assisted activities.

4. Internal Controls

¹ Ref. 2 CFR Part 200

² Ref. 2 CFR Part 200

Effective control and accountability must be maintained for all funds, real and personal property, and other assets. The City must adequately safeguard all such property and must ensure that it is used solely for authorized purposes.

5. Budget Control

Actual expenditures or outlays must be compared with budgeted amounts for each federal award. Procedures shall be developed to establish determination for allowability of costs with respect to federal programs.

6. Cash Management

The City recognizes Uniform Grant guidance with respect to cash management requirements and incorporate by reference..

7. Allowability of Costs

The City shall ensure that allowability of all costs charged to each federal award is accurately determined and documented.

B. Training

The City shall provide annual training to those employees with direct responsibility over various aspects of federal award management and administration. Training will include, but not be limited to, identification and differentiation of federal grants from other funding sources, identification of direct and material compliance requirements of federal awards, establishing and documenting effective internal controls over compliance, and proper use of the City's centralized grants management system.

C. Standards of Conduct

The City shall maintain standards of conduct covering conflicts of interest and the actions of the City Council and City employees engaged in the selection, award, and administration of federal grants and of all contracts.

All employees shall be informed of conduct that is required for federal fiscal compliance and the disciplinary actions that may be applied for violation of Council policies, administrative regulations, rules, and procedures.

The City shall communicate to all employees the importance of ethical and legal actions in dealing with grant-related programs and funds. The City shall reinforce its zero-tolerance position as appropriate to ensure proper awareness and attention to policies and procedures guiding appropriate employee activities related to federal award programs.

D. Grant Project Management

The City shall establish clear roles and responsibilities for post-award, close-out, and audit activities related to federal grant awards. Key personnel in consideration of those roles and responsibilities include, but are not limited to departmental Project Manager, Finance Director, City Manager, and the City Council.

The City shall establish a grants project team for each federal award consisting at a minimum of the departmental Project Manager and the Finance Director or his/her designee. This team shall have primary responsibility for managing all aspects of the award

program including, but not limited to, implementation and documentation of effective internal controls, compliance with stated program requirements, effective accounting and reporting to support both financial and compliance needs of the City and the federal program, and monitoring activities.

Roles and responsibilities will be identified with appropriate parties so as to provide efficient and effective administration of federal grant monies, effective internal control over financial reporting and related compliance, and effective project management.

E. Annual Risk Assessment

The Finance Director shall have responsibility to perform an annual risk assessment with respect to potential noncompliance related to the City's federal award programs. Such risk assessment will be documented and serve as the basis for further efforts to provide reasonable assurance of compliance with all applicable compliance requirements.

The City's departmental Project Manager identified to each respective federal grant program shall have primary responsibility for compliance with applicable requirements of the federal award. The Project Manager shall also have primary responsibility for establishing and documenting internal controls over compliance with respect to each identified compliance requirement so as to provide reasonable assurance that compliance is achieved.

F. Expenditure Review and Approval

Consistent with a strong system of internal controls, all grant-related expenditures shall follow established City policies and procedures with respect to procurement, approvals, and documentation. All grant expenditures shall require review and approval by the applicable departmental Project Manager to ensure compliance with all applicable requirements. Such review and approval shall be evidenced by an appropriate method (initials and date on expenditure documentation (purchase order, invoice, pay request, etc.), email, electronic approval, etc.). All grant-related expenditures shall be coded with the appropriate general ledger and project account numbers to accommodate proper accounting and reporting of grant amounts in the City's financial records and reporting to federal granting agencies.

G. Employee Time and Effort Reporting

All City employees paid with federal funds shall, in accordance with law, document the time they expend in work performed in support of each federal program. Time and effort reporting requirements do not apply to contracted individuals.

City employees shall be reimbursed for travel costs incurred in the course of performing services related to official business as a federal grant recipient. Such reimbursements shall be made on the basis of documentation as required under City policy.

The City shall establish and maintain employee policies on hiring, benefits and leave, and outside activities as approved by the City Council.

H. Procurement

The City shall establish and maintain a written procurement policy. The City shall follow that policy for all grant-related procurements.

I. Record Keeping

The City shall develop, document, and maintain a written Records Management Plan and related policy and administrative rules for the retention, retrieval, and disposition of manual and electronic records including email³.

