



Fiscal Year 2026-2027
Proposed Budget

Table of Contents	
Cover Page.....	1
Table of Contents.....	2
FY 2026-2027 FALLS CITY BUDGET COMMITTEE.....	3
FALLS CITY ORGANIZATION CHART.....	4
BUDGET MESSAGE.....	5
MISSION STATEMENT.....	8
CITY COUNCIL GOALS.....	8
ABOUT FALLS CITY.....	9
Government.....	10
Quick Facts.....	10
Housing.....	10
Property Tax Rate.....	10
THE BUDGET PROCESS.....	11
2026-2027 Budget Calendar.....	11
The Budget Amendment Process.....	12
The Budget Process Flow Chart.....	12
The Budget Committee.....	13
The Budget Basis.....	13
The Budget Document.....	14
Fund Accounting.....	14
The General Fund Departments.....	16
Fund Guide.....	16
Revenue Sources.....	16
PERSONNEL.....	18
GENERAL FUND.....	19
GENERAL FUND REQUIREMENTS.....	21
Administration.....	21
City Council.....	24
Fire Department.....	25
FIRE EQUIP & OPS LEVY.....	27
Code Services & Court.....	29
Parks and Cemeteries.....	31
Other/Debt.....	33
WATER.....	34
SANITARY SEWER.....	37
STREETS AND PATHWAYS.....	39
CITY UTILITY RESERVE FUND.....	41
WAGNER LIBRARY TRUST FUND.....	42
LUCKIAMUTE COMMUNITY BUILDING FUND.....	43
POLK CDC REVOLVING LOAN FUND.....	44
ACRONYMS.....	45
GLOSSARY.....	49

FY 2026-2027 FALLS CITY BUDGET COMMITTEE

BUDGET OFFICER FY 2026-2027

AJ Foscoli, City Manager

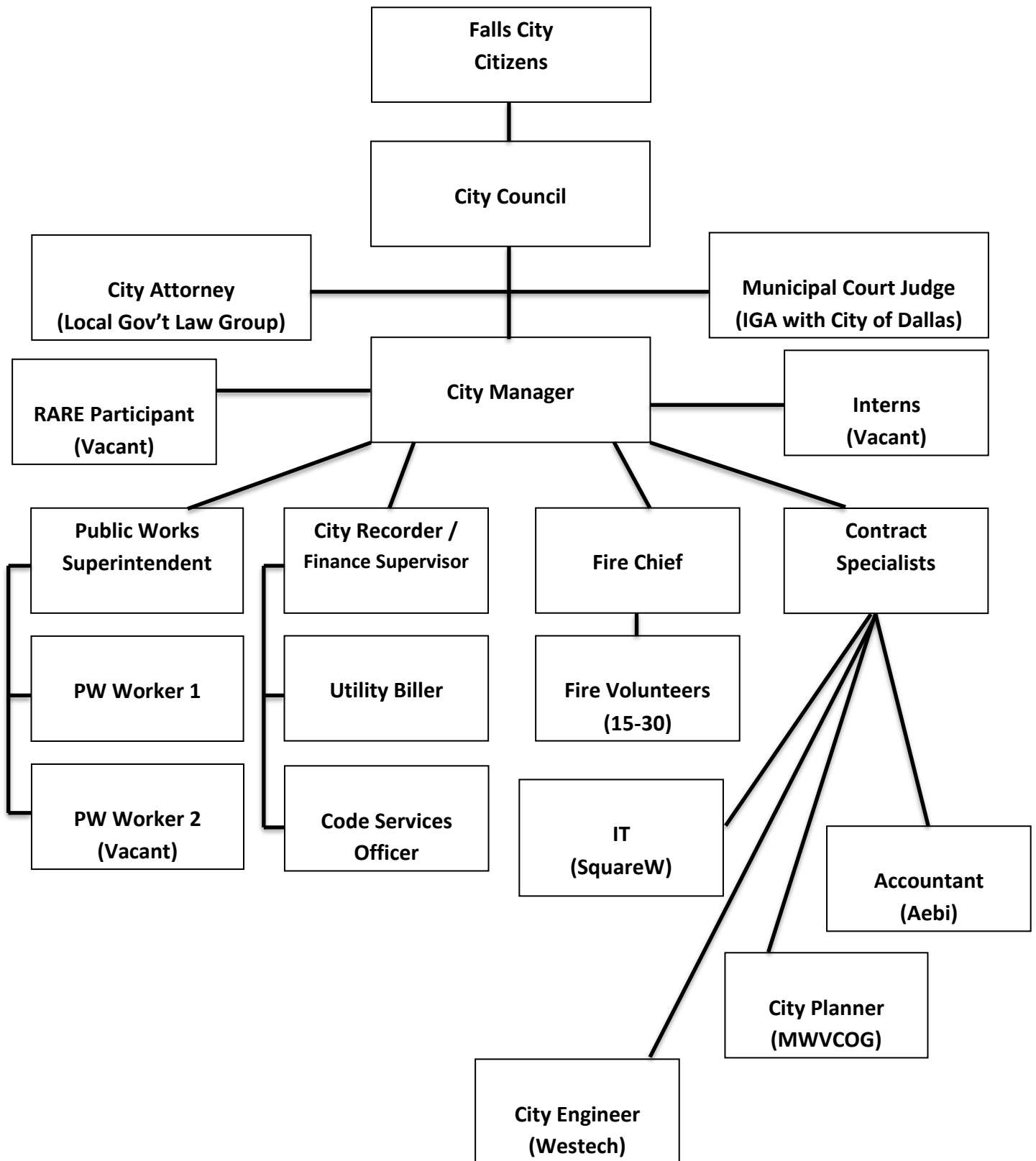
COUNCIL MEMBERS

Member	Elected	Expires
Lori J. Sickles, Councilor	January 2022	2026
Dennis Sickles, Councilor	January 2020	2028
Tony Meier, Councilor	January 2022	2026
Amy Houghtaling, Councilor	January 2020	2028
Nick Backus, Councilor	January 2022	2026
Tia Scruton, Councilor	January 2026	2028

CITIZEN MEMBERS

Member	Appointed	Expires
Leanne Merrill	2023	2027
Guy Mack	2021	2029
Jason Evans	2021	2029
Art Houghtaling	2021	2029

FALLS CITY ORGANIZATION CHART



City of Falls City

FY 2026-2027 PROPOSED BUDGET

BUDGET MESSAGE

DATE: May 15, 2026
TO: City Council, Budget Committee, Staff, and Citizens
FROM: AJ Foscoli, City Manager/Budget Officer
SUBJ: Fiscal Year 2026-2027 BUDGET MESSAGE

Introduction. During Fiscal year 2025-2026, several large projects moved from the planning and design phase to the construction phase, with some finally coming to fruition after several years' worth of effort from city staff. Additional large-scale projects are also moving in that direction, as the continuation of a vital water mainline replacement project will be completed in early fall. Within the following 24-36 months, a Dayton Street infrastructure bridge project will also begin, all to help improve this community.

City Council and Staff began the year by undertaking a review of council goals, in order to set the course for the governmental organization. The Council's focus will continue to be on infrastructure upgrades, enhancing code services to educate residents on property standards, continuing to develop community resources to improve the lives of Falls City residents and exploring enacting System Development Charges to support community growth. Increases in funding for Code Services in order to secure a part-time employee to manage code infractions, and continued funding for a 25% Polk County Sheriff Deputy has led to steady improvement in the security and livability of our community.

The City Council's approval of a new Brush Truck for its Fire Department in previous years has created a very flexible and responsive organization, and deployment of such apparatus has added much needed revenue to the Fire fund, when the vehicle is deployed on regional & national conflagrations. The Fire Levy supporting this equipment addition will ensure a healthy fiscal outlook for the next 5 years, with no significant vehicle purchases necessary on the horizon. In fact, the Fire Department is continuing to coordinate diligently with regional departments to enhance the vehicle fleet by entering

into no-cost agreements to the city to house and deploy fire engines with long serviceable operational value. This will increase the size and scope of the current fleet without increased spending, aside from annual maintenance, largely defrayed by partner departments for the equipment's use, through mutual aid agreements.

The city's Wastewater Treatment Facility Replacement Project, as well as the Safe Routes to School project, both completed in the previous fiscal year, will allow the city to start focusing on other pressing infrastructure projects, such as Phase 2 of the Water Mainline project dedicated to water mainline improvements at sections of the water delivery system that are especially breakage-prone. This infrastructure replacement project has already been able to greatly reduce the amount of time staff spend on repairing ageing pipes that have been in the ground for many decades. At full project completion, of approximately \$2.4 million, the city will have replaced as much as 90% of the city's breakage-prone sections of pipe throughout town.

We present the proposed fiscal year (FY) 2026-2026 City of Falls City Budget for your consideration. City Staff has endeavored to present "good faith" estimates and respect fund boundaries in writing the budget. That effort has allowed for a solid foundation by which to judge and control expenditures. As with every year, no matter how carefully we plan our expenditures, there are always unexpected costs that impact the budget. In previous years, the city was able to use ARPA funds to offset these costs. In the previous fiscal year, the city had funds available from the 2021 Ice Storm that FEMA paid to the city in 2024. This fiscal year is the first in about 4 years where there are no significant unexpected funds to help the city with all of its obligations.

Budget Summary. The Fiscal Year 2026-2027 proposed budget contains just over \$3.6 million in recommended funding for all expenses and liabilities, a steady decrease from the \$5.1 million in 2025-2026. The main difference will be in the completion of the \$5.5 million Wastewater Treatment Facility for the city's sewer system, which will provide many decades' worth of service stability. Approximately \$1.2 million (33%) is in projected grant funds for both infrastructure projects and equipment purchases; another \$653,715 (18%) is in the contingency/reserve funds, an adequate reserve percentage to account for the various infrastructure projects being undertaken during this fiscal cycle.

It's also noteworthy that \$1.6 million of the total (41%) is allocated to Capital Outlay and Debt Service, much of which is projected to receive grant financing or already has. This increase in the funding is for the much needed improvement to our systems and infrastructure, largely driven by the ongoing Water Mainline Replacement Project. Unfortunately, the biggest proportional increases have come in the Personnel, Materials & Services (PMS) costs, as everything has increased more than current inflation rates in the past 12 months. Staff is committed to being as frugal as possible while continuing to provide the services that this community has been used to.

Conclusion. This budget continues to follow our recent trend of investing in capital outlay, while endeavoring to maintain a CPI index increase on Materials & Services, and Personnel. City Staff has been able to achieve these goals, and increase employee wages to the "living wage" realm while concurrently bringing them more in line with industry standards. Finally, a substantial contingency (41% of the overall grant adjusted budget, 18% of the overall budget) has been proposed, along with conservative estimates in revenues and expenses. These measures will provide the city with a firm position to get through all of its infrastructure upgrades that will greatly benefit the community.

Sincerely,

A handwritten signature in blue ink that reads "AJ Foscoli". The signature is written in a cursive, flowing style.

AJ Foscoli
City Manager

City of Falls City

MISSION STATEMENT

Create an environment that supports rural community living at its best by mixing family, work, recreation and social opportunities while providing fiscally sound, and responsible municipal services.

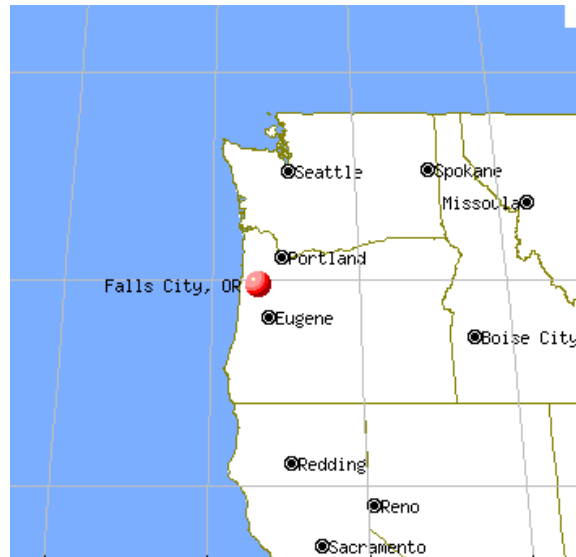
CITY COUNCIL GOALS 2026

The City of Falls City will:

1. Upgrade Sewer Infrastructure
2. Enhance City Code Services
3. Develop Falls City Community Resources
4. Miscellaneous:
 - a. Engage All Council Members in Ongoing Council Training
 - b. Form a Committee to Develop Emergency Plan
 - c. Engage in evidence-based discussions for houseless prevention strategies relevant to Falls City
 - d. Explore Funding for System Development Charges
 - e. Investigate Initiatives for Employee Retention
 - f. Revise and Implement Fee Schedule for City Facilities Public Use

ABOUT FALLS CITY

The City of Falls City is a small, but thriving rural enclave filled with and surrounded by a vast array of recreational activities, scenic areas, forests, vineyards and farmland. Incorporated in 1891, the City encompasses 1.23 square miles in the Mid-Willamette Valley at the base of the Coast Mountain Range. Falls City is situated just 20 miles from Salem, the state capitol, and 68 from Portland, the state's largest city, making it a rare undiscovered jewel in the heart of Polk County, Oregon.



The City provides a range of services, including fire protection, construction and maintenance of streets, parks, cemeteries and utility infrastructure, recreational activities and cultural events, short and long-range planning and development review, and building permits. Certain services are provided by or in cooperation with regional organizations.

