

# ADOPTED 2021-2022 BUDGET

JULY 1, 2021 THROUGH JUNE 30, 2022



## Budget Committee

### MAYOR

Mary Dedrick

### COUNCIL MEMBERS

Corinne Funderburk  
Daren Dufloth  
Leslie Smith  
Ashley Wheeler  
Josy Chavez  
Roak TenEyck

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Devon Mitchell  
Judy Simmons  
Wendi Damerval  
Roger Condie  
Becky Finck  
Robert Hojaboom

## City Staff

David Stockdale, City Manager  
Melissa Ince, Finance & Administrative Services Director  
Darla Huxel, Police Chief  
Brandon Seitz, Community Development Director  
Scott Coleman, Public Works Director

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Umatilla  
Oregon**

For the Fiscal Year Beginning

**July 01, 2020**

*Christopher P. Merrill*

Executive Director

# City Manager's Budget Message

April 20, 2021

Fiscal Year 2021-2022

We are excited to provide you with the Fiscal Year 2021-2022 Proposed Budget for the City of Umatilla. Once again, as it has been for nearly a decade, we are exceptionally fortunate to have the experience of our Finance Director, Melissa Ince, who has compiled each request from Department Directors, under the direction of the City Manager, to organize and make it possible for each of us to complete this budget. This year's Budget was guided by the City Council's Adopted 2021-2023 Goals, general discussions and direction from City Council, from direction from the Budget Committee from their March 16, 2021 Workshop, and from our various adopted or draft planning documents.



We thank each member of the Council and Budget Committee and our community members for their direction on this crucially important document. This message highlights some of the major projects or changes this year, but certainly doesn't capture every detail. I am proud to share with you this message that highlights many key elements of this Proposed Budget, including our long-term fiscally prudent approach to reserves.

## Historical Growth Everywhere

At this point, it should come as no surprise that Umatilla continues to grow at the fastest pace in our City's history. Even during a historical worldwide pandemic, while other communities lost businesses or saw housing slow, Umatilla retained businesses and added several new businesses to our community. Perhaps the largest business impact to the community was the addition of two more data centers. The City entered into a new Enterprise Zone Agreement with Amazon Data Services in the past fiscal year. In addition to the two already existing data centers inside the City, the first building of the first new campus is anticipated to be operational by spring/summer 2023. It will take about eight years to complete both campuses, translating to continued local construction work for the buildings and corresponding infrastructure as well as new housing for the more than 200 new local jobs created. Several other new businesses chose to make Umatilla their home this past year as well.

The City issued 72 residential building permits in 2020, more than any other year. We forecast at least 100 new residential building permits each year for at least the next five years.

Two years ago, the City realized an increase of 42% to the City's total taxable assessed value, this year we realized an additional 20% increase from the previous year (or approximately a 65% increase from just two years ago). To truly have a clear understanding of our City's historical growth, in addition to the incredible rapid increase to our total assessed value, consider that the City's total budget, across all funds, just nine years ago, was just over \$9 million, compared to this year's total proposed budget of nearly \$55.7 million! Now, many of the funds in this year's budget are "one-and-done" projects utilizing federal pass-through funds (like FEMA or CDBG), but; nonetheless, we are proposing a budget that provides nearly 600% more in operational services and capital projects than what we were able to offer in as little as nine years ago.

## **Investment in Emergency Preparedness and Public Safety**

In addition to a worldwide pandemic, Umatilla also experienced severe windstorms, fires, and snow in 2020. We were fortunate that damages were limited to property only and no one was significantly injured. These forces of nature, in addition to the 2019 and 2018 floods, have exposed a few gaps in our Emergency Preparedness. Council has adopted Objective 1.12 of their 2021-2023 Goals:

"... establish Umatilla as a community that emphasizes emergency preparedness... ensure that all City functions can operate during times of crisis or if power or other core utilities were to temporarily be unavailable... coordinate and carryout a 'table top' exercise with all other emergency service organizations in the area..."

We are happy that this proposed budget begins to implement this Objective immediately. The Police Department purchased an all-new generator this past year and this year we will purchase the necessary transfer switch and cable to fully utilize the generator. The Golf Well has been identified as a critical piece of the City's infrastructure, delivering approximately half of the City's water supply. Its generator has reached the end of its useful life. This proposed budget sets aside \$75,000 into reserves this fiscal year so that it can be purchased next fiscal year (FY22/23). The South Hill lift station provides sewer services to the majority of the residents of South Hill. This vital piece of infrastructure currently does not have any emergency backup power. This proposed budget will purchase the necessary generator to ensure no loss of services during times of crisis. City Hall, identified as a key emergency management location and safety gathering area, is currently not set up to accommodate emergency backup generator power (like the portable generator from the Police Department). This budget will upgrade City Hall's power to be able to run off of generator power, if needed. In all, the City is investing \$229,500 in generators, switches and cables, and power upgrades in this fiscal year.

In addition to ensuring that we are prepared to take care of our residents in times of emergency, we are also making some significant investments to enhance our public safety. This budget originally included the purchase of a new drone for the Police Department with the capability to deliver a small payload (like food, water, or even a lifejacket). This highly useful tool will also provide heightened surveillance capabilities to our officers, often at a safer distance than traditional methods. Due to surplus property sale proceeds, we were able to purchase the drone early in the current fiscal year. New state-of-the-art cameras throughout the community will also help officers keep our community safe and keep our officers safe in the process. New tasers will be purchased and become part of our officer's standard issued equipment, upon successful certification. But, most importantly, this budget utilizes the services of a professional "tabletop" coordinator to bring together all first responders and emergency preparedness officials to carry out one intergovernmental emergency event training exercise. This training will be key in identifying any existing or potential gaps in our emergency response and will also serve as tremendous opportunity to continue to strengthen our relationships with our local partners.

## **Yet Another Year of Planning - But What a Year it Will Be!**

The City has made significant investments into updating many of our planning documents in the past few years, and this year will be no different. The year will start with the completion/adoption of the Master Parks Plan. This document comes with more than three years of research and analysis and community participation into what services and amenities our community desires most. We are happy that this budget proposes to implement

many of the identified services and projects immediately (more on that in the next section). We will also complete the “cousin” to this plan, the Parks System Development Charges (SDC) study. The City completed our Water and Waste Water SDC plan in FY20 and has already begun implementing that plan. Once the Parks SDC is completed, we will be able to include this fee as part of our building permit process to start building up a healthy capital reserve to invest into all-new Parks facilities.

Our Water and Waste Water Master Plans were last updated in 2008 and 1997 respectively. As our City continues to see historic growth, it has become necessary to update these aged plans. Our Public Works Design Standards are more than 20 years old and are in dire need of an update. The beginning of the fiscal year will see the adoption and immediate implementation of these updated standards. As a required follow up to our Risk and Resilience Assessment as part of our compliance with the America’s Water Infrastructure Act, as well as the Council’s Goal to continue to invest in Emergency Preparedness, we will develop and implement an Emergency Response Plan.

This year will also see the investment into the design/engineering of a new marina, to replace our decidedly antiquated marina. The new plans will incorporate modern best practices in marina design to include more resilient framing and runners, sturdier fingers, encapsulated floats, and strong but lightweight coverings, to name a few. These plans are necessary in order to apply for the environmental and other permits required by the Army Corps of Engineers, Department of State Lands, and other permitting agencies. We hope to design the marina this year, apply for and obtain all permits the following year, and construct the new marina in FY23/24, with the new marina in operation by late-summer 2024.

Our Police Department building is showing its age and has been for quite some time. As our community continues to grow at these historic rates, the need to continue to hire additional officers and provide suitable modern police facilities with enough space and training areas is critical to the success of keeping our community safe. We will begin the design process of replacing our existing Police Department this year and will aggressively pursue grant funding to construct the building next year. Once funding is secured, we will begin construction, likely occurring in three years, starting in FY24/25. These plans are the key to initialize this process.

We have received multiple grants from the Community Development Block Grant (CDBG) program to design water and waste water infrastructure to the Brownell Road and Power City areas. These key infrastructure projects will provide a stable drinking water supply to these residents as well as a sustainable sewer option.

Planning is the foundation to all successfully managed Cities. The City Council and this community are making prudent and timely investments into our community’s future by planning for it today.

## **But Also, A Year of Implementation of Plans: Capital & Infrastructure Improvements**

**Umatilla Business Center.** Clearly the largest project of them all, the Umatilla Business Center is more than five years in the making and has an anticipated total project cost of \$7.6 million. This budget builds off the already saved \$1.5 million by adding an additional \$800,000 toward this project this year. We have also requested legislative funding from the State in the amount of \$2.9 million and will learn of that funding by time of adoption. We will also be applying for \$2.5 million from Federal Economic Development Administration funding. And, we anticipate Economic Development funds from Umatilla County to cover any remaining balance. The hope here is to be able to construct this facility without the use of any debt services. We are prepared to begin construction of this project in fall of 2021 if all funding is procured, or spring 2022 if there is still additional funding needed. That will provide us the time necessary to either borrow some of the needed funds or to continue to seek award of grant funding. This facility will become a business hub for the community and will house our business incubator program. It will have a multi-use community room, conference rooms, and a commercial kitchen all available for public use. This project will also make improvements to Village Square Park, street improvements to I Street and 7th Street, and install a new parking lot to serve the building and the downtown in general.

**Trails.** Thanks to help of a grant from the Recreational Trails Program (RTP), this year will see the construction of at least two trails. The section of Trail 2 from the west side of the Pedestrian Bridge up to Powerline Road will be newly constructed, replacing the old trail, and will meet ADA.

**Nugent Park.** We will also make improvements to approximately 1,200 linear feet of trail located on the east side of the Pedestrian Bridge in Nugent Park. We have a grant application pending (\$100,000) for this project, but are proposing to make this trail improvement regardless of whether the grant is awarded. This budget sets aside \$150,000 as our anticipated match for a new playground at Nugent Park to replace the more than 40-year-old playground there. We will also replace the concession/announcer booth building that was damaged in last year's wind storm. Finally, we have budgeted \$118,000 as our anticipated match for a new restroom with adjoining sidewalk to replace the old restroom.

**Marina & RV Park.** We already discussed planning for a new marina earlier. This budget also incorporates \$58,700 as our anticipated match to a grant from the Oregon State Marine Board to install a new flushing restroom near the boat launch. Other improvements such as a new marina host site, and others have also been rolled forward into this budget from the previous year's budget. Perhaps one of the more exciting improvements to this park will be the improvements made to clean up the swimming beach area and make this a free and highly used swim bay and beach for the community.

**Quincy Road Improvements.** As we look to grow Landing Days and beautify the entrance and improve the access to the Marina & RV Park, improvements to Quincy Road are necessary. We will install sidewalks on both sides of the road, crack seal, and slurry seal the road from 3rd Street into the park.

**Outdoor Shooting Range.** The Master Parks Plan is anticipated to be adopted this summer. Second only to an Indoor Aquatic Center, the draft plan has identified an Outdoor Shooting Range as one of the community's most desired amenities. We will be exercising a purchase option of approximately 200 acres of land this year and have identified approximately 20 acres of that purchase to be a great fit to meet this community desire. This section of the property is mostly sloped, providing natural bluffs perfect for retaining gun projectiles and is approximately one mile or more away from the nearest residence. This budget will dedicate these 20 acres and begin construction of this new outdoor shooting range to meet the needs of users of handguns, rifles, shotguns, and archery.

**Pedestrian Bridge.** This \$5.9 million project is more than two years in the making. Doing all we can to mitigate the risk of this strategic piece of City infrastructure being damaged by flood again, the City worked with FEMA and others through the risk mitigation process, causing significant delays in approvals from FEMA for the replacement of the bridge. With approvals now in-hand from FEMA, together with an emergency grant and loan from Business Oregon, we are ready to begin reconstruction of the bridge. The new bridge will increase its east/west span by more than 100 feet and be approximately 6-8 feet higher in elevation. It will also exhibit modern truss features and designated seating areas for users to enjoy the incredible beauty of the confluence of the Umatilla/Columbia Rivers. Construction is anticipated to begin in spring of 2022 with completion toward the end of that same year.

**Kiwanis Falls Replacement.** With so many other projects currently underway, the Kiwanis Falls Replacement Project necessarily was rolled into this fiscal year from the previous year. Design options of this \$275,000 Gateway project into our community will come before Council by the end of the fiscal year. Construction is anticipated to begin this fall with completion in spring of 2022.

## **Housing**

Though there is no one specific line item in this budget associated with housing, the City will take a direct hands-on approach to housing this year. This will come mostly in partnering with housing developers to develop both low-income and high-income housing units on city owned land. Middle income housing is going strong and needs very little assistance from the City. The City owns Big River Golf Course, which is zoned medium density housing, as well as several adjacent properties to the east of the course. The City also owns several parcels in and around the downtown that are excellent candidates for multi-use commercial and high-density housing. Investing in our housing development is a critical piece of economic development and quality of life to our community. These efforts will help bring housing at every economic level to our community.

## **Big River Golf Course**

Big River Golf Course is a cherished community asset and the City is proud to have been able to acquire this facility last fiscal year. We have some big plans for Big River Golf and we are getting started with those plans now. First, we needed to bring on new-to-the-City FTE and hired staff in April. These staff members, though dedicated mostly to the golf course, will also be strategically available to help serve all of our public works facilities, especially during times of emergency. Their knowledge of facilities management and maintenance will be a valued addition to all our city-wide facilities. But, we need to make sure we are being the most efficient with their time and with the overall operational management of the course. The first thing we will be doing this year is to upgrade the irrigation system to incorporate automated valves so that we aren't relying on staff to manual run this system each day. This \$21,000 investment will more than pay for itself in staff savings in less than one year.

Much of the existing equipment at the Golf Course is in need of replacement, though still gets the job done. Of immediate need, however, is the purchase of a new turf mower that is able to cover large areas quickly and efficiently. This new mower is specifically designed for striping turf on the course or sports fields and may be made available to provide this highly desired professional look at other facilities during league/tournament play.

The golf course currently has 60 golf cart sheds that are available to rent out on an annual basis. The current sheds are full and there is a long waiting list. We will add 20-30 new sheds this year and anticipate that they will be immediately occupied.

The golf course pump station also needs repairs. The existing electrical equipment needs to be removed and replaced, including the panelboard with breakers, a transformer for 120v power and two 60HP VFDs. In addition, we will expand the existing building to accommodate the new electrical equipment and to meet clearance requirements in the building code.

As part of our effort to continue to be good stewards of the public's resources, we will be bringing on a consultant this year to provide us with recommendations on how to maximize revenue and reduce expenses from the course. This report will also provide us with suggestions on general course improvements for the player experience, as well as for the facility. It will include recommendations for marketing the course, including our online presence and website and will recommend course amenities and services. We hope to build a clubhouse facility sometime in the next five years and this report will provide us with recommendations on facility layout, a pro shop, a restaurant, conference rooms and a general hall. This report will also provide us with other potential uses of the course, including festivals, heightened tournaments, and more.

Big River Golf Course will be the host to the City's new outdoor music festival starting in spring 2022. This year's budget includes significant costs in renting equipment, but we will transfer \$260,000 into reserves this year and contribute the same next year to be able to install power upgrades next year. This will result in a one-time expense to save significant costs each year thereafter.

In addition to operations and management of the course and hosting our new festival, we will also begin drafting our site plans for housing improvements on and adjacent to the course as well as other potential amenities. The

eventual sale of these sites will help us pay for clubhouse construction, course improvements, and go toward paying off our debt on the course. It will also add much needed housing.

### **Downtown Revitalization and Local Business Grant**

Our façade grant has garnered much more use in recent years with the City granting more than \$200,000 the past three years. This budget includes \$100,000 to this grant program and we anticipate interest to use every dollar budgeted.

We are excited to announce our all-new Local Business Grant program this year, with its corresponding \$120,000 budget in this inaugural year. This grant will provide funding to new or existing businesses looking to expand their business or make needed facility improvements. It can also be combined with the Downtown Façade Grant if the business is located in the downtown. The final rules of the grant will be available in June, the same time applications will be available with initial funding available in July.

These grant programs and other initiatives will continue to boost our efforts of revitalize not only our downtown, but many of our businesses throughout the City.

### **Museum Purchase and Land Acquisition**

Remembering and celebrating our City's unique and storied history is critical to providing our residents a sense of belonging and an opportunity to bring residents from varied cultural backgrounds together. The City has partnered, for many years, with the Museum to assist them with providing curation and historical services. Their building is beginning to pose a significant financial burden to their core mission of providing museum services. The City will purchase the Museum building in this year for \$125,000 and will make payments of \$31,250 over the next four years to make this purchase. We will then enter into a long-term 50-year lease with the Museum for \$1/year for the use of the building. This will allow the Museum to continue to focus and invest in their core mission and will allow the City to ensure that our residents will always have the Museum available to them and that the facility will always be well maintained.

At the core of economic development is land... the one resource no one is making any more of. This budget includes funds to exercise a purchase option the City owns on approximately 200 acres of industrial land. It further includes \$500,000 set aside for additional acquisition of industrial land and \$250,000 for the purchase of not-yet identified land for the Council to be opportunistic and strategic to help meet other City goals through this land acquisition.

This direct approach to economic development and community services through land acquisition is intentional and will play a key role in being prepared to meet the demands of our residents from current needs and growth.

### **Reserves**

A healthy budget must be prudent in ensuring that there are adequate funds for emergencies and unexpected drops in revenue. The Council's adopted Goals state a desire to have reserves at 20% or more for the General Fund, Water Fund, Sewer Fund, and Street Fund. This budget provides reserves at 18% for the General Fund, 10% for the Water Fund (with the Water Reserve Fund at 25%), 21% for the Sewer Fund (with Sewer Reserve Fund at 73%), and just 7% for the Street Fund (something we anticipated since we spend these reserves down in order to complete the 6th Street Project). Though only the Sewer Fund is reaching this ambitious 20% Goal this year, we are confident that we will be able to reach the 20% goal in next fiscal year's budget (FY22/23) for the General Fund and should be able to get significantly closer to 20% in Water and Street Funds that year as well (though, 20% may be too high of a possibility without causing unnecessary hardship to each fund's operations).

This budget has significant one-time expenses, mostly focused primarily on capital improvements and capital purchases. This allows us to also pursue significant grant opportunities and leverage the City's funds. Though our overall operational budget and one-time purchases are seeing a significant increase, this proposed budget continues to exercise prudent and sound stewardship of the public's resources by continuing to maintain healthy reserves.

## Summary

This is an exceptionally ambitious budget and comes at uncertain times. The City has been highly responsible with its budget and reserves in the past and it is those prudent and forward-thinking fiscal policies of the past that have provided us this important opportunity today to make significant investments into our community. It is during these uncertain and hard times that it makes the most sense for our City to play well our vital role of steadying the local economy to ensure that it maintains local jobs and provides high quality of life improvements and amenities... especially if we are still able to maintain healthy reserves.

This budget invests in park improvements, trail improvements, public safety, public works, housing, the local economy, our businesses, and new and necessary equipment and technology. This budget will strongly continue to revitalize the downtown and strongly support our current and new businesses. It is an incredibly exciting time for Umatilla! Once again, I am proud to provide you with this proposed budget.

Sincerely,

A handwritten signature in blue ink that reads "Dave Stockdale". The signature is written in a cursive style.

Dave Stockdale, City Manager

# Budget Overview

Fiscal Year 2021-22

This section is meant to provide an overview of the City's Annual Budget Document. It includes a snapshot of revenue, expenses, priorities, and other important and interesting information. The resources available and the priorities of the community define how the city operates, the services provided to residents and businesses, and the decisions made by City Council during the FY2022 budget adoption process.

As the budget was presented for adoption, the uncertainty of the COVID-19 pandemic continued. The American Rescue Plan Act of 2021 (ARPA) was signed into law by President Biden on March 11, 2021. The ARPA is a \$1.9 trillion economic stimulus bill. Within ARPA, the Coronavirus State and Local Fiscal Recovery Fund provides \$350 billion for states, municipalities, counties, tribes, and territories, including \$130.2 billion for local governments split evenly between municipalities and counties. The City's ARPA distribution will be approximately \$1.6 million, to be received in two equal payments one year apart from each other.

Fortunately, the city budget is dynamic and flexible. The City has established strong reserves and continues to see tremendous development resulting in additional property taxes and payment in lieu of tax. The City is committed, completely, in doing all we can to support and assist our residents and local businesses however we can. This proposed budget has a new line item of \$225,000 for the Local Business Grant Program. This grant will provide funding to new or existing businesses looking to expand their business or make needed facility improvements. It can also be combined with the Downtown Facade Grant, which has an allocation of \$170,000, if the business is located in the downtown.

The City has been highly responsible with its budget and reserves in the past and it is those prudent and forward-thinking fiscal policies of the past that have provided us this important opportunity today to make significant investments into our community. It is during these uncertain and hard times that it makes the most sense for our City to play well our vital role of steadying the local economy to ensure that it maintains local jobs and provides high quality of life improvements and amenities... especially if we are still able to maintain healthy reserves.

The development of the budget is guided by City Council strategic goals, budget policies, financial policies, legal mandates, and service level prioritization.



**Goal 1: Promote a Vibrant and Growing Community by Investing in and Support of Quality of Life Improvements.**



**Goal 2: Promote Economic Development and Job Growth**



**Goal 3: Enhance and Cultivate Relationships, Partnerships, and Community Perceptions**



**Goal 4: Increase Public Involvement, Increase Transparency, and Enhance Cultural Diversity**



**Goal 5: Perform at the Highest Levels of Operational Excellence**

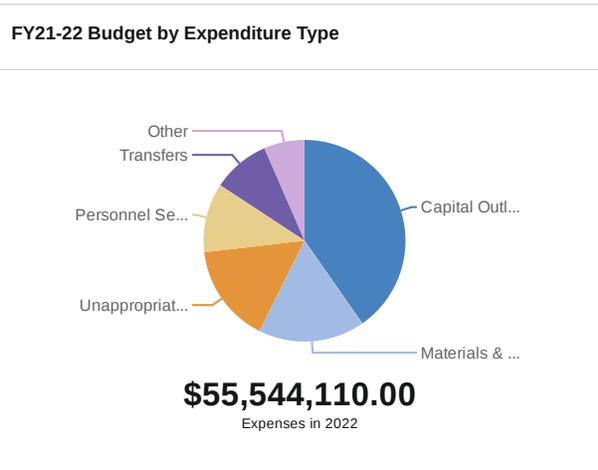
**THE CITY BUDGET IS...**

A process to allocate resources to programs, services, and infrastructure.

The budget matches the financial, material, and human resources available with the requirements to complete the strategic goals set by the City Council.



## BUDGET DEVELOPMENT TIMELINE | FISCAL YEAR BEGINS JULY 1ST



The City of Umatilla's annual budget for fiscal year **2021-22 totals \$55,544,110.**

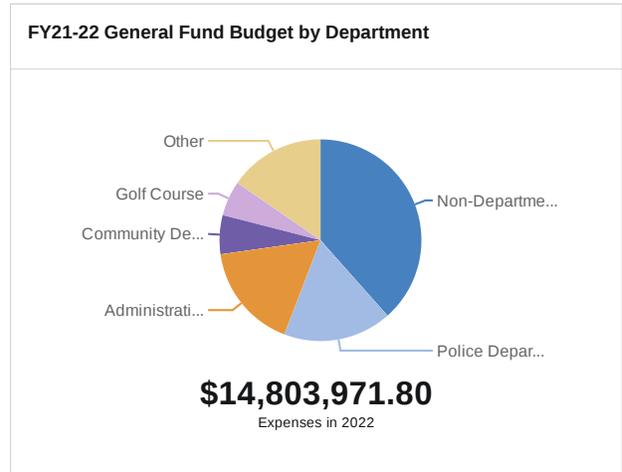
The budget continues to balance stable, recurring revenue sources with ongoing operations and utilizes new revenue as leverage to complete valuable capital projects.

### FY2021-22 CAPITAL BUDGET BY PROJECT TYPE | TOTAL \$22.4M



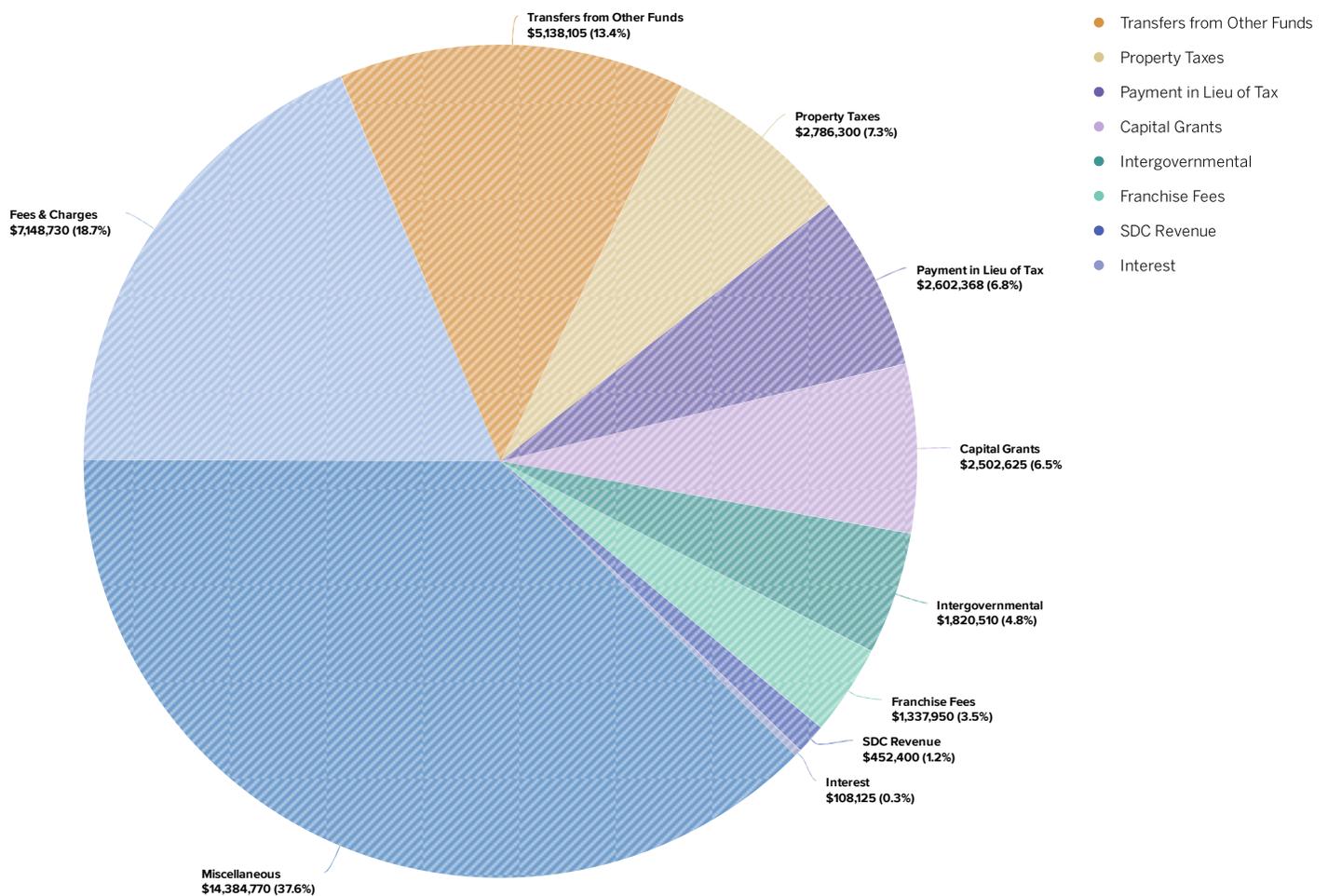
# Where does the money go?

FY2021-22 **GENERAL FUND**  
**BUDGET** Total \$14.8M

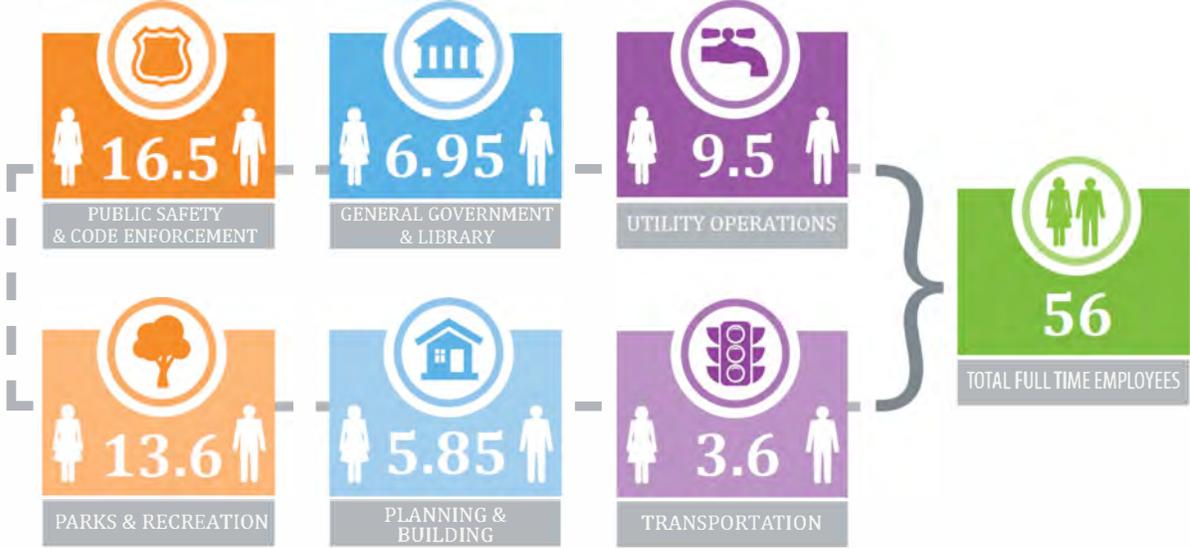


# How do we pay for our services?

FY2021-22 **PROJECTED REVENUES** TOTAL \$38.3M



FY2021-22 **STAFFING BY FUNCTION** (FULL-TIME EQUIVALENT CITY EMPLOYEES)



# City Overview: About Umatilla

Fiscal Year 2021-22



## The City

The City of Umatilla is surrounded by rolling hills, sitting at the confluence of the Columbia and Umatilla Rivers. The natural beauty of eastern Oregon and abundant waterways have had an unmistakable influence on the development of the city over the years. The relationship between the built environment and natural landscape has been deeply intertwined, crafting a distinct identity over the years and providing the background for a vibrant and unique sense of place. Preserving and enhancing the scenery, while also embracing the rich heritage of the city will distinguish Umatilla as a city brimming with opportunity, shaping its growth over the coming years.

## Form of Government

The municipal government provided by the Charter of the City of Umatilla is a Council-Manager form of government. Pursuant to the provisions of the Constitution of the State of Oregon and subject only to limitations imposed therein and by the Charter of the City of Umatilla, all powers of the City are vested in an elected City Council.

# City Council

## Membership

The Council is composed of six Councilors elected in the City at large and by position number. All are elected for a four-year term in staggered elections, three councilors being elected every two years. The Mayor is elected for a term of four years at alternate biennial election.

## General Powers

- A. The Council interprets the needs and desires of the local community;
- B. The Council appoints and removes the City Manager;
- C. The Council approves preliminary and final plans and specifications, as well as, acquisition and disposal of City property;
- D. The Council determines the compensation and salary schedules of all employees of the City in accordance with procedures established by law and City policy;
- E. The Council provides for keeping the public informed of the purposes, needs and conditions of the City Government;
- F. The Council evaluates the programs of the City and appraises the efficiency of executive personnel;
- G. The Council formulates and approves ordinances, resolutions and policies for the City;
- H. The Council implements all actions required by law;
- I. The Council considers specific actions recommended by the Administrator;
- J. The Council adopts the budget of the city

### Council Position 1

**Corinne Funderburk**



### Council Position 2

**Daren Dufloth**



### Council Position 3

**Leslie Smith**



### Council Position 4

**Ashley Wheeler**



### Council Position 5

**Josy Chavez**



### Council Position 6

**Council President Roak TenEyck**





## Mayor

Photo: Mayor Mary Dedrick

### Duties at Council Meetings

The Mayor is the presiding officer of the Council. He or she has no vote except in case of a tie vote of the members of the Council present at the meeting. He or she has the authority to preserve order, enforce the rules of the Council, and determine the order of business under the rules of the Council.

### General Powers

- A. The Mayor appoints or provides for the election of all committees of the Council;
- B. The Mayor calls special meetings of the Council;
- C. The Mayor signs official City documents that require the signature of the office;
- D. The Mayor has no veto power, and signs all ordinances passed by the City Council within 3 days of their passage;
- E. The Mayor is deemed a Council member for the purpose of constituting a quorum.

## City Manager

The City Manager is the Chief Administrative Officer of the city and is responsible to the Council for proper administration of all of the city's affairs. To that end, he or she has power and is required to:

- A. Attend all meetings of the Council, unless excused therefrom; attend meetings of the Council committees; keep the Council advised of the affairs and needs of the City, and make reports, upon request of the Council, on all the affairs and departments of the City.
- B. General supervision and control over appointive City officers and employees and their work, except as otherwise designated by Charter;
- C. Act as purchasing agent for all departments of the City;
- D. Ensure all laws and ordinances are enforced, except criminal offenses, which are the duty of the Chief of Police;
- E. Meet with private citizens and interested groups seeking information or bringing complaints and attempt to resolve problems and complaints fairly or report same to the Council;
- F. Supervise the operation of all public utilities owned and operated by the City and have general supervision over all City property;
- G. Sit with Council at all meetings and have the right to take part in all discussions of the Council, but shall have no vote.

## History & Heritage

### Rippling Water

“Water was created first, life and land were created next, land promised to take care of all life, all life promised to take care of the land.” The Old Town waterfront property, at the confluence of the Umatilla River and the Columbia River, is of national and regional significance dating back over 8,000 years of use. It was a permanent village site for the Umatilla Tribe for thousands of years, and then became the location for the city of Umatilla in 1864. When the John Day Dam was constructed in the middle of the 20th century, the Army Corps of Engineers condemned the site as a floodplain, and downtown Umatilla was moved just south of where it once stood.



### The Saloon Days and Gold Rush

During the days of the commercial supremacy of Umatilla Landing, there was something to do every day and every night. In the 1860s, the town had a population of 1,500 & a floating population - those staying for short periods of time - of about the same. In those times, Umatilla was the largest city in Eastern Oregon. The men who resided in Umatilla, most of which were gold speculators, who made their way along the Columbia River in search of riches, were by no means Sunday school teachers.

Umatilla was projected to be the successful rival of Walla Walla until the gold rush subsided and the town lost its county seat. The area's fertile land then opened it up to a largely agricultural economy based on dryland wheat farming. Fruit, grain, timber, cattle, and sheep were all important agricultural products. The population of towns in nearby Grant and Union County gradually increased and subsequently decreased the population of Umatilla Landing.

Even after losing much of its population to towns further east, Umatilla was still the rendezvous for all the freighters from Grand Ronde, Powder River, and the Idaho country. When the railroad was completed in 1883, the town joined the vast throng of industrial centers. In the mining days, Umatilla rose to great prominence only to quickly decline due to changing conditions resulting from an increased population and the extension of railway lines. The railroad spurred Umatilla County's economy to boom, but this time the boom was based on grain and wool instead of from the pursuit of gold.

## All-Woman Administration

In 1912, women won the right to vote in Oregon. In 1916, an all-woman administration was elected in Umatilla, when the wife of the former Mayor E.E. Starcher, Laura Starcher, pictured to the right, ran against and defeated an all-male ticket. She defeated her husband by a majority of 28 votes out of 174 ballots cast. The all-female administration included a woman Mayor, four Councilwomen, a woman Recorder, and a woman Treasurer. From 1916 to 1920, women officially governed Umatilla. In addition to routine work, the women installed water heaters and established the first city library. In her victory speech, Starcher stated, "We will not leave the enforcement of our laws to any man because past experience has proven the laws will not be strictly enforced."



# City Overview: Budget Process

Fiscal Year 2021-22

## Budgeting in the City of Umatilla

Umatilla prepares and adopts a budget in accordance with its city charter and ORS 294.305 - 294.565. The law has two major objectives:

- Provide standard procedures for preparing, presenting, and administering local budgets
- Ensure citizen involvement in the preparation of the budget

Under the City's expenditure limitation, total expenditures cannot exceed the appropriation budget. The budget can be amended through adoption of a supplemental budget. Supplemental budgets are adopted using public hearings and shall not extend beyond the budget period during which they are submitted. The City Manager has responsibility for management of the overall City budget and maintaining budgetary control at the approved appropriation level. Ongoing review and monitoring of revenues and expenditures is performed by the Finance Department and the respective operating department directors.

## Citizens' Budget Committee

The Citizen's Budget Committee consists of the governing body plus seven legal voters appointed by the City Council for three-year terms. The Budget Committee meets annually to review budget and financial information. The first review of the budget occurs when the budget is presented to the committee; at that time, the budget is publicly available, and the committee begins their review of the budget presented by the City Manager. The committee may approve the proposed budget intact, or change part or all of it prior to final approval. After notices and publications are filed according to local budget law, the budget is forwarded to the council for formal adoption prior to June 30.

## Budget Hearing and Adoption

A public hearing on the proposed budget is held before its final adoption at such time and place as the Budget Officer recommends. The public hearing is held to give the public ample opportunity to participate in the budget process. Notice of the public hearing, a brief summary of the proposed budget, and notice that the proposed budget is on file in the office of the City Clerk, is published no less than 5 days and no more than 25 in advance of the hearing. The complete proposed budget is placed on file for public inspection during office hours prior to the public hearing.

Prior to June 30 of each year, the City Council sets a tax levy and certifies this levy to the County Assessor. Upon completion of the public hearing and the tax levy certification, but not later than June 30, the City Council adopts the budget and makes necessary appropriations by Resolution.

## Budget Control and Amendments

The budget may be amended during the fiscal year through adoption of a supplemental budget. Supplemental budgets are adopted through a similar process used for the regular budget (including the use of public hearings but excluding Citizens' Budget Committee meetings) and shall not extend beyond the end of the fiscal year. Supplemental budgets cannot be used to authorize a tax levy.

By transferring appropriations, the City usually has enough flexibility to carry out the programs prescribed in its adopted budget. There will be times, however, when an adopted budget has no authority to make certain expenditures or when revenues are received for which the City had no prior knowledge. In those cases it is possible to use a supplemental budget to authorize expenditures and/or appropriate additional revenues in the current budget period.

## Accounting and Budgetary Basis

"Basis of Accounting" refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

For both budgeting and auditing purposes, the City of Umatilla uses a modified cash basis of accounting. Under this method, revenues are recognized when they become measurable and available. Measurable means that the dollar value of the revenue is known. Available means that it is collectible within the current period, or soon enough after the end of the current period to pay off liabilities of the current period.



# City Overview: Budget Calendar

Fiscal Year 2021-22

## January - February

- ② Hold informal department discussions
- ② Gather next fiscal year revenue and expense predictions

## March

- ② Department directors submit formal budget requests
- ② Working session with Budget Committee to discuss projects to be included in budget, funding sources, priorities, goals and expectations
- ② Preliminary budget drafts prepared

## April

- ② Final budget review meetings with departments
- ② Advertise notice of state revenue sharing uses
- ② Budget Committee meetings are advertised
- ② Finance performs final review and reconciliations and print proposed budgets
- ② City Manager presents budget message and budget at the first Budget Committee meeting
- ② Budget Committee discusses, deliberates and approves the budget
- ② Budget is updated to reflect Committee changes

## May

- ② Prepare and publish Financial Summary and Notice of Budget Hearing
- ② If necessary, publish Notice of Supplemental Budget Hearing

## June

- ② Council passes current year budget resolutions
- ② Council passes resolution for state revenue sharing eligibility and proposed uses
- ② Council holds Budget Hearing and adopts the Budget, makes appropriations and declares tax rate and bond levies

# City Overview: City Council Strategic Goals and other Planning Documents

Fiscal Year 2021-22



**City of Umatilla**  
**City Council Goals**  
**July 1, 2021 - June 30, 2023**

**Purpose:**

To sufficiently and appropriately manage and meet the community's expectations for high quality services, provide a general vision to manage growth and improvements, and to strengthen and diversify Umatilla's economic vitality and increase quality of life to our residents and visitors.

