

# City of Prineville Adopted Budget FY 2013-2014

**Budget Committee**  
Mayor Betty Roppe  
City Manager Steve Forrester  
Marty Bailey • Jason Beebe  
Jason Carr • Brenda Comini  
Bob Gomes • Deb Harper • Gail Merritt  
Dean Noyes • Gari Jo Noyes • Jack Seley  
Dr. Paul Slater • Karole Stockton • Steve Uffelmann



**Adopted Budget**

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

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**City of Prineville  
Oregon**

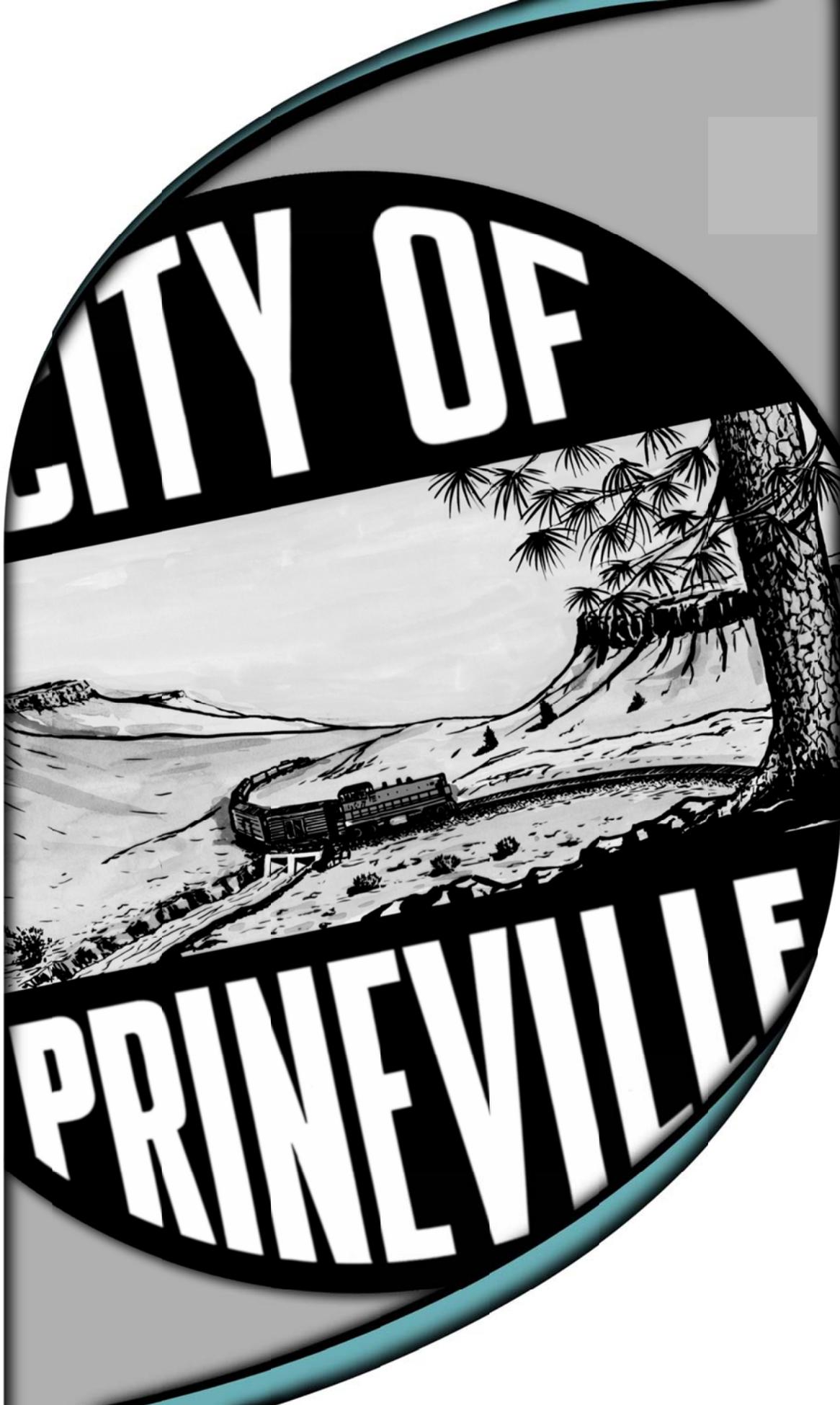
For the Fiscal Year Beginning

**July 1, 2012**

*Linda C. Dawson Jeffrey R. Egan*

President

Executive Director



# City Manager's Budget Message

## City of Prineville Approved Budget FY 2013-2014

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## City Manager's Budget Message

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Mayor Roppe, City Council Members, Citizen Members of the Budget Committee, and Prineville Citizens:

It is my honor and pleasure on behalf of our city leadership team and staff to present the proposed 2013-2014 budget for the City of Prineville.

I am proud to report that our budget is much more than a document. Our budget is used each business day as part of our process. The depth and scope of our budget has once again been acknowledged by the Government Finance Officers Association (GFOA) by the City being awarded with the Distinguished Budget Presentation Award for the seventh consecutive year.

The 2013-2014 proposed annual budget is in the total amount of \$33,720,924. The General Fund totals for 2013-2014 are \$5,136,298.

We start the budget process each year with a focus on our City Council's mission, principles, and goals.

### Mission Statement/Principles

*"To consistently contribute to Prineville's reputation as a safe, welcoming, and friendly place to live, work, play, learn, and visit."*

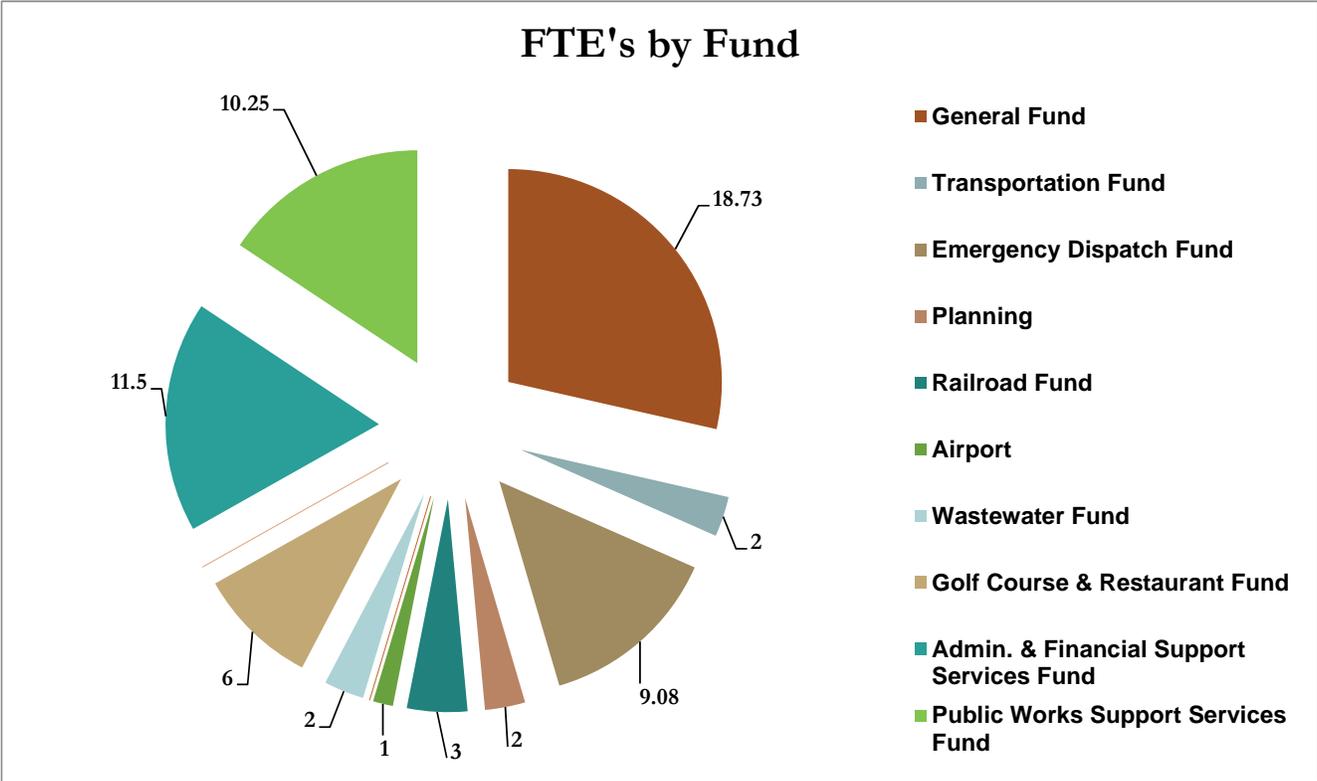
- Continue to provide Prineville's citizens with quality services consistent with our mission and goals through the well managed deployment of City owned assets.
- Fiscal responsibility.
- Transparent communication to all stakeholders.
- A strategic focus on the future.
- Create an environment that provides economic opportunity for our citizens.

### Our City Council's Goals

- Continue to be fiscally responsible in all we do.
- Strengthen local, regional, and educational intergovernmental relationships and cooperation.
- Be "Business Friendly" strengthening business and governmental relationships.
- Sustain and efficiently plan for the future development of infrastructure.
- Community Safety.
- Maintain "Livability" of Prineville while welcoming diversity.
- Continued Council support for professional development of staff.
- Create and sustain City owned enterprise profitability.
- Protect scenic and historic resources.
- Enhance and maintain council public relations.
- Identify and evaluate City owed property.

As we enter into this next fiscal year we find the City continues to improve financially with the assets that we influence most directly, i.e., City services. Our nation’s economy still has plenty of room for improvement, and locally we are beginning to see activity that has been absent since the unprecedented recession hit our community. We are optimistic that the local economy has found the bottom, and will now begin a slow and steady recovery back to growth. Prineville has experienced a renewed interest in home building, as has been confirmed by activity in the real estate markets beginning to see a shorter list of previously owned homes up for sale.

One of our most valuable assets at the City is our team members. The City of Prineville continues to invest in our employees’ skill sets through outside training and education, and focus on health and wellness. We have successfully filled two management positions this past year with internal team members, and as a result, opened entry level opportunities up for the next generation. Through efficient management our full-time equivalent (FTE) employee count will increase minimally from 65.49 FTEs in 2012-2013, to 65.56 FTEs in 2013-2014.



We report to you that we will start this budget year with 10 out of 11 funds fully meeting or exceeding minimum policy levels for reserves and contingency, compared to last year's 8 out of 12 funds. The Airport fund is the exception to policy. The Airport fund is a newer fund backed financially by both the County and City. Collectively we are making progress toward meeting the minimum requirements of the City.

**Policy Analysis - Reserves by Fund (FY 2014)**

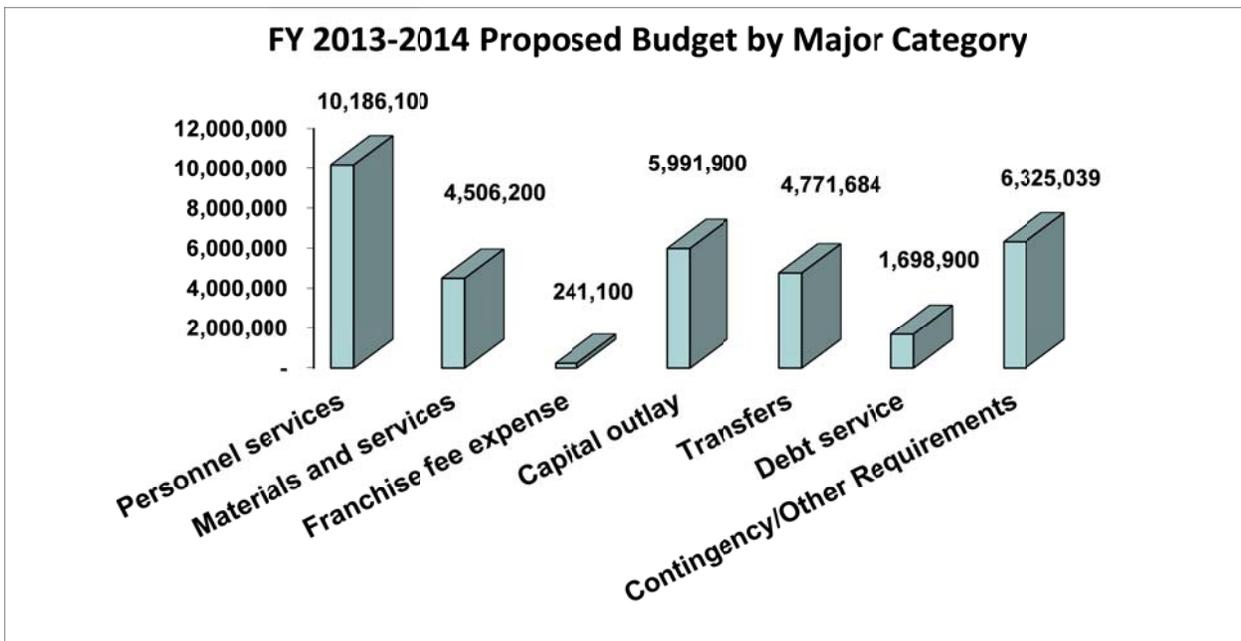
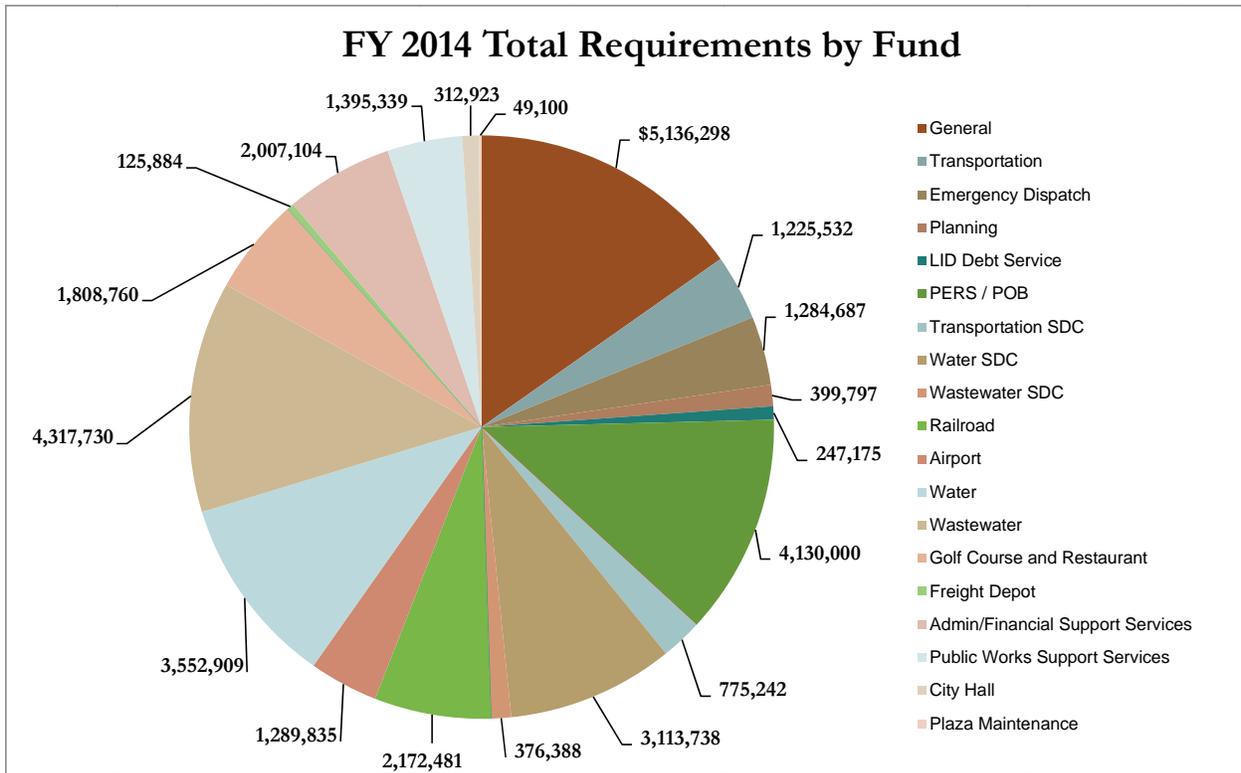
Fund	Proposed Budget Reserves Amount	Working Capital Reserve Amount	Proposed Budget/Over (Under) Policy	Meets Working Capital Reserve Requirements	Five Percent Reserve Amount	Total Policy Reserve Amount	Proposed Budget/Over (Under) Policy	Meets both Working and Appropriation Reserve
General	963,398	751,833	211,565	Yes	208,645	960,478	2,920	Yes
Transportation	166,832	80,700	86,132	Yes	52,935	133,635	33,197	Yes
Emergency Dispatch	227,087	173,767	53,320	Yes	52,880	226,647	440	Yes
Planning	60,097	42,463	17,635	Yes	16,985	59,448	650	Yes
LID Debt Service	86,875	N/A		N/A	N/A	N/A		N/A
Transportation SDC	694,542	N/A		N/A	N/A	N/A		N/A
Water SDC	180,038	N/A		N/A	N/A	N/A		N/A
Wastewater SDC	233,388	N/A		N/A	N/A	N/A		N/A
Railroad	687,481	684,100	3,381	Yes	N/A	684,100	3,381	Yes
Airport	35,635	125,450	(89,815)	No	62,710	188,160	(152,525)	No
Water	818,409	341,225	477,184	Yes	177,645	518,870	299,539	Yes
Wastewater	900,730	532,000	368,730	Yes	106,445	638,445	262,285	Yes
Golf Course and Restaurant	458,160	207,383	250,777	Yes	63,740	271,123	187,037	Yes
Freight Depot	-	N/A		N/A	N/A	N/A		closing fund to RR
Admin/Financial Support Services	180,304	152,233	28,071	Yes	N/A	152,233	28,071	Yes
Public Works Support Services	106,839	99,458	7,381	Yes	N/A	99,458	7,381	Yes
City Hall	122,523	N/A		N/A	N/A	N/A		N/A
Plaza Maintenance	29,800	N/A		N/A	N/A	N/A		N/A
<b>Total</b>	<b>5,952,138</b>	<b>3,190,613</b>		<b>10 out of 11</b>		<b>3,932,598</b>	<b>-</b>	<b>10 out of 11</b>

The 2013-2014 budget continues the City's mandate to efficiently provide city services, and continuously improve our processes. This past year the City expanded our strategic modeling processes to include the General Fund and evaluation of long-term sustainable funding for our retirement obligations through the State of Oregon Public Employees Retirement System (PERS).

We are committed to work with our partners and stakeholders, Crook County, Ochoco Irrigation District, private industry, Confederated Tribes of Warm Springs, State and Federal agencies, and most importantly the Citizens of Prineville, to make this next year successful.

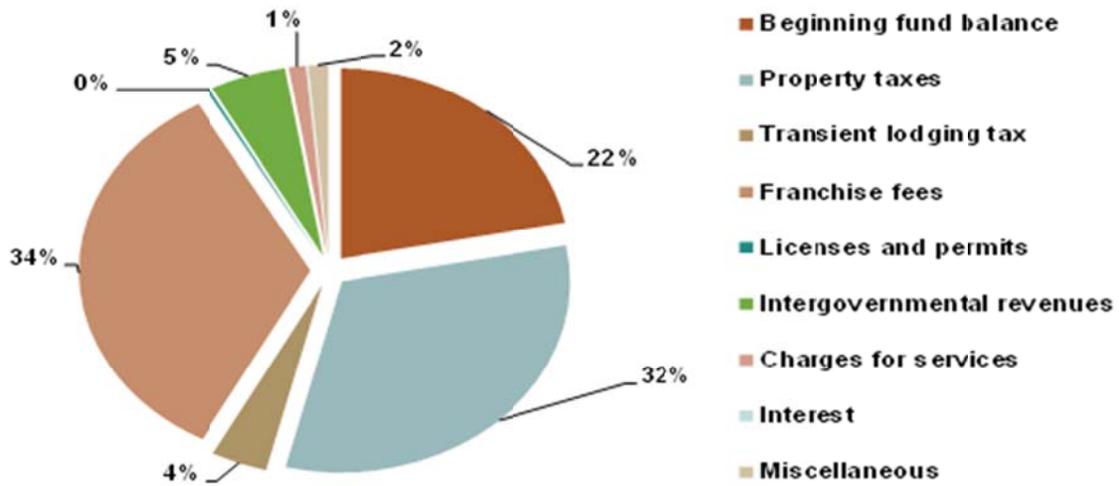
We look forward to presenting to you the City's 2013-2014 proposed budget.

## Budget Overview

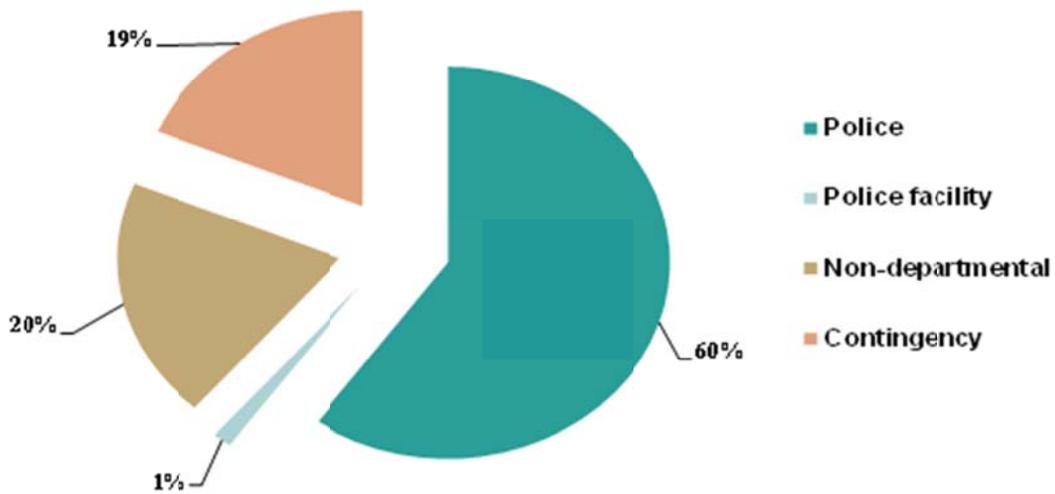


The 2013-2014 General Fund budget totals \$5,136,298. This fund includes Police services and facility of \$3,147,000, non-department funding of \$1,025,900 and contingency of \$963,398. Property tax, transient lodging tax, and franchise fees revenue largely support the general fund activities. Sixty one percent (61%) of general fund expenditures fund police safety, 20% council discretionary spending, with the remaining 19% being designated as contingency.

### Revenues



### Expenditures



## **Significant Changes in Proposed 2013-2014 from 2012-2013 Budgets**

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As the City stabilized and strengthened its financial position over the last three years, and following the success of our long-term financial forecasting models in Water, Wastewater, and Golf Course funds, we have moved forward with long-term forecasting of the General Fund.

During this past year, we analyzed the City's accrued leave for vacation and sick time, and received the valuation of the City's PERS accounts. The valuation indicated a significant unfunded liability. In turn this led management and the Finance Committee to evaluate alternatives to best manage the City's retirement benefit obligation and to proactively address a new Governmental Accounting Standards Board (GASB) statement requiring disclosure of unfunded accrued pay related liabilities in the City's financial statements beginning with the fiscal year beginning July 1, 2014. Among the alternatives the team reviewed is the possibility of issuing Pension Obligation Bonds.

As our financial team explored the funding alternatives, we also recognized the need to review our financial policies with our Finance Committee. The financial policies for the City of Prineville were first introduced in 2006. Since 2006 the City has engaged in a continuous improvement process within its financial operations. To reflect the positive changes that have occurred in Finance, provide for continuous improvement going forward, and facilitate other actions included in this budget there are several policy changes that have been made and incorporated into the planning for this budget.

Substantive changes to the financial polices include the following:

- Expanding the areas covered by the policies from seven areas to ten, including the addition of financial planning, pension funding, and separating expenditure control policies from budget policies.
- Financial planning policies provide for long-term financial modeling to inform current decisions.
- Pension funding policies provide guidance to fund pension obligations on a sustainable basis.
- Expenditure control policies are separated from budgeting to facilitate better understanding.
- Debt policies were updated to allow issuance of debt for non-capital purposes, such as funding an unfunded actuarial liability associated with the City's PERS retirement benefits.
- Implementation of an annual review and update process for the financial policies.

The impact of these policy changes is anticipated to improve the financial performance, accountability, and transparency of the City. Additionally, as with the other financial policies, the pension funding policies incorporate "best practices" for pension funding adopted in February 2013 by the Government Finance Officers Association (GFOA). There will be limited additional costs associated with the efforts necessary to fulfill the policy requirements. However, we anticipate the additional costs will be more than offset with cost savings achieved with decisions that are more fully informed.