The City owns its water and sanitary sewer utilities, relying on surface water to supply distribution. Electricity, telephone and internet services, and trash disposal are provided by private businesses.

Falls City is part of the larger Falls City School District #57 that provides Pre-kindergarten through high school services.

Planning for future land uses, civic services, and infrastructure improvements is ongoing. The economy in the mid-Willamette Valley, where Falls City is located, is primarily agriculture and wine, but continues to see growth in tourism, and recreation largely associated with the wine and biking industries.

GOVERNMENT

On December 4, 2014 the City of Falls City adopted a new charter requiring a Council – Manager Form of government. The Charter invests the power of governance in an elected City Council comprised of a Mayor and six City Councilors. In exercising its authority and fulfilling its responsibility to govern the City, the Council may exercise administrative, legislative, or quasi-judicial authority. The Mayor serves a two year term, Councilors serve four year terms, and three of the six Councilor's terms expire each biennial election.

The City Manager and staff are responsible for carrying out the day-to-day operations of the City, developing administrative policies, developing and implementing planning documents, and preparing and managing the budget.

The City's fiscal year begins July 1 and ends June 30. Current information about City services and projects can be found on our website www.fallscityoregon.gov.

QUICK FACT

- The median age is: 47.5 year old.
- The average household size is: 2.6 people.
- The top industries are: government, education, automotive repair, food service, retail trade, non-store retail, accommodation, and manufacturing.
- The top occupations are: healthcare, office/administration, management, education, construction, and transportation.
- The top commuting destinations are: Salem, Sheridan, and Dallas.
- The education breakdown is: 8% no high school diploma, 33% high school grad, 33% some college, 26% bachelor's degree or higher.

HOUSING

Much of the housing in Falls City has been designed with family life in mind. Approximately 82% of housing is owner occupied. The City has seen an increase in building permits and staff has been working to help create zoning changes that will encourage development. The assessed value of real property in Falls City, the amount off which property taxes are assessed, was \$57,302,142 in 2025.

PROPERTY TAX RATE

The City's permanent tax rate is \$2.9202 per \$1,000 assessed valuation, as set by the passage of Measure 50 in 1997. Falls City Voters approved a fire levy in the November, 2022 election which renewed a \$1.00 per \$1,000 assessed value levy for five (5) years.

THE BUDGET PROCESS

A budget as defined by Oregon State Law (Oregon Revised Statutes (ORS), Chapter 294), is a financial plan containing estimates of revenues and REQUIREMENTS for a given period or purpose, such as the fiscal year. The City is required to budget all funds and for each fund to have a balanced budget. The state of Oregon defines balanced budgets as one in which total resources, including beginning balances (Net Working Capital), current resources and debt proceeds, equal total requirements, including current year REQUIREMENTS, capital outlay, transfers, debt service and any other requirements such as debt service reserves.

As a rule, local governments in Oregon operate on a fiscal year that begins on July 1 and ends the following June 30. Falls City's budget operates on this schedule. Budgeting is critical to cities because it requires local governments to evaluate plans and establish priorities in relation to available financial resources. Also under ORS, a legally adopted budget is necessary to establish and justify a given rate and or amount of property taxes to be levied on the property within the city.

The City of Falls City's budget will accomplish each of the four major purposes of Oregon Local Budget Law (ORS 294.305 – 294.555 and 294.565) including:

- Establish standard financial procedures
- Outline programs and services in conjunction with the fiscal policy and implement those policies
- Provide methods of estimating revenue, REQUIREMENTS, and proposed tax levies
- Encourage public involvement in the budgeting process before budget adoption
- Falls City prepares and adopts its annual budget in accordance with the City Charter, Oregon Law and the Government Finance Officers Association budget guidelines.
- Before the budget can accomplish these goals a schedule for preparation is developed. This schedule is called the budget calendar.

2026-2027 BUDGET CALENDAR

May 15 Budget Officer: prepares the budget message

May 20, May 27 Budget Committee: meetings, hearing, and approval

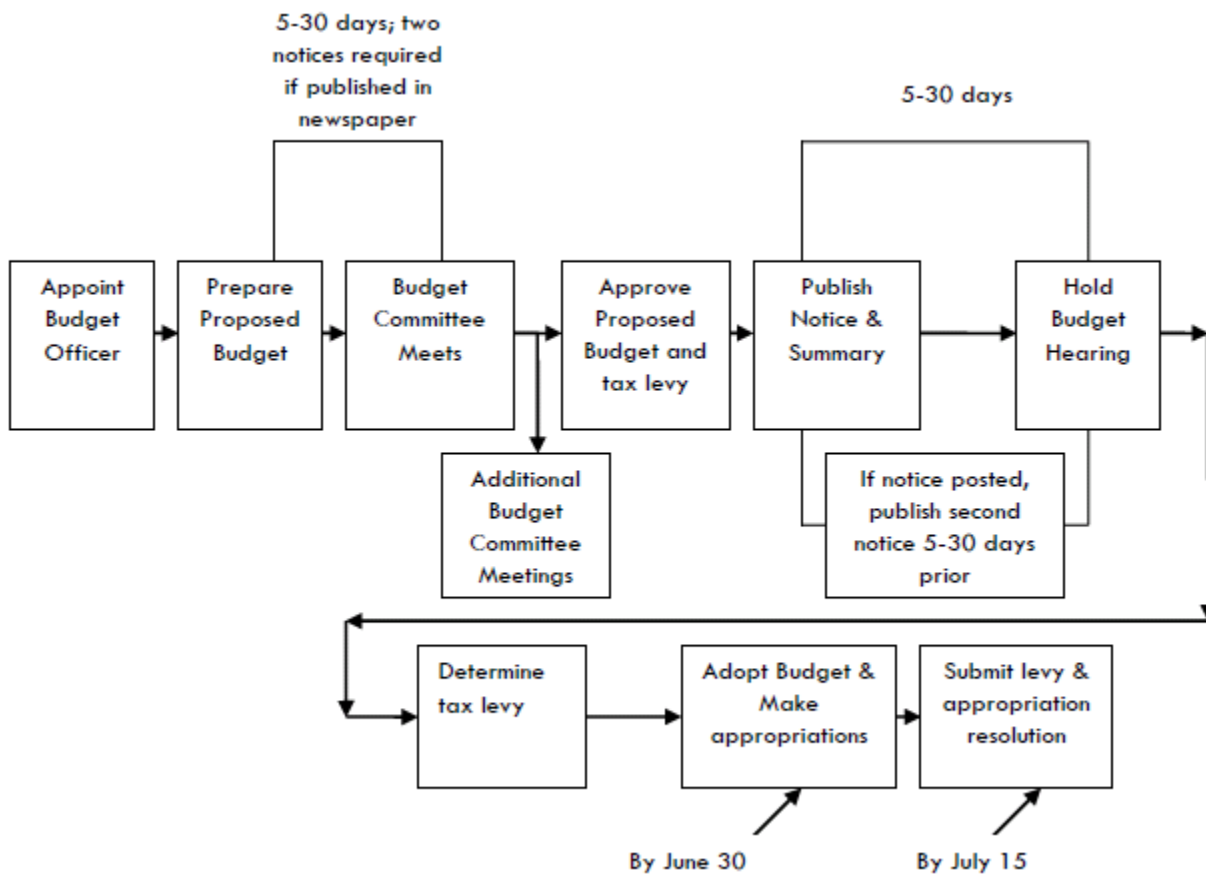
June 1, nlt June 30..... City Council: meeting with public hearing for budget, and adoption

In December through March, meetings are held with City staff, the Mayor, and City Council to set goals and priorities for the upcoming year. In May, a preliminary budget is prepared and presented to the Budget Committee, which, by law, comprises the Mayor, City Councilors, and seven citizen members. A summary of the recommended budget is published in the local newspaper. The City Council holds a public hearing prior to July 1, which may result in further changes. If a change will increase property taxes or increase REQUIREMENTS within a fund by more than ten percent or \$5,000, whichever is greater, the budget must be referred back to the Budget Committee. The City Council adopts the budget and levies taxes prior to June 30 each year. The adopted budget is filed with the county clerk and State of Oregon, and the Property Tax Levy is certified to the County Assessor by July 15 each year.

THE BUDGET AMENDMENT PROCESS

Oregon Budget Law allows for amendments to the City budget for reasons unforeseen at the time of adoption. The City Council may adopt resolution changes that decrease one existing appropriation and increase another. Certain changes of ten percent or more to any fund require a supplemental budget. All changes over ten percent to any fund require a supplemental budget process similar to the annual budget requiring a public hearing. Further detail may be found in ORS Chapter 294.

THE BUDGET PROCESS FLOW CHART



Oregon's Local Budget Law is governed by Chapter 294 of the Oregon Revised Statutes (ORS 294). This law does two important things: (1) establishes the standard procedures for preparing, presenting and administering the budget, and (2) requires citizen involvement in the same. The above flowchart depicts this process

THE BUDGET COMMITTEE

The Budget Committee is composed of the Mayor, City Councilors, and seven citizen members appointed by the governing board.

The appointed members:

- Must live in the City of Falls City,
- Cannot be officers, agents, or employees of the local government,
- Serve four-year terms that are staggered so that approximately one-third of the terms end each year, and
- Can be spouses of officers, agents, or employees of the Municipality.

THE BUDGET BASIS

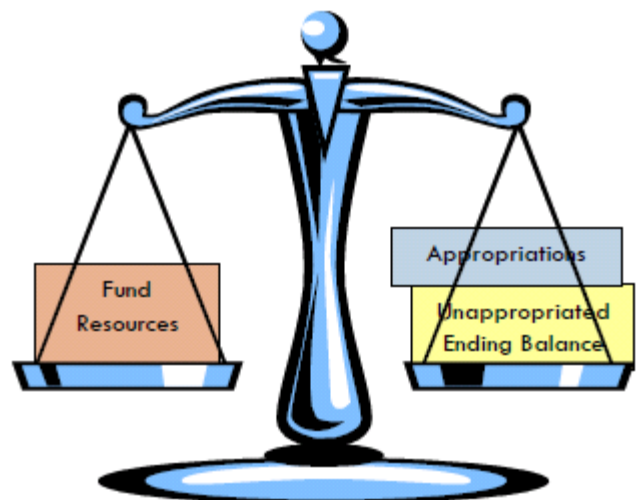
The budget is prepared using the modified cash method of accounting. This means that obligations of the City are budgeted as expenses when invoices are paid and income is recorded when received. The City of Falls City manages its finances in compliance with the modified cash basis and budget laws of the State of Oregon. During the year, requirements and revenues are closely monitored to ensure compliance with the adopted budget and state law. Quarterly financial reports will be prepared on the budgetary basis of accounting, distributed to the City Council, and the general public.

Annually, an audit is performed and filed with the State of Oregon by an independent certified public accountant. The City of Falls City publishes an annual financial report that documents the City's budgetary performance and the financial health of the City. This report compares budgeted to actual revenues and requirements, thus documenting the City's budgetary compliance.

The government-wide financial statements and the proprietary funds financial statements are reported using the economic resources measurement focus and the full modified cash basis of accounting as is the fiduciary fund financial statements. Revenues are recorded when received and expenses are recorded when paid. Grants and similar items are recognized as revenue as soon as received.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified cash basis of accounting. Revenues are recognized as available as soon as they are received.

Requirements are generally recorded when paid under cash accounting. Long-term compensated absences are recorded only when payment made. Principal and interest on long-term debt are recorded as fund liabilities only when due, or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.



THE BUDGET DOCUMENT

A budget as defined by Oregon State law is a “financial plan containing estimates of revenues and requirements for a single fiscal year.” Local governments have the option of budgeting on a 24-month biennial budget period, or by fiscal year.

The City of Falls City operates on a fiscal year beginning on July 1 and ending the following June 30.

Budgeting requires local governments to evaluate plans and priorities in light of the fiscal resources available to meet those needs.

The budget document describes how the City of Falls City’s government plans to meet the needs of the community and is a resource for citizens interested in learning more about the operations of their city government.

FUND ACCOUNTING

For accounting purposes, a local government is not treated as a single, integral entity. Rather, a local government is viewed instead as a collection of smaller, separate entities known as “funds”. Fund accounting is different from multi-company commercial accounting. Fund accounting encompasses most aspects of commercial accounting. However, it goes beyond the requirements of a commercial system both in form and function.

A fund is 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 activities and objectives.

All of the City of Falls City’s funds are appropriated with the exception of closed funds which are no longer used because their reason for use has changed or expired. Historical information about these funds is included in the budget document.

Major Funds may be either business type funds, or governmental type funds based on the activities in the fund itself. Funds that receive this title represent the significant activities of the City of Falls City and basically include any fund whose assets, liabilities, revenues, or requirements are at least 10% of the corresponding total (assets, liabilities, etc.) for all funds of the same category or type (i.e. total governmental or total enterprise funds); and total assets, liabilities, revenues, or requirements/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds (business type funds) combined. All other funds are non-major funds.

Governmental Funds are supported by tax revenues, user fees, franchise fees, intergovernmental payments and other revenues. The accounting for a governmental-type activity focuses on available resources and the near-term demands upon them.

General Fund (Major Fund): This fund accounts for the general services provided by the City and Council.

Revenue is primarily generated through property taxes, state shared revenues, franchise fees, fines, fees and permits and grants.

Transportation Funds are supported by state and county gas tax revenues, contract payments, miscellaneous other revenues and include the following:

Street and Pathways Fund (Major Fund): The Street and Pathways Fund provide the accounting for Streets and Pathways programs. The Streets and Pathways programs include repair, construction and maintenance of streets and pathways. No public works staff is funded in the Streets and Pathways Fund. Use of other departmental staff is charged through allocations to the general fund and the various enterprise funds. Funding sources include state highway gas tax, contributions and sharing.