**Guiding Principles:**

The City Council sets policy direction to guide staff implementation of these goals. The 2021 – 2023 City Council Goals are to serve as a vision for the City during this set duration and is not intended to be an exhaustive list of goals. This list of goals is representative in nature and without a hierarchy of priorities. Council members will be a positive and resourceful representative for Umatilla and communicate well with residents, businesses, and our partners. City Council will support the City Manager to implement the operational aspects of these adopted goals.

**Goal 1: Promote a Vibrant and Growing Community by Investing in and Support of Quality of Life Improvements.**

**Desired Outcome:**

To sustain, grow, and enhance the City's Livability and Quality of Life by supporting and increasing public safety; encouraging increases in public health initiatives like community and private investments in medical facilities, wellness programs, and recreational activities; and emboldening a local culture that supports, encourages, promotes, and solicits events, festivals, and public gathering opportunities.

- Objective 1.1: Support proactive and alternative community policing efforts that promote prevention, rehabilitation, and substance abuse circumvention. When possible, invest in early prevention services and programs.
- Objective 1.2: At a minimum, maintain the FY20/21 Police Department staffing levels and funding and support a department with a high emphasis on officer training and purchasing of state-of-the-art police technologies and equipment.
- Objective 1.3: Coordinate all major community events with the Police Department to help ensure public safety. Whenever possible, encourage officer presence at all major events as appropriate and as resources allow.
- Objective 1.4: Financially and otherwise support the creation of new city-sponsored recreation programs for people of all ages. Increase and expand partnerships with other public facilities, like the Umatilla School District and others, for public use to support such programs.
- Objective 1.5: Partner with other jurisdictional public health programs and private health providers in efforts to reduce tobacco use, marijuana use, substance abuse, reduce alcoholism, and reduce obesity. Seek grant opportunities to do so and give priority use of city-owned facilities to organizations that support these efforts.

- Objective 1.6: Recognize the high benefit and resolve that one of the highest priorities to our community is to provide a city-wide trail and pathway system that encourages walking, jogging, biking, and mobile leisure as well as enhances public safety by reducing the risk of pedestrian/vehicle accidents.
  - Objective 1.6.1: While ensuring to be good stewards of the public's lands, every effort should be made to maximize river front trails and public access to our rivers and beautiful natural landscapes and views that includes our rivers, mountains, hills, wetlands, and desert features.
- Objective 1.7: Continue to research the acquisition and eventual development of an all-new outdoor community festival and events facility with the capacity to host large events of at least 7,500 people. If possible, attempt to procure property with river front features.
  - Objective 1.7.1: Until an outdoor community festival facility is developed or determined to be nonviable, use of Big River Golf Course to host large events, especially during shoulder seasons (March/April or October/November), should be strongly considered.
- Objective 1.8: Continue to cultivate professional relationships and partner with the Umatilla Chamber of Commerce. Work collaboratively to promote events, work to increase businesses, and encourage community memberships and participation. Determine the best use of city facilities that both supports the partnership and supports the community overall.
- Objective 1.9: Invest in, support, and encourage commercial revitalization, with an emphasis in the downtown.
  - Objective 1.9.1: Increase city grant program funding to financially support and encourage facade improvements. If possible, work to increase the total amount available and the amount available for each applicant project.
  - Objective 1.9.2: If resources allow, create an all-new City grant program to assist businesses with costs associated with locating their business into Umatilla commercial buildings throughout the City (does not include home-based businesses). Additional incentives should be made available to those businesses looking to locate in any downtown building that has been vacant for at least two years or any other commercial building that has been vacant for at least three years.
  - Objective 1.9.3: Procure, through purchase and/or condemnation, unsafe, chronically vacant, or run-down buildings. Rehabilitate and/or refurbish such newly acquired buildings or work closely with developers and investors to do so. When appropriate, keep as publicly owned buildings; otherwise, make every effort to get the newly refurbished buildings back into private ownership to encourage business and economic growth.
  - Objective 1.9.4: Follow best practices and principles for downtown urban beautification; at a minimum, encourage tree plantings, flowers, ornamental lighting and fixtures, natural and manicured landscapes, and the like. If necessary, do so through code revisions.
- Objective 1.10: Invest in at least one all-new large (more than 3,000 people per day) multi-day city-sponsored event/festival that will occur annually.
- Objective 1.11: Construct the Umatilla Business Center: rehabilitation of the old post office and all-new construction, Village Square Park improvements, alley improvements, parking lot, I Street improvements, and 7th St. improvements. Make every effort to achieve a "Festival Street" concept. Continue to explore the possible procurement of the Umatilla School District's maintenance building to eventually be converted into a Community Recreation Center or other City facility.
- Objective 1.12: Make efforts to establish work place safety. Work to establish Umatilla as a community that emphasizes emergency preparedness. Make any effort possible to ensure that all City functions can operate during times of crisis or if power or other core utilities were to temporarily be unavailable. At least once during 2021-2023, coordinate and carryout a "table-top" exercise with all other emergency service organizations in the area and work to remedy any gaps that may have been identified from this exercise.

## **Goal 2: Promote Economic Development and Job Growth**

### **Desired Outcome:**

Achieve economic stability and sustained job growth, build a highly skilled and flexible local workforce, concentrate on retaining and expanding existing local businesses, recruit new businesses that are well-suited for success in our region, encourage education, strengthen tourism, promote and encourage the preservation of our historic assets and history, support residential and commercial developers, invest in infrastructure and technology, ensure adequate supply of development-ready lands for commercial/residential/industrial use, and encourage development that is environmentally sensitive.

- Objective 2.1: Continue to strongly support and encourage the development of data centers.
- Objective 2.2: Promote diversification of the commercial/industrial base.
- Objective 2.3: Reduce barriers to economic growth. Listen to commercial and industrial developers, partners, staff, and the public to reduce such barriers.
- Objective 2.4: Cooperate with local educational institutions to coordinate training/skill requirements to meet the needs of local employers. Reduce barriers to obtaining necessary or upgraded job skills.
- Objective 2.5: Cooperate with business, educational institutions, community organizations, and government to provide information to local businesses.
- Objective 2.6: Assist local and non-local firms in finding appropriate development sites for expansion and encourage local employers to grow in-place.
- Objective 2.7: Cooperate with other agencies and institutions to identify programs and services to assist in the creation of new small businesses.
- Objective 2.8: Promote start-up businesses with both financial and technical assistance. Create a city-run business incubator program that helps new businesses off-set some of the risks of starting a new business.
- Objective 2.9: Partner with the Chamber of Commerce and other organizations to create local programs which provide business development, information, and technical assistance.
- Objective 2.10: Partner with other jurisdictions and/or private organizations whenever possible to pool resources and leverage funds.
- Objective 2.11: Improve in the city's economic vitality and competitiveness by investing in our utility infrastructure, transportation systems, and recreational opportunities.
- Objective 2.12: Adopt updated Commercial Design Standards no later than August 31, 2021.

## **Goal 3: Enhance and Cultivate Relationships, Partnerships, and Community Perceptions**

### **Desired Outcome:**

To enhance already positive local, regional, and state-wide relationships and to strengthen or improve poor relationships. To cultivate current partnerships and to expand partnerships that will help achieve Goals 1 and 2.

- Objective 3.1: Strengthen community relations and improve public perception through proactive community engagement.

- Objective 3.1.1: Create opportunities for residents to build relationships within their neighborhoods to foster social cohesion, sense of community, and broaden understanding.
- Objective 3.2: Actively promote positive actions the City is providing in our community. Promotions may include, but are not limited to: events, parks programs, festivals, city services provided, City staff achievements, elected officials' achievements, completed projects, partnership achievements, etc.
- Objective 3.3: Continue to build upon positive Police Community Engagement activities, especially in socio-economically challenged areas to create meaningful engagement opportunities.
- Objective 3.4: Expand public involvement opportunities. Make every effort possible to ensure to provide the public the ability to participate in-person or remotely through utilization of technology. Whenever possible, use live-streaming services of Council or Committee meetings. Post recordings to the City's website to be viewed on-demand.
  - Objective 3.4.1: Actively solicit and encourage the community to become committee members, task force members, and to join advisory committees. Each position should be advertised prior to any appointment or re-appointment.
  - Objective 3.4.2: Whenever possible, provide opportunities for the public to provide feedback on strategic plans, master plans, improvements plans, etc. Participation should be made as accessible as possible and should utilize traditional methods such as town halls or in-person comment opportunities; and should utilize technology whenever possible.
  - Objective 3.4.3: Encourage city-wide "Community Honor" activities such as Community Clean Up Days, Community Day of Service, Community Historical Celebrations, and similar.
  - Objective 3.4.4: Create a Mayor's Choice: Citizen of the Year Award to be presented at either a major Community appreciation event or during a City Council meeting. The recipient of this award will have a day declared in their honor via Mayoral Proclamation.
  - Objective 3.4.5: Create programs in partnership with the School District and/or other education organizations to have students Pre-K through high school to come and lead City Council in the Pledge of Allegiance at each Regular Council Meeting.

## **Goal 4: Increase Public Involvement, Increase Transparency, and Enhance Cultural Diversity**

### **Desired Outcome:**

To develop and implement highly efficient and transparent communication methods with the public, encourage public participation through each of our processes, and welcome and engage all members of our community by eliminating barriers of participation. Promote a higher sense of community spirit and inclusiveness through celebrating culture, tradition, history, holidays, and community achievements.

- Objective 4.1: Invest in and utilize videoconferencing or webinar technology that will allow the public to interact with City Council or their appointed commissions/committees from anywhere with connection to the internet.
- Objective 4.2: Create and continue to increase on-demand city information and data available to the public on the City's website.
- Objective 4.3: At least quarterly, publish a City newsletter to be circulated in print and online.
- Objective 4.4: At least once a year, host "town hall" or informational sessions for the public to come interactively discuss topics that are important to them.
- Objective 4.5: Expand outreach to and engagement with residents who have limited English proficiency by developing and executing strategies specifically designed to build relationships and encourage participation with this citizen group.

- Objective 4.6: Seek opportunities to partner with organizations that celebrate or teach about our diverse heritage. These may include education seminars, dances, festivals, trainings, or similar. Whenever possible, provide venue space to host such activities.
- Objective 4.7: Whenever possible, Council members or city officials should accept invitations or seek opportunities to speak/present in neighborhood groups, businesses, or other local boards or outside organizations to share information about City affairs and share these goals.

## **Goal 5: Perform at the Highest Levels of Operational Excellence**

### **Desired Outcome:**

Provide exceptional customer service that exceeds the public's expectations, invest in staff development, and sustain and improve the City's financial positions.

- Objective 5.1: Continue to invest in staff's professional development.
- Objective 5.2: At least twice a year, offer training to elected officials. Topics may include at least the following: use of City technology, public official ethics, public meetings, public records, roles and responsibilities, basic budgeting, media relations, or use of social media.
  - Objective 5.2.1: Each year, in April and October, have City staff provide a City tour to elected officials.
- Objective 5.3: Integrate a Customer Service element to annual employee performance evaluations.
- Objective 5.4: At least annually, poll the community regarding their level of satisfaction with any recent service they have received from the City.
- Objective 5.5: Increase the number of customer self-service options for those who wish to limit their direct interaction with staff or elected officials.
- Objective 5.6: Focus efforts on retention of employees. Ensure that wages and benefits are competitive, frequency of trainings are appropriate, and employee recognition and morale is a priority.
- Objective 5.7: Expand the City's social media presence being sure to utilize multiple platforms to engage with the community "where they are." Use social media as part of our overall communication efforts and to also create opportunities to bolster our sense of community, celebrate our history and diversity, and create excitement for the work we are doing and events we are sponsoring.
- Objective 5.8: Receive the Government Finance Officers Association (GFOA) Distinguished Budget Award annually.
- Objective 5.9: At a minimum, maintain a prudent operational reserve of at least 20% in each of the following funds: General Fund, Street Fund, Water Fund, and Sewer Fund. Whenever possible, all major capital purchases should be planned utilizing a multi-year savings approach.



## **Transportation System Plan**

The City's Transportation System Plan was developed to guide the management of existing transportation facilities as well as the development of future facilities. The Plan was adopted in 1999. An update will begin in the next few years.

## **Water System Master Plan**

The City's Water System Master Plan (2008) focuses on the overall water system, including the water supply, storage and distribution systems. The study includes an analysis of the existing system and its performance, evaluation of system needs, evaluation of improvement alternatives, prioritization of improvements, and development of an implementation schedule.

As a result of the City's rapid growth, we intend to update the Water Master Plan in the 2020-21 fiscal year. The City is applying for a technical assistance grant to assist with the plan updates.

## **Wastewater System Study**

The City's Wastewater System Study (1997) provides an evaluation of the City's existing collection, treatment, and outfall system, and provides improvement alternatives to address deficiencies in these areas of the wastewater system. The study also provides funding alternatives and an implementation plan for the selected improvement alternatives.

The City will also be updating the Wastewater System Study in the 2020-21 fiscal year. Funding for the project will come from a technical assistance grant and loan from Oregon Department of Environmental Quality's Clean Water State Revolving Loan Fund (CWSRF).

# City Overview: Financial Policies

Fiscal Year 2021-22

## SUMMARY OF FINANCIAL POLICIES

<b>Accounting, Auditing and Financial Reporting</b>
•Sets guidelines for reporting financial transactions and preparing financial reports.
<b>Budgeting - Operations</b>
•Relates to budgeting guidelines and preparation.
<b>Budgeting - Capital Outlay</b>
•Relates to establishing capital improvement plans for all major equipment and infrastructure systems provided and maintained by the City.
<b>Long-Range Financial Plan</b>
•Addresses longer term financial forecasting to help inform decisions.
<b>Cash Management and Investments</b>
•Relates to using cash flow projections to minimize debt service and investment guidelines.
<b>Expenditures</b>
•Addresses the City's efforts to ensure spending is consistent with the City's fiscal plans.
<b>Revenues</b>
•Deals with taxes, user fees and other revenues by which the City generates income to fund programs and services.
<b>Fund Balance and Reserves</b>
•For establishing reserves and contingency funding as needed for the various activities of the City.
<b>Pension Funding Policies</b>
•Addresses the funding policies of the City's pension obligations.
<b>Debt Management</b>
•Addresses long-term financing of the City's capital needs.
<b>Inter-Fund Loan Policies</b>
•Addresses loans from one fund to another.
<b>Grants and Intergovernmental Revenues</b>
•Establishes policies and processes for administration of grants that support the City's current priorities and policy objectives.
<b>Financial Consultants</b>
•Outlines the selection of auditors, bond counsel and other financial advisors.

## Financial Management Policies

### 1. Purpose

The Comprehensive Financial Management Policies are the tools used to ensure that the City is financially able to meet its current and future service needs. The individual policies contained herein set a basis for both the financial planning, reporting and internal financial management of the City.

Municipal resources must be wisely used to ensure adequate funding for the services, public facilities, and infrastructure necessary to meet immediate and long-term needs. These policies safeguard the fiscal stability required to achieve the City's objectives and ensure long-term financial health.

## **2. Accounting, Auditing, and Financial Reporting**

### *2.1 Accounting Practices and Principles*

The City will maintain accounting practices in accordance with state and federal law and regulations, and annual financial reporting that conforms to Generally Accepted Accounting Principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB), the authoritative standard setting body for units of local government. The City's monthly and quarterly interim financial reports will be reported on the budgetary basis. At year-end, the general ledger and financials will be converted to GAAP, and the Comprehensive Annual Financial Reports and continuing disclosure statements will meet these standards.

### *2.2 Financial and Management Reporting*

2.2.1 Monthly Financial Reports will be provided to management containing department revenues and expenditures actual to date with comparison to the budget. These reports will be distributed within fifteen working days of the end of each month.

2.2.2 Quarterly summary financial reports will be provided to management and city council members within approximately 45 days of the end of the quarter, usually coinciding with city council workshop dates. The quarterly report will contain revenues and expenditures in summary form for each operating fund with explanations of significant financial variations to budget.

2.2.3 Annually, a comprehensive annual financial report subjected to independent audit will be prepared in a format that conforms to the standards of the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting. The report shall be shared with the City Manager, City Council, and the Secretary of State. In accordance with state law the report shall be distributed no later than December 31st of the following fiscal year.

### *2.3 Annual Audit*

#### *2.3.1 Comprehensive Annual Financial Report*

Pursuant to state law, the City shall have an annual financial and compliance audit, and prepare financial statements based on the audited financial information. The audit shall be performed by certified public accounting (CPA) firm, licensed to practice as Municipal Auditors in the State of Oregon. The annual financial report, including the auditor's opinion and specific reports as required by Oregon state regulations, shall be filed no later than six (6) months following the end of the fiscal year. The audit firm shall also provide a Single Audit of Federal and State grants, when necessary. The Director of Finance shall be responsible for establishing a process to ensure timely resolution of audit recommendations, if any.

#### *2.3.2 Annual Financial Disclosure*

As required by the Securities and Exchange Commission (SEC) Rule 15c2-12, the City will provide certain annual financial information to the Municipal Securities Rulemaking Board (MSRB). This will include any periodic materials event notices as required by the MSRB or SEC.

### *2.4 Signature of Checks*

Pursuant to City Charter, all checks shall have two signatures, signed by the City Manager or City Recorder, and the Mayor or City Council President.

### *2.5 Compliance with Council Policies*

The Financial Management Policies will be reviewed annually and updated, revised or refined as deemed necessary. Occasionally exceptions to the policies adopted by City Council may be appropriate and required. Exceptions will be identified, documented, and explained to City Council and/or the City Manager.

### **3. Budgeting - Operations**

#### *3.1 Budget Committee*

In accordance with ORS 294.414 the City Budget Committee shall consist of the seven elected members of Council and an equal number of appointed citizens. Among the responsibilities of the Budget Committee shall be the review of the annual proposed budget and financial forecasts.

#### *3.2 Oregon State Budget Regulations*

All budgetary procedures will conform to existing state regulations. Oregon budget law requires each local government to prepare a balanced budget and Oregon Administrative Rules state: (1) the budget must be constructed in such a manner that the total resources in a fund equal the total expenditures and requirements for that fund, and (2) the total of all resources of the entity must equal the total of all expenditures and all requirements for the entity.

#### *3.3 Proposed Budget Document*

In accordance with ORS 294.426 the Finance Director shall file a Proposed Budget document and budget message with the City Budget Committee approximately one week prior to the first formal Budget Committee meeting.

#### *3.4 Use of Non-Recurring Revenues*

Non-recurring revenue sources, such as a one-time revenue or carryover of prior year unrestricted/unassigned balance should only be budgeted and used to fund non-recurring expenditures, such as capital purchases or capital improvement projects. The City shall avoid using non-recurring revenues for recurring program expenditures.

#### *3.5 Budget Preparation*

3.5.1 Department Directors have primary responsibility for formulating program proposals. New or expanded services should support City Council goals, City Manager priority direction and department goals. Departments are charged with implementing them once the budget is adopted.

3.5.2 All competing requests for City resources will be weighted within the formal annual budget process.

3.5.3 Actions on items that come up throughout the year with significant financial impacts should be withheld until they can be made in the full context of the annual budget process and long-range plan, unless unforeseen circumstances present themselves.

3.5.4 Annually, the City will seek to obtain the Government Finance Officers Association Distinguished Budget Presentation Award. The Budget Document will be presented in a way that clearly communicates the budget to the public and provides financial goals.

#### *3.6 Full Cost Recovery and Overhead*

Program budgets should be prepared in a manner to reflect the full cost of providing services. General support program (e.g. Administration, Legal, Finance, etc.) costs shall be allocated to the benefiting programs and funds via a method that is both fair and reasonable.

### 3.7 Budget Management

The City Council shall delegate authority to the City Manager in managing the budget after it is formally adopted by the City Council, including the transfer of budgeted line-items within a program. The City Manager may further delegate levels of authority for the daily operations of the budget. Expenditures/expenses are legally established at the program level within each fund. Expenditures/expenses should not exceed the adopted budget, plus supplemental changes approved by the City Council.

### 3.8 Amended Budget

In accordance with ORS 294.471-473 the City Council may approve changes to the adopted budget via Resolution.

### 3.9 Monitoring

Actual revenues and expenditures/expenses shall be monitored by the respective program manager each month. Financial reports shall be prepared within fifteen working days of the end of each month by the Finance Department and distributed to the responsible manager and City Manager. The Finance Director shall periodically review the reports and report significant variances to the City Manager. The goal of the monitoring shall be to identify potential budget and actual variances and to take corrective action soon as possible.

### 3.10 Operating Deficits

The City shall take immediate corrective action if at any time during the fiscal year financial monitoring indicates that an operating fund's anticipated expenditures are expected to exceed its anticipated revenues. Corrective actions may include:

- Deferral of capital equipment purchases
- Deferral of pay-as-you go capital improvements
- Expenditure reductions
- Deferral of certain positions
- Hiring freezes
- Freeze non-represented employee merit increases
- Use of fund balance
- Use of volunteers
- Increase fees
- Reduce work hours with subsequent reduction in pay
- Eliminate positions which may require laying-off employees if there are no other vacant positions for which they are qualified.

Short-term loans as a means to balance the budget shall be avoided.

The use of fund balance, which is a one-time revenue source, may be used to fund an annual operating deficit, only with a subsequent approval of a plan to replenish the fund balance if it is brought down below policy level (see Fund Balance and Reserves Policy).

## 4. Budgeting - Capital Outlay

### 4.1 Definitions

#### 4.1.1 Capital Outlay – Operating

Operating programs need certain furniture, equipment, vehicles, software, etc. to carry out the intended services. By definition such items costing \$2,500 or more, per item, shall be budgeted and accounted as capital outlay and shall be tracked in the City's fixed assets records. Significant repair or maintenance that extends the useful

life of existing assets shall be included here provided the dollar threshold is met. The \$2,500 limit shall apply to individual items unless a group of items are intended to function together as a unified system (e.g. street lighting system).

#### 4.1.2 Capital Outlay – Projects (also known as Capital Projects)

This category includes infrastructure projects meeting the capitalization threshold and development of master plans and design and engineering/architectural work leading to construction or repair of capital assets. Generally, the total capitalization threshold shall be not less than \$50,000. Budgets and capitalization records shall include applicable project management and administrative overhead costs.

#### 4.2 Preparation

As part of the annual proposed budget the City shall include a list of capital projects that are necessary to preserve existing infrastructure or to expand to meet growth demands of the community. The list of projects shall embrace those included in the most recent long-range capital improvement forecast, master plans, development agreements and direction from City Council on current demands. This ensures that the City's capital improvement program includes the embodiment of the citizens and Council recommendations and the officially stated direction contained within the Comprehensive Plan.

Separate estimates for each project shall be prepared. Additionally, future annual operating and maintenance cost impacts shall be estimated.

#### 4.3 Financing

For each project one or more resource shall be identified to pay for such costs. Prior to construction award all identified resources shall be readily available for expenditure.

Pay-As-You-Go – The city will strive to pay cash for capital improvement within the financial affordability of each fund versus issuance of debt. This necessitates advanced planning and setting aside resources for future use. This type of funding saves interest and debt issuance costs and in many cases reduces utility rate impacts on citizens and business of the City.

Grant revenues shall be sought for capital construction when determined to be advantageous to the City.

Certain assets may best be funded via debt. Refer to Debt Management Policy for discussion on when debt may be considered for projects.

#### 4.4 Monitoring

Each capital project shall have a project manager associated with it. The project manager shall monitor the progress and assure the project is completed according to standards, on a timely basis and within budgeted levels. Monthly financial reports detailing budget-to-actual for each project shall be provided to the project manager and City Manager. City Council will receive an update on the larger (\$100,000 minimum expended to date) projects on a quarterly basis.

#### 4.5 Infrastructure Evaluation and Replacement/Rehabilitation

Water, wastewater, drainage, street lighting, streets and sidewalks, municipal facilities and parks infrastructure are fundamental and essential functions for public health and safety, environmental protections and the economic well-being of the City. As a result, the City's CIP should be focused on ensuring that infrastructure is replaced as necessary to protect the City's investment, to minimize future replacement and maintenance costs, and to maintain existing levels of service and accommodate growth.

4.5.1 High priority should be given to replacing/rehabilitating capital improvements prior to the time that assets have deteriorated to the point where they are hazardous, require high maintenance costs, negatively affect property values, or no longer serve their intended purpose. The decision on whether to repair, replace or to rehabilitate an existing capital asset will be based on which alternative is most cost-effective, which would include life-cycle costing, and provides the best value to the City.

## **5. Long-Range Financial Plan**

### *5.1 Purpose*

The goal of the Long-Range Plan is to provide the Budget Committee, City Manager and department heads with long-term goals and objectives for the City as well as the strategies needed to achieve these goals and objectives. City staff will use these goals and objectives to guide them in the development of the City's annual budget.

### *5.2 Operating*

5.2.1 The City shall develop and maintain a financial forecast for each operating fund. The first year shall be the current year's adopted budget and the ensuing five years shall be forecasted. The forecast and report shall be prepared within six months following adoption of the budget. The most recent forecast shall be included in the proposed and adopted budget documents. The results of the forecast shall be presented to the Budget Committee.

5.2.2 The City operating forecast should enable current service levels provided to be sustained over the forecast period. The forecast shall determine if revenues need to be increased and/or expenditures/expenses reduced in order to maintain operations on a Current Funding Basis.

5.2.3 Major financial decisions should be made in the context of the Long-Range Plan.

### *5.3 Capital Outlay – Projects*

5.3.1 The City shall annually prepare a five-year forecast of capital projects. Projects should be based upon master plans, development agreements, input from applicable Commissions and Committees and Council directed improvements. Included projects shall meet the definition of capital projects as defined earlier.

5.3.2 The primary responsibility for development of the capital project forecast shall rest with the Finance Director. The City Manager is charged with reviewing the proposed forecast and determining actions to balance needs with available resources.

5.3.3 High priority should be given to rehabilitating and replacing prior to the point when such action is critical. The decision on whether to repair or replace an existing capital asset will be based on which alternative is most cost-effective and provides the best value to the City.

5.3.4 The forecast shall coincide with the annual citywide budget process. The first year of the forecast shall be the fiscal year under budget.

5.3.5 Estimated costs shall include acquisition, design, construction, project management, equipment and furnishing and administrative charges. That is, all costs to complete the project shall be included. Multi-year projects shall clearly disclose both the components of costs as well as the total estimated cost over the life of the project.

5.3.6 Funding resource(s) shall be identified for each project. The forecast shall make every effort to balance needed improvements with resources available. Projects that exceed the projected available resources shall be identified and recommendations on alternative funding shall be incorporated in the forecast report.

5.3.7 The forecast shall be presented to the Budget Committee during the annual budget process.

## **6. Cash Management and Investments**

### *6.1 Cash Flow Analysis and Projections*

6.1.1 The Finance Director will forecast the City's cash inflows and outflows that will allow the City to keep its debt service costs to a minimum and to maximize the yield on temporary investments.

6.1.2 Revenue and expenditure projections will be reviewed by the Finance Director on a monthly basis to determine the validity of assumptions, new information and accuracy of seasonal or periodic fluctuations.

6.1.3 The City's cash flow shall be managed with the goal of maximizing the total return on investments.

### *6.2 Investments*

#### 6.2.1 Responsibility and Control:

Management responsibility for the investment program shall rest with the City's Investment Officer who shall be the Finance Director or delegate. The Investment Officer shall adhere to ORS 294.145 (Prohibited Conduct for Custodial Officer) in managing the investment program for the City.

#### 6.2.2 Eligible Investments:

The Investment Officer will invest the City's surplus funds only in those investments authorized by ORS 294.035 to 294.046, and 294.135 to 294.155, which includes the requirement that investments shall mature within 18 months of the acquisition date. The City will not invest in stocks nor shall it speculate or deal in futures or options.

#### 6.2.3 Eligible Financial Institutions:

The City will conduct business only with financial institutions such as banks investment brokers, investment bankers, trustees, paying agents and registrants that are deemed credit worthy.

#### 6.2.4 Objectives:

6.2.4.1 Safety: Safety of principal is the foremost objective of the City. Each investment transaction shall be undertaken in a manner which seeks to ensure preservation of capital and avoidance of capital losses through securities defaults, erosion of market value or other risks.

6.2.4.2 Liquidity: The City's Investment Officer shall match the investment portfolio with cash flow requirements. Due to the changing requirements of cash flow caused by factors not totally within the control of the City's Investment Officer, the ability to convert a security into cash must be considered.

6.2.4.3 Yield: Investments of the City shall be acquired in a manner designed to attain the maximum rate of return through all budget and economic cycles while taking into account constraints on investment instruments, cash flow characteristics of transactions and safety of principal.

6.2.4.4 Reporting: The Investment Officer shall maintain detail records of each investment in a form that allows for periodic reporting. On a quarterly basis, the City's outstanding investments and fiscal year to date investment income will be presented to City Council by the Finance Director or Investment Officer.

## **7. Expenditures**

### *7.1 Purpose*

Identify services, establish appropriate service levels and administer the expenditure of available resources to assure fiscal stability and the effective and efficient delivery of those services.

## 7.2 *Maintenance of Capital Assets*

Within the resources available each fiscal year, the City shall maintain capital assets and infrastructure at sufficient level to protect the City's investment, to minimize future replacement and maintenance costs, and to maintain service levels.

## 7.3 *Periodic Program/Services Reviews*

The City Manager and staff shall undertake periodic reviews of City programs and services for both efficiency and effectiveness. Programs or services determined to be inefficient and/or ineffective shall be recommended through the annual budget process to be reduced in scope or eliminated.

## 7.4 *Purchasing*

All City purchases of goods and services shall be made in accordance with the City's current purchasing manual and procedures.

# 8. **Revenues**

## 8.1 *Purpose*

Design, maintain and administer a revenue system that will assure reliable, equitable, diversified and sufficient revenue stream to support desired City services.

## 8.2 *Balance and Diversification in Revenue Sources*

The City shall strive to maintain a balanced and diversified revenue system to protect the City from fluctuations in any one source due to changes in local economic conditions, which may adversely impact that source.

## 8.3 *User Fees – Non-Enterprise Funds*

8.3.1 For services that benefit specific users, the City shall establish and collect fees to recover the costs of those services. Where services provide a general public benefit, the City may recover the costs of those services through property taxes, privilege fees and other unrestricted resources.

8.3.2 At a minimum, the user fees will strive to cover direct costs. Preferably the fees will cover direct plus indirect costs.

8.3.3 User fees should be reviewed, at a minimum, every two to three years and adjusted to avoid sharp changes. If the Finance Department does not initiate the fee review it shall at least analyze the changes proposed from departments and comment upon them to the City Manager.

8.3.4 Factors in setting fees shall include, but not be limited to: market and competitive pricing, effect of demand for services, and impact on users, which may result in recovering something less than direct and indirect costs.

8.3.5 The City may set a different fee for residents versus non-residents.

8.3.6 User fees not regulated by state statute should be set via the City Manager. The intent of administratively set charges is to allow flexibility and ease to establish charges that cover actual costs or discourage abuse of city assets. Fees regulated by statute shall be presented to City Council via resolution or ordinance. All fees should be included in the Master Fee Schedule.

## 8.4 *User Fees – Enterprise Funds*

8.4.1 Utility rates shall be set at levels sufficient to cover operating expenditures (direct and indirect), meet debt obligations and debt service coverage requirements, provide pay-as-you-go funding for capital improvements, and provide adequate levels of working capital.

8.4.2 The City may set a different fee for residents versus non-residents.

8.4.3 The Five-Year Financial Plan (or separate rate model study) and proposed operating budget shall serve as the basis for rate change considerations.

8.4.4 When necessary, the Five-Year Financial Plan (or separate rate model study) will be built around small rate increases annually versus higher rate increases periodically.

8.4.5 Non-consumption based charges within Enterprise Funds may be set administratively by the City Manager. Such charges include insufficient funds, late payment penalties, charges for meters, service turn-on and turn-off, etc. The intent of administratively set charges is to allow flexibility and ease to establish charges that cover actual costs or discourage abuse of city assets. All fees should be included in the Master Fee Schedule.

8.4.6 The maximum allowable system development charges (SDCs), for each of the public infrastructure systems the City operates and is allowed by state law to impose, shall be determined on a periodic basis (approximately each five years).

8.4.6.1 The Council will determine what amount of SDCs to impose.

#### 8.5 *One-Time/Unpredictable Revenue Sources*

One-time, unpredictable revenue sources should not be used for ongoing expenses/expenditures. Instead, such revenue sources will be used for one-time purchases such as increase in fund balance requirements, capital equipment purchase, capital improvements, etc.

#### 8.6 *Revenue Collection*

The City shall maintain high collection rates for all revenues by monitoring monthly receivables. The City shall follow an aggressive, consistent, yet reasonable approach to collecting revenues to the fullest extent allowed by law for all delinquent rate payers and others overdue in payments to the City.

#### 8.7 *Write-Off of Uncollectible Receivables (excludes court fines)*

8.7.1 Receivables shall be considered for write-off as follows:

8.7.1.1 State statute authorizing the release of extinguishment, in whole or in part, of any indebtedness, liability, or obligation, if applicable.

8.7.1.2 Accounts outstanding for 3 years, identified as uncollectible, and all attempts to collect including use of a collection agency when appropriate have been taken.

8.7.2 Accounts shall be written-off annually near fiscal year-end. The Finance Director shall prepare a list of receivables determined to be uncollectible and include notation on collection efforts for each item. The list shall be submitted to the City Manager for review and approval. The City may report uncollected items to one or more credit reporting entities.

8.7.3 The write-off of uncollected accounts is a bookkeeping entry only and does not release the debtor from any debt owed to the City.

8.7.4 Municipal court fines shall follow a process established by the municipal court judge and reviewed by the City Attorney.

## 9. Fund Balance and Reserves

9.1 To maintain a high level of credit worthiness and to establish a financial position that can weather emergencies and economic fluctuations the City shall set aside cash reserves and contingencies within its fund balances. The Governmental Accounting Standards Board has created several categories of fund balance.

9.1.1 Nonspendable – Nonliquid assets (e.g. inventory, prepayments) and liquid assets that have legal constraints preventing their use (e.g. principal of an endowment).

9.1.2 Restricted – Assets which are constrained by an external entity (e.g. covenants in bond contracts).

9.1.3 Committed – Constraints created by the governing body on itself at its highest level of decision making. For example, the governing board might like to commit a portion of the fund balance to a “stabilization reserve” to provide cushion against unknown economic shocks and revenue declines. Constraints are enacted via resolution and must be in place prior to the end of the fiscal year.

9.1.4 Assigned – Similar to Committed except constraint is not legally binding, may be created by staff or the governing board and can be created after the end of a fiscal period. This may be used to earmark a portion of the fund balance for an intended use. For example, it could be assigned to pay for a special project.

9.1.5 Unassigned – This represents any excess of total fund balance after the prior four categories are deducted.

The order in which categories are expended can affect future financial flexibility. Generally, more restricted resources shall be expended prior to less restricted resources. As restricted balances decline from their stated goal they shall be replenished from the Assigned or Unassigned category within five years of the initial decline. The Budget Committee or City Council can designate certain revenues to be used to rebuild reserves, such as non-recurring revenues, budget surpluses or specific revenues above a certain level.

Use of dedicated resources shall be clearly disclosed within the budget document. Such use shall coincide with the intended restrictions on the dedicated resource. Generally, such use shall be for infrequent and non-recurring costs.

### 9.2 *General Fund*

9.2.1 Restricted - Reserves shall be created for any legally mandated or restricted resource which is received in the General Fund and not wholly expended by the end of the fiscal year.

9.2.2 Committed - The City may plan for and set aside cash reserves for a variety of significant infrequent outlays. Commitments may include but are not limited to building a reserve for economic sustainability, expansion and relocation costs, emergency management and response and future planning area costs. For each committed resource the City Council shall adopt a resolution specifying the purpose, dollar amount and duration for existence of the committed amount. Committed amounts can be extended via amending resolution.

The City shall build up operational contingencies until they reach 15% of operating expenditures (personal services and material and services) to be used for unanticipated expenditures of a non-recurring nature, to meet unexpected increases in service delivery costs and for cash flow purposes. Once the target contingency has been reached, it shall be maintained.

9.2.3 Assigned - The City shall plan for and set aside cash reserves for a variety of short-term and recurring purposes. These assignments can be created by the City Council, the City Manager or the Finance Director for purposes that create a sound financial operating environment. Assignments may include but are not limited to building cash reserves for one-time or limited duration purchases such as equipment replacement, building

modification and major repairs, park structure replacements, capital improvements, major software/hardware replacement, loans to other funds, etc.

9.2.4 Unassigned - By definition this is the amount remaining after provision for the above noted items. Balance in this category may be used to replenish deficiencies in the prior categories and create a resource for unforeseen financial needs.

### 9.3 *Special Revenue Funds*

9.3.1 Restricted - Certain funds may have restricted balances, such as building fees within the Building Fund that restricted under Oregon law.

9.3.2 Committed - The City shall build up operational contingencies until they reach 15% of operating expenditures (personal services and material and services) to be used for unanticipated expenditures of a non-recurring nature, to meet unexpected increases in service delivery costs and for cash flow purposes. Once the target contingency has been reached, it shall be maintained. This policy does not apply to debt service, internal service or certain special purpose funds.

9.3.3 Assigned - Assigned balances may be created as necessary under the same policy as for the General Fund. Any remaining resources not identified as restricted, committed or assigned for specific purpose shall be categorized as undesignated.

### 9.4 *Enterprise Operating Funds (Water, Sewer)*

9.4.1 Restricted - Any debt service reserve balance shall be categorized as restricted. Terms of such reserves are generally specified in the associated bond documents and covenants. It shall be the City's policy to fully comply with bond documents and covenants.

9.4.2 Committed - The City shall build up operational contingencies until they reach a minimum working capital (current assets less current liabilities) of forty-five (45) Once the target contingency has been reached, it shall be maintained.

9.4.3 Assigned - Assigned balances may be created as necessary under the same policy as for the General Fund. Provisions for rate stabilization, future capital improvements and major repairs and replacements not part of the restricted balance are typical components of assigned balances. Any remaining resources not identified as restricted, committed or assigned for specific purpose shall be categorized as undesignated.

### 9.5 *Debt and Capital Project Funds*

Balances in the General Obligation debt service fund are restricted by state statute and thus are always categorized as restricted. The balance should be nominal.

Balances in capital project funds (general government or enterprise) should be nominal and sufficient to cover any near-term liabilities of the fund. Larger balances may occur if the City receives cash for restricted purposes to be expended in future years. Examples include proceeds from debt issuance and receipts from developers in lieu of current construction of infrastructure.

## **10. Pension Funding Policies**

10.1 The City participates in the State of Oregon Public Employees Retirement System (PERS) and is a member of the State and Local Government Rate Pool. The City will fund its required pension contribution requirements timely.

## **11. Debt Management**

### 11.1 *Purpose*

To establish policies for debt financing that will provide needed facilities, land, capital equipment and infrastructure improvements while minimizing the impact of debt payments on current and future tax and rate payers. The City is given authority to borrow under various provisions in Oregon law and the City Charter. A debt, except certain lease purchase agreements, must be authorized pursuant to a resolution of the City Council.

### 11.2 *Use of Debt Financing*

Debt financing may be considered when purchase or construction of assets cannot be prudently acquired from current revenues or accumulated committed fund balances. Debt types are limited by Oregon statutes and may include general obligation bonds, limited tax obligation bonds, local improvement district bonds, bond anticipation notes, certificates of participation, lease/purchase agreements, full faith and credit bonds and revenue backed bonds. Any combination of debt may be used to finance an asset. Debt will not be used to fund current operating expenditures.

The City will pay cash for capital improvements within the financial affordability of each fund versus issuing debt. Cash resources may include system development charges, developer fees, inter-agency agreements, grants and accumulation of resources within operating funds.