### **Revenue Assumptions**

Beginning fund balances for fiscal year 2014 have decreased slightly over the prior year by approximately 6%, but remain healthy. The County assessors are predicting property taxes to increase by approximately 5%, while franchise fees are estimated to increase approximately \$450,000. Intergovernmental revenue is projected at approximately \$2.8 million between grants, revenue sharing, and other agency funding. System development charges are budgeted to increase with a projection of 46 new equivalent dwelling units, a new hospital, and the continued build out of the data centers. The

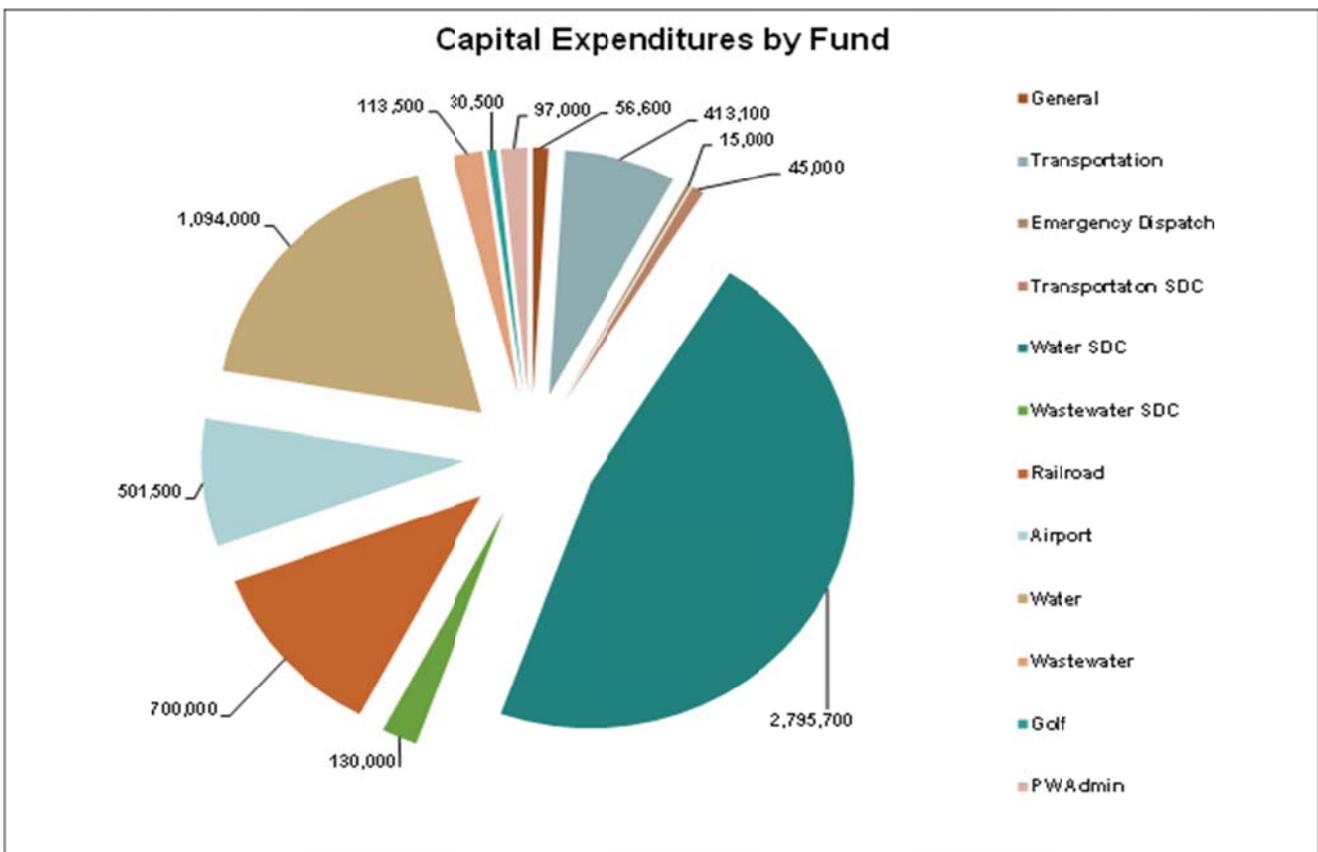
proposed budget provides upon approval from the Finance Committee and the City Council for the City to issue sufficient debt to pay PERS up to the full amount of its unfunded accrued liability (UAL) in fiscal year 2013-2014.

**Expenditure Assumptions**

Personnel services have increased approximately 6% over the prior year. Materials and services are assumed to be up approximately 4%. Debt service remains flat over the prior year at 13% of the budget. Transfers will increase 3% and capital outlay will increase 24% over the prior year. The cities contingency funds increased approximately 6%.

**Capital Improvements**

The proposed budget for FY 14 includes approximately \$5,991,900 in capital improvements that will maintain or increase capabilities.



**Public Safety / Dispatch Services**

Our City of Prineville Police Department continues to deliver first class public safety to our citizenry. The Police Department maintains an objective of “keeping a small town feel” in their operational practices. Lead by Police Chief Eric Bush, our police team continues to develop innovative processes to maximize staff effectiveness. As a result we have been successful in increasing case closure rates, and have increased our percentage preventative public safety activity. The City has also developed long range planning models for public safety funding within the General Fund model. We are now looking out five, 10, and 20 years regarding anticipated needs in personnel, training, and infrastructure to determine a plan to meet public safety demand and community expectations.

Dispatch Manager Tobie Reynolds and her staff provide 911 emergency and dispatch services to the Prineville Police, County Sherriff, Crook County Fire District, and the Bureau of Land Management (BLM). We have continued to invest in technology and staff training. Because of this we are recognized as one of the top centers in the area. We are continuing to work with the State of Oregon and other dispatch groups on funding strategies to ensure that in the future our system is adequately funded to meet our customer expectations.

## **Planning**

Director Scott Edelman, Senior Planner Josh Smith, and our planning commission continue to effectively and efficiently guide our communities planning activities. This past year the City has gained new sidewalk connectivity to area schools through the “Safe Routes to School” program. We continued to move forward with our Transportation Systems Plan (TSP) update, and also progressed in the design and engineering for the rehabilitation of the Ochoco Creek bike path. The Community Development team is increasing its activity in reaching out to and participating with local community groups in gaining input on critical decisions. Community development plays a key role by being proactive and responsive in facilitating new business opportunities and how we develop the community in the future.

## **Public Works (Transportation, Water, Wastewater, and SDC funds)**

Managed by Director/Engineer Eric Klann, our Public Works Department is increasing its capabilities and efficiencies in the following areas: Transportation, Water and Sewer, and SDC Funds. This past year we promoted City Inspector Pat Goehring to Public Works Supervisor. We remained focused on providing value to our customers, and increasing the infrastructure quality and value throughout our systems.

## **Transportation**

Street Superintendent Scott Smith and crew completed 15 blocks of grind and inlay with new asphalt in the downtown corridor, 30 miles of crack sealing, and updated 17 ADA wheel chair ramps this past year. Our goal is to have a Pavement Condition Index (PCI) in the low 80s. With this last year’s work the City increased its PCI metric from 70 in 2010 up to 75. In this next year we are scheduled to complete more grind and inlay projects downtown, as well as crack sealing. We anticipate incrementally improving the PCI in the years ahead which leads to the most effective and efficient use of resources to maintain our investment in our transportation infrastructure. Our Street department is coordinating with planning and management to develop year over year strategies to maintain street quality and prepare for future needs.

## **Water and Wastewater**

The City continuously improves the water and sewer system capabilities and capacities, while keeping focused on providing service at an affordable rate. The City through efficient management has been able to keep combined rates flat for the past three years. However, this year we have budgeted to increase our rates to keep up with the costs of operations. This past year we invested in upsizing and replacing old water lines, improving system reliability, quality, capacity, and reducing future operating costs. The City’s investment in upgrading our water system has saved over 100,000,000 gallons of water per year further protecting this valuable resource, and helping keep our cost of operation manageable. Staff has been able to develop 202.5 mitigation credits by optimizing the use of existing water rights, which equates to a cost avoidance of \$1,417,500 verses having to purchase additional water rights from the open market.

In the upcoming year the City has partnered with Project Pillar/Apple on a reimbursable SDC water project that will result in 4,400 lineal feet of water line, a new water tank, and two new wells. This new investment will serve Project Pillar/Apple, as well as add redundancy and capacity for future growth. In the Wastewater Department, we continue to invest in developing additional efficiencies to our processes. This past year we upgraded 1,100 linear feet of lines that were failing and causing maintenance costs to increase. The additional line capacity will be needed for the future development of the area proposed for a new hospital and school. Looking ahead with the treatment plant we are now at 80% completion on design and engineering for the Wetland project with an eye on completion this next fiscal year. We continue to make investments in the Wastewater process to prepare for future needs, and keep our customer rates manageable.

### **System Development Charges (SDC) Funds**

The City has benefited from the addition of our second data center this past year, and we anticipate activity in this sector to continue into 2013-2014. We are optimistic that our community will see construction begin for a new hospital and potentially a new school this year. This activity and the potential for growth that these new projects will bring, are allowing the City to continue to invest in our infrastructure in preparation for the future demand.

### **Railroad and Freight Depot**

This past year we restructured our Railroad management team and staff. Led by Matt Wiederholt, the Railroad team has adjusted its cost basis to be in line with revenue opportunities in the current conditions. The Railroad Fund is forecasted to end the year approximately \$100,000 lower than last year. This change is driven by a decrease in freight revenue dropping by approximately \$150,000 more than forecasted. The completion of the Connect Oregon project at the Junction will give the Railroad new capacity and capabilities that we believe will facilitate developing new business opportunities for additional freight revenue. In the upcoming year the Railroad operation is structured to be close to break-even using a lower revenue model. We look forward to holding our costs down and developing more business.

The Freight Depot operation continues to gain strength. Over the past year we increased occupancy rates in Building #4 and secured a long term agreement with Les Schwab Tire for Building #3. Our anchor business, "Environmental Service," continues to grow its business model. We have experienced a resurgence of interest in the depot facility these past months which has led to us budgeting for continued growth in utilization of this key City owned infrastructure.

### **Prineville-Crook County Airport**

Manager Kelly Coffelt continues to guide the Airport forward with very strong results. In partnership with Crook County, the City has management responsibility over operations. In only the second year of operations under the City's management, the Airport has not required any additional operational funding from the City or County. Through increased hanger occupancy rates, hanger revenue is up 16% over the previous year. New hanger buildings and leases have been developed with continued interest in additional build outs. The airport successfully secured a Connect Oregon grant to fund an automated weather observation system (AWOS) that will better accommodate business class aircraft traffic into our area. This past year Hillsboro Aviation sited a satellite aviation school at the Airport with plans to more than double their activity early in 2013-2014. Funding has been secured for a Master Plan update scheduled this year. Fuel sales have increased nicely, and margins on sales are up, while the Airport remains one of the most competitively priced fuel stops in the region. The Airport

and City management team continues to engage in dialogue with aviation-based businesses in hopes of drawing future customers.

### **Meadow Lakes Course and Restaurant**

Over the past year the leadership of Zach Lambert has kept the Meadow Lakes operation profitable on lower golf revenue. Like most regional courses Meadow Lakes has experienced year over year declines in golf based revenue. Zach and his staff have worked on eliminating waste in their processes and have actually been able to grow the fund balance. We believe based on the last six months performance of 2012-2013 that the downward trend may have finally ended and we will see golf activity begin to recover. We have realized increases in golf and restaurant revenue this spring versus the same time period last year. For the first time, year-end fund balance is projected to be over \$400,000. The increase in fund balance will allow Meadow Lakes to begin to fund needed capital improvements to keep this operation one of the best golf values in the Central Oregon area.

### **Administrative Services**

The Finance staff, led by Finance Director Liz Schuette continues to develop a culture of cooperation by increasing their ability to be a cross functional, well trained team. Gains in efficiency through cross training have allowed head count to remain static as the team has increased work load from other enterprise funds. Director Schuette continues to work on proactively developing innovative solutions to long term financial strategies to maintain the financial integrity of City operations. The City of Prineville was awarded the prestigious "Government Finance Officers Association" (GFOA) budget award for the seventh consecutive year.

### **Human Resources/Safety**

Director Mary Puddy provides the City with leadership on both safety and human resource management. The City works endlessly on safety awareness; this past year the results are positive. Workers Compensation claim frequency trended down sharply in 2013, with the lowest frequency since 2008. As a result Workers Compensation insurance premiums are forecasted to be stable this next year. Property casualty and liability claims cost were less than 50% of the previous year at \$13,000. Managing safety is standard work at the City of Prineville, with the benefits of lower cost insurance allowing for more tax payer revenue to be spent providing services.

Human Resources continuously develop its capabilities each year. We are focused on providing educational opportunities for our team members in addition to providing wellness coaching to promote healthier life styles. We look forward to providing our employees a safe and rewarding work place environment this next year.

### **Information Technology**

Director James Wilson and staff provide our City with a reliable array of systems that we depend on each day. From 911 Dispatch/Police to Wastewater Treatment, there is not one aspect of the City not tied to IT. Network availability has been 99.98% or better the past three years, with average time to incident resolution at 65 minutes last year. This past year the IT team upgraded emergency 911 systems throughout the County, completed the mandated narrow banding with all local government radio users, installed additional security camera systems in City Hall, and equipped two new police vehicles with radio and computer equipment. This next fiscal year IT will be focused on upgrading copy machines, optimizing cost effectiveness, upgrading phone systems to voice over IP systems, and developing and deploying a new City website.

## **The Year Ahead**

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The last four years we have been focused on managing through a tough recession. We have been successful in our efforts, and have built a strong foundation to move forward. We have learned from our mistakes and implemented sound processes and management metrics to help us move forward. As a result, we will be focusing more on long-term strategy. We will enter into a strategic planning process that will be incorporated into our Master Plans, long-term modeling, and annual budgets.

# Council Goals / Department Goals

Department	Council Goals 2013-2014	GOALS	STRENGTHEN LOCAL, REGIONAL AND INTERGOVERNMENTAL RELATIONSHIPS & COOPERATION	BE "BUSINESS FRIENDLY" - STRENGTHEN BUSINESS-RELATED GOVERNMENT RELATIONSHIPS & COOPERATION	SUSTAIN & EFFICIENTLY PLAN FOR THE FUTURE OF INFRASTRUCTURE	COMMUNITY SAFETY	MAINTAIN "LIVABILITY" OF PRINEVILLE WHILE WELCOMING DIVERSITY	CONTINUED COUNCIL SUPPORT FOR PROFESSIONAL DEVELOPMENT OF STAFF	CREATE & SUSTAIN CITY OWNED ENTERPRISE PROFITABILITY	PROTECT SCENIC & HISTORIC RESOURCES	ENHANCE & MAINTAIN COUNCIL PUBLIC RELATIONS	IDENTIFY & EVALUATE CITY OWNED PROPERTY
Community Development	Complete Update of Transportation System Plan	X	X	X	X	X	X				X	
	Complete Exploration and Initiation of Urban Renewal	X	X	X			X	X			X	
	Explore Possibility of Adding a Large Industrial Site to the UGB based on the Regional Large Lot Initiative	X	X	X	X		X				X	
	Develop Long Range Financial Plans (All Funds)	X	X	X	X		X	X	X		X	X
Finance	Update Financial Policies/Reserve Requirements	X	X	X	X			X	X		X	
	Review / Update Internal Controls	X	X	X	X			X	X		X	
	Revenue Sustainability (By Fund)	X	X	X	X		X	X	X		X	
Freight Depot / Railroad	Achieve & Sustain Railroad Profitability	X	X	X	X		X	X	X		X	
	Achieve & Sustain Freight Depot Profitability	X	X	X	X		X	X	X		X	
Human Resources	No Injuries / No Human Factor Accidents	X	X	X	X		X	X	X		X	
	Professional Development of Staff	X	X	X	X		X	X	X		X	
	Implement Cross Training of Staff	X	X	X	X		X	X	X		X	
Meadow Lakes	Develop Business Continuity Plan (Business as usual in emergency)	X	X	X	X		X	X	X		X	
	Implement New Lunch Menu in the Restaurant to Increase Profitability & Maintain High Food Standards	X	X	X	X		X	X	X		X	
	Implement PGA's Tee it Forward Initiative by Adding an Additional Set of Tees on Each Hole to Make the Course More Player Friendly for Golfers of All Ability Levels	X	X	X	X		X	X	X		X	
	Increase the Number of Annual Golf Passes by Ten in the Next Year	X	X	X	X		X	X	X		X	
Police / 911 Department	Initiate a Planning Cycle that Identifies Future Public Safety Facility Requirements	X	X	X	X		X	X	X		X	
	Resolve Communications Gaps created by Narrow-Banding	X	X	X	X		X	X	X		X	
	Seek & Obtain Funding For Continued Maintenance and Development of the School Resource Officer Program	X	X	X	X		X	X	X		X	
	Support County Initiatives for the development of an Adequate Corrections Facility	X	X	X	X		X	X	X		X	
Public Works	Identify Acceptable PCT Rating & Secure Financing for Maintaining	X	X	X	X		X	X	X		X	
	Finalize Design for Wetland Project	X	X	X	X		X	X	X		X	
	Continue Antenna Read Meter Replacement	X	X	X	X		X	X	X		X	
	Participate in Development of Emergency Response Plan	X	X	X	X		X	X	X		X	
	Investigate Existing Telemetry Capabilities and Identify Areas to be Improved	X	X	X	X		X	X	X		X	
Administration	Develop Training/Certification Tracking Matrix for PW Employees	X	X	X	X		X	X	X		X	
	Develop City Vision	X	X	X	X		X	X	X		X	
	Develop City Strategic Plan	X	X	X	X		X	X	X		X	
Airport	Update Equipment & Plans to Achieve Safety & Operational Compliance	X	X	X	X		X	X	X		X	
	Develop Plan for Public/Business Relations	X	X	X	X		X	X	X		X	
	Provide Excellent Customer Service	X	X	X	X		X	X	X		X	
	Create Marketing Plan to Support Economic Growth Identify & Secure Sources for Project Funding	X	X	X	X		X	X	X		X	

## **Budget Summary**

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The proposed budget before you is a result of the hard work and dedication of City Staff, Council, community partners, and citizens. Your staff takes great pride in providing reliable quality City services, a safe environment, a business climate that encourages existing businesses to stay and grow and a community new business want to site in.

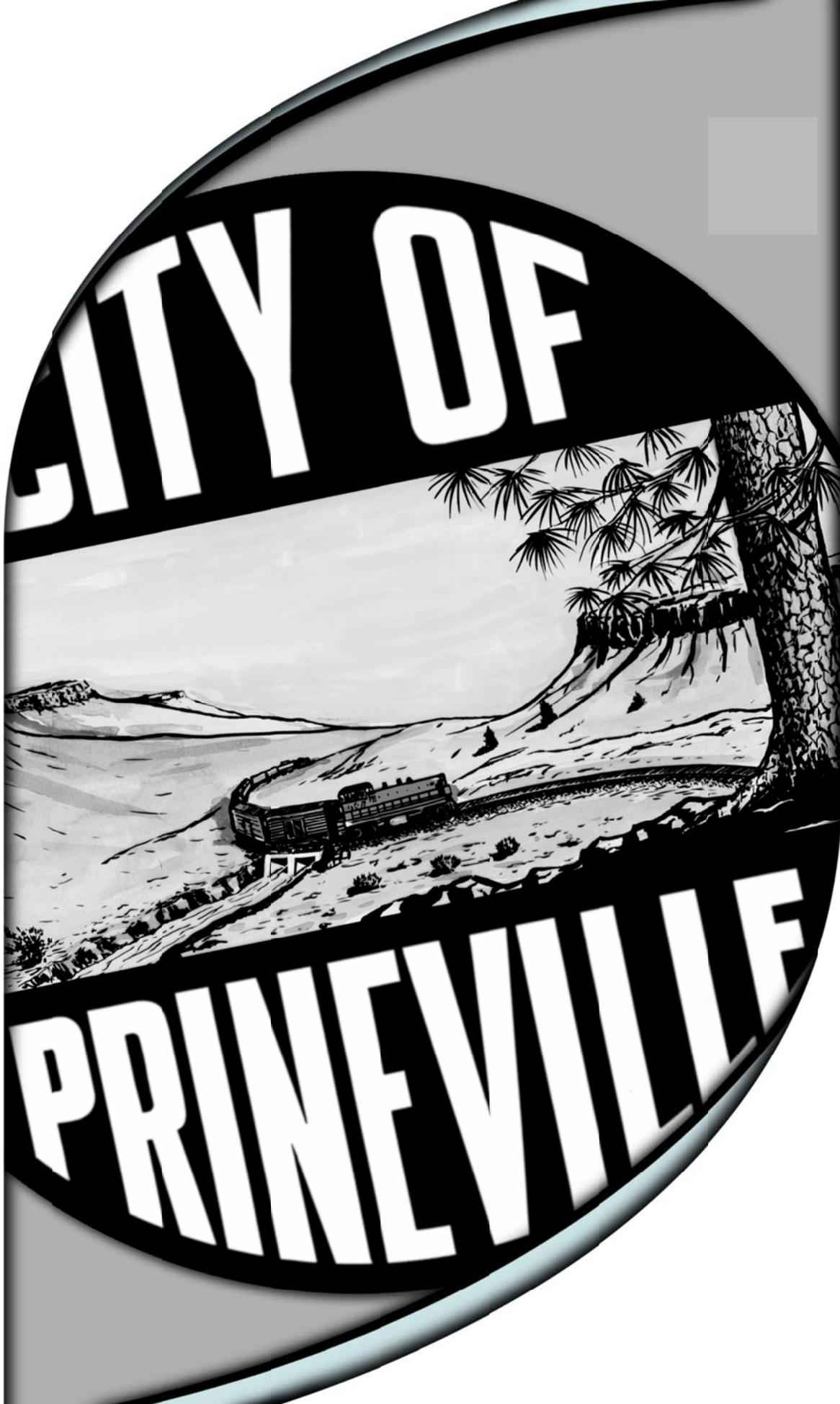
We have developed an environment in our City that has helped to secure both Facebook and Apple data centers, worked with local stakeholders to help facilitate St. Charles Health Care Systems Board to move forward with investing in a new hospital facility, and worked with the School District on their efforts to bond a new school and upgrades. Our community has developed a culture that embraces opportunity and growth while holding on to our traditions that truly make Prineville a tremendous community to live, work, and play.

I am very pleased to be part of the team at the City of Prineville and look forward to presenting the proposed 2013-2014 budget.

The budget committee will hold its first meeting on May 21<sup>st</sup> at 6:00 p.m., with budget meetings scheduled to resume on June 4<sup>th</sup> through June 6<sup>th</sup> at 6:00 p.m.

Sincerely,

Steve Forrester  
City Manager



Welcome to Prineville!

**City of Prineville Adopted Budget FY 2013-2014**

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## Community Profile

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The City of Prineville is a unique small town located within Central Oregon. Nestled in an ancient volcanic basin, the rim rock plateaus lend their scenic beauty to an extraordinary backdrop. Saturated in a rich historical atmosphere, Prineville is a recreational playground that has managed to keep its friendly, small town character and appeal. It is a truly beautiful place to live and work.

The City of Prineville was established in 1868. Not only is it one of Oregon's first incorporated cities, but also the oldest community in Central Oregon. Crook County, named after General George Crook, claims Prineville as its only city. The county was originally part of Wasco County, but separated in 1882. Barney Prine founded the city when he settled on the banks of the Crooked River, where he established a blacksmith shop and a store/saloon. Prineville was the primary place of trade in Central Oregon until 1911.



*View of the Rimrocks that you travel down on OR Highway 126 into Prineville from Meadow Lakes Golf Course.*

One of the unique features of this unusual town is that Prineville owns the oldest continuously operated municipal short line railroad in the United States. The City of Prineville Railway was established after the Union Pacific and Oregon Trunk Railways were built to extend south from the Columbia River to Bend. Prineville built their own railroad in 1918 to join the Oregon Trunk and the Columbia River Railways just north of Redmond. These railways helped to keep the lumber industry strong in Prineville throughout the 1930s and '40s. Today, the City of Prineville Railway is a customer oriented short line railroad. It connects with the Burlington Northern Santa Fe and the Union Pacific Railroads at the Prineville Junction just north of Redmond. In the last several years, the city has been fortunate to receive approximately \$7.5 million in Connect Oregon I, II and III grants, which enabled the city to add buildings to its freight



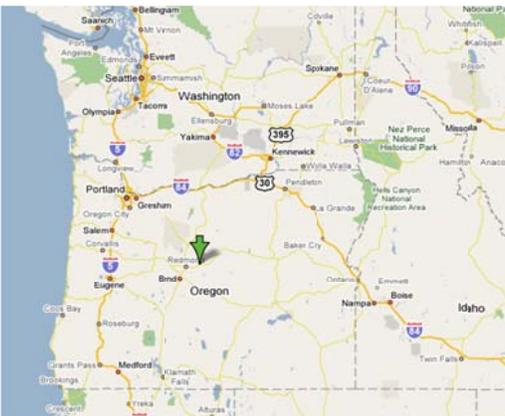
*The Crooked River Round-Up is a beloved Prineville event.*

depot operations and a bulk transload facility at the Prineville Junction. The bulk transload facility is expected to reach completion by the end of June 2013. The Railway continues to attract a variety of businesses that are looking to locate and/or store materials near the railway. This is due to the convenience of affordable transportation and shipping/storage options. In September of 2011, the Freight Depot received the annual *Award for Excellence* in the small city category from the League of Oregon Cities.

In addition to managing its own municipal railroad, Prineville also owns a municipal golf course. The Meadow Lakes Golf Course was built in response to issues associated with wastewater management for Prineville. This makes Meadow Lakes an important asset to the community as it serves a dual purpose; recreation and wastewater treatment. Because of this, Meadow Lakes has been featured in the USA Golf Journal, and is one of the first recipients of Golf Digest's national Environmental Leadership Award. Meadow Lakes recently completed a much needed update. Now, Meadow Lakes has more of a rustic lodge feel to it, rather than the cream and mauve colors it has sported since it was originally built. The new updates and colors allow a feeling of cohesiveness with the spectacular outdoor views from the existing floor to ceiling windows. The almost panoramic views include the surrounding mountains, beautifully manicured greens, Crooked River, and frequently deer eating along the river.

In September 2011 the Prineville-Crook County Airport management was transferred from the County to the City. The Airport was previously operated by an airport commission and a manager. The City and County dissolved the airport commission and the City took over management of this jointly owned asset. Since execution of this agreement the City, in collaboration with the County, hired an airport manager who has been aggressively increasing business and recreational activities at the airport. Hanger vacancies are down and aviation fuel sales are up. Hillsboro Aviation has decided to make the Prineville-Crook County Airport home for one of their flight schools due to the ideal weather here in Central Oregon. The City was successful in another Connect Oregon grant which is enabling the airport to install an automated weather observation service (AWOS) enabling pilots anywhere to get all possible weather conditions in Prineville at any time. With this addition and expanded runways, it allows private commercial planes to fly in, take care of business, and fly back home. Also on the horizon is the much needed update of the Airport Master Plan. This will help continue guiding this community's valuable infrastructure in to the future.

As part of Central Oregon, Prineville offers many recreational activities for the outdoor enthusiast. It is geographically located near several waterways and reservoirs, as well as mountains and many other natural landscapes that provide the opportunity for outdoor activity year-round. The beautiful Painted Hills of Mitchell and the magnificent Smith Rock State Park are just a couple of must-see attractions in this area. Some of the activities residents and visitors of Prineville enjoy are:



fishing, hunting, boating, rafting, skiing, snowboarding, hiking, camping, rock climbing, horseback riding, and rock hounding. Prineville also has a strong agricultural heritage that adds its own flair to community events. One popular attraction is a traditional live cattle drive, right down the main commerce area of town. This kicks off the “Crooked River Roundup”, a popular yearly rodeo event. There is also an annual fair and horse race, as well as several other rodeo events throughout the year.