Enterprise fund is a fund established to account for operations, including debt service that are financed and operated similarly to private businesses where the intent is the service is self-sufficient, with all costs supported predominantly by user charges. The City maintains two Enterprise Fund accounts for Water and Sewer activities. Enterprise fund revenues are restricted to be spent only on enterprise activities relating to their revenue source. For example, water rate revenue can only be spent on water activities and projects.

Water Fund (Major Fund): This fund accounts for the operation of the City's water utility and engineering services. The principal sources of revenue are user fees. Requirements are for the operation, administration, maintenance, system betterments and expansion of the system.

Sanitary Sewer Fund (Major Fund): This fund accounts for the operation of the City's sewage utility. The principal sources of revenue are user fees. Requirements are for operation, administration, maintenance, system betterments and expansion of the system.

Special Revenue Fund is a fund set up for dedicated local option tax levies, and other dedicated funds when required by law or agreement.

Utility Reserve Fund (Major Fund): This fund accounts for Water and Sewer Capital improvements financed using the City's utility reserve fee.

Fire Equipment and Operations Levy Fund (Major Fund): This fund accounts for the receipt of property tax revenues assessed for the 5 year fire operations levy passed May of 2022. The requirements are for operation, and equipment expenses.

Internal Service Fund is a fund set up to account for services provided by one department to another within the same local government agency.

Shared Services Fund (Major Fund): This fund accounts for the many materials and services shared by multiple departments within the City. This fund uses a consistent methodology to proportion shared liabilities amongst all benefitted funds. Its main facility is to simplify accounting for shared expenses, and to accurately allocate them to the funds receiving a benefit. The lone source of revenue for this fund is transfers in from the benefitted funds.

THE GENERAL FUND DEPARTMENTS

Administration

Fire Department

Parks & Cemeteries

Code Services & Municipal Court

City Council

Debt/Other

FUND GUIDE

Active Funds

1. General Fund (Major Fund)
 - City Council
 - Admin
 - Fire
 - Court
 - Parks and Cemeteries
 - Other/Non-Departmental
2. Water Fund (Major Fund)
3. Sanitary Sewer Fund (Major Fund)
4. Streets and Pathways Fund (Major Fund)
5. Fire Equipment/Operations Levy (Major Fund)
6. City Utility Reserve Fund (Major Fund)
7. Wagner Library 80% Fund (Minor Fund)
8. Community Development Revolving Loan Fund (Major Fund)
9. Luckiamute Community Building

REVENUE SOURCES

Budget preparation begins with revenue projections. Different forecasting techniques are used depending on the revenue sources unique characteristics. The following schedules show the City's major funds individually and non-major funds in aggregate. For the purpose of this discussion, any fund whose revenue or requirements constitute more than 10 percent of the appropriated budget on a reoccurring basis are considered a major fund. All other funds are non-major funds. A description of the City of Falls City's revenue sources and how the budget amounts were determined follows:

Charges for Services

The cost of providing services such as water and sewer are charged to the residents through utility rates. Historical usage patterns, number of services and estimated growth applied to the utility rates determine the amount of revenue projected. A rate study had not been conducted in a number of years and as a result rates had not been adjusted as frequently as needed to keep up with the cost of providing service. The rates for sewer have been increased to reflect the cost of providing service and to accommodate the current new treatment facility project. The rates for water will similarly undergo a rate study for the upcoming water main line replacement project. A capital fee is charged to allow the city to "pay as we go" and save the ratepayers money in the long run since less debt will be issued to fund projects.

Transfers and Allocations

In prior years, allocations and transfers have been used to recover costs for services as well as to share the cost of liability payments. From fiscal year 2019-2020 to 2021-2022, a shared services fund was set up to account for allocation of shared costs, and employees were allocated to the departments in which they actually work. From fiscal year 2022-2023, many of the city funds that had been receiving transfers from other funds for the purpose of debt payments and general operational funding with no expectation of repayment reverted to their own individual funds for greater transparency.

Property Taxes

These taxes are approved by voters. As a result of Oregon voters approving ballot measures 47 and 50, in 1996 and 1997, respectively, the state now has a property tax rate system rather than a property tax base system. A permanent tax rate was determined for each taxing jurisdiction and then applied to a taxable assessed value that is limited to a 3% annual increase plus any exceptions allowed by state statute. Property taxes are deposited into the General and Bonded Debt funds. Estimates for this revenue are generated by Polk County assessment and taxation and adjusted by the City for known or anticipated differences. The General Fund fixed tax rate is \$2.9202/\$1,000 assessed valuation. The county currently levies an additional local option levy for the City of Fall City in the amount of \$1.00/\$1,000 for a 5-year fire operations and equipment levy passed by the voters in November of 2022.

Other Taxes

Taxes other than property taxes are the base of this revenue source. This includes excise taxes, state shared revenues such as the cigarette tax.

Licenses, Permits, and Fees

This includes charges for permits, user fees, and business licenses. Anticipated building activity and business license renewal rates are indicators for projecting this revenue.

Franchise Fees

Falls City grants permission for the use of public rights of ways for the purpose of utilities. Private utilities operating in Falls City must pay a franchise fee based on a franchise agreement between the utility and the City.

Fines and Forfeitures

This revenue is generated from municipal citations and fines, such as code violations. The purpose is to promote safety and enforce compliance related issues.

PERSONNEL

City of Falls City Wage Correction & Employee Retention *CPI adjustment proposed for 2026-2027		
Position	Pay Rate	Approximate Total Cost
City Manager (1.0 FTE)	\$89,116	\$128,961
City Recorder/Clerk (1.0 FTE)	\$49,862	\$109,889
Utility Biller (0.5 FTE)	\$21,748	\$23,330
Public Works Director (1.0 FTE)	\$51,984	\$92,853
Public Works Worker (1.0 FTE)	\$30,766	\$62,138
Fire Chief & Deputy Fire Chief (0.2 FTE)	\$10,300	\$11,330
Code/Law Enforcement (.25 FTE)		\$49,900
Total Personnel Cost FY 26-27		\$478,400
Total Personnel Cost FY 25-26		\$459,400
Total Personnel Cost FY 24-25		\$424,400
The COLA adjustment that was used for this year's salary adjustments was 3.0%, based on Oregon PERS Index.		

GENERAL FUND

Mission Statement

The purpose of the General Fund is to record financial transactions relating to all activities for which specific types of funds are not required; it is the general operating fund for the local government.

Service Provided

The General Fund provides for operations and Capital outlay (such that a special revenue fund is not required) related to: Administration, Planning & Land Use, Community Development, Events, Fire Department, Parks & Cemeteries, Code Services, City Council, and Municipal Court.

Budget Narrative

The General Fund has an estimated beginning balance of \$460,000, anticipated revenue of \$333,860; this sets total resources at \$793,860. These revenues support the City Council, Court & Code Services, Fire, Administration, Parks & Cemeteries and Debt Services Funds. (The major reduction from the previous year is attributed to the closing out of the city's role as the fiscal agent for Polk CDC for \$400,000).

Budget Officer's Notes:

- The City must explore options to raise additional revenues if it is to maintain service levels and add full time Code Services capacity. Those may include any of the following, or some combination:
 - A Safety Tax Levy;
 - A Code Services Fee on Utility Bills;
 - A partnership with other municipalities to split Code Service costs and services;
 - A community/volunteer based code services initiative;
 - Significant cuts in some General Fund expenditures.
- The City currently has \$460,000 projected in carryover/reserve funds. This money should not be used to fund a Code Services program as it is not a replenishing pool of money (once spent, it's gone).
- The expected sale of the current City Hall building and its property should generate between \$250,000~\$300,000 (possibly more). These funds should only be spent to purchase necessary equipment and/or used to do necessary maintenance upgrades, as once obligated, the funds will be expended.29 10

01 GENERAL FUND

RESOURCES	ACTUAL 2023-2024	ACTUAL 2024-2025	ADOPTED 2025-2026	ACTUAL 2025-26 (as of 5/1)	DRAFT 2026-2027
BEGINNING FUND BALANCE	\$ 950,921	\$ 891,503	\$ 900,000	\$ 458,579	\$ 460,000
FEMA Ice Storm		\$ 93,599	\$ 60,000	\$ 47,973	\$ 11,000
MISCELLANEOUS	\$ 11,463	\$ 8,286	\$ 1,000	\$ 1,535	\$ 1,000
CIS Insurance Claim		\$ -	\$ -	\$ -	\$ -
Fire Deployment		\$ 25,908	\$ -	\$ 16,044	\$ -
TAXES					
State Marijuana Prevention	\$ 1,454	\$ 1,679	\$ 1,400	\$ 1,293	\$ 1,400
Property Taxes- Current	\$ 147,178	\$ 157,330	\$ 155,000	\$ 159,021	\$ 160,000
Property Taxes- Prior	\$ -	\$ -	\$ 1,000	\$ -	\$ 1,000
State Liquor Tax	\$ 17,750	\$ 16,932	\$ 20,000	\$ 14,059	\$ 18,000
State Revenue Sharing	\$ 12,567	\$ 10,910	\$ 10,000	\$ 9,404	\$ 10,000
State Cigarette Tax	\$ 634	\$ 611	\$ 750	\$ 471	\$ 500
INTEREST					
LGIP & Other	\$ 60,045	\$ 66,465	\$ 55,000	\$ 39,578	\$ 60,000
FEES (NON-FRANCHISE)					
Business License & OLCC Fees	\$ 225	\$ 1,050	\$ 500	\$ 250	\$ 400
Land Use/Permit Fees	\$ 2,725	\$ 3,700	\$ 2,000	\$ 2,258	\$ 2,000
Recreation & Rental Fees	\$ 5,610	\$ 1,565	\$ 2,000	\$ 295	\$ 400
Code Services Fines	\$ -	\$ -	\$ 100	\$ -	\$ 100
Lien Search Fee	\$ 455	\$ 1,120	\$ 500	\$ 560	\$ 500
FRANCHISE FEES					
Pacific Power Franchise	\$ 52,016	\$ 64,895	\$ 55,000	\$ 41,926	\$ 55,000
Consumer Power Franchise	\$ 50	\$ 50	\$ 50	\$ 65	\$ 60
Republic Trash Franchise	\$ 5,758	\$ 6,008	\$ 5,000	\$ 4,915	\$ 5,000
Charter Franchise	\$ 5,922	\$ 5,476	\$ 5,500	\$ 4,254	\$ 5,500
Quest/Century Link Franchise	\$ 819	\$ 648	\$ 1,000	\$ 437	\$ 750
MINET/WVF Franchise	\$ -	\$ -	\$ 1,000	\$ 610	\$ 750
GRANTS					
HLC Grant (Historical)	\$ -	\$ -	\$ -	\$ 5,146	\$ -
23 CDBG H23009 Housing Grant	\$ 89,597	\$ 312,470	\$ 230,000	\$ 87,530	\$ -
20' CDBG Housing Grant (Admin)	\$ -	\$ -	\$ -	\$ -	\$ -
COVID 20 - CARES	\$ 25,429	\$ 4,415	\$ -	\$ -	\$ -
'21 SAMHSA Rural EMS (Fire)	\$ 8,862	\$ -	\$ -	\$ -	\$ -
OSFM Wildfire Grant	\$ 10,000				
OSHA Grant	\$ 2,500				
Total Revenues	\$ 471,560	\$ 783,618	\$ 607,300	\$ 438,121	\$ 333,860
TOTAL FUND RESOURCES	\$ 1,422,481	\$ 1,675,121	\$ 1,507,300	\$ 896,700	\$ 793,860

GENERAL FUND REQUIREMENTS

ADMINISTRATION

Mission Statement

The mission of the department is to provide consistent, efficient, and professional leadership and administrative services to the Falls City Council, city staff, and the citizens of our community.

Service Provided

This fund provides supervision and administration of all other funds and activities. Both the City Manager and City Recorder/Clerk work out of this fund. The work performed in this department really touches every fund and department, but the following list provides a very general overview:

- Provide leadership and support to City government operations and the City Council.
- Directs the accomplishment of City Council goals.
- Development and Modification of Programs, Policies, and Procedures.
- Records retention and public records request fulfillment.
- Budgeting, Accounting, Bookkeeping, Audit support, overall Financial Management.
- Coordinates the City current debt payments and debt compliance.
- City Manager usually serves as Budget Officer, Elections Officer, Finance Director, Planning Director, Community Development Director, and Public Works Director.
- The City Recorder/Clerk serves as the Operations Manager, Utility Billing Manager, Election clerk and Special Events Coordinator.
- Supports Committees and Commissions
- Supports building permits, planning and business licensing.

The Administration Department also provides for event planning and management, administration of city rentals, human resources, grant writing and management, personnel and volunteer management, technology, record keeping, and public outreach/reception.

