

ADOPTED 2020-2021 BUDGET

JULY 1, 2020 THROUGH JUNE 30, 2021



Budget Committee

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

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City Manager's Budget Message

Fiscal Year 2020-2021

We are pleased to provide you with the Fiscal Year 2020-2021 Proposed Budget for the City of Umatilla. Once again it is our privilege to have been led by the experience of our Finance Director, Melissa Ince, who has compiled each request from Department Directors under the direction of the City Manager, being guided by the City Council's adopted goals, general discussions and direction from City Council, from direction from the Budget Committee from their March workshop, and from our various adopted planning documents.



We thank each of you for your significant role in this process. Budget development is one of the most important roles of any elected body as these decisions provide our course map for the City during the next year and for many years to come.

I share, then, with you this message that highlights some key elements of this proposed budget as well as some of the prudent and forward-thinking steps we are taking to ensure a healthy and sustainable City budget.

Continued Historical Growth

I said it in my message last year and I will continue to likely say it for many more messages to come... Umatilla is and will continue to grow at a blazing historical pace. Beginning this fiscal year and likely for the next five years, based upon what we already know from home builders and employers, it is a safe bet to estimate approximately 100 new households (200-300 people) a year will be built in the City. The result of growth from just last year to this year is an increase of 42% to the City's total taxable assessed value from the prior year and an overall General Fund increase of more than 46%, or more than \$4.1 million. To really hammer home this notion of growth, consider that the City's total budget just eight years ago was just over \$9 million and now our General Fund alone is nearly \$13 million and our overall proposed budget is nearly \$39.5 million! Planning for and providing services to our community, including our new residents, at the level they deserve and expect becomes ever more complicated and diverse each year. We are confident that this proposed budget meets or exceeds those expectations and also continues to responsibly build reserves to strategically plan for a financially sustainable future.

Temporary Uncertain and Unprecedented Times

This upcoming fiscal year will be one of particular historical significance. COVID-19 is a worldwide pandemic, the likes of which the world has not seen in nearly 200 years, if ever before! Nations across the globe are scrambling to keep their people safe while also trying to determine the best ways to keep their economies from total devastation. As we all already know, local government is often where many individuals interact with their government services, and Umatilla certainly is no different. The City is committed, completely, in doing all we can to support and assist our residents however we can. This proposed budget has a new line item of \$75,000 designated to yet-to-be determined COVID-19 relief. Additionally, we continue to invest in many technological advancements that will make it possible for people to participate in civic activities, including Council Meetings and others, electronically. Soon, anyone will be able to go to our website and easily receive up-to-date reports, project updates, and live broadcasts. We're updating to a more user-friendly billing system, we're removing cost prohibitive credit card processing and convenience fees, and we will be providing more free or low-cost services to our community than ever before! And, we will be bringing free WiFi services to some of our main parks and into the downtown areas. No one can accurately estimate the impacts of COVID-19 and the changes it will make on our daily lives, but we should all be proud of our City for taking extraordinary steps to help keep people safe and to help, however we can, in their personal and communal economic recovery.

This pandemic will pass and the City is well prepared to help get our community through it and is equally as prepared to help us thrive afterward.

Projects and Land Acquisitions

We are happy to propose the inclusion of several long-time coming projects:

- **Kiwanis Falls.** We have included \$275,000 to update/replace Kiwanis Falls. 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.
- **Marina & RV Park Improvements.** We will install a new marina host site to provide for additional on-site security and contractors that are closer to provide fueling and maintenance services of the marina. We will also be replacing the roof in the RV Park and installing a pedestrian sidewalk from 3rd St. all the way into the park. The park will also receive an all-new entrance sign welcoming patrons into the park.
- **Land Acquisition.** In order to keep up with the demands for services the City needs to take a proactive approach in ensuring that we have adequate land and facilities to provide such services now and into the future. This proposed budget includes the early payoff of the acquisition of the old post office and the purchase of lands likely to be used as an all-new future industrial park.
- **Downtown Revitalization.** The beautification and revitalization of our downtown is one of the highest priorities of the City. This budget increases the Downtown Revitalization Grant Program to \$80,000 and does so at a time where business owners need help the most. This budget also includes funds to replace aging light fixtures with new and ornamental lights and poles that can accommodate banners and hanging flower baskets. We will also plant many more trees with irrigation to help complete the "urban park" downtown look and feel and to enhance walkability and provide shaded benches.
- **Umatilla Business Center.** This budget builds upon the now three years of planning for the construction and refurbishment of the old post office to create the all-new Umatilla Business Center. Some experts are predicting that up to 50% of small businesses may fail due to the impact of COVID-19. Our Business Center couldn't come at a better time than now to invest in our downtown and the future businesses there. This facility will house the Community Development Department staff as well as provide a multi-purpose room that can host education sessions, recreation programs, and trainings. It will also feature a full commercial kitchen that can be used for events or rented out for private purposes. There will be conference rooms and public computers. But, best of all, we will provide brand new downtown office space at highly discounted rental rates so that new and upcoming

businesses can focus their efforts on investing in and growing their business, rather than on paying rent. We have great hopes and expectations that this will be a highly used and highly successful facility and will be a cherished community asset.

- **Hydraulically Connected Wells.** This \$778,000 project (\$400,000 City, \$378,000 grant) will build off a report from the 1970's the showed that Umatilla has hydraulically connected wells close to the Columbia River. If the study proves positive, it could mean that the water we provide to our main industrial partners would be of a significantly more preferred quality and that they would be able to reduce both up-front improvement costs and operational costs. It would also provide a great opportunity to continue to develop our 23 undeveloped CFS. This investment serves as a 2-for-1 investment. If we are able to transition data centers to use this water supply, it would then free up upwards to 1,000,000 gallons of domestic drinking water per day for use by our residential and commercial customers. This project also meets regional environmental and sustainability goals by protecting our critical groundwater resources.
- **Community Development Block Grants.** We have identified two “donut holes” in the City that we would like to close out. These areas do not receive City utility services, but are usually surrounded by City utility services. We are applying for CDBG funds to develop the plans necessary to install water and sewer services to the Power City area and the area north of the Port of Entry of Brownell. If we are successful in receiving these grants, nearly 100% of the approximately \$5 million projects will be paid for through grant funds.

Public Safety

A safe community is a thriving one! We continue to invest in the public safety of our community. For the second time in three years, we will be adding an additional officer to our ranks. This time, though, we will be adding a School Resource Officer (SRO). In addition to regular patrol duties, this person will have an emphasis in keeping one of the most vulnerable in our community safe, our students. We will work even more closely with the Umatilla School District and others as we develop this position and corresponding programs. In addition to microscopic viral predators, our young people face drugs, violence, abuse, and other outside threats. It is our honor and privilege to help keep them safe, especially while they are learning. This proposed budget adds this new position and all that is necessary to support it: uniforms, vehicle, materials and equipment, etc. All other police positions continue to be fully funded with no plans of reducing services now or in the foreseeable future.

In addition to our young residents, our “fur babies” are in need of a little more safety and even comfort when they are lost. Our Code Enforcement vehicle is more than ten years old and becoming increasingly unreliable. This proposed budget purchases a new vehicle with a modern animal transport box installed that will be climate controlled and have features to keep the animals safer and cleaner as well as providing safer handling features for our code enforcement officer. Keep our animals safe and reducing the risks associated with animals-at-large has a tremendous overall public safety affect and also helps keep our entire population healthy.

Community Development

The Community Development Department saw the departure of our Department Director to go and work as our, and 55 others, advocate for the State's Department of Land Conservation and Development. This led to an opportunity to reassess the department and adjust to current and anticipated future needs of the community. Brandon Seitz was promoted to become the new Department Director. Brandon has been working on obtaining all the necessary certifications and licenses to perform our building inspections in-house. He will start doing these inspections this summer and will continue to serve as the Building Official. However, it is not a long-term solution for a department director to be performing such duties and, since he is not a journeyman level electrician or plumber, he cannot perform the most complex industrial inspections. With the transition in positions, the City will now add an all-new Electrical Inspector this summer with the requirement that the new hire also be able to obtain all other (except plumbing) inspector certifications within 21 months of being hired. During that time, Brandon will be able to perform all those other inspections. This new hire actually brings the potential to save the City over \$100,00/year due to the significant reduction in contracted costs with the City of Hermiston that has been

performing these services on our behalf. It also provides us the opportunity to retain more building fees. For a community that is growing such as ours, it becomes ever more important that we retain the in-house knowledge and expertise to be able to perform these services ourselves, rather than contracting them out. This fiscal year will see a temporary overall net increase in cost since it will be a transition year where we do both our own inspections and continue to contract many of them out, but the long term benefit should yield these significant savings and increases in operational efficiency.

The position that Brandon left vacant will be replaced with a Community Development Coordinator position. This person will support Parks and Recreation, help process building permits and applications, and assist with general and overall economic development services.

We continue to increase our investment into quality of life improvements... especially as we all look forward to trying to return to life without social distancing. This proposed budget looks to immediately begin implementing our newly adopted Trails Master Plan and includes more than \$1.1 million in trails/bike path improvements, which anticipates nearly 60% of these costs being paid for from state and federal grant programs. The City has two grant applications pending and is hopeful that we will be successful in our applications. These improvements will create all-new and refurbished trails in the south hill area that will connect to the downtown and will be able to be used by persons of all physical abilities.

We will see other investments into our Parks and Recreation programs. The implementation of new reservation software will make it easier for community members to reserve pavilions and register for recreation programs. We are working to establish new recreational programming that includes youth leagues, adult exercise programs, sports camps, a new Saturday Market, movie nights in the park, and a new festival. The healthiest and strongest and safest communities engage in community events and we are excited to be continuing to add to what we have to offer our community and our visitors.

Finance

With a growing community comes the growth in payables and receivables and government accounting. Earlier in the year we were happy to, once again, receive a clean audit. We continue to adjust and improve our internal controls and operations. In March, we purchased the software OpenGov. This new software solution will assist the City in budget development and monitoring, research and analysis, and significantly increase our transparency with the public, to name a few features.

We have provided a significant increase in programming at the library and this proposed budget looks to continue to build off of this recent increase and successes. This budget includes investments into other technologies that also incorporate access in at least English and Spanish. Though the library is temporarily closed to the public, we are investing in modest remodeling efforts to better efficiently use the space to create improved teen and kids' rooms. These new areas will feature a fun and modern environment for all ages to promote excitement in learning and include café tables, bean bag chairs, computer stations, murals, desks, interactive boards, and safer flooring for the pre-k kids... all with some fresh and updated and lively paint. And, when the community can't make it to us, we will make our way to them with our continued and further investment into our mobile ("pop-up") library. This budget includes a new van dedicated to support our mobile library to transport books and materials out into our community. As I mentioned last year, we are continuing to follow the advocacy of Franklin Roosevelt by investing into our library to enhance "the freedom of the mind," to celebrate the "survival of [our local] culture" and to promote an educated and intellectually and otherwise healthy community.

Streets

This proposed budget carries over the remaining funds needed to complete the \$8 million 6th St. project. It also includes sidewalk improvements at the Marina & RV Park as well as some other small sidewalk improvements. This budget also includes the construction of a portion of Lind Road and all of Union Street from Hwy 395 to Lind Road. This \$2 million project is paid for mostly by private funds and through a state grant from the Immediate Opportunity Fund.

Now that the 6th St. Project will be completed the focus this year is begin rebuilding the street and capital funds for future major and moderate street repairs and enhancement projects.

Water & Sewer

Staff and FCS Group completed our water and sewer utility rate and system development charge (SDC) study in April. Rates have not been able to keep up with rising costs and the Water Fund will see increased debt service requirements resulting from the 6th Street waterline improvement project loan and the hydraulic connectivity feasibility study loan. FCS is recommending an overall increase of 25% in the next fiscal year, followed by three 6% increases, and then 2% future increases. The rate increases for each customer class depend on factors such as customer costs, base capacity, peak capacity, meters & services and fire flow. The good news is that we will be able to create adequate reserves for planned future capacity increasing improvements and settle into very low rate increases in just 4 years.

This budget also provides funding to update both our water and sewer master plans. We will be pursuing two technical assistance grants through Business Oregon's Infrastructure Financing Authority Water/Wastewater program and have identified an extremely low interest loan through DEQ's Clean Water State Revolving Loan Fund to fund the remaining balance on the wastewater plan update.

Continued Investments into Training, Technology, Vehicles, and Equipment

This proposed budget makes several investments into new technology. The likely most significant this year will be the use of Xpress Bill Pay. This system integrates well with all of our existing purchasing systems. More importantly, will be the removal of convenience fees to the customer associated with making payments online.

This budget includes ample funds to cover basic to highly technical training of all staff and even for elected officials. Investment into training has proven to be far more cost efficient by increasing longevity and reduction in turnover of staff. It also increases morale and meets the Council's goals of providing services at a level that meets or exceeds the public's expectations.

Both City Hall vehicles have reached the end of their useful lives and need to be replaced. We are proposing to replace the SUV with a crew cab pickup and replace the sedan with an all-electric vehicle. Public Works, Police, and Community Development departments are all also replacing old vehicles and equipment for new vehicles. Many of these purchases have been planned for a number of years with reserves slowing being built up over time.

Reserves

A healthy operational budget must make plans or have funds available to be opportunistic or to leverage one-time funds that might become available unexpectedly. We are proud to propose this budget with Total Reserves of nearly \$12.9 million, or nearly \$4 million more than our current modified budget. This equates to an overall City-wide reserve of 33%. Our General Fund is increasing from 8% operational reserves to 10%, or an increase of nearly \$500,000. Sewer Reserve is doubling just under \$1 million to just over \$2 million while Water Reserve is nearly tripling from \$270,000 to \$679,000. Our Capital Reserve is nearly four times larger from \$700,000 to nearly \$2.7 million. This surpasses our goal of at least 25% reserves. 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 strengthen our reserves and positions the city well to make more strategic and affordable investments in the future.

Summary

It is very exciting time to for Umatilla! The City continues to grow at historical rates. This proposed budget does a great job of incorporating increases to services while also continuing to build reserves and plan for future needs. This budget invests in keeping our community safe, making revitalizing enhancements and beautifications, updating equipment to help provide higher quality services, invests in staff, and promotes quality of life and economic development improvements... all while increasing transparency to the public and making it easier to interact with us. 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, flowing style.

Dave Stockdale, City Manager

Budget Overview

Fiscal Year 2020-21

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 FY2021 budget adoption process.

As the budget was presented for adoption, the state of Oregon was beginning to feel the effects of stay-at-home orders and business closures in response to the COVID-19 pandemic. The response to slow the spread of COVID-19 and to save lives resulted in a change to the way the American public consumes goods and services: a shift toward retail purchases, restaurants shifting to home-delivery and curbside pickup, and an increase in stockpiling of paper goods. Meanwhile, the federal government implemented numerous strategies to preserve and stabilize the economy during the COVID-19 pandemic. The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress and signed into law by President Trump on March 27th, 2020. The Act was designed to provide rapid and direct funding to preserve public health and to stabilize the economy during the response to the pandemic. The stimulus package made funding available to individuals and businesses as well as state and local governments.

While the pandemic introduced economic uncertainty, there was not enough information to guide significant revisions of the financial forecast before Council action. 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 however we can. This proposed budget has a new line item of \$75,000 designated to yet-to-be determined COVID-19 relief. Additionally, we continue to invest in many technological advancements that will make it possible for people to participate in civic activities, including Council Meetings and others, electronically. Soon, anyone will be able to go to our website and easily receive up-to-date reports, project updates, and live broadcasts. We're updating to a more user-friendly billing system, we're removing cost prohibitive credit card processing and convenience fees, and we will be providing more free or low-cost services to our community than ever before! And, we will be bringing free WiFi services to some of our main parks and into the downtown areas. No one can accurately estimate the impacts of COVID-19 and the changes it will make on our daily lives, but we should all be proud of our City for taking extraordinary steps to help keep people safe and to help, however we can, in their personal and communal economic recovery.

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.

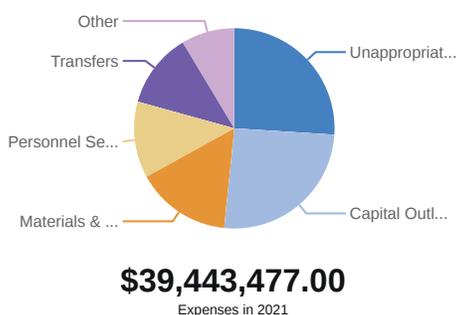
The budget matches the financial, material, and human resources available with the requirements to complete the strategic goals set by the City Council.



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



FY20-21 Budget by Expenditure Type



The City of Umatilla's annual budget for fiscal year **2020-21** totals **\$39,443,447**.

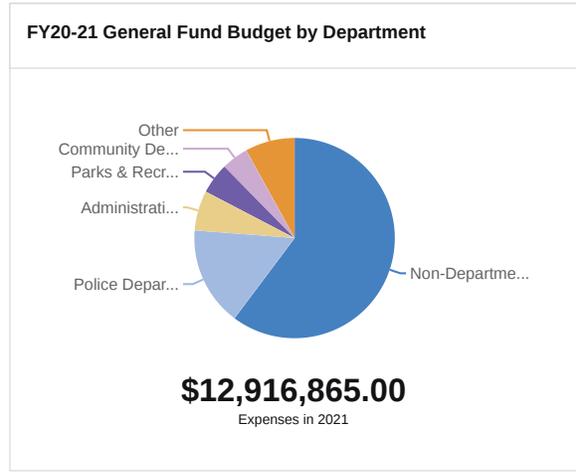
The budget continues to balance stable, recurring revenue sources with ongoing operations and utilizes new revenue as leverage to complete valuable capital projects.

FY2020-21

CAPITAL BUDGET BY PROJECT TYPE | TOTAL **\$10.1M**

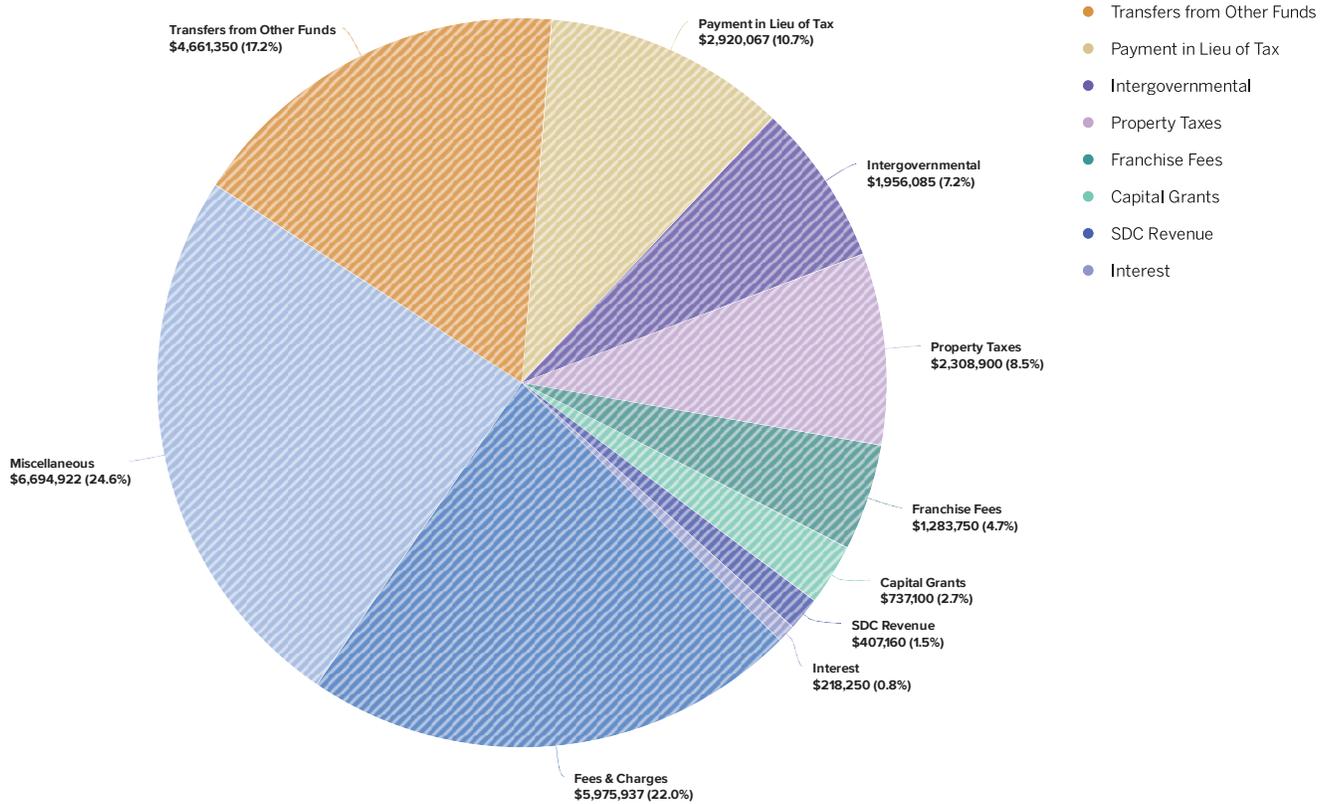


Where does the money go?
 FY2021 **GENERAL FUND BUDGET**
 Total \$12.9M

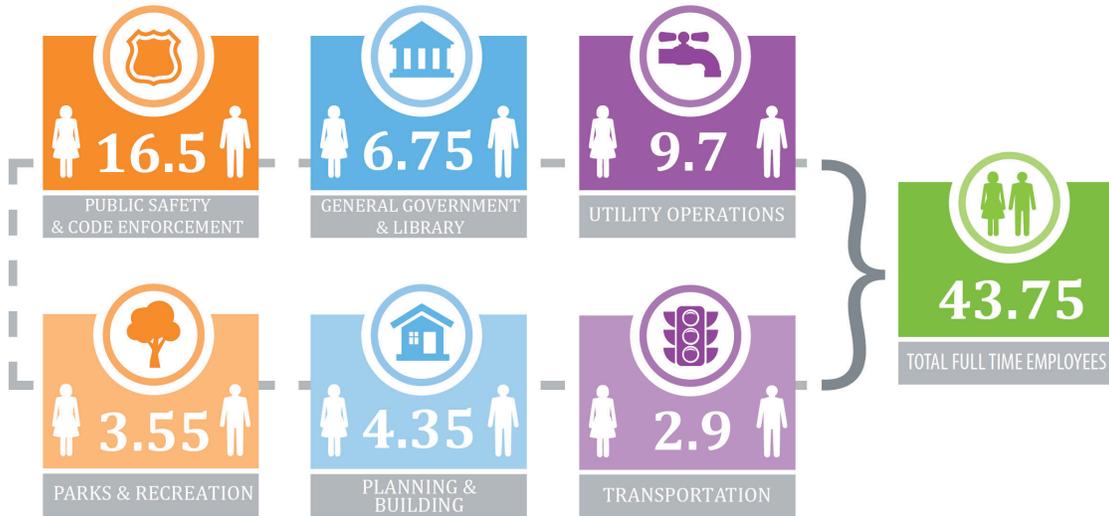


How do we pay for our services?