There are still many opportunities for housing in the City of Prineville. Newer subdivisions have been built all around Prineville as well as the charming older homes that offer more affordable housing for Central Oregon. In this last year, we have experienced a shrinking inventory of homes for sale and an increase in property tax revenue. There have even been a few building permits for new home construction.

Prineville is also able to cater to a variety of job markets. Between construction, manufacturing, retail, government jobs, and a newly minted spot in the tech sector, the city touches on all types of employment. The presence of Facebook and Apple continue to be positive for our community with numerous construction jobs and other service jobs. All of these employees continue to visit our local gas stations, restaurants, stores, and hotels.

### **Government**

The City of Prineville has a Council/Manager form of government. The Council is composed of a mayor and six city councilors elected from the City at large. Three councilors are elected at each biennial election and serve a term of four years. At each biennial general election a mayor is elected for a term of two years.

<b>City of Prineville Mission Statement</b>
<p>The mission of the City of Prineville is to consistently contribute to Prineville’s reputation as a safe, welcoming and friendly place to live, work, play, learn, and visit.</p> <ol style="list-style-type: none"><li><b>1.</b> We will invest in resources for selected community based services determined to be necessary or beneficial to our community, or as required by statute.</li><li><b>2.</b> We will consistently involve residents in planning and budgeting.</li><li><b>3.</b> We will maintain facilities and equipment in a manner that protects the investment of precious tax dollars; and,</li><li><b>4.</b> We will inspire community members to work together effectively to consistently build a strong, viable local economy that improves the standard of living for residents and businesses.</li></ol>

### **Schools in Crook County**

The Crook County School district is one of four school districts located in Central Oregon. It currently has an enrollment of approximately 3427 students, which is an increase over last year’s enrollment numbers by 434 students. The District consists of one high school, one middle school (grades 6-8), three in-town elementary schools (grades K-5), and one rural school in Paulina (grades K-8). The Crook County School District is served by the High Desert Educational Service District. Additionally, there is a charter school in Powell Butte (grades K-6), and Crook County Christian School in Prineville (grades preschool – 12<sup>th</sup>). This last year Insight Charter (online) has been added as an alternative educational opportunity. Crook County Open Campus that is a partner of Central Oregon Community College in Prineville continues to increase enrollment numbers. The campus offers a variety of credit classes and a degree partnership program with Oregon State University. This is yet another increasingly popular addition to the community that the city has supported in providing higher educational opportunities to our citizens. The community’s School District Facility Committee recently completed an analysis of the condition of our elementary schools. Two of the three schools were built

in the early 1930s and the 1940s. After reviewing the findings, the School Board voted to take the possibility of building a new school to the voters. With one bond measure coming off the books, the new elementary school can be built without rising what the taxpayers currently pay.

## Statistical Overview/Regional Comparisons

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The following charts provide a quick overview of statistical information about Prineville and a snapshot of how Prineville compares to other cities in our region for population, student enrollment, and unemployment.

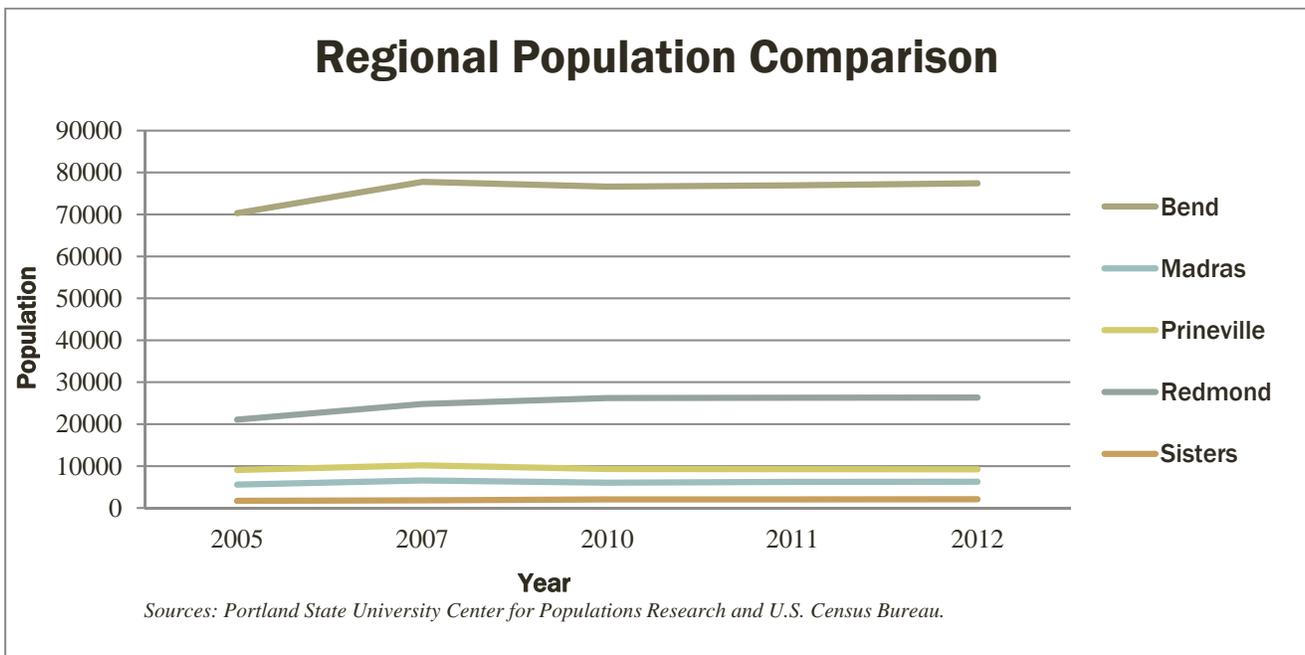
<b>City of Prineville Statistics</b>	
Year of Incorporation	1868
Form of Government	Council / Manager
Number of Employees	65.56 FTE
City Property Tax Rate	\$3.0225 / \$1,000 AV
City Bonded Debt Tax Rate	\$0.00 / \$1,000 AV
Total Annual Budget	\$34 Million
Outstanding Debt	\$17 Million
Debt per Capita	\$2,092
Net Asset Value Exceeds Liabilities by	\$43.6 Million
Bond Rating	A+

<b>City of Prineville Asset Statistics</b>	
City Maintained Roads	54 Center lane miles
Sidewalks	30 miles
Sewer Mains	40 miles
Manholes	1,097
Parks	63 miles

<b>City of Prineville Land and Climate Statistics</b>	
Crook County Area (in miles)	2,982
Crook County Area (in acres)	1,900,000
Elevation	2,864 feet
Climate	Semi-Arid, Cool Nights
Climate Zone	Climate Division 7
Mean Temperature in January – High	41.90
Mean Temperature in January – Low	21.00
Mean Temperature in July – High	85.80
Mean Temperature in July – Low	42.80
Annual Precipitation (in inches)	10.49

City of Prineville Citizen Statistics	
Population	9,245
Percentage of Population Female	51.9%
Percentage of Population Male	48.1%
Median Age	32.9
Percentage Age 65 and Older	17.4%
Number of Registered Voters in County	12,413
Average Household Size	2.45
Median Family Income	\$37,424
Median Property RMV	\$175,900
Number of Housing Units	4,201
Housing Units Owner Occupied	56.0%
Housing Units Renter Occupied	44.0%

Regional Population Statistics					
City	2005	2007	2010	2011	2012
Bend	70,328	77,780	76,639	76,925	77,455
Madras	5,600	6,585	6,050	6,225	6,250
Prineville	9,082	10,190	9,320	9,260	9,245
Redmond	21,109	24,805	26,212	26,305	26,345
Sisters	1,706	1,825	2,038	2,055	2,080



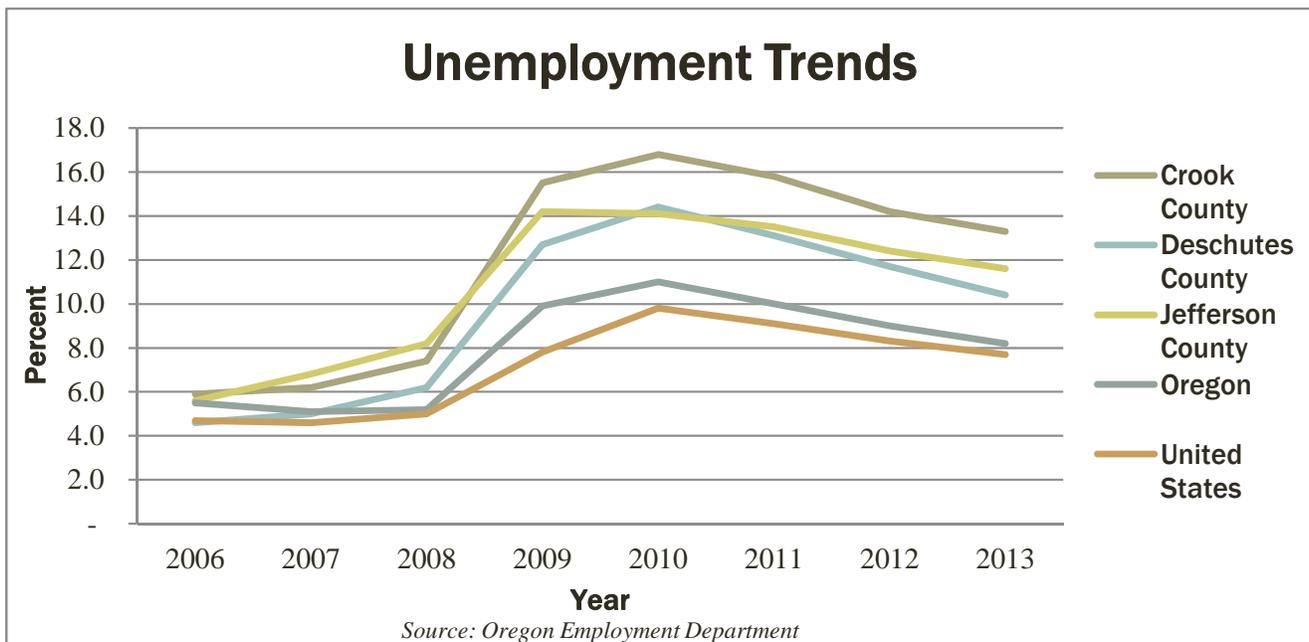
<b>Major Employers of the City of Prineville</b>
Les Schwab Tire Center
Clear Pine Moulding, Inc. (Contact Industries)
Crook County School District
Woodgrain Millwork, Inc.
Pioneer Memorial Hospital
Bureau of Land Management
Fontana Wood Products of Oregon, Inc.
United States Forest Service
Hilltop Health Care, Inc.
Crook County

<b>Major Utility Users in the City of Prineville</b>
Facebook, Inc.
Woodgrain Millwork, Inc.
Apple, Inc.
Clear Pine Moulding, Inc. (Contact Industries)
Northwest Laundry Services
Les Schwab
Pioneer Memorial Hospital
Best Western of Prineville
Crook County School District
Stafford Inn

<b>Major Tax Payers in the City of Prineville</b>
Brasada Ranch Development, LLC
Les Schwab Warehouse Center, Inc.
Clear Pine Moulding, Inc. (Contact Industries)
Les Schwab Tire Center #11
O’Ryan Ranches, LLC
Ochoco Lumber Co.
CenturyLink
WG Prineville, LLC
Gas Transmission NW Corp
Apple, Inc.

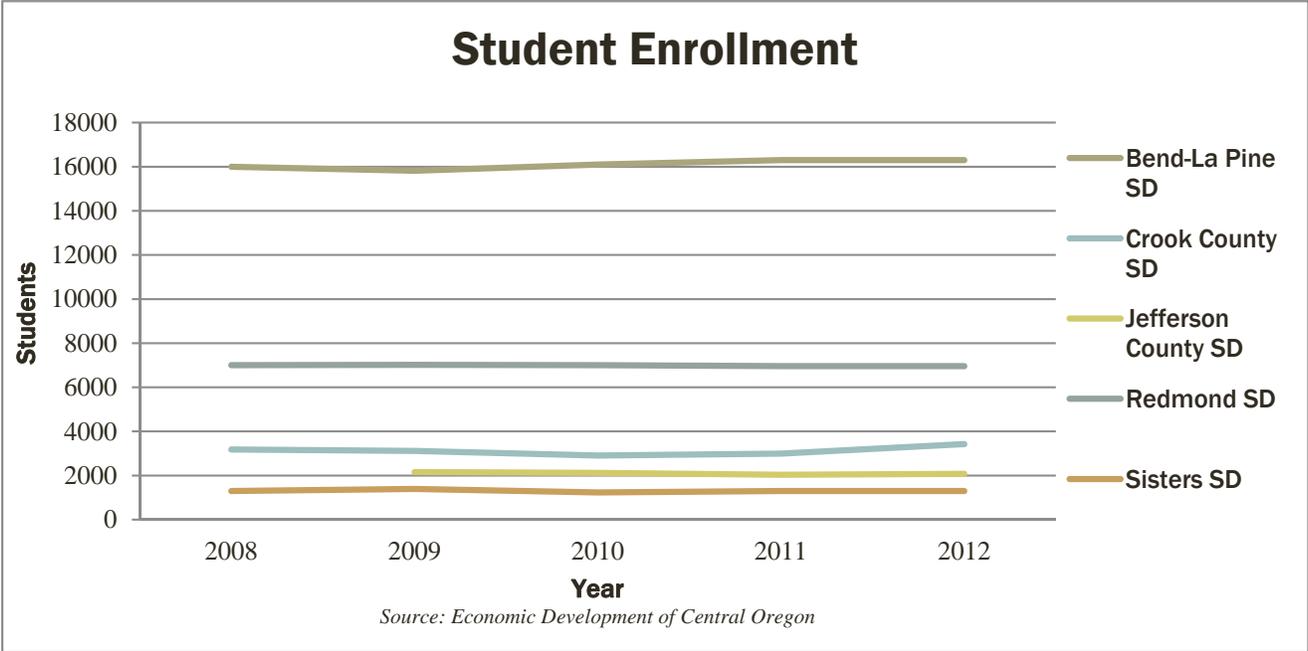
The City of Prineville has had the highest unemployment rate in the region since 2008. Manufacturing jobs, primarily with wood products, have declined. Other jobs such as warehousing, utilities, retail trade, professional and business service, construction due to Facebook and Apple, education, health services, leisure and hospitality continue to be added. Economic Development for Central Oregon (EDCO) and Oregon Employment Department reported in March 2011 that most of the good news for employment growth is happening in Crook County. The unemployment chart illustrates a decline in the unemployment rate that started in 2010 and continues to descend.

Regional Unemployment Statistics								
Region	2005	2006	2007	2008	2009	2010	2011	2012
Crook County	6.7%	6.0%	6.3%	9.6%	17.9%	17.5%	14.0%	13.5%
Deschutes County	5.5%	4.6%	5.0%	8.0%	14.6%	14.4%	11.3%	10.9%
Jefferson County	6.1%	5.7%	6.8%	9.9%	14.7%	14.1%	12.8%	12.4%
State of Oregon	6.2%	5.4%	5.2%	6.4%	11.1%	10.8%	8.8%	8.6%
United States of America	5.1%	4.7%	4.6%	5.8%	9.3%	9.6%	8.3%	8.2%

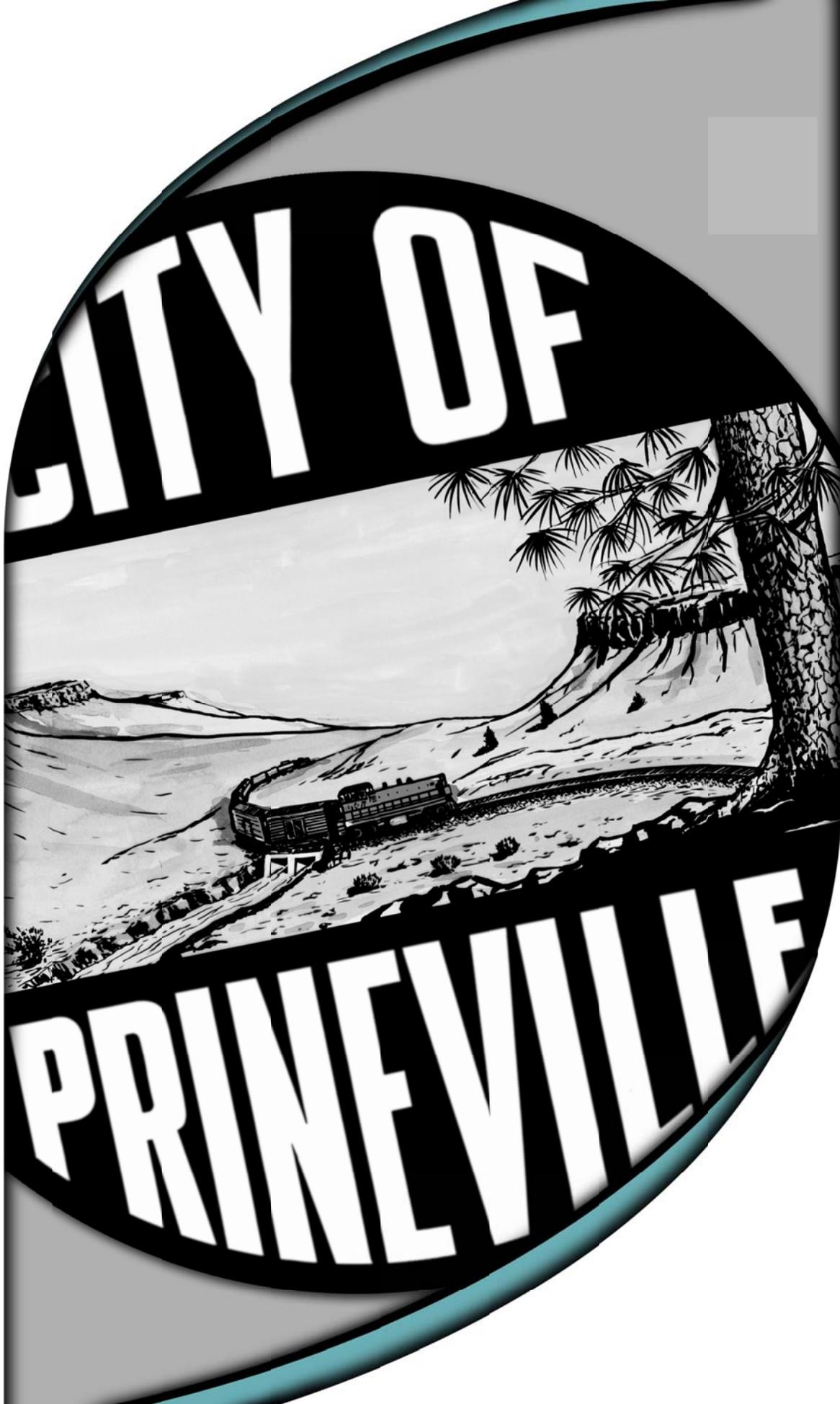


Crook County School District has seen an increase in attendance this year. School enrollments for other communities in the Central Oregon region have also experienced slight increases.

Regional Student Enrollment Statistics					
School District	2008	2009	2010	2011	2012
Bend – La Pine SD	16,000	15,819	16,100	16,300	16,300
Crook County SD	3,183	3,113	2,907	2,993	3,427
Jefferson County SD		2,153	2,123	2,033	2,076
Redmond SD	7,000	7,017	7,003	6,962	6,962
Sisters SD	1,300	1,393	1,235	1,300	1,300



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# Budgeting in the City of Prineville

## City of Prineville Adopted Budget FY 2013-2014

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## Budget Committee

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<b>Budget Committee Members</b>
<b><u>Council Members</u></b>
Mayor Betty Roppe
Jason Beebe
Jason Carr
Gail Merritt
Dean Noyes
Jack Seley
Steve Uffelman
<b><u>Citizen Members</u></b>
Marty Bailey
Brenda Comini
Bob Gomes
Deb Harper
Gari Jo Noyes
Dr. Paul Slater
Karole Stockton

## The Budget Process

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A budget is defined by Oregon State Law (Oregon Revised Statutes (ORS), Chapter 294), as a financial plan containing estimates of revenues and expenditures for a given period or purpose, such as the fiscal year. The City is required to budget all funds and for each fund to have a balanced budget.

The state of Oregon defines balanced budgets as one in which total resources, including beginning resources, current resources and debt proceeds, equal total requirements, including current year

***As a rule, local governments in Oregon operate on a fiscal year that begins on July 1 and ends the following June 30.***

expenditures, capital outlay, transfers, debt service and any other requirements such as debt service reserves. Budgeting is critical to cities because it requires local governments to evaluate plans and establish priorities in relation to available financial resources. Also under ORS, a legally adopted budget is necessary to establish and justify a given rate and or amount of property taxes to be levied on the property within the city.

The City of Prineville prepares and adopts its annual budget in accordance with the city charter and Oregon Local Budget Law (ORS 294.305 – 294.555 and 294.565). The budget is presented by fund and department categories. The City Manager has responsibility for management of the overall city budget and maintaining budgetary control at the approved appropriation level. Finance and the respective operating department directors perform ongoing review and monitoring of revenues and expenditures. The Citizens Budget Committee consists of the governing body plus an equal number of legal voters appointed by the City Council. Accordingly, the City of Prineville has 14 budget committee members, in which the votes of all members are equal. The first review of the budget occurs when the budget is presented to the committee. At that time the budget is made publicly available, and the committee begins their review. 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 amendments may be made during the fiscal year through adoption of a supplemental budget, a similar process used for the regular budget (including the use of public hearings but excluding the Citizens Budget Committee).

## FY 2014 Budget Calendar

Date	Action
January 2, 2013	Distribution of the Budget Worksheet and Calendar.
January 2, 2013	Departments begin year-end estimate process for 2012-2013 budget.
January 8, 2013	Staff preliminary budget goals due.
January 22, 2013	City Council workshop to establish goals for year.
January 22, 2013	Second quarter financial review at council (invite budget committee).
January 23, 2013	Review Capital Improvement Plan's at staff meeting.
January 23, 2013	Year-end estimates from department managers.
February 12, 2013	Council adopts goals.
February 13, 2013	Strategic workshop with department managers/council goals.
February 18, 2013	Finance estimates beginning cash balances for 2013-2014 budget.
February 18, 2013	CIP's updated by department managers/workshop for 2013-2014 budget.
February 20, 2013	Personal changes from department managers for 2013-2014 budget.
February 20, 2013	Department managers update year-end estimates.
February 28, 2013	Department budget proposals for the upcoming budget are provided to Finance.
March 15, 2013	Manager and Finance estimate personal budgets for 2013-2014.
March 20, 2013	Department managers update year-end estimates.
March 20, 2013	First Draft of proposed budget narrative including brief description of various services, goals, key performance indicators, trend information (if available), capital outlay, and significant changes to City Manager.
March 27, 2013	City Manager and Finance reviews proposed budgets with department managers.
April 17, 2013	Department managers update year-end estimates.
April 24, 2013	Finance Director distributes proposed department budgets including narrative to City Manager and department managers.
April 26, 2013	Department managers review budget numbers and sign off on proposed budget.
May 1, 2013	Finance updates budget reflecting changes made by City Manager or department managers.
May 21, 2013	Budget committee training session to review current year to date information and discuss budget process, roles and responsibilities.
May 21, 2013	First budget meeting. Budget distributed to members and budget message reading (prior to council meeting).
June 4, 2013	Second budget meeting.
June 14, 2013	Department managers update year-end estimates.
June 25, 2013	Council budget hearing and resolutions: <ol style="list-style-type: none"> <li>1. Adopting budget and making appropriations.</li> <li>2. Levying taxes.</li> <li>3. Resolution declaring intent to receive state revenue sharing funds.</li> </ol>

## **Fiscal Policies**

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### **Basis of Budgeting Policy**

The City maintains accounting records on a GAAP (Generally Accepted Accounting Principles) basis and for budgeting purposes also recognizes capital outlay and debt service as expenditure requirements. Prior to FY 06, the City utilized the cash method of accounting for budgeting purposes. For financial reporting purposes governmental funds use the modified accrual basis of accounting and proprietary funds use full accrual. Under the modified accrual basis, revenues are recognized when they are both measurable and available and expenditures are recognized when incurred. Under the full accrual method, revenues are recorded when earned and expenses are recorded when the liability is incurred.

Budgets for all city funds are prepared on a modified accrual basis consistent with GAAP. For transactions, which were initially recorded in compliance with Oregon Local Budget Law, adjustments may be required for GAAP-basis financial reporting. Examples of these adjustments include the acquisition of proprietary fund fixed assets which are considered expenditures under Oregon Local Budget Law, but are not reported as current year expenditures under GAAP. Receipts of proceeds of proprietary fund debt financing and principal payments received on interfund loans are considered budgetary resources, but are not reported as revenues under GAAP. Depreciation, amortization and non-cash contributions are also examples of transactions that are not reported under the budget basis but are reported in GAAP-basis financial reporting.

The City of Prineville is committed to responsible fiscal management through financial integrity, prudent stewardship of public assets, planning, accountability and full disclosure. The broad purpose of the Fiscal Policies is to enable the City to achieve and maintain a long-term stable and positive financial condition. These policies are adopted by the City Council as the basic framework for overall financial management of the City, to guide day-to-day and long-range fiscal planning and decision making, and to achieve the following general financial goals:

- 1.** Provide an adequate financial base to sustain the desired level of municipal services to maintain the social wellbeing and physical conditions of the City.
- 2.** Deliver cost effective and efficient services to citizens.
- 3.** Provide and maintain essential public facilities, utilities, and capital equipment.
- 4.** Protect and enhance the City's credit rating so as to obtain the lowest cost of borrowing and assure taxpayers and the financial community that the City is well managed and financially sound.
- 5.** Provide the financial stability needed to navigate through economic downturns, adjust to changes in the service requirements of the community and respond to other changes as they affect the City's residents and businesses.
- 6.** Adhere to the highest standards of financial management and reporting practices as set by the Government Finance Officers Association, the Governmental Accounting Standards Board and other professional standards.
- 7.** Fully comply with finance related legal mandates, laws and regulations.

To achieve these goals, fiscal policies generally cover areas of revenue management, operating and capital budgeting, financial planning and forecasting, investment and asset management, debt management, pension funding, accounting and financial reporting, reserves and internal controls.

These policies are reviewed annually by management, the Finance Committee, and City Council and amended as necessary, as part of the budget process.