Accomplishments 2025-2026

- Received and fully expended a 2023 CDBG Grant for \$2,000,000
- Received and fully expended State ARPA Funds for \$2,500,000
- Received and expended a Clean Water Revolving Loan Funds for \$1,310,000
- Received and expended an Oregon Water Resources Department Grant for \$590,000

Objectives 2026-2027

- Continue outreach & communication to the community on infrastructure projects
- Continue to Engage & Educate Community in Code Services
- Update Code to be Effective with Polk County Resources
- Develop Structure for Procedures & Communication for Code Services Program
- Utilize City Buildings to Develop Plan for Community Engagement
- Identify & Communicate Specific Volunteer Opportunities within the Community
- Continue to Engage Stakeholders in Conversations
- All Council Members in Ongoing Council Training
- Form a Committee to Develop Emergency Plan
- Engage in evidence-based discussions for houseless prevention strategies relevant to Falls City
- Explore Funding for System Development Charges
- Investigate Initiatives for Employee Retention
- Revise and Implement Fee Schedule for City Facilities Public Use

Personnel, Materials, and Services

The Administration Department Personnel is comprised of the City Manager and City Clerk (2.0 FTE). Part of their remuneration, 25%, comes from the City's other revenue funds (Water & Sewer) to pay the cost of the Manager, due to the ongoing work in those departments.

Materials and Services accounts for services of the City Attorney and Contract Planner, as well as training, the Manager's bond, some non-capital grants, and office supply staples (e.g. toilet paper and pens).

General Fund: 1.01 Administrative

REQUIREMENTS	ACTUAL 2023-2024	ACTUAL 2024-2025	ADOPTED 2025-2026	ACTUAL 2025-26 (as of 5/1)	DRAFT 2026-2027
PERSONNEL					
Full Time Equivalent	2.0	1.5	1.5	1.5	1.5
Salaried	\$ 84,000	\$ 93,064	\$ 105,000	\$ 83,177	\$ 95,000
Benefits/Retirement	\$ 8,000	\$ 62,168	\$ 57,000	\$ 58,322	\$ 62,000
Payroll Expenses	\$ 15,000	\$ 9,104	\$ 12,000	\$ 8,169	\$ 10,000
Worker's Comp	\$ 1,000	\$ 708	\$ 1,000	\$ 128	\$ 1,000
Total Personnel	\$ 108,000	\$ 165,044	\$ 175,000	\$ 149,796	\$ 168,000
MATERIALS & SERVICES					
Operational Expenses	\$ 8,000	\$ 9,651	\$ 10,000	\$ 10,149	\$ 10,000
Professional Services	\$ 25,000	\$ 31,788	\$ 32,000	\$ 31,974	\$ 32,000
Equipment O & M	\$ 2,500	\$ 1,642	\$ 2,000	\$ 1,718	\$ 2,000
Insurance	\$ 15,000	\$ 16,676	\$ 16,000	\$ 18,895	\$ 17,000
Trvl, Trng, Dues, Statutory	\$ 1,500	\$ 2,290	\$ 3,500	\$ 3,273	\$ 3,500
RARE Project	\$ -		\$ -		\$ -
Grant expenses	\$ -		\$ -		\$ -
COVID 20 - CARES	\$ 112,136	\$ 70,569	\$ -	\$ -	\$ -
22 Falls City Thrives	\$ -		\$ -		\$ -
Pacific Power Energy Grant	\$ -		\$ -		\$ -
23 CDBG H23009 Housing Grant	\$ -	\$ 312,470	\$ 200,000	\$ 87,530	\$ -
FEMA Ice Storm	\$ -	\$ 37,654	\$ 60,000	\$ 45,266	\$ 11,000
Interfund Transfer	\$ -		\$ -		\$ -
Utilities	\$ -	\$ 15,770	\$ 10,000	\$ 11,785	\$ 10,000
Council Projects	\$ -		\$ 21,000	\$ 25,600	\$ 21,000
Total Materials & Services	\$ 164,136	\$ 498,509	\$ 354,500	\$ 236,189	\$ 106,500
PROGRAM TOTAL	\$ 272,136	\$ 663,553	\$ 529,500	\$ 385,984	\$ 274,500

CITY COUNCIL

MISSION STATEMENT

This fund is used to support City Council operations, activities, and training in an effort to create an environment that supports rural community living at its best by mixing family, work, recreation and social opportunities.

Service Provided

Supports the City Council in providing fiscally sound, responsible municipal services. This portion of the General Fund allows Council-related expenses to be reflected separately from other activities. The Mayor and City Council members are volunteers elected by the registered voters of Falls City and do not draw salaries or receive benefits for their work.

Accomplishments 2025-2026

- Reviewed Goals
- Took leadership role in continuing to bring a Rural Resource Center to Falls City
- Expanded collaborative effort to maintain an annual Veterans' Day event

Objectives 2026-2027

- Fill all committee vacancies
- Continue City Council Trainings
- State of the City

Budget Narrative

This budget anticipates a total of \$4,300 in expenditures in this department. This figure is the same as last fiscal year.

General Fund: 1.02 Council & Committees					
REQUIREMENTS	ACTUAL 2023-2024	ACTUAL 2024-2025	ADOPTED 2025-2026	ACTUAL 2025-26 (as of 5/1)	DRAFT 2026-2027
MATERIALS & SERVICES					
Operational Supplies	\$ 152	\$ -	\$ 50	\$ -	\$ 50
Professional Services	\$ 30	\$ 196	\$ 250	\$ 344	\$ 250
Trvl, Trng, Dues, Statutory	\$ 1,117	\$ 2,060	\$ 2,000	\$ 1,859	\$ 2,000
Utilities	\$ -	\$ 961	\$ 1,000	\$ 900	\$ 1,000
Council Projects	\$ 1,052	\$ -	\$ 1,000	\$ 540	\$ 1,000
Worker's Comp	\$ -	\$ -	\$ -	\$ -	\$ -
PROGRAM TOTAL	\$ 2,350	\$ 3,217	\$ 4,300	\$ 3,643	\$ 4,300

FIRE DEPARTMENT

MISSION STATEMENT

Everything we do, we do for the people and communities we proudly serve. With education and training we prevent harm. With rapid and professional response, we protect lives and property. Through our desire to serve and courage to act, we are the model of a successful fire and rescue agency for the residents of Falls City, surrounding communities and the State of Oregon.

Service Provided

Primary duties and responsibilities include: fire suppression, emergency medical operations, hazard materials incidents, fire prevention, disaster preparedness, fire/medical mutual aid to other fire departments and community education. We offer free CPR/AED and first aid classes each year to the community. We held a Community Wildfire Awareness and Preparedness class, and an emergency preparedness class in 2025, and we offer our annual Community/Public Ed each year.

Accomplishments 2025-2026

- Gained 7 more new EMR medics, and 4 probationary fire fighters.
- Trained 6 Volunteer Firefighters as Engineers
- Trained and Certified 2 Volunteers at Firefighter I Levels
- Received a Mountain Pass from Weyerhaeuser to raffle off for Association needs.
- Received a \$2,500 grant from EMR to pay for materials and classes
- 2 extinguishers, 2 first aid kits, & 2 smoke detectors given away to community members at Happy Dance
- Installed 6 new reflective address signs through OSFM grant for Wildfire Preparedness Grant

Objectives 2026-2027

- Continuing OSHA compliance programs
- Promote 3 Volunteer Firefighters to Engineers
- Search for grants to replace outdated Firefighter Turnouts
- Search for grants to help supplement our budget wherever we can
- Begin renovations on Fire Hall training areas
- Complete the Emergency Communication Center
- Secure financing for a training prop for training
- Firefighters will be given SOGs, EMR protocols and Falls City Employee Handbook

BUDGET NARRATIVE

This budget anticipates a total of \$90,500 in the Fire Fund, in expenditures against City funds. This number is often adjusted over the course of the fiscal year as additional grants are secured to offset expenditures. Each year, the amount of grant revenue from different federal and state grants is as low as \$10,000 and as high as \$30,000. The existence of the Fire Levy which currently supports fire equipment and operations, offsets an additional \$30,000 of expenses, and will not expire until 2028.

General Fund: 1.07 Fire

REQUIREMENTS	ACTUAL 2023-2024	ACTUAL 2024-2025	ADOPTED 2025-2026	ACTUAL 2025-26 (as of 5/1)	DRAFT 2026-2027
PERSONNEL					
Full Time Equivalent	0.1	0.1	0.2	0.2	0.2
Salaried	\$ 4,913	\$ 12,538	\$ 10,000	\$ 4,094	\$ 4,000
Payroll Expenses	\$ 372	\$ 959	\$ -	\$ 871	\$ 1,000
Worker's Comp	\$ -	\$ -	\$ -	\$ -	\$ -
Total Personnel	\$ 5,285	\$ 13,497	\$ 10,000	\$ 4,965	\$ 5,000
MATERIALS & SERVICES					
Operational Expenses	\$ 4,444	\$ 4,995	\$ 5,000	\$ 9,203	\$ 9,000
FF Retention	\$ 6,376	\$ 6,474	\$ 6,500	\$ 5,232	\$ 5,000
Fire Association	\$ -	\$ -	\$ 5,500	\$ 5,500	\$ 6,000
Professional Services	\$ 6,379	\$ 9,726	\$ 9,000	\$ 9,060	\$ 9,000
Equipment O & M	\$ 7,815	\$ 20,775	\$ 20,000	\$ 17,672	\$ 18,000
Facilities O & M	\$ 2,343	\$ 4,918	\$ 4,000	\$ 3,967	\$ 4,000
Insurance	\$ 11,153	\$ 12,559	\$ 13,000	\$ 14,334	\$ 14,500
Travel, Education, Training, Dues	\$ 1,776	\$ 7,469	\$ 2,000	\$ 1,127	\$ 1,000
Utilities	\$ 10,874	\$ 11,996	\$ 10,000	\$ 9,229	\$ 9,000
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -
Total Materials & Services	\$ 51,159	\$ 78,912	\$ 75,000	\$ 75,324	\$ 75,500
CAPITAL OUTLAY					
Fire Deployment	\$ -	\$ 18,268	\$ -	\$ 11,365	\$ 10,000
21 SAMHSA Rural EMS Grant	\$ 2,223	\$ -	\$ -	\$ -	\$ -
Weyerhaeuser Grant (Fire)	\$ -	\$ 4,001	\$ -	\$ -	\$ -
OSFM Wildfire Grant	\$ -	\$ 10,000	\$ -	\$ -	\$ -
Assistance to Firefighters Grant	\$ -	\$ -	\$ -	\$ -	\$ -
OSHA Grant	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Outlay	\$ 2,223	\$ 32,269	\$ -	\$ -	\$ 10,000
NON-ALLOCATED					
Adjustment to Audited Statement	\$ -	\$ -	\$ -	\$ -	\$ -
Total Non-Allocated			\$ -		\$ -
PROGRAM TOTAL	\$ 58,667	\$ 124,678	\$ 85,000	\$ 80,289	\$ 90,500

FIRE EQUIP & OPS LEVY

Mission Statement

To bear a portion of the equipment and operations costs for fire and emergency services provided to Falls City residents.

Service Provided

This fund augments the Fire portion of the General Fund. It provides equipment, operations, and supplies exclusively for the Falls City Fire Service.

Budget Narrative

This fund was approved by voters on the November 1, 2022 (21-136) ballot for equipment and operational funds to benefit the City Fire Department. A tax of \$1.00 per \$1,000 of property value was approved by voters for 5 years (ending in FY 27-28).

Revenues have increased post-COVID to the \$60,000 range. The main purchase with this fund was the new Fire Brush Truck. The payment and debt service on this piece of equipment accounts for approximately 64% of this fund's yearly revenues. The rest is split between Professional Services, Insurance, as well as Equipment.

Combined with the Fire portion of the General Fund, the overall expenditures for Fire are \$178,500. The Fire Department has a policy of applying for all grants that it is eligible for throughout the year, and though some grants do not have annual openings, the likelihood that additional grants will be secured during the upcoming fiscal year is very high, therefore defraying city expenditures further.

The Fire Levy does not expire until in 2028. The annual capital payment for new Fire Brush Truck, approximately \$33,000 will be fulfilled, but ongoing expenses will remain. The loss of levy revenue would be negatively impact the city's ability to fulfill its fiscal obligations in supporting the Fire Department. Effective communication of the importance of the Fire Department's value in the community is of utmost importance for the City Council to secure ongoing fire service.

82 FIRE EQUIPMENT & OPERATIONS LEVY FUND (5 years, 2023-2028)

RESOURCES	ACTUAL 2023-2024	ACTUAL 2024-2025	ADOPTED 2025-2026	ACTUAL 2025-26 (as of 5/1)	DRAFT 2026-2027
Beginning Fund Balance	\$ 25,000	\$ 43,095	\$ 36,000	\$ 23,729	\$ 25,000
Property Tax Levy	\$ 50,000	\$ 62,310	\$ 63,000	\$ 61,582	\$ 63,000
TOTAL FUND RESOURCES	\$ 75,000	\$ 105,405	\$ 99,000	\$ 85,311	\$ 88,000
REQUIREMENTS					
MATERIALS & SERVICES					
Operational Expenses	\$ -	\$ 22,287	\$ 20,000	\$ 19,984	\$ 20,000
Professional Services	\$ -	\$ -	\$ 5,000	\$ 3,336	\$ 4,000
Facilities O & M		\$ 441	\$ 5,000	\$ 4,346	\$ 5,000
Uniforms & Protective Gear					
Trvl, Trng, Dues, Statutory		\$ -		\$ -	
Utilities	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment O & M	\$ -	\$ 26,904	\$ -	\$ -	\$ -
Transfer to General Fund		\$ -		\$ -	
Total Materials & Services	\$ -	\$ 49,632	\$ 30,000	\$ 27,666	\$ 29,000
CAPITAL OUTLAY & DEBT SERVICE					
Engine 123 Payment	\$ -	\$ -	\$ -	\$ -	\$ -
Engine 123 Interest	\$ -	\$ -	\$ -	\$ -	\$ -
Fire Capital		\$ -	\$ 21,000	\$ 25,600	\$ -
Brush Truck Payment	\$ 32,000	\$ 27,291	\$ 28,000	\$ 27,291	\$ 28,000
Brush Truck Interest		\$ 4,754	\$ 5,000	\$ 4,754	\$ 5,000
Total Capital & Debt	\$ 32,000	\$ 32,045	\$ 54,000	\$ 57,645	\$ 33,000
NON-ALLOCATED					
Contingency	\$ 43,000	\$ 23,728	\$ 15,000	\$ -	\$ 26,000
Total Non-Allocated	\$ 43,000	\$ 23,728	\$ 15,000	\$ -	\$ 26,000
TOTAL FUND REQUIREMENTS	\$ 75,000	\$ 105,405	\$ 99,000	\$ 85,311	\$ 88,000
LEVY BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -

CODE SERVICES & COURT

Mission Statement

The mission of the Municipal Court is to ensure that each person cited for a violation is guaranteed and provided all the constitutional rights to a fair and speedy judicial process in such a manner that it preserves both the dignity and rights of the defendant, as well as the citizens of Falls City.