FY2020-21 **PROJECTED REVENUES** TOTAL \$27.2M



FY2020-21 **STAFFING BY FUNCTION** (FULL-TIME EQUIVALENT CITY EMPLOYEES)



City Overview: About Umatilla

Fiscal Year 2020-21



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

Photo from left to right: Councilors Funderburk, Roxbury, Wheeler, Chavez and TenEyck with Mayor Dedrick (not pictured: Councilor Smith)

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



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

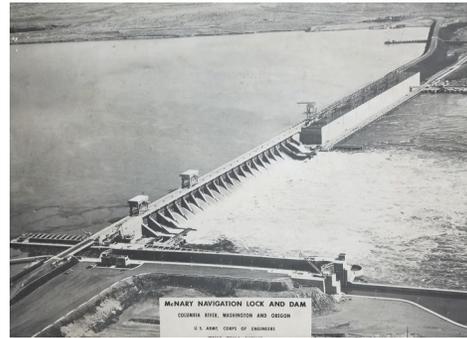
The City Manager is the Chief Administrative Officer of the city and is responsible to the Council for proper administration of all of the city's affairs. To that end, he or she has power and is required to:

- 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, or 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 2020-21

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. 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 2020-21

January - February

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

March

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

April

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

May

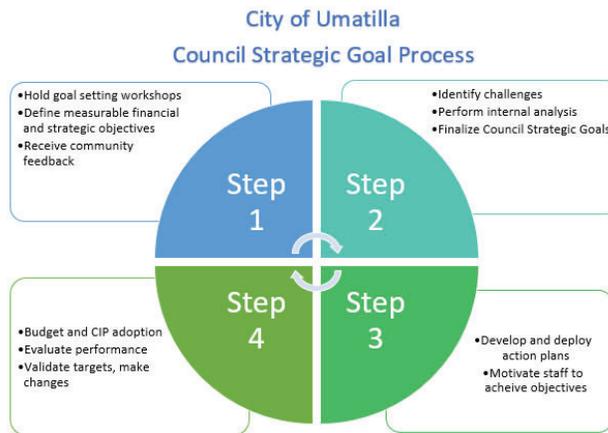
- ⦿ Prepare and publish Financial Summary and Notice of Budget Hearing
- ⦿ If necessary, publish Notice of Supplemental Budget Hearing

June

- ⦿ Council passes current year budget resolutions
- ⦿ Council passes resolution for state revenue sharing eligibility and proposed uses
- ⦿ 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 2020-21



City of Umatilla

City Council Goals

July 1, 2019 - June 30, 2021

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 2019 – 2021 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 FY19/20 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 1.6.2: Adopt the City of Umatilla Trails Master Plan no later than December 31, 2019. Ensure that public participation occurs and is encouraged throughout this entire process.

- Objective 1.7: Research and determine the viability of 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 1.8: Continue to cultivate professional relationships and partner with the Umatilla Chamber of Commerce. Work collaboratively to make mutually beneficial updates to the 2020 contract that promotes events, works to increase businesses, and encourages 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 downtown revitalization.
 - 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: 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 1.9.3: 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: Make every effort to procure and achieve the “Festival Street” vision presented to City Council at their 2019 Council Retreat, that includes improvements to the Old Post Office (Umatilla Business Center), park, and possible procurement of the Umatilla School District’s maintenance building to eventually be converted into a Community Recreation Center.

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: Improve the City's curb appeal.

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.
 - 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: Create a Citizen’s Participation Guide resource tool. This online guide should demonstrate how to participate and where to get information.
- Objective 4.8: 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: Integrate a Customer Service element to annual employee performance evaluations.

- Objective 5.3: At least annually, poll the community regarding their level of satisfaction with any recent service they have received from the City.
- Objective 5.4: Increase the number of customer self-service options for those who wish to limit their direct interaction with staff or elected officials.
- Objective 5.5: 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 5.6: Expand social media presence. Use social media as part of our overall communication efforts and to also create opportunities of 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 5.7: Receive the Government Finance Officers Association (GFOA) Distinguished Budget Award for the FY20/21 Budget.
- Objective 5.8: 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.
- Objective 5.9: Establish a Fleet Replacement Fund that promotes and ensures safety, reduces maintenance costs, and plans for future major purchases.

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 2020-21

SUMMARY OF FINANCIAL POLICIES

Accounting, Auditing and Financial Reporting

- Sets guidelines for reporting financial transactions and preparing financial reports.

Budgeting - Operations

- Relates to budgeting guidelines and preparation.

Budgeting - Capital Outlay

- Relates to establishing capital improvement plans for all major equipment and infrastructure systems provided and maintained by the City.

Long-Range Financial Plan

- Addresses longer term financial forecasting to help inform decisions.

Cash Management and Investments

- Relates to using cash flow projections to minimize debt service and investment guidelines.

Expenditures

- Addresses the City's efforts to ensure spending is consistent with the City's fiscal plans.

Revenues

- Deals with taxes, user fees and other revenues by which the City generates income to fund programs and services.

Fund Balance and Reserves

- For establishing reserves and contingency funding as needed for the various activities of the City.

Pension Funding Policies

- Addresses the funding policies of the City's pension obligations.

Debt Management

- Addresses long-term financing of the City's capital needs.

Inter-Fund Loan Policies

- Addresses loans from one fund to another.

Grants and Intergovernmental Revenues

- Establishes policies and processes for administration of grants that support the City's current priorities and policy objectives.

Financial Consultants

- 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 2020-21

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 |
| VA Data | Data/Technology | 300 |
| Umatilla School District | Education | 220 |
| JM Manufacturing Co. | Plastic Products Manufacturing | 65 |
| Simplot Grower Solutions | Agricultural Product Production | 50 |
| City of Umatilla | Government | 42 |
| 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 campus building activity continues is being built and several new subdivisions are under construction. At this rate, it appears that out 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 150 people in the past year and the City has seen 8% 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 |
|----------------------|---------------|------------------------|
| 12/31/2019 | 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 2010, the racial makeup of the city was 70.1% White, 2.3% African American, 1.5% Native American, 0.6% Asian, 23.1% from other races, and 2.4% from two or more races. Hispanic or Latino of any race were 43.1% of the population.

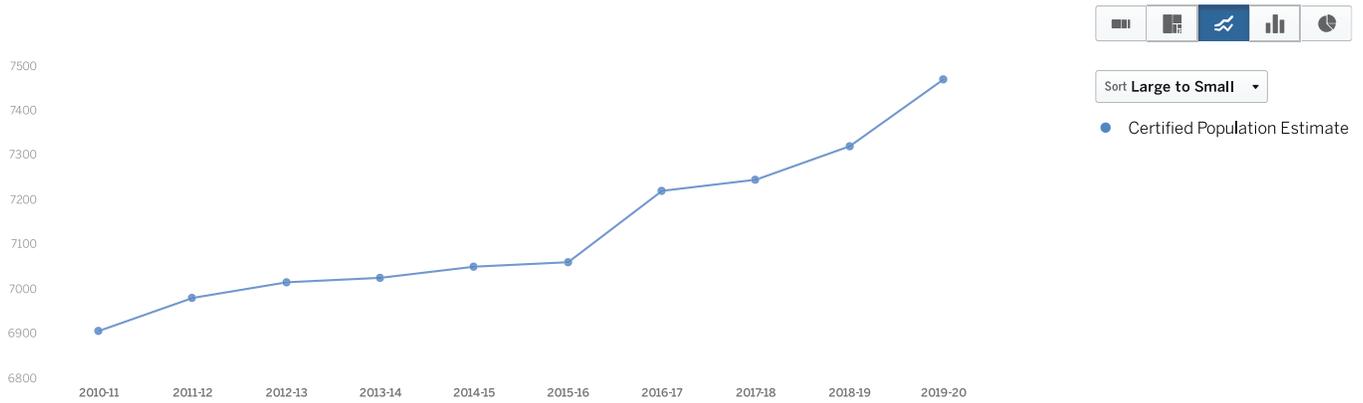
There were 1,634 households, with an average household size of 3.15 and average family size of 3.59. The median age in the city was 30.7 years. 26.1% of residents were under the age of 18; 11.7% were between the ages of 18 and 24; 35.6% were between 25 and 44; 20.2% were between 45 and 64; and 6.3% were 65 years of age or older.

The median income for a household in the city was \$33,844, and the median income for a family was \$32,969. The per capital income for the city was \$11,469. About 15.6% of families and 19.4% of the population were below the poverty line.

CITY OF UMATILLA POPULATION

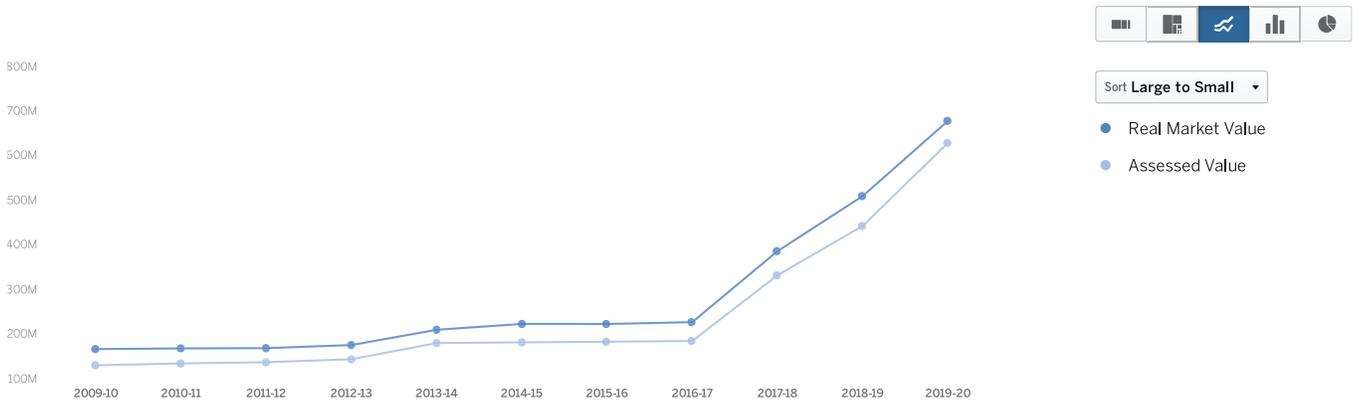
Source: Portland State Population Research Center Certified Population Estimates

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



Ten Largest Property Taxpayers in the City of Umatilla

| Taxpayer | Type of Business | Total Taxes | Current Assessed Value |
|------------------------|-------------------------|--------------------|-------------------------------|
| VADATA | Data Center | 3,979,888 | 258,273,036 |
| Centurylink | Telecommunications | 36,834 | 2,463,000 |
| Khera Brother LLC | Hotel/Motel | 33,757 | 2,239,960 |
| Baustert John W Etal | Unknown | 29,078 | 1,800,000 |
| Ness Investments LLC | Real Estate | 28,492 | 1,763,770 |
| Simplot Industries Inc | Agricultual Products | 28,135 | 1,881,290 |
| Charter Communications | Cable | 22,365 | 1,470,900 |
| Devil Oil Company Inc | Gas Station | 21,306 | 1,424,670 |
| Pacificorp | Electrical Utility | 20,477 | 1,369,000 |
| Quinones Properties | Hotel/Motel | 18,209 | 1,217,210 |

City Overview:

Short Term Factors Impacting Overall Budget Development

Fiscal Year 2020-21

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 2020-21 budget:

Property Taxes and Payments in Lieu of Taxes

Total taxable assessed value for 2019-20 is \$628,744,234 (a 42% increase in value from the prior year), resulting in \$1.85 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 20% in property tax receipts from new development in the next fiscal year, or \$2.22 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 \$1.2 million in Community Service Fee (CSF) revenue related to the enterprise zone agreements on the first four buildings of PDX2, which includes \$532,000 from 2019-20. We anticipate an increase of approximately 45% in the annual payment next year to \$770,000.

In the current fiscal year, we received the first revenue 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 2019-20. 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. 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 first payment received in the current fiscal year.

Utility Rates

Council approved a monthly water and sewer rate increase as a result of the utility rate study completed by FCS Group this spring. The overall water increase is 25% but the rate for each customer class depends on factors such as customer costs, base capacity, peak capacity, meters & services and fire flow. The overall sewer increase is 26% but the rate for each customer class depends on factors such as customer costs, flow, BOD and TSS. The average residential customer, using 25,000 gallons, will see a 5.1% increase in their utility bill, or a \$5.24 increase monthly.

Other Revenue Factors

The City's electrical franchise agreement cap with Umatilla Electric Cooperative was renegotiated this spring. The prior annual cap was \$500,000 annually. The new agreement provides for an increased cap of \$1 million in 2020-2024 and \$1.5 million in 2025-2029. It is anticipated the full \$1 million would be collected in the 2020-21 fiscal year. We also project revenue of \$190,000 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-H, no COLA for level I due to substantial wage increase in previous year, and a 1% COLA for levels J-K.

This budget covers year three of the current collective bargaining agreement that is in effect through June 30, 2021. Union employees will receive a 3.5% salary increase.

Our current PERS rates are locked in until June 30, 2021. Rates are 19.07% for Tier 1 and Tier 2, 11.02% for OPSRP General Schedule and 15.65% for OPSRP Police. In addition to the employer's portion, the City pays the employee's 6% required match.

City County Insurance Services announced that current health plans will terminate at the end of 2020. The new health plans will have higher copays primarily related to prescription and vision coverage. Health insurance costs are increasing by approximately 6%.

New Full Time Employee (FTE) Approvals

- School Resource Officer
- Certified and Licensed Electrical Inspector
- Community Development Coordinator

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 \$5,250,000, which includes the building, parking and street improvements. City staff will be actively pursuing grants and legislative funding and hopes to have construction completed by the end of June 2022.

Trail Projects

This budget looks to immediately begin implementing our newly adopted Trails Master Plan and includes more than \$1 million in trails/bike path improvements, which anticipates nearly 60% of these costs being paid for from state and federal grant programs. The City has two grant applications pending through the Oregon Parks and Recreation (OPRD) Local Government Grant Program and Recreational Regional Trails Program. These improvements will create all-new and refurbished trails in the south hill area that will connect to the downtown and will be able to be used by persons of all physical abilities.

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 City will also be submitting a similar \$372,500 CDBG planning grant application in the fall 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.

Lind Road and Union Street Improvements Project

In the 2019-20 fiscal year, the City was awarded an Immediate Opportunity Fund (IOF) grant for improvements to Lind Rd. and Union St. The total project cost is \$1,909,000 and the grant covers 50%. The majority of the match will be reimbursed through a private partnership and the City expects its' contribution to be approximately \$70,000. Engineering and wetland delineation work is underway and any unused funds will be rolled into the 2020-21 fiscal year.

Other Expense Factors

Insurance costs will increase for the 2020-21 fiscal year. Property rates are increasing by 15% and liability rates are increasing by 5%.

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

COVID-19

COVID-19 is an unprecedented worldwide pandemic that will have significant budget impacts. The City is committed to doing all we can to support and assist our residents and businesses. This budget has \$75,000 designated to yet-to-be determined COVID-19 relief.

We also realize that the pandemic will create revenue shortfalls, primarily in the Street Fund and Transient Room Tax Fund. As travel has been significantly reduced, so have the state wide fuel tax collections and the City's estimated amount of State Highway Revenue Apportionment. The City collects a 3.5% Transient Room Tax on lodging revenues. We anticipate a 50% reduction in those revenues this year.

Debt Outstanding: Long-Term Debt

Fiscal Year 2020-21

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.

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 2020-21

Long-Term Debt Outstanding

Long-Term Debt Outstanding

As of June 30, 2020, the City will have \$760,000 outstanding in one full faith and credit obligation and \$4,310,546 outstanding in notes payable, for a total of \$5,070,546 in long-term debt outstanding.

Legal Debt Limit Measures

Pursuant to Oregon Revised Statue 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

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.

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 will be 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

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.

For amortization purposes, it is anticipated that the refunding note will be due in 20 years and will carry interest at 3.5% from the date of disbursement. 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 FY2020, the disbursements totaled \$2,633,924. The City anticipates receiving the final loan disbursement in FY2021. 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.

Individual

The City purchased land on contract from an individual in August 2018 for a purchase price of \$250,000, with \$50,000 due at closing. The note carries interest at 4% per annum and is due in four payments commencing August 15, 2019. As this is one of the higher interest notes, the City will be paying off the remaining note in FY2021. The note is recorded as a debt of the governmental funds.

Long-Term Debt Activity for FY 2019-20

| | Balance as of June 30, 2019 | Additions | Reductions | Balance as of June 30, 2020 |
|---|--------------------------------|---------------------|---------------------|--------------------------------|
| <u>Governmental Activities:</u> | | | | |
| Notes Payable: | | | | |
| Banner Bank | \$ 565,331 | \$ - | \$ (89,212) | \$ 476,119 |
| Individual | \$ 200,000 | \$ - | \$ (50,022) | \$ 149,978 |
| Total Governmental Activities | \$ 765,331 | \$ - | \$ (139,234) | \$ 626,097 |
| | | | | |
| <u>Business-Type Activities:</u> | | | | |
| Bonds Payable: | | | | |
| Sewer Refunding Bonds | \$ 1,005,000 | \$ - | \$ (245,000) | \$ 760,000 |
| | | | | |
| Notes Payable: | | | | |
| IFA Final Design | \$ 402,999 | \$ 41,816 | \$ (61,668) | \$ 383,147 |
| CWSRF Construction | \$ 26,040 | \$ 2,607,884 | \$ - | \$ 2,633,924 |
| IFA 6th St Waterline Imp | \$ 632,329 | \$ 35,049 | \$ - | \$ 667,378 |
| Total Business-Type Activities | \$ 2,066,368 | \$ 2,684,749 | \$ (306,668) | \$ 4,444,449 |
| Total Long-Term Debt Obligations | \$ 2,831,699 | \$ 2,684,749 | \$ (445,902) | \$ 5,070,546 |

Future Debt Plans

Note Payable: IFA Hydraulic Connectivity Feasibility Study

The City was recently 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.

Note Payable: Industrial Land Purchase Option/Execution

In the current fiscal year the City purchased an option on more than 200 acres of land and optioned water right to be developed into an industrial park. We anticipate exercising our option in the 2020-21 fiscal year. The total purchase price is \$3,000,000 and will need to be financed through a bank loan until the City is able to divide and sell.

Note Payable: CWSRF Planning Loan for Wastewater Facilities Plan Update

In accordance with the July 2019 "Preparing Wastewater Planning Documents and Environmental Reports for Public Utilities" guidance document, the City of Umatilla intends to develop a Wastewater Facility Plan to be reviewed and approved by the Oregon Department of Environmental Quality (ODEQ). The plan will generally include a description of existing sewer treatment and collection systems, capacity and compliance analysis, anticipated needs for future facilities, and description of future facilities including schedule, cost, and financing. In order to fund this project, the City is applying for a \$20,000 technical assistance grant from Business Oregon and a \$234,000 planning loan from CWSRF. The term of the note would be 5 years and it would carry interest at 0.59%.

Debt Outstanding: Future Principal and Interest Payments Due

Fiscal Year 2020-21

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 | | Individual | | Total | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2021 | \$ 93,308 | \$ 23,913 | \$ 50,000 | \$ 6,033 | \$ 143,308 | \$ 29,946 |
| 2022 | \$ 98,203 | \$ 19,018 | \$ 50,000 | \$ 3,999 | \$ 148,203 | \$ 23,017 |
| 2023 | \$ 103,082 | \$ 14,139 | \$ 49,978 | \$ 1,829 | \$ 153,060 | \$ 15,968 |
| 2024 | \$ 108,178 | \$ 9,043 | \$ - | \$ - | \$ 108,178 | \$ 9,043 |
| 2025 | \$ 73,347 | \$ 3,644 | \$ - | \$ - | \$ 73,347 | \$ 3,644 |
| Total | \$ 476,119 | \$ 69,757 | \$ 149,978 | \$ 11,861 | \$ 626,097 | \$ 81,618 |
| Due within one year | \$ 93,308 | \$ 23,913 | \$ 50,000 | \$ 6,033 | \$ 143,308 | \$ 29,946 |
| Due after one year | \$ 382,810 | \$ 45,844 | \$ 99,978 | \$ 5,828 | \$ 482,788 | \$ 51,672 |
| Total | \$ 476,119 | \$ 69,757 | \$ 149,978 | \$ 11,861 | \$ 626,097 | \$ 81,618 |

Debt Service Schedule

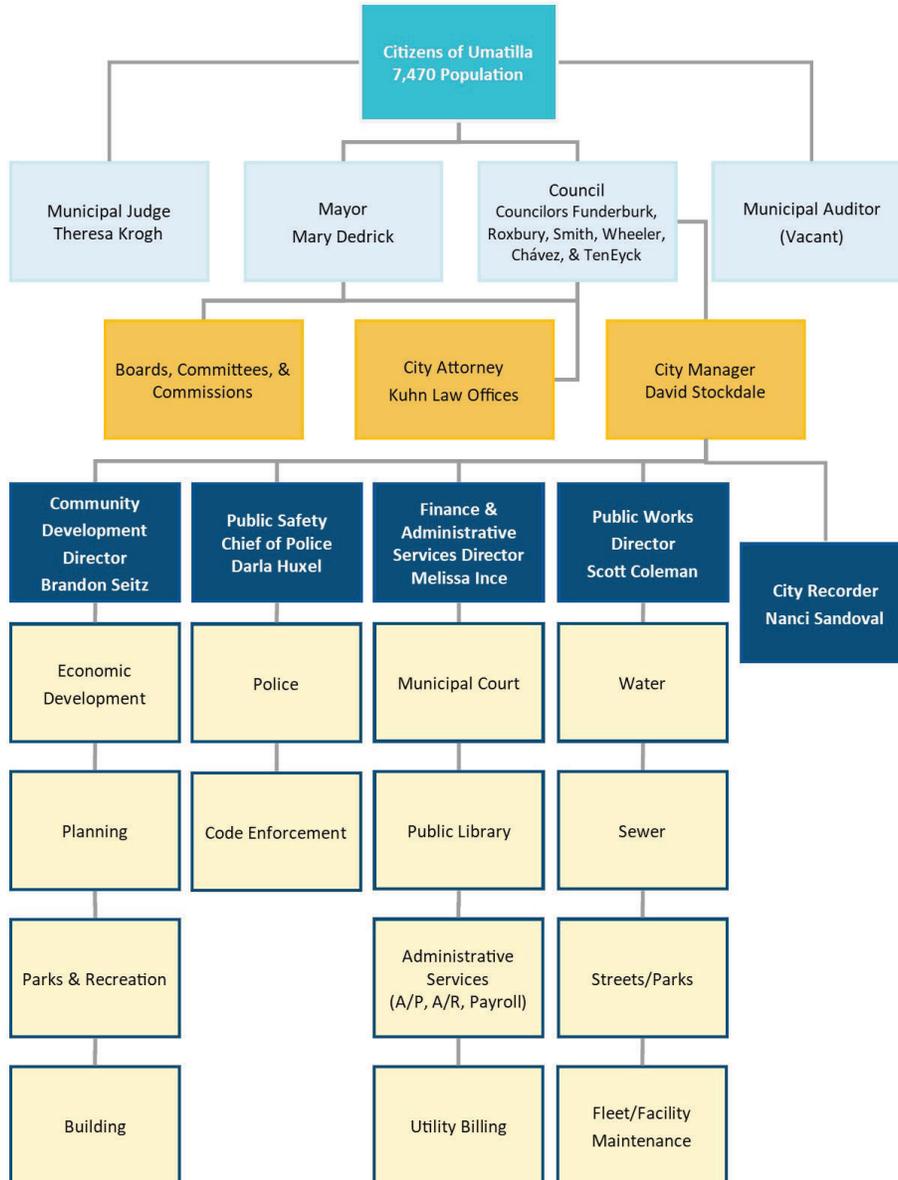
Enterprise (Business-Type)

| Year Ending June 30, | Enterprise Activities | | | | | | | |
|-------------------------|---|------------------|-------------------|------------------|-----------------------|-------------------|---|--|
| | Series 2014 Full Faith and Credit Refunding Bonds | | | | IFA Final Design Loan | | IFA 6th Street Waterline Improvement Project Interim Financing Loan | |
| | Principal | Interest | Principal | Interest | Principal | Interest | | |
| 2021 | \$ 250,000 | \$ 17,800 | \$ 61,765 | \$ 5,441 | \$ 23,599 | \$ 23,358 | | |
| 2022 | \$ 260,000 | \$ 11,400 | \$ 62,642 | \$ 4,564 | \$ 24,425 | \$ 22,532 | | |
| 2023 | \$ 250,000 | \$ 3,750 | \$ 63,531 | \$ 3,674 | \$ 25,280 | \$ 21,677 | | |
| 2024 | \$ - | \$ - | \$ 64,433 | \$ 2,772 | \$ 26,165 | \$ 20,793 | | |
| 2025 | \$ - | \$ - | \$ 65,348 | \$ 1,857 | \$ 27,081 | \$ 19,877 | | |
| 2026-2030 | \$ - | \$ - | \$ 65,428 | \$ 929 | \$ 150,302 | \$ 84,486 | | |
| 2031-2035 | \$ - | \$ - | \$ - | \$ - | \$ 178,511 | \$ 56,276 | | |
| 2036-2040 | \$ - | \$ - | \$ - | \$ - | \$ 212,015 | \$ 22,772 | | |
| 2041-2045 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| 2046-2050 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| Total | \$ 760,000 | \$ 32,950 | \$ 383,147 | \$ 19,237 | \$ 667,378 | \$ 271,771 | | |
| Due within one year | \$ 250,000 | \$ 17,800 | \$ 61,765 | \$ 5,441 | \$ 23,599 | \$ 23,358 | | |
| Due after one year | \$ 510,000 | \$ 15,150 | \$ 321,382 | \$ 13,796 | \$ 253,253 | \$ 169,365 | | |
| Total | \$ 760,000 | \$ 32,950 | \$ 383,147 | \$ 19,237 | \$ 276,852 | \$ 192,723 | | |

| Year Ending June 30, | CWSRF Industrial Wastewater Line Construction Project Loan | | | |
|-------------------------|--|-------------------|---------------------|---------------------|
| | Principal | | Interest | |
| | Principal | Interest | Principal | Interest |
| 2021 | \$ - | \$ 3,412 | \$ 335,364 | \$ 50,011 |
| 2022 | \$ 77,889 | \$ 59,281 | \$ 424,956 | \$ 97,777 |
| 2023 | \$ 79,109 | \$ 57,672 | \$ 417,920 | \$ 86,773 |
| 2024 | \$ 80,348 | \$ 56,037 | \$ 170,946 | \$ 79,602 |
| 2025 | \$ 81,605 | \$ 54,378 | \$ 174,034 | \$ 76,112 |
| 2026-2030 | \$ 427,603 | \$ 246,064 | \$ 643,333 | \$ 331,479 |
| 2031-2035 | \$ 462,152 | \$ 200,484 | \$ 640,663 | \$ 256,760 |
| 2036-2040 | \$ 499,491 | \$ 151,224 | \$ 711,506 | \$ 173,996 |
| 2041-2045 | \$ 539,849 | \$ 97,983 | \$ 539,849 | \$ 97,983 |
| 2046-2050 | \$ 385,878 | \$ 35,295 | \$ 385,878 | \$ 35,295 |
| Total | \$ 2,633,924 | \$ 961,830 | \$ 4,444,449 | \$ 1,285,788 |
| Due within one year | \$ - | \$ 3,412 | \$ 335,364 | \$ 50,011 |
| Due after one year | \$ 2,633,924 | \$ 958,418 | \$ 4,109,085 | \$ 1,235,777 |
| Total | \$ 2,633,924 | \$ 961,830 | \$ 4,444,449 | \$ 1,285,788 |

