



Fiscal Year 2022-2023
Approved Budget

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FY 2022-2023 FALLS CITY BUDGET COMMITTEE

BUDGET OFFICER FY 2022-2023

AJ Foscoli, City Manager

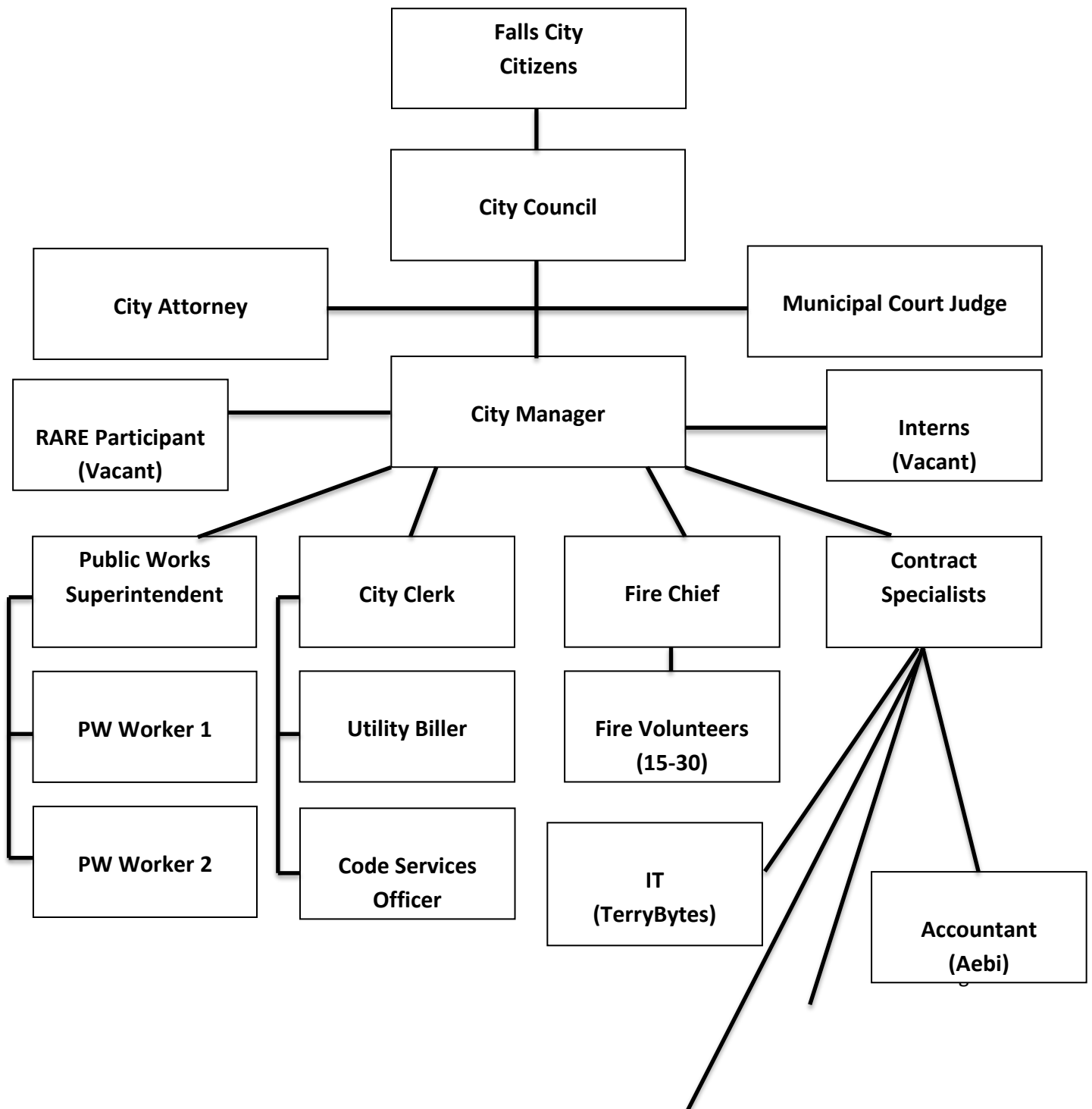
COUNCIL MEMBERS

Member	Elected	Expires
TJ Bailey, Mayor	July 2021	2022
Lori J. Sickles, Councilor	January 2018	2022
Dennis Sickles, Councilor	January 2021	2024
Tony Meier, Councilor	January 2018	2022
Amy Houghtaling, Councilor	January 2021	2024
Martha Jirovec, Councilor	July 2021	2024
Vacant, Councilor	2022	2025

CITIZEN MEMBERS

Member	Appointed	Expires
Nick Backus	2018	2024
Guy Mack	2018	2024
Dana Schowalter	2019	2022
Lynn Sampson-Bailey	2019	2022
Jason Evans	2021	2025
Art Houghtaling	2021	2025
Charlie Flynn	2021	2025

FALLS CITY ORGANIZATION CHART



City Engineer
(Westech)

City Planner
(MWVCOG)

City of Falls City

FY 2022-2023 PROPOSED BUDGET

BUDGET MESSAGE

DATE: May 13, 2022
TO: City Council, Budget Committee, Staff, and Citizens
FROM: AJ Foscoli, City Manager/Budget Officer
SUBJ: Fiscal Year 2022-2023 BUDGET MESSAGE

Introduction. Fiscal year 2021/2022 was influenced by COVID-19 as there was lingering instability from the impact the pandemic on the economic and physical well-being of all in 2021. In spite of this, and through some weather-related challenges to our continuity of service, progress was made on several fronts, leading to an encouraging outlook for our Community.

City Council and Staff have worked very hard to improve the governmental organization to better serve the community. Like in the previous year, job tasks have evolved to better serve the residents, but unlike last year, these have resulted in projected decreases in overall employee costs to reflect a reorganization to be leaner and more resilient. Last year's allocation increases for a Code Services Officer to \$36,000 per year, helped the city secure a part-time contract employee to manage code infractions in the coming fiscal year.

The City will continue to explore potentially untapped revenue streams to help maintain existing infrastructure, and to develop new. The unanticipated American Recovery Plan Act funds that municipalities received to offset revenue shortfalls will aid the city in filling gaps in maintenance and allow for upgrade to vital infrastructure. Additionally, the City will be continuing the process of researching the implementation of Systems Development Charges to ensure developers pay for added stress, and/or upgrades to city infrastructure.

City Staff is continuing to administer approximately \$500,000 in grant funding directly benefitting Falls City and will work on securing an additional \$2,000,000 of CDBG funding in order to move to the next phase of its proposed Wastewater Treatment Plant construction project which is slated to break ground in 2023. The State's Infrastructure funding allocation of \$2.5 million to Falls City for this project will not be added to the FY 2022/23 budget since the administrative contract will most likely not be completed by June 30th. A supplemental budget will be brought to council to reflect this grant allocation as soon as the contract is executed.

Starting this July, we will begin our code enforcement program in earnest (after the transitionary period for our contract employee through the city of Dallas becomes familiar with our community) and we will have the second year of the Luckiamute Community Building with a full complement of tenants. Though the ARPA funding has given the city additional resources to address key issues, it's still important to keep in mind that additional revenue strategies, or reduced costs are the only way to tackle long-term service increases.

It is my pleasure to present the proposed fiscal year (FY) 2022/2023 City of Falls City Budget for your consideration. Since coming on as City Manager, I've been honored to be a part of this chapter of Falls City as a thriving, rich and diverse community. Though there has been some turnover in our organization of late, I feel that the current staff complement will enable us to fulfill our duties to the community as good or better than in previous years. This includes a recently hired City Recorder/Finance Supervisor position, and two new part-time public works employees who have shown incredible dedication to their duties and a commitment to their community. We all strive for continuous improvement, and work very hard to continue to earn our residents' trust, while meeting all the challenges we face on a daily basis.