The mission of Code Services is to identify and mitigate violations of the City's municipal code, especially those nuisances that harm other residents, and/or cause blight in the City.

Service Provided

The court provides a local forum for the resolution of City ordinance violations generated by the City's Code Enforcement Officer. At present, the court proceedings are to be determined based on the ongoing relationship with the Polk County Sheriff's Office, which collaborates and supports the city's Code Enforcement Officer in addressing non-compliance issues by Falls City residents.

Accomplishments 2025-2026

- Achieved voluntary mitigation of several non-compliance cases.
- Entered into an Intergovernmental agreement with the City of Dallas for Municipal Court service

Objectives 2026-2027

- Continue to educate and engage community in Code Services
- Continue to develop structure and implement a Code Services program.
- Prosecute serial non-compliance cases in Dallas Municipal Court

BUDGET NARRATIVE

Other than the Water system, Code Services continues to be one of the City Council's top priorities this year. The current budget has funds for a 0.25 FTE Code (Law) Enforcement Officer (about 10 hours/week). The City's IGA with the Polk County Sheriff's Office for law enforcement services has yielded a marked decrease in the number of non-compliance issues related to traffic laws and general unlawful behavior.

The City and its Staff continues to review options to fund a sustainable program to a higher degree than at present. The crux is that increased funding combined with key partnerships is likely the only way forward in this arena at present. Grant funding is being pursued to offset funds paid to Polk County Sheriff's Office for Law Enforcement coverage, to reallocate funds to Code Services.

Personnel

The City has allocated funds for a 0.25 FTE Code (Law) Enforcement Officer, Court related costs (including personnel) will continue to come from an intergovernmental agreement and be allocated to professional services.

General Fund: 1.04 Code Services & Municipal Court

REQUIREMENTS	ACTUAL 2023-2024	ACTUAL 2024-2025	ADOPTED 2025-2026	ACTUAL 2025-26 (as of 5/1)	DRAFT 2026-2027
PERSONNEL					
Full Time Equivalent	0.20	0.25	0.25	0.25	0.25
Salaried	\$ 2,000	\$ 16,302	\$ 2,000	\$ 15,412	\$ 16,000
Payroll Expenses	\$ -	\$ 1,247	\$ -	\$ 1,061	\$ 1,000
Worker's Comp	\$ 400	\$ -	\$ 400	\$ -	\$ 400
Total Personnel	\$ 2,400	\$ 17,549	\$ 2,400	\$ 16,474	\$ 17,400
MATERIALS & SERVICES					
Operational Expenses	\$ 1,000	\$ 170	\$ 1,000	\$ 98	\$ -
Professional Services (Law)		\$ 25,251	\$ 25,000	\$ 31,825	\$ 32,000
Equipment	\$ 1,000	\$ 45	\$ 1,000	\$ 330	\$ 500
Insurance	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ -
Travel, Training, Dues, Statutory	\$ 500	\$ -	\$ 500	\$ -	\$ -
Uniforms & Protective Gear	\$ 500	\$ -	\$ 500	\$ -	\$ -
Other		\$ 100		\$ -	
Total Materials & Services	\$ 34,000	\$ 25,566	\$ 54,000	\$ 32,253	\$ 32,500
PROGRAM TOTAL	\$ 36,400	\$ 43,114	\$ 56,400	\$ 48,726	\$ 49,900

PARKS AND CEMETERIES

Mission Statement

To provide attractive cemeteries, enjoyable, safe parks, and open spaces for the citizens of Falls City.

Service Provided

The major categories of service provided are parks maintenance and parks development.

Parks Maintenance: Primary duties and responsibilities include: coordinating and administering the parks reservation system, turf care, tree pruning, mulching around plants/trees, playground equipment repair, building maintenance, painting, and preparation for special events. In addition, we provide supervision for court appointed community service workers and support to volunteer groups such as the Parks Committee, SOLV, and other community groups. **Parks Development:** Primary duties and responsibilities include review of proposed plans for park improvements, recommends maintenance enhancement projects, oversee new development projects, and provide recommendations for the Parks Committee.

Objectives

- Maintain basic park maintenance at current levels
- Continue to support the Parks and Cemeteries Committee
- Address parks as part of the larger visioning and development process

BUDGET NARRATIVE

This budget anticipates a total of \$21,500 of expenditures in the Parks and Cemeteries Department which includes Events, in addition to standard Park and Cemetery Maintenance services. This is an increase on the previous year's budget due to ongoing increases in all costs, especially for equipment and facilities maintenance costs. Our public works staff performs weekly general maintenance including mowing, edging, blowing-off sidewalks, raking and seasonal leaf and fallen debris management. Facility maintenance includes play equipment safety checks, restroom cleaning and garbage pick-up. Equipment is largely shared with the Water, Sewer and Street funds, therefore associated expenses are shared.

With the limited number of Public Works staff and increased infrastructure projects, there is a need for volunteer help to keep our City Parks in good condition. The City added a Park Host at the Upper Falls City Park, who also happens to be a Public Works staff. This situation is not a common one in many jurisdictions, but it has gone a long way to helping reduce vandalism and provides Public Works with direct oversight in keeping the Parks clean and ready for visitors.

Revenue

Parks rentals were infrequent and revenue is minimal from the Parks Rental fees. Parks rental fees help recover the cost of frequently used maintenance supplies such as toilet paper, paper towels, and floor paint. At present the only realistic path to development of our City parks and cemeteries are grant funds, which city staff are always pursuing.

General Fund: 1.03 Parks & Cemeteries

REQUIREMENTS	ACTUAL 2023-2024	ACTUAL 2024-2025	ADOPTED 2025-2026	ACTUAL 2025-26 (as of 5/1)	DRAFT 2026-2027
PERSONNEL					
Full Time Equivalent	0	0	0	0	0
Wages	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits/Retirement	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Worker's Comp	\$ -	\$ -	\$ -	\$ -	\$ -
Total Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
MATERIALS & SERVICES					
Operational Expenses	\$ 1,000	\$ 1,731	\$ 2,000	\$ 2,038	\$ 2,000
Professional services	\$ 500	\$ 1,028	\$ 500	\$ 526	\$ 500
Equipment O & M	\$ 2,000	\$ 4,937	\$ 5,500	\$ 8,421	\$ 8,000
Facilities O & M	\$ 3,000	\$ 3,935	\$ 2,000	\$ 2,023	\$ 2,000
Insurance	\$ -	\$ 2,283	\$ 2,000	\$ 2,606	\$ 3,000
Utilities	\$ 2,500	\$ 6,348	\$ 5,000	\$ 4,944	\$ 6,000
Miscellaneous					
City Events	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved for Pride	\$ -	\$ -	\$ -	\$ -	\$ -
HLC Grant	\$ -	\$ 16,415	\$ -	\$ -	\$ -
Total Materials & Services	\$ 9,000	\$ 36,677	\$ 17,000	\$ 20,559	\$ 21,500
PROGRAM TOTAL	\$ 9,000	\$ 36,677	\$ 17,000	\$ 20,559	\$ 21,500

OTHER/DEBT

Mission Statement

The mission of this section of the budget to present the non-departmental expenses associated with the General Fund in a common location.

Service Provided

This is a minor portion of the General Fund used merely to account for a contingency account, debt, transfers and other expenses not classified elsewhere.

Objectives

Continue to pay down debt.

Budget Narrative

This fund illustrates the debt forgiveness of the Michael Harding Park loan from Polk Community Development Corporation in the previous fiscal year in lieu of the transfer of the balance to the Community Development Revolving Fund.

General Fund: 1.09 Debt Service & Other					
REQUIREMENTS	ACTUAL 2023-2024	ACTUAL 2024-2025	ADOPTED 2025-2026	ACTUAL 2025-26 (as of 5/1)	DRAFT 2026-2027
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service					
Park Loan Principal (92211)	\$ -	\$ -	\$ -	\$ -	\$ -
Park Loan Interest (92211)	\$ -	\$ -	\$ -	\$ -	\$ -
M/H Park Loan Principal (79011)	\$ 2,000	\$ -	\$ -	\$ -	\$ -
M/H Park Loan Interest (79011)	\$ 500	\$ -	\$ -	\$ -	\$ -
Total Debt Service	\$ 2,500	\$ -	\$ -	\$ -	\$ -
Other					
Transfer Out to Shared Fund					
General Fund Contingency	\$ 1,044,456	\$ 738,791	\$ 815,150	\$ 815,150	\$ 353,160
Total Other	\$ 1,044,456	\$ 738,791	\$ 815,150	\$ 815,150	\$ 353,160
PROGRAM TOTAL	\$ 1,046,956	\$ 738,791	\$ 815,150	\$ 815,150	\$ 353,160

WATER

Mission Statement

To provide 24-hour domestic and fire flow water service at a high degree of reliability to all customers within Falls City and to select customers outside the city limits, through negotiated agreements.

The major categories of services provided are system development, system maintenance, and system construction of capital projects.

Services Provided

The major categories of services provided are system operation, maintenance, repair, compliance, and capital development/improvement.

Accomplishments 2025-2026

- Carried out annual rate study in line with Water Main Line replacement project.
- Secured \$700,000 from the State of Oregon for the Dayton Street Bridge replacement project
- Secured \$1,600,000 from EPA for the Dayton Street Bridge replacement project
- Secured IFA funding for Phase 1 & Phase 2 of Water Main Line replacement project.
- Designed and contracted for Phase 2 of Water Main Line replacement project.
- Met or exceeded all state required water quality testing and reporting mandates, which include: lead/copper testing, asbestos testing, and HAA and THM monitoring.
- Performed required testing of all backflow devices
- Repaired 6 main breaks & 3 service breaks (increase from the previous fiscal year)

Objectives 2026-2027

- Fully complete Water Main Line Replacement project
- Apply for additional grant funding to repair/replace the Dayton Street Bridge
- Plan for maintenance of water reservoir
- Public Works Staff to earn Water Operator's qualification

Budget Narrative

The Water Fund anticipates \$380,000 in carryover funds and \$300,000 in revenue, with an additional \$1.2 million for the Water Main Line Replacement project for a total of \$1.9 million.

Revenue

Primarily generated through water user fees, new connections, late fees, and a backflow testing fee. Rates and utility reserve charges should be adjusted annually to meet the needs of operations. Rates will increase due to the Water Main Line Replacement project. The increase will be determined by the level of indebtedness after the construction is finished, but it is not expected to be more than \$10. Since historically Water rates have not been reviewed annually to ensure they meet financial obligations related to providing service, they must be increased as new construction occurs. This is due to the increasing cost of maintenance of the system as it ages and the cost of operations have also increased due to increases in the cost of supplies. A Conservation Pricing water rate structure was enacted to encourage residents to use less water as annual precipitation continues to decrease in Oregon.

Personnel Services

This fund is proposed to pay for 1.75 full-time equivalent employees:

PW Director (60% of 1.0) = 0.60 FTE

PW Worker 1 (60% of 1.0) = 0.60 FTE

City Manager (25% of 1.0) = 0.25 FTE

Utility Biller (60% of 0.50) = 0.30 FTE

Materials and Services

General Price increases are driving up operational costs such as fuel, pipe, and other related materials. These are the basic operating costs of the water treatment facility and associated infrastructure. Water leaks, treatment, testing, equipment/facilities upkeep, insurance, and certification, and utilities are the type of costs paid for with this line item. The Water fund contributes to its proportionate share of the City Manager wages and benefits.

Capital Outlay

Water Bond principal and interest, in addition to water main line replacement project are the capital outlay requirements from this fund. See Utility Improvement and Reserve Fund for additional water related capital outlay.