Personnel: Organizational Chart

Fiscal Year 2020-21



Personnel: Position & Salary Ranges

Fiscal Year 2020-21

Positions & Salary Ranges

| | | | | | Compensation Plan (pay range by position) | | |
|----------|----------|----------|------------------------|----------|--|----------|-----------|
| FY 17-18 | FY 18-19 | FY 19-20 | Increase (Decrease) | FY 20-21 | Position Title | Low Step | High Step |
| | | | | | City Administration | | |
| 1 | 1 | 1 | | 1 | City Manager | | 129,482 |
| 0 | 0 | 1 | | 1 | Certified City Recorder | 63,558 | 77,747 |
| 1 | 1 | 0 | | 0 | City Recorder | 52,510 | 66,999 |
| 0 | 0 | 0 | | 0 | Deputy City Recorder | 44,794 | 57,154 |
| 0 | 0 | 0.5 | | 0.5 | Office Interns | 7,540 | 8,700 |
| 2 | 2 | 2.5 | | 0 | | | |
| | | | | | Finance & Administrative Services | | |
| 1 | 1 | 1 | | 1 | Finance & Administrative Services Director | 92,820 | 119,003 |
| 0 | 0 | 0 | | 0 | Human Resources Manager | 73,733 | 86,666 |
| 0 | 0.25 | 1 | | 1 | Administrative Services Manager | 73,733 | 86,666 |
| 0 | 0 | 0 | | 0 | Accounting Tech | 44,794 | 57,154 |
| 1 | 1 | 1 | | 1 | Utility Billing Clerk | 42,332 | 54,013 |
| 0 | 0 | 0 | | 0 | Senior Office Clerk | 42,332 | 54,013 |
| 0 | 0 | 0 | | 0 | Office Clerk | 37,997 | 48,482 |
| 2 | 2.25 | 3 | | 0 | | | |
| | | | | | Municipal Court | | |
| 1 | 1 | 1 | | -0.75 | 0.25 | 24,000 | 24,000 |
| 0 | 0 | 0.5 | | 0.5 | 1 | 42,332 | 54,013 |
| 1 | 1 | 1.5 | | -0.25 | 1.25 | | |
| | | | | | Library | | |
| 1 | 1 | 1 | | 1 | Library Director | 44,794 | 57,154 |
| 1 | 1 | 1 | | 1 | Library Aide | 31,466 | 40,148 |
| 1 | 1 | 1 | | 1 | Part Time Library Aide | | |
| 3 | 3 | 3 | | 0 | | | |
| | | | | | Community Development | | |
| 0.75 | 1 | 1 | | 1 | Community Development Director | 91,117 | 106,557 |
| 0 | 0 | 0 | | 1 | 1 | 85,127 | 100,060 |
| 0 | 0.25 | 1 | | 1 | Development and Recreation Manager | 73,733 | 86,666 |
| 0 | 0 | 0 | | 0 | Principal Planner | 79,350 | 93,269 |
| 1 | 1 | 1 | | -1 | 0 | 73,733 | 86,666 |
| 0 | 0 | 1 | | 1 | Associate Planner | 63,558 | 77,747 |
| 0 | 0 | 0 | | 0 | Building Official/Inspector | 63,558 | 77,747 |
| 1 | 0.75 | 0 | | 1 | 1 | 52,510 | 66,999 |
| 0 | 1 | 1 | | -1 | 0 | - | - |
| 2.75 | 4 | 5 | | 0 | 5 | | |
| | | | | | Public Works | | |
| 1 | 1 | 1 | | 1 | Public Works Director | 92,556 | 113,336 |
| 0 | 1 | 1 | | 1 | Public Works Superintendent | 79,350 | 93,269 |
| 1 | 1 | 1 | | 1 | Public Works Supervisor | 73,733 | 86,666 |
| 5 | 4 | 3 | | 1 | 4 | 52,510 | 66,999 |
| 0 | 0 | 0 | | 3 | 3 | 44,794 | 57,154 |
| 5 | 5 | 5 | | -3 | 2 | 42,332 | 54,013 |
| 1 | 1 | 1 | | -0.5 | 0.5 | 15,600 | 15,600 |
| 13 | 13 | 12 | | 0.5 | 12.5 | | |
| | | | | | Police | | |
| 1 | 1 | 1 | | 1 | Police Chief | 92,820 | 119,003 |
| 1 | 1 | 1 | | 1 | Police Lieutenant | 91,117 | 106,557 |
| 2 | 2 | 2 | | 2 | Police Sergeant | 79,350 | 93,269 |
| 7 | 8 | 8.5 | | 8.5 | Police Officer | 53,544 | 72,816 |
| 0 | 0 | 0 | | 1 | 1 | 53,544 | 72,816 |
| 1 | 0 | 0 | | 1 | 1 | 53,544 | 72,816 |
| 1 | 1 | 1 | | 1 | Dispatcher | 44,508 | 60,516 |
| 1 | 1 | 1 | | 1 | Police Office Clerk | 9,000 | 43,430 |
| 14 | 14 | 14.5 | | 2 | 16.5 | | |
| 37.75 | 39.25 | 41.5 | | 2.25 | 43.75 | | |
| | | | | | Total Full-Time Equivalent (FTEs) | | |

Summary of Changes

Municipal Court

Our full-time municipal judge retired during FY19-20. Judge Krogh is now working part-time and this is the first fiscal year with a full-time court clerk for the entire year.

Community Development

In the FY19-20 fiscal year, our senior planner was promoted to community development director. An associate planner was hired to backfill the vacancy created by his promotion.

This budget includes the creation of a new Certified Inspector position, initially for electrical inspections. Community Development Director Seitz will soon have his building certifications but is not able to perform industrial electrical inspections. The position will be fully funded from the Building Fund.

This budget also includes the addition of a community development coordinator to assist with a wide variety of recreation programs and events through planning, budgeting, organizing, marketing, scheduling and coordinating. This position will also assist the Community Development department with building permits and other projects as needed.

In the FY18-19 fiscal year, code enforcement was moved from the police department to community development. This budget moves all code enforcement functions back to the police department.

Public Works

Public Works has requested to re-classify three of its employees from Maintenance Worker I to Maintenance Worker II. This change will not have a large immediate budget impact, but recognizes the change in necessary technical work duties and also rewards employees for excellent performance by allowing them more advancement opportunity.

This budget also includes re-hiring of the Street Lead position that was vacated in FY18-19 and a reduction in seasonal employees to offset a portion of the cost of the new FTE.

Police

The FY2021 budget includes an additional FTE to serve as a School Resource Officer (SRO) in the Umatilla School District.

Budget Summary: Description of Funds

Fiscal Year 2020-21

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

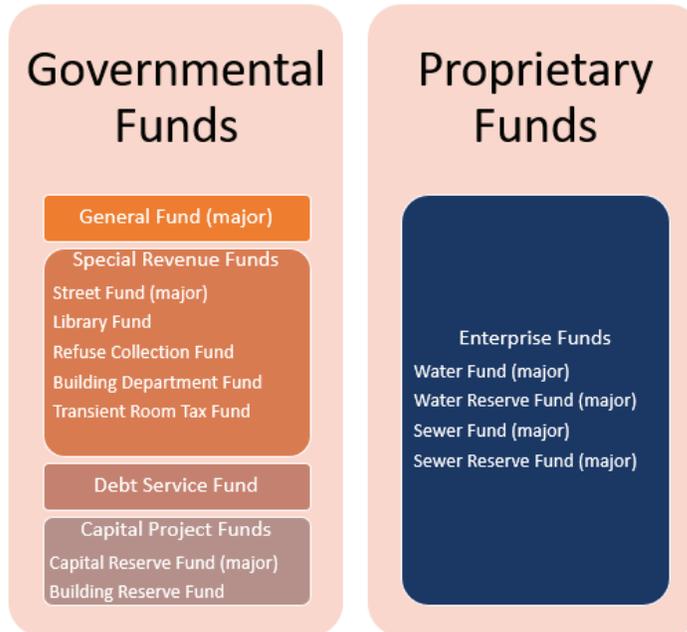
Governmental Funds are used to account for most of the city's functions and include general, special revenue, debt service, and capital project funds.

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 2020-21 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 and code enforcement 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 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 and contracts with the City of Hermiston for inspection services based upon an hourly rate, plus 50% of plan review fees collected.

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 to the Eastern Oregon Trade and Event Center to promote tourism in the region and aid in construction of the facility.

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 2020-21 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 | | | | |
|--|---|---|--|--|
| Governmental Funds | | | | Proprietary Funds |
| General Fund | Special Revenue Funds | Debt Service Funds | Capital Project Funds | Enterprise Funds |
| Administration <ul style="list-style-type: none"> - City Manager's Office - City Council - City Recorder - Finance - Human Resources - Information Technology - City Hall Facility | Street Fund <ul style="list-style-type: none"> - Street Maintenance - Street Construction - Sidewalks - Bike Paths - Bridges - Street Lighting - Street Fleet Maintenance | Debt Service Fund <ul style="list-style-type: none"> - Debt Service | Capital Reserve Fund <ul style="list-style-type: none"> - Vehicle Purchases - Land Acquisition - Equipment Purchases - Capital Projects <ul style="list-style-type: none"> ▪ Parks ▪ Downtown ▪ City-wide | Water Fund <ul style="list-style-type: none"> - Administration - Engineering - Systems - Operation - Water Fleet Maintenance - Debt Service |
| Community Development <ul style="list-style-type: none"> - Economic Development - Planning - Zoning - Recreation - Transportation | Library Fund <ul style="list-style-type: none"> - Collection Management - Material Distribution - Programming | | | Water Reserve Fund <ul style="list-style-type: none"> - Water Infrastructure Expansion - Capital Projects - Major Infrastructure Repairs |
| Municipal Court | Refuse Collection Fund <ul style="list-style-type: none"> - Administration | | | |
| Parks <ul style="list-style-type: none"> - Park Maintenance - Trail Maintenance - Marina & RV Park | Building Department Fund | | | Sewer Fund <ul style="list-style-type: none"> - Administration - Engineering - Systems - Operation - Sewer Fleet Maintenance - Debt Service |
| Public Safety <ul style="list-style-type: none"> - Police - School Resource Officer - Code Enforcement - Emergency Management | Transient Room Tax Fund <ul style="list-style-type: none"> - Motel Tax Collection - Tourism Promotion | | | Sewer Reserve Fund <ul style="list-style-type: none"> - Sewer Infrastructure Expansion - Capital Projects - Major Infrastructure Repairs |

Budget Summary: Understanding the Budget Format

Fiscal Year 2020-21

| | Historical Data | | | Next FY Budget | | |
|----------|----------------------|----------------------|----------------------|------------------------|------------------------|-----------------------|
| | Actual FY 2017-18 | Actual FY 2018-19 | Budget FY 2019-20 | Proposed FY 2020-21 | Approved FY 2020-21 | Adopted FY 2020-21 |
| 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 2020-21

FY2020-21 Consolidated Financial Schedule by Fund Type

| Collapse All | General Fund | Special Revenue | Capital Projects | Debt Service | Enterprise Fund | 2020-21 Budget |
|-------------------------------|--------------|-----------------|------------------|--------------|-----------------|----------------|
| ▼ Revenues | 12,916,865 | 7,338,400 | 8,850,318 | 3,807 | 10,334,087 | 39,443,477 |
| ▶ Beginning Fund Balance | 4,780,033 | 2,620,810 | 1,557,976 | 3,357 | 3,317,780 | 12,279,956 |
| ▶ Property Taxes | 2,308,500 | 0 | 0 | 400 | 0 | 2,308,900 |
| ▶ Payment in Lieu of Tax | 2,861,197 | 0 | 58,870 | 0 | 0 | 2,920,067 |
| ▶ Franchise Fees | 1,283,750 | 0 | 0 | 0 | 0 | 1,283,750 |
| ▶ Fees & Charges | 471,835 | 1,783,055 | 0 | 0 | 3,721,047 | 5,975,937 |
| ▶ Intergovernmental | 935,250 | 1,020,835 | 0 | 0 | 0 | 1,956,085 |
| ▶ Capital Grants | 0 | 0 | 737,100 | 0 | 0 | 737,100 |
| ▶ SDC Revenue | 0 | 0 | 0 | 0 | 407,160 | 407,160 |
| ▶ Interest | 70,000 | 54,600 | 38,800 | 50 | 54,800 | 218,250 |
| ▶ Miscellaneous | 118,000 | 1,706,200 | 3,127,922 | 0 | 1,742,800 | 6,694,922 |
| ▶ Transfers from Other Funds | 88,300 | 152,900 | 3,329,650 | 0 | 1,090,500 | 4,661,350 |
| ▼ Expenses | 12,916,865 | 7,338,400 | 8,850,318 | 3,807 | 10,334,087 | 39,443,477 |
| ▶ Personnel Services | 2,800,760 | 953,496 | 0 | 0 | 1,105,898 | 4,860,154 |
| ▶ Materials & Services | 2,226,310 | 1,617,765 | 0 | 0 | 2,211,610 | 6,055,685 |
| ▶ Debt Service | 0 | 0 | 285,222 | 0 | 502,126 | 787,348 |
| ▶ Transfers | 3,161,400 | 535,250 | 0 | 0 | 1,076,500 | 4,773,150 |
| ▶ Capital Outlay | 109,400 | 2,198,528 | 5,731,050 | 0 | 2,064,150 | 10,103,128 |
| ▶ Operating Contingency | 1,000,000 | 595,000 | 0 | 0 | 950,000 | 2,545,000 |
| ▶ CWSRF Loan Reserve | 0 | 0 | 0 | 0 | 60,389 | 60,389 |
| ▶ Unappropriated Fund Balance | 3,618,995 | 1,438,361 | 2,834,046 | 3,807 | 2,363,414 | 10,258,623 |
| Revenues Less Expenses | 0 | 0 | 0 | 0 | 0 | 0 |

Changes in Fund Balance

| Fund Title | Projected 7/1/20 | FY2020-21 Budget | | Change in Fund Balance | Budgeted 6/20/21 Fund Balance | % Change |
|------------------------------|------------------|------------------|--------------|------------------------|-------------------------------|----------|
| | Fund Balance | Revenues | Expenditures | | | |
| General Fund | 4,780,033 | 8,136,832 | 8,297,870 | (161,038) | 4,618,995 | -3.4% |
| Special Revenue Funds | | | | | | |
| Street Fund | 478,295 | 2,493,324 | 2,664,159 | (170,835) | 307,460 | -35.7% |
| Library Fund | 137,606 | 270,711 | 332,696 | (61,985) | 75,621 | -45.0% |
| Refuse Collection Fund | 97,742 | 855,000 | 856,200 | (1,200) | 96,542 | -1.2% |
| Building Department Fund | 1,692,090 | 926,000 | 1,085,695 | (159,695) | 1,532,395 | -9.4% |
| Transient Room Tax Fund | 215,077 | 172,555 | 366,289 | (193,734) | 21,343 | -90.1% |
| Debt Service Fund | 3,357 | 450 | - | 450 | 3,807 | 13.4% |
| Capital Project Funds | | | | | | |
| Capital Reserve Fund | 1,413,398 | 7,155,620 | 5,899,050 | 1,256,570 | 2,669,968 | 88.9% |
| Building Reserve Fund | 144,578 | 136,722 | 117,222 | 19,500 | 164,078 | 13.5% |
| Enterprise Funds | | | | | | |
| Water Fund | 193,675 | 1,794,024 | 1,802,356 | (8,332) | 185,343 | -4.3% |
| Water Reserve Fund | 752,781 | 2,096,160 | 2,169,375 | (73,215) | 679,566 | -9.7% |
| Sewer Fund | 488,511 | 2,363,823 | 2,359,778 | 4,045 | 492,556 | 0.8% |
| Sewer Reserve Fund | 1,882,813 | 762,300 | 628,775 | 133,525 | 2,016,338 | 7.1% |
| TOTALS | 12,279,956 | 27,163,521 | 26,579,465 | 584,056 | 12,864,012 | 4.8% |

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.

Street Fund - Planned Capital Projects: 6th Street Improvement Project, Lind Road and Union Street Improvements Project

Library Fund - Planned Capital Outlay: Purchase of Ford Transit Connect Passenger Van and AWE Early Learning Literacy Tablets

Transient Room Tax Fund - Reduced tax collections due to COVID-19 Pandemic, Use of City Funds for all new City Sponsored Festival

Budget Summary:

Four Year Consolidated Revenues & Expenditures by Fund

Fiscal Year 2020-21

City Wide Consolidated Revenues by Fund

| Collapse All | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|--------------------------|-------------------|-------------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ General | 4,680,233 | 5,647,104 | 8,810,267 | 12,916,865 | 12,916,865 | 12,916,865 |
| General Fund | 4,680,233 | 5,647,104 | 8,810,267 | 12,916,865 | 12,916,865 | 12,916,865 |
| ▼ Special Revenue Fund | 3,795,046 | 4,649,222 | 8,199,375 | 7,338,400 | 7,338,400 | 7,338,400 |
| Street Fund | 987,299 | 950,933 | 3,740,117 | 2,971,619 | 2,971,619 | 2,971,619 |
| Library Fund | 334,109 | 350,624 | 348,090 | 408,317 | 408,317 | 408,317 |
| Refuse Fund | 801,637 | 877,883 | 874,106 | 952,742 | 952,742 | 952,742 |
| Building Department Fund | 1,360,304 | 2,130,935 | 2,926,163 | 2,618,090 | 2,618,090 | 2,618,090 |
| Transient Room Tax Fund | 311,697 | 338,847 | 310,899 | 387,632 | 387,632 | 387,632 |
| ▼ Debt Service | 82,815 | 21,235 | 0 | 3,807 | 3,807 | 3,807 |
| Debt Service Fund | 82,815 | 21,235 | 0 | 3,807 | 3,807 | 3,807 |
| ▼ Capital Projects | 1,699,426 | 2,381,871 | 7,815,446 | 8,850,318 | 8,850,318 | 8,850,318 |
| Capital Reserve Fund | 1,476,685 | 2,139,571 | 7,553,704 | 8,569,018 | 8,569,018 | 8,569,018 |
| Building Reserve | 222,741 | 242,300 | 261,742 | 281,300 | 281,300 | 281,300 |
| ▼ Enterprise | 5,256,413 | 6,197,069 | 8,679,365 | 10,334,087 | 10,334,087 | 10,334,087 |
| Water Fund | 1,140,036 | 1,257,469 | 1,495,622 | 1,987,699 | 1,987,699 | 1,987,699 |
| Sewer Fund | 1,978,040 | 2,071,405 | 2,229,091 | 2,852,334 | 2,852,334 | 2,852,334 |
| Water Reserve Fund | 577,213 | 1,248,666 | 785,953 | 2,848,941 | 2,848,941 | 2,848,941 |
| Sewer Reserve Fund | 1,561,124 | 1,619,529 | 4,168,699 | 2,645,113 | 2,645,113 | 2,645,113 |
| Total | 15,513,933 | 18,896,501 | 33,504,453 | 39,443,477 | 39,443,477 | 39,443,477 |

City Wide Consolidated Expenditures by Fund

| Collapse All | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|--------------------------|------------------|-------------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ General | 3,085,427 | 3,745,467 | 8,810,267 | 12,916,865 | 12,916,865 | 12,916,865 |
| General Fund | 3,085,427 | 3,745,467 | 8,810,267 | 12,916,865 | 12,916,865 | 12,916,865 |
| ▼ Special Revenue Fund | 1,855,263 | 2,113,152 | 8,199,375 | 7,338,400 | 7,338,400 | 7,338,400 |
| Street Fund | 583,894 | 556,659 | 3,740,117 | 2,971,619 | 2,971,619 | 2,971,619 |
| Library Fund | 201,618 | 205,717 | 348,090 | 408,317 | 408,317 | 408,317 |
| Refuse Fund | 715,614 | 780,114 | 874,106 | 952,742 | 952,742 | 952,742 |
| Building Department Fund | 258,357 | 438,031 | 2,926,163 | 2,618,090 | 2,618,090 | 2,618,090 |
| Transient Room Tax Fund | 95,780 | 132,631 | 310,899 | 387,632 | 387,632 | 387,632 |
| ▼ Debt Service | 63,062 | 18,388 | 0 | 3,807 | 3,807 | 3,807 |
| Debt Service Fund | 63,062 | 18,388 | 0 | 3,807 | 3,807 | 3,807 |
| ▼ Capital Projects | 392,549 | 628,531 | 7,815,446 | 8,850,318 | 8,850,318 | 8,850,318 |
| Capital Reserve Fund | 275,327 | 511,309 | 7,553,704 | 8,569,018 | 8,569,018 | 8,569,018 |
| Building Reserve | 117,222 | 117,222 | 261,742 | 281,300 | 281,300 | 281,300 |
| ▼ Enterprise | 2,926,534 | 3,500,519 | 8,679,365 | 10,334,087 | 10,334,087 | 10,334,087 |
| Water Fund | 1,031,592 | 1,122,095 | 1,495,622 | 1,987,699 | 1,987,699 | 1,987,699 |
| Sewer Fund | 1,412,030 | 1,556,164 | 2,229,091 | 2,852,334 | 2,852,334 | 2,852,334 |
| Water Reserve Fund | 159,656 | 712,463 | 785,953 | 2,848,941 | 2,848,941 | 2,848,941 |
| Sewer Reserve Fund | 323,256 | 109,797 | 4,168,699 | 2,645,113 | 2,645,113 | 2,645,113 |
| Total | 8,322,835 | 10,006,057 | 33,504,453 | 39,443,477 | 39,443,477 | 39,443,477 |