The City shall ensure the proper maintenance of federal fiscal records documenting⁴:

1. Amount of federal funds.
2. How federal funds are used.
3. Total cost of each federally-funded project.
4. Share of total cost of each project provided from other, non-federal sources.
5. Evidence of the design and maintenance of effective internal controls over compliance.
6. Evidence of compliance with federal program requirements.
7. Significant project experiences and results (programmatic).

All records must be retrievable and available for federal monitoring, programmatic or financial audit purposes.

The City shall provide the federal awarding agency, Inspectors General, the Comptroller General of the United States, pass-through entities, or any of their authorized representatives, the right of access to any documents, papers, or other City records which are pertinent to federal funding awards. The City shall also permit timely and reasonable access to the City's personnel for the purpose of interview and discussion related to such documents⁵.

The Plan shall include identification of staff authorized to access records, appropriate training, and preservation measures to protect the integrity of records and data.

The City shall ensure that all personally identifiable information (PII) protected by law or regulations is handled in accordance with the requirements of applicable law, regulations, policy, and administrative regulations.

J. Subrecipient Monitoring

In the event the City awards subgrants of federal funds, the City shall establish written procedures⁶ to:

1. Assess the risk of noncompliance on the part of the subrecipient.

³ Ref 2 CFR Part 200.333-337

⁴ Ref. 34 CFR Sec. 75.730-732

⁵ Ref. 2 CFR Sec. 200.336

⁶ Ref. 2 CFR Sec. 200.330-331

2. Monitor grant subrecipients to ensure compliance with federal compliance requirements, state and local laws and policy and procedures.
3. Ensure the City 's record retention schedule addresses document retention on assessment and monitoring.

K. Compliance Violations

Employees and contractors involved in federally-funded programs and subrecipients shall be made aware of all identifying information and federal compliance requirements associated with the award. They shall also be made aware that failure to comply with federal requirements, law, regulation or terms and conditions of a federal award may result in the federal awarding agency or pass-through entity imposing additional conditions or terminating the award in whole or in part.

City of Molalla



Revenue Policy

Adopted July 24, 2019
Resolution 2019-17

This document supersedes any and all previous revenue policies.

I. Purpose

The purpose of this policy is to establish guidelines for City of Molalla to encourage diversification and stabilization of the revenue base in order to minimize the effects of fluctuations in revenue yield.

II. Scope

This policy is designed to provide general principles and guidelines to promote effective control over, and proper accounting of revenues from external sources and the related accounts receivable.

III. Objectives

- Revenue received by the City shall be utilized in accordance with this policy.
- Revenue received for specific funds within the City shall be utilized for expenses and obligations of that fund.
- All revenue is accurately recorded in the City 's accounting system in the period in which it is earned.
- Appropriate internal controls and sound financial business practices are adopted for the recognition and billing of revenue, the collection and timely recording and deposit of cash receipts, and the management of accounts receivable.

IV. Policy Statements**A. High level Roles and Responsibilities**

The City will assign roles and responsibilities according to skills, knowledge, and expertise necessary to accomplish the respective tasks, and to maintain an appropriate separation of duties consistent with strong internal controls.

- The City Manager
 1. Provide guidance and advice on compliance to the political structures, political office-bearers and officials of the City.
- The Finance Director
 1. Administratively in charge of the budget;
 2. Advise the City Manager on the exercise of powers and duties assigned to the City Manager;
 3. Advise Senior Managers and other officials in the exercise of powers and duties assigned to them; and
 4. Must perform such budgeting, accounting, analysis, financial reporting, cash management, debt management, supply chain management, financial management, review and other duties as delegated by the City Manager to the Finance Director.
- Senior Management
 1. Managing and coordinating the financial administration of the City.
- Any Official or External Consultant duly appointed
 1. Performs any operation in respect to the revenue management given by the Finance Director or City Manager.

B. Determination of Fees and Charges

The City shall ensure that all fees and charges have a basis in the associated cost of

providing the related service. Full costing shall be determined for all services, including direct costs of materials, labor, and related services as well as any appropriate allocation of overhead or indirect costs. The City Council will decide full cost recovery or the percentage to be recovered.