Policies are addressed in ten areas:

- **Revenue**, which deals with taxes, user fees and other revenues by which the city generates income to fund programs and services.
- **Operating expenditures**, which relates to budgeting guidelines.
- **Expenditure control**, which addresses the City's efforts to ensure spending, is consistent with the City's fiscal plans.
- **Capital equipment and improvements**, which relates to establishing a 5-year capital equipment and improvement plans for all major equipment and infrastructure systems provided and maintained by the city.
- **Accounting and financial reporting**, which relates to accounting and reporting financial transactions and preparing financial reports.
- **Financial planning**, addresses longer term financial forecasting to help inform decisions.
- **Debt**, which addresses long-term financing of the city's capital needs and maintaining its bond rating.
- **Pension funding**, addresses the short- and long-term funding policies of the City's pension obligations.
- **Reserves**, establishes minimum working capital balances, required reserves and operating contingency as needed for routine cash flow and responding to unexpected expenditures or increases in service delivery costs.
- **Management of fiscal policy**, sets forth the administration of fiscal policies on a continuing basis.

## **1. Revenue Policies**

- 1.1.** The City will strive for and maintain diversified and stable revenue sources to prevent undue or unbalanced reliance on any one source of funds. Revenue diversity will also reduce risk to the City from short-term fluctuations in any one revenue source.
- 1.2.** Significant one-time and or temporary revenues will not be used to fund continuing programs and services, but rather to fund one-time expenditures or fund reserves.
- 1.3.** 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).

- 1.3.1** The Council will determine what amount of SDCs to impose.
- 1.4.** The City will maximize the use of users' charges in lieu of ad valorem taxes and subsidies from other City funds, for services that can be identified and where costs are directly related to the level of service provided.
- 1.4.1** Charges for providing utility services shall be sufficient to finance all operating, capital outlay and debt service expenses of the City's enterprise funds, including operating contingency, reserve requirements, and capital replacement. Consideration will be given to return on investment and existing and or anticipated debt to insure a debt coverage ratio of no less than 1.25 for debt issued in public markets and 1.1 for debt issued to federal and state agencies.
- 1.4.2** User charges shall be sufficient to finance all City costs to perform development review and building activities. User charges include, but are not limited to, land use, engineering inspection, building permit and building inspection fees.
- 1.4.3** Other reimbursable work performed by the City (labor, meals, contracted services, equipment and other indirect expenses) shall be billed at total actual or estimated total actual cost.
- 1.4.4** Charges for services shall accurately reflect the total actual or estimated total cost of providing a specific service. The cost of providing specific services shall be recalculated periodically, and the fee adjusted accordingly. The City shall maintain a current schedule of fees, indicating when the fees were last reviewed and/or recalculated.
- 1.5.** The City shall pursue an aggressive policy of collecting delinquent accounts. When necessary, discontinuing service, small claims court, collection agencies, foreclosure, liens and other methods of collection, such as imposing penalties, collection and late charges, may be used.
- 1.6.** The City Manager shall approve all grant applications before their submission. Additionally, all potential grants that require matching funds, on-going resource requirements, or include new or additional continuing compliance requirements shall be evaluated and considered before submittal of the application. The City Council will be provided the evaluation with the request for their acceptance of the grant.
- 1.7.** Revenues will be estimated realistically and prudently. Revenues of a volatile nature will be estimated conservatively. The City will estimate its revenues by an objective, analytical process using best practices as defined by the Government Finance Officers Association.

## **2. Operating Budget Policies**

- 2.1.** The City will prepare an annual budget with the participation of all departments that incorporates GFOA recommendations relative to budgeting for results and outcomes.

- 2.1.1** Determine how much money is available. The budget should be built on expected revenues. This includes base revenues, any new revenue sources, and the potential use of fund balance.
  - 2.1.2** Conduct analysis to determine what strategies, programs, and activities will best achieve desired results.
  - 2.1.3** Budget available dollars to the most significant programs and activities. The objective is to maximize the benefit of the available resources.
  - 2.1.4** The City shall maintain a budget system to monitor expenditures and revenues on a monthly basis, with a thorough analysis and adjustment (if required) at least at mid-year.
- 2.2.** 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 of 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.
- 2.3.** The budget process will be coordinated so that major policy issues and department goals and objectives are identified and incorporated into the budget.
- 2.4.** The cost allocation plan, previously developed, will be reviewed annually and serve as the basis for distributing general government and internal service costs to other funds and capital projects.
- 2.5.** The City Council shall adopt the budget at the fund, departmental or program level as a total dollar amount for all appropriations except contingency, unappropriated ending fund balance and reserves, which shall be stated separately.
- 2.6.** Long-term debt or bond financing shall only be used for the acquisition of capital improvements or specialized equipment with a cost greater than \$100,000. Long-term debt or bond financing shall not be used to finance current operating expenditures.
- 2.7.** Every City fund, department, program or activity shall start each year's budget cycle with no predetermined appropriation amount. Budget appropriation decisions and the allocation of resources shall be based on direction provided by the City Council and implementation of that direction by the City Manager.
- 2.8.** The City will submit the Adopted Budget Document to the Government Finance Officers Association (GFOA) to obtain the Award for Distinguished Budget Presentation.
- 2.9.** A budget calendar will be prepared detailing the key elements in the development of the budget. (Please see exhibit 1).

### **3. Expenditure Control Policies**

- 3.1.**Expenditures will be controlled through appropriate internal controls and procedures. Management must ensure expenditures comply with the legally adopted budget. Each Department or Division Manager or Director will be responsible for the administration of his/her department/division budget. This includes accomplishing the goals and objectives incorporated into the budget and monitoring each department/division budget for compliance with spending limitations.
- 3.2.**The City Manager will administer expenditure control at the category level and program or divisional level. Additionally, the City Manager may give authorization to mandate this level of control down to any line item level. Expenditures anticipated to be in excess of these levels require approval of the City Manager, or Finance Director. Any increase in a budget category anticipated to exceed \$50,000 will require City Council approval.
- 3.3.**All purchases of goods and services must comply with the City's Purchasing Policies, guidelines and procedures and with State laws and regulations.
- 3.4.**All compensation planning and collective bargaining will include analyses of total cost of compensation, which includes analysis of salary increases, health benefits, pension contributions, and other fringe benefits. The City will only propose operating personnel costs that can be supported by continuing operating revenues.
- 3.5.**City staff is to make every effort to control expenditures to ensure City services and programs provided to its citizens and taxpayers are cost effective and efficient. Expenditures that will reduce future costs will be encouraged.

### **4. Capital Improvement Policies**

- 4.1.**Annually, the City will approve a five year Capital Improvement Plan (CIP), congruent with the adoption of its annual budget. The CIP shall provide details on each capital project: its estimated costs, sources of financing and a description, including a statement identifying: (a) the needs, conditions and circumstances that have caused the project's creation and (b) the expected results if the project is approved and implemented.

### **5. Accounting and Financial Reporting Policies**

- 5.1.**The City shall establish and maintain its accounting systems according to generally accepted accounting practices and shall adhere to generally accepted accounting principles and standards promulgated by the Government Finance Officers Association (GFOA) and Government Accounting Standards Board (GASB).
- 5.2.**An annual audit shall be performed by an independent public accounting firm, which will issue an opinion on the annual financial statements, along with a management letter identifying areas needing improvement, if necessary.
- 5.3.**Full disclosure shall be provided in the financial statements and bond representations.

**5.3.1** Upon request, all departments will provide notice of all significant events and financial and related matters to the Finance Director for the City's annual disclosures to the municipal markets as required by SEC Regulation 15-C-2-12. Full disclosure will be provided in the financial statements and bond representations. Significant events include delinquencies and defaults related to the City's bonds, adverse tax opinions or events affecting the tax exempt status of bonds, the release, substitutions or sale of property securing repayment of bonds and other events having a significant impact on the City's finances and outstanding bonds. The Finance Director will notify all Nationally Recognized Municipal Securities Information Repositories of these significant events.

**5.3.2** The City's asset capitalization policy is to capitalize and depreciate assets greater than \$10,000 with a useful life beyond one year. Capital assets costing less than \$10,000 or having a useful life of one year or less will be treated as operating expenditures.

**5.4.** Up-to-date accounting and budgeting information is available online to all management and authorized support staff. Quarterly actual-to-budget reports showing the current status of revenues and expenditures shall be prepared and distributed to appropriate legislative, staff and management personnel in a timely manner and made available for public inspection.

## **6. Financial Planning Policies**

**6.1.** The Finance Department, collaborating with other departments, will prepare a long-term financial plan for each fund, phased in so that all funds are planned by June 30, 2015, to promote responsible planning for the use of resources. The long-term financial plans will include projected revenues, expenditures and reserve balances for the next five years for all funds, except the golf course fund, which shall include a ten-year financial plan, and the water and wastewater funds, which shall include twenty-year financial plans.

**6.2.** The City's financial plan should be strategic, reflecting the City Council and community priorities for service while providing resources that fund desired service levels.

**6.3.** Long-term projections of revenues and expenditures will be based upon disclosed assumptions, and prepared consistent with best practices established by the Government Finance Officers Association.

**6.4.** The long-term financial plans will be integral to the development of the annual budget.

## **7. Debt Policy**

**7.1.** The City may use debt proceeds to finance costs associated with capital infrastructure, equipment, vehicles and other purposes that provide long-term benefits to the community, i.e., benefits that extend more than one year.

**7.2.** Capital projects financed through the issuance of bonds shall not be financed for a period which (a) exceeds the expected useful life of the project and (b) is less than 30% of the expected useful life of the improvements.

**7.3.** Financing for non-capital purposes shall not extend beyond the amortization period available for the respective type of obligation, e.g., retirement unfunded liabilities include an amortization period of twenty-five years.

**7.4.** The Finance Director will structure all debt issuances and oversee the on-going management of all City debt. Debt includes general obligation bonds, lease purchase obligations, revenue bonds, special assessment obligations, promissory notes, equipment financing agreements and any other contractual arrangements that obligate the City to make future principal and interest payments.

**7.5.** No debt shall be issued for which the City has not identified specific revenue sources sufficient for repayment. Such revenue sources can include internal sources, such as charges to personnel costs that are transferred to a debt service fund for debt repayment. The Finance Director shall prepare an analysis of the source of repayment prior to issuance of any debt.

**7.6.** The City will not use long-term debt to fund current operations, to balance the budget or to fund projects that can be funded from current resources, unless the use of debt is otherwise determined to be in the best interest of the City.

**7.7.** The City may utilize short-term debt or inter-fund loans as permitted to cover temporary cash flow deficiencies due to timing of cash flows, such as may result from delay in receipting grant proceeds or other revenues and delay in issuance of long-term debt.

**7.8.** When issuing long-term debt, the City will ensure that the debt is soundly financed by:

**7.8.1** Incurring debt only when necessary for capital improvements too large to be financed from current available resources,

**7.8.2** Insuring that capital projects financed through long-term debt shall be financed for a period not to exceed the useful life of the project,

**7.8.3** Determining that the benefits of the project financed exceed the cost of financing including interest costs,

**7.8.4** Analyzing the source of repayment, debt coverage ratios and the impact of debt service on annual fixed costs prior to issuance of long-term debt.

**7.9.** All bond issuances, promissory notes, and capital leases will be authorized by resolution of the City Council.

**7.10.** The City shall maintain its bond rating at the highest level fiscally prudent, so that future borrowing costs are minimized and access to the credit market is preserved.

## **8. Pension Funding Policies**

**8.1.** The City participates as an Individual Employer in the Oregon Public Employees Retirement System (PERS). The will use its best efforts to fund its pension obligations in an equitable and sustainable manner. The following principles and objectives shall guide the City:

- 8.1.1** PERS provides no less than biennially an actuarially determined contribution rate (ADC) to serve as the basis for minimum contributions;
- 8.1.2** Although the PERS ADC is calculated in a manner that fully funds the long-term costs of promised benefits, while balancing the goals of 1) keeping contributions relatively stable and 2) equitably allocating the costs over the employees' period of active service; financial impacts due to significant compensation in the last three years above historical earnings may not be;
  - 8.1.2.1.** The City will consider implementation of a PERS rate stabilization plan to more equitably fund PERS costs on a sustainable basis, with a goal of ensuring its funding status is between ninety and one-hundred ten percent (90%-110%) of its actuarially determined liability.
- 8.1.3** The City commits to fund the full amount of the ADC each period, together with contributions consistent with an approved PERS rate stabilization plan.
- 8.1.4** To continue the City's accountability and transparency the City will communicate all of the information necessary for assessing the City's progress toward meeting its pension funding objectives periodically, but no less than annually.

## **9. Reserve Policies**

**9.1.** The City shall maintain adequate working capital reserves in all funds.

- 9.1.1** The general fund shall maintain sufficient working capital to allow the City to adequately fund operations until property taxes are received in November of each year, without borrowing.
- 9.1.2** The City's utility funds shall maintain at a minimum working capital balance sufficient for sixty days operating expenses, together with an adequate emergency repair reserve and required debt service reserves.
- 9.1.3** The City's internal service funds shall maintain at a minimum working capital balance sufficient for thirty days operating expenses and any required debt service reserves.
- 9.1.4** The City's debt service funds shall maintain adequate working capital to pay required debt service without borrowing and fund required debt service reserves.
- 9.1.5** The City's other operating funds shall maintain a minimum working capital balance sufficient for forty-five days operating expenses and any required debt service reserves.
- 9.1.6** The City shall establish a contingency budget to provide for unanticipated expenditures of a nonrecurring nature. The contingency shall be a minimum of 5% of a fund's operating and capital expenditure estimates for the fiscal year. This policy does not apply to debt service, internal service, trust and agency, capital projects, serial levy, temporary or certain special purpose funds.

**9.2.** The City may use reserves on a one-time or temporary basis for purposes described above. In the event that reserve funds are presently or decrease to levels below the levels desired by this policy, the City will develop a plan to restore reserves to the desired levels.

**Policy Analysis - Reserves by Fund (FY 2014)**

Fund	Proposed Budget Reserves Amount	Working Capital Reserve Amount	Proposed Budget/Over (Under) Policy	Meets Working Capital Reserve Requirements	Five Percent Appropriation Reserve Amount	Total Policy Reserve Amount	Proposed Budget/Over (Under) Policy	Meets both Working and Appropriation Reserve
General	963,398	751,833	211,565	Yes	208,645	960,478	2,920	Yes
Transportation	166,832	80,700	86,132	Yes	52,935	133,635	33,197	Yes
Emergency Dispatch	227,087	173,767	53,320	Yes	52,880	226,647	440	Yes
Planning	60,097	42,463	17,635	Yes	16,985	59,448	650	Yes
LID Debt Service	86,875	N/A		N/A	N/A	N/A		N/A
Transportation SDC	694,542	N/A		N/A	N/A	N/A		N/A
Water SDC	180,038	N/A		N/A	N/A	N/A		N/A
Wastewater SDC	233,388	N/A		N/A	N/A	N/A		N/A
Railroad	687,481	684,100	3,381	Yes	N/A	684,100	3,381	Yes
Airport	35,635	125,450	(89,815)	No	62,710	188,160	(152,525)	No
Water	818,409	341,225	477,184	Yes	177,645	518,870	299,539	Yes
Wastewater	900,730	532,000	368,730	Yes	106,445	638,445	262,285	Yes
Golf Course and Restaurant	458,160	207,383	250,777	Yes	63,740	271,123	187,037	Yes
Freight Depot	-	N/A		N/A	N/A	N/A		closing fund to RR
Admin/Financial Support Services	180,304	152,233	28,071	Yes	N/A	152,233	28,071	Yes
Public Works Support Services	106,839	99,458	7,381	Yes	N/A	99,458	7,381	Yes
City Hall	122,523	N/A		N/A	N/A	N/A		N/A
Plaza Maintenance	29,800	N/A		N/A	N/A	N/A		N/A
<b>Total</b>	<b>5,952,138</b>	<b>3,190,613</b>		<b>10 out of 11</b>		<b>3,932,598</b>	<b>-</b>	<b>10 out of 11</b>

**3. Management of Fiscal Policy**

**3.1.** Fiscal policies and changes in policies shall be approved by the City Council and adopted by resolution after a public hearing is held (the approval may be inclusive of the annual budget adoption process and the associated resolutions to that process).

**3.3.1** The City Manager or designee shall prepare a report explaining the substantive impact of all recommendations and their impact on the City’s operations, service levels and/or finances.

**3.3.2** The Finance/Audit Committee shall review the City’s fiscal policies annually.

**4.1.** The City Manager shall implement fiscal policies and monitor compliance.

**3.4.1** If the City Manager discovers a material deviation from policy, he/she shall report it in writing to the City Council in a timely manner.

**3.4.2** As a part of the City’s annual budget document, the City Manager’s budget message shall identify: (a) all major changes in policy since the previous budget year and (b) any material variations from policy in the ensuing year’s budget.

**Definition of Terms**

*Budget Committee* – is a committee consisting of the mayor and six city councilors and an equal number of citizen members appointed by the city council.

*Government Finance Officers Association (GFOA)* – is the national finance officers’ organization whose purpose is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education, training, facilitation of member networking, and leadership.

*Category level* – for budget control purposes, categories include personal services, materials and services, capital outlay, debt service, transfers, contingency, reserves and unappropriated.

*Program level* – for budget control purposes, programs may include library services, community services, administration, finance, human resources, etc.

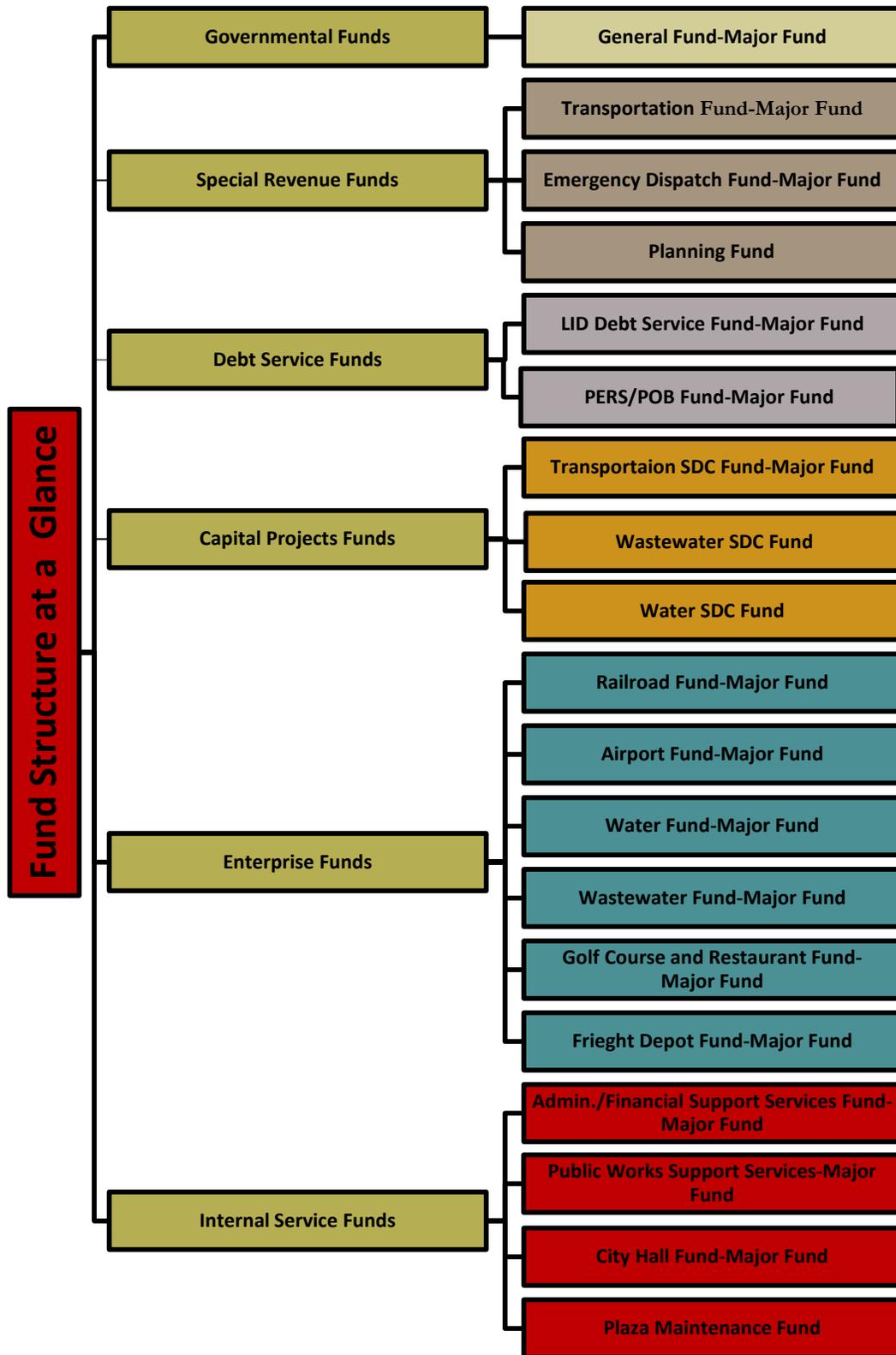
*Divisional level* – for budget control purposes, divisional level would include water, street, storm water, and wastewater divisions within the public works department. Other divisions may include the police field services, police administration, and police support services within the police department.

*Capital Improvement Plan (CIP)* – The CIP is a schedule of capital projects including estimated cost and timing. There is a separate CIP for each major infrastructure system in the City, e.g., water, streets, sidewalks, storm water, wastewater, information technology, City facilities and vehicles.

*Debt Coverage Ratio (DCR)* – represents the ratio of “net revenues” available to pay scheduled debt service. A ratio of 1.0 reflects “net revenues” equal to scheduled debt service. A ratio greater than 1.0 reflects “net revenues” in excess of scheduled debt services and a ratio less than 1.0 indicates “net revenue” is less than scheduled debt service.

*Oregon Revised Statutes (ORS)* – Oregon’s compilation of state laws including rules of civil procedure.

# Fund Structure



**All funds in the fund structure are appropriated funds in the FY 14 Budget.**

## **Fund Accounting**

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For accounting purposes, a local government is not treated as a single, integral entity. Rather, a local government is viewed instead as a collection of smaller, separate entities known as “funds.” A fund is a fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, balances and changes, all segregated for specific activities and objectives. All of the funds used by a government must be classified into one of seven fund types within:

### Governmental-type (Governmental Funds)

- General
- Special revenue
- Debt service
- Capital projects

### Business-type (Proprietary Funds)

- Enterprise
- Internal service

### Fiduciary-type

- Fiduciary

## **Governmental Funds**

Many government services are financed through taxes and intergovernmental revenues. These are often called non-exchange revenues because there is not normally a direct relationship between the cost of the service provided and the amounts being paid by either individual tax payers or other government agencies. When a service is largely funded through non-exchange revenues it can be called a governmental-type activity. The accounting for a governmental-type activity focuses on available spendable resources and the near-term demands upon them.

### **General Fund**

The General Fund accounts for police services provided by the City and Council directed funding of outside agencies or other activities. General administrative costs for city hall are paid through internal charges to the Internal Services Fund for the following services based upon the cost to the department for using these services; administrative and financial services, risk management, computer and phone services, and building usage. The costs of these services are at full cost, including replacement cost, thereby providing more accurate costs of providing services.

### **Special Revenue Fund Type**

The Special Revenue Fund type is used when certain revenues have been earmarked or are legally restricted to expenditure for a specific purpose.

### **Transportation Operations Fund**

The Transportation Operations Fund provides the accounting of the City’s street, bike-lane, right-of-way and storm water maintenance. Funding sources include state highway gas tax,

county contributions and state revenue sharing. Heavy equipment, vehicles and maintenance, engineering, project oversight and public works administration and support services costs, are accounted for through transfers to the Internal Service Fund for the estimated costs of the provision of these services.

### **Emergency Dispatch Fund**

The Emergency Dispatch Fund accounts for the activities of the areas emergency services dispatching. The operation is managed by the Chief of Police and serves Crook County Sheriff's Department, Crook County Rural Fire District, Bureau of Land Management and the City Police. Funds are provided by 911 telephone taxes and payments from entities served.

### **Planning**

The Planning Fund accounts for the planning activities of the City. A transfer of funds from the General Fund to Planning helps support the short term planning needs of the city. General administrative costs are paid through internal charges to the Internal Services Fund for the following services based upon the cost to the department for using these services; administrative and financial services, risk management, computer and phone services. The costs of these services are at full cost, including replacement cost, thereby providing a more accurate cost of providing services.

### **Debt Service Fund Type**

This fund type accounts for the accumulation of resources for the payment of debt principal and interest.

#### **LID Debt Services Fund**

This fund accounts for the debt service associated with special assessment debt with governmental commitment incurred to fund local improvement district projects. The principal source of revenue is payments from the property owners on bonded and un-bonded assessments. Expenditures are for debt service requirements.

#### **PERS / POB Fund**

This fund accounts for the potential issuance of pension obligation bonds to fund the City's existing unfunded actuarial liability (UAL) and associated debt repayment. The principal source of revenue is charges to other funds with salaries subject to PERS via a surcharge. Additionally, in fiscal year 2013-2014 a transfer from the general fund is included to pre-fund a portion of debt service costs pending final decisions to issue the debt and determining the amount of the surcharge. Expenditures are for payments to PERS for the UAL and for debt service requirements.

### **Capital Project Fund Type**

This fund type accounts for the financial resources to be used for the acquisition or construction of major capital facilities.

#### **LID Construction Fund**

This fund accounts for public infrastructure work (water, sewer, streets, sidewalks, etc.) performed by the City at the request of property owners or as directed by the City Council. The principal sources of revenue include debt proceeds and payments by property owners for charges assessed to their property. Debt issued is repaid by the property owners and is accounted for in the LID Debt Services Fund.

**Transportation SDC Fund**

This fund accounts for the receipt and expenditures of transportation System Development Charges (SDCs) improvement fees. SDCs are charged to builders to provide a source of income to pay for the expansion of the City's transportation system.

**Water SDC Fund**

This fund accounts for the receipt and expenditures of water System Development Charges (SDCs) improvement fees. SDCs are charged to builders to provide a source of income to pay for the expansion of the City's water system.

**Wastewater SDC Fund**

This fund accounts for the receipt and expenditures of wastewater System Development Charges (SDCs) improvement fees. SDCs are charged to builders to provide a source of income to pay for the expansion of the City's wastewater system.

**Proprietary Fund Types**

Other government services are financed through user charges for which the cost to the individual is proportionate to the benefit received by the individual. When a fund receives a significant portion of its funding through user charges, it can be referred to as a "business-type" activity. The accounting for a proprietary fund focuses on cost and long-term cost recovery.