The Finance Director shall perform a cost benefit analysis with the goal of minimizing the cost of financing to the City prior to presenting debt recommendations to the City Council.

### 11.3 *Debt Margins*

The City shall ensure that its debt margins are within the 3% TCV (true cash value) limitation as set forth in ORS 287A.050.

### 11.4 *Debt Structures*

The City may issue long term or short term debt. Long term debt life shall normally not exceed 20 years for general obligation bonds and 25 years for revenue bonds, but in no case longer than the useful life of the asset. Shorter repayment terms shall be considered when financially prudent.

Balloon or term payments may be considered provided financial analysis indicates such terms may be met financially without further rate or tax increases to satisfy the future large payments and without refinancing the balloon amount. Sinking funds (a committed fund balance) shall be established as necessary to provide for timely retirement of debt.

The City shall strive to begin principal reduction within a year after issuance but in no event shall a repayment structure contain more than three years of interest-only payments. Interest only years shall not extend the maximum debt life as noted above.

Short-term or interim financing are exceptions to this policy. These debt instruments are issued in anticipation of future long term debt and may be interest only and refinanced as is prudent and required for the construction of the asset. Nevertheless, the City shall strive to minimize the use and life of such debt. Except for short-term or interim financing, the City will issue debt based on a fixed rate.

### 11.5 *Debt Refunding*

The City may consider advanced refunding outstanding debt (as defined for federal tax law purposes) when it is financially advantageous to do so and complies with all limitations set forth in ORS 287A, the state statutes pertaining to authority to issue debt. At a minimum (a) the new debt shall not be longer than the remaining life of the retiring debt, (b) the net present value savings of a refunding should exceed 3.0% of the refunded maturities unless (1) a debt restructuring is necessary or (2) bond covenant revisions are necessary to facilitate the ability to provide services or to issue additional debt or (3) the refunding is combined with a new debt issuance.

The City may issue current refunding bonds (as defined for federal tax purposes) when financially advantageous, legally permissible and net present value saving equal or exceed \$100,000.

#### 11.6 *Interest Earnings on Debt Proceeds*

Bond proceeds shall be promptly invested in accordance with the Investment Policy. Focus shall be on safety and maturity of investments to pay construction costs.

Use of investment interest on bond proceeds will be limited to funding changes to the bond financed project, as approved by City Council, or be applied to debt service payment on the bonds issued for such project.

#### 11.7 *Sale Process*

The City shall use a competitive bidding process in the sale of debt unless the nature of the issue warrants a negotiated or private placement sale. The City will utilize a negotiated process when the issue is, or contains, a refinancing that is dependent on market/interest rate timing, if the interest rate environment or market/economic factors may affect the bond issue, or if the nature of the debt is unique and requires particular skills from the underwriters involved. Private placement (debt sold directly to a commercial bank) may be used when anticipated to result in cost savings or provide other advantages when compared to other methods of sale, or if it is determined that access to the public market is unavailable. The City shall award the bonds based on a true interest costs (TIC) basis. However, the City may award bonds based on a net interest cost (NIC) basis as long as the financial advisor agrees that the NIC basis can satisfactorily determine the lowest and best bid.

#### 11.8 *Financial Advisor*

The City shall employ an independent financial advisor registered with the Municipal Securities Rulemaking Board (MSRB) for all competitive and negotiated issuances. The advisor shall attempt to involve qualified and experienced firms, which consistently submit competitive bids on local government bond underwritings. For negotiated issuances the advisor shall review the offered amortization schedule, interest scale and TIC/NIC and provide guidance on the competitiveness compared to similar issues traded currently. The advisor may also be involved with preparation of bond prospectus, rating presentations, communication with legal counsel and other services necessary for the timely and prudent issuance of debt.

#### 11.9 *Bond Ratings*

Full disclosure of operations and open lines of communications shall be maintained with the rating agencies. Credit ratings on publicly traded issues will be sought from one or more of the nationally recognized municipal bond rating agencies, as recommended by the City's financial advisor.

The City will continually strive to maintain or increase the City's current bond ratings by prudently managing its funds and by reviewing and monitoring financial policies, budgets, forecasts and the financial health of the City.

#### 11.10 *Covenant Compliance and Annual Disclosure*

The City will comply with all covenants stated in the bond ordinance, including providing for annual disclosure information and providing for material event notices. The Finance Director shall be responsible for maintaining the City's relationship with the rating agencies and investors. The Finance Director shall oversee the preparation of official statements, disclosure documents, annual filing under MSRB and any special notices of certain "material events," in connection with its borrowings.

#### 11.11 *Debt Security*

Debt may be secured by various funding sources including:

- General Obligation Bonds, secured by property taxes

- Revenue Bonds, secured by specified revenue(s)
- Limited Tax General Obligation, secured by resources within the General Fund
- Local Improvement District Bonds, secured by liens on affected property
- Other types of debt approved by the City Council including bank line of credit and leases.

#### 11.12 Lease/Purchase Agreements

The City may use lease/purchase agreements for the acquisition of equipment when it is cost-effective and provides for attractive terms. All lease purchase agreements will be reviewed by the Finance Director who shall determine whether a lease purchase is appropriate given the circumstances. Agreements under \$100,000 may be approved by the City Manager and larger amounts must be approved by the City Council. City purchasing policy rules are to be followed for the selection of the purchase.

## 12. Inter-Fund Loan Policies

12.1 In accordance with ORS 294.468 the City may loan money from one fund to another, provided the loan is authorized by an official resolution or ordinance of the City Council. In addition, the City will comply with the requirements and limitations of ORS 294.468 as follows:

12.1.1 Loans may not be made from debt service funds.

12.1.2 Loans made from debt service reserve funds created to provide additional security for outstanding bonds or other borrowing obligations are limited to amounts in the fund that are in excess of the amount the City has covenanted to maintain in reserve.

12.1.3 Loans may not be made from moneys credited to any fund when there are constitutional provisions that restrict those moneys to specific uses, unless the purpose for which the loan is made is a use allowed under such constitutional provisions.

12.1.4 The resolution or ordinance must state the fund from which the loan is made, the fund to which the loan is made, the purpose of the loan, and the principal amount of the loan.

12.1.5 If the loan is an operating loan (a loan to cover operating expenses) it must be repaid to the fund from which it is borrowed by the end of the fiscal year, or the repayment must be budgeted and made in the next fiscal year.

12.1.6 If the loan is a capital loan (a loan for the purpose of financing the design, acquisition, construction, installation or improvement of real or personal property), it must be repaid in full within 10 years of the date of the loan. The resolution or ordinance must set forth a schedule under which the principal and interest is to be budgeted and repaid. It must also state the rate of interest. The rate of interest may be the current rate of return on monies invested in the Local Government Investment Pool (LGIP) or such other rate as the governing body determines.

12.1.7 If the loan is to be repaid in the current fiscal year, no action by the City Council is necessary in regard to the budget. The budget does not need to be adjusted to show the loan transaction.

12.1.8 If the loan will be repaid in one or more future fiscal year(s), the loan repayment must be budgeted and a separate debt service appropriation made for the expenditure.

## 13. Grants and Intergovernmental Revenues

### 13.1 Purpose

The City will seek, apply for, and effectively administer federal, state and local grants, which support the City's current priorities and policy objectives. The City should take advantage of opportunities to enhance service

delivery through intergovernmental cooperation, shared revenues, and grants. However, grants shall not be pursued if the administrative and program burden is determined to exceed the benefit of outside resources.

### 13.2 *Grant Policies*

13.2.1 The City shall apply and facilitate the application for only those grants that are consistent with the objectives and high priorities identified by Council and management.

13.2.2 Determination shall be made prior to application if the City has sufficient available resources for cash match requirements.

13.2.3 Grant funding will be considered to leverage City funds. Inconsistent and/or fluctuating grants should not be used to fund ongoing programs and services.

13.2.4 The potential for incurring ongoing costs, to include assumptions of support for grant-funded positions from local revenues, will be considered prior to applying for a grant.

### 13.3 *Grant Review Process*

13.3.1 A uniform grants pre-application process will be utilized to assure the City has all the information necessary to make a decision regarding a potential grant. Information to be provided should include, but not be limited to:

- The grant being pursued and the use to which it would be placed.
- The objectives or goals of the City which will be achieved through the use of the grant.
- The local match required, if any, plus the source of the local match.
- The increased cost to be locally funded upon termination of the grant.

13.3.2 All grant agreements will be reviewed by the appropriate City staff, including Finance, Legal, and the sponsoring department, to ensure compliance with state, federal, and City regulations.

13.3.3 The City Manager shall approve all grant submissions on behalf of the City and the City Council shall approve all grant acceptances over \$100,000 or any grant requiring the authorization of the elected body.

### 13.4 *Budgeting for Grant Expenditures*

Departments seeking or receiving grant proceeds shall be responsible for including the proper amount in the budget. Only known grant awards or pending requests with a high level of assurance of award shall be budgeted. Budget amendments may be processed for grants not included in the budget but awarded and received during the fiscal year.

### 13.5 *Grant Termination and/or Reduced Grant Funding*

The City shall terminate grant-funded programs and associated positions when grant funds are no longer available, and it is determined that the program no longer supports City goals and/or is no longer in the best interest of the City, unless the City has obligated itself through the terms of the grant to maintain the positions, services, or equipment. Exceptions may be made when it is not in the City's best interest to terminate a program of service.

## **14. Financial Consultants**

14.1 The City will employ qualified financial advisors and consultants as needed in the administration and management of the City's financial function. These areas include but are not limited to audit services, debt administration, utility rate studies, and financial modeling. The principal factors in the selection of these consultants will be experience/expertise, ability to perform the services offered, references, and methodology to name a few. In no case should price be allowed to serve as the sole criterion for the selection.

#### *14.2 Selection of Auditors*

At least every five years, the City shall request proposals from qualified firms, including the current auditors if their past performance has been satisfactory. The City Council shall select an independent firm of certified public accountants to perform an annual audit of the accounts and records, and render an opinion on the financial statements of the City.

#### *14.3 Bond Counsel*

Bond Counsel to the City has the role of an independent expert who provides an objective legal opinion concerning the issuance and sale of bonds and other debt instruments. As bond counsel are specialized attorneys who have developed necessary expertise in a broad range of practice areas, the City will always use a consultant for these services. Generally, bonds are not marketable without an opinion of a nationally recognized bond counsel stating that the bonds are valid and binding obligations stating the sources of payment and security for the bonds and that the bonds are exempt from federal and state income taxes.

Due to the complexity of the City's financial structure and the benefits that come with the history and knowledge of the City and prior debt issuances, there is no requirement for rotation.

#### *14.4 Financial Advisory Services*

The City may issue various types of securities to finance its capital improvement program. Debt structuring and issuance requires a comprehensive list of services associated with municipal transactions, including but not limited to: method of sale; analysis of market conditions; size and structure of the issue; coordinating rating agency relations; evaluation of and advice on the pricing of securities, assisting with closing and debt management; calculation of debt service schedules; and advising on financial management. As financial advisors to governmental entities have developed the necessary expertise in a broad range of services, the City will use a consultant for these services.

Due to the complexity of the City's financial structure and the benefits that come with the history and knowledge of the City, the contract with the Financial Advisor is not required to be rotated.

# City Overview: Demographics and Financial Trends

Fiscal Year 2021-22

## General Economic Information

Umatilla is located in northeastern Oregon, just across from the Washington border, at the confluence of the Columbia and Umatilla Rivers. The City has a total area of 4.63 square miles, of which, 4.42 square miles is land and 0.21 square miles is water. The local economy is heavily reliant on agriculture and supporting services. The City has also seen significant industrial investment in recent years through data center development.



## Major Employers in the City of Umatilla

Company	Service	No. Employees
Two Rivers Correctional Institution	Correctional Facility	420
Amazon Data Services	Data/Technology	300
Umatilla School District	Education	220
JM Manufacturing Co.	Plastic Products Manufacturing	65
City of Umatilla	Government	56
Simplot Grower Solutions	Agricultural Products	50
South Basin Packing	Vegetable Packing Services	30
Columbia Harvest Foods	Grocery Store	30
Federal Employees	Government	25

\* Some of these figures are estimates.

## Growth, Growth and More Growth!

Interest in industrial and residential development continues in Umatilla. Data center facility construction continues and several new subdivisions are under construction. At this rate, it appears that our housing is likely to grow at a larger rate than the previous year, our largest of recent record. The City's population numbers grew by 135 people in the past year and the City has seen 6.6% population growth since 2010.

The chart below shows the historical new construction value based off of building permit activity.

### Data

Records

Calendar Year Ending	Value (\$)	Description
12/31/2020	90,658,182.00	New Construction Value
12/31/2019	52,559,393.00	New Construction Value
12/31/2018	48,247,823.00	New Construction Value
12/31/2017	27,534,381.00	New Construction Value
12/31/2016	17,783,986.00	New Construction Value
12/31/2015	18,568,536.00	New Construction Value
12/31/2014	25,227,705.00	New Construction Value
12/31/2013	11,771,353.00	New Construction Value
12/31/2012	7,972,529.00	New Construction Value
12/31/2011	9,007,825.00	New Construction Value
12/31/2010	307,076.00	New Construction Value

## Demographics

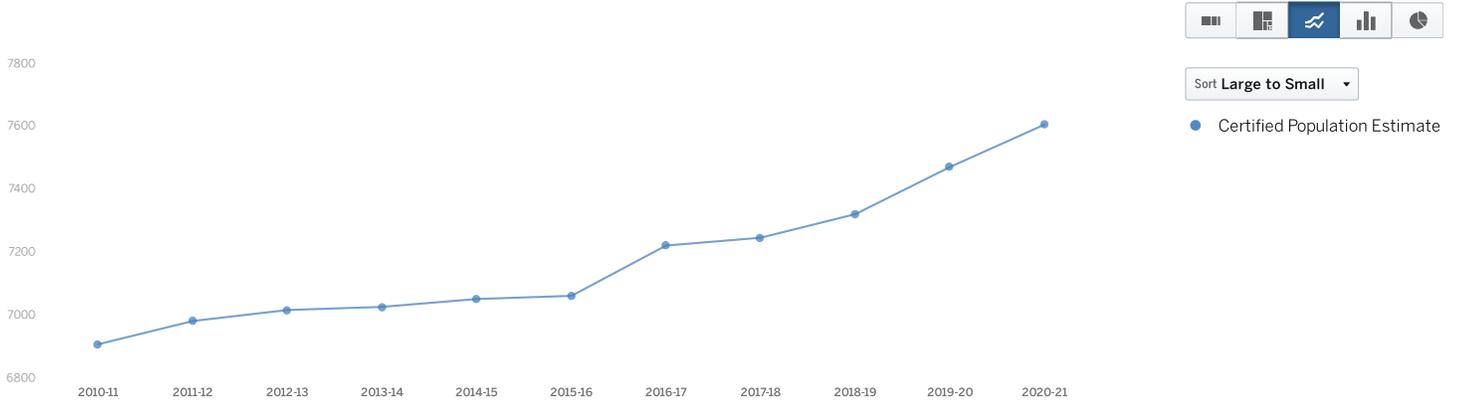
As of the census of 2020, the total population of the city is 7,363 and the racial makeup of the city is 47.5% Hispanic or Latino, 45.4% White, 2.6% African American, 1.6% Native American, 0.6% Asian, 0.3% from other races, and 2.0% from two or more races.

According to the 2019 American Community Survey results, the median age in the city was 33.9 years. 27.2% of residents were under the age of 20; 6.1% were between the ages of 20 and 24; 36.6% were between 25 and 44; 22.8% were between 45 and 64; and 7.3% were 65 years of age or older. The city is comprised of 1,748 households, with an average household size of 2.88 and average family size of 3.56. The median income for a household in the city was \$41,995, and the median income for a family was \$44,191. The per capita income for the city was \$20,998. Approximately 26.1% of the population were below the poverty line.

# CITY OF UMATILLA POPULATION

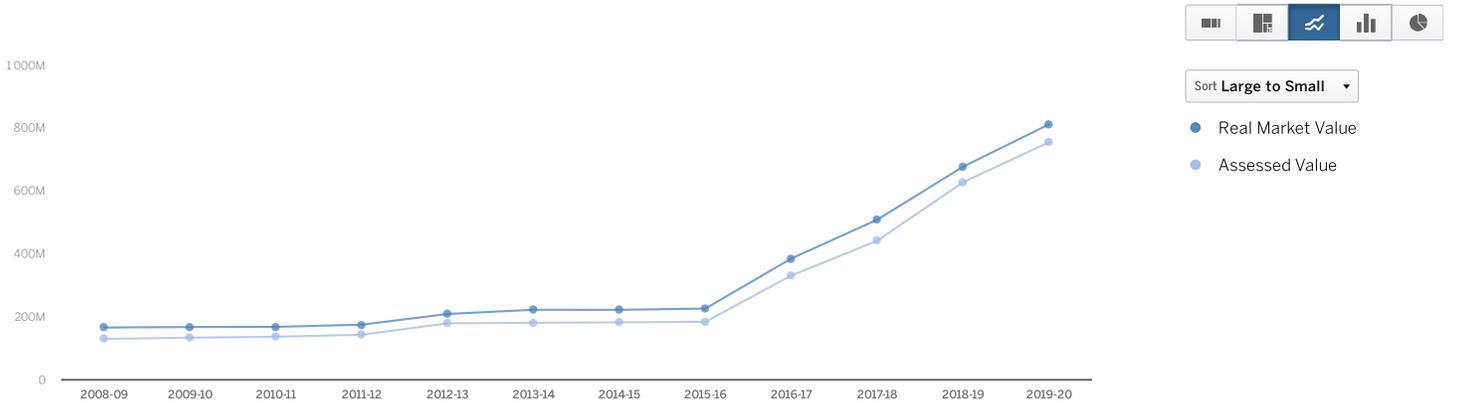
Source: Portland State Population Research Center Certified Population Estimates

Visualization



The graph of Real Market Values (RMV) versus Assessed Values (AV) shows below, the City's overall RMV has more than tripled over the past ten years due to the significant industrial and residential growth that the City is experiencing.

Visualization



## Largest Property Taxpayers in the City of Umatilla

Taxpayer	Type of Business	Total Taxes	Current Assessed Value
Amazon Data Services	Data Center	\$ 7,944,848	\$ 542,068,730
Khera Brother LLC	Hotel/Motel	\$ 33,801	\$ 2,334,480
Century Link	Telecommunications	\$ 29,856	\$ 2,062,000
Baustert John W Etal	Unknown	\$ 29,719	\$ 1,909,480
Ness Investments LLC	Real Estate	\$ 29,640	\$ 1,891,110
Pacificorp	Electrical Utility	\$ 29,254	\$ 2,020,000
Simplot Industries	Agricultural Products	\$ 28,469	\$ 1,966,200
Quinones Properties	Hotel/Motel	\$ 26,520	\$ 1,831,580
Zayo Group LLC	Telecommunications	\$ 21,344	\$ 1,471,450

# City Overview:

## Short Term Factors Impacting Overall Budget Development

Fiscal Year 2021-22

During the preparation of the budget for the ensuing fiscal year, the short-term impacts of the local economy were examined in conjunction with business decisions made by the City. The following are the major assumptions used in developing the 2021-22 budget:

### ***Property Taxes and Payments in Lieu of Taxes***

Total taxable assessed value for 2020-21 is \$755,618,303 (a 20% increase in value from the prior year), resulting in \$2.2 million of property tax for the current year. The major increase is due to the consumable property at the data centers (racks and servers) that have passed the three-year abatement as established in the enterprise zone agreements. This increase also included a \$25 million assessed value increase related to the Strategic Investment Program (SIP) Agreement discussed below. We anticipate an increase of nearly 25% in property tax receipts in the next fiscal year, for a total projected revenue of \$2.74 million. The limit under Measure 50 is a 3% annual increase in existing value. Our current permanent tax rate is \$2.9191 per \$1,000 of assessed value.

To date, we have received over \$1.7 million in Community Service Fee (CSF) revenue related to the enterprise zone agreements on the first four buildings of PDX2, which includes \$488,000 from 2020-21. We allocated approximately \$1.2 million of those funds in the current fiscal year on items such as land acquisition, the 6th Street project addition from L to Switzler, Kiwanis Falls improvements, the future Business Center land payoff and a cash contribution on the golf course purchase. We anticipate a slight decrease in this amount next year and will budget \$450,000 to be conservative. This leaves a total available balance of \$935,000.

In the current fiscal year, we received the second set of payments resulting from the SIP agreement on the fifth building of PDX2 and the PDX63 campus. The first category of payments is ad valorem taxes in which the first \$25 million in real market value shall be taxable at its assessed value. We received the full \$73,000 in additional annual property tax revenue for 2020-21. The second category is the Community Service Fee (CSF) in an amount equal to 25% of the property taxes that would be due on the exempt property, not exceeding \$500,000 in any year for 15 years. An agreement was made in July 2018 to distribute the \$500,000 among the City and the special taxing districts. The City's maximum annual distribution will be \$91,197 and the full amount was received in this fiscal year. This payment will remain the same for the full 15-year period. To date, we have not expended any of these funds and will have a cumulative balance of \$275,000 at the end of 2021-22. The third category is the Additional Annual Improvement Payment of \$4 million per year for 15 years. This payment is to be split between the City and Umatilla County. Both entities will receive \$2 million annually with the second payment received in the current fiscal year. So far, we have appropriated approximately \$1.4 million of those funds in the current fiscal year on items such as our water master plan update, Business Center reserve and capital expansion reserve. All remaining funds will go towards either capital projects or reserves.

### ***Utility Rates***

Council approved a monthly water and sewer rate increase of 6% each as a result of the utility rate study completed by FCS Group in spring 2020. The average residential customer, using 25,000 gallons, will see a 5% increase in their utility bill, or a \$6.41 increase monthly.

### ***Other Revenue Factors***

The City's electrical franchise agreement cap with UEC was renegotiated in March 2020. The cap increased from \$500,000 annually to \$1 million in 2020-2024 and \$1.5 million in 2025-2029. It is anticipated the full \$1 million will be collected in the 2020-21 fiscal year. Our current franchise agreement with Pacific Power is also up for renewal at the end of 2021. We anticipate a rate increase from 3% to 5% which would result in an additional \$125,000 for a total of \$315,000 from Pacific Power.

Interest rates on investments will be ½ %.

### ***Personnel Expenses***

Council approved a cost-of-living-adjustment (COLA) of 2% for wage levels A-L, and a market adjustment of approximately 16% to wage level M.

This fiscal year marks the beginning of a new three year collective bargaining agreement that is in effect through June 30, 2024. In the first year, union employees will receive a 3.5% salary increase and the creation of a ninth step on the wage scale to reward longevity. Each year after, they will receive 3.5% salary increases.

For the next biennium our PERS rates will increase slightly from 19.07% to 20.63% for Tier 1 and Tier 2, from 11.02% to 13.86% for OPSRP General Schedule and from 15.65% to 18.22% for OPSRP Police. In addition to the employer's portion, the City pays the employee's 6% required match.

Medical, vision and dental insurance costs will remain flat for the next budget cycle. The lower cost items such as life insurance and accidental death and disability will decrease by approximately 20%.

#### **New Full Time Employee (FTE) Approvals**

- Building Permit Specialist
- Human Resources Analyst

### ***Capital Improvement Projects***

#### ***Umatilla Business Center***

City staff has been working with Seder Architecture & Urban Design on a renovation and expansion project of the old post office building into the new City of Umatilla Business Center. This Business Center will house the Community Development Department and a multi-use room and kitchen for events and meetings in the existing building and will have a two-story expansion that will serve as a business incubator for new business owners on the lower level, while providing long term rental space on the second floor. We estimate this project will cost \$7.6 million which includes the building, parking lot and street improvements. City staff is preparing a \$2 million EDA grant application, talking to Umatilla County for a \$500,000 allocation and is working to secure \$1.8 million in legislative funding. We currently have \$1.5 million in reserves so will need to transfer \$800,000 per year for the next two budget cycles to cover the remainder of the project costs without taking out any debt.

### *Trail Projects*

This budget continues to implement our newly adopted Trails Master Plan. In 2020, the City was successful at securing an Oregon Parks and Recreational Regional Trails Program grant for completion of the Master Trails Plan Project 2 which will include design and construction of a section of path that will connect the South Hill region to the west side of the pedestrian bridge, and ultimately to the downtown area. The new ADA-compliant paved path will be approximately 1,000 feet in length running from Powerline Road to Stephens Avenue to connect to the reconstructed footbridge discussed later in the packet. The project will also include demolishing and removing the existing substandard asphalt path. The total project budget is \$205,000 which is made up of City cash match of \$41,000 (20%) and a grant of \$164,000.

The City was not awarded a grant for their application to the Oregon Parks and Recreation Local Government Grant Program (LGGP) large grant program in the most recent grant cycle. The application was for the completion of Project 1 South Hill Connector of the recently adopted Master Trails Plan. Staff will be making recommended changes and improvements to the application and resubmitting in the 2021-22 fiscal year. The grant request is estimated at \$550,000 with a 40%, or \$220,000, matching requirement. We will carry those funds over from the current fiscal year.

### *Final Design of Water and Sewer Extension to the Power City and Brownell Areas*

Power City and Brownell are two communities that lie within the City of Umatilla's Urban Growth Boundary, but are not provided with water or sewer service by the City. The City was awarded a Community Development Block Grant (CDBG) in the amount of \$734,000 for the final design of water utility extension to these areas. This project will be the first step towards closing these identified "donut holes" in the City and bringing compliant drinking water to these communities. The City was also awarded a similar \$372,500 CDBG planning grant for sewer extension to the same areas. The cost-effectiveness of conducting these two projects simultaneously is extraordinary. \$250,000-\$300,000 will be saved by doing the pre-construction work, including engineering surveys, wetland delineations and permitting and cultural/archaeological work.

### *Kiwanis Falls*

This budget includes \$275,000 to update Kiwanis Falls at the intersection of US-730 and Highway 395. This will be a great artistic and beautiful gateway project for the City. The new project, though the design has not been started or completed, will feature ornamental hardscapes and landscapes that put our local arid beauty on display, water features that will enhance the design and represent our historical two rivers, artist created pieces that highlight our rivers and our history, and light features to create a beautiful and urbane evening display.

### *Umatilla Marina & RV Park*

#### Marina Improvements:

The Umatilla Marina was completed spring 1991. The average lifespan of a marina built in the 1990s is 15-20 years due to the technologies/engineering of marinas during this time. The Umatilla Marina has reached the end of its useful life and is needing a full replacement. We have missing floatation, twisted fingers, splintering boards, missing hardware, and both significant potable water and electrical issues, not to mention an entire dock that has been decommissioned for more than 5 years.

The Umatilla Marina is a well-used marina with seemingly countless potential. Staff is proposing that we allocate \$300,000 to design an all-new state-of-the-art marina. The new marina would include: covered single-berth slips, uncovered single berth slips, aluminum or steel framed docks, engineered decking or concrete, encapsulated floats and other highly buoyant materials, well-spaced navigable fairways, reliable and safe potable water, electrical hookups at each slip, updated sewer pumping system(s), high speed internet, new gangways and entries, replaced abutments, and other features and amenities.

The design process would include utilization of a marina design contractor in close consultation with the United States Army Corps of Engineers (USACE), the Oregon State Marine Board (OSMB), the Oregon Department of State Lands (DSL) and others. USACE prefers and often requires designed/engineered site plans in order to apply for their required permits. The permitting process can take several months to a year. The Umatilla Marina has reached its end-of-life... in a lighting quick scenario, it will take a minimum of three years (most likely 4-5) from start today to ribbon cut in the future.

#### Beach Improvements:

This budget includes improvements to the marina beach. The beach would be a wonderful place for our community to enjoy, however it needs improvements which involve permitting, vegetation removal, and bringing in sand. The estimated cost on those improvements is \$50,000. In addition, water type recreation facilities were very desirable throughout the parks master plan process. As a follow up, we have put \$25,000 in reserves this year to purchase an inflatable water park costing \$110,000 in the 2022-23 fiscal year.

#### *Big River Golf Course*

We have also budgeted for two consulting projects for the golf course. The first project will bring on a consultant to make recommendations to us on how to maximize revenue out of our golf course and how to potentially reduce expenses at estimated cost of \$50,000. They will also provide us a general course improvement set of suggestions, including both for course improvements for the player and course improvements/maintenance/operations for us the owner. This person/firm will provide us with recommendations for website use and design, course amenities and services, clubhouse layout and product offerings, customer service techniques and policies, general considerations for a future Clubhouse/Pro Shop/Restaurant/Hall facility, special golf events, on-course festivals, and other potential course uses or ideas. We should have a set of implementable suggestions in a final report.

The second project is to complete a master plan for the golf course and Hash Park area at an estimated cost of \$125,000. The recently adopted Master Park Plan indicates that a sports/baseball complex is a high priority. We would like to look at the best way to optimize the use of both facilities and a possible trail connection between the two.

#### *Nugent Park*

##### Playground Improvements:

The City will be submitting a grant to the Oregon Parks and Recreation Land and Water Conservation Fund (LCWF) for the rehabilitation of Nugent Park. The scope of work will include replacement of playground equipment and replacement of the pavilion. The total grant request is estimated at \$300,000 with a 50%, or \$150,000, matching requirement.

##### Restroom Improvements:

The City was recently awarded a grant from the Oregon Tourism Commission for the replacement of the Nugent Park restroom. The scope of work includes removing the old restroom, preparing utilities for new restroom connection, installation of the new restroom and installation of sidewalk and updated signage. The entire project is estimated at \$225,000, to be funded with \$100,000 in grant funds and \$125,000 in City match.

#### ***Other Expense Factors***

Insurance costs will increase for the 2021-22 fiscal year. Property rates are increasing by 8% and liability/auto rates are increasing by 12%.

Low inflation with general price increases budgeted at two to four percent.

## **COVID-19**

As the budget was presented for adoption, the uncertainty of the COVID-19 pandemic continued. The American Rescue Plan Act of 2021 (ARPA) was signed into law by President Biden on March 11, 2021. The ARPA is a \$1.9 trillion economic stimulus bill. Within ARPA, the Coronavirus State and Local Fiscal Recovery Fund provides \$350 billion for states, municipalities, counties, tribes, and territories, including \$130.2 billion for local governments split evenly between municipalities and counties. The City's ARPA distribution will be approximately \$1.6 million, to be received in two equal payments one year apart from each other. It has not been determined how the City will use these funds. Possible uses include:

- Responding to the COVID-19 public health emergency;
- Providing premium pay to essential workers;
- Offsetting lost revenues to provide essential government services;
- For water, sewer and broadband infrastructure;

The federal COVID-19 relief package signed into law at the end of 2020 provided an allocation of transportation funding to every state. For Oregon, \$123 million will be available. Out of the total, \$32.8 million will be shared between cities and counties. We have not received the distribution formula or timeline for those funds yet but will incorporate the City's allocation through the supplemental budget process.

# Debt Outstanding: Long-Term Debt

Fiscal Year 2021-22

## Long-Term Debt

### Overview of Long-Term Debt

Cities issue long-term debt to pay for long-term capital improvements. The number of years the debt is outstanding is equal to or less than the useful life of the capital investment. As set by policy, long-term debt shall not be used for operating purposes. Refer to the Financial Policies section of this document for a summary of the City of Umatilla's debt policy.

Payments on outstanding debt are referred to as debt service payments. These debt service payments are appropriated to cover the principal and interest. Historically, the City has issued general obligation bonds, full faith and credit obligations, revenue bonds and notes payable.

General obligation bonds are secured by property taxes and therefore must be pre-approved by the voters. Full faith and credit obligations are backed by the City's General Fund; however, they may be repaid from any other available resources. Revenue bonds are used to finance enterprise-related capital improvements and are repaid from their respective utility fees and charges.

### Continuing Disclosure and the S.E.C.

The City of Umatilla fulfills its obligation for continuing disclosure requirements under the Securities and Exchange Commission Rule 15c2-12 by filing its audited financial reports and other required disclosures with the Municipal Securities Rulemaking Board Electronic Municipal Market Access (EMMA) database service which is available at [www.emma.msrb.org](http://www.emma.msrb.org).

### City Credit Ratings

In February 2014, Standard & Poor's Rating Services (S&P) assigned its 'A' long-term rating to the City of Umatilla's series 2014 general obligation bonds. In their opinion the outlook was stable. The rating reflected the assessment of the following factors for the city:

- Strong budgetary flexibility, with 2013 audited reserves at 22.3% of expenditures;
- Adequate budgetary performance, which is partly driven by increased revenues and expenditures associated with data center development;
- Very strong liquidity, providing very strong cash levels to cover both debt service and expenditures;
- Adequate management, with standard financial policies; and
- Very strong debt and contingent liabilities position, with low debt levels and rapid amortization.

# Debt Outstanding: Long-Term Debt Outstanding

Fiscal Year 2021-22

## Long-Term Debt Outstanding

### Long-Term Debt Outstanding

As of June 30, 2021, the City will have \$510,000 outstanding in one full faith and credit obligation and \$5,756,667 outstanding in notes payable, for a total of \$6,266,667 in long-term debt outstanding.

### Legal Debt Limit Measures

Pursuant to Oregon Revised Statute 223.295, outstanding general obligation debt for cities in Oregon cannot exceed three percent of the real market value of all properties within city limits. For Umatilla, this maximum is \$20.3 million, of which, the City has zero outstanding.

#### *Computation of Legal Debt Margin*

Real Market Value (RMV)	\$677,880,888
Debt Limit Rate	3%
Debt Limit	\$ 20,336,427

*\*Source of RMV: Umatilla County Assessor's Office*

## Debt Service Obligations

### FULL FAITH & CREDIT OBLIGATIONS

#### *Series 2014 Sewer Revenue Refunding Bonds*

The City issued sewer revenue refunding bonds (labeled as Full Faith & Credit Obligations) in March of 2014 for \$2,160,000 to retire bonds issued in 2000. This refunding was performed to obtain a more favorable interest rate for the taxpayers of the City of Umatilla. Due to the favorable rate, the reduction in total debt service payments over ten years was approximately \$668,000. The present value of those savings were approximately \$603,000. The 2000 series bonds had required the City to restrict \$271,750, an amount equal to one payment. The City used those restricted assets to pay down the 2000 series bond prior to the refunding. Thus making the net present value savings approximately \$331,000. The refunding bonds carry a fixed interest rate of 2% and mature annually through October 1, 2024. These bonds are reported as a debt of the sewer utility fund.

## NOTES PAYABLE

### *Banner Bank - City Hall*

The City borrowed \$1,500,000 from Banner Bank in April 2009. The note proceeds were used to construct the new City Hall building. The note carries interest at 4.9% and matures in 2029. This loan is paid using Calpine enterprise zone payments in lieu of tax. Those payments end in 2022. In order to pay off the loan early, the City is making the annual payment of \$117,222 and setting aside an additional \$15,700 each year for the next three years. This note is recorded as a debt of the governmental funds.

### *Banner Bank - Big River Golf Course*

The City borrowed \$1,700,000 from Banner Bank in December 2020. The note proceeds were used to purchase Big River Golf Course. The note carries interest at 2.79% and matures in 2040. The loan is paid using General Fund revenue. This note is recorded as a debt of the governmental funds.

### *IFA Final Design*

The City borrowed \$444,815 from Oregon Infrastructure Finance Authority (IFA) in November 2016. The note proceeds were used to complete final design and execute bid documents for a discharge pipeline which enables the City to separate industrial wastewater from the data centers and re-use that water for irrigation purposes. Repayment commenced in December 2019. The loan is due in seven payments and will carry interest at 1.42% from the date of disbursement. This note is reported as a debt of the enterprise funds.

### *IFA 6th Street Waterline Improvement Project Refunding Note*

The City executed an interim financing agreement \$667,378 from IFA in February 2019. The note proceeds were used to complete a waterline improvement project which included relocating water mains and services out of the ODOT right-of-way, upsizing approximately 1,000 feet of water mains to 8-inch, replacing 11 fire hydrants, demolishing or abandoning failing or undersized pipes and looping the new 8-inch water main at the corner of 6th and B Streets. The loan will be due February 12, 2022 or upon receipt of the refunding proceeds and will carry interest at 2.10% from the date of disbursement.

The refunding note balance of \$546,193 reflects a reduction in the original loan amount to reflect (a) the de minimus rounding amount on the State Bonds passed on to all State Bond borrowers, and (b) the premium paid by the purchaser of the State Bonds in exchange for a higher nominal interest rate. After accounting for the reduction in principal and the higher nominal interest rate, the effective interest rate on the refunding is 2.485%. The note matures in December 2045. This note is reported as a debt of the enterprise funds.

### *CWSRF Industrial Wastewater Line Construction Project*

The City borrowed \$2,342,420 from the State of Oregon Department of Environmental Quality Clean Water State Revolving Loan Fund in November 2017. The note proceeds were used to construct the industrial wastewater line and outfall structure. The project has reached substantial completion and a loan amendment was recently executed increasing the amount by \$550,000 to \$2,892,420. At the end of FY2021, the disbursements totaled \$2,806,282. The City anticipates receiving the final loan disbursement in FY2022. The note agreement allows for \$500,000 principal forgiveness upon project completion and requires the City to restrict one half of the average annual debt service, or \$60,389. The note will be due in thirty annual payments and will carry interest at 1.56% from the date of disbursement. The note is reported as a debt of the enterprise funds.

## Long-Term Debt Activity for FY 2020-21

	Balance as of June 30, 2020	Additions	Reductions	Balance as of June 30, 2021
<b>Governmental Activities:</b>				
Notes Payable:				
Banner Bank - City Hall	\$ 476,119	\$ -	\$ (93,309)	\$ 382,810
Banner Bank - Golf Course	\$ -	\$ 1,700,000	\$ -	\$ 1,700,000
Individual	\$ 149,978	\$ -	\$ (149,978)	\$ -
<b>Total Governmental Activities</b>	<b>\$ 626,097</b>	<b>\$ 1,700,000</b>	<b>\$ (243,287)</b>	<b>\$ 2,082,810</b>
<b>Business-Type Activities:</b>				
Bonds Payable:				
Sewer Refunding Bonds	\$ 760,000	\$ -	\$ (250,000)	\$ 510,000
Notes Payable:				
IFA Final Design	\$ 383,147	\$ -	\$ (61,765)	\$ 321,382
CWSRF Construction	\$ 2,633,924	\$ 172,358	\$ -	\$ 2,806,282
IFA 6th St Waterline Imp *	\$ 667,378	\$ -	\$ (121,185)	\$ 546,193
<b>Total Business-Type Activities</b>	<b>\$ 4,444,449</b>	<b>\$ 172,358</b>	<b>\$ (432,950)</b>	<b>\$ 4,183,857</b>
<b>Total Long-Term Debt Obligations</b>	<b>\$ 5,070,546</b>	<b>\$ 1,872,358</b>	<b>\$ (676,237)</b>	<b>\$ 6,266,667</b>

\*See refunding note details for balance reduction information.

## Future Debt Plans

### *Note Payable: CWSRF Planning Loan for Wastewater Facilities Plan Update*

In February 2021, the City entered into a \$234,000 planning loan from the DEQ Clean Water State Revolving Fund with a 5-year repayment term at an interest rate of 0.54%. The City needs a new planning document that considers the residential, commercial and industrial growth over the last 20 years and future growth that will eventually create discharge quality issues. The plan will include a description of existing sewer treatment and collection systems, capacity and compliance analysis, anticipated needs for future facilities, and a description of future facilities including schedule, cost and financing. To date, the City has not requested any loan disbursements. The first loan payment is not anticipated until the 2022-23 fiscal year. The remaining \$20,000 of project cost will be funded by a technical assistance grant the City received from Business Oregon.