City Staff has endeavored to present "good faith" estimates and respect fund boundaries in writing the FY 22-23 budget. That effort has allowed for a solid foundation by which to judge and control expenditures. Though we don't expect that there will be additional American Recovery Plan Act funding beyond the expected \$117,210.74 to be received sometime in August, we are ready to make supplemental changes to the budget in the coming fiscal year, if the case arises. As this funding must be spent by the

end of calendar year 2024, we will make sure to track these expenditures over the course of the next 2 budget cycles, so as to allocate them as efficiently as possible for necessary city services.

Additionally, the next 12-24 months will see some significant Community Development in Falls City. The rehabilitation of the Luckiamute Clinic has already yielded great dividends by allowing our homegrown small businesses a place to operate in town, as well as the ability to collaborate with regional organizations including, but not limited to Salem Health, Polk County Behavioral Health, Chemeketa Cooperative Regional Library Service and more. The development of the Elementary School to High School pathway, under ODOT's Safe Routes to School program will help to develop the community, but also help stop the depreciation, wear, and tear on existing city assets, and provide new roadway infrastructure.

Budget Summary. The Fiscal Year 2022-2023 proposed budget contains approximately \$2.1 million in recommended funding for all expenses and liabilities, about \$1 million lower than the \$3 million in 2021-2022. This is mostly due to the fact that last fiscal year's budget still had large infrastructure projects to account for, whereas this fiscal year is a gap year as far as any major construction is concerned. Approximately \$0.6 million is in projected grant funds for the Safe Routes to Schools project and equipment purchases, though the likelihood of these being finalized within the fiscal year are low due to construction companies being busier than normal as the influx of ARPA funds has spurred unprecedented competition for projects; another \$0.5 million is in the contingency/reserve funds, a substantial reserve percentage to account for the continued COVID-19 related uncertainty.

As our Wastewater Treatment Plant Project still currently in the pre-construction phase (design is now at 100% but the permitting process is ongoing), we may go through supplemental budgets if the construction phase does begin before the end of FY 2022/2023 and as we receive the state's supporting funding for this project. We have strong reserves/contingency, and with our upcoming increase in Capital Outlay in the 2023-2024 fiscal year, when the bulk of the construction will take place, we are well positioned to expand and serve all the citizens of Falls City in the future.

Personnel, Materials & Services (PMS) costs are expected to remain relatively flat despite inflationary pressures on pay rates. Though COLA increases for employees will

be in line with historical adjustments of 3%, we must keep in mind that today's inflation rates are hovering around 6%, which puts undue pressure on our employees buying power. We will work to reduce any increases by restructuring responsibilities and duties in multiple departments, but we will look for ways to reward our employees' loyalties to the best of our abilities.

Conclusion. This budget continues to follow our recent trend of investing in capital outlay, while endeavoring to remain flat on Materials & Services, and Personnel. City Staff has been able to achieve these goals, and keep employee wages more in line with industry standards by restructuring positions to match service needs. Finally, a healthy contingency has been proposed, along with conservative estimates in revenues and expenses. These measures will continue to provide the city with a firm position from which to take on the ongoing uncertainty of our current situation and help the city and community move forward.

Sincerely,

A handwritten signature in blue ink, appearing to read "AJ Foscoli". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

AJ Foscoli
City Manager and Budget Officer

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.

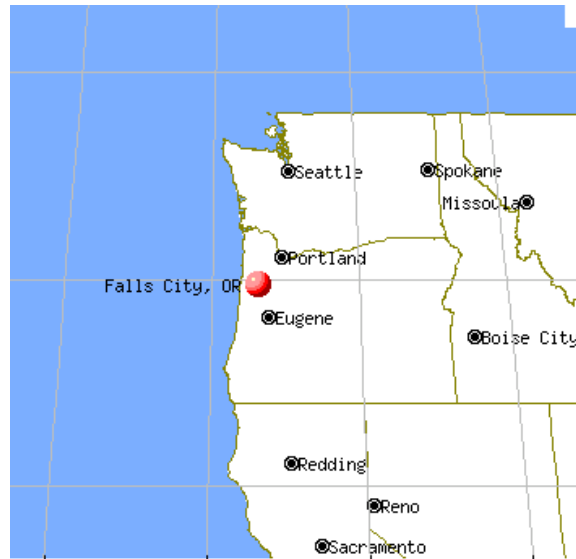
CITY COUNCIL GOALS 2022

The City of Falls City will:

1. Upgrade Sewer Infrastructure
2. Implement City Code Services & Implement Beautification
3. Develop Falls City as a Destination & Gateway to Nature
4. Miscellaneous:
 - a. Establish & Implement Systems Development Charges
 - b. Council Training for All Council
 - c. Housing Strategies
 - d. Capital Improvement Plan
 - e. Parks Development
 - f. Road Maintenance and Repair

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 FACTS

- 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 \$42,458,837 in 2018.

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 May, 2018 election which approved 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.

2022-2023 BUDGET CALENDAR

May 13 Budget Officer: prepares the budget message

May 18, May 25 Budget Committee: meetings, hearing, and approval

June 13, nlt June 30..... City Council: meeting with public hearing for budget, and adoption

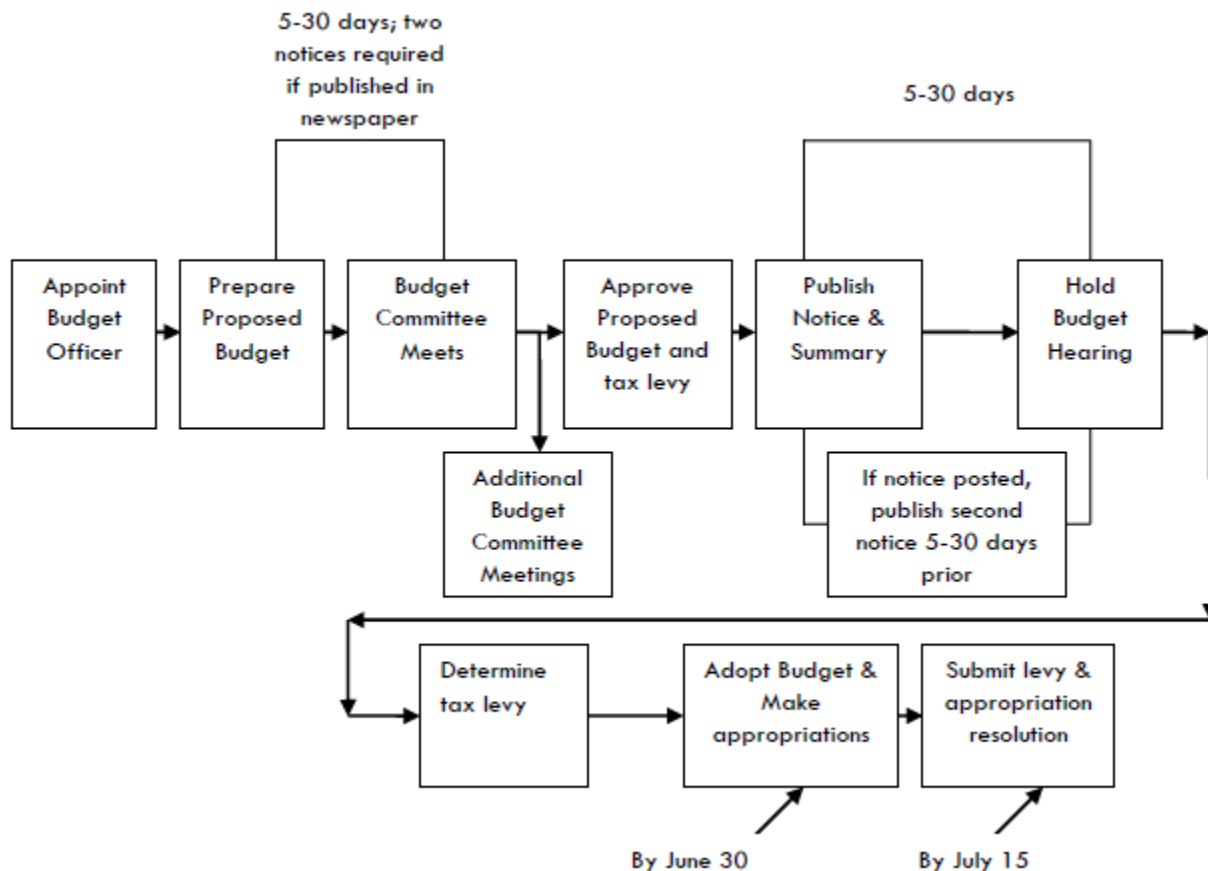
In December through March, meetings are held with City staff, the Mayor, and City Council to set goals and priorities for the upcoming year. In April, a preliminary budget is prepared and presented to the Budget Committee, which, by law, comprises the Mayor, City Councilors, and seven citizen members. 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