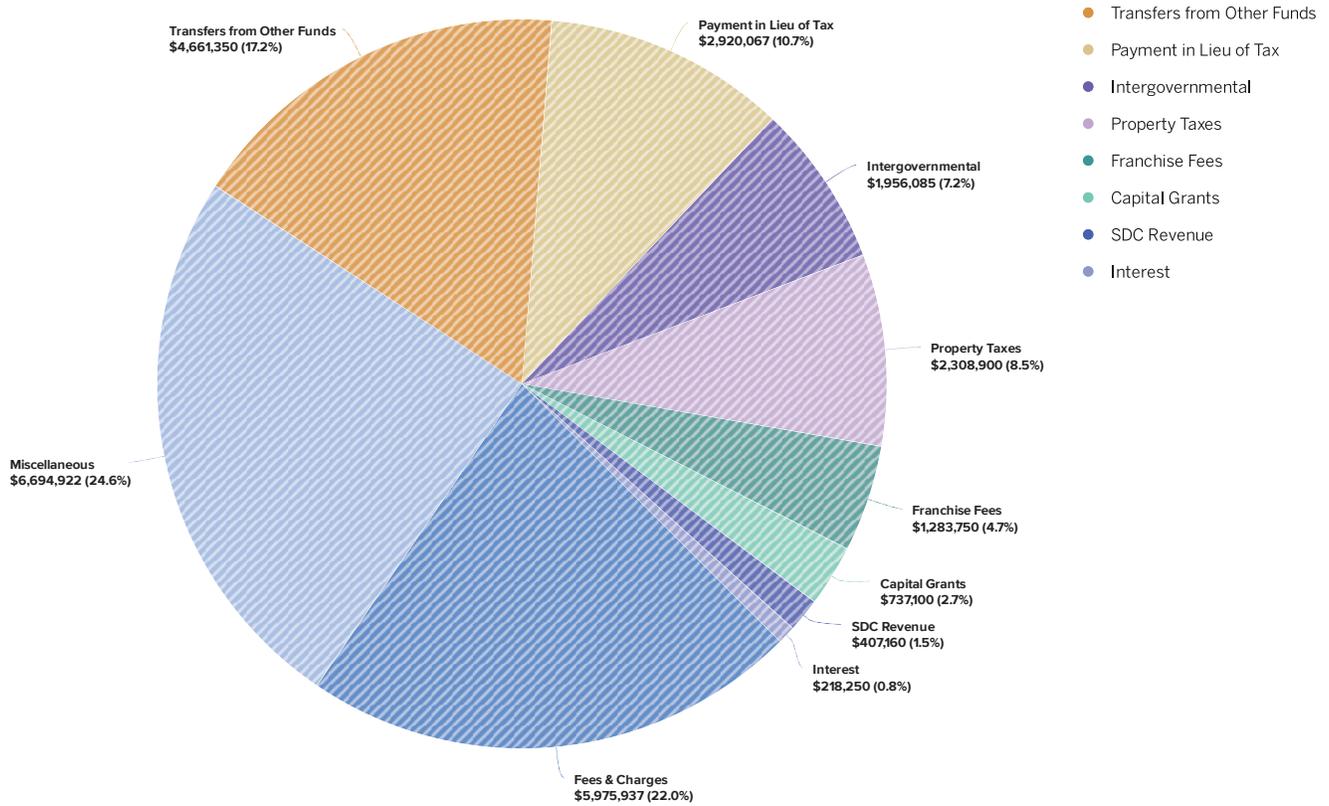
Budget Summary: Sources and Uses of Funds

Fiscal Year 2020-21

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 2020-21, over 90 percent of the total is represented by these six revenue categories: Property Taxes (8.5%), Payment in Lieu of Tax (10.7%), Fees & Charges (22%), Intergovernmental (7.2%), Miscellaneous (24.6%) and Transfers from Other Funds (17.2%).



MAJOR REVENUES

Fees & Charges (22%)

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 FY2020-21 the City Council approved a 25% overall rate increase for water and sewer that is factored into the budget based upon a comprehensive rate study completed by FCS Group in the previous fiscal year.

Fees and Charges by Fund, FY2018 - FY2021

| Collapse All | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|--------------------------|------------------|------------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ General | 462,531 | 459,165 | 457,400 | 471,835 | 471,835 | 471,835 |
| General Fund | 462,531 | 459,165 | 457,400 | 471,835 | 471,835 | 471,835 |
| ▼ Special Revenue Fund | 1,771,027 | 1,828,411 | 1,813,920 | 1,783,055 | 1,783,055 | 1,783,055 |
| Refuse Fund | 741,976 | 791,860 | 790,000 | 855,000 | 855,000 | 855,000 |
| Building Department Fund | 954,089 | 950,132 | 940,920 | 865,000 | 865,000 | 865,000 |
| Transient Room Tax Fund | 74,962 | 86,419 | 83,000 | 63,055 | 63,055 | 63,055 |
| ▼ Enterprise | 2,606,539 | 2,625,508 | 2,917,823 | 3,721,047 | 3,721,047 | 3,721,047 |
| Water Fund | 1,078,282 | 1,136,407 | 1,296,338 | 1,619,724 | 1,619,724 | 1,619,724 |
| Sewer Fund | 1,528,257 | 1,489,101 | 1,621,485 | 2,101,323 | 2,101,323 | 2,101,323 |
| Total | 4,840,097 | 4,913,084 | 5,189,143 | 5,975,937 | 5,975,937 | 5,975,937 |

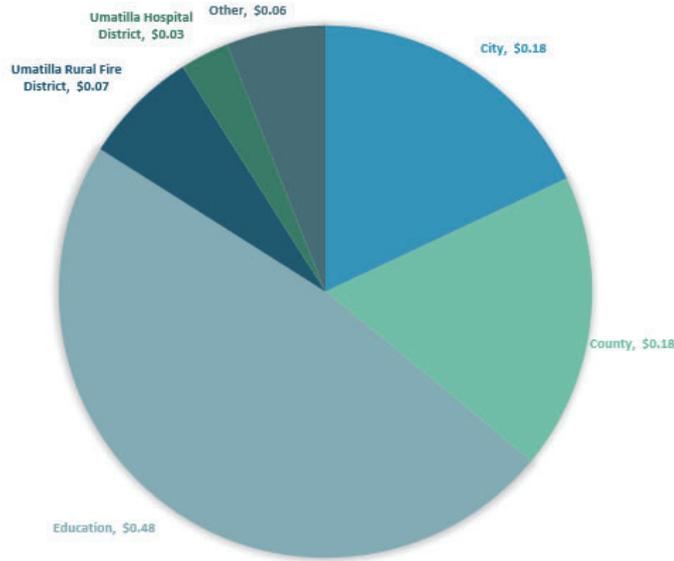
Property Taxes (8.5%) and Payment in Lieu of Tax (10.7%)

To date, we have received over \$1.2 million in Community Service Fee (CSF) revenue related to the enterprise zone agreements on the first four buildings of PDX2, which includes \$532,000 from 2019-20. We anticipate an increase of approximately 45% in the annual payment next year to \$770,000.

In the current fiscal year, we received the first revenue 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 2019-20. 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. 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 first payment received in the current fiscal year.

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, FY2018 - FY2021

| Collapse All | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|----------------------|----------------|----------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ General | 935,649 | 1,270,422 | 4,205,624 | 5,169,697 | 5,169,697 | 5,169,697 |
| General Fund | 935,649 | 1,270,422 | 4,205,624 | 5,169,697 | 5,169,697 | 5,169,697 |
| ▼ Debt Service | 27,823 | 1,239 | 0 | 400 | 400 | 400 |
| Debt Service Fund | 27,823 | 1,239 | 0 | 400 | 400 | 400 |
| ▼ Capital Projects | 46,576 | 51,064 | 55,664 | 58,870 | 58,870 | 58,870 |
| Capital Reserve Fund | 46,576 | 51,064 | 55,664 | 58,870 | 58,870 | 58,870 |

Intergovernmental Revenue (7.2%)

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, FY2018 - FY2021

| Collapse All | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|------------------------|------------------|------------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ General | 994,759 | 1,013,245 | 1,026,570 | 935,250 | 935,250 | 935,250 |
| General Fund | 994,759 | 1,013,245 | 1,026,570 | 935,250 | 935,250 | 935,250 |
| ▼ Special Revenue Fund | 639,127 | 724,055 | 1,488,039 | 1,020,835 | 1,020,835 | 1,020,835 |
| Street Fund | 459,079 | 530,269 | 1,299,350 | 790,474 | 790,474 | 790,474 |
| Library Fund | 180,048 | 193,786 | 188,689 | 230,361 | 230,361 | 230,361 |
| Total | 1,633,886 | 1,737,300 | 2,514,609 | 1,956,085 | 1,956,085 | 1,956,085 |

Transfers from Other Funds (17.2%)

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, FY2018 - FY2021

| Collapse All | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|-------------------------|----------------|------------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ General | 11,500 | 1,500 | 162,007 | 88,300 | 88,300 | 88,300 |
| General Fund | 11,500 | 1,500 | 162,007 | 88,300 | 88,300 | 88,300 |
| ▼ Special Revenue Fund | 63,720 | 45,000 | 51,392 | 152,900 | 152,900 | 152,900 |
| Street Fund | 4,000 | 4,000 | 7,000 | 11,900 | 11,900 | 11,900 |
| Library Fund | 35,000 | 20,000 | 23,392 | 35,000 | 35,000 | 35,000 |
| Transient Room Tax Fund | 24,720 | 21,000 | 21,000 | 106,000 | 106,000 | 106,000 |
| ▼ Debt Service | 21,000 | 0 | 0 | 0 | 0 | 0 |
| Debt Service Fund | 21,000 | 0 | 0 | 0 | 0 | 0 |
| ▼ Capital Projects | 392,500 | 779,500 | 934,000 | 3,329,650 | 3,329,650 | 3,329,650 |
| Capital Reserve Fund | 392,500 | 779,500 | 934,000 | 3,329,650 | 3,329,650 | 3,329,650 |
| ▼ Enterprise | 275,000 | 300,000 | 458,277 | 1,090,500 | 1,090,500 | 1,090,500 |
| Water Fund | 0 | 0 | 26,813 | 165,500 | 165,500 | 165,500 |
| Sewer Fund | 0 | 0 | 25,964 | 0 | 0 | 0 |
| Water Reserve Fund | 75,000 | 100,000 | 155,500 | 415,000 | 415,000 | 415,000 |
| Sewer Reserve Fund | 200,000 | 200,000 | 250,000 | 510,000 | 510,000 | 510,000 |
| Total | 763,720 | 1,126,000 | 1,605,676 | 4,661,350 | 4,661,350 | 4,661,350 |

Miscellaneous Revenue (24.6%)

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 Immediate Opportunity Fund grant proceeds and private partnership reimbursements for the Lind Road and Union Street Improvement Project. In the Capital Reserve Fund, the Other Revenue line item accounts for the loan proceeds to cover the cost of anticipated land acquisition.

Miscellaneous Revenue by Fund, FY2018 - FY2021

| Collapse All | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|--------------------------|----------------|------------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ General | 314,093 | 437,069 | 213,000 | 118,000 | 118,000 | 118,000 |
| General Fund | 314,093 | 437,069 | 213,000 | 118,000 | 118,000 | 118,000 |
| ▼ Special Revenue Fund | 4,007 | 56,873 | 2,139,325 | 1,706,200 | 1,706,200 | 1,706,200 |
| Street Fund | 3,432 | 3,684 | 2,131,575 | 1,683,450 | 1,683,450 | 1,683,450 |
| Library Fund | 575 | 758 | 1,750 | 1,750 | 1,750 | 1,750 |
| Building Department Fund | 0 | 42,431 | 6,000 | 21,000 | 21,000 | 21,000 |
| Transient Room Tax Fund | 0 | 10,000 | 0 | 0 | 0 | 0 |
| ▼ Capital Projects | 132,922 | 177,120 | 5,052,922 | 3,127,922 | 3,127,922 | 3,127,922 |
| Capital Reserve Fund | 0 | 44,198 | 4,920,000 | 2,995,000 | 2,995,000 | 2,995,000 |
| Building Reserve | 132,922 | 132,922 | 132,922 | 132,922 | 132,922 | 132,922 |
| ▼ Enterprise | 262,468 | 749,588 | 2,320,880 | 1,742,800 | 1,742,800 | 1,742,800 |
| Water Fund | 3,708 | 8,040 | 4,000 | 4,000 | 4,000 | 4,000 |
| Sewer Fund | 988 | 4,478 | 500 | 254,500 | 254,500 | 254,500 |
| Water Reserve Fund | 0 | 646,226 | 0 | 1,484,300 | 1,484,300 | 1,484,300 |
| Sewer Reserve Fund | 257,772 | 90,844 | 2,316,380 | 0 | 0 | 0 |
| Total | 713,490 | 1,420,650 | 9,726,127 | 6,694,922 | 6,694,922 | 6,694,922 |

General Fund & Departments Within: General Fund Overview

Fiscal Year 2020-21

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 and code enforcement functions of the City.



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.

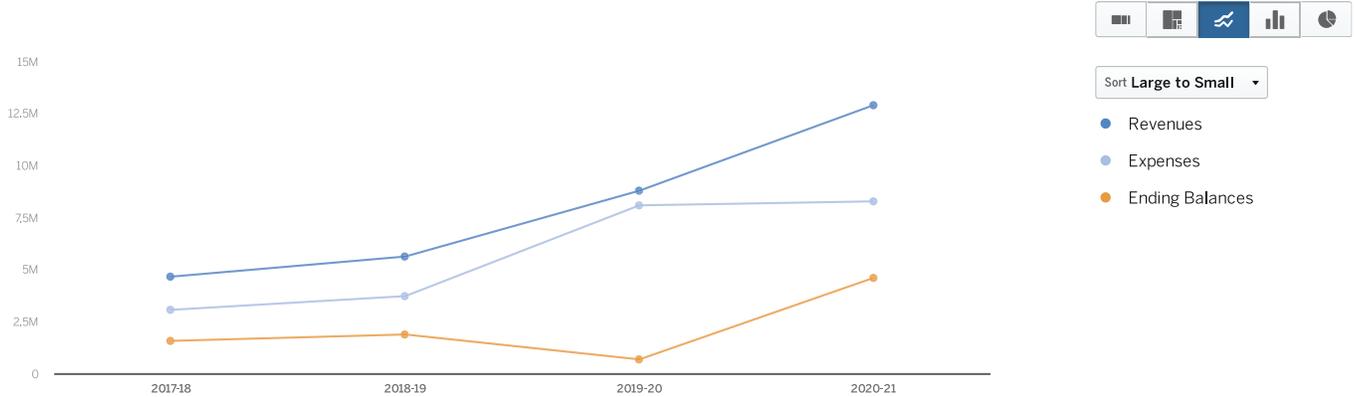
The first revenue from the Strategic Investment Program (SIP) was received in the 2019-20 FY. These payments, combined with the Enterprise Zone Community Service Fee (CSF), will result in total Payment in Lieu of Taxes of over \$2.8 million for the 2020-21 FY.

The electrical franchise cap with Umatilla Electric Cooperative was re-negotiated and increased to \$1 million for the next five years. This is an increase of \$500,000 from the previous fiscal year.

General Fund Revenue and Expenditure Trends by Fiscal Year

Broken down by
Description

Visualization



General Fund

| Collapse All | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|-------------------------------|----------------|----------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ Revenues | 4,680,233 | 5,647,104 | 8,810,267 | 12,916,865 | 12,916,865 | 12,916,865 |
| ▶ Beginning Fund Balance | 1,172,294 | 1,594,422 | 1,906,136 | 4,780,033 | 4,780,033 | 4,780,033 |
| ▶ Property Taxes | 935,649 | 1,270,422 | 1,776,432 | 2,308,500 | 2,308,500 | 2,308,500 |
| ▶ Payment in Lieu of Tax | 0 | 0 | 2,429,192 | 2,861,197 | 2,861,197 | 2,861,197 |
| ▶ Franchise Fees | 768,107 | 823,323 | 789,530 | 1,283,750 | 1,283,750 | 1,283,750 |
| ▶ Fees & Charges | 462,531 | 459,165 | 457,400 | 471,835 | 471,835 | 471,835 |
| ▶ Intergovernmental | 994,759 | 1,013,245 | 1,026,570 | 935,250 | 935,250 | 935,250 |
| ▶ Interest | 21,300 | 47,958 | 50,000 | 70,000 | 70,000 | 70,000 |
| ▶ Miscellaneous | 314,093 | 437,069 | 213,000 | 118,000 | 118,000 | 118,000 |
| ▶ Transfers from Other Funds | 11,500 | 1,500 | 162,007 | 88,300 | 88,300 | 88,300 |
| ▼ Expenses | 3,085,427 | 3,745,467 | 8,810,267 | 12,916,865 | 12,916,865 | 12,916,865 |
| ▶ Personnel Services | 1,614,588 | 1,754,788 | 2,565,854 | 2,800,760 | 2,800,760 | 2,800,760 |
| ▶ Materials & Services | 1,150,618 | 1,379,114 | 4,879,824 | 2,226,310 | 2,226,310 | 2,226,310 |
| ▶ Transfers | 312,920 | 597,700 | 638,596 | 3,161,400 | 3,161,400 | 3,161,400 |
| ▶ Capital Outlay | 7,301 | 13,865 | 21,500 | 109,400 | 109,400 | 109,400 |
| ▶ Operating Contingency | 0 | 0 | 314,493 | 1,000,000 | 1,000,000 | 1,000,000 |
| ▶ Unappropriated Fund Balance | 0 | 0 | 390,000 | 3,618,995 | 3,618,995 | 3,618,995 |
| Revenues Less Expenses | 1,594,806 | 1,901,637 | 0 | 0 | 0 | 0 |

General Fund & Departments Within: Administration

Fiscal Year 2020-21



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.

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, City/County Insurance Services Conference, Oregon Library Association 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 an add-on to our meeting management software that will allow live broadcasting of our City Council meetings.
- The Utility Billing Clerk will be implementing a new backflow management software.
- The Finance & Administrative Services department recently implemented OpenGov, a new transparency and financial reporting software, that will streamline the budget process and allow for interactive reports to be shared with the public.

COVID-19

COVID-19 is an unprecedented worldwide pandemic that will have significant budget impacts. The City is committed to doing all we can to support and assist our residents and businesses. This budget has \$75,000 designated to yet-to-be determined COVID-19 relief.

General Fund: Administration Department

Data

| Collapse All | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|--------------------------------|----------------|----------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ Personnel Services | 42,276 | 77,705 | 232,775 | 318,885 | 318,885 | 318,885 |
| Salaries & Wages | 30,042 | 55,105 | 164,504 | 225,478 | 225,478 | 225,478 |
| Employee Benefits | 12,234 | 22,600 | 68,271 | 93,407 | 93,407 | 93,407 |
| ▼ Materials & Services | 104,945 | 224,445 | 3,170,154 | 513,350 | 513,350 | 513,350 |
| City Attorney | 21,868 | 83,239 | 85,000 | 50,000 | 50,000 | 50,000 |
| Engineering | 0 | 3,802 | 0 | 0 | 0 | 0 |
| Minor Computer Equipment | 0 | 0 | 0 | 12,500 | 12,500 | 12,500 |
| Supplies | 4,102 | 5,983 | 6,000 | 8,000 | 8,000 | 8,000 |
| Postage | 1,816 | 1,816 | 2,100 | 2,100 | 2,100 | 2,100 |
| Heat/Light | 0 | 0 | 0 | 5,200 | 5,200 | 5,200 |
| Telephone | 2,363 | 1,586 | 1,800 | 2,000 | 2,000 | 2,000 |
| Printing/Advertising | 7,743 | 9,820 | 9,000 | 6,000 | 6,000 | 6,000 |
| Training/Travel | 6,429 | 13,275 | 32,300 | 32,000 | 32,000 | 32,000 |
| Insurance | 2,304 | 2,356 | 2,600 | 2,850 | 2,850 | 2,850 |
| Audit | 16,100 | 16,250 | 16,250 | 29,200 | 29,200 | 29,200 |
| Elections | 0 | 0 | 1,000 | 1,000 | 1,000 | 1,000 |
| Umatilla Promotion | 3,263 | 2,872 | 3,000 | 5,000 | 5,000 | 5,000 |
| City Merchandise | 0 | 0 | 0 | 15,000 | 15,000 | 15,000 |
| Dues and Fees | 6,005 | 9,798 | 9,200 | 12,500 | 12,500 | 12,500 |
| COVID-19 Relief | 0 | 0 | 0 | 75,000 | 75,000 | 75,000 |
| Building Maintenance | 0 | 0 | 17,000 | 8,000 | 8,000 | 8,000 |
| Safety Committee | 0 | 0 | 2,500 | 2,500 | 2,500 | 2,500 |
| Lease/Easement Renewals | 0 | 0 | 8,000 | 8,000 | 8,000 | 8,000 |
| Miscellaneous | 7,237 | 58,097 | 25,000 | 25,000 | 25,000 | 25,000 |
| Mayor & Council Expenses | 11,519 | 12,824 | 15,000 | 15,000 | 15,000 | 15,000 |
| City Manager Expenses | 0 | 0 | 4,000 | 4,000 | 4,000 | 4,000 |
| Neighborhood Cleanups | 1,754 | 0 | 0 | 0 | 0 | 0 |
| Downtown Revitalization Grant | 4,899 | 0 | 0 | 0 | 0 | 0 |
| Employee Education Assistance | 0 | 1,409 | 10,000 | 10,000 | 10,000 | 10,000 |
| Computer Licenses/Support | 7,543 | 0 | 105,500 | 165,000 | 165,000 | 165,000 |
| Staff Support/Meetings | 0 | 1,318 | 10,500 | 17,500 | 17,500 | 17,500 |
| Enterprise Zone CSF Funds | 0 | 0 | 779,404 | 0 | 0 | 0 |
| SIP CSF Funds | 0 | 0 | 25,000 | 0 | 0 | 0 |
| SIP Annual Improvement Payment | 0 | 0 | 2,000,000 | 0 | 0 | 0 |
| Total | 147,221 | 302,150 | 3,402,929 | 832,235 | 832,235 | 832,235 |

General Fund & Departments Within: Community Development

Fiscal Year 2020-21

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.

Community Development Budget Highlights

Staffing

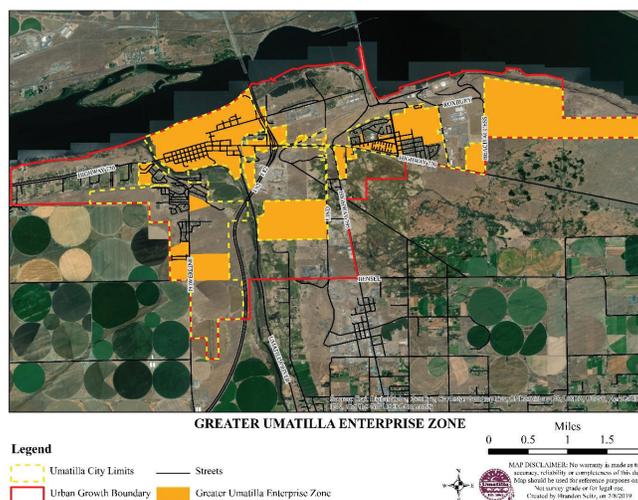
The 2020-2021 budget incorporates several staff changes in the Community Development Department. The departure of the previous Community Development Director and promotion of the Senior Planner in FY19-20 left the department short handed. The approved FY20-21 budget brings back the Community Development Coordinator position to assist the Development and Recreation Manager with the high demands of recreational programming and events, as well as continued high building department activity. It also creates a new Certified Inspector Position, initially for electrical inspections. Community Development Director Seitz will soon have his building certifications and the intent is to minimize the amount of building inspection and plan review the City is outsourcing to the City of Hermiston.

Downtown Facade Grants

The changes made in the 2019-2020 fiscal year to the Downtown Facade Grant program were very successful. There was so much interest that the City Council approved an additional \$15,000 in funding through the supplemental budget process. As a result, the grant line item has been increased for 2020-2021 to \$80,000 to encourage more local business owners to improve their storefronts.