### *Umatilla Bridge/Waterline Replacement Loan and Grant Combination*

In spring 2019, flooding caused severe damage to the Umatilla River Bridge and the potable waterline that was attached to it. The following year, additional flooding caused more damage, rendering the bridge unrepairable. The bridge is an important strategic piece of City infrastructure. The bridge has multiple utility uses; it is used as a major walking path for students and community members to cross the Umatilla River. It also holds a major fiber optic conduit and is the major potable water line for the South Hill neighborhoods. The South Hill area of Umatilla is seeing tremendous residential development and the City is concerned about adequate water supply and fire flow to that side of town. The City is currently utilizing a smaller waterline that had been previously shut off to provide water in the interim period but the pipeline is not viable as a permanent option. The City has worked with FEMA and JUB Engineers to develop a replacement project for both the bridge and waterline. To mitigate future damages to the bridge and waterline, the City will be installing a clear span arched steel truss pedestrian bridge with the same size of waterline mounted to the underside of the bridge. This bridge will be raised 5-10' from its' previous height.

The bridge replacement is a \$5.9 million-dollar project. FEMA will be covering \$4.3 million, insurance proceeds will cover \$100,000, and we anticipate a \$500,000 emergency grant and \$1 million loan from Business Oregon's Special Public Works Fund. We do not anticipate any loan payments due in the 2021-22 fiscal year.

The waterline replacement is a \$700,000 project. FEMA will be covering approximately \$500,000 and we anticipate a \$200,000 emergency grant from Business Oregon's Special Public Works Fund for the remainder of the project costs.

*Note Payable: Umatilla Museum Building*

The City and Umatilla Museum and Historical Board have been discussing the potential for the City to purchase the museum building and lease it back on a long-term lease. If the building is under City ownership, we would be able to address several maintenance issues and implement a regular preventative maintenance program. This would take that burden off of the museum board members. We hope to purchase the building in an installment owner financing agreement over four years with payments of \$31,250 per year.

*Note Payable: IFA Hydraulic Connectivity Feasibility Study*

The City was awarded a feasibility study grant from Oregon Water Resources Department (OWRD) to cover approximately half of the project cost to develop a hydraulically-connected well to utilize the City's unused surface water right. The project would be to make exploratory bores, test and monitor the water quality to determine hydraulic connection, then construct a single test well and coordinate with OWRD regulators about the results to their satisfaction. To cover the remainder of the project, the City has secured a \$372,800 loan from Business Oregon's Infrastructure Finance Authority (IFA). The loan paperwork is anticipated to be finalized by the end of 2020 with the project commencing early 2021.

# Debt Outstanding: Future Principal and Interest Payments Due

Fiscal Year 2021-22

Refer to the tables below for the Governmental and Enterprise Debt Service Schedules.

**Debt Service Schedule**

**Governmental**

Year Ending June 30,	Governmental Activities					
	Banner Bank - City Hall		Banner Bank - Golf Course		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 98,203	\$ 19,018	\$ 48,171	\$ 66,732	\$ 146,374	\$ 85,750
2023	\$ 103,082	\$ 14,139	\$ 69,297	\$ 45,606	\$ 172,379	\$ 59,745
2024	\$ 108,178	\$ 9,043	\$ 71,244	\$ 43,659	\$ 179,422	\$ 52,702
2025	\$ 73,347	\$ 3,644	\$ 73,245	\$ 41,658	\$ 146,592	\$ 45,302
2026-2030	\$ -	\$ -	\$ 398,275	\$ 176,240	\$ 398,275	\$ 176,240
2031-2035	\$ -	\$ -	\$ 457,455	\$ 117,060	\$ 457,455	\$ 117,060
2036-2040	\$ -	\$ -	\$ 525,429	\$ 49,086	\$ 525,429	\$ 49,086
2041-2045	\$ -	\$ -	\$ 56,884	\$ 794	\$ 56,884	\$ 794
<b>Total</b>	<b>\$ 382,810</b>	<b>\$ 45,844</b>	<b>\$ 1,700,000</b>	<b>\$ 197,655</b>	<b>\$ 2,082,810</b>	<b>\$ 243,499</b>
Due within one year	\$ 98,203	\$ 19,018	\$ 48,171	\$ 66,732	\$ 146,374	\$ 85,750
Due after one year	\$ 284,607	\$ 26,826	\$ 1,651,829	\$ 474,103	\$ 1,936,436	\$ 500,929
<b>Total</b>	<b>\$ 382,810</b>	<b>\$ 45,844</b>	<b>\$ 1,700,000</b>	<b>\$ 540,835</b>	<b>\$ 2,082,810</b>	<b>\$ 586,679</b>

**Debt Service Schedule**

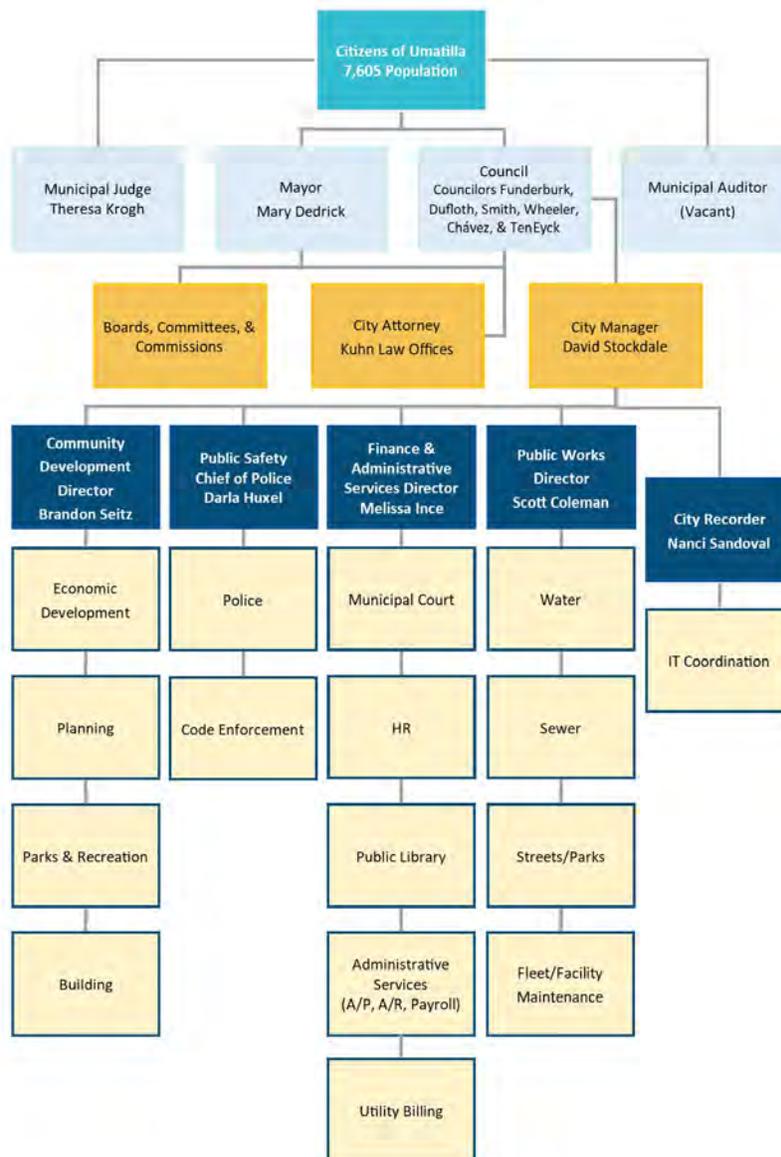
**Enterprise (Business-Type)**

Year Ending June 30,	Enterprise Activities					
	Series 2014 Full Faith and Credit Refunding Bonds		IFA Final Design Loan		IFA 6th Street Waterline Improvement Project Refunding Note	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 260,000	\$ 11,400	\$ 62,642	\$ 4,564	\$ 11,934	\$ 20,588
2023	\$ 250,000	\$ 3,750	\$ 63,531	\$ 3,674	\$ 12,031	\$ 23,468
2024	\$ -	\$ -	\$ 64,433	\$ 2,772	\$ 12,132	\$ 22,867
2025	\$ -	\$ -	\$ 65,348	\$ 1,857	\$ 12,239	\$ 22,260
2026-2030	\$ -	\$ -	\$ 65,428	\$ 929	\$ 77,990	\$ 101,254
2031-2035	\$ -	\$ -	\$ -	\$ -	\$ 101,578	\$ 79,416
2036-2040	\$ -	\$ -	\$ -	\$ -	\$ 126,159	\$ 51,285
2041-2045	\$ -	\$ -	\$ -	\$ -	\$ 156,355	\$ 20,389
2046-2050	\$ -	\$ -	\$ -	\$ -	\$ 35,775	\$ 1,073
<b>Total</b>	<b>\$ 510,000</b>	<b>\$ 15,150</b>	<b>\$ 321,382</b>	<b>\$ 13,796</b>	<b>\$ 546,193</b>	<b>\$ 342,600</b>
Due within one year	\$ 260,000	\$ 11,400	\$ 62,642	\$ 4,564	\$ 11,934	\$ 20,588
Due after one year	\$ 250,000	\$ 3,750	\$ 258,740	\$ 9,232	\$ 534,259	\$ 322,012
<b>Total</b>	<b>\$ 510,000</b>	<b>\$ 15,150</b>	<b>\$ 321,382</b>	<b>\$ 13,796</b>	<b>\$ 546,193</b>	<b>\$ 342,600</b>

Year Ending June 30,	CWSRF Industrial Wastewater Line			
	Principal		Interest	
	Principal	Interest	Principal	Interest
2022	\$ 77,889	\$ 59,281	\$ 412,465	\$ 95,833
2023	\$ 79,109	\$ 57,672	\$ 404,671	\$ 88,564
2024	\$ 80,348	\$ 56,037	\$ 156,913	\$ 81,676
2025	\$ 81,605	\$ 54,378	\$ 159,192	\$ 78,495
2026-2030	\$ 427,603	\$ 246,064	\$ 571,021	\$ 348,247
2031-2035	\$ 462,152	\$ 200,484	\$ 563,730	\$ 279,900
2036-2040	\$ 499,491	\$ 151,224	\$ 625,650	\$ 202,509
2041-2045	\$ 539,849	\$ 97,983	\$ 696,204	\$ 118,372
2046-2050	\$ 558,236	\$ 40,439	\$ 594,011	\$ 41,512
<b>Total</b>	<b>\$ 2,806,282</b>	<b>\$ 963,562</b>	<b>\$ 4,183,857</b>	<b>\$ 1,335,108</b>
Due within one year	\$ 77,889	\$ 59,281	\$ 412,465	\$ 95,833
Due after one year	\$ 2,728,393	\$ 904,281	\$ 3,771,392	\$ 1,239,275
<b>Total</b>	<b>\$ 2,806,282</b>	<b>\$ 963,562</b>	<b>\$ 4,183,857</b>	<b>\$ 1,335,108</b>

# Personnel: Organizational Chart

Fiscal Year 2021-22



# Personnel: Position & Salary Ranges

Fiscal Year 2021-22

## Positions & Salary Ranges

					Compensation Plan (pay range by position)		
FY 18-19	FY 19-20	FY 20-21	Increase (Decrease)	FY 21-22	Position Title	Low Step	High Step
					<b>City Administration</b>		
1	1	1		1	City Manager		149,500
0	1	1		1	Certified City Recorder	64,824	79,308
1	0	0		0	City Recorder	53,568	68,340
0	0	0		0	Deputy City Recorder	45,696	58,296
0	0.5	0.5	-0.25	0.25	Office Interns	7,540	8,700
2	2.5	2.5		2.25			
					<b>Finance &amp; Administrative Services</b>		
1	1	1		1	Finance & Administrative Services Director	102,240	138,480
0.25	1	1		1	Administrative Services Manager	75,204	88,392
0	0	0		0	Human Resources Manager	75,204	88,392
0	0	0		1	Golf Course Administrative Supervisor	67,824	81,492
0	0	0		1	Human Resources Analyst	64,824	79,308
0	0	0		0	Accounting Tech	45,696	58,296
1	1	1		1	Utility Billing Clerk	43,188	55,092
0	0	0		1	RV Park Office Clerk	38,748	49,452
0	0	0		0.5	Part Time Office Clerk	15,120	15,120
0	0	0		2	Pro Shop Attendants	12,844	14,820
2.25	3	3		5.5			
					<b>Municipal Court</b>		
1	1	0.25		0.25	Municipal Judge	29,000	29,000
0	0.5	1		1	Court Clerk	43,188	55,092
1	1.5	1.25		0			
					<b>Library</b>		
1	1	1		1	Library Director	53,568	68,340
1	1	1		1	Library Aide	32,088	40,956
1	1	1		0.5	Part Time Library Aide		
3	3	3		0.5			
					<b>Community Development</b>		
1	1	1		1	Community Development Director	92,940	108,696
0	0	1		1	Certified & Licensed Building Official/Inspector	86,832	102,060
0	0	0		0	Principal Planner	80,928	95,124
0.25	1	1		1	Development and Recreation Manager	75,204	88,392
1	1	0		1	Senior Planner	75,204	88,392
0	1	1		-1	Associate Planner	64,824	79,308
0	0	0		0	Building Official/Inspector	64,824	79,308
0.75	0	1		1	Community Development Coordinator	53,568	68,340
0	0	0		1	Building Permit Specialist	45,696	58,296
0	0	0		0.25	Recreation Team Member	6,000	6,000
1	1	0		0	Planning and Code Specialist	-	-
4	5	5		1.25			
					<b>Public Works</b>		
1	1	1		1	Public Works Director	94,404	115,608
1	1	1		1	Public Works Superintendent	80,928	95,124
1	1	1		-1	Public Works Supervisor	75,204	88,392
0	0	0		1	Golf Course Superintendent	67,824	81,492
4	3	4		-1	Public Works Lead	53,568	68,340
0	0	3		2	Maintenance Worker II	45,696	58,296
5	5	2		3	Maintenance Worker I	43,188	55,092
1	1	0.5		0.75	Seasonal Worker	15,120	16,200
0	0	0		0.5	Public Works Intern	7,540	8,700
13	12	12.5		5.25			
					<b>Police</b>		
1	1	1		1	Police Chief	102,240	138,480
1	1	1		1	Police Lieutenant	92,940	108,696
2	2	2		2	Police Sargeant	80,928	95,124
8	8.5	8.5		8.5	Police Officer	55,416	78,000
0	0	1		1	School Resource Officer	55,416	78,000
0	0	1		1	Code Enforcement Officer	55,416	78,000
1	1	1		1	Dispatcher	55,416	78,000
1	1	1		1	Police Office Clerk	9,600	44,959
14	14.5	16.5		0			
39.25	41.5	43.75		12.25	Total Full-Time Equivalent (FTEs)		56

## Summary of Changes

### *Administration*

We only budgeted for one summer intern in City Hall this year due to space concerns and social distancing.

### *Finance & Administrative Services*

This budget includes the creation of a Human Resources Analyst. As the city-wide employee count nears the 50-employee threshold it will be necessary to hire a Human Resources Analyst to handle day to day human resources issues, benefit administration, policy reviews and updates, job posting and recruitment, as well as the extensive ACA reporting requirements applicable to large employers.

This budget also includes many full time and part time staff to cover the office at the recently acquired golf course and the Marina & RV Park office now that the City has made an operational change to hire employees for these facilities, rather than utilizing independent contractors.

In anticipation of the Umatilla Public Library being able to resume pre-COVID programming levels, this budget includes the addition of one additional part-time Library Aid.

### *Community Development*

Our Associate Planner is being promoted to Senior Planner as he has taken on many additional duties from our Community Development Director. The Associate Planner position is not being filled at this time.

This budget includes the creation of a new Building Permit Specialist position. As the building activity continues to grow, the permit specialist will handle all of the building permits and front counter questions, as well as free up time from the Development and Recreation Manager.

This budget also incorporates the addition of Recreation Team Members to assist with the various community and recreation events hosted throughout the year.

### *Public Works*

Similar to the finance department, this budget also includes many full time and part time public works staff for maintenance and supervision at the recently acquired golf course and the Marina & RV Park office now that the City has made an operational change to hire employees for these facilities, rather than utilizing independent contractors.

This budget also includes two summer Public Works Interns to help with administrative duties as needed.

# Budget Summary: Description of Funds

Fiscal Year 2021-22

## Budgeting in Umatilla

The City of Umatilla budgets at the "fund" level. A fund is a fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, and balances and changes, which are segregated for specific activities and objectives. Funds are grouped into three types:

### 1. Governmental Funds

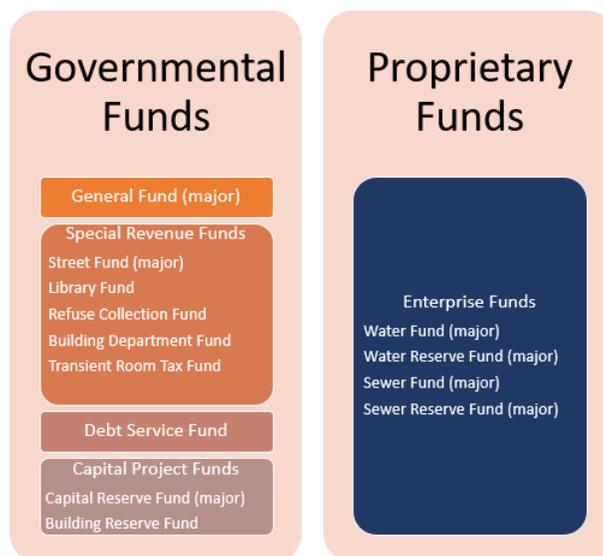
Governmental Funds are used to account for most of the city's functions and include general, special revenue, debt service, and capital project funds.

### 2. Proprietary Funds

Enterprise funds are used to account for city activities that are similar to those found in the private sector.

### 3. Fiduciary Funds

Fiduciary funds account for resources received and held by the city in a fiduciary capacity. The City of Umatilla does not currently have any fiduciary funds.



All funds in the funds structure are appropriated in the FY 21 Budget.

**Major Fund:** A fund whose revenues or expenditures are at least ten percent of the total for their fund category (governmental or proprietary).

**Note:** The audited financial statements also list the Debt Service Fund, Refuse Collection Fund and Building Department Fund as major funds in an attempt to keep reporting consistent from year to year.

## DESCRIPTION OF FUNDS

### Governmental Funds:

The City of Umatilla has four types of governmental funds, all of which are appropriated in the 2021-22 budget. The general fund is a government's basic operating fund and accounts for everything not accounted for in another fund. Special revenue funds are intended to be used to report specific revenue sources that are limited to being used for a particular purpose. Debt service funds account for the repayment of debt. Capital projects funds account for the construction, rehabilitation, and acquisition of capital assets, such as buildings, equipment and roads. Here is a listing of all governmental funds.

### GENERAL FUND

The General Fund is the City's general operating fund, and it accounts for the administrative, planning, municipal court, cemetery and park maintenance, marina, police protection, code enforcement and golf course functions of the City. Principal sources of cash consist of licenses, permits and fees, franchise fees, fines and forfeitures, investment income, and tax base levy.

### SPECIAL REVENUE FUNDS

#### *Street Fund*

The Street Fund accounts for the City's share of the State of Oregon's special gas tax revenues. This revenue is restricted to street related maintenance, repair, and construction, streetlights, and maintaining bike paths.

#### *Library Fund*

The Library Fund accounts for the City's library. Revenue is derived from the Umatilla County Special Library District tax base levy, as well as a transfer from the General Fund. Expenditures are for the cost of operations and salaries of personnel. The city council appoints five members to the library board. The board meets once a month to review the library's activities. Libraries, within the district, can access each other's book inventory lists. The libraries can exchange and borrow books from each other. This is important to our small library because of the limited space and funds for books.

#### *Refuse Collection Fund*

The Refuse Collection Fund is a pass-through fund. The City contracts with Sanitary Disposal, Inc. for waste management services. The City bills for the garbage services and retains 16% of the total collected which is split between a franchise fee (5%) and administrative fee (11%).

#### *Building Department Fund*

The Building Department Fund accounts for all revenue generated from building and electrical permit activity. The City of Umatilla collects the permit applications and fees. We have historically contracted with the City of Hermiston for inspection services based upon an hourly rate, plus 50% of plan review fees collected. In the current fiscal year we were able to hire our own dedicated Building Inspector which has created a huge cost savings in contracted work.

#### *Transient Room Tax Fund*

The Transient Room Tax Fund accounts for motel tax revenues the City receives from motel customers. The expenditure division is in accordance with state law with 70% of receipts going to tourism related projects and 30% to the general city projects. The city collects 3.5% as a tax on rooms as set by vote of the people. The City also collects a Tourism Promotion Assessment of \$2.00 per hotel room rented per night and \$1.00 per RV/Tent Site rented per night. This money is remitted quarterly and split equally between the Eastern Oregon Trade and Event Center (to promote tourism in the region) and the City of Umatilla (to fund tourism promotion, facility design and construction of the Umatilla Marina & RV Park, Big River Golf Course and the Umatilla Community Center.)

## **CAPITAL PROJECT FUNDS**

### ***Capital Reserve Fund***

The Capital Reserve Fund was established for the purpose of replacing public works, police and city hall equipment as needed. Revenue is derived from transfers from the water, sewer, street, and general funds.

### ***Building Reserve Fund***

The Building Reserve Fund was established for the purpose of purchasing and retiring debt on City Hall. Revenue is derived from the enterprise fund payments in lieu of taxes made by Calpine (formerly US Generating).

## **DEBT SERVICE FUND**

The Debt Service Fund was established to account for principal and interest transactions on the City's general obligation bonds. The Debt Service Fund receives a portion of the property tax levy and acts as a reserve and sinking fund for bonded debt liability. This fund is used to pay general obligation bonds. These bonds are voter approved and paid with property taxes. Each year the city figures out how much it needs to pay bonds for that year and through December of the following year. The city then levies that amount plus an amount for uncollected taxes.

General obligation bonds are not subject to the property tax limitation, if they are voter approved and used for capital construction.

With the payoff of the 1978 Water Bond in December 2018, there was no need to levy any additional taxes for Debt Service this year.

## **Proprietary Funds:**

The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in government-wide financial statements. The City uses enterprise funds to account for its local water and sewer services, all of which are appropriated in the 2021-22 budget.

## **ENTERPRISE FUNDS**

### ***Water Fund***

The Water Fund accounts for operating the water system of the City. Revenue is derived from charges for services to water users and expenditures are for costs of personnel salaries, and operations and maintenance of the city's water system.

### ***Sewer Fund***

The Sewer Fund accounts for operating the City's sewer system and treatment facility. Revenue is derived from charges for services to sewer users and expenditures are for personnel, operation and maintenance costs and payment on the loan for the sewer plant.

### ***Water & Sewer Reserve Funds***

The Water and Sewer Reserve Funds were established for the purpose of replacing major capital improvements in the water and sewer department. Revenue is derived from transfers from the water and sewer departments, System Development Charges on new construction and reimbursements received from financing capital projects.

## Functional Units

This table provides where the City's functional units are accounted for by fund type and fund.

Functional Units				
General Fund	Governmental Funds			Proprietary Funds
	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Enterprise Funds
<b>Administration</b> - City Manager's Office - City Council - City Recorder - Finance - Human Resources - Information Technology - City Hall Facility	<b>Street Fund</b> - Street Maintenance - Street Construction - Sidewalks - Bike Paths - Bridges - Street Lighting - Street Fleet Maintenance	<b>Debt Service Fund</b> - Debt Service	<b>Capital Reserve Fund</b> - Vehicle Purchases - Land Acquisition - Equipment Purchases - Capital Projects <ul style="list-style-type: none"> <li>▪ Parks</li> <li>▪ Downtown</li> <li>▪ City-wide</li> </ul>	<b>Water Fund</b> - Administration - Engineering - Systems - Operation - Water Fleet Maintenance - Debt Service
<b>Community Development</b> - Economic Development - Planning - Zoning - Recreation - Transportation	<b>Library Fund</b> - Collection Management - Material Distribution - Programming			<b>Water Reserve Fund</b> - Water Infrastructure Expansion - Capital Projects - Major Infrastructure Repairs
<b>Municipal Court</b>	<b>Refuse Collection Fund</b> - Administration			<b>Sewer Fund</b> - Administration - Engineering - Systems - Operation - Sewer Fleet Maintenance - Debt Service
<b>Parks</b> - Park Maintenance - Trail Maintenance - Marina & RV Park	<b>Building Department Fund</b>			<b>Sewer Reserve Fund</b> - Sewer Infrastructure Expansion - Capital Projects - Major Infrastructure Repairs
<b>Public Safety</b> - Police - School Resource Officer - Code Enforcement - Emergency Management	<b>Transient Room Tax Fund</b> - Motel Tax Collection - Tourism Promotion			

# Budget Summary: Understanding the Budget Format

Fiscal Year 2021-22

	Historical Data			Next FY Budget		
	Actual FY 2018-19	Actual FY 2019-20	Budget FY 2020-21	Proposed FY 2021-22	Approved FY 2021-22	Adopted FY 2021-22
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7

The City of Umatilla presents budgeted financial information in tables by fund, and for the General Fund, by department. Each table includes several columns.

## Column 1 – Description

Resources are grouped by revenue type; requirements are grouped by expenditure type.

## Column 2, 3 & 4 – Actual historical data for prior three years

Revenues and expenditures for the prior fiscal years are shown in the second, third and fourth columns of the budget detail for each fund.

## Column 5, 6 & 7 – Next fiscal year budget figures

Revenues and expenditures for the next fiscal year are shown on a proposed, approved and adopted basis.

# Budget Summary:

## Consolidated Financial Schedule

### by Fund Type

Fiscal Year 2021-22

### FY2021-22 Consolidated Financial Schedule by Fund Type

Collapse All	General Fund	Special Revenue Fund	Capital Projects Budget	Debt Service Fund	Enterprise Fund	2021-22 Budget
▼ Revenues	14,803,971	14,933,300	13,398,365	4,020	12,404,454	55,544,110
▶ Beginning Fund Balance	5,234,889	3,788,707	3,839,047	3,795	4,395,789	17,262,227
▶ Property Taxes	2,786,100	0	0	200	0	2,786,300
▶ Payment in Lieu of Tax	2,541,197	0	61,171	0	0	2,602,368
▶ Franchise Fees	1,337,950	0	0	0	0	1,337,950
▶ Fees & Charges	994,975	2,248,540	0	0	3,905,215	7,148,730
▶ Intergovernmental	919,280	901,230	0	0	0	1,820,510
▶ Capital Grants	0	0	2,502,625	0	0	2,502,625
▶ SDC Revenue	0	0	0	0	452,400	452,400
▶ Interest	35,000	26,700	19,000	25	27,400	108,125
▶ Miscellaneous	866,100	7,717,098	3,172,922	0	2,628,650	14,384,770
▶ Transfers from Other Funds	88,480	251,025	3,803,600	0	995,000	5,138,105
▼ Expenses	14,803,971	14,933,300	13,398,365	4,020	12,404,454	55,544,110
▶ Personnel Services	4,001,285	1,028,221	0	0	1,126,345	6,155,851
▶ Materials & Services	5,076,370	2,090,525	0	0	2,321,980	9,488,875
▶ Debt Service	0	0	263,376	0	508,300	771,676
▶ Transfers	3,260,325	713,740	0	0	1,147,140	5,121,205
▶ Capital Outlay	83,500	7,950,572	11,522,131	0	2,827,762	22,383,965
▶ Operating Contingency	1,000,000	890,000	0	0	900,000	2,790,000
▶ CWSRF Loan Reserve	0	0	0	0	60,389	60,389
▶ Unappropriated Fund Balance	1,382,491	2,260,242	1,612,858	4,020	3,512,538	8,772,149
Revenues Less Expenses	0	0	0	0	0	0

## Changes in Fund Balance

Fund Title	7/1/2021	FY2021-22 Budget		Change in Fund Balance	Budgeted 6/30/22 Fund Balance	% Change
	Fund Balance	Revenues	Expenditures			
<b>General Fund</b>	5,234,889	9,569,082	12,421,480	(2,852,398)	2,382,491	-54.5%
<b>Special Revenue Funds</b>						
Street Fund	903,804	8,390,759	8,690,660	(299,901)	603,903	-33.2%
Library Fund	153,262	270,044	305,905	(35,861)	117,401	-23.4%
Refuse Collection Fund	50,322	855,000	856,200	(1,200)	49,122	-2.4%
Building Department Fund	2,459,488	1,123,540	1,231,141	(107,601)	2,351,887	-4.4%
Transient Room Tax Fund	221,831	505,250	699,152	(193,902)	27,929	-87.4%
<b>Debt Service Fund</b>	3,795	225	-	225	4,020	5.9%
<b>Capital Project Funds</b>						
Capital Reserve Fund	3,839,047	9,559,318	11,785,780	(2,226,462)	1,612,585	-58.0%
Building Reserve Fund	162,093	134,922	117,222	17,700	179,793	10.9%
<b>Enterprise Funds</b>						
Water Fund	156,967	1,810,013	1,763,802	46,211	203,178	29.4%
Water Reserve Fund	1,113,326	2,635,050	2,797,651	(162,601)	950,725	-14.6%
Sewer Fund	694,452	2,349,602	2,397,113	(47,511)	646,941	-6.8%
Sewer Reserve Fund	2,431,044	1,214,000	972,961	241,039	2,672,083	9.9%
<b>TOTALS</b>	17,424,320	38,416,805	44,039,067	(5,622,262)	11,802,058	-32.3%

The most common reason for a budgeted decrease in fund balance is the use of reserves for capital projects. For most funds, this is a planned use of funds. Funds with a decrease of more than 10% are discussed below.

**General Fund** - Large, non-routine transfers to the Capital Reserve Fund from payments in lieu of tax that have accumulated over the past several years. These transfers will fund items such as park expansion/improvement, golf course improvements, Umatilla Business Center reserve, purchase of a mobile stage, and land acquisition.

**Street Fund** - Planned Capital Projects: Wanapa Road Improvement Project, Umatilla Bridge Replacement Project

**Library Fund** - Increased personnel costs due to the addition of one additional part-time Library Aid.

**Transient Room Tax Fund** - Use of City Funds for all new City Sponsored Festival

**Capital Reserve Fund** - High levels of one time capital purchases/projects including the Umatilla Business Center, Outdoor Shooting Range, public works equipment, land aquisition, park expansion and improvements, trail improvement projects, golf course improvements, marina improvements and the Kiwanis Falls project.

**Water Reserve Fund** - We have allocated the full amount set in reserve for developing our water right and improving/repairing our water system. It is unlikely that all of those funds will be spent this fiscal year so the fund balance change will likely be much lower than ten percent.

# Budget Summary:

## Four Year Consolidated Revenues & Expenditures by Fund

Fiscal Year 2021-22

### City Wide Consolidated Revenues by Fund

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
▼ General	5,647,104	8,798,738	13,218,672	14,803,971	14,803,971	14,803,971
General Fund	5,647,104	8,798,738	13,218,672	14,803,971	14,803,971	14,803,971
▼ Special Revenue Fund	4,649,222	5,902,673	7,458,270	14,933,300	14,933,300	14,933,300
Street Fund	950,933	1,261,363	2,998,419	9,294,563	9,294,563	9,294,563
Library Fund	350,624	379,604	411,617	423,306	423,306	423,306
Refuse Fund	877,883	925,803	1,108,062	905,322	905,322	905,322
Building Department Fund	2,130,935	3,010,652	2,622,540	3,583,028	3,583,028	3,583,028
Transient Room Tax Fund	338,847	325,252	317,632	727,081	727,081	727,081
▼ Debt Service	21,235	3,470	3,807	4,020	4,020	4,020
Debt Service Fund	21,235	3,470	3,807	4,020	4,020	4,020
▼ Capital Projects	2,381,871	2,792,134	8,173,668	13,398,365	13,398,365	13,398,365
Capital Reserve Fund	2,139,571	2,530,520	7,892,368	13,101,350	13,101,350	13,101,350
Building Reserve	242,300	261,615	281,300	297,015	297,015	297,015
▼ Enterprise	6,197,069	8,881,868	10,339,287	12,404,454	12,404,454	12,404,454
Water Fund	1,257,469	1,444,565	1,991,899	1,966,980	1,966,980	1,966,980
Sewer Fund	2,071,405	2,143,010	2,853,334	3,044,054	3,044,054	3,044,054
Water Reserve Fund	1,248,666	806,492	2,848,941	3,748,376	3,748,376	3,748,376
Sewer Reserve Fund	1,619,529	4,487,801	2,645,113	3,645,044	3,645,044	3,645,044
<b>Total</b>	<b>18,896,501</b>	<b>26,378,884</b>	<b>39,193,704</b>	<b>55,544,110</b>	<b>55,544,110</b>	<b>55,544,110</b>

## City Wide Consolidated Expenditures by Fund

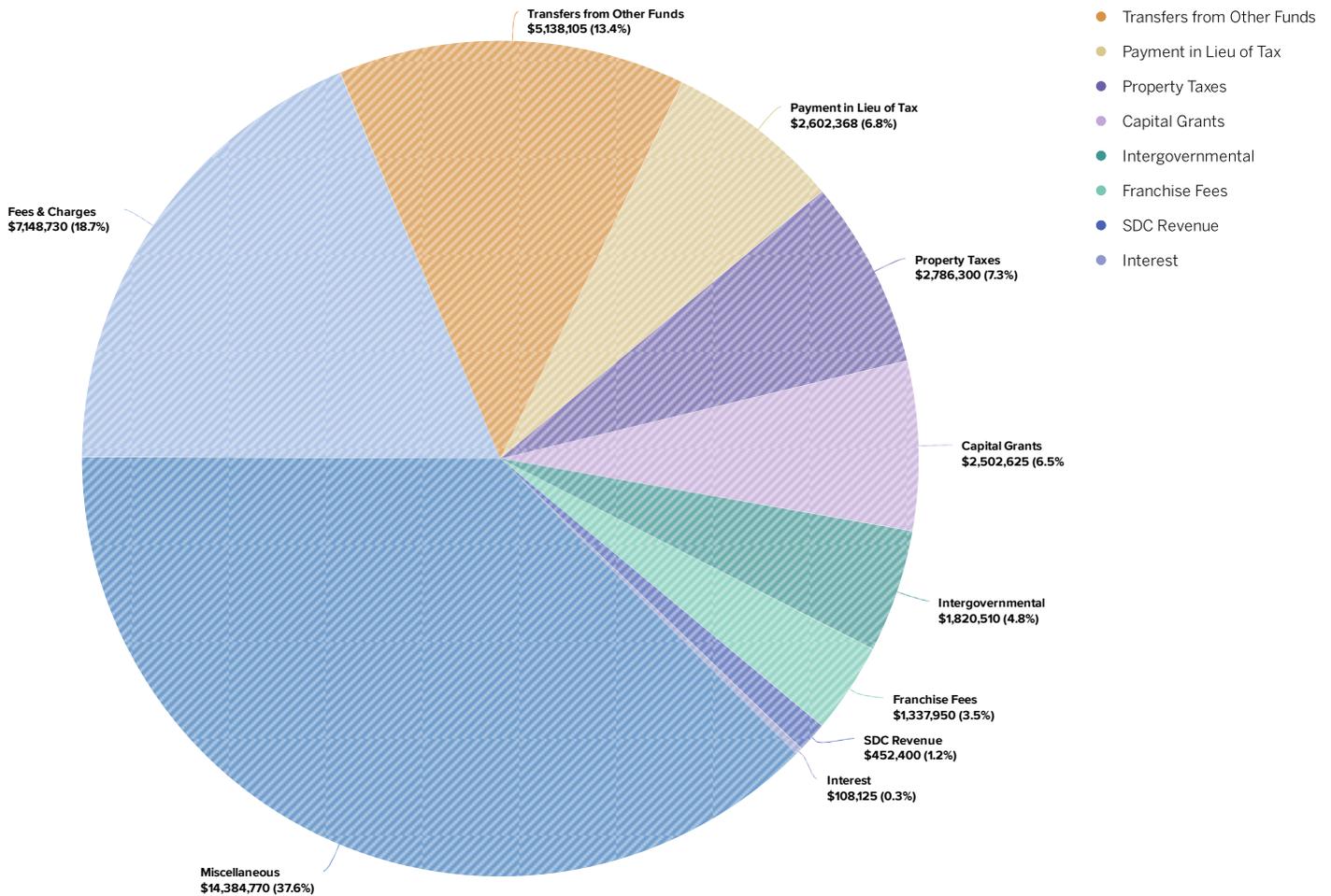
# Budget Summary: Sources and Uses of Funds

Fiscal Year 2021-22

## Revenue Trends & Assumptions

This section describes the City's major revenue sources, explains the underlying assumptions for the revenue estimates, and discusses significant revenue trends.

The revenue sources and assumptions used in this budget are summarized below. Of the available revenues anticipated in 2021-22, over 90 percent of the total is represented by these seven revenue categories: Property Taxes (7.3%), Payment in Lieu of Tax (6.8%), Fees & Charges (18.7%), Intergovernmental (4.8%), Miscellaneous (37.6%), Capital Grants (6.5%) and Transfers from Other Funds (13.4%).



## MAJOR REVENUES

### Fees & Charges (18.7%)

Charges for water, sewer, industrial wastewater, refuse, building permits and many other minor fees are charged to all users in the City of Umatilla. These fees are set by resolution and are evaluated and updated on an annual basis. The City Council approves water, sewer, and industrial wastewater rates based on costs to provide services, and within City Charter limitations. For FY2021-22 the City Council approved a 6% water and sewer rate increase that is factored into the budget based upon a comprehensive rate study completed by FCS Group in FY2020.

### Fees and Charges by Fund, FY2019 - FY2022

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
▼ General	459,165	489,021	651,835	994,975	994,975	994,975
General Fund	459,165	489,021	651,835	994,975	994,975	994,975
▼ Special Revenue Fund	1,828,411	2,166,035	1,864,055	2,248,540	2,248,540	2,248,540
Refuse Fund	791,860	828,034	946,000	855,000	855,000	855,000
Building Department Fund	950,132	1,244,221	865,000	1,088,540	1,088,540	1,088,540
Transient Room Tax Fund	86,419	93,781	53,055	305,000	305,000	305,000
▼ Enterprise	2,625,508	2,906,798	3,721,047	3,905,215	3,905,215	3,905,215
Water Fund	1,136,407	1,295,451	1,619,724	1,803,613	1,803,613	1,803,613
Sewer Fund	1,489,101	1,611,348	2,101,323	2,101,602	2,101,602	2,101,602
<b>Total</b>	<b>4,913,084</b>	<b>5,561,855</b>	<b>6,236,937</b>	<b>7,148,730</b>	<b>7,148,730</b>	<b>7,148,730</b>

### Property Taxes (7.3%) and Payment in Lieu of Tax (6.8%)

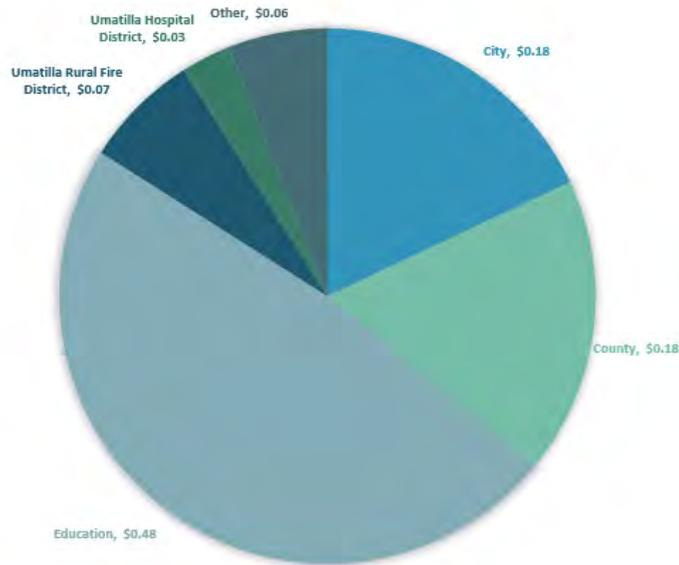
To date, we have received over \$1.7 million in Community Service Fee (CSF) revenue related to the enterprise zone agreements on the first four buildings of PDX2, which includes \$488,000 from 2020-21. We allocated approximately \$1.2 million of those funds in the current fiscal year on items such as land acquisition, the 6th Street project addition from L to Switzler, Kiwanis Falls improvements, the future Business Center land payoff and a cash contribution on the golf course purchase. We anticipate a slight decrease in this amount next year and will budget \$450,000 to be conservative. This leaves a total available balance of \$935,000.