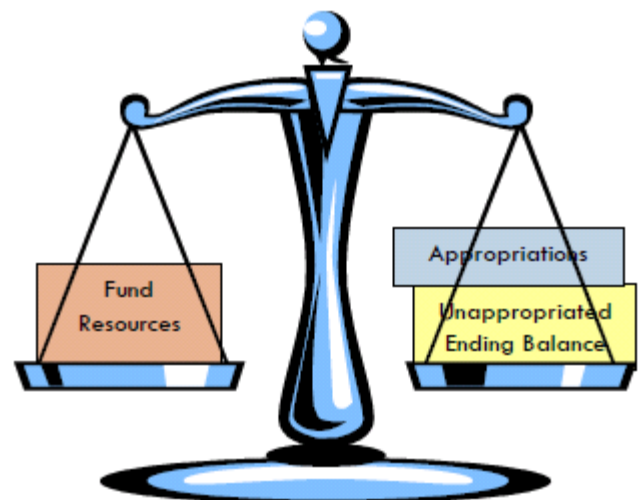
The budget is prepared using the modified cash method of accounting. This means that obligations of the City are budgeted as expenses when invoices are paid and income is recorded when received. The City of Falls City manages its finances in compliance with the modified cash basis and budget laws of 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 Capitol 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 2018. 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. Shared Services Fund (Major Fund)
3. Water Fund (Major Fund)
4. Sanitary Sewer Fund (Major Fund)
5. Streets and Pathways Fund (Major Fund)
6. Community Development Revolving Loan Fund (Major Fund)
7. City Utility Reserve Fund (Major Fund)
8. Wagner Library 80% Fund (Minor Fund)
9. Fire Equipment/Operations Levy (Major Fund)

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 has not been conducted in a number of years for water and as a result rates have not been adjusted as frequently as needed to keep up with the cost of providing service. The rates for water will need to be increased to reflect the cost of providing service. 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. Beginning in fiscal year 2019-2020, a shared services fund had been set up to account for allocation of shared costs, and employees have been allocated to the departments in which they actually work. Many of the city funds have been receiving transfers from other funds for the purpose of debt payments and general operational funding with no expectation of repayment.

Though the shared services fund eliminated that concern, it created less transparency in how each department contributed to the various expenditures. As of fiscal year 2020-2021, the amount charged to each department on a use and resource basis for the given shared material, service, or capital reverted back to prior to the fiscal year 2019-2020. The shared services account will remain on the budget documentation until all payments from that account have run their course.

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 May of 2018.

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 2022-2023		
Position	Pay Rate	Approximate Total Cost
City Manager (1.0 FTE)	\$ 72,000.00	\$ 91,000.00
City Clerk (1.0 FTE)	\$ 33,500.00	\$ 46,000.00
Utility Biller (0.5 FTE)	\$ 19,500.00	\$ 21,400.00
Public Works Director (1.0 FTE)	\$ 45,000.00	\$ 56,300.00
Public Works Workers (1.0 FTE)	\$ 34,000.00	\$ 37,500.00
Code Services Officer	(contract)	\$ 36,000.00
Fire Chief (N/A)	\$ 5,000.00	\$ 5,500.00
Total Personnel Cost FY 22-23		\$ 293,700.00
Total Personnel Cost FY 21-22		\$ 304,250.00
Total Personnel Cost FY 20-21		\$ 360,000.00
The COLA adjustment 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 \$300,000.00 and anticipates revenue of \$348,850; this sets total resources at \$648,850.00 revenues to support the City Council, Court & Code Services, Fire, Administration, Parks & Cemeteries , and Debt Services Funds.

Budget Officer's Notes:

- With only \$648,850.00 in recurring revenues, the City must explore options to raise additional revenues if it is to maintain current service levels while increasing Code Services capacity. Those may include any of the following, or some combination:
 - A Code Services 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 \$300,000 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.

RESOURCES	ACTUAL 2019-2020	ACTUAL 2020-2021	ADOPTED 2021-2022	DRAFT 2022-2023
BEGINNING FUND BALANCE	\$ 299,415	\$ 348,781	\$ 300,000	\$ 300,000
Interfund Transfers (IN)	\$ 17,000	\$ 17,000		
DONATIONS				
Pride Donations	\$ 250	\$ -	\$ 250	\$ 250
LFR! Donations	\$ -	\$ -	\$ 250	\$ 250
MISCELLANEOUS	\$ 10,306	\$ 3,500	\$ 3,500	\$ 3,500
CIS Insurance Claim				
Bootleg Fire			\$ 24,824	\$ 10,000
TAXES				

Property Taxes- Current	\$ 124,949	\$ 170,376	\$ 120,000	\$ 120,000
Property Taxes- Prior	\$ 1,240	\$ 5,805	\$ 1,000	\$ 1,000
State Revenue Sharing	\$ 17,471	\$ 13,887	\$ 12,000	\$ 12,000
State Liquor Tax	\$ 15,596	\$ 19,244	\$ 14,000	\$ 15,000
State Cigarette Tax	\$ 1,068	\$ 2,479	\$ 1,000	\$ 1,500
State Marijuana Prevention				\$ 1,240
INTEREST				
LGIP & Other	\$ 23,023	\$ 9,408	\$ 20,000	\$ 15,000
FEES (NON-FRANCHISE)				
Business License & OLCC Fees	\$ 2,304	\$ 3,425	\$ 1,500	\$ 2,500
Land Use/Permit Fees	\$ 5,027	\$ 2,075	\$ 3,000	\$ 2,000
Recreation & Rental Fees	\$ 315	\$ 2,019	\$ 300	\$ 1,000
Code Services Fines	\$ 371	\$ 60	\$ 300	\$ 300
Lien Search Fee	\$ 1,423	\$ 1,605	\$ 1,000	\$ 1,000
FRANCHISE FEES				
Pacific Power Franchise	\$ 42,700	\$ 46,176	\$ 42,000	\$ 45,000
Consumer Power Franchise	\$ 44	\$ 52	\$ 50	\$ 50
Republic Trash Franchise	\$ 4,190	\$ 4,405	\$ 3,200	\$ 4,000
Charter Franchise	\$ 5,860	\$ 5,724	\$ 5,500	\$ 5,500
Quest/Century Link Franchise	\$ 1,158	\$ 970	\$ 1,000	\$ 1,000
GRANTS				
CLG Grant (Historical)	\$ 4,441	\$ -	\$ 12,000.00	\$ -
Weyerhaeuser Grant (Fire)	\$ 10,000		\$ 10,000.00	\$ -
Ford Family RARE Grant	\$ 10,000	\$ -	\$ -	\$ -
Pacific Power RARE Grant	\$ 3,000	\$ -	\$ 3,000.00	\$ -
Assistance to Firefighters Grant	\$ 87,801	\$ 33,287	\$ 50,000.00	\$ -
LEOF Grant	\$ 29,410	\$ -	\$ -	\$ -
DLCD Planning Grant	\$ 1,000	\$ -	\$ 1,000.00	\$ 1,000.00
Pacific Power Energy Grant	\$ 3,000	\$ -	\$ 3,000.00	\$ -
CDBG Housing Grant	\$ 5,000	\$ 77,173	\$ -	\$ -
OCF Pocket Park Grant	\$ 2,765	\$ -	\$ -	\$ -
20' CDBG Housing Grant (Admin)				
COVID 20 - CARES		\$ 42,362		\$ 117,000.00
Rural Fire				
Ending Fund Balance	\$ 348,781	\$ 969,198	\$ -	\$
Total Revenues	\$ 430,714	\$ 461,032	\$ 308,850	\$ 348,850
TOTAL FUND RESOURCES	\$ 730,129	\$ 809,813	\$ 608,850	\$ 648,850

GENERAL FUND REQUIREMENTS

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 2021-2022

- Fill all committee vacancies
- Resume in-person meetings
- State of the City

Objectives 2022-2023

- Bring Council to full membership
- Maintain all committees at full membership

Budget Narrative

This budget anticipates a total of \$3,100 of expenditures in this department.