C. Utility Billing

The City shall ensure the completeness and accuracy of billings to all utility customers as a basis for revenues collected.

- Water services

1. Application for water service shall be made in writing by the owner of the premises to be served, or the owner's agent duly authorized in writing on regular application forms furnished by the City. No service will be rendered until such application has been completed and the required payments made. All applications shall include signature of applicant, location of premises for which service is requested, address to which all bills shall be sent, and such additional data as the Council from time to time may require.
 - a. Applications for service shall be considered merely as a request for service, and they shall not bind the City or Council to provide service.
2. Meters shall be read on a regular cycle as a basis for accurate billing of usage to customers.
3. All charges for utility service shall be due and payable monthly on the date of mailing and become delinquent on the 16th of each month. A late fee set by resolution shall be assessed on any utility accounts, which become delinquent. After a customer's utility bill is delinquent, the Finance Director or designee shall mail to customer a notice stating:
 - a. That the utility bill is delinquent;
 - b. The amount necessary to cure the delinquency;
 - c. That the utility service to the property will be shut off 20 days after the date of the notice, unless the delinquency is paid in full.
 - d. After termination of utility service, the full account balance including the fees will be required before service can be restored. If notice is mailed as provided in this section, the City may shut off utility service to the property 20 days after mailing of the notice unless the total amount due is paid in full, but subject to the City's compliance with the options specified in subsection
4. Utility services disconnected for lack of payment of the utility bills will be assessed a disconnect/reconnect fee as set by resolution and shall not be restored until all past-due-bills, late fees, and any other utility charges or connection fees are paid in full.
 - a. The customer may request in writing a one-time emergency extension of payment (not to exceed 10 days) to avoid service

being shut off and a disconnect fee being charged. If customer defaults on this agreement the utility account will be shut off the morning after the agreement expires and a disconnect fee will then be charged.

- b. Any customer may request a waiver of their late fee in writing providing no other late fees have been assessed in the prior 12 months.
 - c. A customer may appeal a notice of utility shut-off by filing a written request for an informal hearing with the City within 15 days after the date of mailing of the notice. The appeal shall be filed with the City Manager and shall specify the reasons for the appeal. If an appeal is so filed, utility service shall not be disconnected before the business day after the announcement of the result of the hearing. The informal hearing shall be held as soon as is practically possible before the City Manager or designee. The City shall provide the customer reasonable notice of the date of the hearing. The customer may be represented by an attorney at the hearing, and any probative evidence shall be admissible. The hearing officer may affirm, overrule, or modify the notice of utility shut-off, considering applicable law and the nature of any hardship of the customer.
5. All payments shall be made to the City either by mail, online bill pay, at the office of the City, placed in drop box, or such other place as the Council may from time to time designate.
 - Wastewater services
 1. Wastewater usage fees will be based on the winter average usage of water at the physical address listed for the account and will be reevaluated annually.
 - Surface water services
 - a. There is hereby established a surface water utility user charge, which shall be set by the City Council by resolution. The rate shall be in an amount reasonable and necessary to fund the administration, planning, design, construction, operation, maintenance and repair of the surface water management system. The surface water utility user charge shall be based upon the amount of developed impervious surface used by a customer. Owners or occupants of undeveloped property shall not be charged. Each customer using a location for one single-family residential use shall be charged a uniform rate based upon one equivalent development unit (EDU). For multifamily residential uses, the charge shall be one EDU per each residential unit. The charge for all other uses shall be based upon the total amount of measured impervious surface used, divided by one EDU and rounded to the nearest whole number. The actual service charge shall be computed by multiplying the amount of EDUs measured for each use by the rate established

for each EDU; provided, however, that the amount of EDUs measured shall be limited to 20 EDUs per use.

D. Detailed Role of Finance Director

- That the City had effective revenue collection systems
- That the revenue due to the City is calculated on a monthly basis;
- That all money received is promptly deposited in the City 's primary and other bank accounts;
- That the City has and maintains a management, accounting and information system which—
 1. recognize revenue when it is earned;
 2. accounts for debtors; and
 3. accounts for receipts of revenue;
- That the City has and maintains a system of internal control in respect of debtors and revenue, as may be prescribed;
- That the City charges interest on arrears, except where the Council has granted exemptions in accordance with its budget-related policies and within a prescribed framework; and
- That all revenue received by the City, including revenue received by any collecting agent on its behalf, is reconciled at least on a weekly basis.