In the current fiscal year, we received the second set of payments resulting from the SIP agreement on the fifth building of PDX2 and the PDX63 campus. The first category of payments is ad valorem taxes in which the first \$25 million in real market value shall be taxable at its assessed value. We received the full \$73,000 in additional annual property tax revenue for 2020-21. The second category is the Community Service Fee (CSF) in an amount equal to 25% of the property taxes that would be due on the exempt property, not exceeding \$500,000 in any year for 15 years. An agreement was made in July 2018 to distribute the \$500,000 among the City and the special taxing districts. The City's maximum annual distribution will be \$91,197 and the full amount was received in this fiscal year. This payment will remain the same for the full 15-year period. To date, we have not expended any of these funds and will have a cumulative balance of \$275,000 at the end of 2021-22. The third category is the Additional Annual Improvement Payment of \$4 million per year for 15 years. This payment is to be split between the City and Umatilla County. Both entities will receive \$2 million annually with the second payment received in the current fiscal year. So far, we have appropriated approximately \$1.4 million of those funds in the

current fiscal year on items such as our water master plan update, Business Center reserve and capital expansion reserve. All remaining funds will go towards either capital projects or reserves.

Umatilla County assesses property taxes on behalf of the county, schools, special districts and the City of Umatilla. Of this tax bill, 18% of the total is allocated to the City of Umatilla. Of every dollar paid, \$0.18 goes to the City. The remaining \$0.82 of that paid dollar is divided as follows: \$0.18 Umatilla County; \$0.48 Education; \$0.07 Umatilla Rural Fire Protection District; \$0.03 Umatilla Hospital District; and \$0.06 Other.

See chart below for property tax allocation per \$1.00 paid.



### Property Taxes and Payment in Lieu of Tax by Fund, FY2019 - FY2022

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
▼ General	1,270,422	4,405,180	5,169,697	5,327,297	5,327,297	5,327,297
General Fund	1,270,422	4,405,180	5,169,697	5,327,297	5,327,297	5,327,297
▼ Capital Projects	51,064	54,390	58,870	61,171	61,171	61,171
Capital Reserve Fund	51,064	54,390	58,870	61,171	61,171	61,171
▼ Debt Service	1,239	566	400	200	200	200
Debt Service Fund	1,239	566	400	200	200	200
<b>Total</b>	<b>1,322,725</b>	<b>4,460,135</b>	<b>5,228,967</b>	<b>5,388,668</b>	<b>5,388,668</b>	<b>5,388,668</b>

## Intergovernmental Revenue (4.8%)

State revenues are distributed to cities based on state statute, which defines formulas incorporating population and per capita income. The League of Oregon Cities provides the source data for State Revenue Sharing projections. Pursuant to ORS 221.770, the City of Umatilla must elect to receive its proportionate share of the revenues to be apportioned to the cities by the State of Oregon for the fiscal year.

### Intergovernmental Revenue by Fund, FY2019 - FY2022

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
▼ General	1,013,245	901,829	935,250	919,280	919,280	919,280
General Fund	1,013,245	901,829	935,250	919,280	919,280	919,280
▼ Special Revenue Fund	724,055	731,370	1,020,835	901,230	901,230	901,230
Street Fund	530,269	523,493	790,474	674,136	674,136	674,136
Library Fund	193,786	207,878	230,361	227,094	227,094	227,094
<b>Total</b>	<b>1,737,300</b>	<b>1,633,199</b>	<b>1,956,085</b>	<b>1,820,510</b>	<b>1,820,510</b>	<b>1,820,510</b>

## Transfers from Other Funds (13.4%)

Transfers from Other Funds occur when revenues are transferred between funds. For example, revenue is received by a fund providing an internal service such as information technology services from a fund receiving the service, where the cost of the service is shown as an expense. These transfers also occur when one fund transfers revenue to a dedicated future capital purchase or reserve account.

### Transfers from Other Funds by Fund, FY2019 - FY2022

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
▼ General	1,500	161,781	88,300	88,480	88,480	88,480
General Fund	1,500	161,781	88,300	88,480	88,480	88,480
▼ Special Revenue Fund	45,000	50,957	117,900	251,025	251,025	251,025
Street Fund	4,000	7,000	36,900	12,525	12,525	12,525
Library Fund	20,000	22,957	35,000	40,000	40,000	40,000
Transient Room Tax Fund	21,000	21,000	46,000	198,500	198,500	198,500
▼ Capital Projects	779,500	789,596	3,604,650	3,803,600	3,803,600	3,803,600
Capital Reserve Fund	779,500	789,596	3,604,650	3,803,600	3,803,600	3,803,600
▼ Enterprise	300,000	414,107	1,090,500	995,000	995,000	995,000
Water Fund	0	3,885	165,500	0	0	0
Sewer Fund	0	4,722	0	0	0	0
Water Reserve Fund	100,000	155,500	415,000	405,000	405,000	405,000
Sewer Reserve Fund	200,000	250,000	510,000	590,000	590,000	590,000
<b>Total</b>	<b>1,126,000</b>	<b>1,416,441</b>	<b>4,901,350</b>	<b>5,138,105</b>	<b>5,138,105</b>	<b>5,138,105</b>

## Miscellaneous Revenue (37.6%)

Miscellaneous revenue makes up a large percentage of the City's total revenue. The majority of these funds reflects loan or grant reimbursements on various capital projects. For example, in the Water Reserve Fund the Other Revenue line item is comprised of Community Development Block Grant proceeds, Water Resources Department grant proceeds and IFA loan proceeds to fund the Power City/Brownell water extension final design project and the Hydraulic Connectivity Test Well project. In the Sewer Fund the Other Revenue line item accounts for the Clean Water State Revolving Loan Fund planning loan proceeds for the Wastewater Facilities Plan update. In the Street Fund, the Other Revenue line item includes the Umatilla Bridge Replacement Project FEMA and loan proceeds and private partnership reimbursements for the Wanapa Road Improvement Project.

### Miscellaneous Revenue by Fund, FY2019 - FY2022

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
▼ General	437,069	63,207	568,985	866,100	866,100	866,100
General Fund	437,069	63,207	568,985	866,100	866,100	866,100
▼ Special Revenue Fund	56,873	365,992	1,715,750	7,717,098	7,717,098	7,717,098
Street Fund	3,684	328,304	1,685,250	7,700,348	7,700,348	7,700,348
Library Fund	758	967	5,050	1,750	1,750	1,750
Building Department Fund	42,431	36,721	25,450	15,000	15,000	15,000
Transient Room Tax Fund	10,000	0	0	0	0	0
▼ Capital Projects	177,120	147,521	1,998,597	3,172,922	3,172,922	3,172,922
Capital Reserve Fund	44,198	14,599	1,865,675	3,040,000	3,040,000	3,040,000
Building Reserve	132,922	132,922	132,922	132,922	132,922	132,922
▼ Enterprise	749,588	2,691,022	1,748,000	2,628,650	2,628,650	2,628,650
Water Fund	8,040	4,567	8,200	4,000	4,000	4,000
Sewer Fund	4,478	1,706	255,500	244,000	244,000	244,000
Water Reserve Fund	646,226	35,049	1,484,300	2,018,650	2,018,650	2,018,650
Sewer Reserve Fund	90,844	2,649,700	0	362,000	362,000	362,000
<b>Total</b>	<b>1,420,650</b>	<b>3,267,742</b>	<b>6,031,332</b>	<b>14,384,770</b>	<b>14,384,770</b>	<b>14,384,770</b>

# General Fund & Departments Within: General Fund Overview

Fiscal Year 2021-22

The General Fund is a governmental fund used to account for the City's administrative, planning, municipal court, cemetery and park maintenance, marina, police protection, code enforcement and golf course functions of the City.

The primary revenue sources include property taxes, payments in lieu of taxes, intergovernmental such as state shared revenues, cigarette and liquor taxes, various grants, franchise fees, license and permits, charges for services, transfers from other funds for administrative services benefitting those funds, and miscellaneous.



## General Fund Budget Highlights

### *Significant Revenue Factors*

Property taxes continue to increase as a result of industrial and residential development, particularly related to the data centers. We anticipate that property tax collections will be approximately \$500,000 higher than in the previous fiscal year.

The second year of revenue from the Strategic Investment Program (SIP) was received in the 2020-21 FY. These payments, combined with the Enterprise Zone Community Service Fee (CSF), will result in total Payment in Lieu of Taxes of over \$2.6 million for the 2021-22 FY.

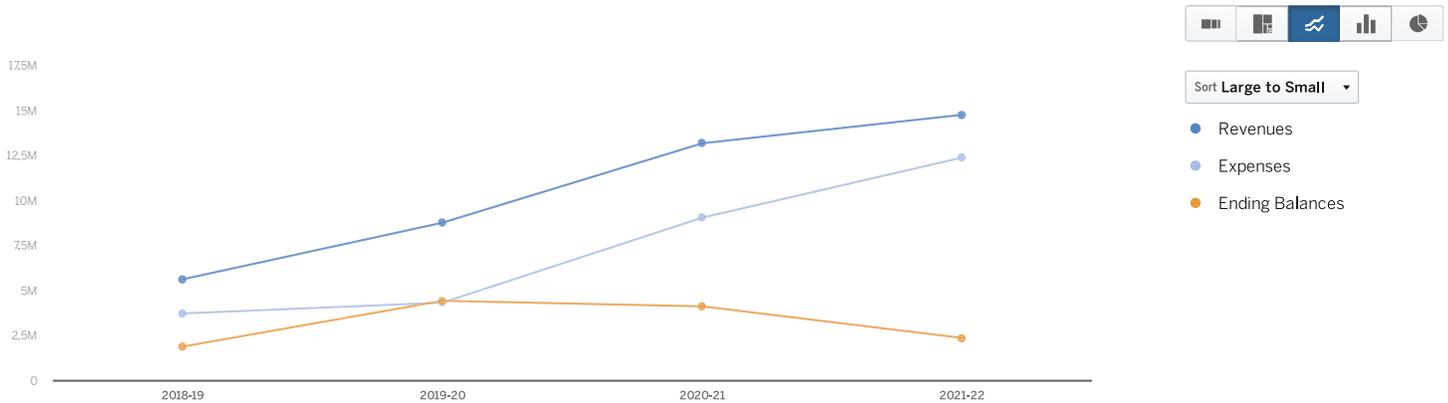
The electrical franchise cap with Umatilla Electric Cooperative was re-negotiated in March 2020 and increased to \$1 million through 2024.

Although we are very fortunate to see increased revenue, we must recognize that with significant growth, comes increased costs. Personnel costs will see increases as we implement a modest COLA, increase the total FTE count in the marina and golf course, and account for the PERS rate changes.

# General Fund Revenue and Expenditure Trends by Fiscal Year

Broken down by  
Description

Visualization



## General Fund

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
<b>Revenues</b>	\$ 5,647,104	\$ 8,798,738	\$ 13,218,672	\$ 14,803,971	\$ 14,803,971	\$ 14,803,971
▶ Beginning Fund Balance	1,594,422	1,906,137	4,450,855	5,234,889	5,234,889	5,234,889
▶ Property Taxes	1,270,422	1,781,064	2,308,500	2,786,100	2,786,100	2,786,100
▶ Payment in Lieu of Tax	0	2,624,116	2,861,197	2,541,197	2,541,197	2,541,197
▶ Franchise Fees	823,323	811,223	1,283,750	1,337,950	1,337,950	1,337,950
▶ Fees & Charges	459,165	489,021	651,835	994,975	994,975	994,975
▶ Intergovernmental	1,013,245	901,829	935,250	919,280	919,280	919,280
▶ Interest	47,958	60,362	70,000	35,000	35,000	35,000
▶ Miscellaneous	437,069	63,207	568,985	866,100	866,100	866,100
▶ Transfers from Other Funds	1,500	161,781	88,300	88,480	88,480	88,480
<b>Expenses</b>	3,745,467	4,347,883	13,218,672	14,803,971	14,803,971	14,803,971
▶ Personnel Services	1,754,788	2,293,619	2,935,465	4,001,285	4,001,285	4,001,285
▶ Materials & Services	1,379,114	1,552,222	2,653,010	5,076,370	5,076,370	5,076,370
▶ Transfers	597,700	493,596	3,401,400	3,260,325	3,260,325	3,260,325
▶ Capital Outlay	13,865	8,447	109,400	83,500	83,500	83,500
▶ Operating Contingency	0	0	520,402	1,000,000	1,000,000	1,000,000
▶ Unappropriated Fund Balance	0	0	3,598,995	1,382,491	1,382,491	1,382,491
<b>Revenues Less Expenses</b>	\$ 1,901,637	\$ 4,450,855	\$ 0	\$ 0	\$ 0	\$ 0

# General Fund & Departments Within: Administration

Fiscal Year 2021-22



The Administration Department consists of the five main sections as listed below. These sections define the Administration Department for operating and budget adoption purposes.

## **City Manager's Office**

The City Manager is in charge of day-to-day operations of the city, ensuring that all functions of the city perform in an effective and efficient manner. This is done through planning, review and evaluation of services. The Manager also works to implement the policies and goals established by the City Council through resolutions, ordinances and budget.

## **City Hall**

Includes maintenance expenditures for City Hall and City owned property not otherwise assigned to a specific fund or department such as the Umatilla Community Center.

## **Mayor and City Council**

We continue to budget for training opportunities for the Mayor and City Council members including funds for the Oregon Mayors Association Conference and the League of Oregon Cities Conference. We also include funds for an annual goal setting retreat and local training opportunities.

## **Finance & Administrative Services**

The Finance & Administrative Services Department coordinates the preparation of the City's annual budget and provides valuable financial information to the City's Budget Committee and City Council. It is essential that the City's decision makers have current, accurate financial information when determining budgetary priorities and

levels of service. This department provides accounting services for all City financial operations, including payroll and fringe benefits, accounts payable, accounts receivable and general ledger accounting. The department also performs all Human Resources functions such as administering labor relations, classification and compensation and employee benefits. The department provides policy guidance and acts as an internal consultant on human resources-related issues; implements and manages the attraction and selection of City employees; maintains and equitable and competitive salary and benefits structure; coordinates required and career development training programs for City employees; and strives to promote and maintain a positive labor relations climate between the employee bargaining unit and the City.

### City Recorder

The City Recorder is responsible for the maintenance of all city records and documents, as well as the public notification process. The recorder performs a variety of duties supporting the City Council, City Manager and Committees, Boards, and Commissions and maintains responsibility for the City's municipal codes for resolutions and ordinance and serves as the City's Election Officer. The City Recorder also coordinates all Information Technology (IT) requests with the City's contracted IT Service Providers.

## Priorities & Performance Measures - City Council

### Priority

Hold regular City Council meetings to discuss and set policy direction.

Measure	FY2020-21
Regular City Council Meetings Held	12
City Council Work Sessions/Special Meetings Held	12
City Council Executive Sessions Held	26
Ordinances Adopted	2
Resolutions Adopted	62

### Outcomes

The Umatilla City Council holds a regular City Council meeting once per month, as well as a work session once per month. When necessary, the City Council holds executive sessions per ORS 192.660. The City Council is committed to professional and transparent public meetings where they set policy direction for the City.

Measure	FY2020-21
Social Media Outlets Managed by the City	3
City Facebook Followers	1,203
City Twitter Followers	34
City Instagram Followers	533
City Newsletter Editions	4
Website Sessions	63,291
Unique Website Users	43,328

## Priorities & Performance Measures - City Recorder

### Priority

Maintain open and transparent communication with the public to keep them informed on City business.

### Outcomes

The City of Umatilla strives to provide open and transparent communications to the community and the media. The City Recorder serves as the Public Information Officer and provides oversight of the outward facing communications in order to provide a clear and consistent message to the public. Providing the information on a variety of outlets and platforms allows the message to reach a diverse population.

# Priorities & Performance Measures

## - Finance & Administrative Services

Measure	FY2020-21
Independent Auditor Opinion	Unmodified (projected)
GFOA Distinguished Budget Presentation Award	Yes
Credit Rating	A

### Priority

Maintain professional financial management of the City's operations.

### Outcomes

The City of Umatilla strives to provide professional financial management for all City operations. Maintaining the integrity of our financial positioning is important to keep our operations sustainable, efficient, effective and stable.

## Administration Budget Highlights

### *Training*

This budget continues to demonstrate a strong emphasis on training. The City Recorder will be finishing the training required for her Certified Municipal Clerk Certification. Other administrative services employees will be attending trainings such as the League of Oregon Cities Conference, CityCounty Insurance Services Conference, Caselle Conference, Government Finance Officers Association Conference and International City/County Management Association Conference.

### *Technology*

There are several technology upgrades incorporated into this budget. These are reflected in the increased line items for minor computer equipment and computer licenses/support. Below is a list of several planned technology upgrades:

- The City Recorder will be implementing a document management module to help with our electronic recordkeeping and contract management.
- The City Recorder will also be implementing an add on to our meeting management software to help with those interacting and wanting to provide virtual public comment at our City Council meetings.
- The purchase of the golf course will result in an additional annual fee of \$5,550 for golf course management and online tee sheet software.
- The budget includes replacement of eleven outdated library computers that are available for public use.

### *COVID-19*

As the budget was presented for adoption, the uncertainty of the COVID-19 pandemic continued. The American Rescue Plan Act of 2021 (ARPA) was signed into law by President Biden on March 11, 2021. The ARPA is a \$1.9 trillion economic stimulus bill. Within ARPA, the Coronavirus State and Local Fiscal Recovery Fund provides \$350 billion for states, municipalities, counties, tribes, and territories, including \$130.2 billion for local governments split evenly between municipalities and counties. The City's ARPA distribution will be approximately \$1.6 million, to be received in two equal payments one year apart from each other. It has not been determined how the City will use these funds. Possible uses include responding to the COVID-19 public health emergency, providing premium pay to essential workers, offsetting lost revenues to provide essential government services, and for water, sewer and broadband infrastructure.

# General Fund: Administration Department

Data

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
▼ Personnel Services	\$ 77,705	\$ 209,393	\$ 328,885	\$ 464,687	\$ 464,687	\$ 464,687
Salaries & Wages	55,105	154,085	235,478	308,892	308,892	308,892
Employee Benefits	22,600	55,308	93,407	155,795	155,795	155,795
▼ Materials & Services	224,445	317,199	670,050	1,941,210	1,941,210	1,941,210
City Attorney	83,239	37,249	50,000	50,000	50,000	50,000
Engineering	3,802	0	0	10,000	10,000	10,000
Minor Computer Equipment	0	0	23,700	35,600	35,600	35,600
Supplies	5,983	7,203	9,100	9,100	9,100	9,100
Postage	1,816	2,177	2,100	2,100	2,100	2,100
Heat/Light	0	0	5,200	5,200	5,200	5,200
Telephone	1,586	2,264	2,000	3,300	3,300	3,300
Printing/Advertising	9,820	8,618	6,000	20,500	20,500	20,500
Training/Travel	13,275	14,051	32,000	31,420	31,420	31,420
Insurance	2,356	2,756	2,850	4,000	4,000	4,000
Audit	16,250	16,505	29,200	30,000	30,000	30,000
Elections	0	0	1,000	1,000	1,000	1,000
Umatilla Promotion	2,872	3,848	5,000	5,000	5,000	5,000
City Merchandise	0	0	15,000	15,000	15,000	15,000
Dues and Fees	9,798	12,248	12,500	14,090	14,090	14,090
COVID-19 Relief	0	0	219,400	1,400,000	1,400,000	1,400,000
Building Maintenance	0	12,722	8,000	18,000	18,000	18,000
Safety Committee	0	0	2,500	2,500	2,500	2,500
Lease/Easement Renewals	0	1,923	8,000	8,000	8,000	8,000
Miscellaneous	58,097	30,837	25,000	25,000	25,000	25,000
Mayor & Council Expenses	12,824	6,871	15,000	17,400	17,400	17,400
City Manager Expenses	0	347	4,000	5,000	5,000	5,000
Employee Education Assistance	1,409	236	10,000	10,000	10,000	10,000
Computer Licenses/Support	0	120,889	165,000	201,500	201,500	201,500
Staff Support/Meetings	1,318	7,219	17,500	17,500	17,500	17,500
Enterprise Zone CSF Funds	0	29,235	0	0	0	0
<b>Total</b>	<b>\$ 302,150</b>	<b>\$ 526,592</b>	<b>\$ 998,935</b>	<b>\$ 2,405,897</b>	<b>\$ 2,405,897</b>	<b>\$ 2,405,897</b>

# General Fund & Departments Within: Community Development

Fiscal Year 2021-22

The Community Development Department was created in 2017. For operational purposes, this department includes Planning, Economic Development, Parks & Recreation and Building. For budget purposes, this section includes the Planning and Economic Development divisions. The Parks & Recreation and Building divisions each have their own budget sections.

The Community Development/Planning Department, under the direction of the Community Development Director, provides four primary services: current planning, long-range planning, citizen involvement, and economic development. They also initiate and facilitate community dialogues about how the community would like to see Umatilla grow now and in the future.

## **Core Services**

### *Current Planning*

- Direct and administer the day to day land use, development and zoning related activities of the City.
- Respond to citizen issues regarding alleged land-use offenses.

### *Long Range Planning*

- Maintain and update the comprehensive plan; analyze and forecast economic growth related trends; and, assist in the preparation of utility master plans (i.e., transportation, water, sewer and parks) as per local, state or federal dictates.
- Initiate strategic long-range plans that reflect the community's values and opportunities.
- Inform the City Council on matters of land use policy that affect Umatilla

### *Citizen Involvement*

- Support the Umatilla Planning Commission.
- Ensure that the City is reaching out and allowing opportunities for public input and engagement in city planning activities.
- Continue to promote public outreach as the hallmark of city programs and projects.

### *Economic Development*

- Advise and assist public, business and industry, and other agencies directly or indirectly involved in Umatilla's economic development.
- Work as a partner in collaboration with the Umatilla Chamber of Commerce and Port of Umatilla to promote economic development within the city.

# Priorities & Performance Measures

## Priority

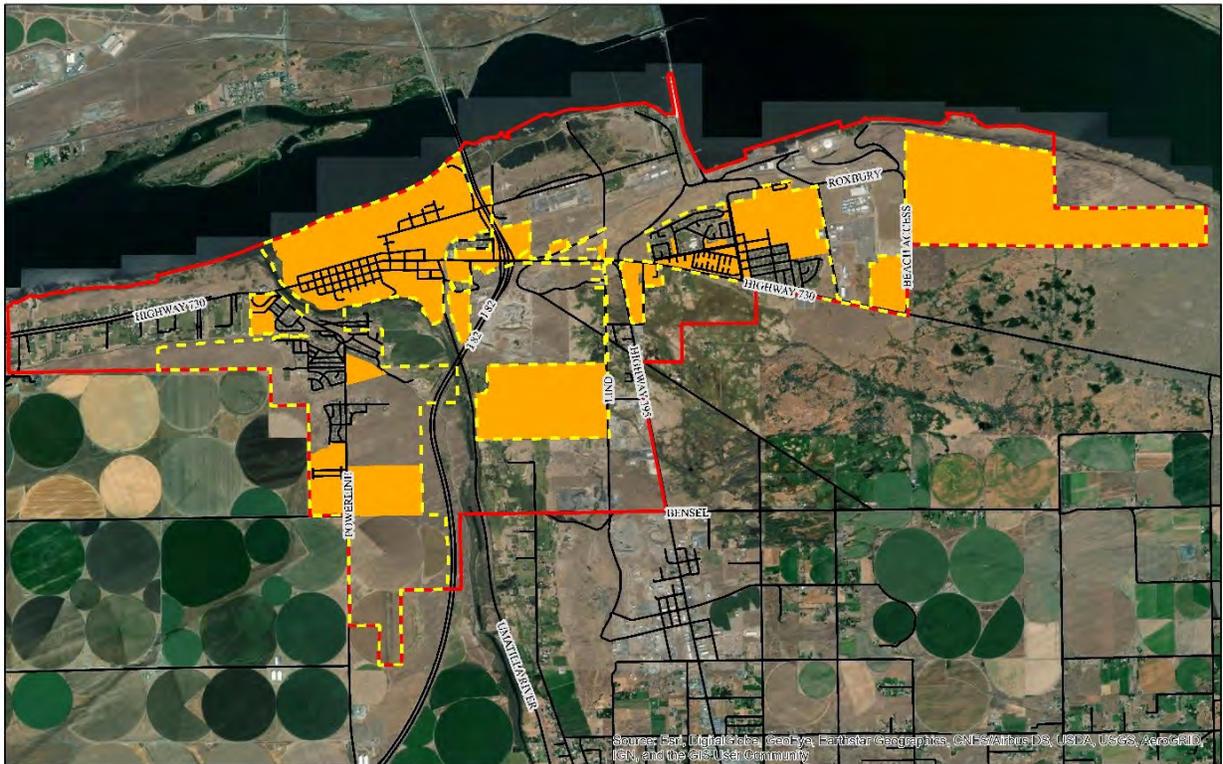
Provide professional and timely land use and application processing services for developers, business, and property owners.

## Outcomes

The Planning Division of Community Development is committed to assisting the public, business owners, and developers navigate the land use process. Through pre-development meetings, over-the-counter contacts, and processing applications, they work with applicants to make their projects successful.

### FY20-21 Planning Applications

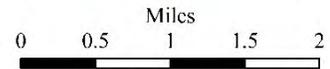
Category	Jun 2021
Site Plan Review	7
Zoning Permit	7
Partitions	4
Plan Amendment	3
Subdivision	3
Other	4



**GREATER UMATILLA ENTERPRISE ZONE**

### Legend

- Umatilla City Limits
- Urban Growth Boundary
- Streets
- Greater Umatilla Enterprise Zone



MAP DISCLAIMER: No warranty is made as to the accuracy, reliability or completeness of this data. Map should be used for reference purposes only. Not survey grade or for legal use. Created by Brandon Scitz, on 7/8/2019

# Community Development Budget Highlights

## *Staffing*

The 2021-2022 budget incorporates several staff changes in the Community Development Department. Our Associate Planner is being promoted to Senior Planner as he has taken on many additional duties from our Community Development Director. The Associate Planner position is not being filled at this time. This budget includes the creation of a new Building Permit Specialist position. As the building activity continues to grow, the permit specialist will handle all of the building permits and front counter questions, as well as free up time from the Development and Recreation Manager. This budget also incorporates the addition of Recreation Team Members to assist with the various community and recreation events hosted throughout the year.

## *Consultants*

The planning department is requesting \$300,000 in consulting fees to include a land use consultant, Business Center architect and asbestos removal, a GIS consultant, a TSP update and other minor engineering or consulting needs.

## *Downtown Facade Grants*

The changes made in the 2019-2020 fiscal year to the Downtown Facade Grant program were very successful. As a result, the grant line item has been increased for 2021-2022 to \$170,000 to encourage more local business owners to improve their storefronts.

## *New Business Grant Program*

We are excited to announce our all-new Local Business Grant program this year, with its corresponding \$225,000 budget in this inaugural year. This grant will provide funding to new or existing businesses looking to expand their business or make needed facility improvements. It can also be combined with the Downtown Façade Grant if the business is located in the downtown.



## General Fund: Community Development Department

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
▼ Personnel Services	145,184	142,011	149,957	211,911	211,911	211,911
Salaries & Wages	100,372	102,584	96,530	136,445	136,445	136,445
Employee Benefits	44,812	39,427	53,427	75,466	75,466	75,466
▼ Materials & Services	111,162	211,891	450,400	873,500	873,500	873,500
City Attorney	50,310	49,808	50,000	50,000	50,000	50,000
Engineering/Consultants	39,202	96,390	168,800	301,000	301,000	301,000
Capital Improvement Planning	0	0	66,000	66,000	66,000	66,000
Supplies	2,664	1,813	12,600	4,500	4,500	4,500
Printing/Advertising	4,133	5,895	5,500	6,500	6,500	6,500
Training/Travel	11,604	4,811	8,800	21,800	21,800	21,800
Dues and Fees	2,368	2,117	2,200	2,200	2,200	2,200
Downtown Facade Grants	0	50,484	120,000	170,000	170,000	170,000
6X26 Mural Project	0	0	11,500	23,000	23,000	23,000
Miscellaneous	881	440	4,000	2,500	2,500	2,500
Planning Commission Expenses	0	135	1,000	1,000	1,000	1,000
New Business Grant Program	0	0	0	225,000	225,000	225,000
<b>Total</b>	<b>256,346</b>	<b>353,902</b>	<b>600,357</b>	<b>1,085,411</b>	<b>1,085,411</b>	<b>1,085,411</b>

# General Fund & Departments Within: Municipal Court

Fiscal Year 2021-22

The Umatilla Municipal Court is part of the integrated judicial system for Oregon and serves as the judicial system for the City of Umatilla. This court handles traffic and criminal misdemeanor violations, Port of Entry citations and City ordinance violations.



## Priorities & Performance Measures

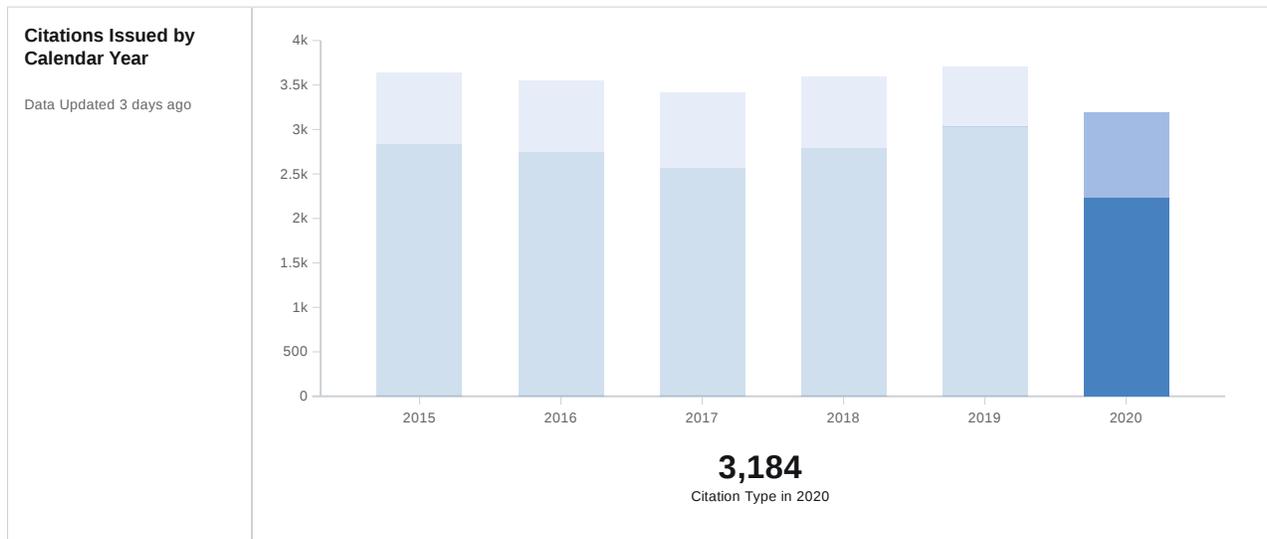
### Priority

Management and processing of citations submitted to the Municipal Court.

### Outcomes

Effectively managing the citations submitted to the Umatilla Municipal Court allows defendants to work through the local judicial system in an efficient manner, while providing a high level of service and care.

## Citations issued by the Oregon Department of Transportation (ODOT) and the Umatilla Police Department (UPD) by year.



# Municipal Court Budget Highlights

## Staffing

Judge Krogh continues to contract with the City part-time and the Court Clerk has taken over the daily administrative functions of the Municipal Court.

## Training

The 2021-22 budget allocates additional funds to court training for the Court Clerk to begin the Oregon Association for Court Administration (OACA) Certification Program.

## Pass-Through Funds

Municipal Court collections are expected to remain flat in the 2021-22 fiscal year.

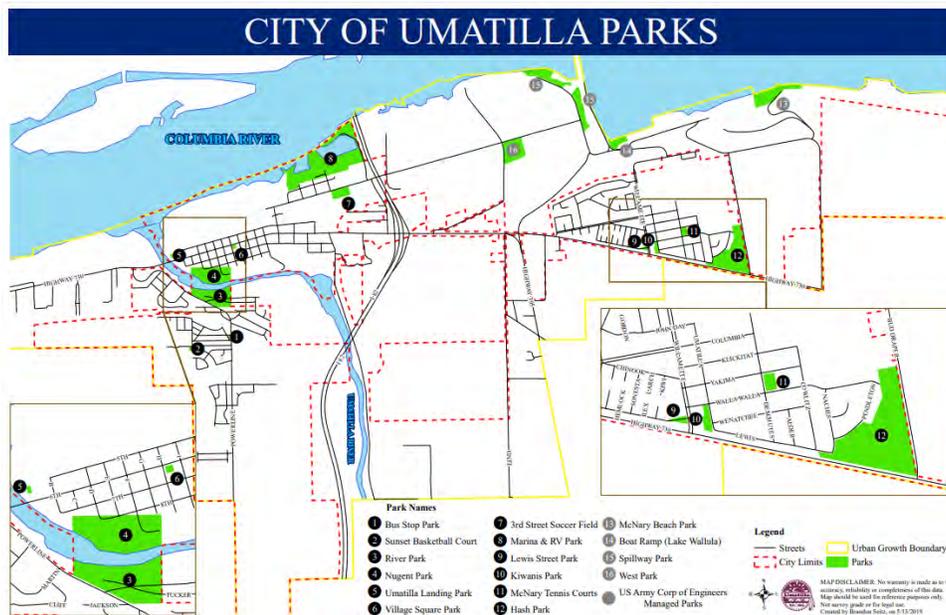
## General Fund: Municipal Court Department

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
▼ Personnel Services	58,590	89,630	104,254	109,247	109,247	109,247
Salaries & Wages	38,282	64,486	74,555	75,876	75,876	75,876
Employee Benefits	20,308	25,144	29,699	33,371	33,371	33,371
▼ Materials & Services	446,385	366,204	439,810	423,650	423,650	423,650
Officiation Services	550	500	1,000	1,000	1,000	1,000
Attorney Fees	0	0	2,500	2,000	2,000	2,000
NSF Checks	785	1,140	1,500	1,500	1,500	1,500
Supplies	1,567	2,180	2,000	2,250	2,250	2,250
Postage	19	19	50	50	50	50
Telephone	469	574	600	600	600	600
Training/Travel	862	1,600	3,500	6,750	6,750	6,750
Insurance	1,789	1,872	2,060	2,300	2,300	2,300
Refunds	30,329	22,312	28,000	24,000	24,000	24,000
Dues and Fees	125	827	16,000	600	600	600
State and County Assessments	409,890	335,099	382,500	382,500	382,500	382,500
Miscellaneous	0	81	100	100	100	100
<b>Total</b>	<b>504,975</b>	<b>455,833</b>	<b>544,064</b>	<b>532,897</b>	<b>532,897</b>	<b>532,897</b>

# General Fund & Departments Within: Parks & Recreation

Fiscal Year 2021-22

The Parks and Recreation Department is responsible for the maintenance and operation of the city’s parks and open space, recreation activities, and special events and activities in the community. The City has more than 227 acres of parkland including the Umatilla Marina & RV Park and Big River Golf Course. There are 18 parks in total, 12 are owned and operated by the City and 5 are US Army Corps properties.



## Priorities & Performance Measures

### Priority

Support and maintain parks and natural areas, and provide public facilities that enhance the quality of life for all residents of Umatilla.

### Outcomes

Utilizing established and proven maintenance standards and construction practices, the City of Umatilla is able to provide efficient and effective methods for maintaining the parks program.

Measure	FY2021-22
Acres of City Park Land	230
Number of City Parks	18
Miles of Trails Maintained	34
Miles of Sidewalks	17



## Parks and Recreation Budget Highlights

### *Consulting*

This budget includes \$70,000 in consulting fees to close out the parks master plan, complete the follow up parks SDC study, engineering assistance on grant applications and to hire a consultant to determine the viability of an aquatic or community center levy.

### *Recreation*

This budget continues to emphasize recreation and events. The approved budget includes a significant increase to the programming budget as well as funding for recreation equipment.

### *Maintenance*

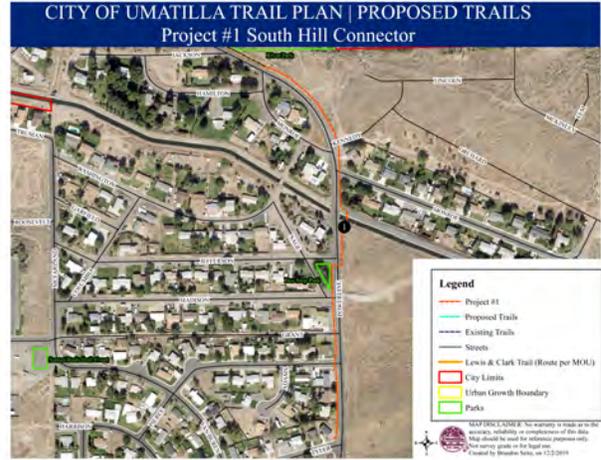
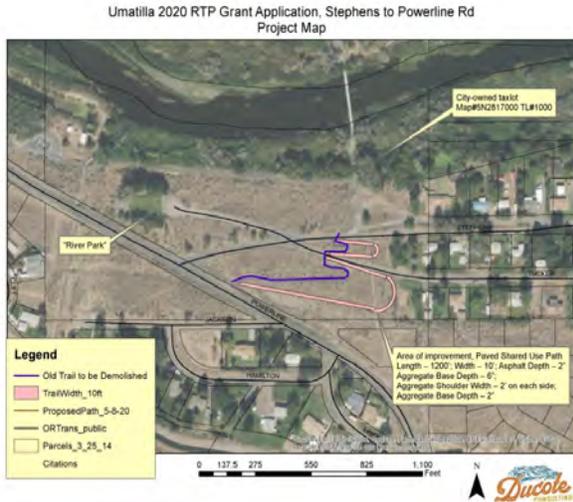
The parks crew will be focusing on several maintenance projects in the 2021-22 fiscal year, including Nugent Park trail improvements, replacement of the Nugent Park dugout, pressbox and scoreboard and replacing the flagpoles at both cemeteries.

### *Nugent Park Improvements*

**Playground Improvements:** The City will be submitting a grant to the Oregon Parks and Recreation Land and Water Conservation Fund (LCWF) for the rehabilitation of Nugent Park. The scope of work will include replacement of playground equipment and replacement of the pavilion. The total grant request is estimated at \$300,000 with a 50%, or \$150,000, matching requirement.

**Restroom Improvements:** The City was recently awarded a grant from the Oregon Tourism Commission for the replacement of the Nugent Park restroom. The scope of work includes removing the old restroom, preparing utilities for new restroom connection, installation of the new restroom and installation of sidewalk and updated signage. The entire project is estimated at \$225,000, to be funded with \$100,000 in grant funds and \$125,000 in City match.

# Trail Grants



This budget continues to implement our newly adopted Trails Master Plan. In 2020, the City was successful at securing an Oregon Parks and Recreational Regional Trails Program grant for completion of the Master Trails Plan Project 2 which will include design and construction of a section of path that will connect the South Hill region to the west side of the pedestrian bridge, and ultimately to the downtown area. The new ADA-compliant paved path will be approximately 1,000 feet in length running from Powerline Road to Stephens Avenue to connect to the reconstructed footbridge discussed later in the packet. The project will also include demolishing and removing the existing substandard asphalt path. The total project budget is \$205,000 which is made up of City cash match of \$41,000 (20%) and a grant of \$164,000.

The City was not awarded a grant for their application to the Oregon Parks and Recreation Local Government Grant Program (LGGP) large grant program in the most recent grant cycle. The application was for the completion of Project 1 South Hill Connector of the recently adopted Master Trails Plan. Staff will be making recommended changes and improvements to the application and resubmitting in the 2021-22 fiscal year. The grant request is estimated at \$550,000 with a 40%, or \$220,000, matching requirement. We will carry those funds over from the current fiscal year.