General Fund: 1.02 Council & Committees					
REQUIREMENTS	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	ADOPTED 2021-2022	DRAFT 2022-2023
MATERIALS & SERVICES					
Operational Supplies		\$ 69			
Professional Services	\$ 304		\$ -	\$ 2,000	\$ 2,000
Trvl, Trng, Dues, Statutory	\$ 252	\$ 111	\$ -	\$ 500	\$ 500
Council Projects	\$ 173		\$ -	\$ 500	\$ 500
Worker's Comp	\$ 84	\$ 50	\$ -	\$ 100	\$ 100
PROGRAM TOTAL	\$ 813	\$ 230	\$ -	\$3,100	\$3,100

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 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, Recommended 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 serves as Budget Officer, Elections Officer, Finance Director, Planning Director, Community Development Director, and Public Works Director.
- The City Recorder serves as Finance Supervisor, 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 2021-2022

- Created and Implement Sustainable Code Services (Council Goal #2)
- Entered into a Contract with Dallas Municipal Court

Objectives 2022-2023

- Continuing Professional Development
- Enact Code Amendment
- Streamline Planning Review
- Implement the Master Utility Right of Way Ordinance
- Complete development of System Development Charges
- Focus on developing Falls City as a recreation hub & gateway to nature (Council Goal #3)
 - Valley of the Giants Access- Oregon Solutions
 - Develop a Skate Park

Personnel, Materials, and Services

The Administration Department Personnel is comprised of the City Manager and City Clerk (2.0 FTE). However, the majority of their remuneration, 60%, is transferred into General Fund Revenues from the City's other revenue funds (Streets, Sewer, Water) to pay the cost of the Manager and Clerk consistently working 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 Administration					
REQUIREMENTS	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	ADOPTED 2021-2022	DRAFT 2022-2023
PERSONNEL					
Full Time Equivalent	2.5		2.0	2.0	2.0
Salaried	\$ 112,134	\$ 98,757	\$ 139,927	\$ 122,570	\$ 128,699
Benefits/Retirement	\$ 35,921	\$ 37,610	\$ 27,661	\$ 43,260	\$ 45,423
Payroll Expenses	\$ 8,438	\$ 7,491	\$ 5,329	\$ 9,270	\$ 9,270
Worker's Comp	\$ 176	\$ 200	\$ 10,616	\$ 300	\$ 300
Total Personnel	\$ 156,669	\$ 144,059	\$ 183,533	\$ 175,400	\$ 183,692
MATERIALS & SERVICES					
Operational Expenses	\$ 3,545	\$ 370	\$ 728	\$ 500	\$ 500
Professional Services	\$ 42,265	\$ 9,215	\$ 19,270	\$ 9,000	\$ 15,000
Facilities O & M	\$ 2,739	\$ 2,778	\$ 306	\$ -	\$ 500
Insurance	\$ 1,038	\$ 105	\$ 11,855	\$ 150	\$ 5,000
Trvl, Trng, Dues, Statutory	\$ 4,483	\$ 1,988	\$ 3,330	\$ 2,500	\$ 3,000
RARE Project			\$ 2,266	\$ -	\$ -
Grant expenses	\$ 15,590			0	0
COVID 20 - CARES					
Ford Family RARE Grant		\$ 10,000	\$ -	10000	0
Pacific Power RARE Grant		\$ 12,987	\$ -	3000	0
CLG Historic Grant		\$ 3,696	\$ 700	12000	0
LEOF Grant		\$ 29,410	\$ -	0	0
DLCD Planning Grant		\$ 1,000	\$ 1,000	1000	1000
Pacific Power Energy Grant		\$ 3,000	\$ -	3000	0
CDBG Housing Grant			\$ 135,103	0	0
OCF Pocket Park Grant			\$ 2,995		
<i>Misc. & Equipment</i>	\$ 92	\$ 320			
<i>Utilities</i>	\$ 10,346				
<i>Council Projects</i>					
Total Materials & Services	\$ 80,098	\$ 74,868	\$ 177,553	\$ 41,150	\$ 25,000
PROGRAM TOTAL	\$ 236,767	\$ 218,927	\$ 361,086	\$ 216,550	\$ 208,692

FIRE DEPARTMENT

(SEE ALSO FIRE LEVY FUND)

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, and fire/medical mutual aid to other fire departments.

Accomplishments 2021-2022

- Close the 2020 Assistance to Firefighter's Grant
- Received \$24,000 for participating in the Bootleg Fire
- Increased collaboration with regional partners

Objectives 2022-2023

- Create and implement a Fee for Service program aimed at the services already provided to uncovered properties immediately outside the city limits.
- Re-engage SW Polk Rural Fire District to explore a contract for services in their area.

BUDGET NARRATIVE

This budget anticipates a total of \$56,523 in expenditures against City funds.

This is not a concerning number at present due to the existence of the Fire Levy which currently supports over 50% of fire equipment and operations, but will expire in 2023. This will leave a sizeable gap to fill with no particular source identified to fill it. Thus, the General Fund cost for fire would spike to nearly 33% of General Fund (non-grant, non-transfer) revenues, but likely higher due to the current, very conservative, budget in Fire.

General Fund: 1.07 Fire					
REQUIREMENTS	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	ADOPTED 2021-2022	DRAFT 2022-2023
PERSONNEL					
Full Time Equivalent	.1		0.1	0.1	0.1
Salaried	\$ 4,800	\$ 4,913	\$ 14,121	\$ 4,950	\$ 5,198
Payroll Expenses	\$ 375	\$ 378	\$ -	\$ 425	\$ 425
Worker's Comp	\$ 8,616	\$ 5,583	\$ 6,700	\$ 6,700	\$ 6,700
Total Personnel	\$ 13,791	\$ 10,873	\$ 20,821	\$ 12,075	\$ 12,323
MATERIALS & SERVICES					
Equipment O & M	\$ 14,504	\$ 6,958	\$ 17,173	\$ 4,000	\$ 20,000
Insurance	\$ 10,825	\$ 9,124	\$ 9,200	\$ 9,200	\$ 9,200
FF Retention	\$ -		\$ 2,053	\$ 7,300	\$ 5,000
Professional Services	\$ 3,554	\$ 5,470	\$ 2,798	\$ -	\$ 10,000
Utilities	\$ 13,053				
Operational Expenses	\$ 1,966				
Facilities O & M	\$ 2,695				
Education, Training, Dues	\$ 85				
Intergovernmental Services	\$ 13,807				
Miscellaneous	\$ 4,269				
Total Materials & Services	\$ 64,758	\$ 21,552	\$ 31,224	\$ 20,500	\$ 44,200
CAPITAL OUTLAY					
Weyerhaeuser Grant (Fire)		\$ 8,109	\$ 559	\$ -	\$ -
Assistance to Firefighters Match		\$ 4,905	\$ 4,896	\$ 4,500	\$ -
Assistance to Firefighters Grant		\$ 88,595	\$ 9,500	\$ 50,000	\$ -
Total Capital Outlay	\$ -	\$ 101,609	\$ 14,955	\$ 54,500	\$ -
NON-ALLOCATED					
Adjustment to Audited Statement	\$ -		\$ -	\$ -	\$ -
Total Non-Allocated	\$ -	\$ -	\$ -	\$ -	\$ -
PROGRAM TOTAL	\$ 78,549	\$ 134,034	\$ 67,000	\$ 87,075	\$ 56,523

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. The municipal court judge oversees the judicial process while staff from the City of Independence offers customer service, maintenance of all records, accounts receivables, and support in the process of all court and judicial matters.