E. Receipt of Revenue to the City

- Cash transactions are verified by two employees to ensure that cash is properly recorded and deposited.
- Receipts are given to all customers who pay with cash. Customers paying with check are offered a receipt and customers who pay with debit/credit are offered a confirmation number.

Appendix - Acronyms

AED	Automated External Defibrillator
AV	Assessed Value
BLM	Bureau of Land Management
CAFR	Comprehensive Annual Financial Report
CIP	Capital Improvement Projects
CPI	Consumer Price Index
CWSRF	Clean Water State Revolving Loan Fund
DEQ	Department of Environmental Quality
DHS	Department of Human Services
DMV	Department of Motor Vehicles
FASB	Financial Accounting Standards Board
FTE	Full Time Employee
FY	Fiscal Year
GAAP	Generally Accepted Accounting Practices
GASB	Government Accounting Standards Board
GFOA	Government Finance Officers Association
LEDS	Law Enforcement Data System
LOC	League of Oregon Cities
MAC	Molalla Aquatic Center
MCC	Molalla Communications Company
OACA	Oregon Association of Court Administrators
OAMR	Oregon Association of Municipal Recorders
ODOT	Oregon Department of Transportation
OSHA	Oregon Safety & Health Association
OSP	Oregon State Police
PERS	Public Employees Retirement System
PGE	Portland General Electric
SAIF	State Accident Insurance Fund
SDC'S	System Development Charges
STP	Surface Transportation Program
TAP	Tourism Action Plan
TEAM	Team for Economic Action in Molalla
UPS	United Parcel Service
UR	Urban Reserve
URA	Urban Reserve Area
W & S	Weed & Seed
WTP	Water Treatment Plant
WWTP	Wastewater Treatment Plan

Appendix - Glossary

Accrual basis. Method of accounting recognizing transactions when they occur without regard to cash flow timing [ORS 294.311(1)].

Activity. That portion of the work of an organizational unit relating to a specific function or class of functions, a project or program, a subproject or subprogram, or any convenient division of these. [ORS 294.311(2)].

Adopted budget. Financial plan that is the basis for appropriations. Adopted by the governing body [ORS 294.435].

Ad valorem tax. A property tax computed as a percentage of the assessed value of taxable property.

Agent. Generally, someone who is authorized to act for the local government, or who can make commitments or sign contracts in the name of the local government. Agency is the fiduciary relationship that arises when one person (a 'principal') manifests assent to another person (an 'agent') that the agent shall act on the principal's behalf and be subject to the principal's control, and the agent manifests assent or otherwise consents so to act.

Appropriation. Authorization for spending a specific amount of money for a specific purpose during a fiscal year. It is based on the adopted budget, including supplemental budgets, if any. It is presented in a resolution or ordinance adopted by the governing body [ORS 294.311(3)].

Approved budget. The budget which has been approved by the budget committee. The data from the approved budget is published in the Financial Summary before the budget hearing [ORS 294.406].

Assessed value. The value set on real and personal property as a basis for imposing taxes. It is the lesser of the property's maximum assessed value or real market value.

Assessment date. The date on which the value of property is set, January 1 [ORS 308.210, 308.250].

Audit. The annual review and appraisal of a municipal corporation's accounts and fiscal affairs conducted by an accountant under contract or the Secretary of State [ORS 297.425].

Audit report. A report in a form prescribed by the Secretary of State made by an auditor expressing an opinion about the propriety of a local government's financial statements, and compliance with requirements, orders, and regulations

Balanced budget. A budget in which the resources equal the requirements in every fund.

Bequest. A gift by will of personal property; a legacy.

Biennial budget. A budget for a 24-month period.

Billing rate. The tax rate used to compute ad valorem taxes for each property

Budget. Written report showing the local government's comprehensive financial plan for one fiscal year. It must include a balanced statement of actual revenues and expenditures during each of the last two years and estimated revenues and expenditures for the current and upcoming year [ORS 294.311(5)].

Budget committee. Fiscal planning board of a local government, consisting of the governing body plus an equal number of legal voters appointed from the district [ORS 294.336].