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 \$5,250,000, which includes the building, parking and street improvements. City staff will be actively pursuing grants and legislative funding and hopes to have construction completed by the end of June 2022.



2019-20 FY Planning Applications

Data Updated 7 weeks ago

Category

Jun 2020

| | |
|--------------------------|----|
| Zoning Permit | 10 |
| Site Plan Review | 4 |
| Property Line Adjustment | 3 |
| Subdivision | 3 |
| Plan Amendment | 3 |
| Other | 7 |

General Fund: Community Development Department

| Collapse All | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|------------------------------|----------------|----------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ Personnel Services | 155,415 | 145,184 | 184,543 | 148,807 | 148,807 | 148,807 |
| Salaries & Wages | 107,285 | 100,372 | 118,476 | 95,380 | 95,380 | 95,380 |
| Employee Benefits | 48,130 | 44,812 | 66,067 | 53,427 | 53,427 | 53,427 |
| ▼ Materials & Services | 104,274 | 111,162 | 426,700 | 410,400 | 410,400 | 410,400 |
| Code Enforcement/Abatement | -209 | 0 | 0 | 0 | 0 | 0 |
| City Attorney | 50,489 | 50,310 | 70,000 | 50,000 | 50,000 | 50,000 |
| Engineering/Consultants | 3,887 | 39,202 | 199,300 | 168,800 | 168,800 | 168,800 |
| Capital Improvement Planning | 0 | 0 | 60,000 | 66,000 | 66,000 | 66,000 |
| Supplies | 2,816 | 2,664 | 3,000 | 12,600 | 12,600 | 12,600 |
| Printing/Advertising | 6,534 | 4,133 | 5,000 | 5,500 | 5,500 | 5,500 |
| Training/Travel | 10,845 | 11,604 | 17,400 | 8,800 | 8,800 | 8,800 |
| RARE Student | 23,500 | 0 | 0 | 0 | 0 | 0 |
| Dues and Fees | 1,416 | 2,368 | 2,000 | 2,200 | 2,200 | 2,200 |
| Downtown Facade Grants | 0 | 0 | 65,000 | 80,000 | 80,000 | 80,000 |
| 6X26 Mural Project | 0 | 0 | 0 | 11,500 | 11,500 | 11,500 |
| Miscellaneous | 1,601 | 881 | 4,000 | 4,000 | 4,000 | 4,000 |
| Planning Commission Expenses | 0 | 0 | 1,000 | 1,000 | 1,000 | 1,000 |
| Computer Support | 3,395 | 0 | 0 | 0 | 0 | 0 |
| Total | 259,689 | 256,346 | 611,243 | 559,207 | 559,207 | 559,207 |

General Fund & Departments Within: Municipal Court

Fiscal Year 2020-21

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.



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.

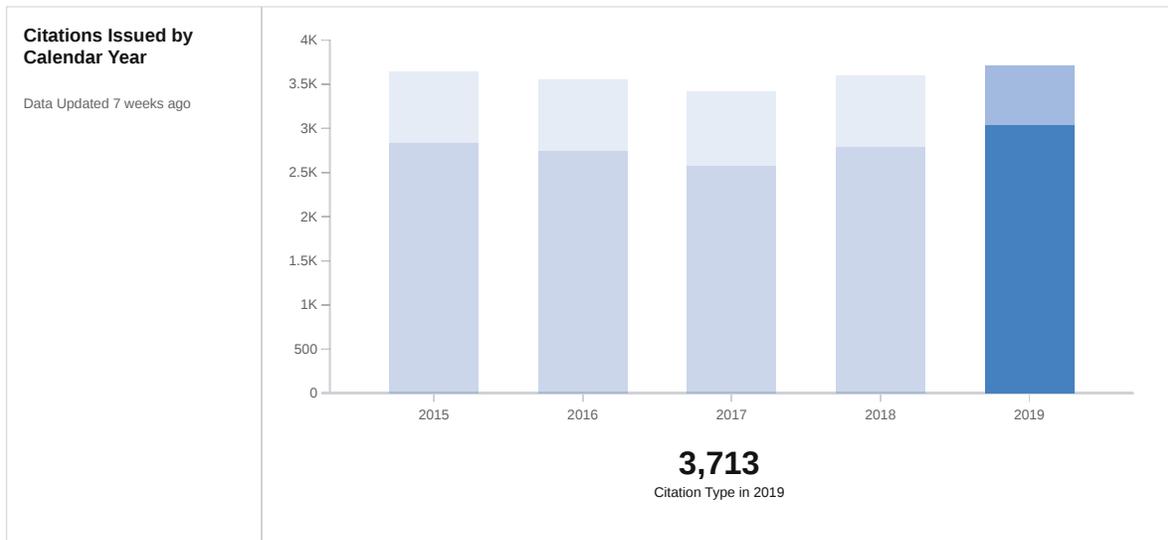
Training

The 2020-2021 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 decline slightly in the 2020-2021 fiscal year. This is a result of the court not being able to suspend drivers for unpaid citations. As a result, the pass-through portion that is remitted to the State of Oregon and Umatilla County has a lower allocation.

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



General Fund: Municipal Court Department

| Collapse All | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|------------------------------|----------------|----------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ Personnel Services | 56,346 | 58,590 | 119,224 | 97,554 | 97,554 | 97,554 |
| Salaries & Wages | 37,024 | 38,282 | 80,791 | 67,855 | 67,855 | 67,855 |
| Employee Benefits | 19,322 | 20,308 | 38,433 | 29,699 | 29,699 | 29,699 |
| ▼ Materials & Services | 443,434 | 446,385 | 465,175 | 439,810 | 439,810 | 439,810 |
| Officiation Services | 550 | 550 | 1,000 | 1,000 | 1,000 | 1,000 |
| Attorney Fees | 780 | 0 | 2,500 | 2,500 | 2,500 | 2,500 |
| NSF Checks | 135 | 785 | 1,500 | 1,500 | 1,500 | 1,500 |
| Supplies | 1,393 | 1,567 | 1,750 | 2,000 | 2,000 | 2,000 |
| Postage | 25 | 19 | 50 | 50 | 50 | 50 |
| Telephone | 558 | 469 | 600 | 600 | 600 | 600 |
| Training/Travel | 0 | 862 | 2,400 | 3,500 | 3,500 | 3,500 |
| Insurance | 1,874 | 1,789 | 2,000 | 2,060 | 2,060 | 2,060 |
| Refunds | 27,256 | 30,329 | 28,000 | 28,000 | 28,000 | 28,000 |
| Dues and Fees | 100 | 125 | 275 | 16,000 | 16,000 | 16,000 |
| State and County Assessments | 410,635 | 409,890 | 425,000 | 382,500 | 382,500 | 382,500 |
| Miscellaneous | 68 | 0 | 100 | 100 | 100 | 100 |
| Computer Support | 60 | 0 | 0 | 0 | 0 | 0 |
| Total | 499,780 | 504,975 | 584,399 | 537,364 | 537,364 | 537,364 |

General Fund & Departments Within: Parks & Recreation

Fiscal Year 2020-21

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.



Parks and Recreation Budget Highlights

Staffing

With the creation of the Development and Recreation Manager position during the 2018-19 fiscal year and recruitment of a Community Development Coordinator in the 2020-21 fiscal year, the City's Parks and Recreation Department is evolving to become a more robust, full-service program.

Recreation

This budget continues to emphasize recreation and events. The approved budget includes an increased allocation to the programming budget as well as recreation equipment such as inflatable bouncers, sports equipment, kayaks and paddle boards and a utility trailer that will be used to transport recreation equipment to City events. It also includes an investment in reservation software that will make it easier for community members to reserve pavilions and register for recreation programs.

Maintenance

The parks crew will be focusing on several maintenance projects in the 2020-21 fiscal year, including major improvements to the Nugent and Hash Park baseball fields, crack sealing and adding a backstop to the tennis courts and making improvements to the soccer field water line. They will also be purchasing bleachers, tables and grills and installing concrete pads to finish out the park improvements made at Kiwanis Park over the past several years.

Trail Grants

This proposed budget looks to immediately begin implementing our newly adopted Trails Master Plan and includes more than \$1 million in trails/bike path improvements, which anticipates nearly 60% of these costs being paid for from state and federal grant programs. The City has two grant applications pending and is hopeful that we will be successful in our applications. These improvements will create all-new and refurbished trails in the south hill area that will connect to the downtown and will be able to be used by persons of all physical abilities.

Master Planning

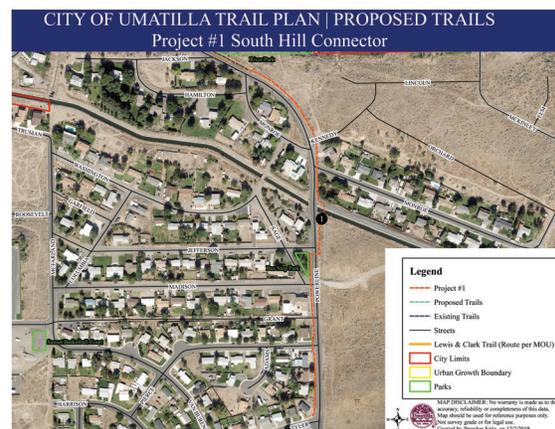
Community Development is working to create a new Parks Master Plan. This project was scheduled to kickoff in March 2020 but has been postponed due to the travel restrictions related to COVID-19. The unused budget from FY19-20 will be rolled over to be completed in the next fiscal year. The Parks SDC study funds will also be rolled over so that FCS can use the updated master plan in their analysis. Both of these projects will be reflected in the parks consulting line item.

Kiwanis Park Restroom Addition



Umatilla received a grant from Oregon Parks and Recreation Department Local Government Grant Program (LGGP) in the 2019-20 FY. The grant covered half of the cost of purchase and installation of an ADA accessible restroom at Kiwanis Park. This was a great addition to the playground and basketball court improvements completed in the previous fiscal year.

Project #1 of the Umatilla Master Trail Plan



The City is applying for another LGGP grant in the upcoming fiscal year to complete Project 1 of our Master Trail Plan which would allow pedestrians to walk on the west side of Powerline Road north towards downtown to Bus Stop Park where a new crosswalk would be constructed, and the trail would then be constructed on the east side of Powerline Road. The alignment on the east will require the construction of a footbridge crossing the West Extension Irrigation District canal. This project will then connect to the existing asphalt trail located adjacent to Powerline Road. The grant request is estimated at \$750,000 with a 40%, or \$300,000, matching requirement.

General Fund: Parks & Recreation Department

| Collapse All | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|-------------------------------|----------------|----------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ Personnel Services | 130,765 | 157,782 | 330,530 | 350,326 | 350,326 | 350,326 |
| Salaries & Wages | 80,670 | 104,913 | 217,889 | 227,434 | 227,434 | 227,434 |
| Employee Benefits | 50,095 | 52,869 | 112,641 | 122,892 | 122,892 | 122,892 |
| ▼ Materials & Services | 30,846 | 74,618 | 200,000 | 215,985 | 215,985 | 215,985 |
| Engineering | 3,713 | 6,335 | 64,000 | 70,160 | 70,160 | 70,160 |
| Contracted Services | 0 | 0 | 12,500 | 0 | 0 | 0 |
| Supplies | 220 | 296 | 500 | 500 | 500 | 500 |
| Training/Travel | 208 | 874 | 10,400 | 15,700 | 15,700 | 15,700 |
| Insurance | 887 | 890 | 1,000 | 1,025 | 1,025 | 1,025 |
| Uniform Allowance | 450 | 652 | 1,000 | 1,000 | 1,000 | 1,000 |
| Gas/Oil | 7,151 | 8,093 | 7,500 | 7,800 | 7,800 | 7,800 |
| Electricity | 2,478 | 2,442 | 1,600 | 4,300 | 4,300 | 4,300 |
| Dues and Fees | 0 | 0 | 1,500 | 1,500 | 1,500 | 1,500 |
| Equipment Operation | 3,531 | 11,976 | 7,500 | 11,000 | 11,000 | 11,000 |
| Park Maintenance | 10,642 | 34,035 | 66,000 | 66,000 | 66,000 | 66,000 |
| Recreation Programs | 0 | 3,093 | 15,000 | 20,000 | 20,000 | 20,000 |
| Tree Maintenance/Program | 0 | 5,212 | 10,000 | 15,000 | 15,000 | 15,000 |
| Miscellaneous | 1,566 | 720 | 1,000 | 1,500 | 1,500 | 1,500 |
| Park & Rec Committee Expenses | 0 | 0 | 500 | 500 | 500 | 500 |
| ▼ Capital Outlay | 0 | 0 | 5,000 | 77,900 | 77,900 | 77,900 |
| Equipment | 0 | 0 | 5,000 | 26,300 | 26,300 | 26,300 |
| Recreation Equipment | 0 | 0 | 0 | 51,600 | 51,600 | 51,600 |
| Total | 161,611 | 232,400 | 535,530 | 644,211 | 644,211 | 644,211 |

General Fund & Departments Within: Umatilla Marina & RV Park

Fiscal Year 2020-21



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. The RV Park restroom roof is in need of replacement and there are several landscaping/sidewalk improvements including curb cut, addition of a vinyl fence around the host site, new signage, addition of an outdoor check-in kiosk and addition of sidewalk along the east side into Marina Park.



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 | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|-------------------------|----------------|----------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ Materials & Services | 310,922 | 322,734 | 325,825 | 321,850 | 321,850 | 321,850 |
| Attorney Fees | 0 | 0 | 2,500 | 2,500 | 2,500 | 2,500 |
| Contracted Services | 0 | 0 | 110,000 | 110,000 | 110,000 | 110,000 |
| Supplies | 3,577 | 3,744 | 4,500 | 4,500 | 4,500 | 4,500 |
| Postage | 254 | 373 | 300 | 300 | 300 | 300 |
| Fuel/Oil/Ice for Resale | 20,572 | 14,598 | 20,000 | 22,000 | 22,000 | 22,000 |
| Telephone | 2,005 | 2,326 | 4,000 | 4,000 | 4,000 | 4,000 |
| Printing/Advertising | 5,636 | 6,053 | 7,500 | 10,000 | 10,000 | 10,000 |
| Insurance | 10,908 | 11,336 | 12,475 | 14,000 | 14,000 | 14,000 |
| Refunds | 5,996 | 2,981 | 5,500 | 4,500 | 4,500 | 4,500 |
| Electricity | 35,563 | 29,914 | 36,000 | 36,000 | 36,000 | 36,000 |
| Dues and Fees | 14,325 | 22,098 | 30,000 | 30,000 | 30,000 | 30,000 |
| Park Maintenance | 201,688 | 215,329 | 64,000 | 68,000 | 68,000 | 68,000 |
| Transient Room Tax | 9,423 | 13,022 | 13,550 | 13,550 | 13,550 | 13,550 |
| Computer Support | 975 | 960 | 15,500 | 2,500 | 2,500 | 2,500 |
| ▼ Capital Outlay | 3,921 | 0 | 6,500 | 22,000 | 22,000 | 22,000 |
| Equipment | 3,921 | 0 | 6,500 | 22,000 | 22,000 | 22,000 |
| Total | 314,843 | 322,734 | 332,325 | 343,850 | 343,850 | 343,850 |

General Fund & Departments Within: Police Department

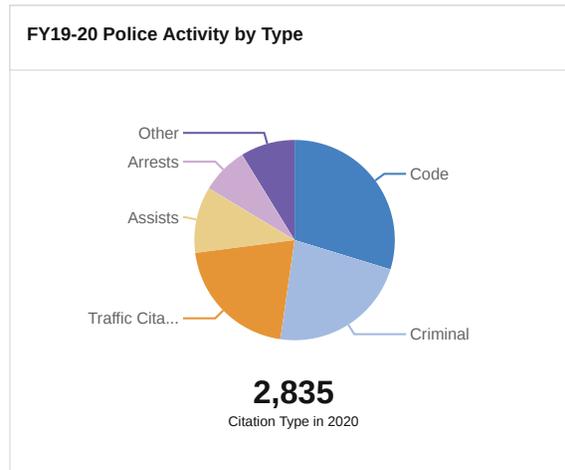
Fiscal Year 2020-21

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.



| FY19-20 Police Activity by Type | |
|---------------------------------|----------|
| Category | Jun 2020 |
| Code | 843 |
| Criminal | 639 |
| Traffic Citations | 586 |
| Assists | 303 |
| Arrests | 215 |
| Other | 249 |



Police Department Budget Highlights:

Staffing

The FY2021 budget includes an additional full-time employee (FTE) to serve as a School Resource Officer (SRO) in the Umatilla School District. Estimated maximum cost in next fiscal year to the City assuming family benefits is \$115,000.

Dispatch Fees

The FY2021 budget includes another \$20,000 increase in our annual dispatch fees paid to Umatilla County for a total allocation of \$103,880.

Equipment

The police department submitted several equipment requests for FY2021 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 SUV \$46,000
- A digital fingerprinting system \$11,500
- A drug terminator disposal unit \$4,600
- E-Ticketing system \$32,000
- Video server upgrades \$10,000

Recent graduates from the Oregon DPSST police academy



General Fund: Police Department

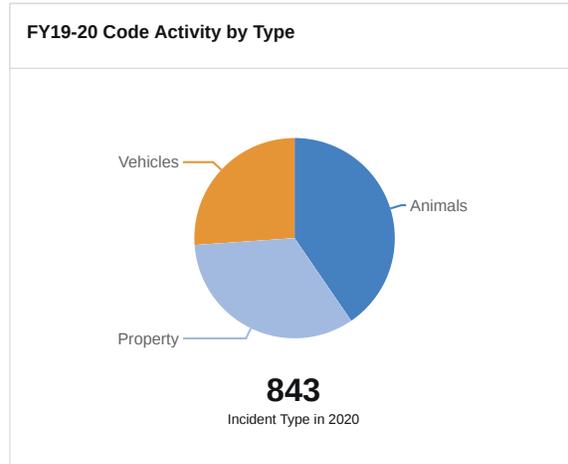
| Collapse All | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|----------------------------|------------------|------------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ Personnel Services | 1,229,786 | 1,219,497 | 1,594,408 | 1,773,397 | 1,773,397 | 1,773,397 |
| Salaries & Wages | 827,217 | 803,169 | 1,024,086 | 1,146,376 | 1,146,376 | 1,146,376 |
| Employee Benefits | 402,569 | 416,328 | 570,322 | 627,021 | 627,021 | 627,021 |
| ▼ Materials & Services | 155,076 | 187,548 | 246,570 | 281,630 | 281,630 | 281,630 |
| Minor Equipment | 2,486 | 3,856 | 5,000 | 5,000 | 5,000 | 5,000 |
| Supplies | 3,281 | 3,956 | 7,500 | 10,000 | 10,000 | 10,000 |
| Postage | 202 | 168 | 200 | 200 | 200 | 200 |
| Heat/Light | 7,902 | 7,931 | 8,100 | 8,200 | 8,200 | 8,200 |
| Telephone | 15,484 | 13,687 | 16,500 | 17,200 | 17,200 | 17,200 |
| Training/Travel | 8,025 | 9,851 | 15,000 | 15,000 | 15,000 | 15,000 |
| Insurance | 7,688 | 7,786 | 8,600 | 8,850 | 8,850 | 8,850 |
| Uniform Allowance | 3,499 | 7,129 | 10,000 | 12,000 | 12,000 | 12,000 |
| Physicals | 2,080 | 2,637 | 1,800 | 3,600 | 3,600 | 3,600 |
| Gas/Oil | 25,222 | 23,840 | 28,000 | 28,000 | 28,000 | 28,000 |
| Legal Services | 359 | 0 | 1,000 | 1,000 | 1,000 | 1,000 |
| Dues and Fees | 550 | 1,380 | 1,000 | 3,500 | 3,500 | 3,500 |
| Equipment Operation | 1,375 | 938 | 5,000 | 8,500 | 8,500 | 8,500 |
| Building Maintenance | 0 | 0 | 16,000 | 16,000 | 16,000 | 16,000 |
| Vehicle Maintenance | 18,327 | 25,780 | 22,500 | 19,000 | 19,000 | 19,000 |
| Interpreters | 0 | 0 | 500 | 500 | 500 | 500 |
| Dispatch Fees/Coverage | 44,990 | 63,880 | 82,770 | 103,880 | 103,880 | 103,880 |
| Miscellaneous | 5,155 | 5,033 | 5,000 | 8,000 | 8,000 | 8,000 |
| Accred Police Dept/Lexipol | 5,033 | 5,337 | 5,900 | 5,900 | 5,900 | 5,900 |
| Computer Support | 703 | 0 | 0 | 0 | 0 | 0 |
| Reserve Officers | 1,052 | 1,471 | 1,000 | 1,500 | 1,500 | 1,500 |
| Contractual Services | 0 | 1,158 | 3,200 | 3,200 | 3,200 | 3,200 |
| Code Enforcement | 113 | 0 | 0 | 0 | 0 | 0 |
| Dog Holding Facility | 1,550 | 1,730 | 2,000 | 2,600 | 2,600 | 2,600 |
| ▼ Capital Outlay | 3,380 | 13,865 | 10,000 | 9,500 | 9,500 | 9,500 |
| Safety Equipment | 3,380 | 2,047 | 3,500 | 3,500 | 3,500 | 3,500 |
| Equipment | 0 | 11,818 | 6,500 | 6,000 | 6,000 | 6,000 |
| Total | 1,388,242 | 1,420,910 | 1,850,978 | 2,064,527 | 2,064,527 | 2,064,527 |

General Fund & Departments Within: Code Enforcement

Fiscal Year 2020-21

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.

| FY19-20 Code Activity by Type | |
|-------------------------------|----------|
| Category | Jun 2020 |
| Animals | 341 |
| Property | 282 |
| Vehicles | 220 |



Free Community Cleanup Event



General Fund: Code Enforcement Department

| Collapse All | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|----------------------------|----------------|-------------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ Personnel Services | 0 | 96,030 | 104,374 | 111,791 | 111,791 | 111,791 |
| Salaries & Wages | 0 | 63,752 | 67,029 | 72,418 | 72,418 | 72,418 |
| Employee Benefits | 0 | 32,278 | 37,345 | 39,373 | 39,373 | 39,373 |
| ▼ Materials & Services | 0 | 10,778 | 37,150 | 38,275 | 38,275 | 38,275 |
| Code Enforcement/Abatement | 0 | 9,270 | 20,000 | 20,000 | 20,000 | 20,000 |
| Neighborhood Cleanups | 0 | 239 | 6,000 | 6,000 | 6,000 | 6,000 |
| City Attorney | 0 | 0 | 2,500 | 2,500 | 2,500 | 2,500 |
| Supplies | 0 | 110 | 1,000 | 1,000 | 1,000 | 1,000 |
| Postage | 0 | 0 | 250 | 250 | 250 | 250 |
| Training/Travel | 0 | 1,008 | 3,000 | 3,000 | 3,000 | 3,000 |
| Clothing Allowance | 0 | 0 | 250 | 275 | 275 | 275 |
| Gas/Oil | 0 | 0 | 2,500 | 2,500 | 2,500 | 2,500 |
| Dues and Fees | 0 | 75 | 150 | 250 | 250 | 250 |
| Equipment Operation | 0 | 0 | 1,000 | 2,000 | 2,000 | 2,000 |
| Miscellaneous | 0 | 76 | 500 | 500 | 500 | 500 |
| Total | \$ 0 | \$ 106,808 | \$ 141,524 | \$ 150,066 | \$ 150,066 | \$ 150,066 |

General Fund & Departments Within: Transportation

Fiscal Year 2020-21

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 | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|------------------------|----------------|----------------|------------------------|-------------------------|-------------------------|------------------------|
| ► Materials & Services | 0 | 323 | 7,000 | 3,760 | 3,760 | 3,760 |
| Total | 0 | 323 | 7,000 | 3,760 | 3,760 | 3,760 |

General Fund & Departments Within: 911 Emergency Service Center

Fiscal Year 2020-21

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 | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|------------------------|----------------|----------------|------------------------|-------------------------|-------------------------|------------------------|
| ▶ Materials & Services | 1,121 | 1,121 | 1,250 | 1,250 | 1,250 | 1,250 |
| Total | 1,121 | 1,121 | 1,250 | 1,250 | 1,250 | 1,250 |

General Fund & Departments Within: Non-Departmental

Fiscal Year 2020-21

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

Transfers Out for the 2020-21 fiscal year include:

| Purpose | Amount | To |
|---|--------------------|-------------------------|
| Land Acquisition | \$350,000 | Capital Reserve Fund |
| Downtown Revitalization - 6th St Project Addition | \$140,000 | Capital Reserve Fund |
| Kiwanis Falls | \$268,500 | Capital Reserve Fund |
| Bike/Pedestrian Paths | \$310,000 | Capital Reserve Fund |
| Mobile Stage Reserve | \$75,000 | Capital Reserve Fund |
| Business Center Land Purchase Payoff | \$110,000 | Capital Reserve Fund |
| Umatilla Business Center Reserve | \$1,000,000 | Capital Reserve Fund |
| Capital Expansion Reserve | \$250,000 | Capital Reserve Fund |
| Police Vehicle | \$63,000 | Capital Reserve Fund |
| Code Enforcement Vehicle | \$43,000 | Capital Reserve Fund |
| Police Computers | \$10,000 | Capital Reserve Fund |
| Office Equipment Replacement | \$5,000 | Capital Reserve Fund |
| Shop Bldg Reserve | \$10,000 | Capital Reserve Fund |
| Minor Property Improvements | \$10,000 | Capital Reserve Fund |
| Park Equipment | \$1,500 | Capital Reserve Fund |
| Recreation Equipment - Utility Trailer | \$8,500 | Capital Reserve Fund |
| Marina/RV Park Improvements | \$138,500 | Capital Reserve Fund |
| Marina/RV Park Equipment | \$15,000 | Capital Reserve Fund |
| City Hall Vehicle | \$35,000 | Capital Reserve Fund |
| Water Master Plan Update | \$165,500 | Water Fund |
| Library Operating Expense | \$35,000 | Library Fund |
| Street Light Maintenance | \$11,900 | Street Fund |
| City Sponsored Festival | \$80,000 | Transient Room Tax Fund |
| Chamber and Museum Support | \$26,000 | Transient Room Tax Fund |
| Total Transfers Out | \$3,161,400 | |

General Fund: Non-Departmental

| Collapse All | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|-------------------------------|----------------|----------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ Transfers | 312,920 | 597,700 | 638,596 | 3,161,400 | 3,161,400 | 3,161,400 |
| Transfers | 312,920 | 597,700 | 638,596 | 3,161,400 | 3,161,400 | 3,161,400 |
| ▼ Operating Contingency | 0 | 0 | 314,493 | 1,000,000 | 1,000,000 | 1,000,000 |
| Operating Contingency | 0 | 0 | 314,493 | 1,000,000 | 1,000,000 | 1,000,000 |
| ▼ Unappropriated Fund Balance | 0 | 0 | 390,000 | 3,618,995 | 3,618,995 | 3,618,995 |
| Unappropriated Fund Balance | 0 | 0 | 390,000 | 3,618,995 | 3,618,995 | 3,618,995 |
| Total | 312,920 | 597,700 | 1,343,089 | 7,780,395 | 7,780,395 | 7,780,395 |

Water Fund

Fiscal Year 2020-21

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.