Accomplishments 2021-2022

- Restarted a Code Services program
- Entered into a contract with the city of Dallas for a Code Services Contract employee

Objectives 2022-2023

- To determine funding and program options that provides a sustainable Code Services program.
- To continue implementing the Code Services program.
- To continue implementing a sustainable Municipal Court program.

BUDGET NARRATIVE

Other than the Sewer system, Code Services is the City Council's top priority this year. The current budget has some funds for a 0.20 Code Services officer (about 10 hours/week). The City was successful in talks with the city of Dallas to enter an IGA for part-time code services.

General Fund: 1.04 Code Services & Municipal Court					
REQUIREMENTS	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	ADOPTED 2021-2022	DRAFT 2022-2023
PERSONNEL					
Full Time Equivalent	.20		0.20	0.20	0.20
Salaried		\$ 3,290	\$ 1,707	\$ 21,115	\$ 2,000
Payroll Expenses		\$ 196	\$ -	\$ 4,738	\$ -
Worker's Comp	\$ -	\$ -	\$ 400	\$ 412	\$ 412
Total Personnel	\$ -	\$ 3,487	\$ 2,107	\$ 26,265	\$ 2,412
MATERIALS & SERVICES					
Operational Expenses	\$ 28	\$ 613	\$ -	\$ 1,000	\$ 1,000
Professional Services	\$ 2,304	\$ 2,773	\$ -	\$ 3,500	\$ 30,000
Equipment				\$ 1,000	\$ 1,000
Insurance			\$ 1,000	\$ 1,000	\$ 1,000
Travel, Training, Dues, Statutory	\$ 34		\$ -	\$ 500	\$ 500
Uniforms & Protective Gear	\$ -		\$ -	\$ 500	\$ 500
Other					
Total Materials & Services	\$ 2,366	\$ 3,386	\$ 1,000	\$ 7,500	\$ 34,000
PROGRAM TOTAL	\$ 2,366	\$ 6,872	\$ 3,107	\$ 33,765	\$ 36,412

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
- Develop George Kitchen Park into a camping-friendly park to attract visitors to Falls City

BUDGET NARRATIVE

This budget anticipates a total of \$31,960 of expenditures in the Parks and Cemeteries Department which includes Events, in addition to standard Park and Cemetery Maintenance services.

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. 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. It is Council's hopes that this will help reduce vandalism and provide Public Works with help in keeping the Park's clean and ready for visitors.

Revenue

Parks rentals were infrequent and revenue has not been realized 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 paths to development of our City parks and cemeteries are grant funds, and potential systems development charges.

Personnel

Parks and Cemeteries is allocated for a .25 time employee for general maintenance and upkeep.

General Fund: 1.03 Parks & Cemeteries					
REQUIREMENTS	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	ADOPTED 2021-2022	DRAFT 2022-2023
PERSONNEL					
Full Time Equivalent	0		0.25	0.25	0.25
Wages			\$ 10,329	\$ 9,579	\$ 10,058
Benefits/Retirement			\$ 6,311	\$ 7,210	\$ 7,571
Payroll Expenses			\$ -	\$ 773	\$ 773
Worker's Comp	\$ 386		\$ 1,500	\$ 1,500	\$ 1,500
Total Personnel	\$ 386		\$ 18,140	\$ 19,062	\$ 19,901
MATERIALS & SERVICES					
Operational Expenses	\$ 337		\$ 24	\$ 500	\$ 500
Professional services	\$ 1,605		\$ 250	\$ 3,500	\$ 1,500
Equipment O & M	\$ 868		\$ 78	\$ 500	\$ 500
Facilities O & M			\$ 100	\$ 500	\$ 500
Insurance	\$ 946		\$ 1,550	\$ 1,550	\$ 1,550
Utilities	\$ 4,152		\$ 3,604	\$ 4,800	\$ 4,800
Miscellaneous					
City Events	\$ 655		\$ 1,012	\$ 2,000	\$ 2,000
Reserved for Pride			\$ -	\$ 250	\$ 250
Reserved for LFR! Memorial			\$ -	\$ 460	\$ 460
Total Materials & Services	\$ 8,563	\$ -	\$ 6,618	\$ 14,060	\$ 12,060
PROGRAM TOTAL	\$ 8,949	\$ -	\$ 24,758	\$ 33,122	\$ 31,961

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 anticipates \$2,000 in total requirements.

General Fund: 1.09 Debt Service & Other					
REQUIREMENTS	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	ADOPTED 2021-2022	DRAFT 2022-2023
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service					
Park Loan Principal (92211)	\$ 1,950	\$ 1,699	\$ 3,780	\$ 1,715	\$ 2,000
Park Loan Interest (92211)	\$ 568	\$ 543	\$ 980	\$ 528	\$ -
M/H Park Loan Principal (79011)	\$ 1,686	\$ 2,044	\$ -	\$ 2,066	
M/H Park Loan Interest (79011)	\$ 556	\$ 475	\$ -	\$ 454	\$ -
Total Debt Service	\$ 4,760	\$ 4,760	\$ 4,760	\$ 4,763	\$ 2,000
Other					
Transfer Out to Shared Fund		\$ 30,395	\$ 36,000		
General Fund Contingency	\$ 77,383	\$ -	\$ 275,352	\$ 230,475	\$ 310,163
Ending Fund Balance	\$ -	\$ -		\$ -	\$ -
Total Other	\$ 77,383	\$ 30,395	\$ 311,352	\$ 230,475	\$ 310,163
PROGRAM TOTAL	\$ 82,143	\$ 35,155	\$ 316,112	\$ 235,238	\$ 312,163

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 approximately \$570,000 with \$500,000 offset by grant awards, and the remaining \$70,000 coming from State Gas Tax funds that are required to be spent on the city's transportation system.

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 2021-2022

- Finished design of transportation system plan to install roundabout at N. Main and Mitchell St. to slow heavy equipment, and create a safe walkway connecting the Falls and downtown for Children and others.

Objectives for FY 2022-2023

Obtain 80-90% grant funding for \$600,000 in capital improvements on our roadways, including:

- Sidewalk, curbs, gutters, and overlay on Mill St. from N. Main to Dayton St. in order to create safe and enhanced access to City Hall and the Downtown Parks/Business district;
- Begin stage 1 development of Boundary St. from N. Main to Prospect St. by developing a walking path for utilization by children and others. This will formalize and allow for safe passage on a currently existing, informal pathway.