**Enterprise Funds**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private enterprises.

**Railroad Fund**

This fund accounts for the operation of the City's railroad. The principal sources of revenue include rail access fees and car fees. Expenditures are for the operation, administration, maintenance and improvement of the railroad facilities.

**Airport Fund**

This fund accounts for the operation of the City-County Airport. The principal sources of revenue include aircraft fuel sales, hanger rents, and lease agreements. Expenditures are for the operation, administration, maintenance, and improvement of the airport facilities

**Water Fund**

This fund accounts for the operation of the City's water utility. The principal sources of revenue are user fees. Expenditures are for the operation, administration, maintenance, system betterments and expansion of the system.

**Wastewater Fund**

This fund accounts for the operation of the City's sewage utility. The principal sources of revenue are user fees and system development charges. Expenditures are for operation, administration, maintenance, system betterments and expansion of the system.

**Golf Course Fund**

This fund accounts for the operation of the City's municipal golf course and restaurant (Meadow Lakes Golf Course) and the effluent disposal site of the wastewater treatment plant.

The principal sources of revenue are user fees, food and beverage sales, facility rental and transfers from the wastewater fund for disposal site related services. Expenditures are for operation, administration, maintenance, and improvements of the Meadow Lakes Golf Course including the effluent disposal site and operation and administration of the restaurant.

### **Freight Depot Fund**

This fund accounts for the operation of the City's railroad freight warehousing operation. Revenues are derived from customers needing storage, loading, or unloading services for freight shipping via the City's railroad or other forms of freight transportation.

### **Internal Service Funds Types**

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City, on a cost-reimbursement basis. Effective with the fiscal year beginning July 1, 2005 the City established funds to account for general administrative, finance, information technology, public works administration, vehicle and equipment, and city hall.

### **Administrative and Financial Services Fund**

Activity for the City Council, Administration and Team Services, Financial Services and Information Technology are accounted for in this fund. Revenues are generated through user charges for the cost of providing the services. Expenditures are for personal services, material and services, and transfers.

### **City Hall Fund**

This division accounts for the operation of the City Hall building. Revenue is generated by rent charges to other funds and tenants. Expenditures include repairs and maintenance and debt service.

### **Plaza Maintenance Fund**

This fund accounts for the maintenance of the plaza. The County and the City maintain the plaza in a joint effort. Revenues are generated through a transfer from the City and with matching funds from the County. Expenditures are for maintaining the landscaping, sidewalks and lighting.

### **Public Works Support Services Fund**

Public works administration and support services are provided through this operation. Additionally, activity associated with vehicles and heavy equipment utilized by more than one public works division is accounted for in this activity. Revenues are generated through user charges for the cost of providing the services. Expenditures are for vehicle and equipment maintenance, acquisition and replacement. Revenue is generated by user charges to funds utilizing these services. Expenditures include the personal services, material and services, and capital requirements.

### **Fiduciary Fund Types**

Assets held in a trustee capacity for others and not used to support the City's own programs qualify as fiduciary.

## **Park Development Account**

The City collects system development charges on behalf of the Crook County Parks and Recreation District. Funds collected are paid to the Crook County Parks and Recreation District for capital improvement expenditures on a yearly basis. The City retains an administrative charge.

## **Debt Overview**

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The City of Prineville utilizes short and long-term debt to provide financing for essential capital projects. The following debt types and policies provide the objectives needed to meet the City's fiscal goals to provide and maintain essential public facilities, utilities and capital equipment; and to protect and enhance the City's credit rating.

### **Types of Borrowing**

There are several types of long-term debt issued by the City including:

- General Obligation Bonds, Full Faith and Credit Bonds – These bonds are typically issued for finance improvements benefiting the community as a whole. The City, as issuer, pledges to levy the necessary taxes on all assessable property within its jurisdiction to provide timely repayment of the debt. ORS 287.004 provides that the City may not issue or have outstanding at any one-time general obligation bonds in excess of three percent of the real market value of all taxable property within its boundaries. This statute makes specific exception to bonds issued for water, sewage disposal plants and off-street parking facilities, as well as, special assessment bonds.
- Revenue Bonds – These bonds are issued to finance facilities that have a definable user or revenue base. These debt instruments are secured by a specific source of funds, either from the operations of the project being financed or from a dedicated revenue stream, rather than the general taxing powers of the City.
- Federal Agency Long-term Debt – The City has issued several long-term debt obligations with federal agencies to fund wastewater treatment plant improvements.
- Bank Notes Payable – The City has utilized tax-exempt bank notes payable to fund various local improvement district projects, utility infrastructure improvements, and working capital at its golf course.

### **Debt Management Policies**

- Capital projects financed through bond proceeds shall be financed for a period not to exceed the useful life of the project.
- Long-term borrowing will be confined to capital improvements too large to be financed from current available resources.

- Issuance of assessment bonds or use of bank notes payable, secured by the benefited property, will be pursued to finance local improvement projects and repay interim financing approved by the City Council.
- The City will use its credit line, as needed, to provide interim funds for the construction of local improvements approved by the City Council and other projects as deemed appropriate.
- Notes Payable – The City also has outstanding, agreements with the Oregon Economic and Community Development Department. Proceeds from these notes provided financing for water and water reclamation system improvements that expanded service to new and existing manufacturing facilities.

Oregon Revised Statutes (ORS) 287.004(2) states: “Unless a lesser limitation upon the issuance of bonds has otherwise been provided by law or charter, no city shall issue or have outstanding at any one time bonds in excess of three percent of real market value of all taxable property within its boundaries, computed in accordance with ORS 308.297, after deducting from outstanding bonds such cash funds and sinking funds as are applicable to the payment of principal thereof.”

Real Market Value	\$	546,110,980
Debt limit: 3% of real market value	\$	16,383,329
Less outstanding debt subject to legal limit (net)	\$	-
Legal debt margin	\$	16,383,329

### Current and Future Debt Planning

The current year budget proposes a pension obligation bond in the amount of \$3.8 million to cover the unfunded liability to PERS. The restructure in FY 12 significantly improved cash flow, debt coverage ratios, and reserve funds. The City was assigned an underlying rating of “A+,” some of the reasons and assumptions cited for assigning this rating level from the rating company were:

- Low income levels but the arrival of Facebook is a huge positive and that could change
- Good financial management
- Assuming the City can manage the growth which comes along with Facebook, there is potential for upper movement in the rating in the future

The City has no debt subject to the legal limit (ORS) 287.004 (2), the General Obligation Bond matured in FY 11. The City does not currently have plans at this time to seek voter approval of general obligation bonds.

## Total Outstanding City Debt June 30, 2013

City of Prineville, Oregon  
Schedule of Outstanding Debt  
June 30, 2013

Fiscal Year	Total Principal	Interest	Total
2013			
2014	779,494	632,762	1,412,256
2015	818,431	606,686	1,425,117
2016	853,016	579,360	1,432,376
2017	868,912	550,813	1,419,725
2018	880,888	521,384	1,402,272
2019	926,188	490,135	1,416,323
2020	981,966	457,206	1,439,172
2021	1,013,238	422,130	1,435,368
2022	1,055,022	385,940	1,440,962
2023	1,102,332	348,170	1,450,502
2024	1,070,185	308,604	1,378,789
2025	1,113,600	270,713	1,384,313
2026	1,142,592	231,221	1,373,813
2027	923,582	190,721	1,114,303
2028	687,158	158,665	845,823
2029	750,225	128,538	878,763
2030	798,422	95,641	894,063
2031	866,755	59,246	926,001
2032	85,230	19,709	104,939
2033	88,852	16,086	104,938
2034	92,628	12,310	104,938
2035	96,565	8,374	104,939
2036	100,459	4,270	104,729
	17,095,740	6,498,684	23,594,424

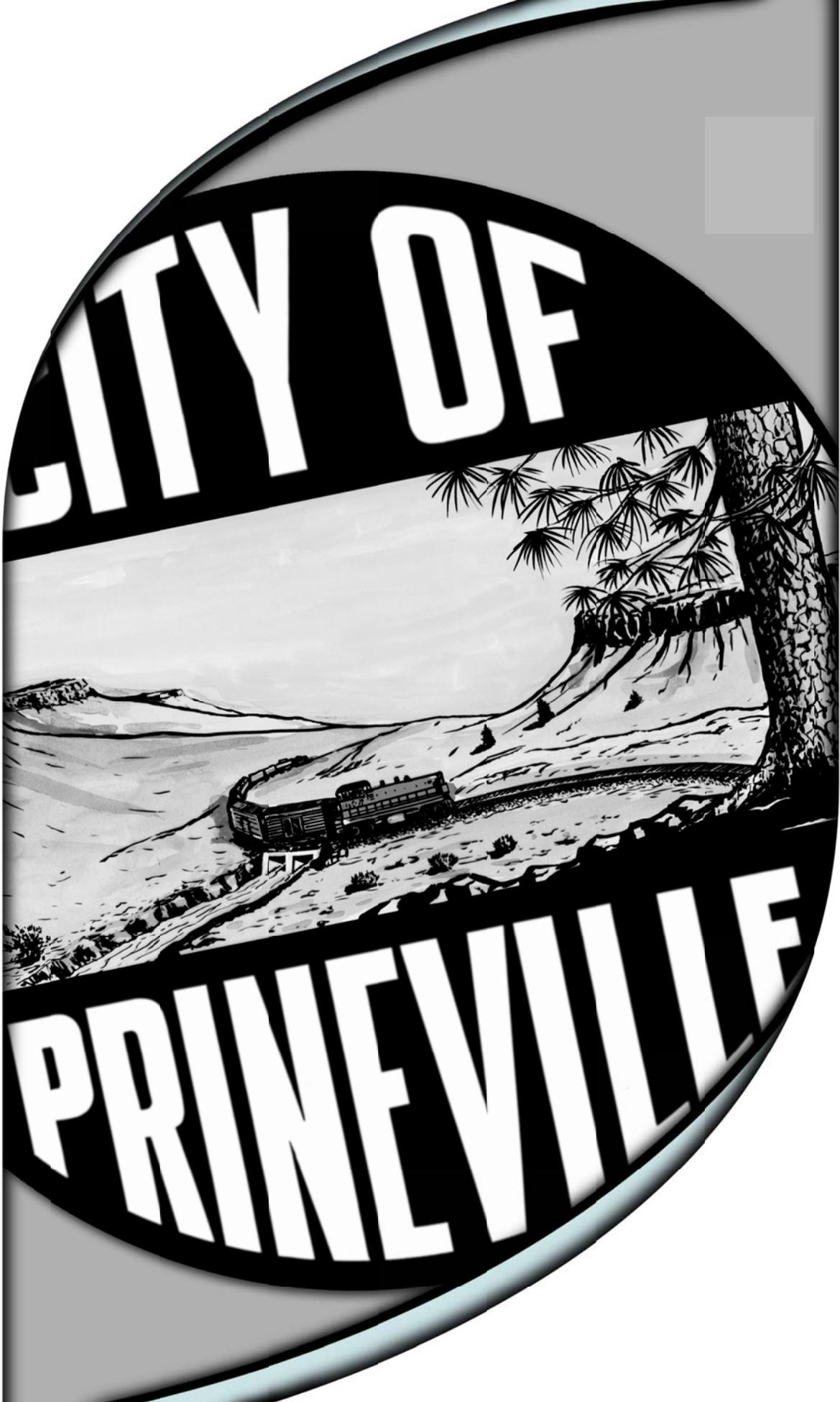
**Total Outstanding Debt June 30, 2013  
Governmental Type Funds**

**Total Outstanding Debt June 30, 2013  
Business Type Funds**

Fiscal Year	Governmental			Balance	Enterprise			Balance
	Principal	Interest	Total		Principal	Interest	Total	
2013				1,521,084				15,594,656
2014	40,292	64,646	104,938	1,480,792	739,202	568,116	1,307,318	14,855,454
2015	42,005	62,934	104,939	1,438,787	776,426	543,752	1,320,178	14,079,028
2016	43,790	61,148	104,938	1,394,997	809,226	518,212	1,327,438	13,269,802
2017	45,651	59,287	104,938	1,349,346	823,261	491,526	1,314,787	12,446,541
2018	47,591	57,347	104,938	1,301,755	833,297	464,037	1,297,334	11,613,244
2019	49,614	55,325	104,939	1,252,141	876,574	434,810	1,311,384	10,736,670
2020	51,722	53,216	104,938	1,200,419	930,244	403,990	1,334,234	9,806,426
2021	53,920	51,018	104,938	1,146,499	959,318	371,112	1,330,430	8,847,108
2022	56,212	48,726	104,938	1,090,287	998,810	337,214	1,336,024	7,848,298
2023	58,601	46,337	104,938	1,031,686	1,043,731	301,833	1,345,564	6,804,567
2024	61,092	43,847	104,939	970,594	1,009,093	264,757	1,273,850	5,795,474
2025	63,688	41,250	104,938	906,906	1,049,912	229,463	1,279,375	4,745,562
2026	66,395	38,543	104,938	840,511	1,076,197	192,678	1,268,875	3,669,365
2027	69,217	35,722	104,939	771,294	854,365	154,999	1,009,364	2,815,000
2028	72,158	32,780	104,938	699,136	615,000	125,885	740,885	2,200,000
2029	75,225	29,713	104,938	623,911	675,000	98,825	773,825	1,525,000
2030	78,422	26,516	104,938	545,489	720,000	69,125	789,125	805,000
2031	81,755	23,183	104,938	463,734	785,000	36,063	821,063	20,000
2032	85,230	19,709	104,939	378,504	-	-	-	20,000
2033	88,852	16,086	104,938	289,652	-	-	-	20,000
2034	92,628	12,310	104,938	197,024	-	-	-	20,000
2035	96,565	8,374	104,939	100,459	-	-	-	20,000
2036	100,459	4,270	104,729	-	-	-	-	20,000
	1,521,084	892,287	2,413,371		15,574,656	5,606,397	21,181,053	

**Total Outstanding City Debt by Fund June 30, 2013**

<b>Governmental Type Funds</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
City Hall - Rural Development	\$ 1,521,084	\$ 892,287	\$ 2,413,371
<b>Bussiness Type Funds</b>			
Water - 2011 FFCO	2,690,000	1,226,295	3,916,295
Water - 2003 Revenue Bond	505,000	152,992	657,992
Wastewater - 2011 FFCO	4,920,000	2,602,793	7,522,793
Wastewater - DEQ R74682	6,504,434	1,423,045	7,927,479
Golf - 2011 FFCO	475,000	160,995	635,995
Golf - US Bank Note Payable	154,711	12,976	167,687
Freight Depot - US Bank Note Payable	325,511	27,301	352,812
	\$ 17,095,740	\$ 6,498,684	\$ 23,594,424



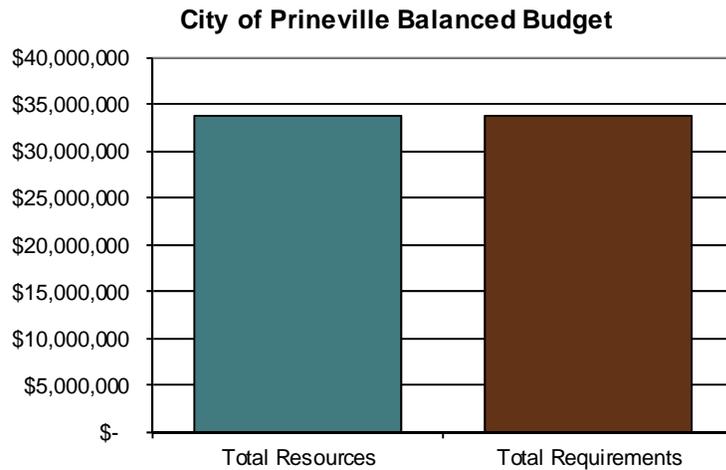
# Consolidated Budgets & Analysis

## City of Prineville Adopted Budget FY 2013-2014

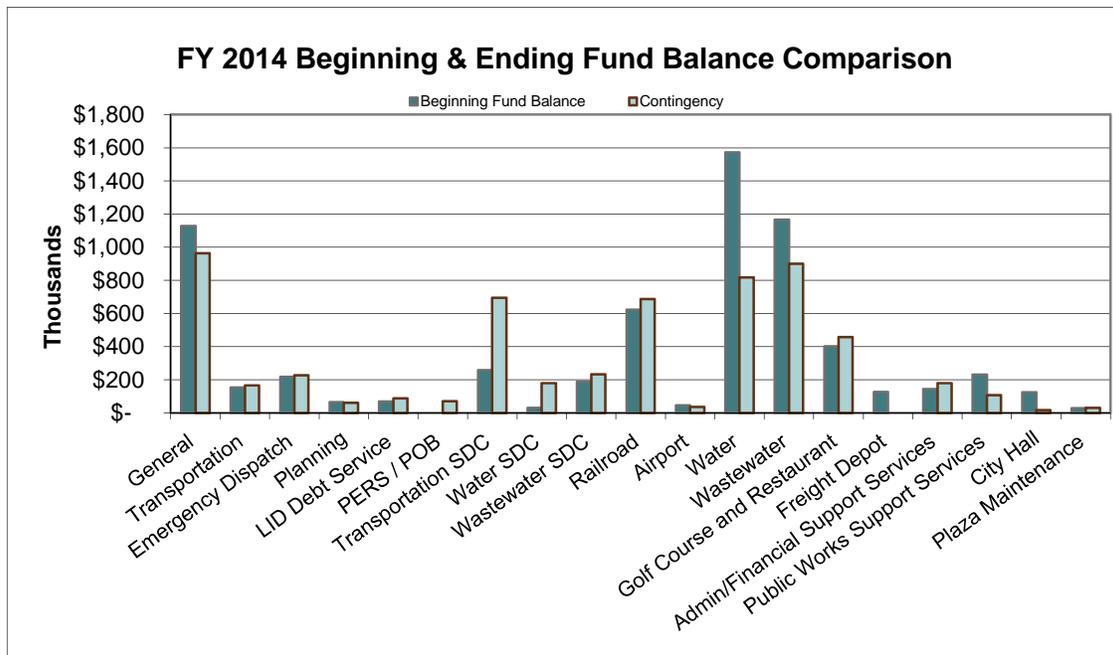
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## Balanced FY 2013-2014 Budget Summary

Balanced Budget Summary	
Beginning Fund Balance	\$6,573,840
Other Resources	-
Current Year Resources	27,147,084
<b>Total Resources</b>	<b>\$ 33,720,924</b>
Requirements	\$27,395,884
Contingency	5,916,039
Other Requirements	409,000
<b>Total Requirements</b>	<b>\$ 33,720,924</b>
<b>Difference</b>	<b>\$ -</b>

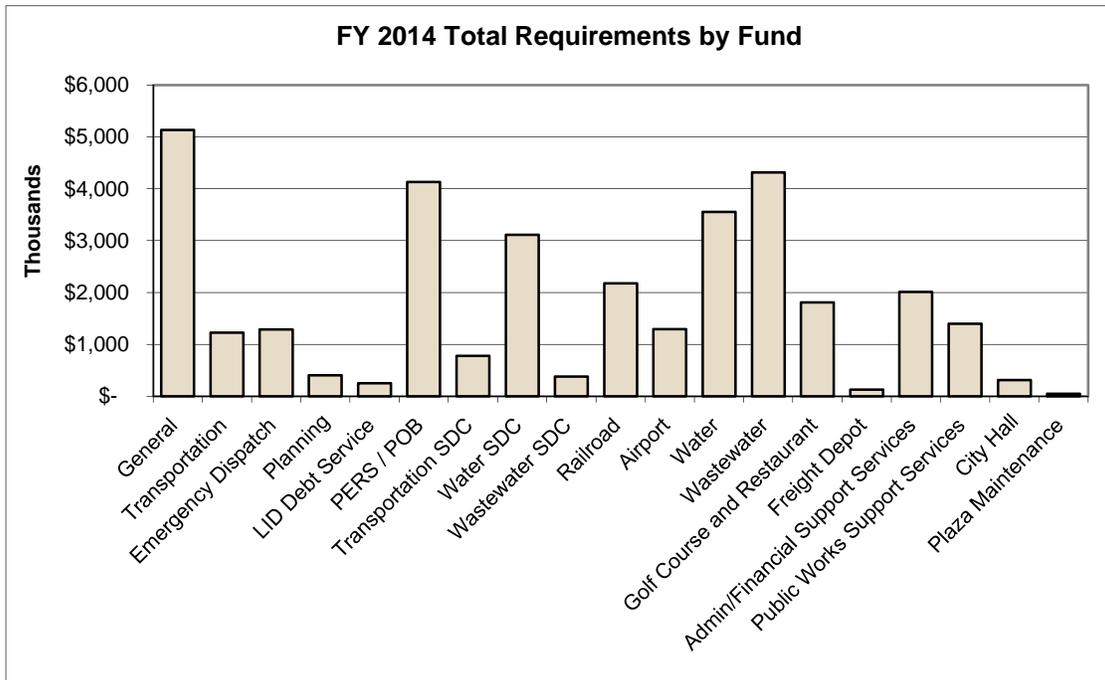


## Charts & Graphs

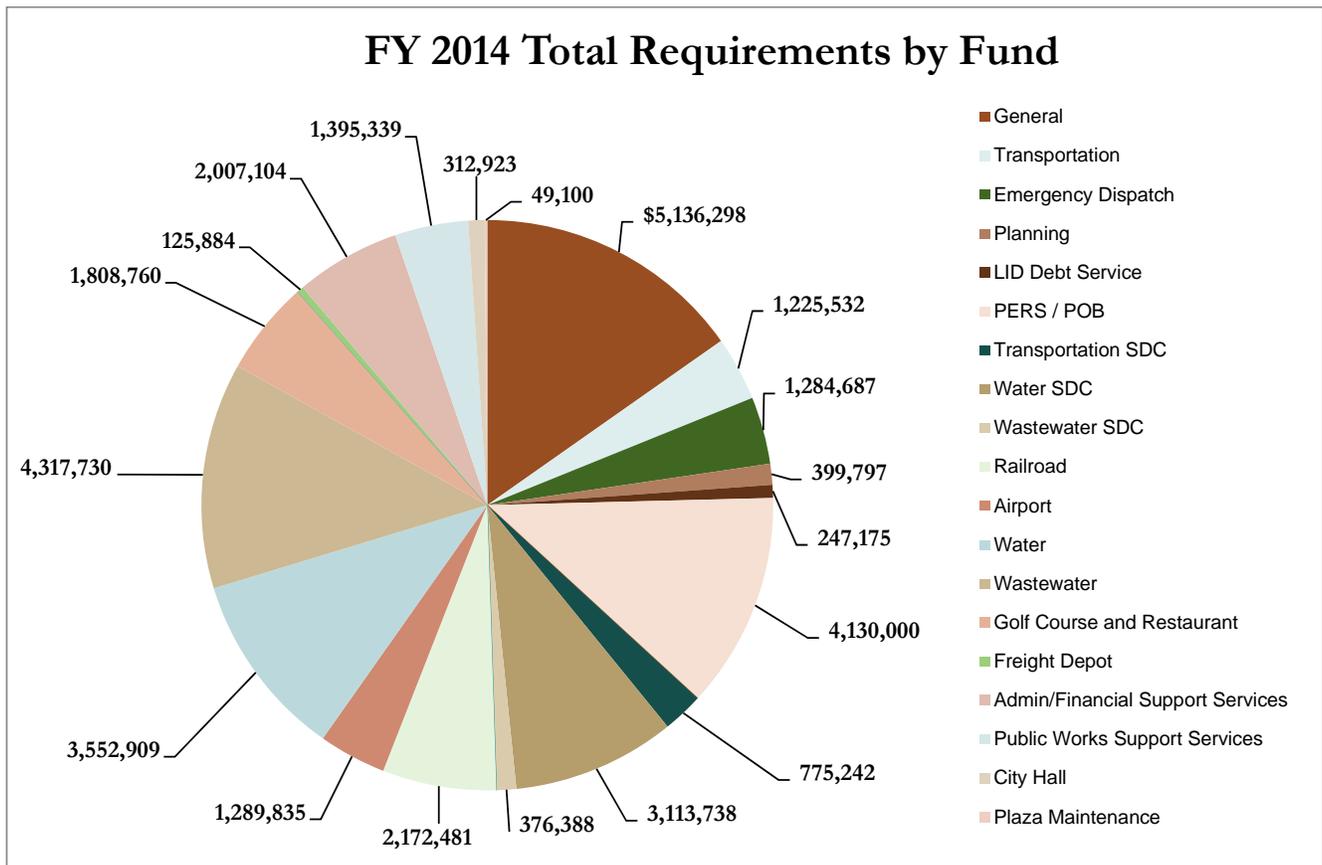


*\*Detailed discussion of changes in Beginning and Ending Fund Balance included in specific fund detail pages of the budget document.*

Fund balance is defined as the balance of net financial resources that is spendable or available for appropriation.