Water Fund Budget Highlights

The Water Fund is the weakest City Fund. Rates have not been able to keep up with rising costs and aging infrastructure maintenance needs.

Rates

The City, with the help of FCS Group, recently completed a comprehensive utility rate and system development charge (SDC) analysis. Based upon the recommendations of the study, Council approved an overall water rate increase of 25% for FY2021. The rate increases for each class depend on factors such as customer costs, base capacity, peak capacity, meters & services and fire flow. The average residential customer, using 25,000 gallons, will see a 4.4% increase in their water bill, or a \$2.60 increase monthly.

Maintenance

The water department anticipates some added minor maintenance costs in FY 2021 including replacing the doors at three wells, replacing the anodes at the Port well, adding isolation valves to the system at a rate of 3 per year for the next three years to be able to better isolate areas that need to be temporarily shut off.

Water Master Plan

The City needs to update its' water master plan. The last update was in 2008. The City will be applying for a \$20,000 technical assistance grant from Business Oregon to help cover a portion of the \$165,500 plan update.



Water Fund

| Collapse All | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|-------------------------------|----------------|----------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ Revenues | 1,140,036 | 1,257,469 | 1,495,622 | 1,987,699 | 1,987,699 | 1,987,699 |
| ▶ Beginning Fund Balance | 56,063 | 108,446 | 163,671 | 193,675 | 193,675 | 193,675 |
| ▶ Fees & Charges | 1,078,282 | 1,136,407 | 1,296,338 | 1,619,724 | 1,619,724 | 1,619,724 |
| ▶ Interest | 1,983 | 4,576 | 4,800 | 4,800 | 4,800 | 4,800 |
| ▶ Miscellaneous | 3,708 | 8,040 | 4,000 | 4,000 | 4,000 | 4,000 |
| ▶ Transfers from Other Funds | 0 | 0 | 26,813 | 165,500 | 165,500 | 165,500 |
| ▼ Expenses | 1,031,592 | 1,122,095 | 1,495,622 | 1,987,699 | 1,987,699 | 1,987,699 |
| ▶ Personnel Services | 502,576 | 509,571 | 538,542 | 518,656 | 518,656 | 518,656 |
| ▶ Materials & Services | 391,085 | 466,176 | 553,730 | 744,450 | 744,450 | 744,450 |
| ▶ Debt Service | 0 | 0 | 72,000 | 50,000 | 50,000 | 50,000 |
| ▶ Transfers | 131,000 | 141,000 | 192,250 | 484,250 | 484,250 | 484,250 |
| ▶ Capital Outlay | 6,931 | 5,348 | 5,000 | 5,000 | 5,000 | 5,000 |
| ▶ Operating Contingency | 0 | 0 | 35,000 | 100,000 | 100,000 | 100,000 |
| ▶ Unappropriated Fund Balance | 0 | 0 | 99,100 | 85,343 | 85,343 | 85,343 |
| Revenues Less Expenses | 108,444 | 135,374 | 0 | 0 | 0 | 0 |

Transfers Out for the 2020-21 fiscal year include:

| Purpose | Amount | To |
|--------------------------------|------------------|----------------------|
| Shop Bldg Reserve | \$10,000 | Capital Reserve Fund |
| Water Dept Equipment | \$30,000 | Capital Reserve Fund |
| City Hall Vehicle | \$5,000 | Capital Reserve Fund |
| Office Equipment Replacement | \$2,750 | 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 | \$9,000 | General Fund |
| Water Project Reserve | \$380,000 | Water Reserve Fund |
| Develop Water Right | \$15,000 | Water Reserve Fund |
| Electronic Meter Replacement | \$15,000 | Water Reserve Fund |
| Hydrant Replacement | \$5,000 | Water Reserve Fund |
| Total Transfers Out | \$484,250 | |

Water Reserve Fund

Fiscal Year 2020-21

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

Transfers In

One major goal of the approved water rate increase was to allow for a larger transfer into reserve in anticipation of future capital projects. In FY 2021 the transfers into Water Reserve total \$415,000, in comparison to the FY 2020 amount of \$155,500.

System Development Charge (SDC) Revenue

FCS Group performed a SDC analysis to determine the maximum allowable SDC the City can charge. Current rates are well below the maximum but in an effort to continue to promote building activity, staff will be recommending an increase of 1.5 times current rates for water SDCs that will take effect November 2, 2020. See chart below for proposed rates.

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.

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

The City was recently 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).

Proposed Water System Development Charges

(Anticipated effective date of 11/2/2020)

| Meter Size | Reimbursement Fee | Improvement Fee | Total SDC |
|-------------|-------------------|-----------------|-----------|
| 5/8" - 3/4" | \$ 242 | \$ 1,302 | \$ 1,544 |
| 1" | \$ 404 | \$ 1,650 | \$ 2,054 |
| 1 1/2" | \$ 806 | \$ 2,281 | \$ 3,087 |
| 2" | \$ 1,290 | \$ 2,826 | \$ 4,116 |
| 3" | \$ 2,582 | \$ 3,592 | \$ 6,174 |
| 4" | \$ 4,034 | \$ 4,198 | \$ 8,232 |
| 6" | \$ 8,066 | \$ 4,282 | \$ 12,348 |
| 8" | \$ 12,100 | \$ 4,364 | \$ 16,464 |

Water Reserve Fund

| Collapse All | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|-----------------------------------|----------------|----------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ Revenues | 577,213 | 1,248,666 | 785,953 | 2,848,941 | 2,848,941 | 2,848,941 |
| ▶ Beginning Fund Balance | 427,942 | 417,556 | 555,785 | 752,781 | 752,781 | 752,781 |
| ▶ SDC Revenue | 66,795 | 79,411 | 70,168 | 184,860 | 184,860 | 184,860 |
| ▶ Interest | 7,476 | 5,473 | 4,500 | 12,000 | 12,000 | 12,000 |
| ▶ Miscellaneous | 0 | 646,226 | 0 | 1,484,300 | 1,484,300 | 1,484,300 |
| ▶ Transfers from Other Funds | 75,000 | 100,000 | 155,500 | 415,000 | 415,000 | 415,000 |
| ▼ Expenses | 159,656 | 712,463 | 785,953 | 2,848,941 | 2,848,941 | 2,848,941 |
| ▼ Materials & Services | 48,232 | 49,175 | 0 | 749,000 | 749,000 | 749,000 |
| Legal | 0 | 0 | 0 | 47,500 | 47,500 | 47,500 |
| Engineering | 48,232 | 49,175 | 0 | 701,500 | 701,500 | 701,500 |
| ▼ Capital Outlay | 111,424 | 663,288 | 715,953 | 1,420,375 | 1,420,375 | 1,420,375 |
| Well & Pump Repairs/SDC Funded | 14,295 | 46,967 | 121,238 | 128,349 | 128,349 | 128,349 |
| Water Improvements/SDC Funded | 0 | 0 | 178,946 | 338,921 | 338,921 | 338,921 |
| Water Systems Imp or Repairs | 97,129 | 616,321 | 259,250 | 0 | 0 | 0 |
| Develop Water Right | 0 | 0 | 101,519 | 116,519 | 116,519 | 116,519 |
| Replace Electronic Meters | 0 | 0 | 45,000 | 60,000 | 60,000 | 60,000 |
| Replace Hydrants | 0 | 0 | 10,000 | 11,586 | 11,586 | 11,586 |
| Hydraulic Test Well | 0 | 0 | 0 | 765,000 | 765,000 | 765,000 |
| ▶ Operating Contingency | 0 | 0 | 0 | 300,000 | 300,000 | 300,000 |
| ▶ Unappropriated Fund Balance | 0 | 0 | 70,000 | 379,566 | 379,566 | 379,566 |
| Revenues Less Expenses | 417,557 | 536,203 | 0 | 0 | 0 | 0 |

Sewer Fund

Fiscal Year 2020-21

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.



Sewer Fund Budget Highlights

Rates

The City, with the help of FCS Group, recently completed a comprehensive utility rate and system development charge (SDC) analysis. Based upon the recommendations of the study, Council approved an overall sewer rate increase of 25% for FY2021. The rate increases for each class depend on factors such as customer costs, flow, BOD, TSS, and direct assignment for non-contact cooling costs. The average residential customer will see a 6.1% increase in their sewer bill, or a \$2.64 increase monthly.

Maintenance

The sewer department anticipates some added minor maintenance costs in FY 2021 including slip lining the sewer lines at Brownell and D Street, performing tank repairs on the vac truck, replacing the Wildwood sewage pump control panel and performing minor upgrades and repairs to the sewer TV camera system.

Wastewater Facilities Plan

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 will be applying for 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.



Sewer Fund

| Collapse All | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|-------------------------------|----------------|----------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ Revenues | 1,978,040 | 2,071,405 | 2,229,091 | 2,852,334 | 2,852,334 | 2,852,334 |
| ▶ Beginning Fund Balance | 441,557 | 566,008 | 570,142 | 488,511 | 488,511 | 488,511 |
| ▶ Fees & Charges | 1,528,257 | 1,489,101 | 1,621,485 | 2,101,323 | 2,101,323 | 2,101,323 |
| ▶ Interest | 7,238 | 11,818 | 11,000 | 8,000 | 8,000 | 8,000 |
| ▶ Miscellaneous | 988 | 4,478 | 500 | 254,500 | 254,500 | 254,500 |
| ▶ Transfers from Other Funds | 0 | 0 | 25,964 | 0 | 0 | 0 |
| ▼ Expenses | 1,412,030 | 1,556,164 | 2,229,091 | 2,852,334 | 2,852,334 | 2,852,334 |
| ▶ Personnel Services | 637,252 | 667,766 | 617,140 | 587,242 | 587,242 | 587,242 |
| ▶ Materials & Services | 241,818 | 345,425 | 427,387 | 718,160 | 718,160 | 718,160 |
| ▶ Debt Service | 269,536 | 271,977 | 329,750 | 452,126 | 452,126 | 452,126 |
| ▶ Transfers | 252,000 | 270,000 | 349,154 | 592,250 | 592,250 | 592,250 |
| ▶ Capital Outlay | 11,424 | 996 | 10,000 | 10,000 | 10,000 | 10,000 |
| ▶ Operating Contingency | 0 | 0 | 162,500 | 150,000 | 150,000 | 150,000 |
| ▶ CWSRF Loan Reserve | 0 | 0 | 49,064 | 60,389 | 60,389 | 60,389 |
| ▶ Unappropriated Fund Balance | 0 | 0 | 284,096 | 282,167 | 282,167 | 282,167 |
| Revenues Less Expenses | 566,010 | 515,241 | 0 | 0 | 0 | 0 |

Transfers Out for the 2020-21 fiscal year include:

| Purpose | Amount | To |
|---|------------------|----------------------|
| Reserve for Sewer Jet Truck Replacement | \$15,000 | Capital Reserve Fund |
| Reserve for Sewer Boom Truck | \$25,000 | Capital Reserve Fund |
| Office Equipment Replacement | \$2,750 | Capital Reserve Fund |
| Sewer Dept Equipment | \$3,000 | Capital Reserve Fund |
| Shop Bldg Reserve | \$10,000 | Capital Reserve Fund |
| City Hall Vehicle | \$5,000 | Capital Reserve Fund |
| Capital Improvement Plan | \$2,000 | General Fund |
| Building Maintenance City Hall | \$500 | General Fund |
| Computer Support | \$10,000 | General Fund |
| City Hall Staff Rent | \$9,000 | General Fund |
| Sewer Project Reserve | \$510,000 | Sewer Reserve Fund |
| Total Transfers Out | \$592,250 | |

Sewer Reserve Fund

Fiscal Year 2020-21

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 2021 the transfers into Sewer Reserve total \$510,000, in comparison to the FY 2020 amount of \$250,000.

System Development Charge (SDC) Revenue

FCS Group performed a SDC analysis to determine the maximum allowable SDC the City can charge. Current rates are well below the maximum but in an effort to continue to promote building activity, staff will be recommending an increase of 2.5 times current rates for sewer SDCs that will take effect November 2, 2020. See chart below for proposed rates.

Proposed Sewer System Development Charges

(Anticipated effective date of 11/2/2020)

| Meter Size | Reimbursement Fee | Improvement Fee | Total SDC |
|-------------|-------------------|-----------------|-----------|
| 5/8" - 3/4" | \$ 713 | \$ 1,145 | \$ 1,858 |
| 1" | \$ 1,191 | \$ 1,279 | \$ 2,470 |
| 1 1/2" | \$ 2,374 | \$ 1,341 | \$ 3,715 |
| 2" | \$ 3,715 | \$ 1,238 | \$ 4,953 |
| 3" | \$ 5,572 | \$ 1,858 | \$ 7,430 |
| 4" | \$ 7,431 | \$ 2,477 | \$ 9,908 |
| 6" | \$ 11,145 | \$ 3,715 | \$ 14,860 |
| 8" | \$ 14,859 | \$ 4,954 | \$ 19,813 |

Sewer Reserve Fund

| Collapse All | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|-------------------------------|----------------|----------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ Revenues | 1,561,124 | 1,619,529 | 4,168,699 | 2,645,113 | 2,645,113 | 2,645,113 |
| ▶ Beginning Fund Balance | 1,040,152 | 1,237,868 | 1,521,678 | 1,882,813 | 1,882,813 | 1,882,813 |
| ▶ SDC Revenue | 46,294 | 58,055 | 50,641 | 222,300 | 222,300 | 222,300 |
| ▶ Interest | 16,906 | 32,762 | 30,000 | 30,000 | 30,000 | 30,000 |
| ▶ Miscellaneous | 257,772 | 90,844 | 2,316,380 | 0 | 0 | 0 |
| ▶ Transfers from Other Funds | 200,000 | 200,000 | 250,000 | 510,000 | 510,000 | 510,000 |
| ▽ Expenses | 323,256 | 109,797 | 4,168,699 | 2,645,113 | 2,645,113 | 2,645,113 |
| ▼ Materials & Services | 303,227 | 79,104 | 405,560 | 0 | 0 | 0 |
| Legal | 0 | 1,230 | 0 | 0 | 0 | 0 |
| Engineering & UIC Permitting | 303,227 | 77,874 | 405,560 | 0 | 0 | 0 |
| ▼ Capital Outlay | 20,029 | 30,693 | 3,298,139 | 628,775 | 628,775 | 628,775 |
| Sewer Improvements/SDC Funded | 0 | 0 | 152,070 | 279,155 | 279,155 | 279,155 |
| Sewer Repairs/SDC Funded | 0 | 0 | 85,471 | 199,620 | 199,620 | 199,620 |
| Sewer Imp/Repairs | 20,029 | 30,693 | 3,060,598 | 150,000 | 150,000 | 150,000 |
| ▶ Operating Contingency | 0 | 0 | 0 | 400,000 | 400,000 | 400,000 |
| ▶ Unappropriated Fund Balance | 0 | 0 | 465,000 | 1,616,338 | 1,616,338 | 1,616,338 |
| Revenues Less Expenses | 1,237,868 | 1,509,732 | 0 | 0 | 0 | 0 |

Street Fund

Fiscal Year 2020-21

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.



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 due to the passage of the transportation package, HB 2017, during the 2017 legislative session. For the next fiscal year, the Highway fund tax sharing was originally projected to increase by \$6.27 per person. However, as travel has been significantly reduced due to COVID-19, so have the state wide fuel tax collections and the City's estimated amount of State Highway Revenue Apportionment. The scaled back projections were received prior to budget adoption and are reflected in the adopted budget below.

The Reserved Surface Transportation Program (STP) exchange funds for street projects has a remaining balance from prior years of \$157,422 and a new allotment for next year of \$88,125, making \$245,547 available for street projects. The exchange rate is \$.94 state funds for every \$1 federal funds that are exchanged. This balance appears much lower than in the previous budget cycles, as the City used these funds for the match on the ODOT 6th Street Project.

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 Street 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 project in FY2020-21, the goal is to do more regular projects using the STP funds as leverage for grants.

6th Street Project

The City of Umatilla is partnering with ODOT on a revitalization project on 6th Street between Yerxa Avenue and the Umatilla River Bridge that will include roadway paving, construction of sidewalks and curb extensions, pedestrian crossings and lighting. Over the past several years, we have continued to save funds for the matching requirement of the project. The total project budget is \$6.8 million, including the City's required contribution of \$700,000 (already paid out of Reserved STP Funds discussed earlier).

As the costs of designing the ADA compliant ramps increased, ODOT had to pull the light poles and trees out of the project. The City will be installing the lighting as part of a secondary project. We paid for the bulk of the light poles in FY2019-20, but anticipate the remaining \$75,000 in light poles and \$145,000 in installation to be paid in FY2020-21. The City will also be adding a section of sidewalk, lighting and landscape improvements on 6th Street between L Street and Switzler. We will use the Reserved STP exchange funds and the \$345,000 that is set aside in reserves for Downtown Revitalization to cover these portions of the project.

Lind Road and Union Street Improvements Project

The City has identified a need to make improvements to Lind Road and Union Street in order to provide access to the Bonney industrial site. Currently, Lind Road is a gravel road while Union Street is paved but it does not meet industrial standards such as required road base depth, compaction depth, asphalt depth, compaction, and strength. Neither holds up to weather and traffic.

The total project cost is anticipated at \$1,909,000 and will be completed in the fall of 2020. To fund the project, the City was awarded \$954,500 in Immediate Opportunity Funds (IOF) through Business Oregon and the Oregon Department of Transportation (ODOT). The majority of the match will be reimbursed through a private partnership and the City expects its' contribution to be approximately \$70,000.

Architectural Rendering of 6th Street Project



Lind Road and Union Street Project Overview



Street Fund

| Collapse All | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|-------------------------------|----------------|----------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ Revenues | 987,299 | 950,933 | 3,740,117 | 2,971,619 | 2,971,619 | 2,971,619 |
| ▶ Beginning Fund Balance | 513,499 | 403,405 | 294,692 | 478,295 | 478,295 | 478,295 |
| ▶ Intergovernmental | 459,079 | 530,269 | 1,299,350 | 790,474 | 790,474 | 790,474 |
| ▶ Interest | 7,289 | 9,575 | 7,500 | 7,500 | 7,500 | 7,500 |
| ▶ Miscellaneous | 3,432 | 3,684 | 2,131,575 | 1,683,450 | 1,683,450 | 1,683,450 |
| ▶ Transfers from Other Funds | 4,000 | 4,000 | 7,000 | 11,900 | 11,900 | 11,900 |
| ▼ Expenses | 583,894 | 556,659 | 3,740,117 | 2,971,619 | 2,971,619 | 2,971,619 |
| ▶ Personnel Services | 370,807 | 328,441 | 272,583 | 307,856 | 307,856 | 307,856 |
| ▶ Materials & Services | 158,809 | 128,548 | 817,450 | 184,540 | 184,540 | 184,540 |
| ▶ Transfers | 49,000 | 92,000 | 48,950 | 46,950 | 46,950 | 46,950 |
| ▶ Capital Outlay | 5,278 | 7,670 | 2,211,925 | 2,124,813 | 2,124,813 | 2,124,813 |
| ▶ Operating Contingency | 0 | 0 | 235,000 | 150,000 | 150,000 | 150,000 |
| ▶ Unappropriated Fund Balance | 0 | 0 | 154,209 | 157,460 | 157,460 | 157,460 |
| Revenues Less Expenses | 403,405 | 394,274 | 0 | 0 | 0 | 0 |

Transfers Out for the 2020-21 fiscal year include:

| Purpose | Amount | To |
|------------------------------|-----------------|----------------------|
| Office Equipment Replacement | \$2,750 | 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 |
| Computer Support | \$10,000 | General Fund |
| Capital Improvement Plan | \$2,000 | General Fund |
| City Hall Staff Rent | \$1,200 | General Fund |
| Total Transfers Out | \$46,950 | |

Capital Reserve Fund

Fiscal Year 2020-21

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 2019-2020 fiscal year include a SUV for the Police Department, a pickup truck for the Code Enforcement Officer, a zero-turn mower for the Marina & RV Park, a one-ton diesel with service bed for the Water Department, a pickup and electric vehicle for shared use at City Hall, a pickup truck for the Building Department, a Ford Transit connect van for the Library and a utility trailer for hauling Parks & Recreation equipment.

Technology Upgrades

This budget continues to emphasize technology. The Police Department's computer reserve includes funds to purchase a new WatchGuard camera server that will be used to store all video uploads from the in-car camera systems. This budget also includes funds for a new e-ticketing system that will allow officers to directly submit citations that are issued to the court.

Capital Projects

Kiwanis Park: The new restroom has been installed at Kiwanis Park. This, along with the playground and basketball court improvements, have significantly improved this park. To finish the park out, public works will be adding 3 sets of bleachers, concrete pads, and tables and grills for park patrons.

Other Park Improvements: The public works crew will be making major improvements to the Hash Park baseball field including replacing the fence, dugout, scoreboard and making parking lot improvements. They will also be crack sealing and adding a backstop to the tennis courts in the upcoming fiscal year.