11 STREET FUND					
RESOURCES	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	ADOPTED 2021-2022	DRAFT 2022-2023
Beginning Fund Balance	\$ 153,744	\$ 218,277	174,289	180,000	-10,000
State Gas Tax	\$ 69,363	\$ 68,480	70,000	70,000	70,000
FEMA Dutch Creek Grant	\$ -				
SCAG	\$ 50,000	\$ 95,496		100,000	100,000
Safe Routes/IOF				471,520	471,520
Chamberlain Partners			51,500		
Transfer from Water Fund	\$ 10,000				
Total Revenue	\$ 129,363	\$ 63,976	\$ 121,500	\$ 641,520	\$ 641,520
TOTAL FUND RESOURCES	\$ 283,107	\$ 382,253	\$ 295,789	\$ 821,520	\$ 631,520
REQUIREMENTS					
PERSONNEL					
Full Time Equivalent	0		0.25	0.25	0.25
Wages			12,000	12,360	12,978
Benefits/Retirement			7,200	7,416	7,787
Payroll Expenses			900	927	927
Worker's	\$ 1,013		1,500	1,545	1,545
Total Personnel	\$ 1,013	\$ -	\$ 21,600	\$ 22,248	\$ 23,237
MATERIALS &					
Operational Expenses	\$ 4,109		2,500	3,500	3,500
Professional Services	\$ 4,062		10,000	8,000	8,000
Equipment O & M	\$ 7,734		1,500	1,500	1,500
Insurance	\$ 3,019		3,400	3,400	3,400
Utilities	\$ 8,277		8,000	8,000	8,000
Miscellaneous	\$ 110		1,000	1,000	1,000
Transfer Out			28,000	-	-

Total Materials & Services	\$ 27,311	\$ -	\$ 54,400	\$ 25,400	\$ 25,400
TOTAL STREETS PROGRAM	\$ 28,324	\$ -	\$ 76,000	\$ 47,648	\$ 48,637
CAPITAL OUTLAY & DEBT SERVICE		\$ 137,726			
FEMA Dutch Creek	\$ 21,556				
Building Improvements	\$ -				
Equipment	\$ 6,168				
SCA Grants	\$ 7,551			100,000	100,000
Safe Routes/IOF				471,520	471,520
Safe Routes & Chamberlain Match					
Total Capital & Debt	\$ 35,275		-	571,520	571,520
NON-ALLOCATED					
Contingency		\$	94,000	202,352	11,363
Ending Fund Balance	219508	174289	(188,044)		
Total Non-Allocated	\$ 219,508	\$ 174,289	\$ (94,044)	\$ 202,352	\$ 11,363
TOTAL FUND REQUIREMENTS	\$ 283,107	\$ 174,289	\$ (18,044)	\$ 821,520	\$ 631,520
STREET FUND BALANCE	\$ -	\$ 207,964	\$ 313,833	\$ -	\$ 0

WATER

Mission Statement

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

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 2021-2022

- Conducted system wide leak assessment (Leak Check)
- Repaired 4 main breaks
- 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

Objectives 2022-2023

- Institute a meter replacement program in accordance with the water master plan
- Repair broken main and plan for repair of more extensive broken main
- Public Works Staff to earn Water Operator's qualification
- Institute an annual rate renewal basis and policy

Budget Narrative

The Water Fund anticipates \$226,000 in carry over funds and \$300,000 in revenue for a total of \$516,500.

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.

Historically Water rates have not been reviewed annually to ensure they meet financial obligations related to providing service. Over time maintenance of the system increase as the system ages and the cost of operations have also increased due to increases in the cost of supplies.

20 WATER FUND					
RESOURCES	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	ADOPTED 2021-2022	DRAFT 2022-2023
Beginning Fund Balance	\$ 211,048	\$ 160,543	\$ 199,814	\$ 200,000	\$200,000
Water User Fees	\$ 294,348	\$ 318,392	\$ 306,692	\$ 285,000	\$300,000
Late Fees	\$ 3,677	\$ 155	\$ 5,062	\$ 2,500	\$4,000
Backflow Testing Fee	\$ 11,337		\$ 12,170	\$ 11,000	\$11,000
Water Connection Fee	\$ 1,800		\$ 7,200	\$ 1,500	\$1,500
Adjust Financial Statement	\$ -				
Intergovernmental Grants	\$ -				
Total Revenue	\$ 311,162	\$ 318,547	\$ 331,124	\$ 300,000	\$316,500
TOTAL FUND RESOURCES	\$ 522,210	\$ 479,090	\$ 530,938	\$ 500,000	\$516,500
REQUIREMENTS	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	DRAFT 2021-2022	DRAFT 2021-2022
PERSONNEL					
Full Time Equivalent	2.0		1.8	1.8	1.8
Salaried	\$ 94,857	\$ 112,263	\$ 80,919	\$ 80,546	\$84,573
Benefits/Retirement	\$ 51,406		\$ 28,668	\$ 38,110	\$40,016
Payroll Expenses	\$ 7,774		\$ 5,433	\$ 6,180	\$6,180
Worker's Comp	\$ 2,504		\$	\$ 3,000	\$3,000
Total Personnel	\$ 156,541	\$ 112,263	\$ 119,736	\$ 127,836	\$133,769
MATERIALS &					
Operational Expenses	\$ 11,472	\$ 103,511	\$ 17,627	\$ 12,500	\$12,500
Professional Services	\$ 25,690		\$ 9,048	\$ 18,000	\$18,000
Equipment O & M	\$ 14,154		\$ 5,858	\$ 2,500	\$2,500
Facilities O & M	\$ 96				
Insurance	\$ 12,152		\$ 9,000	\$ 9,000	\$9,000
Trvl, Trng, Dues, Statutory	\$ 1,039		\$ 80	\$ 3,000	\$3,000
Utilities	\$ 4,585		\$	\$ 4,750	\$4,750

Miscellaneous	\$ 76				
Transfer Out	\$ 75,000		\$ 87,500	\$ 87,500	\$91,875
Total Materials & Services	\$ 144,264	\$ 103,511	\$ 133,636	\$ 137,250	\$141,625
TOTAL WATER PROGRAM	\$ 300,805	\$ 215,774	\$ 253,372	\$ 265,086	\$275,394
CAPITAL OUTLAY & DEBT SERVICE					
Water Bond Principal	\$ 35,000	\$ 35,000	\$ -	\$ 35,000	\$35,000
Water Bond Interest	\$ 29,212	\$ 28,502	\$ 62,462	\$ 26,800	\$26,800
Total Capital & Debt	\$ 64,212	\$ 63,502	\$ 62,462	\$ 61,800	\$61,800
NON-ALLOCATED					
Contingency	\$ -		\$ 176,750	\$ 173,114	\$179,306
Reserved for Water Debt	\$ -				
Ending Fund Balance	\$ 157,193	\$ 199,814	\$ 226,470	\$ -	\$-
Total Non-Allocated	\$ 157,193	\$ 199,814	\$ 403,220	\$ 173,114	\$179,306
TOTAL FUND REQUIREMENTS	\$ 522,210	\$ 479,090	\$ 719,055	\$ 500,000	\$516,500
WATER FUND BALANCE	\$ -	\$ -	\$ (188,117)	\$ -	\$0

Personnel Services

This fund is proposed to pay for 1.8 full-time equivalent employees:

PW Director (75% of 1.0) = 0.75 FTE

PW1 (50% of .50) = 0.25 FTE

PW2 (50% of 0.50) = 0.25 FTE

Utility Biller (65% of 0.50) = 0.33 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. As a matter of housekeeping, the Water fund contributes \$42,500 to the General Fund for its proportionate share of the City Manager and City Clerk wages and benefits.

Capital Outlay

Water Bond principal and interest are the only capital outlay requirements from this fund. See Utility Improvement and Reserve Fund for additional water related capital outlay.

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 the requirements 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 2021-2022

- Completed an updated Sewer Rate Study for increased costs to Wastewater Facility Project
- Replaced UV light treatment mechanism
- Repaired broken pump at treatment plant
- Continued to progress on CDBG funded system overhaul
- Secured ongoing options on all required land for lagoon and piping placement

Objectives 2022-2023

- Finalize 100% design of new plant, close existing CDBG grant
- Secure construction funding from USDA Rural Development
- Complete application and apply for construction phase of new plant.
- Qualify sewer operator from public works staff
- Institute an annual rate renewal process and policy

Budget Narrative

It is notable that the budget portrays the least expensive possible staff allocation to this fund.