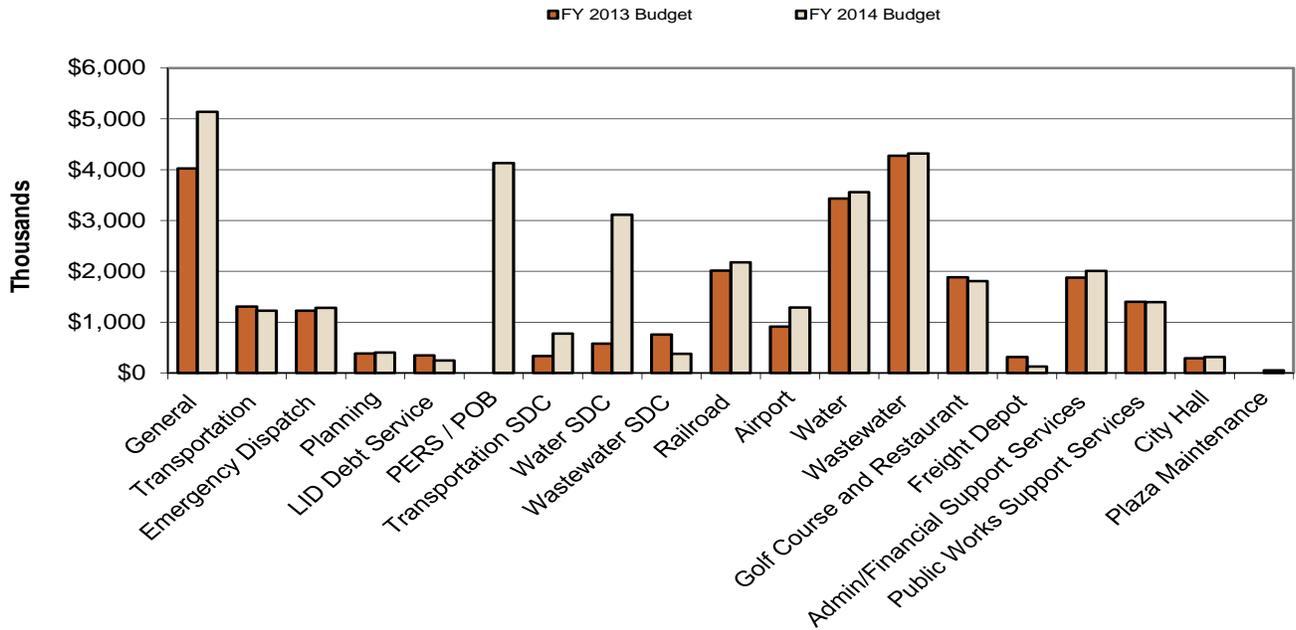
*\*Detailed discussion of specific requirements by fund included in specific fund detail pages of the budget document.*



### Comparison – FY 2013 & FY 2014 Budgets by Fund

Fund	FY 2013 Budget	FY 2014 Budget	Percent Change
General	\$4,021,778	\$5,136,298	28%
Transportation	\$1,309,016	\$1,225,532	-6%
Emergency Dispatch	\$1,223,174	\$1,284,687	5%
Planning	\$383,116	\$399,797	4%
LID Debt Service	\$345,111	\$247,175	-28%
PERS / POB	\$0	\$4,130,000	100%
Transportation SDC	\$333,789	\$775,242	132%
Water SDC	\$576,314	\$3,113,738	440%
Wastewater SDC	\$754,869	\$376,388	-50%
Railroad	\$2,011,961	\$2,172,481	8%
Airport	\$911,243	\$1,289,835	42%
Water	\$3,430,441	\$3,552,909	4%
Wastewater	\$4,274,209	\$4,317,730	1%
Golf Course and Restaurant	\$1,882,591	\$1,808,760	-4%
Freight Depot	\$312,153	\$125,884	-60%
Admin/Financial Support Services	\$1,876,921	\$2,007,104	7%
Public Works Support Services	\$1,397,631	\$1,395,339	0%
City Hall	\$288,906	\$312,923	8%
Plaza Maintenance	\$20,000	\$49,100	146%
<b>Total</b>	<b>\$25,353,223</b>	<b>\$33,720,924</b>	<b>33%</b>

### FY 2013 & FY 2014 Budget Comparison



The following table lists City departments and the funds they use.

USE OF FUNDS BY DEPARTMENT															
DEPARTMENT	FUND														
	General Fund	Transportation	Emergency Dispatch	Planning	SDC Funds	Railroad	Airport	Water	Wastewater	Golf	Freight Depot	Admin Services	Plaza	City Hall	PW Services
Police	*														
Police Facility	*														
Non-Departmental	*														
Emergency Dispatch	*		*												
Streets	*	*			*										
Planning	*			*	*										
Railroad						*					*				
Airport	*						*								
Water								*							*
Wastewater									*						*
Golf										*					
Freight Depot	*					*					*				
Council	*	*	*	*	*	*	*	*	*	*	*	*			
City Manager	*	*	*	*	*	*	*	*	*	*	*	*			
Finance	*	*	*	*	*	*	*	*	*	*	*	*			
IT	*	*	*	*	*	*	*	*	*	*	*	*			
Plaza Maintenance													*	*	
City Hall Fund				*								*	*	*	
Public Works Admin Services		*			*			*	*						*

## Consolidated Adopted Budget FY 2014

Fund	Beginning Fund Balance	Other Resources	Current Year Resources	Current Year Requirements	Contingency	Other Requirements	Total Current Year Requirements	Ending Fund Balance
General	\$ 1,127,798	\$ -	\$ 4,008,500	\$ 4,172,900	\$ 963,398	\$ -	\$ 5,136,298	\$ 963,398
Transportation	152,632	-	1,072,900	1,058,700	166,832	-	1,225,532	166,832
Emergency Dispatch	218,587	-	1,066,100	1,057,600	227,087	-	1,284,687	227,087
Planning	64,697	-	335,100	339,700	60,097	-	399,797	60,097
LID Debt Service	69,075	-	178,100	160,300	86,875	-	247,175	86,875
PERS / POB	-	-	4,130,000	4,060,000	70,000	-	4,130,000	70,000
Transportation SDC	258,342	-	516,900	80,700	694,542	-	775,242	694,542
Water SDC	30,038	-	3,083,700	2,933,700	180,038	-	3,113,738	180,038
Wastewater SDC	188,988	-	187,400	143,000	233,388	-	376,388	233,388
Railroad	623,097	-	1,549,384	1,485,000	687,481	-	2,172,481	687,481
Airport	46,235	-	1,243,600	1,254,200	35,635	-	1,289,835	35,635
Water	1,573,109	-	1,979,800	2,734,500	818,409	-	3,552,909	818,409
Wastewater	1,165,930	-	3,151,800	3,113,000	900,730	304,000	4,317,730	1,204,730
Golf Course and Restaurant	401,260	-	1,407,500	1,351,700	457,060	-	1,808,760	457,060
Freight Depot	125,884	-	-	125,884	-	-	125,884	-
Admin/Financial Support Services	144,004	-	1,863,100	1,826,800	180,304	-	2,007,104	180,304
Public Works Support Services	230,639	-	1,164,700	1,288,500	106,839	-	1,395,339	106,839
City Hall	124,523	-	188,400	190,400	17,523	105,000	312,923	122,523
Plaza Maintenance	29,000	-	20,100	19,300	29,800	-	49,100	29,800
<b>Total</b>	<b>\$ 6,573,840</b>	<b>\$ -</b>	<b>\$ 27,147,084</b>	<b>\$ 27,395,884</b>	<b>\$ 5,916,039</b>	<b>\$ 409,000</b>	<b>\$ 33,720,924</b>	<b>\$ 6,325,039</b>

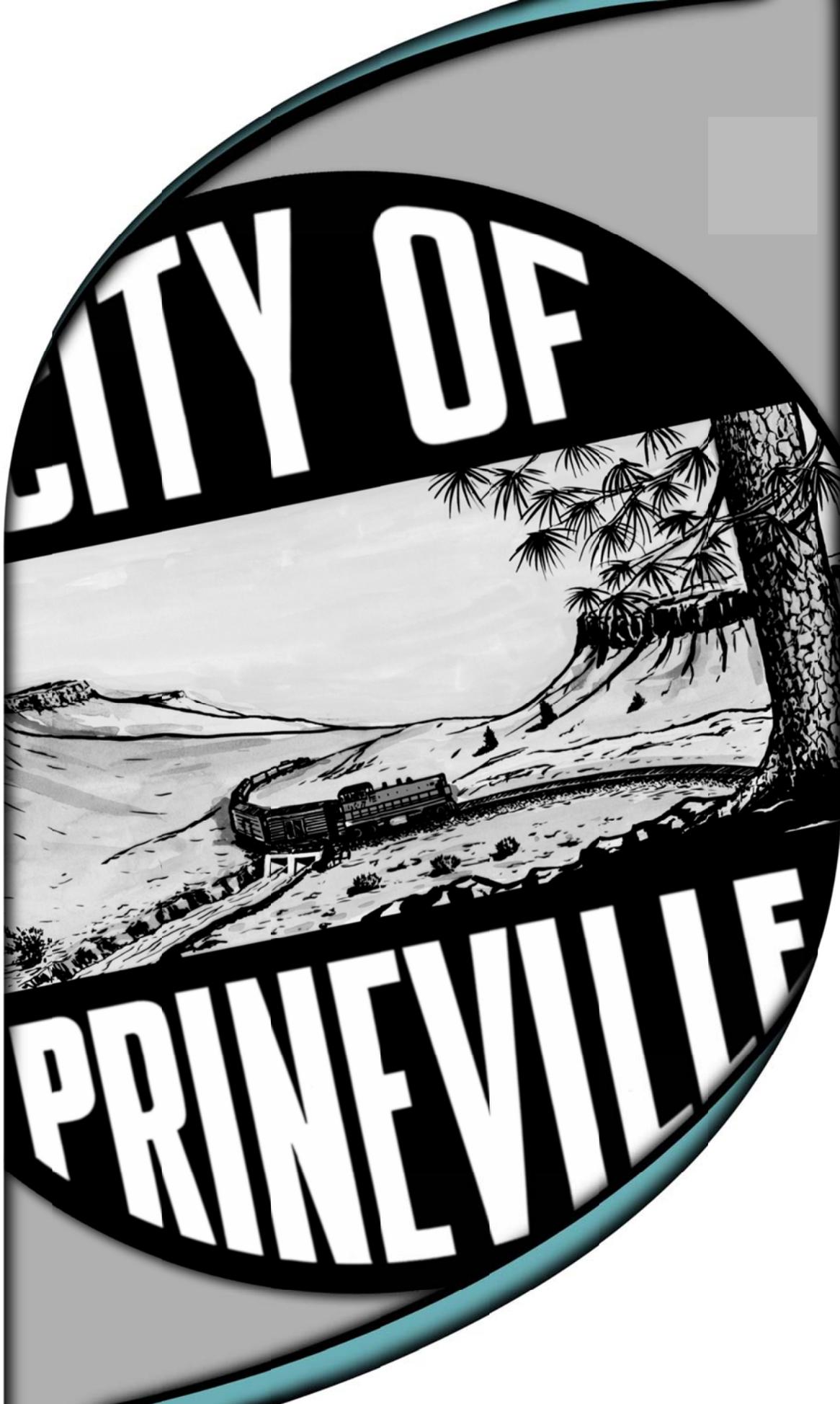
*Ending fund balance is equal to contingency and other requirements.*

**Consolidated Adopted Budget**  
**Fiscal Year 2013**

<b>Fund</b>	<b>Beginning Fund Balance</b>	<b>Other Resources</b>	<b>Current Year Resources</b>	<b>Current Year Requirements</b>	<b>Contingency</b>	<b>Other Requirements</b>	<b>Total Current Year Requirements</b>
General	\$ 918,978	\$ -	\$ 3,102,800	\$ 3,368,700	\$ 653,078	\$ -	\$ 4,021,778
Transportation	370,016	-	939,000	1,161,900	147,116	-	1,309,016
Emergency Dispatch	259,974	-	963,200	1,005,200	217,974	-	1,223,174
Planning	79,316	-	303,800	325,700	57,416	-	383,116
LID Debt Service	140,911	-	204,200	243,700	101,411	-	345,111
Transportation SDC	182,989	-	150,800	167,500	166,289	-	333,789
Water SDC	68,314	-	508,000	222,300	354,014	-	576,314
Wastewater SDC	181,769	-	573,100	373,000	381,869	-	754,869
Railroad	772,861	-	1,239,100	1,214,400	797,561	-	2,011,961
Airport	32,643	-	878,600	905,300	5,943	-	911,243
Water	1,380,441	-	2,050,000	2,332,200	1,098,241	-	3,430,441
Wastewater	1,261,509	-	3,012,700	3,134,100	836,109	304,000	4,274,209
Golf Course and Restaurant	559,091	-	1,323,500	1,489,300	393,291	-	1,882,591
Freight Depot	35,953	-	276,200	256,400	55,753	-	312,153
Admin/Financial Support Services	282,521	-	1,594,400	1,742,500	134,421	-	1,876,921
Public Works Support Services	104,731	-	1,292,900	1,243,700	153,931	-	1,397,631
City Hall	67,006	-	221,900	173,400	10,506	105,000	288,906
Plaza Maintenance	-	-	20,000	19,300	700	-	20,000
<b>Total</b>	<b>\$ 6,699,023</b>	<b>\$ -</b>	<b>\$ 18,654,200</b>	<b>\$ 19,378,600</b>	<b>\$ 5,565,623</b>	<b>\$ 409,000</b>	<b>\$ 25,353,223</b>

**Consolidated Estimated Budget**  
**Fiscal Year 2013**

<b>Fund</b>	<b>Beginning Fund Balance</b>	<b>Other Resources</b>	<b>Current Year Resources</b>	<b>Current Year Requirements</b>	<b>Other Requirements</b>	<b>Total Current Year Requirements</b>	<b>Ending Fund Balance</b>
General	\$ 963,998	\$ -	\$ 3,581,700	\$ 3,417,900	\$ -	\$ 3,417,900	\$ 1,127,798
Transportation	362,832	-	958,500	1,168,700	-	1,168,700	152,632
Emergency Dispatch	263,687	-	1,041,100	1,086,200	-	1,086,200	218,587
Planning	80,497	-	305,400	321,200	-	321,200	64,697
LID Debt Service	107,675	-	205,100	243,700	-	243,700	69,075
Transportation SDC	187,542	-	142,800	72,000	-	72,000	258,342
Water SDC	86,038	-	186,000	242,000	-	242,000	30,038
Wastewater SDC	135,888	-	330,600	277,500	-	277,500	188,988
Railroad	730,397	-	1,683,900	1,791,200	-	1,791,200	623,097
Airport Fund	83,435	-	791,600	828,800	-	828,800	46,235
Water	1,601,509	-	1,936,500	1,964,900	-	1,964,900	1,573,109
Wastewater	1,350,830	-	3,012,200	3,197,100	-	3,197,100	1,165,930
Golf Course and Restaurant	557,060	-	1,345,500	1,501,300	-	1,501,300	401,260
Freight Depot	20,584	-	324,200	218,900	-	218,900	125,884
Admin/Financial Support Services	289,704	-	1,605,700	1,751,400	-	1,751,400	144,004
Public Works Support Services	79,239	-	1,316,700	1,165,300	-	1,165,300	230,639
City Hall	77,623	-	223,200	176,300	-	176,300	124,523
Plaza Maintenance	-	-	46,000	17,000	-	17,000	29,000
<b>Total</b>	<b>\$ 6,978,540</b>	<b>\$ -</b>	<b>\$ 19,036,700</b>	<b>\$ 19,441,400</b>	<b>\$ -</b>	<b>\$ 19,441,400</b>	<b>\$ 6,573,840</b>



# Resource & Requirement Analysis

**City of Prineville Adopted Budget FY 2013-2014**

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## Resources and Requirements Overview

### Resources

	Actual FY 10-11	Actual FY 11-12	Budgeted FY 12-13	Estimated FY 12-13	Adopted Budget FY 13-14
Charges for services	8,548,485	9,036,541	9,281,100	10,057,500	12,691,000
Debt proceeds	-	9,089,826	-	-	3,950,000
Franchise fees	700,965	1,117,583	1,300,000	1,548,900	1,993,800
Intergovernmental revenue	2,474,642	2,483,557	3,241,000	3,452,800	2,842,700
Miscellaneous	1,130,550	1,016,021	809,400	957,000	888,000
Property taxes	1,826,810	1,647,123	1,550,000	1,627,000	1,640,000
System development charges	122,612	865,737	1,017,000	511,000	1,148,200
Transfers	726,561	2,619,240	1,455,700	882,500	1,993,384
Beginning Fund Balance	7,232,780	5,987,054	6,699,023	6,978,540	6,573,840
<b>Total</b>	<b>\$22,763,405</b>	<b>\$33,862,682</b>	<b>\$25,353,223</b>	<b>\$26,015,240</b>	<b>\$33,720,924</b>

### Expenditures

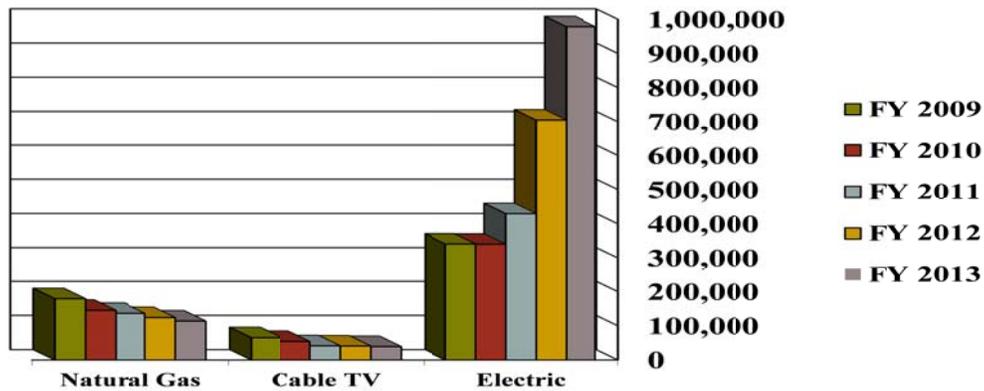
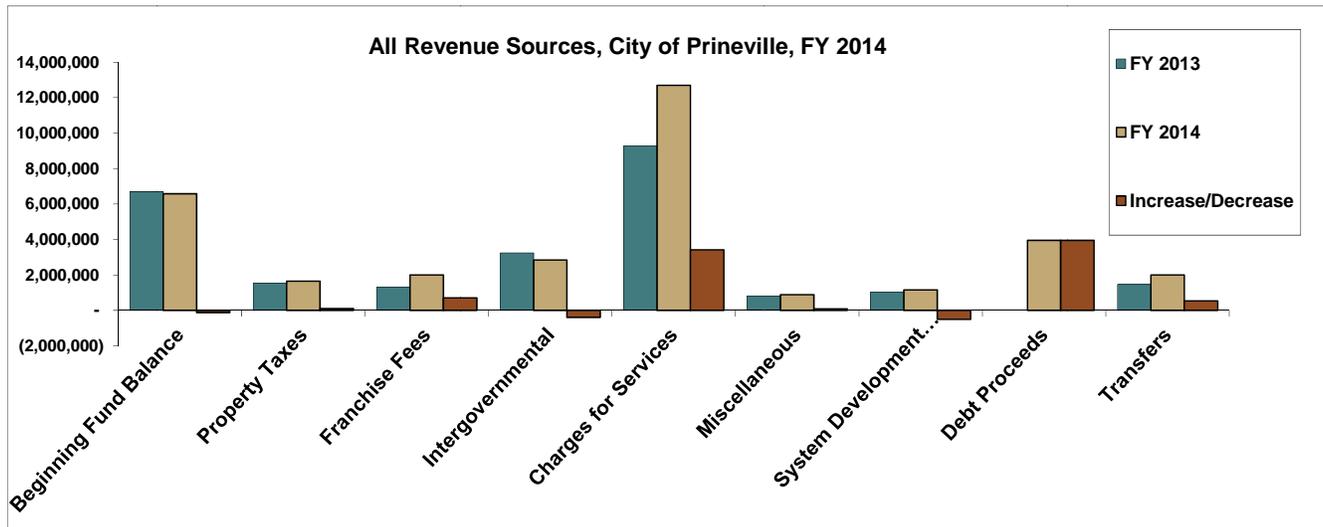
	Actual FY 10-11	Actual FY 11-12	Budgeted FY 12-13	Estimated FY 12-13	Adopted Budget FY 13-14
Personnel services	5,644,279	5,935,255	6,026,000	5,994,800	10,186,100
Materials and services	3,247,558	3,561,124	3,980,000	4,020,500	4,506,200
Franchise fee expense		157,700	221,100	221,100	241,100
Capital outlay	1,591,205	2,324,747	3,154,900	3,252,800	5,991,900
Transfers	3,228,766	5,308,271	4,341,600	4,297,300	4,771,684
Debt service	2,919,317	9,557,045	1,655,000	1,654,900	1,698,900
Contingency/Other Requirements	-	-	5,974,623	-	6,325,039
<b>Total</b>	<b>\$ 16,631,125</b>	<b>\$ 26,844,142</b>	<b>\$ 25,353,223</b>	<b>\$ 19,441,400</b>	<b>\$ 33,720,924</b>

# Types

## All Revenue Sources

Nine main revenue categories comprise the revenue sources for in the FY 2014 budget. Of these nine categories, the largest three of them (beginning fund balance, charges for services, and debt proceeds) comprise 69% of total revenues. This section will examine these revenue sources, as well as property taxes.

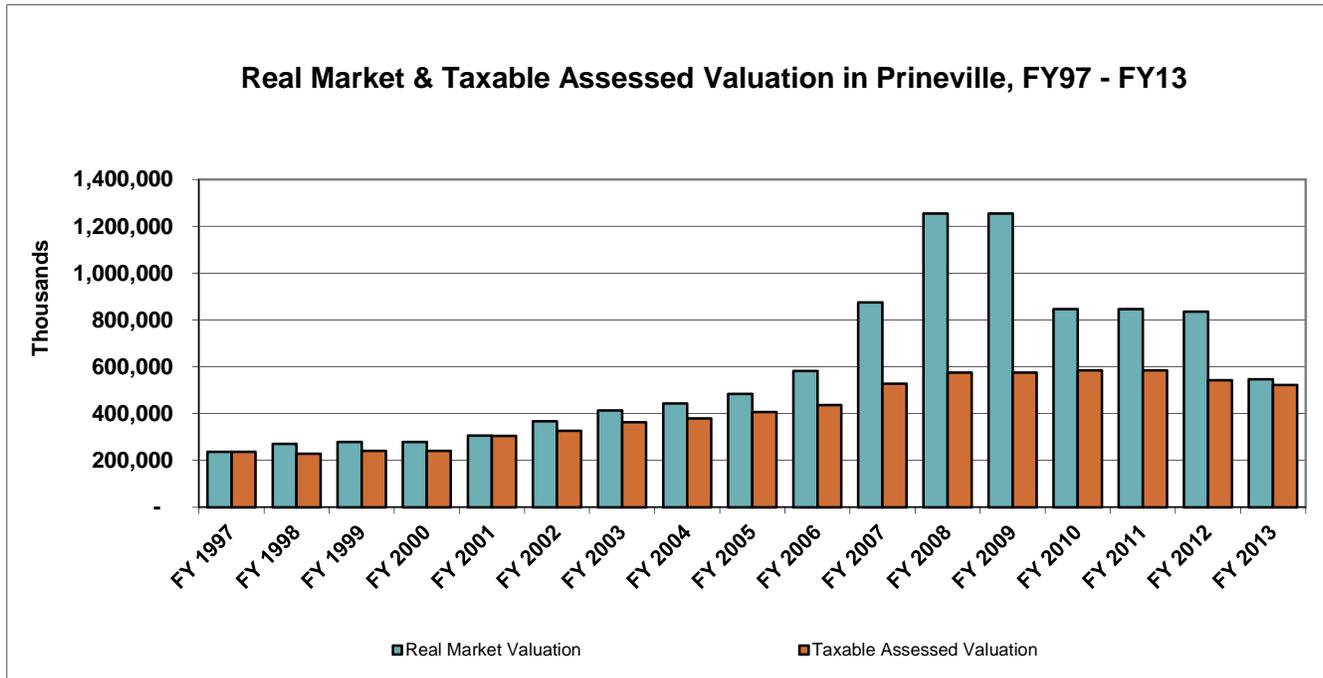
Revenue Summary	
	Percent of Total
Beginning Fund Balance	19%
Property Taxes	5%
Franchise Fees	6%
Intergovernmental	8%
Charges for Services	38%
Miscellaneous	3%
System Development Charges	3%
Debt Proceeds	12%
Transfers	6%



Franchise fees are projected to increase approximately \$534 thousand in FY 2014, this largely due to the increase of power use from the data centers.

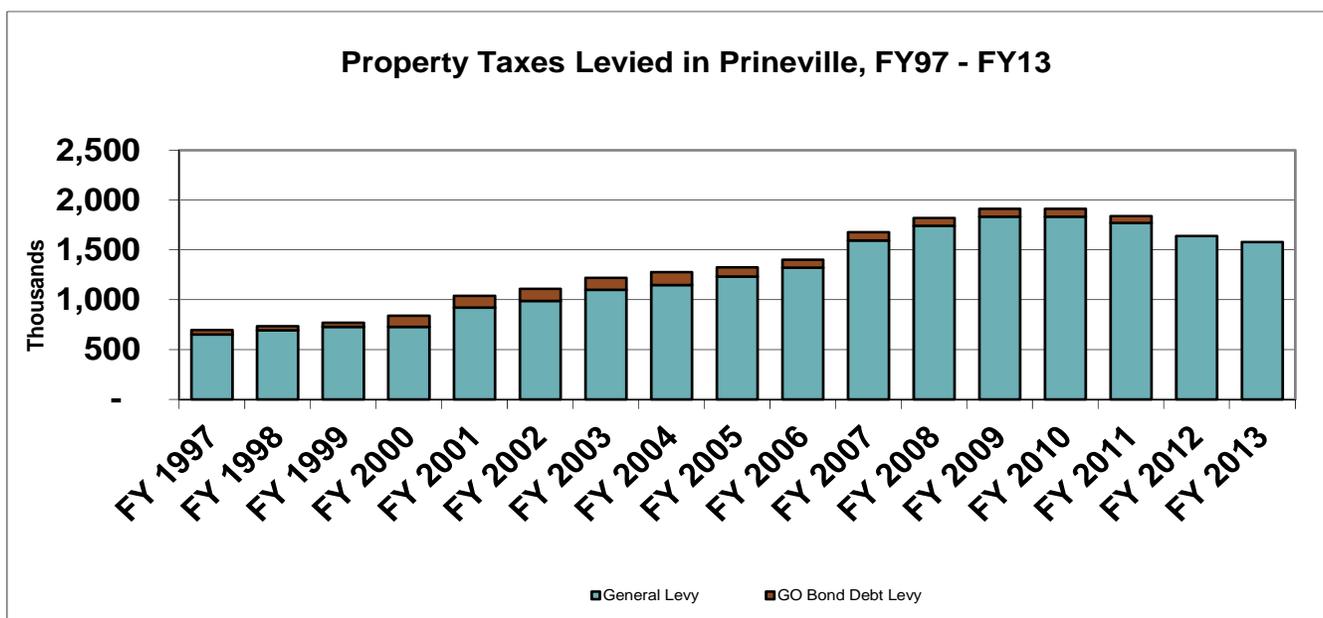
## Property Tax Revenue

The permanent tax rate of \$3.0225 per thousand is applied to the projected taxable assessed value of property to generate property tax revenues. Property taxes are shown as revenues in the General Fund.