Marina & RV Park Improvements: This budget includes the addition of a marina host site in the marina parking lot near the existing restroom. There are several landscaping/sidewalk improvements including curb cut, addition of a 4 foot vinyl fence around the host site, new signage, addition of an outdoor check-in kiosk, and addition of sidewalk along the east side into marina park.

Umatilla Business Center: City staff has been working with Seder Architecture and Urban Design on a renovation and expansion project to turn the old post office building into a new business center. This annex will house the Community Development Department and will also to serve as a business incubator for new business owners on the lower level of the addition, provide office space for long term tenants on the new second floor, and provide a multi-use room and commercial kitchen for events and meetings on the lower level of the existing footprint. The project will also include street and park improvements on the surrounding block. The business center project will cost approximately \$5 million. By the end of FY2020-21, the City will have \$1.5 million in reserve for the project. City staff will actively pursue grants and other funding sources using the reserve funds as leverage, with the goal of completing construction in the late spring/early summer 2022.

Trail Projects: This budget looks to immediately begin implementing our newly adopted Trails Master Plan and includes more than \$1 million in trails/bike path improvements, which anticipates nearly 60% of these costs being paid for from state and federal grant programs. The City has two grant applications pending through the Oregon Parks and Recreation (OPRD) Local Government Grant Program and Recreational Regional Trails Program. These improvements will create all-new and refurbished trails in the south hill area that will connect to the downtown and will be able to be used by persons of all physical abilities.

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 evening display.

Umatilla Business Center Architectural Rendering



Capital Reserve Fund

| Collapse All | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|--------------------------------|----------------|----------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ Revenues | 1,699,426 | 2,381,871 | 7,815,446 | 8,850,318 | 8,850,318 | 8,850,318 |
| ▶ Beginning Fund Balance | 1,071,084 | 1,306,877 | 1,605,060 | 1,557,976 | 1,557,976 | 1,557,976 |
| ▶ Payment in Lieu of Tax | 46,576 | 51,064 | 55,664 | 58,870 | 58,870 | 58,870 |
| ▶ McNary Park & Rec Fee | 19,500 | 4,500 | 0 | 0 | 0 | 0 |
| ▶ Capital Donations | 0 | 6,800 | 6,500 | 0 | 0 | 0 |
| ▶ Capital Grants | 18,000 | 20,000 | 127,500 | 737,100 | 737,100 | 737,100 |
| ▶ Interest | 18,844 | 36,010 | 33,800 | 38,800 | 38,800 | 38,800 |
| ▶ Miscellaneous | 132,922 | 177,120 | 5,052,922 | 3,127,922 | 3,127,922 | 3,127,922 |
| ▶ Transfers from Other Funds | 392,500 | 779,500 | 934,000 | 3,329,650 | 3,329,650 | 3,329,650 |
| ▼ Expenses | 392,549 | 628,531 | 7,815,446 | 8,850,318 | 8,850,318 | 8,850,318 |
| ▶ Materials & Services | 76,457 | 133,831 | 0 | 0 | 0 | 0 |
| ▶ Debt Service | 117,222 | 117,222 | 117,222 | 285,222 | 285,222 | 285,222 |
| ▶ Transfers | 0 | 0 | 84,876 | 0 | 0 | 0 |
| ▼ Capital Outlay | 198,870 | 377,478 | 6,766,900 | 5,731,050 | 5,731,050 | 5,731,050 |
| McNary Park Improvement Fee | 0 | 0 | 24,000 | 0 | 0 | 0 |
| Minor Property Improvements | 0 | 4,150 | 10,000 | 35,000 | 35,000 | 35,000 |
| Downtown Revitalization | 0 | 0 | 460,000 | 345,000 | 345,000 | 345,000 |
| Park Equipment | 6,469 | 55,339 | 33,000 | 5,000 | 5,000 | 5,000 |
| Shop Building Reserve | 25,655 | 20,180 | 0 | 0 | 0 | 0 |
| Sewer Dept Equip & Jet Truck | 0 | 858 | 36,000 | 3,000 | 3,000 | 3,000 |
| Water Department Equipment | 5,331 | 1,938 | 36,000 | 78,000 | 78,000 | 78,000 |
| Police Computer Reserve | 3,995 | 6,658 | 16,200 | 57,000 | 57,000 | 57,000 |
| Library Equipment Reserve | 690 | 180 | 5,000 | 28,000 | 28,000 | 28,000 |
| City Hall Computer Reserve | 11,100 | 23,710 | 65,000 | 10,000 | 10,000 | 10,000 |
| Marina Computer Reserve | 0 | 0 | 3,200 | 4,900 | 4,900 | 4,900 |
| Code Enforcement Equipment | 0 | 0 | 0 | 58,000 | 58,000 | 58,000 |
| Police Equip Reserve | 0 | 47,520 | 0 | 5,000 | 5,000 | 5,000 |
| Land Acquisition | 44,000 | 94,481 | 5,005,000 | 3,220,000 | 3,220,000 | 3,220,000 |
| Park Expansion & Improvements | 22,309 | 66,195 | 166,000 | 70,000 | 70,000 | 70,000 |
| Office Equipment Replacement | 14,157 | 18,397 | 15,000 | 10,000 | 10,000 | 10,000 |
| Streets Equipment | 41,085 | 15,555 | 34,000 | 0 | 0 | 0 |
| Police Cars | 24,079 | 22,317 | 90,000 | 46,000 | 46,000 | 46,000 |
| Bike Paths/Pedestrian Improve | 0 | 0 | 90,000 | 1,133,000 | 1,133,000 | 1,133,000 |
| Building Dept Equipment | 0 | 0 | 2,000 | 40,000 | 40,000 | 40,000 |
| Street Improvement Reserve CVE | 0 | 0 | 0 | 16,150 | 16,150 | 16,150 |
| City Hall Vehicle | 0 | 0 | 0 | 90,000 | 90,000 | 90,000 |
| Marina Equipment | 0 | 0 | 0 | 15,000 | 15,000 | 15,000 |
| Marina Improvements | 0 | 0 | 0 | 138,500 | 138,500 | 138,500 |
| Recreation Equipment | 0 | 0 | 0 | 8,500 | 8,500 | 8,500 |
| Kiwanis Falls Improvements | 0 | 0 | 6,500 | 275,000 | 275,000 | 275,000 |
| Office Remodel | 0 | 0 | 670,000 | 40,000 | 40,000 | 40,000 |
| ▶ Unappropriated Fund Balance | 0 | 0 | 846,448 | 2,834,046 | 2,834,046 | 2,834,046 |

Library Fund

Fiscal Year 2020-21

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 Board. The Board meets every other 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.

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.

Library Fund Budget Highlights

Revenues

Estimates from the Umatilla County Special Library District show that the library will receive an increase of approximately \$20,000 in tax distribution revenue in the next fiscal year.

Programming and Layout Changes

Over the past year and a half, the library has been successful in increasing programming for all ages. In an effort to keep the momentum going, this budget reflects a modest programming budget increase to \$12,000.

While everyone is very excited about the response and attendance at our new events, staff is really feeling the space constraints with the current library layout. Planned layout changes for the upcoming fiscal year include creating a new teen space by removing the stage in the kid's area, rewiring the old projector screen from the council chambers, adding a café table and chairs, as well as jumbo bean bags and computer stations. The new kids' area will have features for all ages. There will be foam tiles, a baby gym, murals and small desks and interactive boards for preschool and elementary age children. We will also be replacing the existing stage with a portable stage on wheels that can fold up and be stored away when not in use. All of these improvements and supplies are budgeted at \$20,000.

LSTA Grant

Library staff has applied for a Library Services and Technology Act (LSTA) competitive grant to assist with out community outreach pop-up library program. The grant request was for \$21,312 to cover staffing expenses, fuel, books, movies, audiobooks, vehicle wrap and equipment such as tables, benches, tablets and scanners. The grant match of \$25,000 is accounted for in the transfer to Capital Reserve to fund the purchase of a Ford Transit Connect van.

Equipment

This budget includes \$6,500 to purchase two AWE early learning literacy computers which are educational computers designed for children 2-8 years of age. The computers will be bilingual and able to serve all children in our community.



Library Fund

| Collapse All | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|-------------------------------|----------------|----------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ Revenues | 334,109 | 350,624 | 348,090 | 408,317 | 408,317 | 408,317 |
| ▶ Beginning Fund Balance | 116,283 | 132,492 | 130,659 | 137,606 | 137,606 | 137,606 |
| ▶ Intergovernmental | 180,048 | 193,786 | 188,689 | 230,361 | 230,361 | 230,361 |
| ▶ Interest | 2,203 | 3,588 | 3,600 | 3,600 | 3,600 | 3,600 |
| ▶ Miscellaneous | 575 | 758 | 1,750 | 1,750 | 1,750 | 1,750 |
| ▶ Transfers from Other Funds | 35,000 | 20,000 | 23,392 | 35,000 | 35,000 | 35,000 |
| ▼ Expenses | 201,618 | 205,717 | 348,090 | 408,317 | 408,317 | 408,317 |
| ▶ Personnel Services | 165,024 | 165,725 | 203,844 | 204,516 | 204,516 | 204,516 |
| ▶ Materials & Services | 28,137 | 26,696 | 47,900 | 84,680 | 84,680 | 84,680 |
| ▶ Transfers | 7,300 | 12,300 | 10,000 | 30,500 | 30,500 | 30,500 |
| ▶ Capital Outlay | 1,157 | 996 | 1,500 | 13,000 | 13,000 | 13,000 |
| ▶ Operating Contingency | 0 | 0 | 2,500 | 5,000 | 5,000 | 5,000 |
| ▶ Unappropriated Fund Balance | 0 | 0 | 82,346 | 70,621 | 70,621 | 70,621 |
| Revenues Less Expenses | 132,491 | 144,907 | 0 | 0 | 0 | 0 |

Transfers Out for the 2020-21 fiscal year include:

| Purpose | Amount | To |
|--------------------------------------|-----------------|----------------------|
| Computer Support | \$10,000 | General Fund |
| Library Equipment - Vehicle Purchase | \$20,500 | Capital Reserve Fund |
| Total Transfers Out | \$30,500 | |

Refuse Collection Fund

Fiscal Year 2020-21

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 | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|-------------------------------|----------------|----------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ Revenues | 801,637 | 877,883 | 874,106 | 952,742 | 952,742 | 952,742 |
| ▶ Beginning Fund Balance | 59,661 | 86,023 | 84,106 | 97,742 | 97,742 | 97,742 |
| ▶ Fees & Charges | 741,976 | 791,860 | 790,000 | 855,000 | 855,000 | 855,000 |
| ▼ Expenses | 715,614 | 780,114 | 874,106 | 952,742 | 952,742 | 952,742 |
| ▶ Materials & Services | 591,487 | 652,528 | 664,800 | 719,400 | 719,400 | 719,400 |
| ▶ Transfers | 124,127 | 127,586 | 126,400 | 136,800 | 136,800 | 136,800 |
| ▶ Operating Contingency | 0 | 0 | 0 | 50,000 | 50,000 | 50,000 |
| ▶ Unappropriated Fund Balance | 0 | 0 | 82,906 | 46,542 | 46,542 | 46,542 |
| Revenues Less Expenses | 86,023 | 97,769 | 0 | 0 | 0 | 0 |

Building Department Fund

Fiscal Year 2020-21

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 and currently contracts with the City of Hermiston for inspection services based upon an hourly rate, plus 50% of plan review fees collected.

Building Department Fund Budget Highlights

Staffing

This budget includes the creation of a new Certified Electrical Inspector position. Community Development Director Seitz will soon have his building certifications but is not able to perform industrial electrical inspections. If the person hired does not have the building, plumbing and mechanical certifications the idea will be to get them the training needed to obtain those certifications and assist with all inspections and plan reviews. The position will be fully funded from the Building Department Fund. In the initial year, this fund will see increased personnel costs should also see cost savings by less contracted inspection work.

Revenues

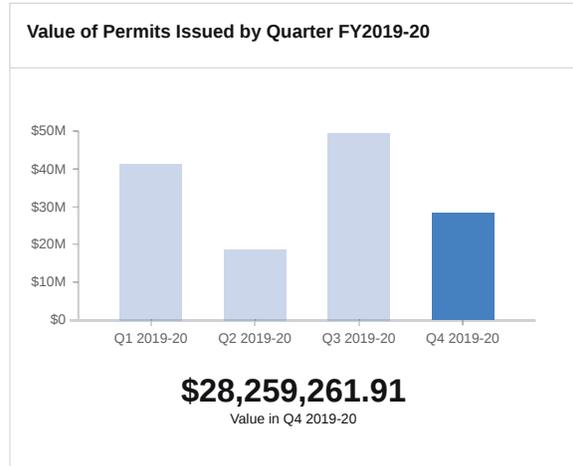
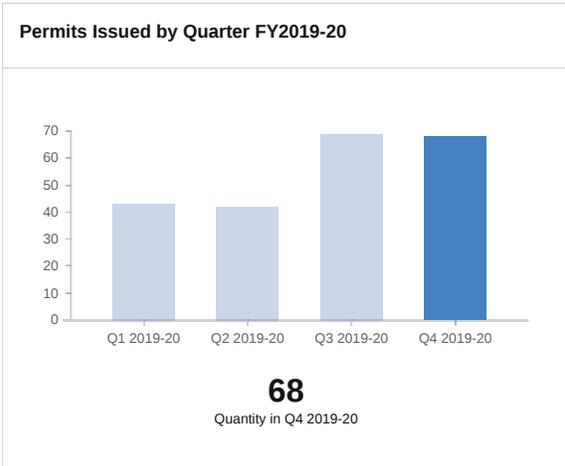
The Building Department Fund is thriving. Both residential and industrial development remain steady and we anticipate this activity to continue into next year. This is reflected in the consistent level of permit and plan review revenue.

Transfers Out

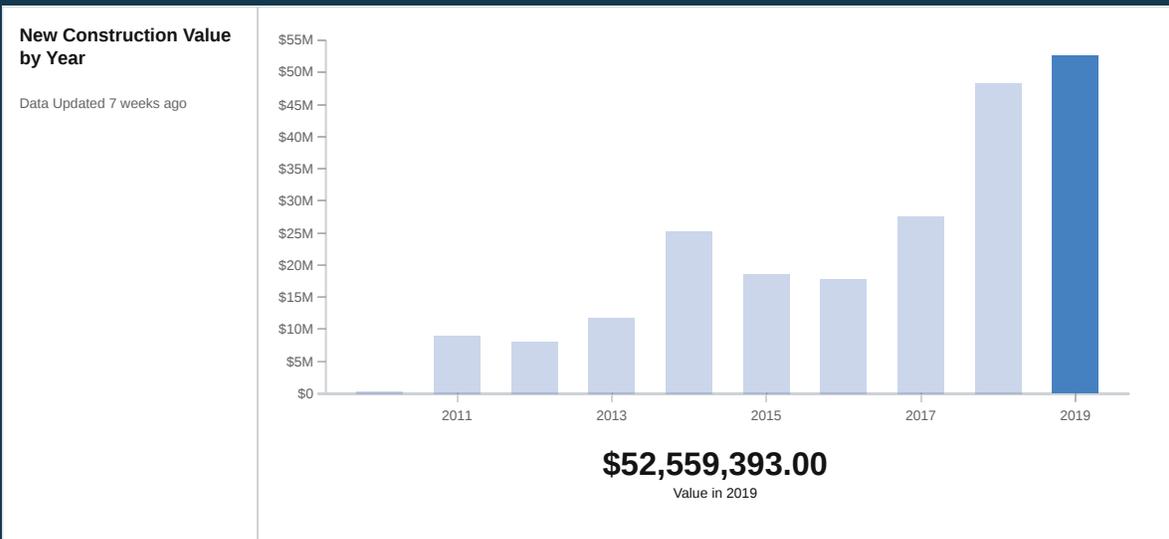
The Building Department Fund is contributing to the Umatilla Business Center reserve (located in Capital Reserve Fund) and the new building will house all Community Development staff, including the Building Department.



Building Permit Activity for FY2019-20



10 Year Development Analysis



Building Department Fund

| Collapse All | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|-------------------------------|----------------|----------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ Revenues | 1,360,304 | 2,130,935 | 2,926,163 | 2,618,090 | 2,618,090 | 2,618,090 |
| ▶ Beginning Fund Balance | 394,372 | 1,101,949 | 1,939,243 | 1,692,090 | 1,692,090 | 1,692,090 |
| ▶ Fees & Charges | 954,089 | 950,132 | 940,920 | 865,000 | 865,000 | 865,000 |
| ▶ Interest | 11,843 | 36,423 | 40,000 | 40,000 | 40,000 | 40,000 |
| ▶ Miscellaneous | 0 | 42,431 | 6,000 | 21,000 | 21,000 | 21,000 |
| ▼ Expenses | 258,357 | 438,031 | 2,926,163 | 2,618,090 | 2,618,090 | 2,618,090 |
| ▶ Personnel Services | 101,626 | 147,527 | 263,613 | 429,460 | 429,460 | 429,460 |
| ▶ Materials & Services | 156,731 | 279,004 | 364,120 | 336,735 | 336,735 | 336,735 |
| ▶ Transfers | 0 | 11,500 | 280,350 | 319,500 | 319,500 | 319,500 |
| ▶ Operating Contingency | 0 | 0 | 396,880 | 390,000 | 390,000 | 390,000 |
| ▶ Unappropriated Fund Balance | 0 | 0 | 1,621,200 | 1,142,395 | 1,142,395 | 1,142,395 |
| Revenues Less Expenses | 1,101,947 | 1,692,904 | 0 | 0 | 0 | 0 |

Transfers Out for the 2020-21 fiscal year include:

| Purpose | Amount | To |
|--|------------------|----------------------|
| Annex Remodel Contribution | \$250,000 | Capital Reserve Fund |
| Building Equipment | \$30,000 | Capital Reserve Fund |
| Office Equipment Replacement | \$2,750 | Capital Reserve Fund |
| Street Improvement Reserve - Columbia View Estates | \$16,150 | Capital Reserve Fund |
| Building Maintenance City Hall | \$1,000 | General Fund |
| Computer Support | \$10,000 | General Fund |
| City Hall Staff Rent | \$9,600 | General Fund |
| Total Transfers Out | \$319,500 | |

Debt Service Fund

Fiscal Year 2020-21

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 | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|-------------------------------|----------------|----------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ Revenues | 82,815 | 21,235 | 0 | 3,807 | 3,807 | 3,807 |
| ▶ Beginning Fund Balance | 33,281 | 19,754 | 0 | 3,357 | 3,357 | 3,357 |
| ▶ Property Taxes | 27,823 | 1,239 | 0 | 400 | 400 | 400 |
| ▶ Interest | 711 | 242 | 0 | 50 | 50 | 50 |
| ▶ Transfers from Other Funds | 21,000 | 0 | 0 | 0 | 0 | 0 |
| ▼ Expenses | 63,062 | 18,388 | 0 | 3,807 | 3,807 | 3,807 |
| ▶ Debt Service | 63,062 | 18,388 | 0 | 0 | 0 | 0 |
| ▶ Unappropriated Fund Balance | 0 | 0 | 0 | 3,807 | 3,807 | 3,807 |
| Revenues Less Expenses | 19,753 | 2,847 | 0 | 0 | 0 | 0 |

Transient Room Tax Fund

Fiscal Year 2020-21

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 to the Eastern Oregon Trade and Event Center to promote tourism in the region and aid in construction of the facility.



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

Last year City staff heard an overwhelming desire from the community for more events. This budget includes \$100,000 to invest in an event manager/promoter and event costs for a City sponsored major food and music festival. There is also \$20,000 in event proceeds budgeted to offset some of the cost. The remainder of the festival will be funded through a transfer from the General Fund.

Chamber and Museum Support

The City continues to allocate fifty percent of the Transient Room Tax collected, as well as a \$20,000 General Fund contribution, to cover the Umatilla Chamber of Commerce's operating expenses. In addition, the City will make a \$10,000 contribution to Landing Days and has earmarked \$2,500 for event sponsorships such as the Distinguished Citizens award banquet. The City has also allocated \$5,000 for support of the Umatilla Museum and Historical Foundation.

Umatilla Landing Days Parade



Transient Room Tax Fund

| Collapse All | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|-------------------------------|----------------|----------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ Revenues | 311,697 | 338,847 | 310,899 | 387,632 | 387,632 | 387,632 |
| ▶ Beginning Fund Balance | 208,421 | 215,918 | 201,399 | 215,077 | 215,077 | 215,077 |
| ▶ Fees & Charges | 74,962 | 86,419 | 83,000 | 63,055 | 63,055 | 63,055 |
| ▶ Interest | 3,594 | 5,510 | 5,500 | 3,500 | 3,500 | 3,500 |
| ▶ Miscellaneous | 0 | 10,000 | 0 | 0 | 0 | 0 |
| ▶ Transfers from Other Funds | 24,720 | 21,000 | 21,000 | 106,000 | 106,000 | 106,000 |
| ▼ Expenses | 95,780 | 132,631 | 310,899 | 387,632 | 387,632 | 387,632 |
| ▶ Personnel Services | 0 | 1,828 | 11,333 | 11,664 | 11,664 | 11,664 |
| ▶ Materials & Services | 84,280 | 92,953 | 208,754 | 292,410 | 292,410 | 292,410 |
| ▶ Transfers | 11,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| ▶ Capital Outlay | 0 | 36,350 | 60,715 | 60,715 | 60,715 | 60,715 |
| ▶ Unappropriated Fund Balance | 0 | 0 | 28,597 | 21,343 | 21,343 | 21,343 |
| Revenues Less Expenses | 215,917 | 206,216 | 0 | 0 | 0 | 0 |

Transfers Out for the 2020-21 fiscal year include:

| Purpose | Amount | To |
|----------------------------|----------------|--------------|
| Administrative Expenses | \$1,500 | General Fund |
| Total Transfers Out | \$1,500 | |

Building Reserve Fund

Fiscal Year 2020-21

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 | 2017-18 Actual | 2018-19 Actual | 2019-20 Adopted Budget | 2020-21 Proposed Budget | 2020-21 Approved Budget | 2020-21 Adopted Budget |
|-------------------------------|----------------|----------------|------------------------|-------------------------|-------------------------|------------------------|
| ▼ Revenues | 222,741 | 242,300 | 261,742 | 281,300 | 281,300 | 281,300 |
| ▶ Beginning Fund Balance | 87,383 | 105,520 | 125,020 | 144,578 | 144,578 | 144,578 |
| ▶ Interest | 2,436 | 3,858 | 3,800 | 3,800 | 3,800 | 3,800 |
| ▶ Miscellaneous | 132,922 | 132,922 | 132,922 | 132,922 | 132,922 | 132,922 |
| ▼ Expenses | 117,222 | 117,222 | 261,742 | 281,300 | 281,300 | 281,300 |
| ▶ Debt Service | 117,222 | 117,222 | 117,222 | 117,222 | 117,222 | 117,222 |
| ▶ Unappropriated Fund Balance | 0 | 0 | 144,520 | 164,078 | 164,078 | 164,078 |
| Revenues Less Expenses | 105,519 | 125,078 | 0 | 0 | 0 | 0 |