Personnel Services

This fund is proposed to pay for 0.5 full-time equivalent employees:

PW1 (50% of .25) = 0.125 FTE

PW2 (50% of 0.25) = 0.125 FTE

Utility Biller (35% of 0.5) = 0.175 FTE

13 SEWER FUND					
RESOURCES	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	ADOPTED 2021-2022	DRAFT 2022-2023
Beginning Fund Balance	\$ 179,359	\$ 170,735	\$ 92,598	\$ 100,000	\$100,000
Sewer User Fees	\$ 113,314	\$ 127,066	\$ 135,966	\$ 110,000	\$130,000
Sewer Connections					
Late Fees	\$ 3,507		\$ 160	\$ 3,000	\$1,000
CDBG Grant (P17004)	\$ 61,584	\$ 193,714	\$ 124,967	\$ 120,000	\$120,000
Transfer from Water Fund	\$ 15,000				
Total Revenue	\$ 193,405	\$ 320,780	\$ 261,093	\$ 233,000	\$251,000
TOTAL FUND RESOURCES	\$ 372,764	\$ 491,515	\$ 353,691	\$ 333,000	\$351,000
REQUIREMENTS	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	ADOPTED 2021-2022	DRAFT 2022-2023
PERSONNEL					
Full Time Equivalent	1.5		0.50	0.50	0.50
Salaried	\$ 21,848	\$ 74,216	\$ 46,921	\$ 14,348	\$49,000
Benefits	\$ 36,985		\$ 28,668	\$ 7,694	\$30,000
Payroll Tax	\$ 1,610		\$ 5,433	\$ 1,236	\$5,500
Worker's Comp	\$ 1,420		\$ 10,482	\$ 2,500	\$10,000
Total Personnel	\$ 61,863	\$ 74,216	\$ 91,505	\$ 25,778	\$94,500
MATERIALS & SERVICES					
Operational	\$ 7,750	\$ 46,241	\$ (40)		\$-
Professional Services	\$ 11,127		\$ 15,182	\$ 21,000	\$21,000
Equipment O & M	\$ 7,865		\$ 1,020		\$1,000
Facilities O & M			\$ 492		\$500
Insurance	\$ 7,250		\$ 6,000	\$ 6,000	\$6,000
Trvl, Trng, Dues, Statutory	\$ 22,683		\$ 2,810		\$3,000
Utilities	\$ 5,120		\$ 4,538	\$ 5,000	\$5,000
Miscellaneous	\$ 2,391		\$ -	\$ -	\$-
Transfers Out			\$ 62,500	\$ 62,500	\$-
Total Materials & Services	\$ 64,186	\$ 46,241	\$ 92,502	\$ 94,500	\$36,500

TOTAL SEWER PROGRAM	\$ 126,049	\$ 120,457	\$ 184,006	\$ 120,278	\$131,000
CAPITAL OUTLAY & DEBT SERVICE					
CDBG Grant (P17004) Outlay	\$ 72,584	\$ 239,320	\$ 44,808	\$ 120,000	\$120,000
Reserved for Sewer Plant			\$ 599		\$2,000
Total Capital & Debt	\$ 72,584	\$ 239,320	\$ 45,407	\$ 120,000	\$122,000
NON-ALLOCATED					
Contingency	\$ -	\$ -	\$ -	\$ 92,722	\$98,000
Ending Fund Balance	\$ 174,131	\$ 92,598	\$ 35,510		
Total Non-Allocated	\$ 174,131	\$ 92,598	\$ 35,510	\$ 92,722	\$98,000
TOTAL FUND REQUIREMENTS	\$ 372,764	\$ 452,375	\$ 264,923	\$ 333,000	\$351,000
WASTEWATER FUND BALANCE	\$ -	\$ 39,140	\$ 88,768	\$ -	\$-

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. Late fees were then divided and transferred to the corresponding utility fund, we now budget the late fees to the Water and Sewer Fund.

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) sewer plant repair program, 2) expenditures related to the sewer system overhaul.

19 UTILITY RESERVE FUND					
RESOURCES	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	ADOPTED 2021-2022	DRAFT 2022-2023
Beginning Fund Balance	\$ 313,938	\$ 363,752	\$ 314,795	\$ 320,000	\$320,000
Utility Cap Improvement Fee	\$ 52,139	\$ 50,533	\$ 55,075	\$ 50,000	\$55,000
Miscellaneous		\$ 31,174	\$	\$ -	\$-
Total Revenue	\$ 52,139	\$ 81,707	\$ 55,075	\$ 50,000	\$55,000
TOTAL FUND RESOURCES	\$ 366,077	\$ 445,459	\$ 369,870	\$ 370,000	\$375,000
REQUIREMENTS	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	ADOPTED 2021-2022	DRAFT 2022-2023
CAPITAL OUTLAY & DEBT SERVICE		\$ 130,664			
Water Projects			\$ 100,000	\$ 170,000	\$170,000
Wastewater Projects			\$ 50,000	\$ 50,000	\$50,000
New Sewer Project Costs			\$ 75,000	\$ 75,000	\$75,000
Equipment-Operations	\$ 375				
Total Capital & Debt	\$ 375	\$ 130,664	\$ 225,000	\$ 295,000	\$295,000
NON-ALLOCATED					
Contingency	\$ -		\$ 195,000	\$ 75,000	\$80,000
Ending Fund Balance	\$ 365,702	\$ 314,795	\$ 357,104		
Total Non-Allocated	\$ 365,702	\$ 314,795	\$ 552,104	\$ 75,000	\$80,000
TOTAL FUND REQUIREMENTS	\$ 366,077	\$ 445,459	\$ 777,104	\$ 370,000	\$375,000
UTILITY RESERVE FUND BALANCE	\$ -	\$ -	\$ (407,234)	\$ -	\$-

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 council has closed the Wagner Public Library. In order to resume this service in the future, discussions with local library partners have begun to bring book check-in/check-out services at the Luckiamute Community building. Contributions from this fund will be kept to support the restoration Public Library services.

Budget Narrative

We are anticipating a beginning balance in the fund of \$67,215 with no other revenue. We anticipate an expenditure of \$10,000 during this budget cycle for utilities at the Luckiamute Community Building, the location of future library equipment to allow Falls City residents to check-in/check-out books.

71 WAGNER LIBRARY FUND					
RESOURCES	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	ADOPTED 2021-2022	DRAFT 2022-2023
Beginning Fund Balance	\$ 60,015	\$ 41,065	\$ 72,135	\$ 67,215	\$ 97,135
Miscellaneous		\$ 26,150	\$ 25,000		
Total Revenue	\$ -				
TOTAL FUND RESOURCES	\$ 60,015	\$ 41,065	\$ 97,135	\$ 67,215	\$ 97,135
REQUIREMENTS	ACTUAL 2018-2019	ACTUAL 2019- 2020	ACTUAL 2020-2021	ADOPTED 2021-2022	DRAFT 2022-2023
MATERIALS & SERVICES		\$ -			
Professional Services	\$ 18,950	\$ -	\$ -	\$ 10,000	\$ 30,000
Total Materials & Services	\$ 18,950	\$ -	\$ -	\$ 10,000	\$ 30,000
NON-ALLOCATED					
Contingency	\$ -	\$ -	\$ -	\$ 57,215	\$ 67,135
Ending Fund Balance	\$ 41,065	\$ 67,215	\$ 92,215	\$ -	\$ -
Total Non-Allocated	\$ 41,065	\$ 67,215	\$ 92,215	\$ 57,215	\$ 67,135
TOTAL FUND REQUIREMENTS	\$ 60,015	\$ 67,215	\$ 92,215	\$ 67,215	\$ 97,135
FUND BALANCE	\$ -	\$ (26,150)	\$ 4,920		

LUCKIAMUTE COMMUNITY BUILDING FUND

Mission Statement

To provide clear accounting for funds that support the managing of the Luckiamute Community building.

Service Provided

Falls City has leased the 4 discrete units inside the Luckiamute Community building to small and emerging businesses. In addition, this building's publicly accessible spaces are intended for community members to use for various activities that promote a healthy and vibrant community. The rental fees of tenants, and contributions from this fund will support the ongoing use of the building.

Budget Narrative

We are anticipating a fund of \$8,800 to cover utilities at the Luckiamute Community Building, which will also be the potential location of future library equipment to allow Falls City residents to check-in/check-out books.