20 WATER FUND

RESOURCES	ACTUAL 2023-2024	ACTUAL 2024-2025	ADOPTED 2025-2026	ACTUAL 2025-26 (as of 5/1)	DRAFT 2026-2027
Beginning Fund Balance	\$ 404,431	\$ 419,938	\$ 380,000	\$ 376,476	\$ 380,000
Water User Fees	\$ 302,440	\$ 296,032	\$ 300,000	\$ 273,999	\$ 300,000
Late Fees	\$ -	\$ -	\$ 3,000	\$ -	\$ 3,000
Backflow Testing Fee	\$ 15,046	\$ 17,330	\$ 15,000	\$ 15,336	\$ 15,000
Water Connection Fee	\$ -	\$ 3,600	\$ 1,000	\$ -	\$ 1,000
Miscellaneous	\$ 900	\$ 975	\$ 1,000	\$ 750	\$ 1,000
SDWRLF Grant	\$ -	\$ -	\$ 1,400,000	\$ 1,137,984	\$ 1,200,000
OWRD Grant	\$ -	\$ 238,303	\$ -	\$ -	\$ -
Total Revenue	\$ 318,386	\$ 556,240	\$ 1,720,000	\$ 1,428,068	\$ 1,520,000
TOTAL FUND RESOURCES	\$ 722,817	\$ 976,178	\$ 2,100,000	\$ 1,804,544	\$ 1,900,000
REQUIREMENTS					
PERSONNEL					
Full Time Equivalent	1.9	1.75	1.75	1.75	1.75
Salaried	\$ 56,974	\$ 105,536	\$ 90,000	\$ 93,514	\$ 100,000
PERS Retirement	\$ 28,736	\$ 21,960	\$ 38,000	\$ 32,594	\$ 33,000
Health Benefits	\$ 48,122	\$ 19,484	\$ 20,000	\$ 44,524	\$ 45,000
Payroll Expenses	\$ 4,257	\$ 7,584	\$ 4,000	\$ 6,352	\$ 7,000
Worker's Comp	\$ 451	\$ 709	\$ 1,000	\$ 128	\$ 1,000
Total Personnel	\$ 138,540	\$ 155,273	\$ 153,000	\$ 177,112	\$ 186,000
MATERIALS & SERVICES					
Operational Expenses	\$ 39,158	\$ 28,101	\$ 25,000	\$ 33,472	\$ 25,000
Professional Services	\$ 19,971	\$ 24,633	\$ 20,000	\$ 51,615	\$ 50,000
Equipment O & M	\$ 12,522	\$ 17,916	\$ 20,000	\$ 22,079	\$ 20,000
Facilities O & M	\$ 506	\$ 1,935	\$ 2,000	\$ 2,123	\$ 2,000
Insurance	\$ 11,566	\$ 14,209	\$ 12,000	\$ 14,334	\$ 14,000
Trvl, Trng, Dues, Statutory	\$ 915	\$ 900	\$ 1,000	\$ 927	\$ 1,000
Utilities	\$ 15,730	\$ 18,311	\$ 13,000	\$ 13,066	\$ 13,000
Miscellaneous					
Transfer Out	\$ -	\$ -	\$ -	\$ -	\$ -
Total Materials & Services	\$ 100,368	\$ 106,005	\$ 93,000	\$ 137,616	\$ 125,000
TOTAL WATER PROGRAM	\$ 238,908	\$ 261,278	\$ 246,000	\$ 314,728	\$ 311,000
CAPITAL OUTLAY & DEBT SERVICE					
Water Bond Principal	\$ 51,531	\$ 50,731	\$ 51,500	\$ 54,931	\$ 51,500
Water Bond Interest	\$ 12,331	\$ 11,531	\$ 12,500	\$ 10,856	\$ 12,500
SDWRLF Grant	\$ 89	\$ 52,979	\$ 1,400,000	\$ 1,238,567	\$ 1,400,000
OWRD Grant		\$ 238,303	\$ -	\$ -	\$ -
Total Capital & Debt	\$ 63,951	\$ 353,544	\$ 1,464,000	\$ 1,304,354	\$ 1,464,000
NON-ALLOCATED					
Contingency	\$ 419,958	\$ -	\$ 390,000	\$ -	\$ 125,000
Total Non-Allocated	\$ 419,958	\$ -	\$ 390,000	\$ -	\$ 125,000
TOTAL FUND REQUIREMENTS	\$ 722,817	\$ 614,822	\$ 2,100,000	\$ 1,619,083	\$ 1,900,000
WATER FUND BALANCE	\$ -	\$ 361,356	\$ -	\$ 185,462	\$ -

SANITARY SEWER

Mission Statement

Provide 24-hour sanitary wastewater services for all houses and buildings on the system by efficiently operating and maintaining sanitary sewerage facilities consistent with requirements by the Department of Environmental Quality (DEQ).

Services Provided

The major categories of services provided are system operation, maintenance, repair, compliance, and capital development/improvement.

Accomplishments 2025-2026

- Completed Wastewater Treatment Facility Construction project
- Decommissioned all previous wastewater treatment facilities on the High School campus
- Instituted annual fee increase for wastewater treatment project debt service

Objectives 2026-2027

- Complete new DEQ regulatory reporting on new Wastewater Treatment Facility
- Qualify sewer operator from public works staff
- Public Works Staff to earn Wastewater Operator's qualification

Budget Narrative

As the \$5.25 million Wastewater Treatment Facility Construction project has been completed, the main focus of the next year will be on the successful operation of the new Wastewater Treatment Facility according to DEQ standards for operation and reporting.

Personnel Services

This fund is proposed to pay for 1.0 full-time equivalent employees:

PW Director (30% of 1.0) = 0.30 FTE

PW Worker 1 (30% of 1.0) = 0.30 FTE

City Manager (25% of 1.0) = 0.25 FTE

Utility Biller (30% of 0.50) = 0.15 FTE

Materials & Services

This class of expenditures shows a continued outlay of Professional Services for the Wastewater Certification contract for the operation of our Wastewater Treatment facility. One of the objectives for this fiscal year is to reallocate a portion of these expenditures to personnel cost once the Public Works Director has gained the proper certification.

13 SEWER FUND

RESOURCES	ACTUAL 2023-2024	ACTUAL 2024-2025	ADOPTED 2025-2026	ACTUAL 2025-26 (as of 5/1)	DRAFT 2026-2027
Beginning Fund Balance	\$ 7,479	\$ (293,880)	\$ 20,000	\$ 71,762	\$ 72,000
Sewer User Fees	\$ 148,612	\$ 157,027	\$ 130,000	\$ 140,781	\$ 150,000
Sewer Connections	\$ -	\$ 6,500	\$ -	\$ -	\$ -
Late Fees	\$ -	\$ -	\$ 1,000	\$ -	\$ 1,000
CDBG Grant (P17004)	\$ 1,674,651	\$ -	\$ -	\$ -	\$ -
Utility Cap Reserve Fee	\$ -	\$ -	\$ -	\$ -	\$ -
USDA RD SEARCH Grant	\$ 30,000	\$ -	\$ -	\$ -	\$ -
CDBG Grant (P22010)	\$ 67,015	\$ 2,700,943	\$ -	\$ -	\$ -
DEQ Grant (R13841)	\$ -	\$ 763,956	\$ -	\$ 389,203	\$ -
Transfer from Water Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 1,920,278	\$ 3,628,426	\$ 131,000	\$ 529,985	\$ 151,000
TOTAL FUND RESOURCES	\$ 1,927,757	\$ 3,334,546	\$ 151,000	\$ 601,747	\$ 223,000
REQUIREMENTS					
PERSONNEL					
Full Time Equivalent	1.00	1.00	1.00	1.00	1.00
Salaried	\$ 62,238	\$ 63,613.04	\$ 53,000.00	\$ 56,035.31	\$ 58,000.00
Benefits	\$ 22,138	\$ 2,942.55	\$ 15,000.00	\$ 21,938.27	\$ 22,000.00
Payroll Tax	\$ 4,706	\$ 4,622.02	\$ 4,000.00	\$ 3,814.80	\$ 4,000.00
Worker's Comp	\$ 451	\$ 708	\$ 1,000	\$ 128	\$ 1,000
Total Personnel	\$ 89,533	\$ 71,886	\$ 73,000	\$ 81,916	\$ 85,000
MATERIALS & SERVICES					
Operational Expenses	\$ 27,936	\$ 18,442	\$ 21,000	\$ 28,637	\$ 30,000
Professional Services	\$ 876	\$ 619	\$ 1,000	\$ 5,390	\$ 5,000
Equipment O & M	\$ 11,542	\$ 8,109	\$ 9,000	\$ 10,492	\$ 10,000
Facilities O & M	\$ 1,407	\$ 695	\$ 3,000	\$ 4,149	\$ 4,000
Insurance	\$ 7,886	\$ 8,563	\$ 8,000	\$ 9,773	\$ 10,000
Trvl, Trng, Dues, Statutory	\$ 500	\$ 38	\$ 500	\$ 460	\$ 500
Utilities	\$ 1,000	\$ 3,317	\$ 2,500	\$ 7,122	\$ 7,000
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers Out	\$ -	\$ -	\$ -	\$ -	\$ -
Total Materials & Services	\$ 51,145	\$ 39,783	\$ 45,000	\$ 66,023	\$ 66,500
TOTAL SEWER PROGRAM	\$ 140,678	\$ 111,669	\$ 118,000	\$ 147,939	\$ 151,500
CAPITAL OUTLAY & DEBT SERVICE					
CDBG Grant (P22010)	\$ 2,073,895	\$ 2,517,827	\$ -	\$ -	\$ -
DEQ Grant (R13841)		\$ 613,803	\$ -	\$ 465,792	\$ -
Sewer Bond Principal					\$ 51,500
Sewer Bond Interest					\$ 12,500
Total Capital & Debt	\$ 2,073,895	\$ 3,171,413	\$ -	\$ -	\$ 64,000
NON-ALLOCATED					
Contingency	\$ 86,825	\$ -	\$ 33,000	\$ -	\$ 7,500
Total Non-Allocated	\$ 86,825	\$ -	\$ 33,000	\$ -	\$ 7,500
TOTAL FUND REQUIREMENTS	\$ 2,301,398	\$ 3,283,082	\$ 151,000	\$ 147,939	\$ 223,000
WASTEWATER FUND BALANCE	\$ (373,641)	\$ 51,464	\$ -	\$ 453,808	\$ -

STREETS AND PATHWAYS

Mission Statement

Design, construction and maintenance to ensure safe and dependable streets for Falls City, that includes paved and gravel roads using modern technology, standards, and cooperative contracting.

Budget Narrative

Capital expenditures are projected to be very low this year, as the Safe Routes to School pedestrian island project (just under \$1 million) was completed. State Gas Tax funds continue to trend at approximately \$80,000 annually and are required to be spent on the city's transportation system such as road maintenance.

Services Provided

- Paved And Gravel Roadway Development, Maintenance & Repair
- Drainage Maintenance
- Street Sign Maintenance
- Emergency And Recreational Street Closures
- Maintain Maintenance Records
- Tie Property Development to Future Roadway Development
- Development, Maintain & Repair Pathways
- Provide Street Lighting

Accomplishments in FY 2025-2026

- Completed the Safer Routes to School project
- Purchased vacuum truck to aid in water, sewer and street repair

Objectives for FY 2026-2027

- Explore funding opportunities to purchase street maintenance equipment

11 STREET FUND

RESOURCES	ACTUAL 2023-2024	ACTUAL 2024-2025	ADOPTED 2025-2026	ACTUAL 2025-26 (as of 5/1)	DRAFT 2026-2027
Beginning Fund Balance	\$ (343,230)	\$ 31,081	\$ 60,000	\$ 51,978	\$ 52,000
State Gas Tax	\$ 82,228	\$ 89,370	\$ 80,000	\$ 77,681	\$ 80,000
Miscellaneous	\$ 2,900	\$ 414		\$ -	\$ -
SCAG	\$ -	\$ -	\$ 250,000	\$ 125,000	\$ -
Safe Routes/IOF	\$ 910	\$ 10,011	\$ 380,000	\$ 407,470	\$ -
Chamberlain Partners		\$ -		\$ -	\$ -
Interfund Transfer IN (UTILITY)	\$ 350,000	\$ -	\$ 120,000	\$ -	\$ -
Total Revenue	\$ 436,038	\$ 99,795	\$ 830,000	\$ 610,151	\$ 80,000
TOTAL FUND RESOURCES	\$ 92,808	\$ 130,876	\$ 890,000	\$ 662,129	\$ 132,000
REQUIREMENTS					
PERSONNEL					
Full Time Equivalent	0.375	0.25	0.25	0.25	0.25
Wages	\$ 15,538	\$ 13,974	\$ 13,000	\$ 12,493	\$ 13,000
Benefits/Retirement	\$ 262	-	\$ 2,000	2,044	\$ 2,000
Payroll Expenses	\$ 1,161	988	\$ 1,500	846	\$ 1,500
Worker's Compensation	\$ 441	\$ -	\$ 500	\$ -	\$ 500
Total Personnel	\$ 17,403	\$ 14,962	\$ 17,000	\$ 15,383	\$ 17,000
MATERIALS & SERVICES					
Operational Expenses	\$ 14,181	\$ 7,002	\$ 13,500	\$ 9,252	\$ 10,000
Professional Services	\$ 627	\$ 4,541	\$ 5,000	\$ 4,425	\$ 5,000
Equipment O & M	\$ 9,966	\$ 5,846	\$ 8,000	\$ 7,182	\$ 8,000
Insurance	\$ 4,206	\$ 4,567	\$ 4,000	\$ 5,212	\$ 6,000
Utilities	\$ 4,433	\$ 7,355	\$ 5,000	\$ 5,337	\$ 6,000
Miscellaneous	\$ -	\$ -	\$ 1,000	\$ -	\$ 1,000
Transfer Out	\$ -	\$ -	\$ -	\$ -	\$ -
Total Materials & Services	\$ 33,413	\$ 29,312	\$ 36,500	\$ 31,410	\$ 36,000
TOTAL STREETS PROGRAM	\$ 50,816	\$ 44,274	\$ 53,500	\$ 46,792	\$ 53,000
CAPITAL OUTLAY & DEBT SERVICE					
FEMA Dutch Creek		\$ -		\$ -	
Building Improvements		\$ -		\$ -	
Equipment		\$ -		\$ -	
SCA Grants	\$ -	\$ -	\$ 250,000	\$ -	\$ -
Safe Routes/IOF	\$ 10,921	\$ 34,724	\$ 420,000	\$ -	\$ -
Safe Routes & Chamberlain Match		\$ -		\$ -	
Interfund Repayment Principal			\$ 12,000		\$ 12,000
Interfund Repayment Interest			\$ 4,500		\$ 4,500
Total Capital & Debt	\$ 10,921	\$ 34,724	\$ 686,500	\$ -	\$ 16,500
NON-ALLOCATED					
Contingency	\$ -	\$ -	\$ 150,000		\$ 62,500
Total Non-Allocated	\$ -		\$ 150,000		\$ 62,500
TOTAL FUND REQUIREMENTS	\$ 61,737	\$ 78,998	\$ 890,000	\$ 46,792	\$ 132,000
STREET FUND BALANCE	\$ 31,071	\$ 51,878	\$ -	\$ 615,336	\$ -

CITY UTILITY RESERVE FUND

Mission Statement

To provide a reserve for future utility development and major utilities repair, and grant matching funds for the Water and Sanitary Sewer utilities.