Budget message. Written explanation of the budget and the local government's financial priorities. It is prepared and presented by the executive officer or chairperson of the governing body [ORS 294.391].

Budget officer. Person appointed by the governing body to assemble budget material and information and to physically prepare the proposed budget [ORS 294.331].

Budget period. For local governments on a biennial budget, the 24-month period beginning July 1 and ending June 30 of the second following calendar year. See also "Fiscal year."

Budget transfers. Amounts moved from one fund to finance activities in another fund. They are shown as expenditures in the originating fund and revenues in the receiving fund.

Capital outlay. Items which generally have a useful life of one or more years, such as machinery, land, furniture, equipment, or buildings [ORS 294.352 (6)].

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 [OAR 150-294.352 (1)].

Cash basis. System of accounting under which revenues are accounted for only when received in cash and expenditures are accounted for only when paid [ORS 294.311 (9)].

Category of limitation. The three categories in which taxes on property are placed before the constitutional limits can be tested—education, general government, excluded from limitation [ORS 310.150].

Consolidated billing tax rate. The combined total of the billing rates for all taxing Districts in a code area. Does not include the billing rate for any urban renewal special levies or non-ad valorem taxes, fees, or other charges.

Constitutional limits. The maximum amount of tax on property that can be collected from an individual property in each category of limitation (Art. XI, sect. 11b, OR Const.).

Debt service fund. A fund established to account for payment of general long-term debt principal and interest [OAR 150-294.352 (1)].

Devise. A gift by will of the donor of real property.

District. See “Local government.”

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.

Double majority. A term that refers to an election where at least 50 percent of the registered voters eligible to vote in the election cast a ballot and more than 50 percent voting approve the question.

Education category. The category for taxes that will be used to support the public school system and are not used to pay exempt bonded indebtedness [ORS 310.150(2)].

Encumbrance. An obligation chargeable to an appropriation and for which part of the appropriation is reserved [ORS 294.311(10)].

Enterprise fund. A fund established to account for operations financed and operated in a manner similar to private business enterprises. They are usually self-supporting. Examples of enterprise funds are those for water, gas, and electric utilities, swimming pools, airports, parking garages, transit systems, and ports [OAR 150-294.352(1)].

Estimate. (v) To arrive at a rough calculation or an opinion formed from imperfect data. (n) The resulting amount.

Excluded from limitation category. The category for taxes used to pay principal and interest on exempt bonded indebtedness [ORS 310.150(2)].

Exempt bonded indebtedness. 1) Bonded indebtedness authorized by a specific provision of the Oregon Constitution, or 2) bonded indebtedness issued as a general obligation on or before November 6, 1990, incurred for capital construction or capital improvements, or 3) bonded indebtedness issued as a general obligation after November 6, 1990, incurred for capital construction or capital improvements with the approval of the electors of the local government. Bonded indebtedness issued to refund or refinance any bonded indebtedness described above is also included [ORS 310.140(7)].

Existing plan. An existing urban renewal plan is defined as a plan that existed in December 1996 and 1) chose an option and 2) established a maximum amount of indebtedness by July 1998 and has not been amended to increase the land area or maximum indebtedness [ORS 457.101(4) (a)].

Expenditures. Total amount incurred if accounts are kept on an accrual basis; total amount paid if accounts are kept on a cash basis [ORS 294.311(16)].

Fiscal year. A 12-month period to which the annual operating budget applies. The fiscal year is July 1 through June 30 for local governments [ORS 294.311(17)].

Fund. A fiscal and accounting entity with self-balancing accounts to record cash and other financial

resources, related liabilities, balances, and changes, all segregated for specific, regulated activities and objectives.

Fund balance. The fund equity of government funds.

Fund type. One of nine fund types: General, special revenue, debt service, capital projects, special assessment, enterprise, internal service, trust and agency, and reserve [OAR 150-294.352 (1) and ORS 280.100].

Gap bonds. Any portion of a local government's property tax levy used to repay qualified taxing district obligations. This portion was exempted from the calculation of the permanent rate limit. When the debt is paid, the permanent rate is adjusted. Qualified obligations include principal and interest on certain bonds or formal, written borrowings of moneys issued before December 5, 1996, and pension and disability plan obligations that commit property taxes to fulfill those obligations.