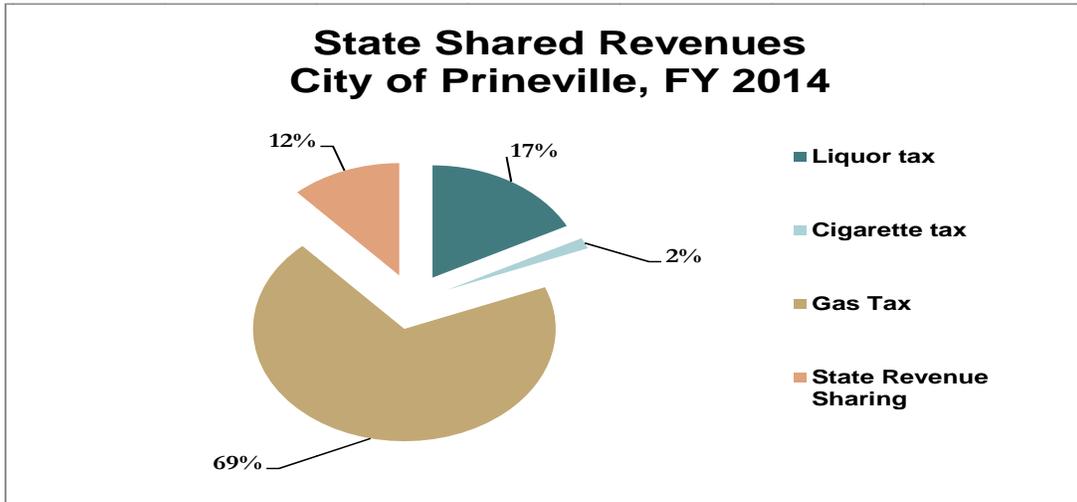
## Taxable Assessed Value

Taxable assessed value of property and the permanent property tax rate are used to calculate property taxes in the City of Prineville. Taxable assessed values of existing property are limited to an increase of 3% per year; value added to a community via new construction increases the assessed value over the 3% growth rate limited by Measure 50. For FY 14, taxable assessed value is projected by the County Assessor to increase approximately 5% over last year's imposed tax. The GO Bond for Water improvement matured in FY 2012.



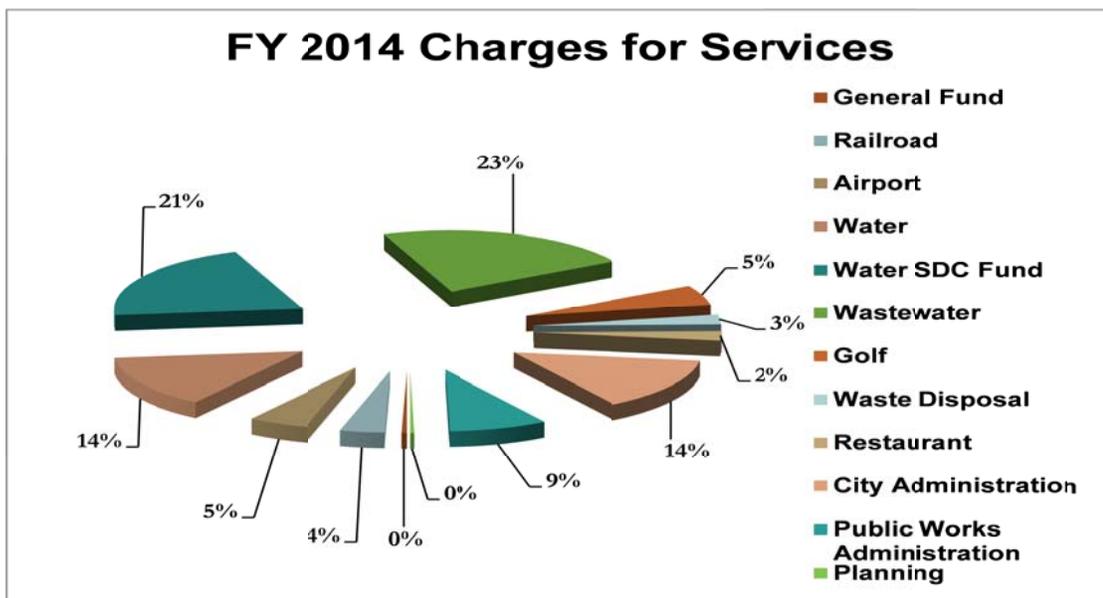
### State Revenue Sharing/Intergovernmental Revenues

State shared revenues are projected at \$765,300 for fiscal year 2014. 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. In Prineville, liquor and cigarette tax revenues are shown in the General Fund. Gas tax and State Revenue Sharing are shown in Streets & Bike Line Maintenance.



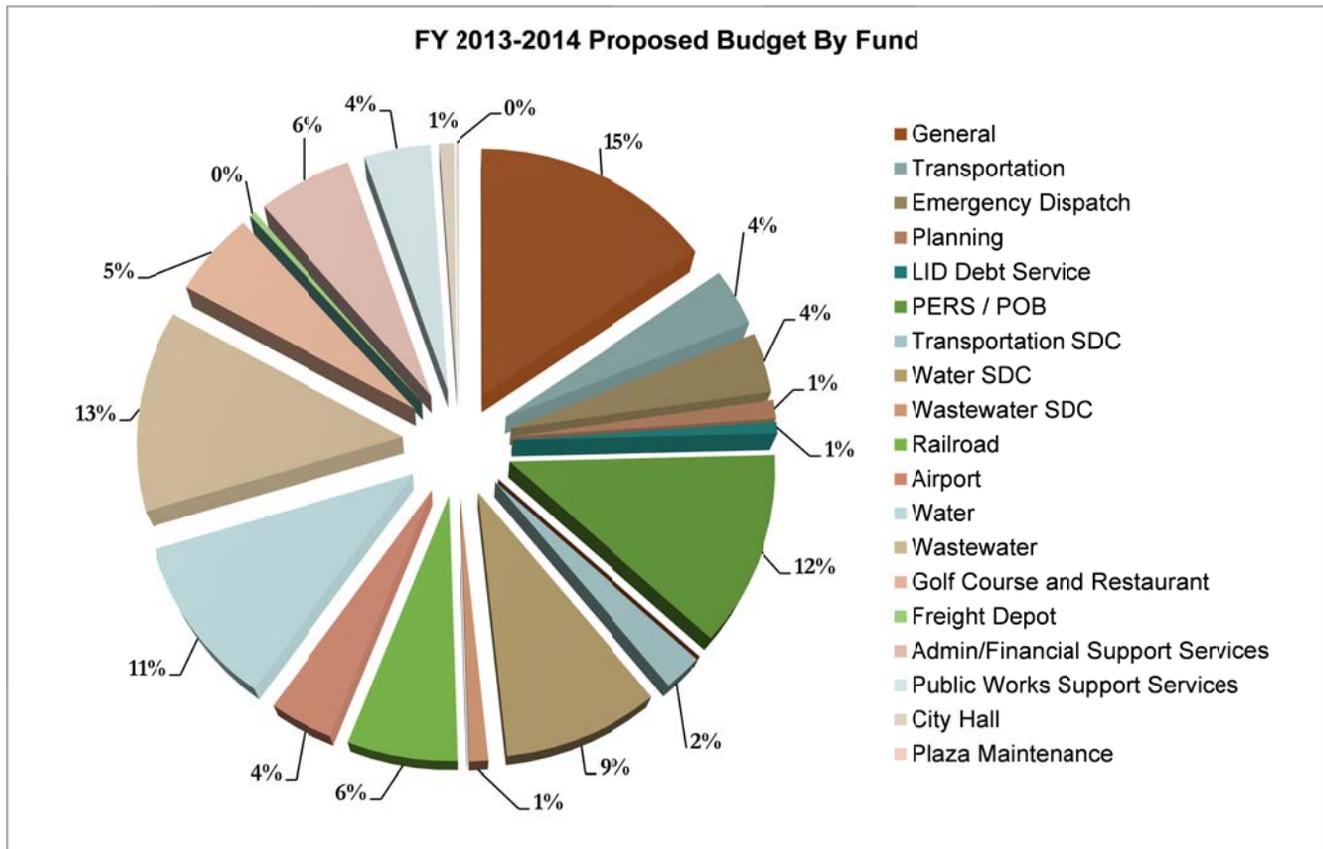
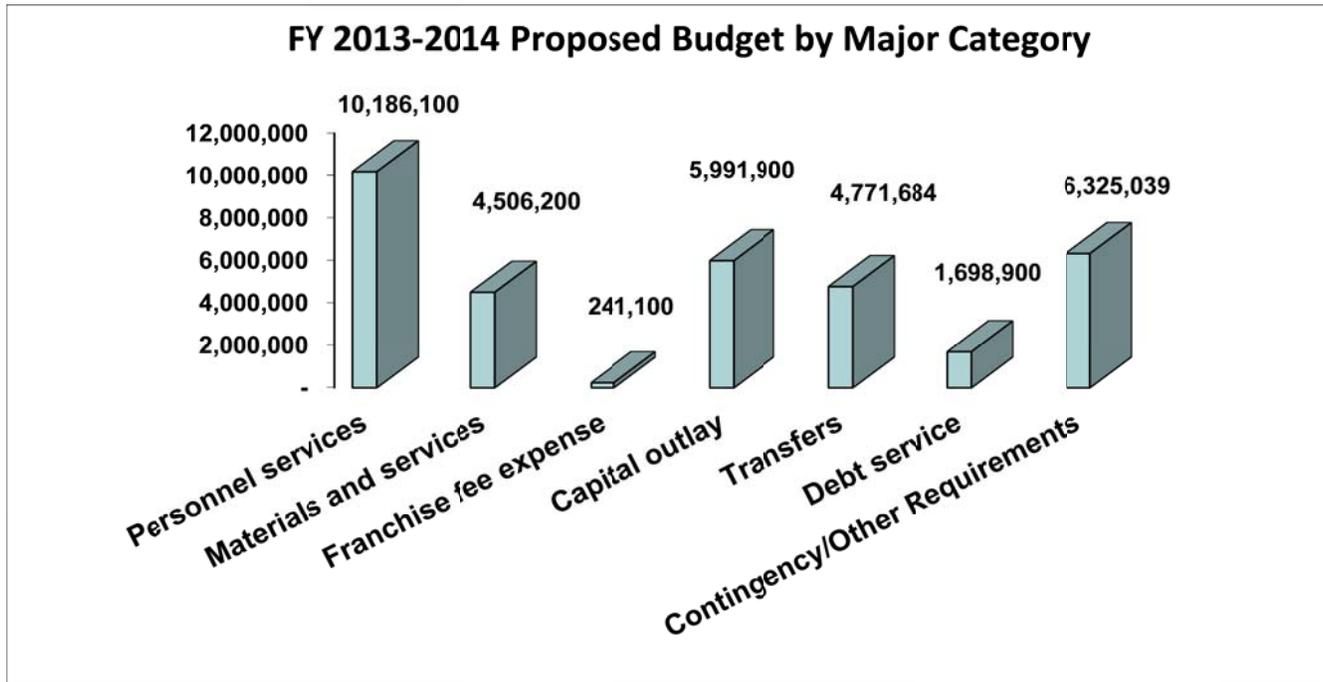
### Charges for Service

Charges for service total \$12,691,000 for fiscal year 2014. Charges for water, sewer, airport, rail service, engineering, and golf are charged to users in the City of Prineville and with certain services throughout the region. The fees for utility services and governmental funds are established through the City fees and charges resolution which is updated yearly. Internal customers are charged for provided services in Administration, Finance, Information Technology, and Human Resources. The fees are based on a percent of personal, operating, and direct costs. Utility services in the Wastewater Fund and the Water Fund make up the majority of revenue sources across all funds. In the Water SDC fund we are constructing a water improvement for our newest data center and will be charging for our service.



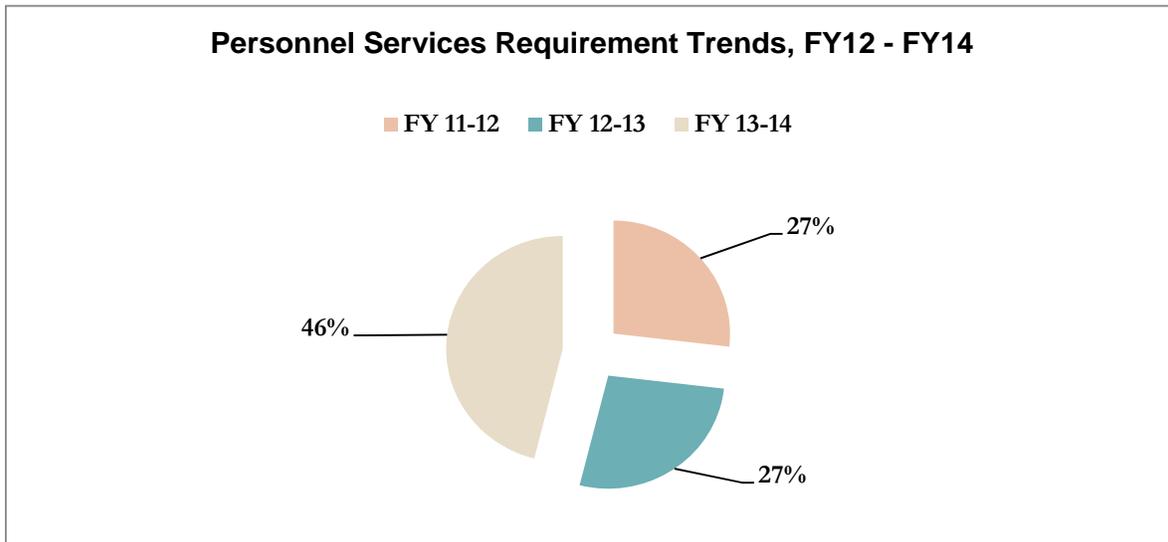
## Requirements

Operational requirements total approximately 58% of the budget for FY 14; these categories include personnel services, materials and services, franchise fees, and transfers.



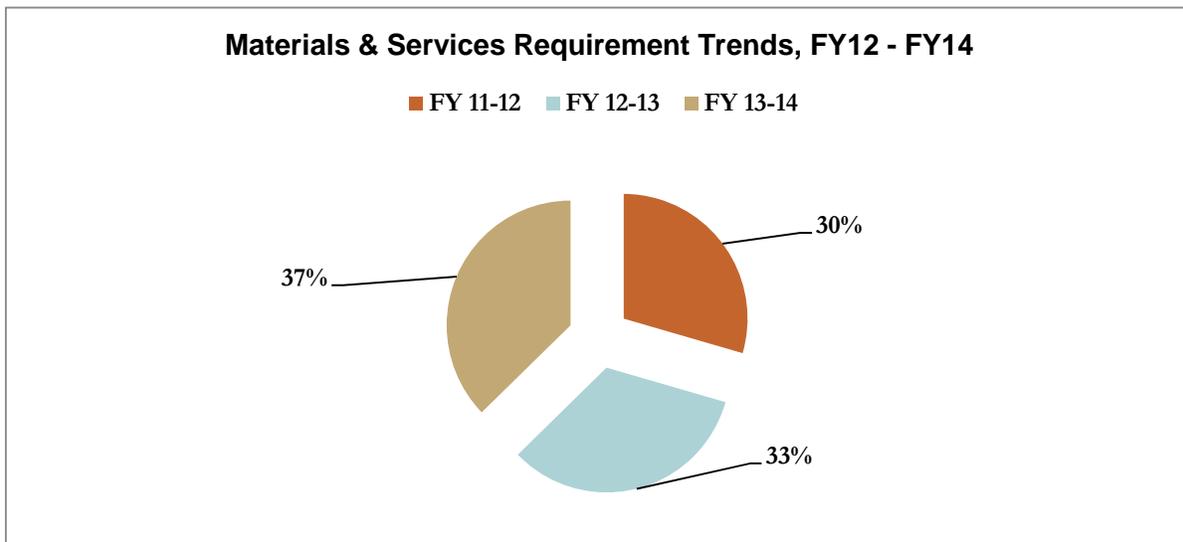
### Personnel Services

As in past years personal services requirements have been a major expense category for the organization. In FY 14 the City of Prineville will meet union contract obligations and provide a modest cost of living increase for non- represented employees. Increasing costs of health, retirement (PERS), and unemployment insurance make up the majority of this year’s cost increase, approximately 6% over prior year. This year the personnel services cost includes the Public Employee Retirement System (PERS) unfunded liability total of \$3.8 million, which played a large role in the increase to 46% on the chart below over previous years.



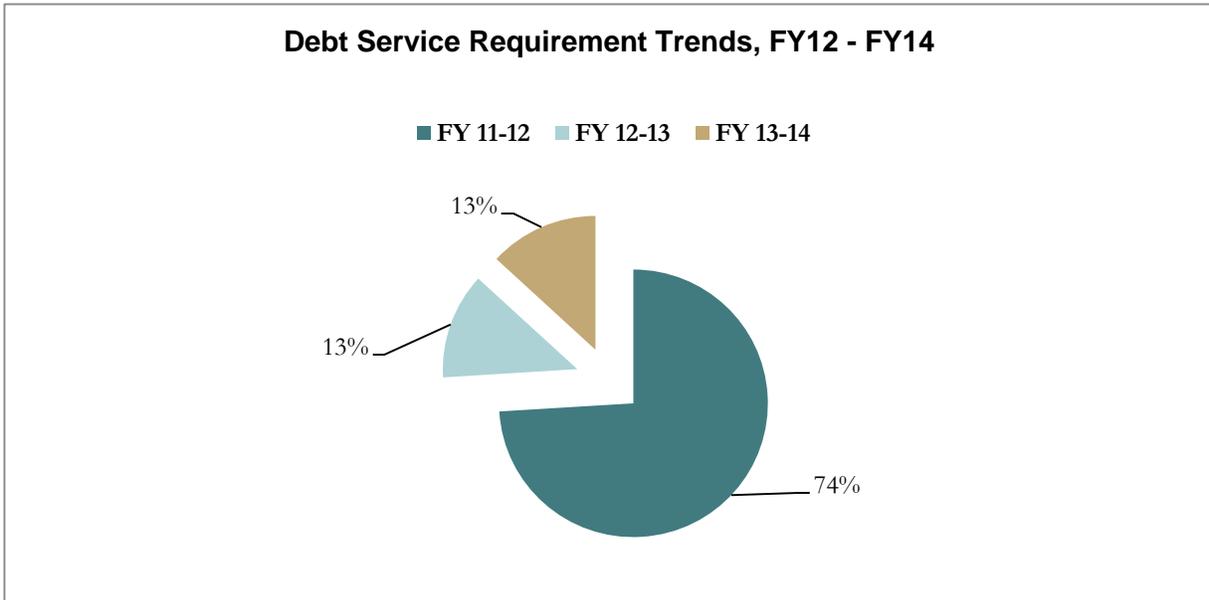
### Materials and Service

Materials and services requirements increased 4% over prior year largely due to the addition of the plaza maintenance fund, non-departmental general fund, and the increase in energy prices.



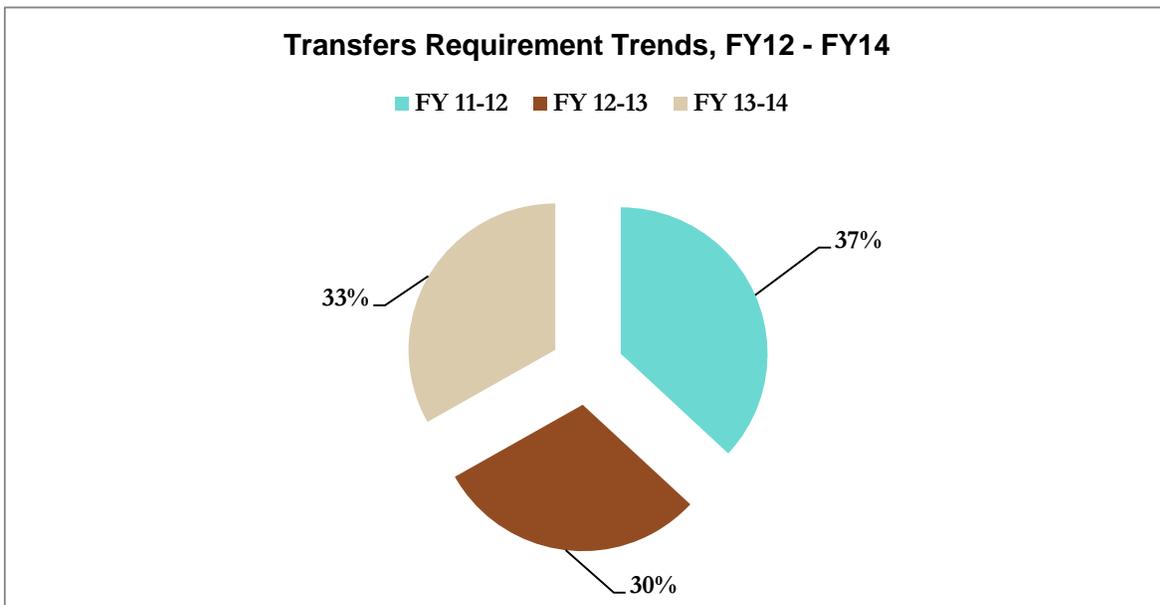
**Debt**

Debt service requirements have decreased significantly from FY 12, as a result of the debt refunding and restructuring of existing loans totaling approximately \$7.362 million. The restructure significantly improved cash flow, debt coverage ratios, and fund balances city wide. No new debt was issued in FY 13, and the planned restructure of our unfunded PERS liability requires minimal debt service for FY 14.



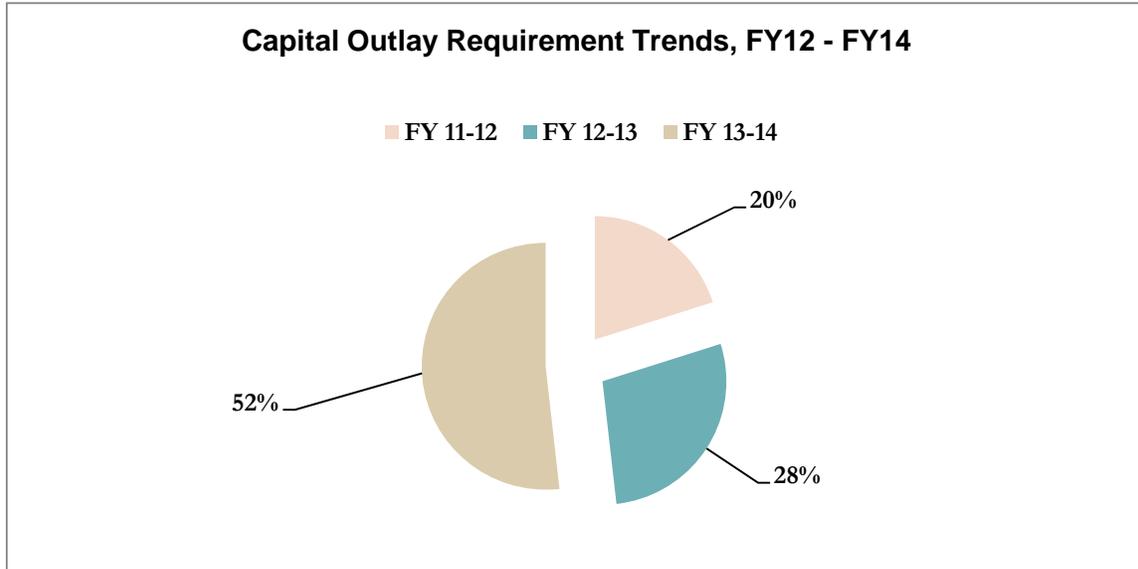
**Transfers**

Transfers from funds for charges of service are based upon operating budgets. In FY 14 transfers have increased approximately 3%. This is as anticipated.

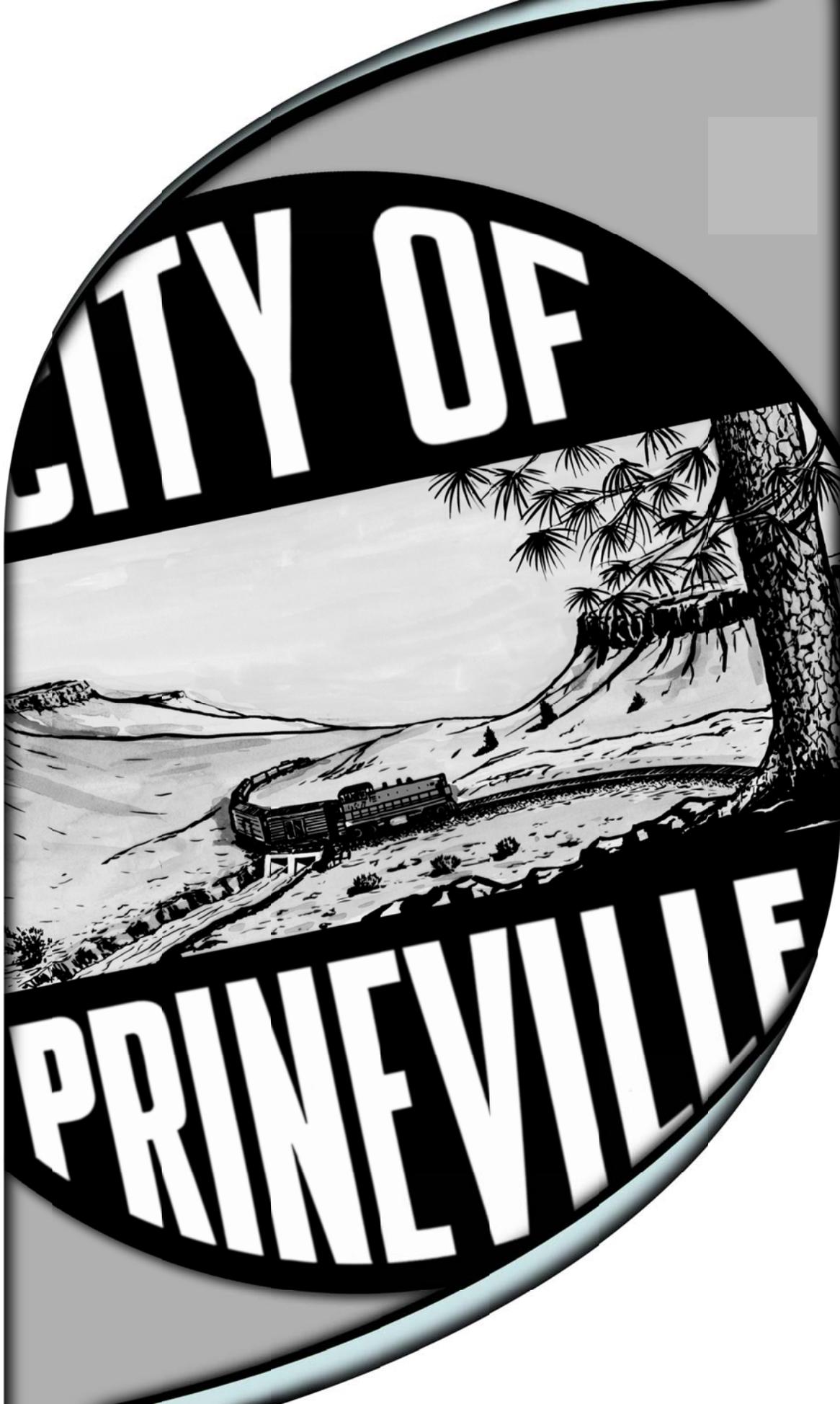


**Capital Outlay**

Capital Outlay for FY 14 totals approximately \$5.992 million. Capital project expenditures have increased approximately 24% over prior year. Grant related projects represent approximately \$1.2 million, \$2.7 million is represented in water improvements from the data center, and approximately \$1.4 million are covered through reserve funds.