Interfund Transfer Detail

Fiscal Year 2020-21

Interfund Transfer Detail FY 2020-21

| PURPOSE | BUDGET | FROM | TO |
|---|-------------|--------------|-------------------------|
| Land Acquisition | \$350,000 | General Fund | Capital Reserve Fund |
| Downtown Revitalization - 6th St Project Addition | \$140,000 | General Fund | Capital Reserve Fund |
| Kiwanis Falls | \$268,500 | General Fund | Capital Reserve Fund |
| Bike/Pedestrian Paths | \$310,000 | General Fund | Capital Reserve Fund |
| City Sponsored Festival | \$80,000 | General Fund | Transient Room Tax Fund |
| Mobile Stage Reserve | \$75,000 | General Fund | Capital Reserve Fund |
| Business Center Land Purchase Payoff | \$110,000 | General Fund | Capital Reserve Fund |
| Umatilla Business Center Reserve | \$1,000,000 | General Fund | Capital Reserve Fund |
| Capital Expansion Reserve | \$250,000 | General Fund | Capital Reserve Fund |
| Water Master Plan Update | \$165,500 | General Fund | Water Fund |
| Police Vehicle | \$63,000 | General Fund | Capital Reserve Fund |
| Code Enforcement Vehicle | \$43,000 | General Fund | Capital Reserve Fund |
| Police Computers | \$10,000 | General Fund | Capital Reserve Fund |
| Office Equipment Replacement | \$5,000 | General Fund | Capital Reserve Fund |
| Shop Bldg Reserve | \$10,000 | General Fund | Capital Reserve Fund |
| Minor Property Improvements | \$10,000 | General Fund | Capital Reserve Fund |
| Park Equipment | \$1,500 | General Fund | Capital Reserve Fund |
| Recreation Equipment - Utility Trailer | \$8,500 | General Fund | Capital Reserve Fund |
| Marina/RV Park Improvements | \$138,500 | General Fund | Capital Reserve Fund |
| Marina/RV Park Equipment | \$15,000 | General Fund | Capital Reserve Fund |
| City Hall Vehicle | \$35,000 | General Fund | Capital Reserve Fund |
| Library Operating Expense | \$35,000 | General Fund | Library Fund |
| Street Light Maintenance | \$11,900 | General Fund | Street Fund |
| Chamber & Museum Support | \$26,000 | General Fund | Transient Room Tax Fund |
| Shop Bldg Reserve | \$10,000 | Water Fund | Capital Reserve Fund |
| Water Dept Equipment | \$30,000 | Water Fund | Capital Reserve Fund |
| City Hall Vehicle | \$5,000 | Water Fund | Capital Reserve Fund |
| Office Equipment Replacement | \$2,750 | 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 | \$9,000 | Water Fund | General Fund |
| Water Project Reserve | \$380,000 | Water Fund | Water Reserve Fund |
| Develop Water Right | \$15,000 | Water Fund | Water Reserve Fund |
| Electronic Meter Replacement | \$15,000 | Water Fund | Water Reserve Fund |

| | | | |
|--|-----------|--------------------|----------------------|
| Hydrant Replacement | \$5,000 | Water Fund | Water Reserve Fund |
| Reserve for Sewer Jet Truck Repl | \$15,000 | Sewer Fund | Capital Reserve Fund |
| Reserve for Sewer Boom Truck | \$25,000 | Sewer Fund | Capital Reserve Fund |
| Reserve for Sewer Generator | \$25,000 | Sewer Fund | Capital Reserve Fund |
| Office Equipment Replacement | \$2,750 | Sewer Fund | Capital Reserve Fund |
| Sewer Dept Equipment | \$3,000 | Sewer Fund | Capital Reserve Fund |
| Shop Bldg Reserve | \$10,000 | Sewer Fund | Capital Reserve Fund |
| City Hall Vehicle | \$5,000 | Sewer Fund | Capital Reserve Fund |
| Capital Improvement Plan | \$2,000 | Sewer Fund | General Fund |
| Building Maintenance City Hall | \$500 | Sewer Fund | General Fund |
| Computer Support | \$10,000 | Sewer Fund | General Fund |
| City Hall Staff Rent | \$9,000 | Sewer Fund | General Fund |
| Sewer Project Reserve | \$510,000 | Sewer Fund | Sewer Reserve Fund |
| Office Equipment Replacement | \$2,750 | Street Fund | Capital Reserve Fund |
| Street Sweeper | \$15,000 | Street Fund | Capital Reserve Fund |
| Shop Bldg Reserve | \$10,000 | Street Fund | Capital Reserve Fund |
| Bike Paths | \$6,000 | Street Fund | Capital Reserve Fund |
| Computer Support | \$10,000 | Street Fund | General Fund |
| Capital Improvement Plan | \$2,000 | Street Fund | General Fund |
| City Hall Staff Rent | \$1,200 | Street Fund | General Fund |
| Computer Support | \$10,000 | Library | General Fund |
| Library Equipment - Vehicle Purchase | \$20,500 | Library | Capital Reserve Fund |
| Annex Remodel Contribution | \$250,000 | Building Dept Fund | Capital Reserve Fund |
| Building Maintenance City Hall | \$1,000 | Building Dept Fund | General Fund |
| Building Equipment | \$30,000 | Building Dept Fund | Capital Reserve Fund |
| Office Equipment Replacement | \$2,750 | Building Dept Fund | Capital Reserve Fund |
| Street Improvement Reserve - Columbia View Estates | \$16,150 | Building Dept Fund | Capital Reserve Fund |
| Computer Support | \$10,000 | Building Dept Fund | General Fund |
| City Hall Staff Rent | \$9,600 | Building Dept Fund | General Fund |
| Administrative Expenses | \$1,500 | Room Tax Fund | General Fund |
| TOTAL TRANSFERS | | | \$4,661,350 |

Budget Publications

Fiscal Year 2020-21

FORM
LB-1

NOTICE OF BUDGET HEARING

Republication

A public meeting of the Umatilla City Council will be held on June 2, 2020 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, 2020 as 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 melissa@umatilla-city.org |
|--------------------|----------------------------------|--|

FINANCIAL SUMMARY-RESOURCES

| TOTAL OF ALL FUNDS | Actual Amounts 2018-2019 | Adopted Budget This Year 2019-2020 | Approved Budget Next Year 2020-2021 |
|--|-----------------------------|---------------------------------------|--|
| 1. Beginning Fund Balance/Net Working Capital..... | 7,190,718 | 8,972,571 | 12,279,956 |
| 2. Fees, Licenses, Permits, Fines, Assmts & Other Svs charges..... | 7,176,856 | 16,467,685 | 13,224,236 |
| 3. Federal, State & all Other Grants, Gifts, Allocations & Donations.... | 1,015,469 | 2,042,609 | 2,113,685 |
| 4. Revenue from Bonds & Other Debt..... | 737,070 | 2,316,380 | 4,479,300 |
| 5. Interfund Transfers/Internal Service Requirements..... | 1,258,361 | 1,732,076 | 4,798,150 |
| 6. All Other Resources Except Property Taxes..... | 246,366 | 196,700 | 239,250 |
| 7. Property Taxes Estimated to be Received..... | 1,271,661 | 1,776,432 | 2,308,900 |
| 8. Total Resources (add lines 1 thru 7) | 18,896,501 | 33,504,453 | 39,443,477 |

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION

| | | | |
|---|------------|------------|------------|
| 9. Personnel Services..... | 3,575,641 | 4,472,909 | 4,860,154 |
| 10. Materials and Services..... | 3,632,551 | 8,369,525 | 6,055,685 |
| 11. Capital Outlay..... | 1,136,683 | 13,091,632 | 10,103,128 |
| 12. Debt Service..... | 407,586 | 518,972 | 787,348 |
| 13. Interfund Transfers..... | 1,253,586 | 1,732,076 | 4,773,150 |
| 14. Contingencies..... | | 1,146,373 | 2,545,000 |
| 15. Special Payments..... | | 0 | 0 |
| 16. Unappropriated Ending Balance & Reserved for Future Expense | 8,890,454 | 4,172,966 | 10,319,012 |
| 17. Total Requirements - add lines 9-16..... | 18,896,501 | 33,504,453 | 39,443,477 |

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 | 2018-2019 | 2019-2020 | 2020-2021 |
|---|-----------|------------|------------|
| Name: Administration | 302,149 | 3,402,929 | 832,235 |
| FTE | 0.75 | 1.83 | 2.45 |
| Name: Planning/Community Development | 256,345 | 611,243 | 559,207 |
| FTE | 1.25 | 1.45 | 1.35 |
| Name: Court | 504,973 | 584,399 | 537,364 |
| FTE | 0.60 | 1.35 | 1.10 |
| Name: Parks | 232,401 | 535,530 | 644,211 |
| FTE | 2.00 | 3.40 | 3.55 |
| Name: Code Enforcement | 106,808 | 141,524 | 150,066 |
| FTE | 1.00 | 1.00 | 1.00 |
| Name: Marina and RV Park | 322,733 | 332,325 | 343,850 |
| FTE | | | |
| Name: Police | 1,420,910 | 1,850,978 | 2,064,527 |
| FTE | 13.75 | 14.50 | 15.50 |
| Name: Water | 1,257,469 | 1,495,622 | 1,987,699 |
| FTE | 4.50 | 4.78 | 4.50 |
| Name: Sewer | 2,071,404 | 2,229,091 | 2,852,334 |
| FTE | 6.00 | 5.48 | 5.20 |
| Name: Streets | 950,934 | 3,740,117 | 2,971,619 |
| FTE | 3.80 | 2.40 | 2.90 |
| Name: Library | 350,623 | 348,090 | 408,317 |
| FTE | 3.00 | 3.10 | 3.10 |
| Name: Building | 2,130,933 | 2,926,163 | 2,618,090 |
| FTE | 1.35 | 2.11 | 3.00 |
| Non-Departmental/Non-Program | 8,988,819 | 15,306,442 | 23,473,958 |
| FTE | | 0.10 | 0.10 |

| | | | |
|---------------------------|-------------------|-------------------|-------------------|
| Total Requirements | 18,896,501 | 33,504,453 | 39,443,477 |
| Total FTE | 38 | 41.5 | 43.75 |

STATEMENT OF CHANGES IN ACTIVITIES AND SOURCES OF FINANCING

No notable reduction or 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 \$372,800. 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..... | \$760,000 | \$0 |
| Other Bonds..... | \$0 | \$0 |
| Other Borrowings..... | \$4,645,732 | \$372,800 |
| TOTAL..... | \$5,405,732 | \$372,800 |

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
2020-2021**

Check here if this is an amended form.

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

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 Umatilla OR 97882 June 18, 2020
Mailing Address of District City State ZIP code Date

Melissa Ince Finance & Admin Services Director 541-922-3226 x 104 melissa@umatilla-city.org
Contact Person Title Daytime Telephone 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 | | | Excluded from Measure 5 Limits Dollar Amount of Bond Levy |
| 3. | Local option capital project tax | 3 | | | |
| 4. | City of Portland Levy for pension and disability obligations | 4 | | | |
| 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)

150-504-073-7 (Rev. 12-15)

(see the back for worksheet for lines 5a, 5b, and 5c)

File with your assessor no later than **JULY 15**, unless granted an extension in writing.

ED 50 119

Budget Resolutions

Fiscal Year 2020-21

RESOLUTION NO. 56-2020

A RESOLUTION ADOPTING THE 2020-2021 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 2020-2021, in the total sum of \$39,443,477 now on file at Umatilla City Hall, 700 Sixth Street, Umatilla, Oregon 97882.

PASSED by the City Council and **SIGNED** by the Mayor this 2nd day of June, 2020.



Mary Dedrick, Mayor

ATTEST:



Nanci Sandoval, City Recorder



RESOLUTION NO. 57-2020

A RESOLUTION APPROPRIATING BUDGET AMOUNTS
FOR FISCAL YEAR 2020-2021

BE IT RESOLVED that the amounts for the fiscal year beginning July 1, 2020 and for the purposes shown below are hereby appropriated as follows:

GENERAL FUND

| | |
|-----------------------------------|----------------------|
| Administration | \$ 832,235 |
| Community Development Department | 559,207 |
| Municipal Court Department | 537,364 |
| Parks and Recreation Department | 644,211 |
| Marina and RV Park | 343,850 |
| Police Department | 2,064,527 |
| Code Enforcement | 150,066 |
| Transportation | 3,760 |
| 911 Emergency Services Department | 1,250 |
| Non-Departmental: | |
| Operating Contingency | 1,000,000 |
| Transfers | 3,161,400 |
| Reserves | <u>3,618,995</u> |
| GENERAL FUND TOTAL | \$ 12,916,865 |

WATER FUND

| | |
|-------------------------|---------------------|
| Personnel Services | \$ 518,656 |
| Material & Services | 744,450 |
| Capital Outlay | 5,000 |
| Operating Contingency | 100,000 |
| Debt Service | 50,000 |
| Transfers | 484,250 |
| Reserves | <u>85,343</u> |
| WATER FUND TOTAL | \$ 1,987,699 |

SEWER FUND

| | |
|-------------------------|---------------------|
| Personnel Services | \$ 587,242 |
| Material & Services | 718,160 |
| Capital Outlay | 10,000 |
| Operating Contingency | 150,000 |
| Debt Service | 452,126 |
| Transfers | 592,250 |
| Reserves | <u>342,556</u> |
| SEWER FUND TOTAL | \$ 2,852,334 |

TRANSIENT ROOM TAX FUND

| | |
|---------------------------------|-------------------|
| Personnel Services | \$ 11,664 |
| Material & Services | 292,410 |
| Capital Outlay | 60,715 |
| Transfers | 1,500 |
| Reserves | <u>21,343</u> |
| TRANSIENT TAX FUND TOTAL | \$ 387,632 |

BUILDING RESERVE FUND

| | |
|------------------------------------|-------------------|
| Debt Service | \$ 117,222 |
| Reserves | <u>164,078</u> |
| BUILDING RESERVE FUND TOTAL | \$ 281,300 |

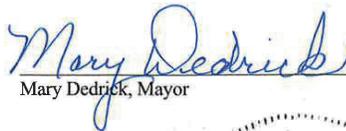
WATER RESERVE FUND

| | |
|---------------------------------|---------------------|
| Materials and Services | \$ 749,000 |
| Capital Outlay | 1,420,375 |
| Contingency | 300,000 |
| Reserves | <u>379,566</u> |
| WATER RESERVE FUND TOTAL | \$ 2,848,941 |

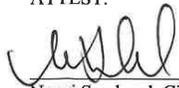
SEWER RESERVE FUND

| | |
|---------------------------------|---------------------|
| Capital Outlay | \$ 628,775 |
| Contingency | 400,000 |
| Reserves | <u>1,616,338</u> |
| SEWER RESERVE FUND TOTAL | \$ 2,645,113 |

PASSED by the City Council and **SIGNED** by the Mayor this 2nd day of June, 2020.


Mary Dedrick, Mayor

ATTEST:


Nanci Sandoval, City Recorder



RESOLUTION NO. 58-2020

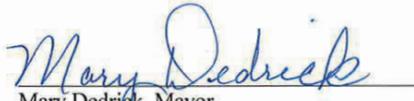
**A RESOLUTION LEVYING AD VALOREM TAXES AND CATEGORIZING TAXES
FOR THE 2020-2021 FISCAL YEAR**

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, 2020. The following allocation and categorization, subject to the limits of Section 11b Article XI of the Oregon Constitution, make up the above levy:

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

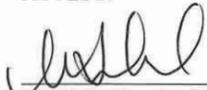
TOTAL LEVY: \$2.9191 per \$1,000 of taxable value to the General Fund

PASSED by the City Council and **SIGNED** by the Mayor this 2nd day of June, 2020.



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

(503)373-0735

FAX (503)373-1273

RETURN TO:

**DEPARTMENT OF ADMINISTRATIVE SERVICES
SHARED FINANCIAL SERVICES
ATTN Disbursements Accountant
155 COTTAGE ST NE
SALEM OR 97301-3972**

Resolution No. 59-2020

**AN ORDINANCE/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 2020-2021.

Passed by the Common Council the 2nd day of June, 2020.

Approved by the Mayor this 2nd day June, 2020.

Mayor Mary Dedrick
Attest [Signature]

I *certify that a public hearing before the Budget Committee was held on April 21, 2020 and a public hearing before the City Council was held on June 2, 2020, giving citizens an opportunity to comment on use of State Revenue Sharing.

[Signature]
Nanci Sandoval
City Recorder

Overview of Capital Improvement Projects

Fiscal Year 2020-21

The City does not currently have an approved Capital Improvement Plan. We are in the process of updating the Water Master Plan, Wastewater Facilities Plan and Parks Master Plan. All of these 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 FY2020-21. 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 \$23,612,776 in project costs, with \$18,709,250 in grants received and more than \$1.2 million in pending grant applications. In other terms, for every \$1 the City of Umatilla spends, we have received nearly \$5.40 in return, or more than 540% return on investment!

Total Projects Costs: \$23,612,776

| | |
|---------------------------|---------------|
| Total Grants Received: | \$ 18,709,250 |
| Total Grants Pending: | \$ 1,217,520 |
| Total Loan Funds: | \$ 606,800 |
| Total City Funds: Cash | \$ 2,994,206 |
| Total City Funds: In-Kind | \$ 85,000 |



6th Street Improvement Project: Yerxa Avenue to the Umatilla Bridge



Project Scope: To reconstruct 6th St. (Hwy 730) from Yerxa Ave. to the Umatilla Bridge. Project includes all new ADA compliant sidewalks and corners, decorative colored stamped concrete, and all-new ornamental lights and trees (with drip irrigation).

Total Project Cost: \$7.39 million.
 ODOT Funds: \$6.1 million
 City Funds: \$1.29 million

Timeline: Design was completed in 2018. Bids for construction were received in mid-2019 with construction starting November 2019. This project is scheduled for completion by mid-November 2020.

Lind Road and Union Street Improvements Project



Project Scope: To pave Union Street at the Hwy 395 intersection to Lind Road and pave Lind Road for approximately ¼ mile from 100' north of Union Street to 1,400' south of Union St.

Total Project Cost: \$1.91 million
 Private Funds: \$885,000
 Immediate Opportunity Fund Grant: \$955,000
 City Funds: \$70,000 (cash: \$35,000. In-kind: \$35,000)

Timeline: The City received the grant funds from ODOT in late-2019. Preliminary Design/Construction (field work, environmental, etc.) is estimated to be completed in August 2020. Construction is estimated to begin in September 2020 with project completion to occur by mid-December 2020.

Umatilla Pedestrian Bridge & Waterline Replacement Project



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.

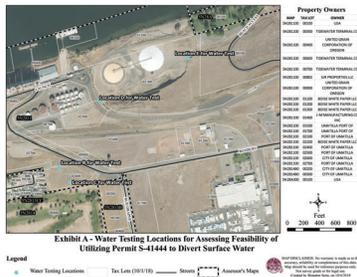
Total Project Cost: \$4.4 million (estimated)

FEMA Funds: \$2.6 million (estimated)
 Emergency Community Development Block Grant Funds: \$500,000 (estimated)
 Insurance Funds: \$85,000
 Special Public Works Grant Funds (Business Oregon Grant): \$500,000 (estimated)
 City Funds: \$715,000

Timeline: The City has been working with FEMA since February 2019. We anticipate, finally, getting the approval to proceed from FEMA by September 2020. Design of the new bridge is estimated for completion in summer 2021, with construction of the new bridge and installation of the new waterline estimated to begin in fall 2021, with completion of the project in late-spring 2022.

Hydraulically Connected Wells Feasibility Study

(develop City's water right)



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. Drilling of the wells is anticipated to occur in 2021 with the feasibility study to be completed in spring 2022.

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 beginning in September 2020. 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 December 2020, with construction to occur spring-2021 and estimated completion by June 2021.

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 and anticipates receiving approval by November 2020. Construction/installation of the new site is expected to be completed by spring 2021.

Parks Master Plan



Project Scope: To develop and adopt an all-new City Parks Master Plan to guide the Parks department in capital projects and programs for through at least 2030.

Total Project Cost: \$65,000
Oregon Parks and Recreation Grant Funds: \$39,000
City Funds: \$26,000 (cash: \$20,000. In-kind: \$6,000)

Timeline: The City received Notification of Award in September 2019. GreenPlay, LLC has been hired as the City's consultant to help complete the project. Project kickoff occurred in May 2020. Surveys and field data collection is occurring now. This project is scheduled to be completed by December 2020.

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

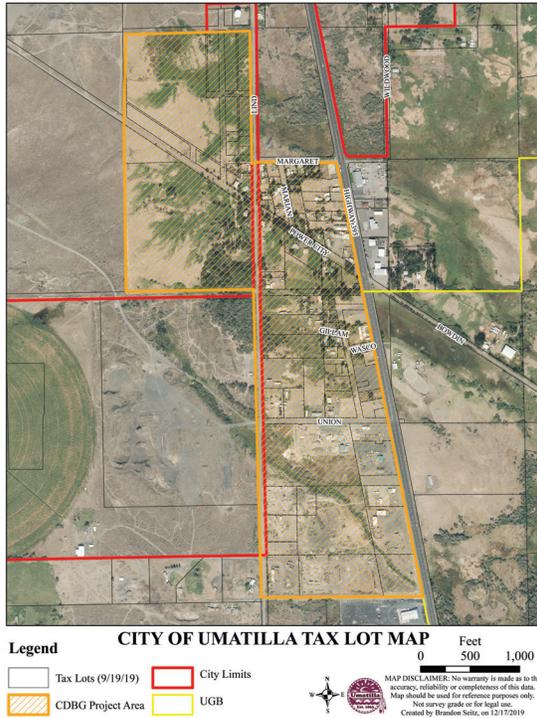


Project Scope: To develop and adopt an updated City-wide Wastewater Master Plan to guide the City's wastewater needs and development for the next 25 years.

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.

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 will begin December 2020 with completion of design anticipated in summer-2021. The City will apply for a corresponding construction grant in fall-2021 in hopes of award that winter and construction to begin in spring-2022 with completion in fall or early winter 2022.

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 | |
|--|--|
| Organization Name: City of Umatilla | Organization: City <small>(Identify the ORS under which entity is formed if potential applicant is an entity other than city or county, such as special district, authority, association, etcetera.)</small> |
| Street Address: 700 6th Street Umatilla, Oregon 97882 | Mailing Address: 700 6th Street PO Box 130 Umatilla, Oregon 97882 |
| Office Phone: (541) 922-3226 | Web URL: www.umatilla-city.org |

| Section 1 B: Project Contact | |
|---|--|
| Name: Melissa Inoc | Title: Finance & Administrative Services Director |
| Phone: (541) 922-3226 | Email: melissa@umatilla-city.org |
| Phone (cell): | Authorized Signer Name: Mary Dedrick |
| Authorized Signer Email: mdedrick@umatilla-city.org | Authorized Signer Title: Mayor |

| Section 1 C: State Representation | |
|-----------------------------------|--|
| Senate District Number: 29 | Senator's Name: Bill Hansell |
| House District Number: 57 | Representative's Name: Greg Smith |

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

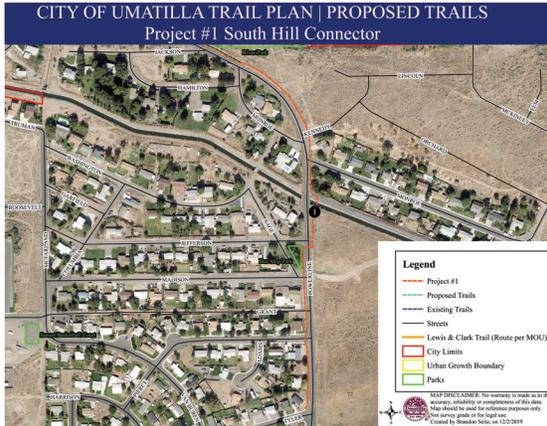
Page 1 of 25: CDBG Application - CAPP-0853

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 will apply for a CDBG grant September 2020 and anticipates hearing whether that application will be funded or not in November 2020. If awarded, work on design will begin January 2021 with completion of design anticipated in summer-2021. The City will apply for a corresponding construction grant in fall-2021 in hopes of award that winter and we hope that construction will begin in spring-2022, together with the waterline project, with completion in fall or early winter 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: \$916,000

Oregon Parks & Recreation Grant: \$549,600

City Funds: \$366,400

Timeline: The City applied for this grant from OPRD in May 2020. We anticipate notification of award or denial in October 2020. If awarded, design for the project would 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).

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 Grant: \$167,920

City Funds: \$41,980

Timeline: The City applied for this grant from OPRD in May 2020. We anticipate notification of award or denial in October 2020. If awarded, design for the project would 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).

Impact of Capital Improvement Projects on the Operating Budget

As you can see, the City has done a tremendous job at securing grants 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 showed the City needed an overall 25% 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, and Lind Road and Union Street 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

Fiscal Year 2020-21

Glossary

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.

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.

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.

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.

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

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.

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.

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.

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.



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