## General Fund: Parks & Recreation Department

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
▼ Personnel Services	157,782	304,568	354,026	466,367	466,367	466,367
Salaries & Wages	104,913	208,176	231,134	297,250	297,250	297,250
Employee Benefits	52,869	96,391	122,892	169,117	169,117	169,117
▼ Materials & Services	74,618	115,003	235,985	279,250	279,250	279,250
Community Garden	0	0	0	25,000	25,000	25,000
Engineering	6,335	19,775	90,160	70,000	70,000	70,000
Supplies	296	869	500	600	600	600
Training/Travel	874	9,134	15,700	21,450	21,450	21,450
Insurance	890	931	1,025	1,200	1,200	1,200
Uniform Allowance	652	669	1,000	1,200	1,200	1,200
Gas/Oil	8,093	8,684	7,800	7,800	7,800	7,800
Electricity	2,442	4,165	4,300	4,300	4,300	4,300
Dues and Fees	0	146	1,500	2,000	2,000	2,000
Equipment Operation	11,976	10,702	11,000	15,000	15,000	15,000
Park Maintenance	34,035	36,039	66,000	75,000	75,000	75,000
Recreation Programs	3,093	12,407	20,000	38,200	38,200	38,200
Tree Maintenance/Program	5,212	10,000	15,000	15,000	15,000	15,000
Miscellaneous	720	1,415	1,500	1,500	1,500	1,500
Park & Rec Committee Expenses	0	67	500	1,000	1,000	1,000
▼ Capital Outlay	0	0	77,900	40,000	40,000	40,000
Equipment	0	0	26,300	25,000	25,000	25,000
Recreation Equipment	0	0	51,600	15,000	15,000	15,000
<b>Total</b>	<b>232,400</b>	<b>419,571</b>	<b>667,911</b>	<b>785,617</b>	<b>785,617</b>	<b>785,617</b>

# General Fund & Departments Within: Umatilla Marina & RV Park

Fiscal Year 2021-22



The City of Umatilla operates the Umatilla Marina & RV Park under a long-term lease with the US Army Corps of Engineers. The RV Park offers 35 spacious RV and tent sites with incredible views of the Columbia River. The Umatilla Marina offers berthing for up to 97 boats ranging in length from 24 to 60 feet.

## Marina & RV Park Budget Highlights

### *Maintenance*

There are several identified maintenance and improvement projects for the Marina & RV Park in the approved budget. The first is the addition of a marina host site in the marina parking lot near the existing restroom. This budget also funds the addition of an outdoor check-in kiosk and street improvements to Quincy Ave.

### *Marina Improvements*

The Umatilla Marina was completed spring 1991. The average lifespan of a marina built in the 1990s is 15-20 years due to the technologies/engineering of marinas during this time. The Umatilla Marina has reached the end of its useful life and is needing a full replacement. We have missing floatation, twisted fingers, splintering boards, missing hardware, and both significant potable water and electrical issues, not to mention an entire dock that has been decommissioned for more than 5 years.

The Umatilla Marina is a well-used marina with seemingly countless potential. Staff is proposing that we allocate \$300,000 to design an all-new state-of-the-art marina. The new marina would include: covered single-berth slips, uncovered single berth slips, aluminum or steel framed docks, engineered decking or concrete, encapsulated floats and other highly buoyant materials, well-spaced navigable fairways, reliable and safe potable water, electrical hookups at each slip, updated sewer pumping system(s), high speed internet, new gangways and entries, replaced abutments, and other features and amenities.

The design process would include utilization of a marina design contractor in close consultation with the United States Army Corps of Engineers (USACE), the Oregon State Marine Board (OSMB), the Oregon Department of State Lands (DSL) and others. USACE prefers and often requires designed/engineered site plans in order to apply for their required permits. The permitting process can take several months to a year. In a lighting quick scenario, it will take a minimum of three years (most likely 4-5) from start today to ribbon cut in the future.

### *Beach Improvements*

This budget includes improvements to the marina beach. The beach would be a wonderful place for our community to enjoy, however it needs improvements which involve permitting, vegetation removal, and bringing in sand. The estimated cost on those improvements is \$50,000. In addition, water type recreation facilities were very desirable throughout the parks master plan process. As a follow up, we have put \$25,000 in reserves this year to purchase an inflatable water park costing \$110,000 in the 2022-23 fiscal year. [Ing Jargon](#).



## **Current Marina and RV Park Rates:**

RV Sites \$40/night

Tent Sites \$20/night

Moorage ranges \$75-\$180/month depending on dock and maximum boat length

Dry Storage \$50/month with discount available for moorage customers





## General Fund: Marina & RV Park Department

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
▶ Personnel Services	0	0	26,695	217,647	217,647	217,647
▼ Materials & Services	322,734	292,289	331,850	533,925	533,925	533,925
Attorney Fees	0	580	2,500	10,000	10,000	10,000
Contracted Services	0	112,008	120,000	300,000	300,000	300,000
Supplies	3,744	4,448	4,500	7,000	7,000	7,000
Postage	373	312	300	325	325	325
Fuel/Oil/Ice for Resale	14,598	22,819	22,000	25,000	25,000	25,000
Telephone	2,326	3,675	4,000	4,800	4,800	4,800
Printing/Advertising	6,053	8,895	10,000	10,000	10,000	10,000
Insurance	11,336	12,718	14,000	14,000	14,000	14,000
Refunds	2,981	2,107	4,500	2,500	2,500	2,500
Electricity	29,914	33,081	36,000	37,800	37,800	37,800
Dues and Fees	22,098	26,641	30,000	30,000	30,000	30,000
Park Maintenance	215,329	50,573	68,000	75,000	75,000	75,000
Transient Room Tax	13,022	14,433	13,550	17,500	17,500	17,500
Computer Support	960	0	2,500	0	0	0
▼ Capital Outlay	0	0	22,000	10,000	10,000	10,000
Equipment	0	0	22,000	10,000	10,000	10,000
<b>Total</b>	<b>322,734</b>	<b>292,289</b>	<b>380,545</b>	<b>761,572</b>	<b>761,572</b>	<b>761,572</b>

# General Fund & Departments Within: Police Department

Fiscal Year 2021-22

It is the mission of the Umatilla Police Department to provide a fast, effective and professional service to the citizens and guests of the City of Umatilla. We strive to accomplish our 3 R's of policing: Doing the RIGHT thing, For the RIGHT reason, At the RIGHT time. All to protect constitutional guarantees and create an environment of safety, security and respect while maintaining partnerships between the community and police.

Members of the Umatilla Police Department value integrity, honesty, teamwork, respect, interagency relationships, dedication to the protections and preservation of life, harmonious relations with the public, commitment to the guidance of our youth and the success and safety of our fellow officers.



# Priorities & Performance Measures

## Priority

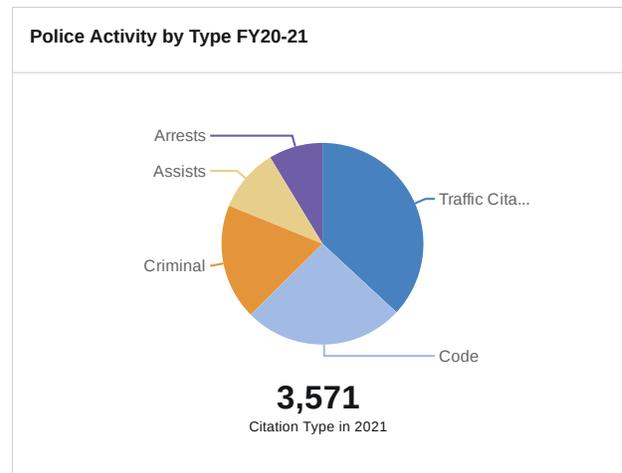
Increase public safety by professionally promoting safety and livability through education and enforcement.

## Outcomes

The Umatilla Police Department utilizes best practices and frequent training to ensure that patrol operations meet a high professional standard. Education and enforcement of laws helps ensure the livability and quality of life that is a priority for the City of Umatilla.

**Police Activity by Type FY20-21**

Category	Jun 2021
Traffic Citations	1,318
Code	917
Criminal	663
Assists	363
Arrests	310



## Police Department Budget Highlights:

### Staffing

This fiscal year marks the beginning of a new three year collective bargaining agreement that is in effect through June 30, 2024. In the first year, union employees will receive a 3.5% salary increase and the creation of a ninth step on the wage scale to reward longevity. Each year after, they will receive 3.5% salary increases.

### Dispatch Fees

Umatilla County and the other dispatch partners have agreed to modify the funding formula to be based on population numbers rather than assessed value. Umatilla’s obligation under the new population formula is \$144,000 rather than the \$246,000 under the old assessed value formula. We anticipate continuing to increase our payment by \$20,000 annually until we hit our full amount due.

### Equipment

The police department submitted several equipment requests for FY2022 that were funded. These expenditures are funded through transfers to the Capital Reserve Fund and include:

- The cost to purchase and outfit one new patrol vehicle \$41,000
- The cost to purchase and outfit one new investigator SUV \$44,500
- Taser replacement \$6,720
- Portable generator transfer switch \$19,500
- Milo training simulator \$15,000

## Capital Projects

### Outdoor Shooting Range

The Master Parks Plan is anticipated to be adopted this summer. Second only to an Indoor Aquatic Center, the draft plan has identified an Outdoor Shooting Range as one of the community's most desired amenities. We will be exercising a purchase option of approximately 200 acres of land this year and have identified approximately 20 acres of that purchase to be a great fit to meet this community desire. This section of the property is mostly sloped, providing natural bluffs perfect for retaining gun projectiles and is approximately one mile or more away from the nearest residence. This budget will dedicate these 20 acres and begin construction of this new outdoor shooting range to meet the needs of users of handguns, rifles, shotguns, and archery.

### Design of new Police Department Building

Our Police Department building is showing its age and has been for quite some time. As our community continues to grow at these historic rates, the need to continue to hire additional officers and provide suitable modern police facilities with enough space and training areas is critical to the success of keeping our community safe. We will begin the design process of replacing our existing Police Department this year and will aggressively pursue grant funding to construct the building next year. Once funding is secured, we will begin construction, likely occurring in three years, starting in FY24/25. These plans are the key to initialize this process.



## General Fund: Police Department

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
▼ Personnel Services	1,219,497	1,443,165	1,773,897	1,960,740	1,960,740	1,960,740
Salaries & Wages	803,169	938,295	1,146,876	1,241,615	1,241,615	1,241,615
Employee Benefits	416,328	504,870	627,021	719,125	719,125	719,125
▼ Materials & Services	187,548	242,962	301,630	603,775	603,775	603,775
Engineering	0	0	0	200,000	200,000	200,000
Minor Equipment	3,856	3,656	5,000	5,000	5,000	5,000
Supplies	3,956	6,122	10,000	10,000	10,000	10,000
Postage	168	285	200	300	300	300
Heat/Light	7,931	7,401	8,200	8,550	8,550	8,550
Telephone	13,687	17,089	17,200	20,000	20,000	20,000
Training/Travel	9,851	12,176	15,000	15,000	15,000	15,000
Insurance	7,786	8,048	8,850	12,000	12,000	12,000
Uniform Allowance	7,129	6,917	12,000	10,000	10,000	10,000
Physicals	2,637	2,166	3,600	3,600	3,600	3,600
Gas/Oil	23,840	24,615	28,000	28,000	28,000	28,000
Legal Services	0	0	1,000	1,000	1,000	1,000
Dues and Fees	1,380	2,238	3,500	3,500	3,500	3,500
Equipment Operation	938	7,548	8,500	16,000	16,000	16,000
Building Maintenance	0	18,839	16,000	35,500	35,500	35,500
Vehicle Maintenance	25,780	22,219	19,000	21,850	21,850	21,850
Interpretors	0	0	500	200	200	200
School Resource Officer	0	0	20,000	0	0	0
Dispatch Fees/Coverage	63,880	83,880	103,880	144,180	144,180	144,180
Miscellaneous	5,033	9,656	8,000	24,000	24,000	24,000
Accred Police Dept/Lexipol	5,337	5,523	5,900	6,900	6,900	6,900
Reserve Officers	1,471	331	1,500	1,500	1,500	1,500
Contractual Services	1,158	1,674	3,200	34,095	34,095	34,095
Dog Holding Facility	1,730	2,580	2,600	2,600	2,600	2,600
▼ Capital Outlay	13,865	8,447	9,500	33,500	33,500	33,500
Safety Equipment	2,047	3,334	3,500	8,500	8,500	8,500
Equipment	11,818	5,113	6,000	25,000	25,000	25,000
<b>Total</b>	<b>1,420,910</b>	<b>1,694,574</b>	<b>2,085,027</b>	<b>2,598,015</b>	<b>2,598,015</b>	<b>2,598,015</b>

# General Fund & Departments Within: Code Enforcement

Fiscal Year 2021-22

The City’s Code Enforcement Officer is responsible for maintaining city code ordinances regarding vehicles (i.e. parking complaints, abandoned vehicles), domesticated animals (i.e. dogs running at large, nuisance animals) and properties (i.e. nuisance violations, noxious uncontrolled vegetation, junk nuisances). This department also funds the free community cleanup events that the City hosts several times each year.

## Priorities & Performance Measures

### Priority

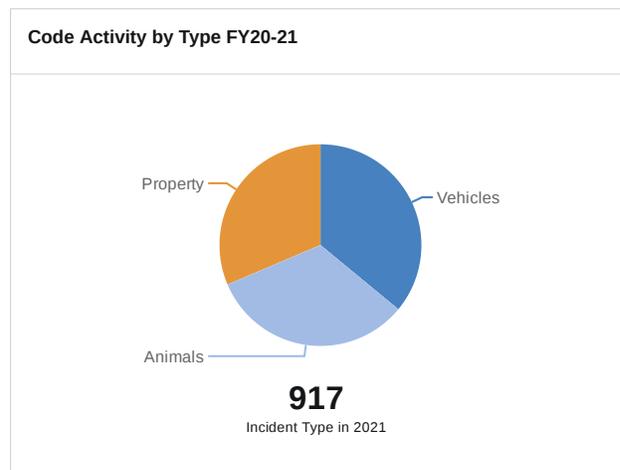
**Provide professional and timely code enforcement services supporting an attractive, clean and safe community for Umatilla residents and businesses.**

### Outcomes

**The Code Enforcement Division of the Police Department is committed to assisting the public in improving the livability and quality of life in Umatilla. The Code Enforcement Officer responds to complaints in the community related to City Code, as well as works in coordination with the Police Department and Municipal Court to address violations.**

**Code Activity by Type FY20-21**

Category	Jun 2021
Vehicles	330
Animals	299
Property	288



## Free Community Cleanup Event



## General Fund: Code Enforcement Department

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
▼ Personnel Services	96,030	104,852	116,791	126,976	126,976	126,976
Salaries & Wages	63,752	68,246	77,418	81,033	81,033	81,033
Employee Benefits	32,278	36,606	39,373	45,943	45,943	45,943
▼ Materials & Services	10,778	5,075	38,275	90,800	90,800	90,800
Code Enforcement/Abatement	9,270	593	20,000	65,000	65,000	65,000
Neighborhood Cleanups	239	2,109	6,000	15,000	15,000	15,000
City Attorney	0	0	2,500	1,000	1,000	1,000
Supplies	110	500	1,000	1,000	1,000	1,000
Postage	0	0	250	250	250	250
Training/Travel	1,008	827	3,000	3,000	3,000	3,000
Clothing Allowance	0	266	275	300	300	300
Gas/Oil	0	0	2,500	2,500	2,500	2,500
Dues and Fees	75	75	250	250	250	250
Equipment Operation	0	704	2,000	2,000	2,000	2,000
Miscellaneous	76	0	500	500	500	500
<b>Total</b>	<b>106,808</b>	<b>109,927</b>	<b>155,066</b>	<b>217,776</b>	<b>217,776</b>	<b>217,776</b>

# General Fund & Departments Within: Transportation

Fiscal Year 2021-22

## Subsidized Taxi Ride Service

In November 2018, the City entered into an agreement with Umatilla Cab Company to provide curb-to-curb senior and disabled transportation service to Umatilla residents anywhere within the incorporated boundaries of the City of Umatilla and City of Hermiston. The cost to the rider of a one-way ride is \$8.00 from Umatilla to Hermiston or vice versa.



To fund the remainder of this program, the City of Hermiston generously offered the City of Umatilla \$4,000 of its Special Transportation Fund (STF) revenue.

## General Fund: Transportation Department

Expand All	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
► Materials & Services	323	476	3,760	2,760	2,760	2,760
<b>Total</b>	323	476	3,760	2,760	2,760	2,760

# General Fund & Departments Within: Golf Course

Fiscal Year 2021-22



## Golf Course Budget Highlights

### *Equipment*

The golf course is requesting a new Trimax turf mower at an estimated cost of \$40,000. This mower is able to cover large areas quickly and efficiently. It is designed specifically for golf courses and can handle a wide variety of tasks from striping turf on the course or sports fields to mulching high-waist vegetation.

The golf course currently has 60 golf cart sheds that are available to rent out on an annual basis. The current sheds are full and there is a long waiting list. We are proposing placing storage for an additional 20-30 carts that we could immediately fill. The estimated cost is between \$60,000-\$85,000 and we would recover \$10,000-\$15,000 per year in revenue.

### *Maintenance*

The entire irrigation system for the golf course is currently manually operated. We are requesting \$21,000 to replace the valves with automated remote radio valves. This will significantly reduce the amount of personnel time required to water the course.

The golf course pump station also needs repairs. The existing electrical equipment needs to be removed and replaced, including the panelboard with breakers, a transformer for 120v power and two 60HP VFDs. In addition, the building will need to be made larger to accommodate the new electrical equipment and maintain the code required working clearances around the equipment. The total cost of these improvements is \$65,000.

### Planning

We have budgeted for two consulting projects for the golf course. The first project will bring on a consultant to make recommendations to us on how to maximize revenue out of our golf course and how to potentially reduce expenses at estimated cost of \$50,000. They will also provide us a general course improvement set of suggestions, including both for course improvements for the player and course improvements/maintenance/operations for us the owner. This person/firm will provide us with recommendations for website use and design, course amenities and services, clubhouse layout and product offerings, customer service techniques and policies, general considerations for a future Clubhouse/Pro Shop/Restaurant/Hall facility, special golf events, on-course festivals, and other potential course uses or ideas. We should have a set of implementable suggestions in a final report.

The second project is to complete a master plan for the golf course and Hash Park area at an estimated cost of \$125,000. The recently adopted Master Park Plan indicates that a sports/baseball complex is a high priority. We would like to look at the best way to optimize the use of both facilities and a possible trail connection between the two.

## General Fund: Golf Course

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
▼ Personnel Services	0	0	80,960	443,710	443,710	443,710
Salaries & Wages	0	0	65,000	292,509	292,509	292,509
Employee Benefits	0	0	15,960	151,201	151,201	151,201
▼ Materials & Services	0	0	180,000	326,250	326,250	326,250
Insurance	0	0	0	5,000	5,000	5,000
Postage	0	0	0	250	250	250
Miscellaneous	0	0	0	5,000	5,000	5,000
Pro Shop Lease	0	0	0	18,000	18,000	18,000
Attorney Fees	0	0	0	10,000	10,000	10,000
Printing/Advertising	0	0	0	15,000	15,000	15,000
Electricity	0	0	0	35,000	35,000	35,000
Telephone	0	0	0	2,500	2,500	2,500
Dues and Fees	0	0	0	2,500	2,500	2,500
Fuel	0	0	0	8,000	8,000	8,000
Contracted Services	0	0	80,000	115,000	115,000	115,000
Golf Course Operations	0	0	100,000	110,000	110,000	110,000
<b>Total</b>	<b>0</b>	<b>0</b>	<b>260,960</b>	<b>769,960</b>	<b>769,960</b>	<b>769,960</b>

# General Fund & Departments Within: 911 Emergency Service Center

Fiscal Year 2021-22

The Police Department has a dedicated T1 transmission line that is used to communicate with Umatilla County for emergency services. The City anticipates moving this expense to the Police Department budget in future fiscal years as we have with the dispatch services expense.

## General Fund: 911 Emergency Service Center Department

Expand All	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
► Materials & Services	1,121	1,122	1,250	1,250	1,250	1,250
<b>Total</b>	1,121	1,122	1,250	1,250	1,250	1,250

# General Fund & Departments Within: Non-Departmental

Fiscal Year 2021-22

Non-Departmental activities of the General Fund include the Operating Contingency, Transfers Out and the Unappropriated Fund Balance.

Transfers Out for the 2021-22 fiscal year include:

Purpose	Amount	To
Land Acquisition	\$750,000	Capital Reserve Fund
Kiwanis Falls	\$20,000	Capital Reserve Fund
Bike/Pedestrian Paths	\$270,000	Capital Reserve Fund
Mobile Stage Reserve	\$185,000	Capital Reserve Fund
Umatilla Business Center Reserve	\$400,000	Capital Reserve Fund
Park Expansion/Improvements	\$290,000	Capital Reserve Fund
Range Construction	\$80,000	Capital Reserve Fund
Golf Course Improvements	\$410,000	Capital Reserve Fund
Golf Course Equipment	\$40,000	Capital Reserve Fund
Police Vehicle	\$62,500	Capital Reserve Fund
Office Equipment Replacement	\$4,000	Capital Reserve Fund
Shop Bldg Reserve	\$10,000	Capital Reserve Fund
Minor Property Improvements	\$55,000	Capital Reserve Fund
City Camera Upgrades	\$33,800	Capital Reserve Fund
Park Equipment	\$156,000	Capital Reserve Fund
Recreation Equipment	\$41,500	Capital Reserve Fund
Marina/RV Park Improvements	\$151,500	Capital Reserve Fund
Marina/RV Park Wifi Upgrade	\$50,000	Capital Reserve Fund
Library Operating Expense	\$40,000	Library Fund
Street Light Maintenance	\$12,525	Street Fund
Chamber & Museum Support	\$21,000	Transient Room Tax Fund
City Sponsored Festivals	\$177,500	Transient Room Tax Fund
<b>Total Transfers Out</b>	<b>\$3,260,325</b>	

## General Fund: Non-Departmental

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
▼ Transfers	597,700	493,596	3,401,400	3,260,325	3,260,325	3,260,325
Transfers	597,700	493,596	3,401,400	3,260,325	3,260,325	3,260,325
▼ Operating Contingency	0	0	520,402	1,000,000	1,000,000	1,000,000
Operating Contingency	0	0	520,402	1,000,000	1,000,000	1,000,000
▼ Unappropriated Fund Balance	0	0	3,598,995	1,382,491	1,382,491	1,382,491
Unappropriated Fund Balance	0	0	3,598,995	1,382,491	1,382,491	1,382,491
<b>Total</b>	<b>597,700</b>	<b>493,596</b>	<b>7,520,797</b>	<b>5,642,816</b>	<b>5,642,816</b>	<b>5,642,816</b>

# Water Fund

Fiscal Year 2021-22

The Water Fund is an enterprise fund used to account for the maintenance and operation of the city water utility. The City of Umatilla produces its water from a groundwater source using four deep basalt wells. Combined, these wells are able to deliver more than 5,500 gallons per minute.



The City of Umatilla Public Works Department achieved the Oregon Health Authority's Oregon Drinking Water Services Outstanding Performance certification in 2015.

To achieve this certification, the City's water system received an onsite survey to review water system sources, treatment, storage facilities, distribution system, operation and maintenance procedures, monitoring, and management for the purpose of evaluating the system's capability of providing safe water to the public.

## Priorities & Performance Measures

### Priority

Efficiently maintain and professionally operate the City's water utility.

Measure	FY2020-21
Total water produced (in millions of gallons)	508
Number of water utility accounts	1,729
Number of wells maintained	4
Number of pumps maintained	11
Number of reservoirs maintained	6
Miles of distribution pipe	47

### Outcomes

Providing a continuously maintained water utility system through needed repairs, maintaining reservoirs, pressure reducing valves, and pump station management ensures the highest quality of water, uninterrupted water service, and needed fire protection to the residents of Umatilla.

## Water Fund Budget Highlights

### *Rates*

Staff and FCS Group completed a water and sewer utility rate and system development charge (SDC) study in fiscal year 2019-20. Prior to the study, rates have not been able to keep up with rising costs. FCS recommended an overall water rate increase of 25% in the current fiscal year which was approved by City Council. It also called for three 6% annual increases, and then 2% future increases. Council approved a monthly water rate increase of 6% effective July 1, 2021. The average residential customer, using 25,000 gallons, will see a \$3.65 monthly increase. These increases have allowed us to significantly increase the annual transfer to reserve to save for future infrastructure replacement and expansion.

### *Maintenance*

The water department anticipates some added maintenance costs in FY2022. The Coyote booster pump needs routine maintenance to make sure it is running efficiently, the Intertie well pump motor is also in need of routine maintenance and the Golf well flowmeter needs replacement. It is critical that we have accurate flow numbers at our wells for accountability to OWRD.

This budget all incorporates the purchase of a chlorine leak auto shutoff and chlorine scales at Intertie and McFarland as safety measures. In the current fiscal year, we implemented a clay valve maintenance program to replace 4 per year at an estimated cost of \$12,000. The clay valves are systematic valves that regulate and sustain water pressure throughout the City. This program will carry forward annually so that all valves are replaced every five years.

### *Equipment*

This budget incorporates a few small equipment requests totaling \$5,000 for tools that would make the repair of meters and piping safer than the current conditions. These items would be used on a daily basis. It also includes a plasma cutter at an estimated cost of \$1,200.

A Golf well backup generator is critical to the infrastructure of the city. Without the generator, we would be down to about half of our capacity of water. We found many problems during the last lightning storm and they no longer make any of the parts or switching for the current generator. As this is a big-ticket item (\$150,000), this budget includes a \$75,000 transfer into reserves in the 2021-22 fiscal year with the intention to purchase the generator in the 2022-23 fiscal year.



## Water Fund

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
▼ Revenues	\$ 1,257,469	\$ 1,444,565	\$ 1,991,899	\$ 1,966,980	\$ 1,966,980	\$ 1,966,980
▶ Beginning Fund Balance	108,446	136,620	193,675	156,967	156,967	156,967
▶ Fees & Charges	1,136,407	1,295,451	1,619,724	1,803,613	1,803,613	1,803,613
▶ Interest	4,576	4,043	4,800	2,400	2,400	2,400
▶ Miscellaneous	8,040	4,567	8,200	4,000	4,000	4,000
▶ Transfers from Other Funds	0	3,885	165,500	0	0	0
▼ Expenses	1,122,095	1,301,466	1,991,899	1,966,980	1,966,980	1,966,980
▶ Personnel Services	509,571	528,186	532,856	525,919	525,919	525,919
▶ Materials & Services	466,176	575,092	744,450	667,440	667,440	667,440
▶ Debt Service	0	5,240	50,000	32,523	32,523	32,523
▶ Transfers	141,000	192,250	484,250	537,920	537,920	537,920
▶ Capital Outlay	5,348	698	5,000	0	0	0
▶ Operating Contingency	0	0	90,000	100,000	100,000	100,000
▶ Unappropriated Fund Balance	0	0	85,343	103,178	103,178	103,178
Revenues Less Expenses	\$ 135,374	\$ 143,099	\$ 0	\$ 0	\$ 0	\$ 0

Transfers Out for the 2021-22 fiscal year include:

Purpose	Amount	To
Shop Bldg Reserve	\$10,000	Capital Reserve Fund
Jet Rodder Trailer Reserve	\$20,000	Capital Reserve Fund
Golf Well Generator Reserve	\$50,000	Capital Reserve Fund
Water Dept Equipment	\$29,400	Capital Reserve Fund
Office Equipment Replacement	\$2,000	Capital Reserve Fund
City Camera Upgrades	\$2,300	Capital Reserve Fund
Building Maintenance City Hall	\$500	General Fund
Computer Support	\$10,000	General Fund
Capital Improvement Plan	\$2,000	General Fund
City Hall Staff Rent	\$6,720	General Fund
Water Project Reserve	\$385,000	Water Reserve Fund
Electronic Meter Replacement	\$15,000	Water Reserve Fund
Hydrant Replacement	\$5,000	Water Reserve Fund
<b>Total Transfers Out</b>	<b>\$537,920</b>	

# Water Reserve Fund

Fiscal Year 2021-22

The Water Reserve Fund accounts for major capital improvement projects and infrastructure replacement of the water department. Revenue is derived from transfers from the water department, System Development Charges on new construction and reimbursements received from financing capital projects.

## Water Reserve Fund Budget Highlights

### *Final Design of Water and Sewer Extension to the Power City and Brownell Areas*

Power City and Brownell are two communities that lie within the City of Umatilla's Urban Growth Boundary, but are not provided with water or sewer service by the City. The City was recently awarded a Community Development Block Grant (CDBG) in the amount of \$734,000 for the final design of water utility extension to these areas. This project will be the first step towards closing these identified "donut holes" in the City and bringing compliant drinking water to these communities. The project commenced in FY2021-22. This budget reflects the carryover of the unused grant funds and related expenditures.

### *Umatilla River Bridge - Waterline Replacement Project*

In spring 2019, flooding caused severe damage to the Umatilla River Bridge and the potable waterline that was attached to it. The following year, additional flooding caused more damage, rendering the bridge unrepairable. The bridge is an important strategic piece of City infrastructure. The bridge has multiple utility uses; it is used as a major walking path for students and community members to cross the Umatilla River. It also holds a major fiber optic conduit and is the major potable water line for the South Hill neighborhoods. The South Hill area of Umatilla is seeing tremendous residential development and the City is concerned about adequate water supply and fire flow to that side of town. The City is currently utilizing a smaller waterline that had been previously shut off to provide water in the interim period but the pipeline is not viable as a permanent option. The City has worked with FEMA and JUB Engineers to develop a replacement project for both the bridge and waterline. To mitigate future damages to the bridge and waterline, the City will be installing a clear span arched steel truss pedestrian bridge with the same size of waterline mounted to the underside of the bridge. This bridge will be raised 5-10' from its' previous height.

The waterline replacement is a \$700,000 project. FEMA will be covering approximately \$500,000 and we anticipate a \$200,000 emergency grant from Business Oregon's Special Public Works Fund for the remainder of the project costs.

### *Feasibility Study to Prove Hydraulic Connectivity of Wells to the Columbia River*

The City was awarded a feasibility study grant from Oregon Water Resources Department (OWRD) to cover approximately half of the project cost to develop a hydraulically-connected well to utilize the City's unused surface water right. The project would be to make exploratory bores, test and monitor the water quality to determine hydraulic connection, then construct a single test well and coordinate with OWRD regulators about the results to their satisfaction. To cover the remainder of the project, the City has secured a \$372,800 loan from Business Oregon's Infrastructure Finance Authority (IFA).

# Water Reserve Fund

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
▼ Revenues	1,248,666	806,492	2,848,941	3,748,376	3,748,376	3,748,376
▶ Beginning Fund Balance	417,556	536,203	752,781	1,113,326	1,113,326	1,113,326
▶ SDC Revenue	79,411	67,779	184,860	205,400	205,400	205,400
▶ Interest	5,473	11,961	12,000	6,000	6,000	6,000
▶ Miscellaneous	646,226	35,049	1,484,300	2,018,650	2,018,650	2,018,650
▶ Transfers from Other Funds	100,000	155,500	415,000	405,000	405,000	405,000
▼ Expenses	712,463	79,015	2,848,941	3,748,376	3,748,376	3,748,376
▼ Materials & Services	49,175	1,592	749,000	580,850	580,850	580,850
Legal	0	0	47,500	27,850	27,850	27,850
Engineering	49,175	1,592	701,500	553,000	553,000	553,000
▼ Capital Outlay	663,288	77,423	1,420,375	2,216,801	2,216,801	2,216,801
Well & Pump Repairs/SDC Funded	46,967	27,155	128,349	49,052	49,052	49,052
Water Improvements/SDC Funded	0	0	338,921	416,280	416,280	416,280
Water Systems Imp or Repairs	616,321	39,944	0	785,350	785,350	785,350
Develop Water Right	0	0	116,519	116,519	116,519	116,519
Replace Electronic Meters	0	6,911	60,000	75,000	75,000	75,000
Replace Hydrants	0	3,414	11,586	9,600	9,600	9,600
Hydraulic Test Well	0	0	765,000	765,000	765,000	765,000
▶ Operating Contingency	0	0	300,000	300,000	300,000	300,000
▶ Unappropriated Fund Balance	0	0	379,566	650,725	650,725	650,725
Revenues Less Expenses	536,203	727,477	0	0	0	0

# Sewer Fund

Fiscal Year 2021-22

The Sewer Fund is an enterprise fund used to account for the maintenance and operation of the city sewer utility. A new sewer plant was built down by the Columbia River in 1999 and is operated by the Public Works Department. The Wastewater Division employs certified professionals who operate and maintain the City's Wastewater/Sewer operations. Wastewater Operations Division is responsible for the operation and oversight of the City of Umatilla Wastewater Treatment Plant (WWTP). The plant operates 24/7 and treats an average of 700 thousand gallons of waste water per day.

Wastewater that enters the treatment plant (influent) is about 99% water and 1% solids. The wastewater flows through a series of treatment processes that screen out large solids, remove smaller solids that sink or float, and then removes smaller materials that are dissolved in the wastewater. This treatment process involves physical, chemical and biological treatment techniques.

The Wastewater Treatment Plant is a state-of-the-art wastewater treatment plant that utilizes many complex processes to produce treated wastewater and recycled water. Wastewater undergoes primary, secondary and tertiary treatment and disinfection before being released into the Columbia River.



## Performance Measures

### Priority

**Efficiently maintain and professionally operate the City's wastewater utility infrastructure.**

Measure	FY2020-21
Design capacity of WWTP (in millions of gallons per day)	3.2
Total amount of wastewater treated in 2020 (in millions of gallons)	254.8
Number of sewer utility accounts	1,795
Number of lift stations maintained	6
Number of pumps maintained	12
Miles of sewer lines	35

### Outcomes

**Providing a continuously maintained wastewater system through needed system repairs, maintaining pump stations, maintaining manholes, performing line cleaning, video inspection of sewer lines, and operation and maintenance of the wastewater treatment plant to our best ability ensures compliance with our NPDES permit and uninterrupted service at all times for the residents of Umatilla.**

## Sewer Fund Budget Highlights

### *Rates*

Staff and FCS Group completed a water and sewer utility rate and system development charge (SDC) study in fiscal year 2019-20. FCS recommended an overall sewer rate increase of 25% in the current fiscal year which was approved by City Council. It also called for six 6% annual increases, and then 2% future increases. Council approved a monthly sewer rate increase of 6% effective July 1, 2021. The average residential customer will see a \$2.76 monthly increase.

### *Maintenance*

There are several plant and equipment maintenance issues that need to be addressed in the upcoming fiscal year. The wastewater treatment plant needs a new headworks auger at an estimated cost of \$7,500, as the current one is no longer serviceable and replacement parts are no longer made. This is critical as it separates solids and liquids as they enter the plant.

In the current fiscal year, we set aside \$5,000 for upgrades to the sewer TV camera system. That amount is insufficient. This budget rolls over the previous funds roll the funds over and allocates an additional \$12,000 to get to the total project cost of \$17,000.

There are also several lift stations that need maintenance or upgrades. The Wildwood lift station needs an update on the electrical panel at an estimated cost of \$40,000. It is out of compliance and cannot be worked on by our electrician without a complete overhaul to the panel and float system. The marina and RV park lift station is also out of compliance and needs an electrical and pump upgrade, along with some new plumbing, at an estimated cost of \$50,000. In the current fiscal year, we transferred \$25,000 into reserve to put towards the purchase of a 65 HP backup generator for the South Hill lift station. This project was identified since we currently do not have a backup generator on site and if we were to have a power outage it could take hours before we can identify the issue and get a trailer generator connected. This could cause a sewer spill issue near the Umatilla River. This budget includes the purchase of the generator in the 2021-22 fiscal year at an anticipated cost of \$75,000.

Umatilla has not updated its Wastewater Facility Plan in over 20 years (1997) and has experienced a significant amount of development and growth throughout the city. The City was awarded a \$20,000 technical assistance grant from Business Oregon to help cover a portion of the \$254,000 plan update. The remainder will be funded with a low interest planning loan from DEQ's Clean Water State Revolving Loan Fund. This study commenced at the end of FY2020-21 and the remaining loan/grant revenue and associated engineering expenses are carried forward into this budget.



## Sewer Fund

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
▼ Revenues	2,071,405	2,143,010	2,853,334	3,044,054	3,044,054	3,044,054
▶ Beginning Fund Balance	566,008	517,693	488,511	694,452	694,452	694,452
▶ Fees & Charges	1,489,101	1,611,348	2,101,323	2,101,602	2,101,602	2,101,602
▶ Interest	11,818	7,541	8,000	4,000	4,000	4,000
▶ Miscellaneous	4,478	1,706	255,500	244,000	244,000	244,000
▶ Transfers from Other Funds	0	4,722	0	0	0	0
▼ Expenses	1,556,164	1,644,821	2,853,334	3,044,054	3,044,054	3,044,054
▶ Personnel Services	667,766	569,421	588,242	600,426	600,426	600,426
▶ Materials & Services	345,425	435,695	738,160	711,690	711,690	711,690
▶ Debt Service	271,977	334,955	452,126	475,777	475,777	475,777
▶ Transfers	270,000	304,750	592,250	609,220	609,220	609,220
▶ Capital Outlay	996	0	10,000	0	0	0
▶ Operating Contingency	0	0	130,000	100,000	100,000	100,000
▶ CWSRF Loan Reserve	0	0	60,389	60,389	60,389	60,389
▶ Unappropriated Fund Balance	0	0	282,167	486,552	486,552	486,552
Revenues Less Expenses	515,241	498,188	0	0	0	0

Transfers Out for the 2021-22 fiscal year include:

Purpose	Amount	To
Capital Improvement Plan	\$2,000	General Fund
Building Maintenance City Hall	\$500	General Fund
Computer Support	\$10,000	General Fund
City Hall Staff Rent	\$6,720	General Fund
Sewer Project Reserve	\$590,000	Sewer Reserve Fund
<b>Total Transfers Out</b>	<b>\$609,220</b>	

# Sewer Reserve Fund

Fiscal Year 2021-22

The Sewer Reserve Fund accounts for major capital improvement projects and infrastructure replacement of the sewer department. Revenue is derived from transfers from the sewer department, System Development Charges on new construction and reimbursements received from financing capital projects.

## Sewer Reserve Fund Budget Highlights

### *Transfers In*

One major goal of the approved sewer rate increase was to allow for a larger transfer into reserve in anticipation of future capital projects. In FY 2022 the transfers into Sewer Reserve total \$590,000, in comparison to the FY 2021 amount of \$510,000.

### *Final Design of Water and Sewer Extension to the Power City and Brownell Areas*

Power City and Brownell are two communities that lie within the City of Umatilla's Urban Growth Boundary, but are not provided with water or sewer service by the City. The City was recently awarded a Community Development Block Grant (CDBG) in the amount of \$372,5000 for the final design of sewer utility extension to these areas. The project commenced in FY2021-22. This budget reflects the carryover of the unused grant funds and related expenditures.



## Sewer Reserve Fund

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
▼ Revenues	1,619,529	4,487,801	2,645,113	3,645,044	3,645,044	3,645,044
▶ Beginning Fund Balance	1,237,868	1,509,734	1,882,813	2,431,044	2,431,044	2,431,044
▶ SDC Revenue	58,055	48,918	222,300	247,000	247,000	247,000
▶ Interest	32,762	29,450	30,000	15,000	15,000	15,000
▶ Miscellaneous	90,844	2,649,700	0	362,000	362,000	362,000
▶ Transfers from Other Funds	200,000	250,000	510,000	590,000	590,000	590,000
▽ Expenses	109,797	2,629,788	2,645,113	3,645,044	3,645,044	3,645,044
▼ Materials & Services	79,104	210,713	40,000	362,000	362,000	362,000
Legal	1,230	0	20,000	25,000	25,000	25,000
Engineering & UIC Permitting	77,874	210,713	20,000	337,000	337,000	337,000
▼ Capital Outlay	30,693	2,419,075	688,775	610,961	610,961	610,961
Sewer Improvements/SDC Funded	0	0	279,155	340,930	340,930	340,930
Sewer Repairs/SDC Funded	0	17,289	199,620	210,681	210,681	210,681
Sewer Imp/Repairs	30,693	2,401,787	210,000	59,350	59,350	59,350
▶ Operating Contingency	0	0	300,000	400,000	400,000	400,000
▶ Unappropriated Fund Balance	0	0	1,616,338	2,272,083	2,272,083	2,272,083
Revenues Less Expenses	1,509,732	1,858,013	0	0	0	0

# Street Fund

Fiscal Year 2021-22

The Street Fund is a special revenue fund used to account for the maintenance and operation of the city's streets, sidewalks, signage, medians, and rights-of-way.