72 LUCKIAMUTE COMMUNITY BUILDING					
RESOURCES	NA	NA	NA	NA	DRAFT 2022-2023
Beginning Fund					\$ -
Rents/Fees					\$ 7,800
Miscellaneous					\$ 1,000
Total Revenue	\$ -				
TOTAL FUND RESOURCES	\$ -		\$ -	\$ -	\$ 8,800
REQUIREMENTS			NA	NA	DRAFT 2022-2023
MATERIALS & SERVICES					
Utilities			\$ -	\$ -	\$ 7,800
Professional Services			\$ -	\$ -	\$ 1,000
Total Materials & Services	\$ -		\$ -	\$ -	\$ 8,800
NON-ALLOCATED					
Ending Fund Balance					
Total Non-Allocated	\$ -		\$ -	\$ -	\$ -
TOTAL FUND REQUIREMENTS	\$ -		\$ -	\$ -	\$8,800
FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -

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. Administration provided 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 managed by Polk County Community Development Corporation.

60 COMMUNITY DEVELOPMENT REVOLVING LOAN FUND

RESOURCES	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	ADOPTED 2021-2022	DRAFT 2022-2023
Beginning Fund Balance	\$ 91,705	\$ 113,691	\$ 285,159	\$ 200,000	\$ 200,000
Interest-Revolving Loan	\$ -		\$ -	\$ 7,000	\$ 7,000
Transfer In			\$ 99,000		
Total Revenue	\$ -	\$ -	\$ 99,000	\$ 7,000	\$ 7,000
TOTAL FUND RESOURCES	\$ 91,705	\$ 113,691	\$ 384,159	\$ 207,000	\$ 207,000
REQUIREMENTS	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	ADOPTED 2021-2022	DRAFT 2022-2023
MATERIALS & SERVICES		\$ 19,154			
Professional Services	\$ -		\$ 94,900		
Total Materials & Services	\$ -	\$ 19,154	\$ 94,900	\$ -	\$ -
NON-ALLOCATED					
Transfer to General Fund		\$ 17,000	\$ -	\$ -	\$ -
Contingency			\$ 289,259		\$ 207,000
Ending Fund Balance	\$ 91,705	\$ 285,159	\$ 206,263	\$ -	\$ -
Total Non-Allocated	\$ 91,705	\$ 302,159	\$ 495,522	\$ -	\$ -
TOTAL FUND REQUIREMENTS	\$ 91,705	\$ 321,313	\$ 590,422	\$ -	\$ -
FUND BALANCE	\$ -	\$(207,622)	\$ (206,263)	\$ 207,000	\$ 0

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 for equipment, operations, and supplies exclusively for the Falls City Fire Service.

Budget Narrative

This fund was approved by voters on the May 15, 2018 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 22/23).

Revenues have increased slightly from their \$40,000 range to actuals of \$45,000 in FY 21/22. The main purchase with this fund was the new Fire Brush Truck, Engine 123. The payment and debt service on this piece of equipment accounts for approximately 48% of this fund's yearly revenues. Another 30% goes to utilities and 15% more is split between Professional Services and Equipment.

Combined with the Fire portion of the General Fund, the overall expenditures for Fire are \$101,523.

As the Fire Levy expires in 2023, the city will work in the next 12 months to encourage the community to continue supporting this vital service to the residents of Falls City and the surrounding areas.

82 FIRE EQUIPMENT & OPERATIONS LEVY FUND					
RESOURCES	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	ADOPTED 2021-2022	DRAFT 2022-2023
Beginning Fund Balance	\$ -	(2,507.00)	\$ -	\$ -	\$ -
Property Tax Levy	\$ 40,626	\$ 42,669	\$ 481	\$ 39,000	\$ 45,000
TOTAL FUND RESOURCES	\$ 40,626	\$ 40,162	\$ 481	\$ 39,000	\$ 45,000
REQUIREMENTS					
MATERIALS & SERVICES		\$ 13,330			
Operational Expenses	\$ 23	\$ 113	\$ 3,000	\$ 3,000	\$ 4,000
Professional Services		\$ 600	\$ 3,800	\$ 3,800	\$ 4,800
Facilities O & M		\$ 1,051			
Uniforms & Protective Gear		\$ -			
Trvl, Trng, Dues, Statutory		\$ 160			
Utilities	\$ 155	\$ 11,349	\$ 12,500	\$ 12,500	\$ 13,500
Equipment	\$ 3,772	\$ 56			
Transfer to General Fund	\$ 15,000				
Total Materials & Services	\$ 18,950	\$ 26,660	\$ 19,300	\$ 19,300	\$ 22,300
CAPITAL OUTLAY & DEBT SERVICE					
Engine 123 Payment	\$ 15,500	\$ 15,210	\$ 16,075	\$ 16,075	\$ 16,575
Engine 123 Interest		\$ 3,751	\$ 2,890	\$ 2,890	\$ 3,390
Fire Capital	\$ 4,750	\$ 2,951			
Total Capital & Debt	\$ 20,250	\$ 21,912	\$ 18,965	\$ 18,965	\$ 19,965
NON-ALLOCATED					
Contingency			\$ 735	\$ 735	\$ 2,735
Ending Fund Balance	\$ 1,426	\$ 4,920	\$ 19,231		
Total Non-Allocated	\$ 1,426	\$ 4,920	\$ 19,966	\$ 735	\$ 2,735
TOTAL FUND REQUIREMENTS	\$ 40,626	\$ 53,492	\$ 58,231	\$ 39,000	\$ 45,000
Levy Balance	\$ -	\$ (13,330)	\$ (57,750)	\$ -	\$ -

SHARED SERVICES FUND

Budget Narrative

This fund was established by a previous administration to centralize liabilities for shared materials, services, and capital assets. The fund accounted for expenses shared between any combination of two, or more, of the following: Water, Sewer, Streets, and General Funds. The proportionate allocation was calculated in the past using a combination of use and resources that remained consistent over all expenditures.

Based on auditor's advice to increase transparency in accounting, the use of the Shared Services fund was discontinued in FY 2021/2022.

SHARED SERVICES FUND					
RESOURCES	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	ADOPTED 2021-2022	DRAFT 2022-2023
Beginning Fund Balance	\$ -	\$ 6,449	\$ 6,449	\$ -	\$ -
Transfer in-Sewer		\$ 103,425	\$ 20,000		
Transfer in-Water			\$ 45,000		
Transfer in-Streets			\$ 11,000		
Transfer in-General Fund			\$ 36,000		
Total Revenue	\$ -	\$ 103,425	\$ 112,000	\$ -	\$ -
TOTAL FUND RESOURCES	\$ -	\$ 109,874	\$ 118,449	\$ -	\$ -
REQUIREMENTS	ACTUAL 2018-2019	ACTUAL 2019-2020	ADOPTED 2020-2021	ADOPTED 2021-2022	ADOPTED 2021-2022
MATERIALS & SERVICES		\$ 90,807			
Operational Expenses			\$ 11,000		
Professional Services			\$ 59,000		
Equipment O & M			\$ 8,000		
Facilities O & M			\$ 10,000		
Trvl, Trng, Dues, Statutory			\$ 6,000		
Utilities			\$ 11,500		
Total Materials & Services		\$ 90,807	\$ 105,500	\$ -	\$ -
CAPITAL OUTLAY & DEBT SERVICE					
PW Truck Payment		\$ 5,870	\$ 6,100	\$ 6,100	\$ -
PW Truck Interest		\$ 299	\$ 400	\$ 400	\$ -
Total Capital & Debt	\$ -	\$ 6,169	\$ 6,500	\$ 6,500	\$ -
Non-Allocated					
Contingency		\$ -	\$ 10,000		
Total Non-Allocated	\$ -	\$ -	\$ 10,000	\$ -	\$ -
Ending Fund Balance		\$ 6,449	\$ (5,139)		
TOTAL FUND REQUIREMENTS	\$ -	\$ 103,425	\$ 116,861	\$ 6,500	\$ -

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 single 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 Statutes (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.