General fund. A fund used to account for most fiscal activities except for those activities required to be accounted for in another fund [OAR 150-294.352 (1)].

General government category. The category for taxes used to support general government operations other than schools that are not for the purposes of paying exempt bonded indebtedness [ORS 310.150(1)].

Good Faith. The standard for estimating budget resources and requirements. Good faith estimates are reasonable and are reasonably likely to prove accurate, based on the known facts at the time.

Governing body. County court, board of commissioners, city council, school board, board of trustees, board of directors, or other managing board of a local government unit [ORS 294.311(15)].

Grant. A donation or contribution in cash by one governmental unit to another unit which may be made to support a specified purpose or function, or general purpose [ORS 294.311(19)].

Inter-fund loans. Loans made by one fund to another and authorized by resolution or ordinance (ORS 294.460).

Internal service fund. A fund used to account for fiscal activities when goods or services are provided by one department or agency to other departments or agencies on a cost-reimbursement basis (ORS 294.470).

Legal opinion. The opinion as to legality rendered by an authorized official, such as the Oregon attorney general or city attorney.

Levy. (v) To impose a property tax. (n) Ad valorem tax certified by a local government.

Local government. Any city, county, port, school district, education service district, community college, special district, public or quasi-public corporation (including a municipal utility or dock commission) operated by a separate board or commission; a municipality or municipal corporation under ORS

Local option tax. Voter-approved taxing authority in addition to the taxes generated by the permanent tax rate. Local option taxes can be for general operations, a specific purpose, or capital projects. It is limited to five years unless it is for a capital project, then it is limited to the useful life of the project or 10 years, whichever is less [Art. XI, section 11(4) OR Const.].

Maximum assessed value (MAV). A constitutional limitation on the taxable value of real or personal property. It can increase a maximum of 3% each year. The 3% limit may be exceeded if there are qualifying improvements made to the property, such as a major addition or new construction.

Maximum authority. The limitation on the amount of revenue an existing urban renewal plan may raise from the property tax system [ORS 457.435(3)]. The assessor calculated this amount for the 1997-98 tax year for each existing plan based on the taxes each urban renewal plan area would have been entitled to prior to Measure 50. This amount is adjusted each year based on the growth of excess value in the plan area.

Maximum indebtedness. The amount of the principal of the indebtedness necessary to complete an urban renewal plan. This does not include indebtedness incurred to refund or refinance existing indebtedness [ORS 457.010(10)]. It is specified in dollars and cents and based on good faith estimates of the scope and costs of the anticipated project or projects. All existing plans are required to have an ordinance which establishes a maximum indebtedness.

Measure 5. A constitutional amendment (Art. XI, section 11b OR Const.) passed in 1990 that limits the amount of operating tax which can be imposed on a property to \$5 per \$1,000 of real market value for education and \$10 per 1,000 for general government.

Measure 50. A constitutional amendment (Art. XI, section 11 OR Const.) passed in 1997 that limits the growth in a property's assessed value to 3% per year. It also limits a local government's taxing authority by creating permanent rate limits.

Municipal Corporation. See "Local government."

Municipality. See "Local government."

Net working capital. The sum of the cash balance, accounts receivable expected to be realized during the ensuing year, inventories, supplies, prepaid expenses less current liabilities and, if encumbrance method of accounting is used, reserve for encumbrances [ORS 294.311(26)].

Object classification. A grouping of expenditures, such as personal services, materials and services, capital outlay, debt services, and other types of requirements [ORS 294.311(28)].

Operating rate. The rate determined by dividing the local government's operating tax amount by the estimated assessed value of the local government. This rate is needed when a local government wants to impose less tax than its permanent rate will raise.

Option, urban renewal. Financing arrangement chosen by existing urban renewal plans. Cannot be changed. The options are as follows:

Option 1 [ORS 457.435(2) (a)], allows the plan to collect division of tax as computed under ORS 457.440. If the amount collected from the division of tax is insufficient, a special levy may be imposed against all taxable property of the municipality that activated the urban renewal agency. Option 1 plans are “reduced rate” (do not divide local option or bond levies approved by voters after October, 2001).