The Street Department is in charge of snow removal and minor preventative maintenance of over 18.5 miles of roadway. These responsibilities include striping, roadway signage, and maintenance of oversight of City-owned curb, gutter, and street lighting.



## Performance Measures

### Priority

Maintain roads and right of way to the highest quality standards.

### Outcomes

Continuously maintaining the 18.5 street lane miles and right of way in the City's street system to the highest possible standard within the available budget enhances the quality and livability of the community.

# Street Fund Budget Highlights

## *Revenues*

The majority of street funding comes from the State Highway Apportionment. These funds have seen significant per capita dollar increases over the past several years leading up to COVID. This is due to the passage of the transportation package, HB 2017, during the 2017 legislative session. That trend was originally expected to continue in the current fiscal year. However, the COVID-19 pandemic has affected driving behavior, and the 2020-21 budgeted amounts were reduced to \$545,000 from their original forecast of \$590,000. The most recent forecast shows that the actual revenues for 2020-21 may be even less, closer to \$516,000. For the next fiscal year, the Highway fund tax sharing is due to increase by \$7.23/person. This results in a total apportionment for 2021-22 of approximately \$578,200, or an increase of over \$60,000 from the previous year. These projections are based on ODOT assumptions that a vaccine will get more widespread distribution in summer and fall of 2021, and that the economic recovery will accelerate.

Surface Transportation Block Grant (STBG) exchange funds for Street Projects has a remaining balance from prior years of \$9,217 and a new allotment for next year of approximately \$97,379, making \$106,596 available for streets projects. The exchange rate is \$.94 state funds for every \$1 federal funds that is exchanged through the end of 2021 and then will be reduced to \$.90 state funds for every \$1 federal funds for subsequent projects.

## *Maintenance*

There are several areas in town that need attention. Some areas could benefit from chip/fog/slurry sealing, oiling and crack sealing. Other areas, such as Columbia St. in McNary likely require a full grinding and overlay project that would cost near \$250,000. Much of this maintenance has been deferred to build funds for the 6th Street project. After completion of the 6th Street project, the hope is to do more regular projects using the STBG funds as leverage for grants.

This budget includes an allocation of \$40,000 to purchase rubber for crack seal and asphalt for potholes and pavement repair in the South Hill area.

It also includes funds to do thermal striping of crosswalks at heavily traveled areas and to replace posts and signs throughout the city that no longer meet ODOT specifications.

## *Equipment*

We are currently transferring \$15,000 per year for a 10-year replacement schedule on the street sweeper (anticipated replacement date of 2027).

In the current fiscal year, we allocated \$32,500 for the purchase of new Christmas decorations for the new decorative poles. The installation occurred very close to the holidays so we were able to get banners, but not wreaths. This budget carries those funds forward and allocates \$50,000 for Christmas lights to mount on half of the street lights and \$3,000 for a second set of banners.

## *Wanapa Road Project*

In November 2020, City Council approved two Long Term Enterprise Zone Abatement Agreements with Amazon Data Services, Inc. (ADS) for the construction of two all-new data center campuses to be located in the Industrial properties along Wanapa Road. The City is taking the lead in a \$4 million road and utility extension services project to serve ADS facilities and to continue to expand these services for potential future use for CTUIR industrial businesses. This project will help ADS meet their goal of having their first building of the first new campus operational by October 2022.



**FIGURE 6 TRUSS WITH OUTBOARD PLATFORM**

## ***Umatilla Bridge/Waterline Replacement Project***

In spring 2019, flooding caused severe damage to the Umatilla River Bridge and the potable waterline that was attached to it. The following year, additional flooding caused more damage, rendering the bridge unrepairable. The bridge is an important strategic piece of City infrastructure. The bridge has multiple utility uses; it is used as a major walking path for students and community members to cross the Umatilla River. It also holds a major fiber optic conduit and is the major potable water line for the South Hill neighborhoods. The South Hill area of Umatilla is seeing tremendous residential development and the City is concerned about adequate water supply and fire flow to that side of town. The City is currently utilizing a smaller waterline that had been previously shut off to provide water in the interim period but the pipeline is not viable as a permanent option. The City has worked with FEMA and JUB Engineers to develop a replacement project for both the bridge and waterline. To mitigate future damages to the bridge and waterline, the City will be installing a clear span arched steel truss pedestrian bridge with the same size of waterline mounted to the underside of the bridge. This bridge will be raised 5-10' from its' previous height.

The bridge replacement is a \$5.9 million-dollar project. FEMA will be covering \$4.3 million, insurance proceeds will cover \$100,000, and we anticipate a \$500,000 emergency grant and \$1 million loan from Business Oregon's Special Public Works Fund. We do not anticipate any loan payments due in the 2021-22 fiscal year.

## Street Fund

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
▼ Revenues	950,933	1,261,363	2,998,419	9,294,563	9,294,563	9,294,563
▶ Beginning Fund Balance	403,405	394,627	478,295	903,804	903,804	903,804
▶ Intergovernmental	530,269	523,493	790,474	674,136	674,136	674,136
▶ Interest	9,575	7,939	7,500	3,750	3,750	3,750
▶ Miscellaneous	3,684	328,304	1,685,250	7,700,348	7,700,348	7,700,348
▶ Transfers from Other Funds	4,000	7,000	36,900	12,525	12,525	12,525
▼ Expenses	556,659	666,560	2,998,419	9,294,563	9,294,563	9,294,563
▶ Personnel Services	328,441	251,490	309,656	374,903	374,903	374,903
▶ Materials & Services	128,548	155,320	209,540	294,000	294,000	294,000
▶ Transfers	92,000	48,950	46,950	136,900	136,900	136,900
▶ Capital Outlay	7,670	210,801	2,124,813	7,884,857	7,884,857	7,884,857
▶ Operating Contingency	0	0	150,000	350,000	350,000	350,000
▶ Unappropriated Fund Balance	0	0	157,460	253,903	253,903	253,903
<b>Revenues Less Expenses</b>	<b>394,274</b>	<b>594,803</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Transfers Out for the 2021-22 fiscal year include:

Purpose	Amount	To
Office Equipment Replacement	\$2,000	Capital Reserve Fund
Street Sweeper	\$15,000	Capital Reserve Fund
Shop Bldg Reserve	\$10,000	Capital Reserve Fund
Bike Paths	\$6,000	Capital Reserve Fund
Street Dept Equipment	\$61,900	Capital Reserve Fund
Quincy Street - Marina Improvements	\$30,000	Capital Reserve Fund
Computer Support	\$10,000	General Fund
Capital Improvement Plan	\$2,000	General Fund
<b>Total Transfers Out</b>	<b>\$136,900</b>	

# Capital Reserve Fund

Fiscal Year 2021-22

The Capital Reserve Fund was established for the purpose of replacing equipment, land acquisition and funding shared capital projects as needed. Revenue is derived from transfers from the water, sewer, street, library, building and general funds.

## Capital Reserve Budget Highlights

### *Equipment*

Major equipment purchases to be made in the 2021-22 fiscal year include a SUV and patrol vehicle for the Police Department, a John Deere Gator UTV, John Deere diesel mower and one-ton diesel with service bed for the Parks Department, a Trimax turf mower for the Golf Course, a vehicle for shared use at City Hall, and a mini excavator and two trailers for shared use among all public works departments.

### *Technology Upgrades*

This budget continues to emphasize technology. In addition to the routine computer support and annual license fees paid out of the General Fund, this budget includes wifi upgrades and the addition of a new kiosk at the Marina & RV Park to assist with after hours activity. This budget also includes funds to upgrade the City's camera system.

### *Land Acquisition*

The City and Umatilla Museum and Historical Board have been discussing the potential for the City to purchase the museum building and lease it back on a long-term lease. If the building is under City ownership, we would be able to address several maintenance issues and implement a regular preventative maintenance program. This would take that burden off of the museum board members. We hope to purchase the building in an installment owner financing agreement over four years with payments of \$31,250 per year.

We will be exercising our purchase option on over 200 acres of industrial land in the next fiscal year. In addition, this budget allocates an additional \$650,000 aside for industrial or other land purchases that may come up throughout the year.

## *Capital Projects*

**Nugent Park:** This budget includes funds to replace the Nugent Park dugout and scoreboard. It also includes playground and restroom improvements. The City will be submitting a grant to the Oregon Parks and Recreation Land and Water Conservation Fund (LCWF) for the rehabilitation of Nugent Park. The scope of work will include replacement of playground equipment and replacement of the pavilion. The total grant request is estimated at \$300,000 with a 50%, or \$150,000, matching requirement. The City was also recently awarded a grant from the Oregon Tourism Commission for the replacement of the Nugent Park restroom. The scope of work includes removing the old restroom, preparing utilities for new restroom connection, installation of the new restroom and installation of sidewalk and updated signage. The entire project is estimated at \$225,000, to be funded with \$100,000 in grant funds and \$125,000 in City match.

**Marina & RV Park Improvements:** This budget includes several improvements to the Marina & RV Park, including the addition of a marina host site in the marina parking lot near the existing restroom, landscape improvements, new signage, and a street improvement to Quincy Avenue. This budget also includes improvements to the marina beach. The beach would be a wonderful place for our community to enjoy, however it needs improvements which involve permitting, vegetation removal, and bringing in sand. The estimated cost on those improvements is \$50,000. In addition, water type recreation facilities were very desirable throughout the parks master plan process. As a follow up, we have put \$25,000 in reserves this year to purchase an inflatable water park costing \$110,000 in the 2022-23 fiscal year.

**Trail Projects:** This budget continues to implement our newly adopted Trails Master Plan. In 2020, the City was successful at securing an Oregon Parks and Recreational Regional Trails Program grant for completion of the Master Trails Plan Project 2 which will include design and construction of a section of path that will connect the South Hill region to the west side of the pedestrian bridge, and ultimately to the downtown area. The new ADA-compliant paved path will be approximately 1,000 feet in length running from Powerline Road to Stephens Avenue to connect to the reconstructed footbridge discussed later in the packet. The project will also include demolishing and removing the existing substandard asphalt path. The total project budget is \$205,000 which is made up of City cash match of \$41,000 (20%) and a grant of \$164,000.

The City was not awarded a grant for their application to the Oregon Parks and Recreation Local Government Grant Program (LGGP) large grant program in the most recent grant cycle. The application was for the completion of Project 1 South Hill Connector of the recently adopted Master Trails Plan. Staff will be making recommended changes and improvements to the application and resubmitting in the 2021-22 fiscal year. The grant request is estimated at \$550,000 with a 40%, or \$220,000, matching requirement. We will carry those funds over from the current fiscal year.

**Umatilla Business Center:** City staff has been working with Seder Architecture & Urban Design on a renovation and expansion project of the old post office building into the new City of Umatilla Business Center. This Business Center will house the Community Development Department and a multi-use room and kitchen for events and meetings in the existing building and will have a two-story expansion that will serve as a business incubator for new business owners on the lower level, while providing long term rental space on the second floor. We estimate this project will cost \$7.6 million which includes the building, parking lot and street improvements. City staff is preparing a \$2 million EDA grant application, talking to Umatilla County for a \$500,000 allocation and is working to secure \$2 million in legislative funding. We currently have \$1.5 million in reserves so will need to transfer \$800,000 per year for the next two budget cycles to cover the remainder of the project costs without taking out any debt.

**Kiwanis Falls:** This budget includes \$275,000 to update Kiwanis Falls at the intersection of US-730 and Highway 395. This will be a great artistic and beautiful gateway project for the City. The new project, though the design has not been started or completed, will feature ornamental hardscapes and landscapes that put our local arid beauty on display, water features that will enhance the design and represent our historical two rivers, artist created pieces that highlight our rivers and our history, and light features to create a beautiful and urban evening display.

## Capital Reserve Fund

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
▼ Revenues	2,381,871	2,792,134	7,626,708	8,173,668	13,398,365	13,398,365	13,398,365
▶ Beginning Fund Balance	1,306,877	1,753,342	1,666,472	1,666,676	3,839,047	3,839,047	3,839,047
▶ Payment in Lieu of Tax	51,064	54,390	56,437	58,870	61,171	61,171	61,171
▶ McNary Park & Rec Fee	4,500	0	0	0	0	0	0
▶ Capital Donations	6,800	6,500	200	0	0	0	0
▶ Capital Grants	20,000	5,776	68,974	806,075	2,502,625	2,502,625	2,502,625
▶ Interest	36,010	35,010	18,037	38,800	19,000	19,000	19,000
▶ Miscellaneous	177,120	147,521	2,236,938	1,998,597	3,172,922	3,172,922	3,172,922
▶ Transfers from Other Funds	779,500	789,596	3,579,650	3,604,650	3,803,600	3,803,600	3,803,600
▼ Expenses	628,531	1,125,662	3,713,143	8,173,668	13,398,365	13,398,365	13,398,365
▶ Materials & Services	133,831	0	0	0	0	0	0
▶ Debt Service	117,222	117,221	273,097	285,222	263,376	263,376	263,376
▶ Transfers	0	85,045	0	0	0	0	0
▼ Capital Outlay	377,478	923,396	3,440,045	5,054,400	11,522,131	11,522,131	11,522,131
Range Project	0	0	0	0	100,000	100,000	100,000
FEMA Park Repairs	0	0	0	14,100	14,099	14,099	14,099
McNary Park Improvement Fee	0	0	0	24,000	0	0	0
Minor Property Improvements	4,150	0	0	35,000	75,000	75,000	75,000
Downtown Revitalization	0	199,775	646,505	377,675	180,000	180,000	180,000
Park Equipment	55,339	33,000	8,434	5,000	153,400	153,400	153,400
Shop Building Reserve	20,180	4,550	0	0	0	0	0
Sewer Dept Equip & Jet Truck	858	10,443	0	3,000	104,400	104,400	104,400
Water Department Equipment	1,938	35,600	57,729	78,000	29,400	29,400	29,400
Police Computer Reserve	6,658	6,924	76,103	101,353	17,500	17,500	17,500
Library Equipment Reserve	180	444	26,989	28,000	0	0	0
City Hall Computer Reserve	23,710	20,552	11,125	10,000	52,000	52,000	52,000
Marina Computer Reserve	0	0	1,082	4,900	55,000	55,000	55,000
Code Enforcement Equipment	0	0	32,835	58,000	0	0	0
Police Equip Reserve	47,520	0	4,590	5,000	0	0	0
Land Acquisition	94,481	495,871	2,254,815	2,330,000	3,650,000	3,650,000	3,650,000
Park Expansion & Improvements	66,195	36,077	165,571	176,900	580,000	580,000	580,000
Office Equipment Replacement	18,397	9,970	4,232	10,000	30,000	30,000	30,000
Streets Equipment	15,555	34,000	2,750	0	29,400	29,400	29,400
Police Cars	22,317	31,049	46,332	46,000	85,500	85,500	85,500
Bike Paths/Pedestrian Improve	0	0	0	1,133,000	2,752,782	2,752,782	2,752,782
Building Dept Equipment	0	1,099	25,443	40,000	0	0	0
Golf Course Improvements	0	0	0	0	150,000	150,000	150,000
Golf Course Equipment	0	0	0	0	40,000	40,000	40,000
Street Improvement Reserve CVE	0	0	577	16,150	16,150	16,150	16,150
Mobile Stage	0	0	0	0	260,000	260,000	260,000
City Hall Vehicle	0	0	40,661	90,000	45,000	45,000	45,000
Marina Equipment	0	0	10,502	15,000	0	0	0
Marina Improvements	0	0	0	113,500	448,500	448,500	448,500

Recreation Equipment	0	0	5,707	8,500	24,000	24,000	24,000
Business Center	0	0	0	0	2,355,000	2,355,000	2,355,000
Kiwanis Falls Improvements	0	0	5,784	275,000	275,000	275,000	275,000
Office Remodel	0	4,042	12,280	56,322	0	0	0
► Unappropriated Fund Balance	0	0	0	2,834,046	1,612,858	1,612,858	1,612,858
<b>Revenues Less Expenses</b>	<b>1,753,340</b>	<b>1,666,472</b>	<b>3,913,565</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Library Fund

Fiscal Year 2021-22

The Library Fund accounts for the City's library. Revenue is derived from the Umatilla County Library District tax base levy, as well as a transfer from the General Fund. Expenditures are for the cost of operations and salaries of personnel. The City Council appoints five members to the Library Advisory Committee which meets quarterly to review the library's activities. Libraries, within the district, can access each other's book inventory lists. The libraries can exchange and borrow books from each other.

The mission of the Umatilla Public Library is to provide quality materials and services that fulfill educational, informational, cultural and recreational needs of the entire community in an atmosphere that is welcoming, respectful and business like.

## Priorities & Performance Measures

### Priority

Provide a variety of books to reach patrons of all ages, while shifting circulation needs due to the pandemic.

### Outcomes

Offering a variety of books allows us to reach children, teens and adults in our community. This priority will also apply to programming offerings post pandemic.

## Library Foot Traffic Report FY2020-21

Data

Summary

Details

Foot Traffic Count	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Total
Indoor	379	48	257	265	79	0	0	94	270	379	249	352	2,372
Curbside	0	70	0	2	34	87	98	45	0	4	3	0	343
Delivery	0	0	0	0	5	1	3	6	5	2	5	9	36
<b>Total</b>	<b>379</b>	<b>118</b>	<b>257</b>	<b>267</b>	<b>118</b>	<b>88</b>	<b>101</b>	<b>145</b>	<b>275</b>	<b>385</b>	<b>257</b>	<b>361</b>	<b>2,751</b>

# Library Circulation Report FY2020-21

Data

Summary Details

Category	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Total
Juvenile Fiction	264	96	195	187	117	179	127	123	114	184	105	109	1,800
Adult Fiction	191	154	142	121	130	119	108	131	142	136	126	113	1,613
E-Books	85	80	96	79	70	54	78	86	84	105	76	87	980
Movies	88	24	90	70	40	40	34	44	75	37	37	47	626
Audiobooks	69	47	11	3	3	9	15	6	72	43	53	73	404
Adult Non-Fiction	36	42	46	37	39	28	26	34	39	27	22	22	398
Large Print	42	23	29	20	19	25	31	24	25	31	32	27	328
Young Adult	32	15	23	16	7	15	10	15	20	16	6	20	195
Graphic Novel	24	9	9	49	4	5	3	3	24	28	14	22	194
Magazines	12	2	12	5	4	2	3	5	11	7	3	5	71
Equipment	12	2	3	5	5	2	3	6	4	4	8	6	60
Juvenile Non-Fiction	10	9	5	4	4	2	2	4	3	5	5	5	58
Spanish	5	2	3	11	5	1	0	0	0	0	0	0	27
<b>Total</b>	<b>870</b>	<b>505</b>	<b>664</b>	<b>607</b>	<b>447</b>	<b>481</b>	<b>440</b>	<b>481</b>	<b>613</b>	<b>623</b>	<b>487</b>	<b>536</b>	<b>6,754</b>

## Library Fund Budget Highlights

### Revenues

Estimates from the Umatilla County Special Library District show that the library will receive an increase of approximately \$18,000 in tax distribution revenue in the next fiscal year.

### Programming

COVID-19 created many challenges, especially for library operations. We had to suspend in person programming after gaining tremendous momentum the previous fiscal year. This budget maintains our current programming budget of \$12,000 in hopes that we will be able to reopen for in person events this summer.

### Equipment

The public computers in the library are very old and outdated. This budget includes the replacement of all eleven machines for a cost of \$12,100.



# Library Fund

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
▼ Revenues	350,624	379,604	403,348	411,617	423,306	423,306	423,306
▶ Beginning Fund Balance	132,492	144,818	147,074	137,606	153,262	153,262	153,262
▶ Intergovernmental	193,786	207,878	216,339	230,361	227,094	227,094	227,094
▶ Interest	3,588	2,984	1,052	3,600	1,200	1,200	1,200
▶ Miscellaneous	758	967	3,883	5,050	1,750	1,750	1,750
▶ Transfers from Other Funds	20,000	22,957	35,000	35,000	40,000	40,000	40,000
▼ Expenses	205,717	232,620	245,231	411,617	423,306	423,306	423,306
▶ Personnel Services	165,725	183,973	161,107	207,816	219,940	219,940	219,940
▶ Materials & Services	26,696	38,647	43,832	84,680	70,965	70,965	70,965
▶ Transfers	12,300	10,000	30,500	30,500	10,000	10,000	10,000
▶ Capital Outlay	996	0	9,793	13,000	5,000	5,000	5,000
▶ Operating Contingency	0	0	0	5,000	15,000	15,000	15,000
▶ Unappropriated Fund Balance	0	0	0	70,621	102,401	102,401	102,401
Revenues Less Expenses	144,907	146,984	158,117	0	0	0	0

Transfers Out for the 2021-22 fiscal year include:

Purpose	Amount	To
Computer Support	\$10,000	General Fund
<b>Total Transfers Out</b>	<b>\$10,000</b>	

# Refuse Collection Fund

Fiscal Year 2021-22

The Refuse Collection Fund is a pass-through fund. The City contracts with Sanitary Disposal, Inc. for waste management services. The City bills for the garbage services and retains 16% of the total collected which is split between a franchise fee (5%) and administrative fee (11%).



## Refuse Collection Fund

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
▼ Revenues	\$ 877,883	\$ 925,803	\$ 1,110,936	\$ 1,108,062	\$ 905,322	\$ 905,322	\$ 905,322
▶ Beginning Fund Balance	86,023	97,769	162,062	162,062	50,322	50,322	50,322
▶ Fees & Charges	791,860	828,034	948,874	946,000	855,000	855,000	855,000
▼ Expenses	780,114	763,741	1,005,784	1,108,062	905,322	905,322	905,322
▶ Materials & Services	652,528	629,632	853,181	854,400	719,400	719,400	719,400
▶ Transfers	127,586	134,109	152,603	157,120	136,800	136,800	136,800
▶ Operating Contingency	0	0	0	50,000	25,000	25,000	25,000
▶ Unappropriated Fund Balance	0	0	0	46,542	24,122	24,122	24,122
Revenues Less Expenses	\$ 97,769	\$ 162,062	\$ 105,153	\$ 0	\$ 0	\$ 0	\$ 0

# Building Department Fund

Fiscal Year 2021-22

The Building Department Fund accounts for all revenue generated from building and electrical permit activity. The City of Umatilla collects the permit applications and fees. We have historically contracted with the City of Hermiston for inspection services based upon an hourly rate, plus 50% of plan review fees collected. In the current fiscal year we were able to hire our own dedicated Building Inspector which has created a huge cost savings in contracted work.



## Performance Measures

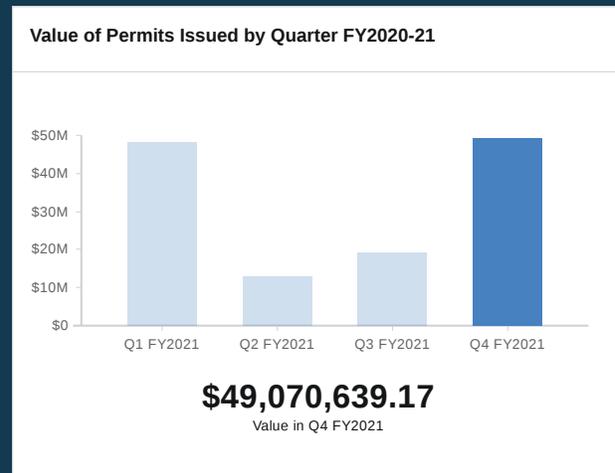
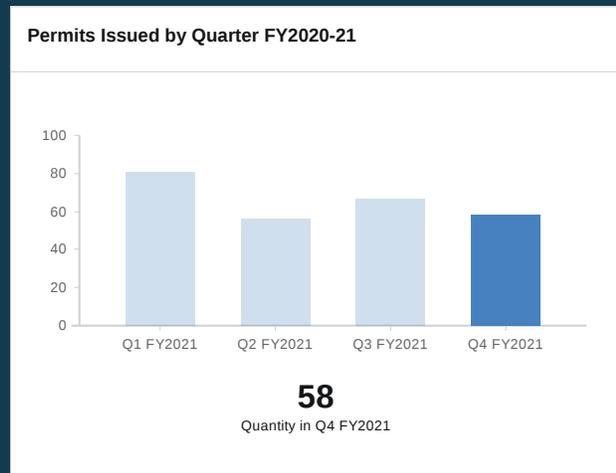
### Strategy

Provide professional and timely building inspection and permitting services for developers, business and property owners.

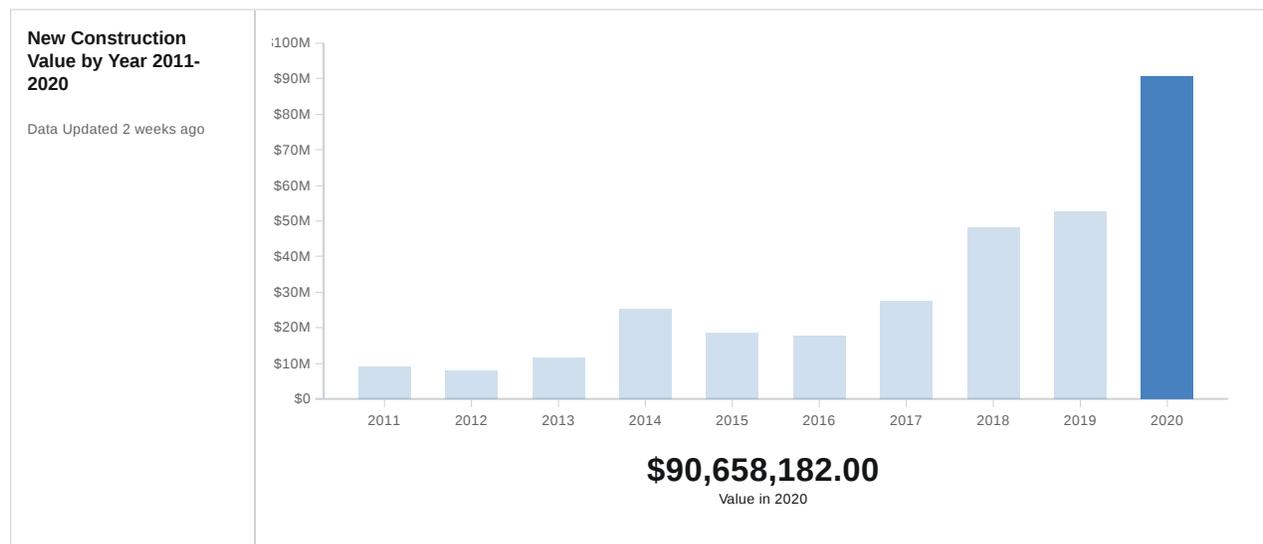
### Outcomes

The Building Division of Community Development is committed to assisting the public, business owners, and developers navigate the inspection and permitting process. Through pre-development meetings, over-the-counter contacts, and processing applications, they work with citizens and contractors to make their projects successful, while following established City and Building Codes.

# Building Permit Activity for FY2020-21



## 10 Year Development Analysis



## Building Department Fund Budget Highlights

### Staffing

This budget includes the creation of a new Building Permit Specialist position. As the building activity continues to grow, the permit specialist will handle all of the building permits and front counter questions, as well as free up time from the Development and Recreation Manager.

## Revenues

The Building Department Fund is thriving. Both residential and industrial development remain steady and we anticipate this activity to continue into next year. This is reflected in the consistent level of permit and plan review revenue.

## Transfers Out

The Building Department Fund is contributing to the Umatilla Business Center reserve (located in Capital Reserve Fund) and the new building will house all Community Development staff, including the Building Department. *or, and avoiding jargon.*

# Building Department Fund

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
▼ Revenues	2,130,935	3,010,652	3,619,861	2,622,540	3,583,028	3,583,028	3,583,028
▶ Beginning Fund Balance	1,101,949	1,691,610	2,147,184	1,692,090	2,459,488	2,459,488	2,459,488
▶ Fees & Charges	950,132	1,244,221	1,396,968	865,000	1,088,540	1,088,540	1,088,540
▶ Interest	36,423	38,101	16,688	40,000	20,000	20,000	20,000
▶ Miscellaneous	42,431	36,721	59,021	25,450	15,000	15,000	15,000
▼ Expenses	438,031	864,761	1,033,838	2,622,540	3,583,028	3,583,028	3,583,028
▶ Personnel Services	147,527	245,783	298,794	433,910	427,001	427,001	427,001
▶ Materials & Services	279,004	338,628	415,544	491,735	374,100	374,100	374,100
▶ Transfers	11,500	280,350	319,500	319,500	430,040	430,040	430,040
▶ Operating Contingency	0	0	0	235,000	500,000	500,000	500,000
▶ Unappropriated Fund Balance	0	0	0	1,142,395	1,851,887	1,851,887	1,851,887
Revenues Less Expenses	1,692,904	2,145,891	2,586,023	0	0	0	0

Transfers Out for the 2021-22 fiscal year include:

Purpose	Amount	To
Annex Remodel Contribution	\$400,000	Capital Reserve Fund
Office Equipment Replacement	\$2,000	Capital Reserve Fund
Building Maintenance City Hall	\$1,000	General Fund
Computer Support	\$10,000	General Fund
City Hall Staff Rent	\$17,040	General Fund
<b>Total Transfers Out</b>	<b>\$430,040</b>	

# Debt Service Fund

Fiscal Year 2021-22

The Debt Service Fund was established to account for principal and interest transactions on the City's general obligation bonds. The Debt Service Fund receives a portion of the property tax levy and acts as a reserve and sinking fund for bonded debt liability. This fund is used to pay general obligation bonds. These bonds are voter approved and paid with property taxes. Each year the city figures out how much it needs to pay bonds for that year and through December of the following year. The city then levies that amount plus an amount for uncollected taxes.

General obligation bonds are not subject to the property tax limitation, if they are voter approved and used for capital construction.

With the payoff of the 1978 Water Bond in December 2018, there was no need to levy any additional taxes for Debt Service this year. The fund continues to collect past year taxes and a small amount of interest.

## Debt Service Fund

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
▼ Revenues	21,235	3,470	3,874	3,807	4,020	4,020	4,020
▶ Beginning Fund Balance	19,754	2,847	3,470	3,357	3,795	3,795	3,795
▶ Property Taxes	1,239	566	380	400	200	200	200
▶ Interest	242	57	24	50	25	25	25
▼ Expenses	18,388	0	0	3,807	4,020	4,020	4,020
▶ Debt Service	18,388	0	0	0	0	0	0
▶ Unappropriated Fund Balance	0	0	0	3,807	4,020	4,020	4,020
Revenues Less Expenses	2,847	3,470	3,874	0	0	0	0

# Transient Room Tax Fund

Fiscal Year 2021-22

The Transient Room Tax Fund accounts for motel tax revenues the City receives from motel customers. The expenditure division is in accordance with state law with 70% of receipts going to tourism related projects and 30% to the general city projects. The city collects 3.5% as a tax on rooms as set by vote of the people. The City also collects a Tourism Promotion Assessment of \$2.00 per hotel room rented per night and \$1.00 per RV/Tent Site rented per night. This money is remitted quarterly and split equally between the Eastern Oregon Trade and Event Center (to promote tourism in the region) and the City of Umatilla (to fund tourism promotion, facility design and construction of the Umatilla Marina & RV Park, Big River Golf Course and the Umatilla Community Center.)



Umatilla Landing Days Fireworks over the Columbia River.

## Transient Room Tax Budget Highlights

### *Impact of COVID-19*

Due to the travel restrictions of COVID-19, we expect a significant decrease in transient room tax and tourism promotion assessment collections. This budget reflects a projected decrease in revenues of approximately 50% from the previous year.

### City Sponsored Festival

Over the past few years, City staff has heard an overwhelming desire from the community for more events. This budget includes \$375,000 for a City sponsored major food and music festival which includes the cost of contracting with a professional event planner. We anticipate \$200,000 in event proceeds to offset some of the cost. The remainder of the festival will be funded through a transfer from the General Fund.

Also, now that the City is the host of Landing Days, this budget allocates \$40,000 with \$15,000 in offsetting revenue. There are a few festival related equipment items such as an event canopy, ATM machine and handwashing station that are included in the recreation equipment line in the Capital Reserve Fund.

### Chamber Support

The City continues to allocate fifty percent of the Transient Room Tax collected, as well as a \$21,000 General Fund contribution, to cover the Umatilla Chamber of Commerce's operating expenses.

### Umatilla Landing Days Parade



### Transient Room Tax Fund

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
▼ Revenues	\$ 338,847	\$ 325,252	\$ 339,926	\$ 317,632	\$ 727,081	\$ 727,081	\$ 727,081
▶ Beginning Fund Balance	215,918	206,214	210,899	215,077	221,831	221,831	221,831
▶ Fees & Charges	86,419	93,781	81,369	53,055	305,000	305,000	305,000
▶ Interest	5,510	4,257	1,659	3,500	1,750	1,750	1,750
▶ Miscellaneous	10,000	0	0	0	0	0	0
▶ Transfers from Other Funds	21,000	21,000	46,000	46,000	198,500	198,500	198,500
▼ Expenses	132,631	114,353	114,438	317,632	727,081	727,081	727,081
▶ Personnel Services	1,828	11,127	11,485	11,664	6,377	6,377	6,377
▶ Materials & Services	92,953	101,726	101,453	222,410	632,060	632,060	632,060
▶ Transfers	1,500	1,500	1,500	1,500	0	0	0
▶ Capital Outlay	36,350	0	0	60,715	60,715	60,715	60,715
▶ Unappropriated Fund Balance	0	0	0	21,343	27,929	27,929	27,929
Revenues Less Expenses	\$ 206,216	\$ 210,899	\$ 225,488	\$ 0	\$ 0	\$ 0	\$ 0

# Building Reserve Fund

Fiscal Year 2021-22

The Building Reserve Fund was established for the purpose of purchasing and retiring debt on City Hall. Revenue is derived from the enterprise fund payments in lieu of taxes made by Calpine (formerly US Generating). Loan reserves have been set aside to make the final loan payment in 2023, the same year that the final tax deferral payments are received.



## Building Reserve Fund

Collapse All	2018-19 Actual	2019-20 Actual	2020-21 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2021-22 Approved Budget	2021-22 Adopted Budget
▼ Revenues	\$ 242,300	\$ 261,615	\$ 278,739	\$ 281,300	\$ 297,015	\$ 297,015	\$ 297,015
▶ Beginning Fund Balance	105,520	125,079	144,393	144,578	162,093	162,093	162,093
▶ Interest	3,858	3,614	1,424	3,800	2,000	2,000	2,000
▶ Miscellaneous	132,922	132,922	132,922	132,922	132,922	132,922	132,922
▼ Expenses	117,222	117,221	117,221	281,300	297,015	297,015	297,015
▶ Debt Service	117,222	117,221	117,221	117,222	117,222	117,222	117,222
▶ Unappropriated Fund Balance	0	0	0	164,078	179,793	179,793	179,793
Revenues Less Expenses	\$ 125,078	\$ 144,393	\$ 161,517	\$ 0	\$ 0	\$ 0	\$ 0

# Interfund Transfer Detail

Fiscal Year 2021-22

## Interfund Transfer Detail FY 2021-22

PURPOSE	BUDGET	FROM	TO
Land Acquisition	\$750,000	General Fund	Capital Reserve Fund
Kiwanis Falls	\$20,000	General Fund	Capital Reserve Fund
Bike/Pedestrian Paths	\$270,000	General Fund	Capital Reserve Fund
Mobile Stage Reserve	\$185,000	General Fund	Capital Reserve Fund
Umatilla Business Center Reserve	\$400,000	General Fund	Capital Reserve Fund
Park Expansion/Improvements	\$290,000	General Fund	Capital Reserve Fund
Range Construction	\$80,000	General Fund	Capital Reserve Fund
Golf Course Improvements	\$410,000	General Fund	Capital Reserve Fund
Golf Course Equipment	\$40,000	General Fund	Capital Reserve Fund
Police Vehicle	\$62,500	General Fund	Capital Reserve Fund
Office Equipment Replacement	\$4,000	General Fund	Capital Reserve Fund
Shop Bldg Reserve	\$10,000	General Fund	Capital Reserve Fund
Minor Property Improvements	\$55,000	General Fund	Capital Reserve Fund
City Camera Upgrades	\$33,800	General Fund	Capital Reserve Fund
Park Equipment	\$156,000	General Fund	Capital Reserve Fund
Recreation Equipment	\$41,500	General Fund	Capital Reserve Fund
Marina/RV Park Improvements	\$151,500	General Fund	Capital Reserve Fund
Marina/RV Park Wifi Upgrade	\$50,000	General Fund	Capital Reserve Fund
Library Operating Expense	\$40,000	General Fund	Library Fund
Street Light Maintenance	\$12,525	General Fund	Street Fund
Chamber & Museum Support	\$21,000	General Fund	Transient Room Tax Fund
City Sponsored Festivals	\$177,500	General Fund	Transient Room Tax Fund
Shop Bldg Reserve	\$10,000	Water Fund	Capital Reserve Fund
Jet Rodder Trailer Reserve	\$20,000	Water Fund	Capital Reserve Fund
Golf Well Generator Reserve	\$50,000	Water Fund	Capital Reserve Fund
Water Dept Equipment	\$29,400	Water Fund	Capital Reserve Fund
Office Equipment Replacement	\$2,000	Water Fund	Capital Reserve Fund
City Camera Upgrades	\$2,300	Water Fund	Capital Reserve Fund
Building Maintenance City Hall	\$500	Water Fund	General Fund
Computer Support	\$10,000	Water Fund	General Fund
Capital Improvement Plan	\$2,000	Water Fund	General Fund
City Hall Staff Rent	\$6,720	Water Fund	General Fund



# Budget Publications

Fiscal Year 2021-22

**FORM  
LB-1**

**NOTICE OF BUDGET HEARING**

Republication

A public meeting of the Umatilla City Council will be held on June 1, 2021 at 7:00 p.m. at 700 6th Street, Umatilla Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2021 at approved by the Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at Umatilla City Hall 700 6th Street, Umatilla, Oregon between the hours of 8:00 a.m. and 5:00 p.m. This budget is for an annual budget period. This budget was prepared on a basis of accounting that is the same as the preceding year. Major changes, if any, and their effect on the budget, are explained below

Contact M. Ince	Telephone Number 541-922-3226	E-mail <a href="mailto:melissa@umatilla-city.org">melissa@umatilla-city.org</a>
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**FINANCIAL SUMMARY—RESOURCES**

TOTAL OF ALL FUNDS	Actual Amounts 2019-2020	Adopted Budget This Year 2020-2021	Approved Budget Next Year 2021-2022
1. Beginning Fund Balance/Net Working Capital.....	8,897,614	12,059,478	17,262,227
2. Fees, Licenses, Permits, Fines, Assmts & Other Svs charges.....	10,226,900	13,915,971	14,926,445
3. Federal, State & all Other Grants, Gifts, Allocations & Donations.....	1,035,136	2,313,335	10,564,253
4. Revenue from Bonds & Other Debt.....	2,684,749	3,184,300	4,621,855
5. Interfund Transfers/Internal Service Requirements.....	1,551,150	5,038,150	5,274,905
6. All Other Resources Except Property Taxes.....	201,705	218,250	108,125
7. Property Taxes Estimated to be Received.....	1,781,830	2,308,900	2,786,300
8. Total Resources (add lines 1 thru 7)	26,378,884	39,038,384	55,544,110

**FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION**

9. Personnel Services.....	4,083,589	4,889,609	6,155,851
10. Materials and Services.....	4,039,266	6,457,385	9,489,175
11. Capital Outlay.....	3,639,840	9,426,478	22,383,965
12. Debt Service.....	457,416	787,348	771,678
13. Interfund Transfers.....	1,550,550	5,013,150	5,121,205
14. Contingencies.....		2,045,402	2,790,000
15. Special Payments.....		0	0
16. Unappropriated Ending Balance & Reserved for Future Expense.....	12,608,213	10,319,012	8,932,538
17. Total Requirements - add lines 9-16.....	26,378,884	39,038,384	55,544,410

**FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM**

Name of Organizational Unit or Program FTE for Unit or Program			
Name: Administration	526,592	888,935	2,405,897
FTE	1.83	2.45	3.20
Name: Planning/Community Development	353,902	600,357	1,085,411
FTE	1.45	1.35	1.55
Name: Court	455,833	539,064	532,897
FTE	1.35	1.10	1.10
Name: Parks	418,571	667,911	786,617
FTE	3.40	3.55	4.89
Name: Code Enforcement	109,927	150,066	217,776
FTE	1.00	1.00	1.00
Name: Marina and RV Park	292,289	380,545	761,572
FTE	0	0	3.08
Name: Police	1,694,574	2,085,027	2,598,015
FTE	14.50	15.50	15.50
Name: Golf Course	0	260,960	769,960
FTE	0	0	5.83
Name: Water	1,444,565	1,991,889	1,966,980
FTE	4.76	4.50	3.10
Name: Sewer	2,143,010	2,853,334	3,044,054
FTE	5.48	5.20	5.40
Name: Streets	1,281,363	2,998,419	9,294,563
FTE	2.40	2.90	3.60
Name: Library	379,604	411,617	423,306
FTE	3.10	3.10	3.60
Name: Building	3,010,652	2,822,540	3,583,028
FTE	2.13	3.00	3.50
Non-Departmental/Non-Program	14,287,002	22,748,660	28,845,294
FTE	0.10	0.10	0.05
<b>Total Requirements</b>	<b>26,378,884</b>	<b>39,038,384</b>	<b>55,544,410</b>
<b>Total FTE</b>	<b>41.50</b>	<b>43.75</b>	<b>55.20</b>

**STATEMENT OF CHANGES IN ACTIVITIES AND SOURCES OF FINANCING**

No reliable reduction in changes in services for the upcoming year. The City does have one pending loan in underwriting for a Hydraulic Well Connectivity Study through Business Oregon's Infrastructure Finance Authority in the amount of \$372,000. The remainder of the project will be funded through a feasibility study grant from Oregon Water Resources Department.