Service Provided

Historically this fund has been used to collect Capital Fees and the late fees for all utility types.

Budget Narrative

This fund is used for major projects in water, wastewater, and as a reserve for grant funds. We expect at least two major expenditures from this fund this year: 1) Water Mainline Replacement, and 2) Wastewater Treatment Plant switchover costs. The fund saw an Interfund Transfer of \$120,000 in the last fiscal year to support the execution of the Safe Routes to School project and therefore will see annual repayments over the next ten fiscal years.

19 UTILITY RESERVE FUND					
RESOURCES	ACTUAL 2023-2024	ACTUAL 2024-2025	ADOPTED 2025-2026	ACTUAL 2025-26 (as of 5/1)	DRAFT 2026-2027
Beginning Fund Balance	\$ 402,311	\$ 393,451	\$ 390,000	\$ 303,813	\$ 320,000
Utility Cap Improvement Fee	\$ 37,947	\$ 50,992	\$ 40,000	\$ 43,940	\$ 45,000
Miscellaneous	\$ -	\$ 5,958	\$ -	\$ -	\$ -
Interfund Transfer OUT (STREETS)	\$ -	\$ -	\$ (120,000)	\$ -	\$ -
Total Revenue	\$ 37,947	\$ 56,950	\$ 40,000	\$ 43,940	\$ 45,000
TOTAL FUND RESOURCES	\$ 440,258	\$ 450,401	\$ 310,000	\$ 347,753	\$ 365,000
REQUIREMENTS					
CAPITAL OUTLAY & DEBT SERVICE					
Water Projects	\$ 28,145	\$ 27,871	\$ 30,000	\$ 16,463	\$ 30,000
Wastewater Projects	\$ 10,000	\$ -	\$ 30,000	\$ -	\$ -
New Sewer Project Costs	\$ 14,031	\$ -	\$ 30,000	\$ -	\$ -
Equipment-Operations	\$ -	\$ -			
Total Capital & Debt	\$ 52,176	\$ 27,871	\$ 90,000	\$ 16,463	\$ 30,000
NON-ALLOCATED					
Contingency	\$ 388,082	\$ 422,530	\$ 220,000	\$ 331,290	\$ 335,000
Ending Fund Balance					
Total Non-Allocated	\$ 388,082	\$ 422,530	\$ 220,000	\$ 331,290	\$ 335,000
TOTAL FUND REQUIREMENTS	\$ 440,258	\$ 450,401	\$ 310,000	\$ 347,753	\$ 365,000
UTILITY RESERVE FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -

WAGNER LIBRARY TRUST FUND

Mission Statement

To provide clear accounting for funds held in trust for the Wagner Community Library.

Service Provided

The Falls City City Council closed the Wagner Public Library in 2018. In order to resume this service in the future, discussions with local library partners have been ongoing to bring book check-in/check-out services at the Luckiamute Clinic building. Contributions from this fund will be kept to support the restoration of Public Library services. Alternatively, as the funds are no longer tied to a Library Trust, the funds could be used for a worthwhile community project.

Budget Narrative

We are anticipating a beginning balance in the fund of \$92,215 with no other revenue. We anticipate no expenditures at this time, until the location of future library equipment has been determined.

71 WAGNER LIBRARY FUND					
RESOURCES	ACTUAL 2023-2024	ACTUAL 2024-2025	ADOPTED 2025-2026	ACTUAL 2025-26 (as of 5/1)	DRAFT 2026-2027
Beginning Fund Balance	\$ 92,215	\$ 92,215	\$ 92,215	\$ 92,215	\$ 92,215
Interest	\$ -		\$ -		\$ -
Miscellaneous		\$ -		\$ -	
Total Revenue	\$ 92,215	\$ 92,215	\$ 92,215	\$ 92,215	\$ 92,215
TOTAL FUND RESOURCES	\$ 92,215	\$ 92,215	\$ 92,215	\$ 92,215	\$ 92,215
REQUIREMENTS					
MATERIALS & SERVICES					
Professional Services	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Total Materials & Services	\$ -	\$ -	\$ -	\$ -	\$ 10,000
NON-ALLOCATED					
Contingency	\$ 92,215	\$ 92,215	\$ 92,215	\$ 92,215	\$ 82,215
Total Non-Allocated	\$ 92,215	\$ 92,215	\$ 92,215	\$ 92,215	\$ 82,215
TOTAL FUND REQUIREMENTS	\$ 92,215	\$ 92,215	\$ 92,215	\$ 92,215	\$ 92,215
FUND BALANCE		\$ -	\$ -	\$ -	\$ -

LUCKIAMUTE COMMUNITY BLDG. FUND

Mission Statement

To provide clear accounting for funds associated with the management of the Luckiamute Community Building for use by the community as a public facility. All expenditures for the maintenance of the building are offset by monthly contributions by users of the facility.

Service Provided

The Luckiamute Clinic building provides space for civic minded organizations in which they can host various types of activities that contribute to economic and community development. If and when additional funding is secured, this fund may help to support the restoration Public Library services.

Budget Narrative

There is no other revenue besides the monthly utilities contributions by the organizations using the space. The city is committed to keeping this space open for the community's use while maintaining revenues commensurate with expenses.

90 LUCKIAMUTE COMMUNITY BUILDING					
RESOURCES	ACTUAL 2023-2024	ACTUAL 2024-2025	ADOPTED 2025-2026	ACTUAL 2025-26 (as of 5/1)	DRAFT 2026-2027
Beginning Fund Balance	\$ -	\$ 332	\$ 300	\$ -	\$ 4,000
Rents/Fees	\$ 4,550	\$ 8,825	\$ 9,000	\$ 14,450	\$ 8,000
Miscellaneous	\$ -	\$ -	\$ 500	\$ -	\$ 500
Total Revenue					
TOTAL FUND RESOURCES	\$ 4,550	\$ 9,157	\$ 9,800	\$ 14,450	\$ 12,500
REQUIREMENTS					
MATERIALS & SERVICES					
Utilities	\$ 2,864	\$ 5,070	\$ 600	\$ 4,492	\$ 5,000
Professional Services	\$ 156	\$ -	\$ 1,000	\$ -	\$ 1,000
Total Materials & Services	\$ 3,020	\$ 5,070	\$ 1,600	\$ 4,492	\$ 6,000
Contingency	\$ -	\$ -	\$ 5,000	\$ -	\$ 5,500
Total Non-Allocated	\$ -	\$ -	\$ 6,600	\$ -	\$ 6,500
TOTAL FUND REQUIREMENTS	\$ 2,864	\$ 5,070	\$ 8,200	\$ 4,492	\$ 12,500
FUND BALANCE	\$ 1,686	\$ 4,087	\$ 1,600	\$ 9,958	\$ -

POLK CDC REVOLVING LOAN FUND

Mission Statement

To provide financial accounting for the Community Development Revolving Loan funds and to provide Falls City home and business owners with low interest loans for renovation projects.

Service Provided

Low interest loans for low income Falls City residents related to housing and building repairs. Beginning in October of 2024, full responsibility of this fund, as well as its administration is by Polk Community Development Corporation.

Budget Narrative

Revenue for this fund is generated from interest earnings on the principal balance of the fund and from interest earnings from loans that are issued. Requirements in this fund are for the administration of the funds and any withdrawals by the City. It is now fully under the responsibility and management of Polk County Community Development Corporation. It will continue to appear in Falls City’s financial statements for 3 years of zero actual balances, then be omitted.

60 COMMUNITY DEVELOPMENT REVOLVING LOAN FUND					
RESOURCES	ACTUAL 2023-2024	ACTUAL 2024-2025	ADOPTED 2025-2026	ACTUAL 2025-26 (as of 5/1)	DRAFT 2026-2027
Beginning Fund Balance	291,664	\$ -	\$ -	\$ -	\$ -
Interest-Revolving Loan	7,601	\$ -	\$ -	\$ -	\$ -
Miscellaneous					
Transfer In					
Total Revenue	7,601	\$ -	\$ -	\$ -	\$ -
TOTAL FUND RESOURCES	299,265	\$ -	\$ -	\$ -	\$ -
REQUIREMENTS					
MATERIALS & SERVICES					
Professional Services					
Loans/Obligations	0	\$ -	\$ -	\$ -	\$ -
Total Materials & Services	0	\$ -	\$ -	\$ -	\$ -
NON-ALLOCATED					
Transfer to General Fund	0	\$ -	\$ -	\$ -	\$ -
Total Non-Allocated	0	\$ -	\$ -	\$ -	\$ -
TOTAL FUND REQUIREMENTS	0	\$ -	\$ -	\$ -	\$ -
CDRLF FUND BALANCE	299,265	\$ -	\$ -	\$ -	\$ -

ACRONYMS

ADA	Americans with Disabilities Act
AFSCME	American Federation of State County and Municipal Employees Union
AV	Assessed Value
CAD	Computer Aided Dispatch
CAD	Computer Aided Drafting
CAFR	Comprehensive Annual Financial Report
CART	Crash Analysis Reconstruction Team
CCI	Construction Cost Index
CCIS	City County Insurance Services
CSO	Community Service Officer
CD	Community Development
CD	Compact Disk
CEP	Capital Equipment and Projects
CIP	Capital Improvement Program or Plan
CMFR	Comprehensive Monthly Financial Reports
CPR	Cardiopulmonary Resuscitation
COLA	Cost of Living Adjustment
COP	Certificates of Participation
CPA	Certified Public Accountant
CPI	Consumer Price Index
DEQ	Department of Environmental Quality
DLCD	Department of Land Conservation and Development

DUI	Driving Under the Influence
DVD	Digital Video Disk
EMS	Emergency Management Services
EPA	Environmental Protection Agency
EOP	Emergency Operations Plan
FASB	Financial Accounting Standards Board
FICA	Federal Insurance Contributions Act
FTE	Full-Time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information Systems
GISSP	Geographic Information Systems Strategic Plan
HP	Horse Power
HR	Human Resources
HVAC	Heating, Ventilation, and Cooling Equipment
IGA	Intergovernmental Agreement
IGET	Interagency Gang Enforcement Team
IS	Information Systems
ISO	International Organization for Standardization
ISP	Internet Service Provider
IT	Information Technology
ITS	Intelligent Transportation System

LCDC	Land Conservation and Development Board of Commissioners
LID	Local Improvement District
LSTA	Library Services and Technology Act
MAV	Maximum Assessed Value
MG	Million Gallons
NFPA	National Fire Protection Association
NIIMS	National Inter-Agency Incident Management System
NPDES	National Pollutant Discharge Eliminating System
OAA	Older Americans Act
ODOT	Oregon Department of Transportation
OECD	Oregon Economic and Community Development Department
ODOT	Oregon Department of Transportation
OR	Oregon
ORS	Oregon Revised Statutes
OSHA	Occupational Safety and Health Administration
OSU	Oregon State University
PC	Personal Computer
PDA	Personal Digital Assistant
PEG	Public Educational Government
PERS	Public Employees Retirement System
PIO	Public Information Officer
PRV	Pressure Release Valve
RFA	Rural Fire Assistance
RMV	Real Market Value

SCADA	Supervisory Control and Data Acquisition
SDC's	System Development Charges
SRO	School Resource Officer
TDM	Transportation Demand Management
UBG	Urban Growth Boundary
VFA	Volunteer Fire Assistance
VoIP	Voice-over Internet Protocol
WAN	Wide Area Network
WDOT	Washington Department of Transportation
WMD	Weapons of Mass Destruction
WWTP	Waste Water Treatment Plant

GLOSSARY

Actual

Actual, as used in the fund summaries, revenue summaries and department and division summaries within the budget document, represents the actual costs results of operations. This category is presented on a budgetary basis, and thus excludes depreciation and amortization and includes principal payments on debt.

Ad Valorem Tax

A tax based on the assessed value of a property.

Adopted Budget

Adopted, as used in the fund summaries and department and division summaries within the budget document, represents the final budget approved by the City Council. Adopted budget becomes effective July 1st. Subsequent to adoption; Council may make changes throughout the year.

Allocated Charges

Funding transferred from one fund to another to recover costs related to providing shared services from other funds for specific administrative functions, which benefit those funds (i.e., City Administrator, City Clerk, insurance, computer systems and software support, etc.).