Option 2 [ORS 457.435(2) (b)]. The Cascade Locks Plan in Hood River County was the only Option 2 Urban Renewal Plan and that plan has been completed. May impose a special levy, but does not collect division of tax.

Option 3 [ORS 457.435(2) (c)], provides that Option 3 plans can obtain funds from both the division of tax and a special levy. Like Option 1, the agency may limit the amount to be received from the special levy, but unlike Option 1 the agency limited the amount of funds received from the division of tax when the Option was chosen. Option 3 plans are “standard rate” (divide all tax levies).

Other “standard rate” plan was adopted between December 1996 and October 2001. Receives division of tax, but no special levy.

Other “reduced rate” plan was adopted after October 2001, or was an Option 1 or 2 plan that was substantially amended. Receives division of tax only.

Ordinance. A formal legislative enactment by the governing board of a municipality.

Organizational unit. Any administrative subdivision of the local government, especially one charged with carrying on one or more specific functions (such as a department, office, or division) [ORS 294.311 (30)].

Personal services expenses. Expenses related to the compensation of salaried employees, such as health and accident insurance premiums, Social Security and retirement contributions, civil service assessments.

Permanent rate limit. The maximum rate of ad valorem property taxes a local government can impose. Taxes generated from the permanent rate limit can be used for any purpose. No action of the local government or its voters can change a permanent rate limit.

Principal act. The Oregon Revised Statutes which describe how a certain type of municipal corporation is formed and selects its governing body, the powers it may exercise, and the types of taxing authority its voters may authorize.

Prior years’ tax levies. Taxes levied for fiscal years preceding the current one.

Program. A group of related activities to accomplish a major service or function for which the local government is responsible [ORS 294.311 (32)].

Program budget. A budget based on the programs of the local government.

Property taxes. Ad valorem tax certified to the county assessor by a local government unit.

Proposed budget. Financial plan prepared by the budget officer. All funds must balance. It is submitted to the public and the budget committee for review.

Publication. Public notice given by publication in a newspaper of general circulation within the boundaries of the local government; mailing through the U.S. Postal Service by first class mail to each street address within the boundaries of the local government; and hand delivery to each street address within the boundaries of the local government [ORS 294.311 (34)].

Real Market Value (RMV). The amount in cash which could reasonably be expected by an informed seller from an informed buyer in an arm's-length transaction as of the assessment date. For most properties, the value used to test the constitutional limits [ORS 308.205].

Reserve fund. Established to accumulate money from year to year for a specific purpose, such as purchase of new equipment [ORS 294.525].

Resolution. A formal order of a governing body; lower legal status than an ordinance.

Resource. Estimated beginning funds on hand plus anticipated receipts [ORS 294.361].

SAL Report. Summary of Assessments and Levies [ORS 309.330].

Special levy. A special levy is an ad valorem tax, imposed for an urban renewal plan on the entire municipality that adopted the plan. It is not a result of a division of tax.

Special revenue fund. A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) legally restricted to expenditure for specific purposes [OAR 150-294.352 (1)].

Special payment. A budget expenditure category for pass-through payments, grants made to other organizations and other one-time or unusual expenditures which do not fall into the other categories of personal services, materials and services, capital outlay, etc.

Supplemental budget. A financial plan adopted during a budget period to meet unexpected needs or to appropriate revenues not anticipated when the regular budget was adopted. It cannot be used to authorize a tax [ORS 294.480].

Tax increment financing. A financial mechanism for urban renewal plans which captures the tax from the growth in property value within a designated geographical area by dividing the taxes of local governments.

Tax on property. Any tax, fee, charge, or assessment imposed by any government unit upon property or upon a property owner as a direct consequence of ownership of that property [ORS 310.140(1)].

Tax rate. The amount of tax stated in terms of a unit of tax for each \$1,000 of assessed value of taxable

property.

Tax roll. The official listing of the amount of taxes imposed against each taxable property.

Tax year. The fiscal year from July 1 through June 30.

Trust fund. A fund used to account for fiscal activities of assets held in trust by a local government.

Unappropriated ending fund balance. Amount set aside in the budget to be carried over to the next year's budget. It provides the local government with cash until tax money or other revenues are received later in the year. This amount cannot be transferred by resolution or used through a supplemental budget, unless necessitated by a qualifying emergency [ORS 294.371, ORS 294.455].