PROPERTY TAX LEVIES			
	Rate or Amount Imposed	Rate or Amount Imposed	Rate or Amount Approved
Permanent Rate Levy (Rate Limit 2.9191 Per \$1000)	2.9191	2.9191	2.9191
Local Option Levy			
Levy for General Obligation Bonds	0	0	0

**STATEMENT OF INDEBTEDNESS**

Long Term Debt	Estimated Debt Outstanding on July 1	Estimated Debt Authorized but not Incurred on July 1
General Obligation Bonds.....	\$510,000	\$0
Other Bonds.....	\$0	\$0
Other Borrowings.....	\$5,842,805	\$606,800
<b>TOTAL.....</b>	<b>\$6,352,805</b>	<b>\$606,800</b>

**Notice of Property Tax and Certification of Intent to Impose a Tax, Fee, Assessment or Charge on Property**

To assessor of Umatilla County

**FORM LB-50  
2021-2022**

• Be sure to read instructions in the Notice of Property Tax Levy Forms and Instruction booklet

Check here if this is an amended form.

The City of Umatilla has the responsibility and authority to place the following property tax, fee, charge or assessment on the tax roll of Umatilla County. The property tax, fee, charge or assessment is categorized as stated by this form.

P O Box 130 Mailing Address of District      Umatilla City      OR State      97882 ZIP code      June 21, 2021 Date

Melissa Ince Contact Person      Finance & Admin Services Director Title      541-922-3226 x 104 Daytime Telephone      melissa@umatilla-city.org Contact Person E-Mail

**CERTIFICATION** - You must check one box if your district is subject to Local Budget Law.

- The tax rate or levy amounts certified in Part I are within the tax rate or levy amounts approved by the budget committee.
- The tax rate or levy amounts certified in Part I were changed by the governing body and republished as required in ORS 294.456.

**PART I: TAXES TO BE IMPOSED**

		Subject to General Government Limits Rate -or- Dollar Amount				
1. Rate per \$1,000 or Total dollar amount levied (within permanent rate limit) . . . . .	1	2.9191				
2. Local option operating tax . . . . .	2					
3. Local option capital project tax . . . . .	3					
4. City of Portland Levy for pension and disability obligations . . . . .	4			Excluded from Measure 5 Limits Dollar Amount of Bond Levy		
5a. Levy for bonded indebtedness from bonds approved by voters prior to October 6, 2001 . . . . .	5a.					0
5b. Levy for bonded indebtedness from bonds approved by voters on or after October 6, 2001 . . . . .	5b.					
5c. Total levy for bonded indebtedness not subject to Measure 5 or Measure 50 (total of 5a + 5b) . . . . .	5c.					0

**PART II: RATE LIMIT CERTIFICATION**

6. Permanent rate limit in dollars and cents per \$1,000 . . . . .	6	2.9191
7. Election date when your new district received voter approval for your permanent rate limit . . . . .	7	
8. Estimated permanent rate limit for newly merged/consolidated district . . . . .	8	

**PART III: SCHEDULE OF LOCAL OPTION TAXES** - Enter all local option taxes on this schedule. If there are more than two taxes, attach a sheet showing the information for each.

Purpose (operating, capital project, or mixed)	Date voters approved local option ballot measure	First tax year levied	Final tax year to be levied	Tax amount -or- rate authorized per year by voters

**Part IV. SPECIAL ASSESSMENTS, FEES AND CHARGES**

Description	Subject to General Government Limitation	Excluded from Measure 5 Limitation
1		
2		

If fees, charges, or assessments will be imposed on specific property within your district, you must attach a complete listing of properties, by assessor's account number, to which fees, charges, or assessments will be imposed. Show the fees, charges, or assessments uniformly imposed on the properties. If these amounts are not uniform, show the amount imposed on each property.

The authority for putting these assessments on the roll is ORS \_\_\_\_\_ (Must be completed if you have an entry in Part IV)

# Budget Resolutions

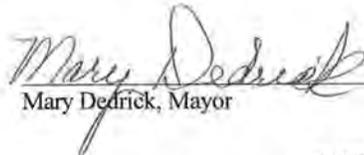
Fiscal Year 2021-22

**RESOLUTION NO. 54-2021**

**A RESOLUTION ADOPTING THE 2021-2022 BUDGET**

**BE IT RESOLVED**, that the City Council of the City of Umatilla hereby adopts the budget approved by the budget committee for the fiscal year 2021-2022, in the total sum of \$55,544,110 now on file at Umatilla City Hall, 700 Sixth Street, Umatilla, Oregon 97882.

**PASSED** by the City Council and **SIGNED** by the Mayor this 1<sup>st</sup> day of June, 2021.

  
Mary Dedrick, Mayor

ATTEST:

  
Nanci Sandoval, City Recorder



**RESOLUTION NO. 55-2021**

**A RESOLUTION APPROPRIATING BUDGET AMOUNTS  
FOR FISCAL YEAR 2021-2022**

**BE IT RESOLVED** that the amounts for the fiscal year beginning July 1, 2021 and for the purposes shown below are hereby appropriated as follows:

**GENERAL FUND**

Administration	\$ 2,405,897
Community Development Department	1,085,411
Municipal Court Department	532,897
Parks and Recreation Department	785,617
Marina and RV Park	761,572
Police Department	2,598,015
Code Enforcement	217,776
Transportation	2,760
Golf Course	769,960
911 Emergency Services Department	1,250
Non-Departmental:	
Operating Contingency	1,000,000
Transfers	3,260,325
Reserves	<u>1,382,491</u>
<b>GENERAL FUND TOTAL</b>	<b>\$ 14,803,971</b>

**WATER FUND**

Personnel Services	\$ 525,919
Material & Services	667,440
Operating Contingency	100,000
Debt Service	32,523
Transfers	537,920
Reserves	<u>103,178</u>
<b>WATER FUND TOTAL</b>	<b>\$ 1,966,980</b>

**SEWER FUND**

Personnel Services	\$ 600,426
Material & Services	711,690
Operating Contingency	100,000
Debt Service	475,777
Transfers	609,220
Reserves	<u>546,941</u>
<b>SEWER FUND TOTAL</b>	<b>\$ 3,044,054</b>

**STREET FUND**

Personnel Services	\$ 374,903
Material & Services	294,000
Capital Outlay	7,884,857
Operating Contingency	350,000
Transfers	136,900
Reserves	<u>253,903</u>
<b>STREET FUND TOTAL</b>	<b>\$ 9,294,563</b>

**CAPITAL RESERVE FUND**

Capital Outlay	\$ 11,522,131
Debt Service	146,154
Reserves	<u>1,433,065</u>
<b>CAPITAL RESERVE TOTAL</b>	<b>\$ 13,101,350</b>

**LIBRARY FUND**

Personnel Services	\$ 219,940
Material & Services	70,965
Capital Outlay	5,000
Transfers	10,000
Contingency	15,000
Reserves	<u>102,401</u>
<b>LIBRARY FUND TOTAL</b>	<b>\$ 423,306</b>

**REFUSE FUND**

Material & Services	\$ 719,400
Operating Contingency	25,000
Transfers	136,800
Reserves	<u>24,122</u>
<b>REFUSE FUND TOTAL</b>	<b>\$ 905,322</b>

**BUILDING DEPARTMENT FUND**

Personnel Services	\$ 427,001
Materials and Services	374,100
Transfers	430,040
Contingency	500,000
Reserves	<u>1,851,887</u>
<b>BUILDING DEPARTMENT FUND TOTAL</b>	<b>\$ 3,583,028</b>

**DEBT SERVICE FUND**

Reserves	\$ <u>4,020</u>
<b>DEBT SERVICE FUND TOTAL</b>	<b>\$ 4,020</b>

**TRANSIENT ROOM TAX FUND**

Personnel Services	\$ 6,377
Material & Services	632,060
Capital Outlay	60,715
Reserves	<u>27,929</u>
<b>TRANSIENT TAX FUND TOTAL</b>	<b>\$ 727,081</b>

**BUILDING RESERVE FUND**

Debt Service	\$ 117,222
Reserves	<u>179,793</u>
<b>BUILDING RESERVE FUND TOTAL</b>	<b>\$ 297,015</b>

**WATER RESERVE FUND**

Materials and Services	\$ 580,850
Capital Outlay	2,216,801
Contingency	300,000
Reserves	<u>650,725</u>
<b>WATER RESERVE FUND TOTAL</b>	<b>\$ 3,748,376</b>

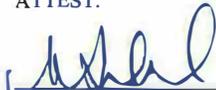
**SEWER RESERVE FUND**

Materials and Services	\$ 362,000
Capital Outlay	610,961
Contingency	400,000
Reserves	<u>2,272,083</u>
<b>SEWER RESERVE FUND TOTAL</b>	<b>\$ 3,645,044</b>

**PASSED** by the City Council and **SIGNED** by the Mayor this 1<sup>st</sup> day of June, 2021.

  
\_\_\_\_\_  
Mary Dedrick, Mayor

ATTEST:

  
\_\_\_\_\_  
Nanci Sandoval, City Recorder



**RESOLUTION NO. 56-2021**

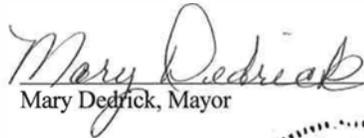
**A RESOLUTION LEVYING AD VALOREM TAXES AND CATEGORIZING TAXES  
FOR THE 2021-2022 FISCAL YEAR**

**BE IT RESOLVED**, that the City Council of the City of Umatilla hereby levies the taxes provided for in the adopted budget at the permanent tax rate of 2.9191 per \$1,000 by rate for the General Fund and that these taxes are levied upon all taxable property within the City of Umatilla as of 1:00 a.m. July 1, 2021. The following allocation and categorization, subject to the limits of Section 11b Article XI of the Oregon Constitution, make up the above levy:

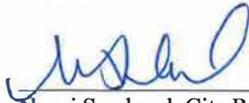
	<b>GENERAL GOVERNMENT LIMITATION</b>	<b>EXCLUDED FROM LIMITATION</b>
<b>GENERAL FUND</b>	\$2.9191/\$1,000	
<b>DEBT SERVICE FUND</b>	_____	\$0
<b>CATEGORY TOTAL</b>	<b>\$2.9191/\$1,000</b>	<b>\$0</b>

**TOTAL LEVY: \$2.9191 per \$1,000 of taxable value to the General Fund**

**PASSED** by the City Council and **SIGNED** by the Mayor this 1<sup>st</sup> day of June, 2021.

  
Mary Dedrick, Mayor

ATTEST:

  
Nanci Sandoval, City Recorder





Oregon

Kate Brown, Governor

Department of Administrative Services

Enterprise Goods and Services, Shared Financial Services

155 Cottage St. NE

Salem, OR 97301-3972

(971) 719-3183

RESOLUTION NO. 57-2021

A RESOLUTION DECLARING THE CITY'S ELECTION TO RECEIVE STATE REVENUES

The City of Umatilla ordains as follows:

Section 1. Pursuant to ORS 221.770, the city hereby elects to receive state revenues for fiscal year 2021-2022.

Passed by the Common Council the 1st day of June, 2021.

Approved by the Mayor this 1st day June, 2021.

Mayor Mary Dornick  
Attest Nanci Sandoval

I \*certify that a public hearing before the Budget Committee was held on April 20, 2021 and a public hearing before the City Council was held on June 1, 2021, giving citizens an opportunity to comment on use of State Revenue Sharing.

Nanci Sandoval  
City Recorder



# Overview of Capital Improvement Projects

Fiscal Year 2021-22

The City does not currently have an approved Capital Improvement Plan. We are in the process of updating the Water Master Plan and Wastewater Facilities Plan. These, along with the Master Park Plan and Master Trails Plan, will ultimately be compiled together into a Capital Improvement Plan that will provide a multi-year plan for major capital expenditures that matches available resources with project needs. In the meantime, the City Council and Budget Committee have approved the following comprehensive list of capital projects for FY2021-22 that align with the City Council Goals for 2021-2023. Many of these are also discussed within the individual fund pages.

The City of Umatilla is actively working on projects that bring to our community exciting new services and updates to keep up with the demand for growth. We currently have nearly \$23 million in project costs, with more than \$2.3 million in grants received, \$1.8 in legislative funding received, \$4 million in private funds received and \$2.7 million in pending grant applications.

## Total Projects Costs: **\$22,752,750**

Total Grants Received:	\$ 2,349,920
Total Grants Pending:	\$ 2,700,000
Total Loan Funds:	\$ 1,606,800
Total City Funds: Cash	\$ 4,860,980
Total City Funds: In-Kind	\$ 35,000
Total FEMA Allocation	\$ 4,800,000
Total Insurance Proceeds	\$ 100,000
Private Funds Received	\$ 4,000,000
Legislative Funds Received	\$ 1,800,000
County Funds Pending	\$ 500,000



## Umatilla Business Center

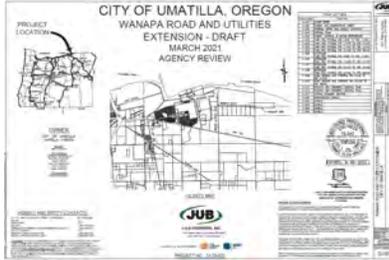


**Project Scope:** Renovation and expansion project of the old post office building into the new City of Umatilla Business Center. This Business Center will house the Community Development Department and a multi-use room and kitchen for events and meetings in the existing building and will have a two-story expansion that will serve as a business incubator for new business owners on the lower level, while providing long term rental space on the second floor. The project also includes parking lot and street improvements.

**Total Project Cost:** \$7.6 million.  
 State Legislature: \$1.8 million  
 County Funds: \$500,000  
 EDA Grant: \$2 million  
 City Funds: \$3.3 million (already have approx \$2.4 million in reserve)

**Timeline:** Design to be completed in 2021. Anticipated to bid early 2022 as soon as EDA funding is secured with an 18 month construction period.

## Wanapa Road Improvement Project



**Project Scope:** Road and utility extension project to serve ADS facilities and continue to expand these services for potential future use for CTUIR industrial businesses.

**Total Project Cost: \$4 million**  
 Private Funds: \$4 million

**Timeline:** Design was completed in late 2020 with the construction project commencing in April 2021. We anticipate project completion early 2022.

## Umatilla Pedestrian Bridge & Waterline Replacement



FIGURE 6 TRUSS WITH OUTBOARD PLATFORM

**Project Scope:** To reconstruct an all-new pedestrian bridge over the Umatilla River to replace the bridge that was damaged by the 2019 and 2020 floods. Includes raising the bridge by approximately 5' and extending it by approximately 120' in length. Also includes replacing the 18" waterline that was damaged .

**Total Project Cost: \$6.6 million (estimated)**

FEMA Funds: \$4.8 million (estimated)  
 Insurance Funds: \$100,000  
 Special Public Works Grant Funds (Business Oregon Grant): \$700,000 (estimated)  
 City Funds (loam): \$1,000,000

**Timeline:** The City has been working with FEMA since February 2019. We anticipate, finally, getting the approval to proceed from FEMA by September 2021. Design of the new bridge is estimated for completion in summer 2022, with construction of the new bridge and installation of the new waterline estimated to begin in fall 2022, with completion of the project in late-spring 2023.

## Marina Beach Improvements

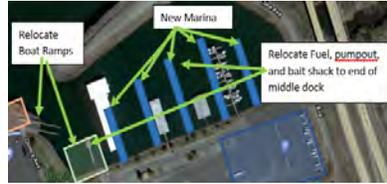


**Project Scope:** Beach improvements including permitting, vegetation removal, and bringing in sand.

**Total Project Cost: \$50,000**  
City Funds: \$50,000

**Timeline:** This project will commence in fall 2021. The beach improvements will be complete by summer 2022. As a follow up, the City will be purchasing an inflatable water park.

## Marina Replacement - Design Phase



**Project Scope:** Design of an all-new state-of-the-art marina. The new marina will include covered single-berth slips, uncovered single-berth slips, aluminum or steel framed docks, engineered decking or concrete, encapsulated floats, well-spaced navigable fairways, electrical hookups at each slip, high speed internet, and other features and amenities.

**Total Project Cost: \$300,000**  
City Funds: \$300,000

**Timeline:** This project is anticipated to start early 2022. It will take a minimum of three years, most likely four to five, from start of design to construction completion.

## Creation of Marina Host Site



**Project Scope:** To construct an all-new marina host site to provide a location to establish a new marina host that will provide direct service to our moorage customers, on-water fuel pumping, and increased security presence.

**Total Project Cost: \$35,000**  
City Funds: \$35,000

**Timeline:** The City is applying for permits. Construction/installation of the new site is expected to be completed by spring 2022.

## Hydraulically Connected Wells Feasibility Study



**Project Scope:** To drill three wells within 500' of the Columbia River to determine hydraulic connectivity of the wells and the River as part of an overall project to develop the City's 23 cfs Columbia River water right.

**Total Project Cost: \$777,800**

Oregon Water Resources Grant: \$370,000  
 Special Public Works Fund Loan: \$372,800 (*portions of this loan are anticipated to be repaid by the users of any direct pipeline that might be constructed in the future*).  
 City Funds: \$35,000 (in-kind)

**Timeline:** The City received award of the \$370,000 by OWRD at their June 24, 2020 meeting. The City has yet to determine a project timeline.

## Kiwanis Falls



**Project Scope:** To deconstruct existing Kiwanis Falls (art/rock feature in meridian of Hwy 730 & Hwy 395) and replace with all-new Kiwanis Falls to feature artwork, real water features, ornamental hardscapes and landscapes, and lighting.

**Total Project Cost: \$275,000**

Kiwanis Club Grant: \$6,500  
 City Funds: \$268,500

**Timeline:** The City will begin deconstruction in Spring 2022. The large boulders will be repurposed into the new sidewalk bulb-outs at the corners of each intersection of the 6th St. Project. A Request for Proposals for a design/bid/build project will go out by March 2022, with construction to occur spring-2022 and estimated completion by June 2022.

## Outdoor Shooting Range



**Project Scope:** To construct an outdoor shooting range to meet the needs of users of handguns, rifles, shotguns, and archery.

**Total Project Cost: \$100,000**

City Funds: \$100,000

**Timeline:** The City will be exercising a purchase option of approximately 200 acres of land this year and have identified approximately 20 acres of that property to be a potential site for this project. That land will be purchased by the end of 2021. This project is anticipated to start in spring 2022.

## Nugent Park Restroom Replacement



**Project Scope:** Removing the old restroom, preparing utilities for new restroom connection, installation of the new restroom, and updated signage.

**Total Project Cost: \$225,000**

Oregon Tourism Commission Grant: \$100,000

City Funds: 125,000

**Timeline:** This project is currently underway and will be completed in November 2021.

## Nugent Park Playground Replacement



**Project Scope:** Replacement of playground equipment and replacement of the pavillion at Nugent Park.

**Total Project Cost: \$300,000**

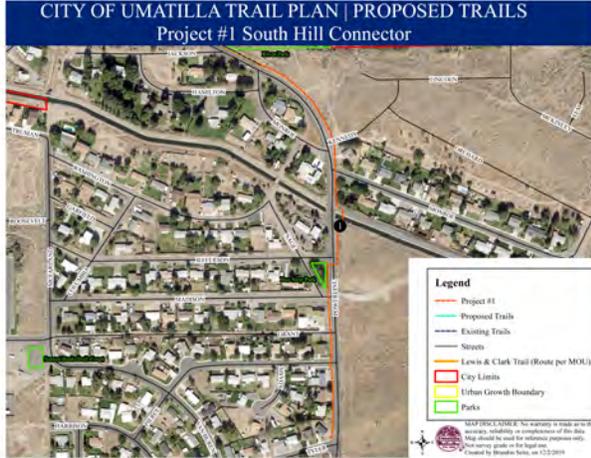
LCWF Grant: \$150,000

City Funds: \$150,000

**Timeline:** The City will be submitting a grant application to LCWF in October 2021. If successful in securing grant funding, this project will commence early 2022.

## Trail: Powerline Road

*(Implementation of Trail 1 of the Umatilla Trails Master Plan)*



**Project Scope:** This project will provide safe and enjoyable recreational and alternative transportation options on paved surfaces about two miles south from the pedestrian bridge up Powerline Road to connect to the Downtown.

**Total Project Cost: \$770,000**

Oregon Parks & Recreation Grant: \$550,000  
City Funds: \$220,000

**Timeline:** The City will be reapplying for this grant from OPRD in May 2022. We anticipate notification of award or denial in October 2022. If awarded, design for the project would begin winter 2022 with construction to begin in summer 2023, with the hope that the project will be completed by November 15, 2023. (these dates are subject to change).

## Trail: Umatilla Footbridge to Powerline Road



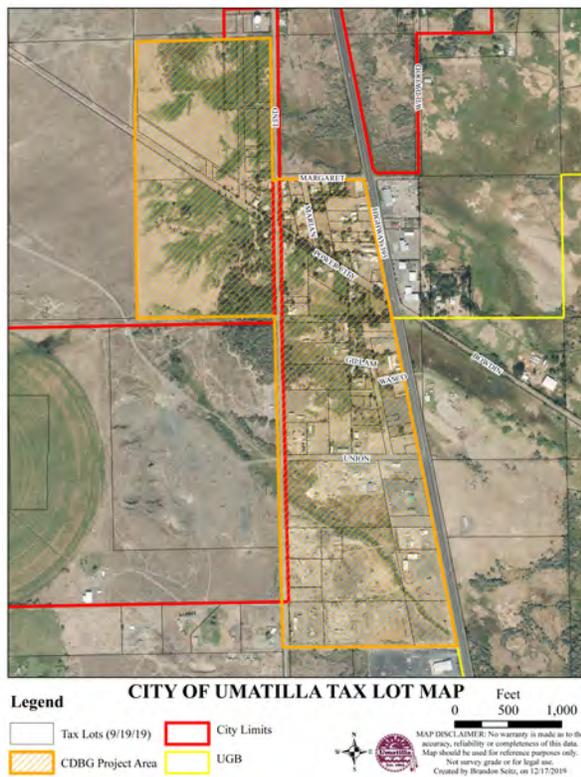
**Project Scope:** Planning, design, and construction of a new trail to meet ADA access requirements and to reduce erosion and increase use. Demolition of old 10-ft wide trail.

**Total Project Cost: \$209,900**

Oregon Parks & Recreation RTP Grant: \$167,920  
City Funds: \$41,980

**Timeline:** The City was awarded the RTP grant in FY2020-21. Design for the project will begin winter 2020 with construction to begin in summer 2021, with the hope that the project will be completed by November 15, 2021. (these dates are subject to change).

## Power City & Brownell Area Water Design



**Project Scope:** To design an all-new City water services pipeline out to the Power City area down Lind Rd. and area behind the Port of Entry off Brownell Road. This is part of an overall water utility project to construct the pipeline in late-2022.

**Total Project Cost: \$593,000**

Community Development Block Grant: \$593,000  
City Funds: \$0

**Timeline:** The City was awarded the grant from CDBG in June 2020. Work on design began in December 2020 with completion of design anticipated in summer-2022. The City will apply for a corresponding construction grant in fall-2022 in hopes of award that winter and construction to begin in spring-2023 with completion in fall or early winter 2023.

## Power City & Brownell Area Sewer Design

### Community Development Block Grant 2019 Public Works Application



• 2019 Method of Distribution must be read and used in its entirety to complete the application.

#### Section 1: General Application Information

Section 1 A: Applicant	
<b>Organization Name:</b> City of Umatilla	<b>Organization:</b> City <small>(Identify the ORS under which entity is formed. If potential applicant is an entity other than city or county, include special district, authority, association, etcetera.)</small>
<b>Street Address:</b> 700 6th Street Umatilla, Oregon 97882	<b>Mailing Address:</b> 700 6th Street PO Box 130 Umatilla, Oregon 97882
<b>Office Phone:</b> (541) 922-5226	<b>Web URL:</b> www.umatilla-city.org

Section 1 B: Project Contact	
<b>Name:</b> Melissa Ince	<b>Title:</b> Finance & Administrative Services Director
<b>Phone:</b> (541) 922-5226	<b>Email:</b> melissa@umatilla-city.org
<b>Phone (cell):</b>	<b>Authorized Signer Name:</b> Mary Deadrick
<b>Authorized Signer Email:</b> mdeadrick@umatilla-city.org	<b>Authorized Signer Title:</b> Mayor

Section 1 C: State Representation	
<b>Senate District Number:</b> 29	<b>Senator's Name:</b> Bill Hassell
<b>House District Number:</b> 57	<b>Representative's Name:</b> Greg Smith

Section 1 D: Project Overview	
<b>Project Name:</b> Power City/Brownell Wastewater Service	
<b>Project Location:</b> <small>(physical address along with description)</small> 700 6th St, Umatilla, OR 97882	
<b>Project Type:</b> Wastewater - Design Only	<b>Project Category:</b> Design Only

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**Project Scope:** To design an all-new City sewer services pipeline out to the Power City area down Lind Rd. and area behind the Port of Entry off Brownell Road. This is part of an overall sewer utility project to construct the pipeline in late-2022

**Total Project Cost: \$372,500**

Community Development Block Grant: \$372,500  
City Funds: \$0

**Timeline:** The City was awarded the grant from CDBG in December 2020. Work on design began in January 2021 with completion of design anticipated in summer-2022. The City will apply for a corresponding construction grant in fall-2022 in hopes of award that winter and we hope that construction will begin in spring-2023, together with the waterline project, with completion in fall or early winter 2023.

## Golf Course Master Plan



**Project Scope:** To develop and adopt an all-new Golf Course/Hash Park Master Plan to optimize the use of both facilities and look at a possible trail connection between the two.

**Total Project Cost: \$125,000**  
City Funds: \$125,000

**Timeline:** This project is estimated to begin early 2022. Completion date TBD.

## Water Master Plan



**Project Scope:** To develop and adopt an updated City-wide Water Master Plan to guide the City's water needs and development for the next 25 years.

**Total Project Cost: \$165,500**  
Business Oregon Grant: \$20,000  
City Funds: \$145,500

**Timeline:** This project started in July 2020 and is estimated to be completed in May 2021.

## Wastewater Facilities Plan



**Project Scope:** To develop and adopt an updated City-wide Wastewater Master Plan to guide the City's wastewater needs and development for the next 25 years.

**Total Project Cost: \$254,000**  
Business Oregon Grant: \$20,000  
Department of Environmental Quality Loan: \$234,000

**Timeline:** This project started in July 2020 and is estimated to be completed in May 2021.

## Impact of Capital Improvement Projects on the Operating Budget

As you can see, the City has done a tremendous job at securing grants, legislative funding and private funds to minimize the impact of these capital projects on our operating budget.

For the enterprise funds, projects such as developing the City's water right and the Wastewater Facilities plan update will add costs to the operating budget through increased debt service. These projects, along with several major improvements on the horizon, were all accounted for in the comprehensive utility rate study which is driving our annual 6% rate increase in water and sewer to be able to keep up with the operating and capital improvement projects.

Other projects, such as the Trail projects, Kiwanis Falls updates, both Nugent Park projects, and the Wanapa Road Improvement Projects will not result in any additional debt service, but will generate additional maintenance costs that will only have a minor impact on the operating budget.

In some instances, as is the case with our recently completed Industrial Wastewater Pipeline project, you will see increases in certain costs and decreases in others. In that project, the City incurred approximately \$140,000 of additional debt service per year but was able to divert non-contact cooling water from data centers and discharge it into a nearby irrigation canal for re-use. This project freed up significant capacity in our wastewater treatment plant and the debt service will be covered entirely by users of the system.

# Glossary & Acronyms

Fiscal Year 2021-22

## Glossary

**Accrual:** An accounting entry made to ensure revenues are reported on the income statement when they are earned and expenses are reported when the expense occurred, as matched with the related revenues, regardless of when cash is received or spent.

**Actual:** Actual, as used in the fund summaries, revenue summaries and department and division summaries within the budget document, represents the actual financial results. This category is presented on a budgetary basis, and thus excludes full-accrual audit items such as depreciation and amortization.

**Ad Valorem Tax:** A tax based on the assessed value of taxable property.

**Adoption:** Formal action by the City Council which sets the spending limits for the fiscal year.

**Amortization:** The process of paying off debt through a series of fixed payments over time.

**Appropriations:** The legal authorization granted by the City Council to make expenditures and incur obligations.

**Approved Budget:** The financial plan agreed upon by the Budget Committee.

**Assessed Valuation (AV):** The value set by the county assessor on real and personal taxable property as a basis for levying 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.

**Audit:** An objective examination and evaluation of the financial statements of an organization to make sure that the financial records are a fair and accurate representation of the transactions they claim to represent.

**Balanced Budget:** A situation in the budgeting process where total authorized expenses are less than or equal to total resources available.

**Beginning Fund Balance:** The amount of unexpended funds carried forward from one fiscal year to another.

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

**Budget:** A financial operating plan with estimated expenditures and expected revenues for a given period.

**Budget Calendar:** The schedule of key dates which a government follows to prepare and adopt the budget.

**Budget Committee:** A group comprised of the elected officials plus an equal number of 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, typically one or two years, that includes both capital and operations.

**Budget Message:** The opening section of the budget which provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal year, and recommendations regarding the financial policy for the coming period.

**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:** Any project having improvements of significant value and having a useful life of five 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 capital asset or increase the capacity, efficiency, span of life, or economy of operating as an existing capital 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) have a cost of \$2,500 or more per item; 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 Basis Accounting:** Recording revenues and expenditures at the time they are received or paid.

**Contingency:** An appropriation of funds to cover unforeseen events which occur during the budget year. City Council must approve all contingency transfers.

**Debt Service:** Payment of principal and interest on borrowed funds.

**Debt Service Fund:** The fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**Deficit:** (1) The excess of the liabilities of a fund over its assets; (2) The excess of expenditures over revenues during an accounting period, or in the case of proprietary (enterprise) funds, the excess of expenses over revenues during an accounting period.

**Encumbrances:** The formal accounting recognition of commitments to expend resources in the future.

**Ending Fund Balance:** The residual non-restricted funds that are spendable or available for appropriation after the end of the fiscal year, or during the fiscal year, if a state of emergency is declared by the City Manager.

**Enterprise Funds:** The 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.

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

**Fiduciary Funds:** Fiduciary Funds are either Trust Funds or Agency Funds. Trust Funds are used to account for assets held by the government in a trustee capacity. Agency Funds are used to account for assets held by the government as an agent for individuals, private organizations, and other governments and/or funds.

**Fiscal Year:** The time period designated by the city signifying the beginning and ending period for recording financial transactions. The fiscal year begins July 1 and ends June 30.

**Franchise Fee:** Charged to all 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.

**Fund:** A division in the budget with independent fiscal and accounting requirements.

**Fund Balance:** The net ending balance of a Fund's financial resources that are spendable or available for appropriation.

**General Fund:** The general operating fund of the city. It is used to account for all financial resources except those required to be accounted for in other fund.

**Governmental Fund:** One of the three groups of funds for which financial statements are prepared, the others including Proprietary and Fiduciary. Activity not explicitly accounted for as Proprietary or Fiduciary activity are reported in the Governmental Fund type. Governmental Funds include special revenue funds, debt service funds, capital project funds, permanent funds, and the General Fund.

**Interfund Transfer:** Amounts transferred from one fund to another, shown as an expenditure in the originating fund and a revenue in the receiving fund.

**Line Item:** A specific group of similar items defined by detail in a unique account in the financial records.

**Major Fund:** Funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds. Any other fund may be reported as a major fund if the government's officials believe that fund is particularly important to financial statement users. Funds that do not fall into these categories are considered non-major.

**Measure 5:** A constitutional limit on property taxes passed by voters in the State of Oregon in November 1990. The new law sets maximum tax rates on individual properties of no more than \$5 per real market value for education taxing districts and \$10 for general government taxing districts.

**Measure 47/50:** 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. Property tax rates are now considered permanent and not subject to change. Voters may approve local initiatives above permanent rates provided a majority of voters approves.

**Permanent Tax Rate:** Under Measure 47/50, each taxing district such as school districts, city governments, counties, and special districts were assigned a permanent tax rate maximum in fiscal year 1997-98. This permanent tax rate applies to property taxes for core operations. The permanent tax rate for the City of Umatilla was set at \$2.9191 per \$1,000 of assessed value.

**Personnel Services:** Includes the compensation paid to employees plus the City's contribution for employee benefits such as retirement, social security, health and dental insurance, and workers' compensation costs.

**Property Tax:** Based off of the assessed value of property (which in Oregon is much lower than the real market value) times the permanent tax rate and are used as the source of monies to pay general obligation debt and core city services.

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

**Proprietary Fund:** Proprietary Fund is one of the three groups of funds for which financial statements are prepared, along with the Governmental and Fiduciary Funds. Proprietary funds are employed to report on business-like activities, financed primarily by revenues generated by the activities themselves, such as water, sewer and stormwater utilities.

**Real Market Value (RMV):** The estimated value of property as if it were sold. Within the City, the average real market value exceeds the assessed value by just about half. This disparity is the result of voter approved tax Measure 47/50 passed in 1997.

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

**Revenues:** Monies received or anticipated during the year to finance city services.

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

**Systems Development Charges (SDCs):** Charges paid by developers and builders to fund expansion of infrastructure systems necessary due to increased usage. Such charges may be collected for water, sewer, surface water, streets and parks and are paid by developers and builders as part of the permit process.

**Tax Base:** In Oregon, a designated amount of property tax which can be levied for operating expenses without annual voter approval. The original base must be established by the voters at a general or primary election. Thereafter, the base can be increased by 6% annually without the approval of the voters.

**Tax Rate:** The amount of property tax paid by property owners for each \$1,000 of their property's assessed value. This rate is computed by dividing the total amount of the tax levies by the total assessed value for the city.

**Unappropriated Ending Fund Balance:** Represents the portion of the ending fund balance that is not appropriated to be spent in the current year. It must be segregated for future use and is not available for current appropriation or expenditure, except in the event when the City Manager declares an emergency.

**Working Capital:** Capital used for day-to-day operations, calculated as the current assets minus the current liabilities.

## Acronyms

ADA Americans with Disabilities Act

ADS Amazon Data Services

APA American Planning Association

ARPA American Rescue Plan Act of 2021

AV Assessed Value

BLM Bureau of Land Management

BRGC Big River Golf Course

CAD Computer-Aided Dispatch

CAFR Comprehensive Annual Financial Report

CBA Collective Bargaining Agreement

CDBG Community Development Block Grant

CDD Community Development Department

CFS Cubic Feet per Second

CIP Capital Improvement Projects

CIS Citycounty Insurance Service

COLA Cost of Living Adjustment

CPA Certified Public Accountant

CPI Consumer Price Index

CSF Community Service Fee

CTUIR Confederated Tribes of the Umatilla Indian Reservation

CWSRF Clean Water State Revolving Fund

DEQ Oregon Department of Environmental Quality

DLCD Oregon Department of Land Conservation and Development

DSL Oregon Department of State Lands

EDA Economic Development Administration

EDU Equivalent Dwelling Units

EMMA Electronic Municipal Market Access

EPA Environmental Protection Agency

FASB Financial Accounting Standards Board

FEMA Federal Emergency Management Agency

FICA Federal Income 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

HB House Bill	RV Recreational Vehicle
HR Human Resources	S&P Standard & Poors
IFA Oregon Infrastructure Financing Authority	SAIF State Accident Insurance Fund
IT Information Technology	SCADA Supervisory Control and Data Acquisition
LCWF Oregon Parks and Recreation Land and Water Conservation Fund	SDC System Development Charges
LGGP Oregon Parks and Recreation Local Government Grant Program	SEC Securities and Exchange Commission
LOC League of Oregon Cities	SIP Strategic Investment Program
MGD Million Gallons per Day	SRO School Resource Officer
MRSB Municipal Securities Rulemaking Board	SPWF Special Public Works Fund
NPDES National Pollutant Discharge Eliminating System	STBG Surface Transportation Block Grant
OAR Oregon Administrative Rules	STF Surface Transportation Fund
OBDD Oregon Business Development Department	TCV True Cash Value
ODOT Oregon Department of Transportation	TGM Traffic Growth Management
OEM Oregon Emergency Management	TPA Tourism Promotion Assessment
OMA Oregon Mayors Association	TRCI Two Rivers Correctional Institution
OR Oregon	TRT Transient Room Tax
ORS Oregon Revised Statutes	TSP Transportation System Plan
OSMB Oregon State Marine Board	UAL Unfunded Accrued Liability
OTC Oregon Tourism Commission	UCSLD Umatilla County Special Library District
OWRD Oregon Water Resources Department PERS	UEC Umatilla Electric Cooperative
Public Employees Retirement System	UGB Urban Growth Boundary
PW Public Works	UIC Underground Injection Control Device UPD
RMV Real Market Value	Umatilla Police Department
ROW Right-of-way	USACE United States Army Corps of Engineers
RTP Recreational Trails Program	USDA United States Department of Agriculture
	UTV Utility Terrain Vehicle
	VFD Variable Frequency Drive
	WWTP Wastewater Treatment Plant



Melissa Ince, CPA  
Finance & Administrative Services Director  
[melissa@umatilla-city.org](mailto:melissa@umatilla-city.org)

City of Umatilla, Oregon | 700 Sixth Street, PO Box 130, Umatilla, OR 97882  
Phone: 541-922-3226 | Fax: 541-922-5758 | [www.umatilla-city.org/finance](http://www.umatilla-city.org/finance)