Approved Budget

Approved, as used in the fund summaries, revenue summaries, and department budgets, represents the proposed budget with changes made by the Budget Committee, if any.

Appropriations

Legal authorization granted by the City Council to spend public funds. Appropriations within each program may not be exceeded.

Assessed Valuation (AV)

The value set on taxable property as a basis for levying property taxes. A tax initiative passed in 1997 that reduced AV below real market value and set a 3% maximum annual growth rate in the AV, exclusive of certain improvements.

Assets

Resources having a monetary value and that are owned or held by an entity.

Bond or Bond Issue

Bonds are debt instruments that require repayment of a specified principal amount on a certain date (maturity date), together with interest at a stated rate or according to a formula for determining the interest rate.

Bond Funds

Established to account for bond proceeds to be used only for approved bond projects.

Budget

A budget is a plan of financial operation embodying an estimate of proposed expenditures and the means

of financing them. Used without any modifier, the term usually indicates a financial plan for a since fiscal year. In practice, the term budget is used in two ways. Sometimes it designates the financial plan presented for adoption and other times it designates the plan finally approved. It is usually necessary to specify whether the budget under consideration is preliminary and tentative, or whether the appropriating body has approved it.

Budget Calendar

The schedule of key dates, which a government follows in the preparation and adoption of the budget.

Budget Committee

A group comprised of the elected officials plus an equal number of concerned citizens for the purpose of reviewing the proposed budget and recommending changes leading to an approved budget.

Budget Document

A written report showing a government's comprehensive financial plan for a specified period, usually one year that includes both the capital and the operating budgets.

Budget Message

Written explanation of the budget and the City's financial priorities for the next fiscal year; prepared by the City Manager.

Budgetary Basis

Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP), with the exception that neither depreciation nor amortization is budgeted for proprietary funds and bond principal and interest in the enterprise funds is subject to appropriation.

Capital Budget

The City's budget for projects, major repairs, and improvements or additions to the City's fixed assets (streets, sidewalks, roads, sewers, parks, and buildings).

Capital Expenditures

The City defines a capital expenditure as using the following three criteria: (1) relatively high monetary value (for example: the City financial policies could set an amount equal or greater than \$50,000), (2) long asset life (equal to or greater than 3 years useful life), and (3) results in the creation of a fixed asset, or the revitalization of a fixed asset.

Capital Improvement

A term defined in the ORS 310.410 (10) to include land, structures, facilities, machinery, equipment, or furnishings having a useful life of longer than one year.

Capital Improvement Project/Capital Project

Any project having assets of significant value and having a useful life of three years or more. Capital projects include the purchase of land, design, engineering and construction of buildings, and infrastructure items such as parks, streets, bridges, drainage, street lighting, water and sewer systems and master planning.

Capital Outlay

Includes the purchase of land, the purchase or construction of buildings, structures, and facilities of all types, plus machinery and equipment. It includes expenditures that result in the acquisition or addition

of a fixed asset or increase the capacity, efficiency, span of life, or economy of operating as an existing fixed asset. For an item to qualify as a capital outlay expenditure it must meet all of the following requirements: (1) have an estimated useful life of more than one year; (2) typically have a unit cost of \$1,000 or more; and (3) be a betterment or improvement. Replacement of a capital item is classified as capital outlay under the same code as the original purchase. Replacement or repair parts are classified under materials and services.

Cash Management

Management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest income. Cash management refers to the activities of forecasting inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the highest return available for temporary cash balances.

Charges for Service

Includes a wide variety of fees charged for services provided to the public and other agencies.

Comprehensive Annual Financial Report

The annual audited results of the City's financial position and activity.

Comprehensive Plan

An official statement of the goals, objectives and physical plan for the development of the city. Contains a narrative of goals, objectives and policies that describe the desired form, nature and rate of city development.

Consumer Price Index

A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

Contingency

A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted. Contingency may be appropriated for a specific purpose by the City Council upon the approval of a resolution. The City separates contingencies into those that are designated for specific purposes and undesignated. (Also see Designated Contingency and Unappropriated Ending Fund Balance)

Debt Service

Interest and principal on outstanding bonds due and payable during the fiscal year.

Debt Service Fund

Established to account for the accumulation of resources and for the payment of general long-term debt principle and interest that are not services by the Enterprise funds. It does not include contractual obligations accounted for in the individual funds.

Department

The combination of divisions of the City headed by a general manager with a specific and unique set of goals and objectives (i.e., Police, Fire, Financial Services, Water Resources, etc.).

Depreciation

Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of physical elements, inadequacy or obsolescence.

Designated Contingency

Amounts set aside for anticipated non-recurring cash flow needs. Includes items such as moving and remodeling, major building repairs, emergency management and capital project or equipment purchases.

Direct Debt

General Obligation debt imposed by the City of Falls City on its revenues and not usually bearing on properties outside the city limits.

Employee Benefits

Contributions made by a government to meet commitments or obligations for employee-related expenses. Such as medical and life insurance plans.

Encumbrance

Amount of money committed and set aside, but not yet expended, for the purchases of specific goods or services.

Enterprise Funds

Established to account for operations, including debt service that are financed and operated similarly to private businesses where the intent is the service is self-sufficient, with all costs supported predominantly by user charges. The City maintains two Enterprise Funds to account for Water, and Sewer, water activities. Enterprise fund revenues are restricted to be spent only on enterprise activities relating to their revenue source. For example water rate revenue can only be spent on water activities and projects.

Estimated Actual

A projection of the revenue or expenditure, as appropriate, to be recognized during the current fiscal period.

Expenditures

Represents decreases in net financial resources. They include current operating expenses, which require the current or future use of net current assets, debt services, and capital outlays.

Fees

Charges for specific services levied by local government in connection with providing a service, permitting an activity or imposing a fine or penalty. Major types of fees include business and non-business license, fines, and user charges.

Fiscal Management

A government's directive with respect to revenues, spending, reserves and debt management as these relate to governmental services, programs and capital investment. Financial policy provides an agreed upon set of principles for the planning and programming of governmental budgets and its funding.

Fiscal Year

A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. Falls City's fiscal year is July 1 through June 30.

Five-Year Financial Plan

An estimation of revenues and expenses required by the City to operate for the next five-year period.

Fixed Assets

Includes equipment, infrastructure, buildings, land, vehicles, furniture and fixtures, computer hardware and software with a cost basis in excess of \$5,000.

Franchise Fee

Charged to utilities operating within the City and is a reimbursement to the general fund for the utility's use of City streets and right-of-ways.

Full-Time Equivalent

A calculation used to convert part-time hours to equivalent full-time positions. Full time employee salaries are based on 2,080 hours per year. The full-time equivalent of a part-time employee is calculated by dividing the number of hours budgeted by 2,080.

Fund

A fiscal and accounting entity with a self-balancing set of accounts. Records cash and other financial resources together with all related liabilities and residual equities or balances and changes therein. These are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Balance

The balance of net financial resources that are spendable or available for appropriation.

General Fund

Primary operating fund of the City. It exists to account for the resources devoted to finance the services traditionally associated with local government. Included in these services are police protection, fire protection and prevention, emergency medical service, parks and recreation, library and any other activity for which a special fund has not been created.

General Long-term Debt

Represents any unmatured debt not considered to be a fund liability.

General Obligation Bonds (G.O. Bonds)

Bonds secured by the full faith and credit of the issuer. G.O. bonds issued by local units of government are secured by a pledge of the issuer's property taxing power (secondary portion). They are usually issued to pay for general capital improvements such as parks and City facilities.

Grant

A contribution by one government unit to another. The contribution is usually made to aid in the support of a specified function (i.e., library, parks or capital projects).

Infrastructure

Public domain fixed assets such as roads, bridges, streets, sidewalks and similar assets that are immovable.

Interfund Transfers

Appropriation category used in the City's budget resolution which includes amounts distributed from

one fund to another fund. Transfers from the other funds appear as non-departmental expenditures called “ Transfers”.

Intergovernmental Revenues

Levied by one government but shared on a predetermined basis with another government or class of governments.

Internal Services Fund

The cost of the general administration of the City plus planning, engineering, building and grounds maintenance.

Levy

Gross amount of property taxes imposed on taxable property. The net amount received by a government will be less than the gross levy as a result of delinquent or uncollectible payments or early payment discounts. Budgets are developed on the basis of the projected amount of property taxes receivable.

Line Item Budget

The traditional form of budget, where proposed appropriations are based on individual objects of expense within a department or program.

Local Budget Law

Oregon Revised Statues (ORS) dictates local budgeting practices. ORS Chapter 294 contains Local Budget Law provisions.

Local Improvement District

Consists of property owners desiring improvements to their property. Bonds are issued to finance these improvements, which are repaid by assessments on their property. Local Improvement District debt is paid for by a compulsory levy (special assessment) made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Local Option Levy

Under Measure 50, local governments and special districts were given the ability to ask voters for temporary authority to increase taxes through approval of a local option levy. The maximum length of time for a local option levy is 10 years, depending on the purpose of the levy. A local option levy must be approved by a majority of voters at a general election or an election with a 50% voter turnout.

Materials and Services

Expendable items purchased for delivery and city services. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature.

Measure 5

A constitutional limit on property taxes passed by voters in the State of Oregon in November 1990. The new law sets a maximum \$10 tax rate on individual properties for the aggregate of all non-school taxing jurisdictions. Schools’ maximum rate is \$5.00 after FY 1995-96.

Measure 50

A 1997 voter approved initiative which rolled back assessed values to 90 percent of their levels in fiscal year FY 1995-96 and limits future annual increases to three percent, except for major improvements. Tax rates are now fixed and not subject to change. Voters may approve local initiatives above the fixed

rates provided a majority approves at either (i) a general election in an even numbered year; or (ii) at any other election in which at least 50 percent of registered voters cast a ballot.

Mission

Defines the primary purpose of the City and is intended to guide all organizational decisions, policies and activities (internal and external) on a daily basis.

Net Working Capital

The net working capital is the residual non-restricted funds brought forward from the previous financial year (ending balance).

Objective

Something to be accomplished in specific, well-defined and measurable terms, and that is achievable within a specific time frame.

Operating Budget

The plan for current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending and service delivery activities of a government are controlled.

Operating Revenue

Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings and grant revenues. Operating revenues are used to pay for day-to-day services.

Ordinance

A formal legislative or policy enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as the charter, a state statute or a constitutional provision, it has the full force and effect of the law within the boundaries of the municipality to which it applies.

Outstanding Debt

The balance due at any given time resulting from the borrowing of money or from the purchase of goods and services.

Overlapping Debt

The proportionate share of bonds outstanding and owed to other taxing jurisdictions attributable to city property owners. (e.g. Forest Grove School District, Hillsboro School District, Port of Portland)

Permanent Tax Rate

Under Measure 50, each school district, local government, and special district was assigned a permanent tax rate limit in Fiscal Year 1998. This permanent rate applies to property taxes for operations. The permanent tax rate for the City of

Falls City is \$2.9202 per \$1,000 of assessed value.

Personal Services

Includes the salaries and wages paid to employees plus the City's contribution for fringe benefits such as retirement, social security, health and workers' compensation insurance.

Property Tax

Based according to assessed value of property and is used as the source of monies to pay general obligation debt and to support the General Fund.

Project Manager

The individual responsible for budgeting for a project and managing project to its completion.

Proposed Budget

Combined operating, non-operating, and resource estimates prepared by the City Manager and submitted to the public and the Budget Committee for review and approval.

Real Market Value

The estimated value of property if sold. Within Cornelius, the average real market value exceeds the assessed value by 41%. This disparity is the result of voter approved tax initiative 50 passed in 1997.

Resolution

A special or temporary order of a legislative body requiring City Council action.

Resources

Total of revenues, interfund transfers in and beginning fund balance.

Retained Earnings

An equity account that reflects the accumulated earning of an enterprise or internal service fund.

Revenue

Funds received by the City from either tax or non-tax sources.

Revenue Bonds

Bonds payable from a specific source of revenue, which does not pledge the taxing authority of the issuer. Pledged revenues may be derived from operation of the financed project, utilities, grants, excise or other specified non-property tax.

Special Assessment

A compulsory levy made against certain properties to defray all or part of the cost of a capital improvement or service deemed to benefit primarily those properties. (Also see Local Improvement District)

Special Assessment Bond

A bond issue payable from the payments on special assessments imposed against properties that have been specially benefited by the construction of public improvements such as sidewalks, roads, or sewer systems.

Special Revenue Funds

Established to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Supplemental Budget

Appropriations established to meet needs not anticipated at the time the budget was originally adopted. A supplemental budget cannot increase the tax levy.

System Development Charges

Charges paid by developers and builders to fund expansion of infrastructure systems necessary due to increased usage. Such charges are collected for water, sewer, storm drains, streets and parks and are paid by developers and builders as part of the permit process.

Taxes

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges, such as water service.

Tax Levy

The total amount of property taxes needed to pay for General Fund operations and for principal and interest on bonds.

Tax Rate

The amount of tax levied for each \$1,000 of assessed valuation.

Tax Revenue

Includes property taxes.

Tax Roll

The official list showing the amount of taxes levied against each property. Maintained by the Polk County Assessment and Taxation Department.

Transfers

The authorized exchange of cash or other resources between funds.

Unappropriated Ending Fund Balance

An account which records a portion of the fund balance. It must be segregated for future use and is not available for current appropriation or expenditure.

User Fees

The fee charged for services to the party or parties who directly benefits. Also called Charges for Service.