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**Short and Long Term  
Strategic Forecasting &  
Capital Improvement Plans**

**City of Prineville Adopted Budget FY 2013-2014**

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## **Description of Long Range Strategic Financial Planning Process**

The City of Prineville prepared twenty-year long-range planning models for fiscal year 2012-13 budget process in water, wastewater, and golf funds. In fiscal year 2013-14 prior to the development of the budget these models were updated and the general fund long- range planning model was completed. The models were used by staff to strategically plan, develop, and educate council and committee's about current and future needs and the resource assumptions to fund these needs. The forecasting models take into account projected increases and decreases in revenues and expenditures.

Our budget assumptions include rate adjustments, CPI adjustments, estimates for population growth, personnel service adjustments, debt service, future financing, and capital improvement plans. The model analysis examines the effect on debt coverage ratio, available fund balance, reserve policies, and funding gaps. Water, Sewer and Transportation Master Plans are updated every five years. These master plan documents provide long range (20 year) planning for necessary capital improvements and investments in the City's infrastructure. Five year capital improvement plans are updated and reviewed in this process for non-recurring project and recurring projects. The results of these plans are essential in keeping a well updated financial forecasting model.

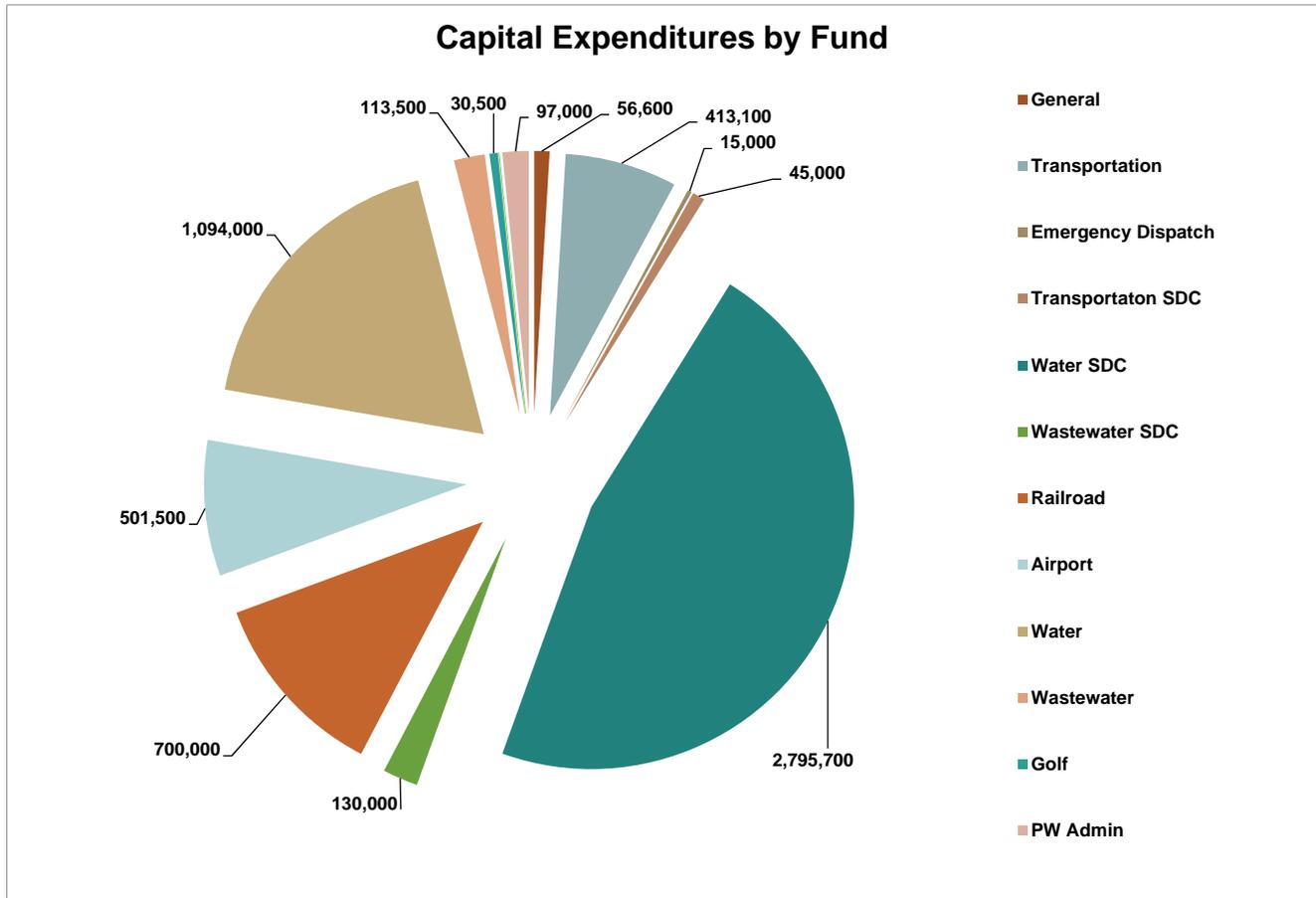
A review of the pavement condition index (PCI) and master plans for water and sewer and the financial forecasts are reviewed by the finance committee, council and presented to the budget committee during the budget process prior to approval of the budget from the budget committee.

The long range planning models are the key to strategizing, studying different financial outcomes, modeling demographic trends, anticipating changes in revenue streams, and forecasting utility rates. They are essential to the decision and development process of our budget document.

The City is working towards having a long range model for each fund. A copy of the latest version of the City's updated projections for water, wastewater, golf, and general fund (showing only five of the 20 year plan) are placed in the back of this chapter.

## Capital Outlay

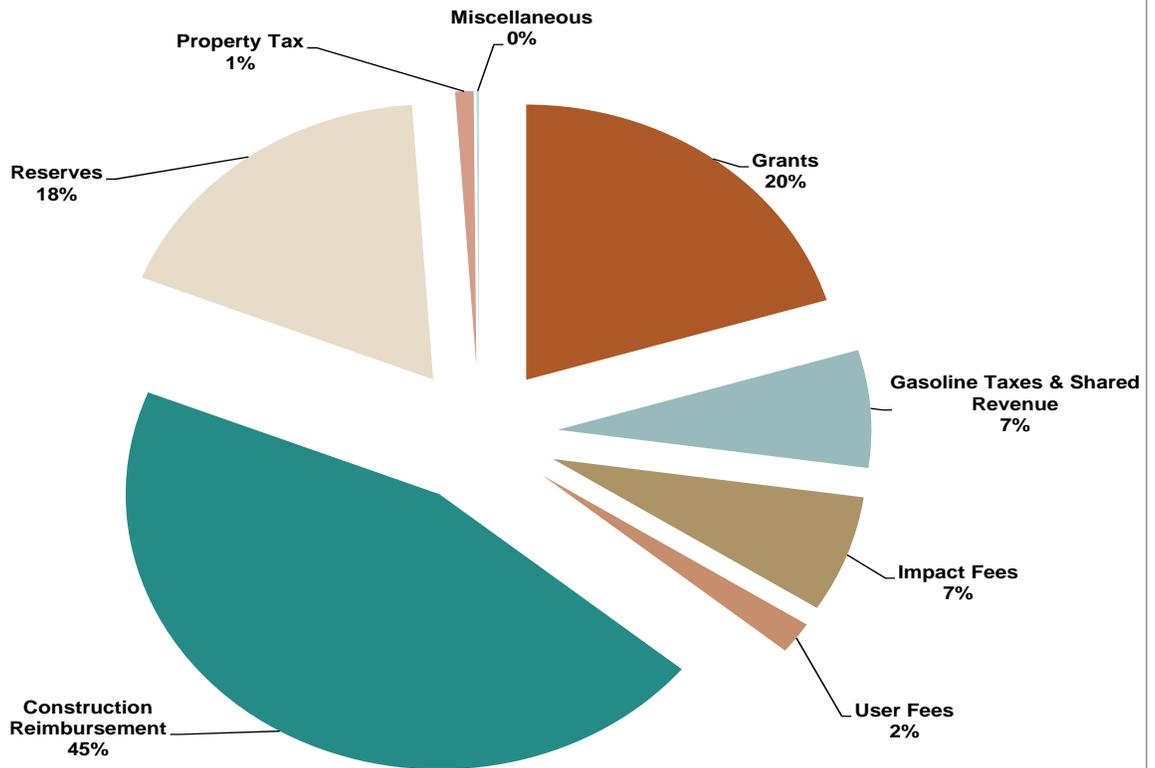
The City defines a capital expenditure as using the following three criteria: (I) relatively high monetary value (equal or greater than \$10,000), (II) long asset life (equal or greater than five years useful life), and (III) results in the creation of a fixed asset or the revitalization of a fixed asset.



### Capital requirements for FY 14 total approximately \$5.992 million.

The total overall capital outlay budget for FY 2014 is \$5,991,900. Twelve programs have budgeted capital improvements, the largest being Water SDC fund with approximately \$2.796 million budgeted for water improvements, the Water fund with approximately \$927,000 budgeted for improvements and \$167,000 set aside for water mitigation, and the Railroad with approximately \$700,000 budgeted to complete the Connect Oregon III project.

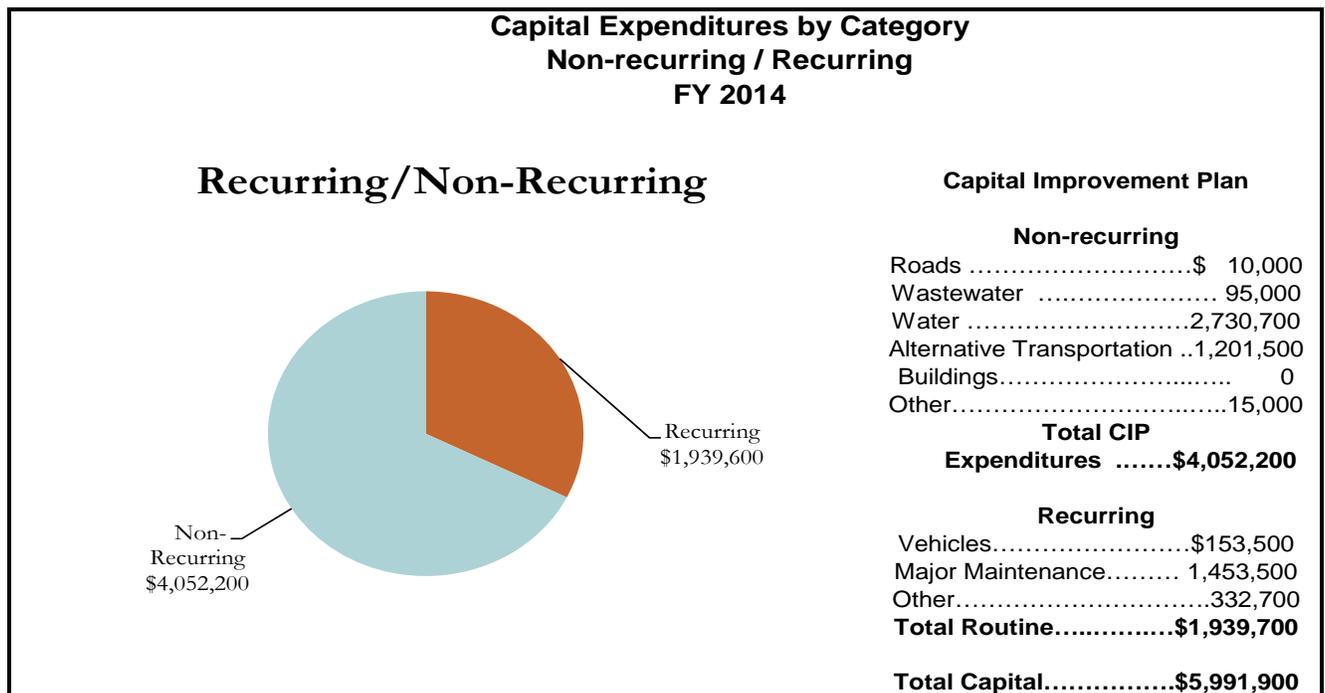
### FY 2014 Resources for Capital Projects by Fund



The City of Prineville funding for capital projects comes from a variety of sources for FY 2014, but generally falls into one of several categories: construction reimbursements, grants, gasoline taxes & shared revenue, impact fees, or reserves. This year the majority of funds will be a reimbursement for the water improvements in connection with the new data center. Grants and reserves will cover approximately 38% of the capital projects with miscellaneous revenue covering less than 1%.

## Summary of Capital Improvement Expenditures and Resources

Capital Improvement Summary City of Prineville Current Year 2014									
Expenditures				Resources					
Department/Project Description	Capital Outlay	Recurring	Non- recurring	Taxes AD Valorem	Revenue Sharing/ Intergovernmental	Bond proceeds	Grants	Fund Balance	Other
<b>General Fund</b>									
Police Department									
Fleet Management	\$ 56,500	*		\$ 56,500					
Police Facility (place holder)	100								100
<b>Emergency Dispatch</b>									
Mobile Data Upgrade	15,000		*						15,000
<b>Transportation Fund</b>									
Overlay/Reconstruction	413,100	*			413,100				
<b>Transportation SDC Fund</b>									
TSP Update	10,000		*					10,000	
CRC/HCP	35,000	*						35,000	
<b>Railroad Fund</b>									
Connect Oregon III	700,000		**				700,000		
<b>Airport Fund</b>									
Automated Weather Observation System (AWOS)	303,500		**				303,500		
Airport Master Plan Update	198,000		**		18,000		180,000		
<b>Water Fund</b>									
Repair and Maintenance	927,000	*						927,000	
Water Mitigation	167,000	*						167,000	
<b>Water SDC Fund</b>									
CRC/HCP	35,000	*						35,000	
Airport Water System Improvements	2,700,700		**						2,700,700
Water Rights	30,000	*						30,000	
Source Water Protection Grant	30,000		**				30,000		
<b>Wastewater Fund</b>									
Repair and Maintenance	113,500	*						113,500	
<b>Wastewater SDC Fund</b>									
CRC/HCP	35,000	*						35,000	
Disposal Wetland Design	95,000		**					95,000	
<b>Golf Course Fund</b>									
Course Improvements	30,500	*						30,500	
<b>Public Works</b>									
<b>Administration Services Fund</b>									
Fleet/Equipment Management	97,000	*							97,000
<b>Total Capital Outlay</b>	<b>\$ 5,991,900</b>			<b>\$ 56,500</b>	<b>\$ 431,100</b>	<b>\$ -</b>	<b>\$ 1,213,500</b>	<b>\$ 1,478,000</b>	<b>\$ 2,812,800</b>
** Major Non-recurring Project									



## Major Nonrecurring Capital Improvements by Project

Project Description: Connect Oregon III								
Department: Railroad								
Fiscal Year								
	Estimated Reserves	2014	2015	2016	2017	2018	Beyond	Total
Estimated Cost								
Engineering Construction Equipment		\$ 700,000						\$ 700,000
Total	\$ -	\$ 700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 700,000
Financing Sources								
Fund Balance Intergovernmental Grant		\$ 700,000						\$ 700,000
Bond Proceeds								
Other								
Total	\$ -	\$ 700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 700,000
Railroad Fund Operating Impact								
Capital Costs								
Debt Service								
Personnel / Operations		TBD	TBD	TBD	TBD	TBD	TBD	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

### Project Description

Project represents the completion of the \$2.5 million Connect Oregon III project which enabled the City of Prineville Railway to construct a bulk transload facility at the Prineville Junction. In prior years the facility was constructed which included 4,400 ft. of track expansion and paving of approximately 4.5 acres. This fiscal year will see the completion of this project which will include the purchase of equipment to support operations of the railway.

### Analysis of Need

Market research has shown developing demand for multimodal transportation options. This project allows for rail to truck transfer on the Highway 97 corridor that will lower transportation cost for Central Oregon businesses.

### Ongoing Operating Costs

Estimated 2,000 per year base operating cost, with additional cost correlated to usage and funded by user fees.

### Council Goal

Strengthen Local and Regional Relationships, Sustain & Efficiently Plan for the Future Development of Infrastructure, and Create and Sustain City Owned Enterprise Profitability.

Project Description: Automated Weather Observation System (AWOS) Lighted windcone replacement									
Department: Airport									
Fiscal Year									
	Project Cost	2013	2014	2015	2016	2017	2018	Beyond	Total
Estimated Cost									
Engineering/Design	\$ 100,000	*100,000	\$ 63,500						\$ 100,000
Construction	\$ 65,000		\$ 65,000						\$ 65,000
Equipment	\$ 175,000		\$ 175,000						\$ 175,000
<b>Total</b>	<b>\$ 340,000</b>	<b>*100,000</b>	<b>\$ 303,500</b>	<b>\$ -</b>	<b>\$ 340,000</b>				
Financing Sources									
Fund Balance									
Intergovernmental Grant	\$ 340,000	*100,000	\$ 303,500						\$ 340,000
Bond Proceeds									
Other									
<b>Total</b>	<b>\$ 340,000</b>	<b>*100,000</b>	<b>\$ 303,500</b>	<b>\$ -</b>	<b>\$ 340,000</b>				
Airport Fund Operating Impact									
Capital Costs									
Debt Service									
Personnel / Operations		\$ -	TBD	TBD	TBD	TBD	TBD	TBD	\$ -
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\*Project funds for FY13 and FY14 overlap as construction and funding schedule is to be determined.  
Project total will remain the same.

### Project Description

Connect Oregon Grant along with a grant from the (FAA) Federal Aviation Administration will provide an automated weather observation system (AWOS) that will enhance safety while providing necessary information to pilots to operate commercial activities in all conditions. The project will also include replacement of the aged lighted wind cone.

### Analysis of Need

This system provides an increased measure of safety as well as an opportunity for commercial/corporate aircraft to utilize the Airport.

### Ongoing Operating Costs

Yearly certification of the system and maintenance will be approximately 5,000.

### Council Goal

Sustain & efficiently plan for the future development of infrastructure, and community safety.

Project Description: Airport Master Plan Update								
Department: Airport								
Fiscal Year								
	Estimated Reserves	2014	2015	2016	2017	2018	Beyond	Total
Estimated Cost								
Engineering	\$ 198,000	\$ 198,000						\$ 198,000
Construction								
Equipment								
Total	\$ 198,000	\$ 198,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 198,000
Financing Sources								
Fund Balance								
Intergovernmental	\$ 18,000	\$ 18,000						\$ 18,000
Grant	\$ 180,000	\$ 180,000						\$ 180,000
Bond Proceeds								
Other								
Total	\$ 198,000	\$ 198,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 198,000
Airport Fund Operating Impact								
Capital Costs								
Debt Service								
Personnel / Operations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Project Description**

A Federal Aviation Administration (FAA) grant with 10% matching funds from the airport budget will allow for a complete update and study to address the airports needs for the next twenty years. The Airport Master plan update will provide specific guidance in making the improvements necessary to maintain a safe and efficient airport that is economically, environmentally, and socially sustainable.

**Analysis of Need**

The Master Plan update will provide for current, short term, and long term needs of the Airport.

**Ongoing Operating Costs**

None.

**Council Goal**

Sustain & efficiently plan for the future development of infrastructure and community safety. Continue to be fiscally responsible in all we do. Enhance & maintain council / public relations.

Project Description: Recoat Ochoco Tanks								
Department: Water Fund								
Fiscal Year								
	Estimated Reserves	2014	2015	2016	2017	2018	Beyond	Total
Estimated Cost								
Design/Engineering								
Construction		\$ 600,000						\$ 600,000
Equipment								
Total	\$ -	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600,000
Financing Sources								
Fund Balance		\$ 600,000						
Intergovernmental								
Grant								
Bond Proceeds								
Other								
Total	\$ -	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600,000
Water Fund Operating Impact								
Capital Costs								
Debt Service								
Personnel / Operations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	TBD	TBD	TBD	TBD	TBD	TBD	\$ -

**Project Description**

The two existing 500,000 gallon hospital water storage tanks provide pressure and water storage reserves for the largest water pressure zone within the City. These tanks were constructed in 1955 and 1964 and replaced the original wooden water tanks that first supported the City water system. The lead based coatings of these tanks have finally deteriorated to a level which requires rehabilitation. As part of this project, the City will sand blast and remediate the existing lead based components and recoat the tanks with an epoxy coating.

**Analysis of Need**

Inspections have shown that the existing lead based coatings are failing. If nothing is done corrosion will begin to threaten the structural integrity of the tanks.

**Ongoing Operating Costs**

Once complete, this project will not affect the ongoing operating costs of the water department.

**Council Goal**

Sustain & efficiently plan for the future development of infrastructure.

Project Description: Airport Water System Improvements								
Department: Water SDC Fund								
Fiscal Year								
	Estimated Reserves	2014	2015	2016	2017	2018	Beyond	Total
<b>Estimated Cost</b>								
Design/Engineering								
Construction		\$ 2,700,700						\$ 2,700,700
Equipment								
<b>Total</b>	\$ -	\$ 2,700,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,700,700
<b>Financing Sources</b>								
Fund Balance								
Intergovernmental								
Grant								
Bond Proceeds								
Other	\$ -	\$ 2,700,700	SDC Revenues	\$ -	\$ -	\$ -	\$ -	\$ 2,700,700
<b>Total</b>	\$ -	\$ 2,700,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,700,700
<b>Wastewater Fund Operating Impact</b>								
Capital Costs								
Debt Service								
Personnel / Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	\$ -	TBD	TBD	TBD	TBD	TBD	TBD	TBD

**Project Description**

In an effort to support the Data Center interests that are developing near the Crook County Airport, the City of Prineville is expanding the capacity of the water system that serves the Airport area. The City has plans to construct two new wells, install a backup power generator, construct a new, 1,000,000 gallon water storage tank and construct 4,400 feet of water line. These improvements will be paid for by the data center interests that will be served by the improvements.

**Analysis of Need**

These projects have been identified in our adopted Water Master Plan. With recent development of the Airport area, these improvements are now needed.

**Ongoing Operating Costs**

To be determined. These improvements will increase the water system capacity. Future operating costs will be offset by future water revenue associated with increased demands.

**Council Goal**

Sustain & efficiently plan for the future development of infrastructure.

Project Description: Disposal Wetland Design								
Department: Wastewater SDC Fund								
Fiscal Year								
	Estimated Reserves	2014	2015	2016	2017	2018	Beyond	Total
Estimated Cost								
Design/Engineering	\$ 95,000							
Construction				\$ 4,500,000	\$ 4,000,000			\$ 8,500,000
Equipment								
Total	\$ -	\$ 95,000	\$ -	\$ 4,500,000	\$ 4,000,000	\$ -		\$ 8,595,000
Financing Sources								
Fund Balance	\$ 95,000							
Intergovernmental				\$ 2,000,000	\$ 2,000,000			
Grant	\$ -			\$ 2,500,000	\$ 2,000,000			
Bond Proceeds								
Other								
Total	\$ -	\$ 95,000	\$ -	\$ 4,500,000	\$ 4,000,000	\$ -	\$ -	\$ 8,595,000
Wastewater Fund Operating Impact								
Capital Costs								
Debt Service								
Personnel / Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	TBD	TBD	TBD	TBD	TBD	TBD	\$ -

**Project Description**

The City of Prineville recently updated its Wastewater Facility Plan to include an alternative effluent disposal process that will enhance the existing Wastewater Treatment Plant. An Effluent Disposal Wetland was selected to beneficially utilize effluent and improve environmental values at an economic cost. The Crooked River Wetland will be located on approximately 280 acres of city owned property. The project will include several miles of hiking trails for the citizens of Prineville and visitors alike. Educational opportunities will abound, benefiting local school districts. Related improvements to three miles of riparian habitat along the Crooked River will be completed as well. The adoption of this disposal process reduced future treatment costs from \$33,000,000 to \$6,600,000 which resulted in a reduction of the Wastewater System Development Charge from \$9,147 per Equivalent Dwelling Unit to approximately \$4,000 per Equivalent Dwelling Unit. This will be an outstanding project for the local community.

**Analysis of Need**

As this project has been identified in our adopted Wastewater Facility Plan, it must be constructed to meet the future demands associated with a growing population.

**Ongoing Operating Costs**

To be determined. As compared to the prior proposed mechanical treatment plant, the cost to operate the proposed wetland disposal cells will be 25%. As this project is required to serve a growing population, increased utility fees associated with our increasing population will help to meet required debt service.

**Council Goal**

Sustain & efficiently plan for the future development of infrastructure, and community safety.

## Nonrecurring Five Year Capital Improvement Plans by Fund

### Police Facility Fund

City of Prineville Police Department Capital Improvement Plan Fiscal Years 2014-18						
Project Description	Current Year Construction Estimate	2014	2015	2016	2017	2018
<b>Facility</b> 400 NE 3rd Street - Replace roof Police facility (place holder)		\$ 100	\$ 82,500			
Building replacement	\$ 5,225,000				\$ 5,225,000	
	\$ 5,225,000	\$ 100	\$ 82,500	\$ -	\$ 5,225,000	\$ -

Annual maintenance costs continue to climb in a nearly 60 year old building that needs substantial improvements to the structural system. The Prineville Police Department has been working diligently towards developing a concept to resource the replacement of the existing facility which is beyond its useful life span. The viability of our facility is critical in order to maintain Police, 911/ Dispatch and Jail services to all our public safety partners and the community. In the short-term we will continue to be fiscally responsible in how we maintain what we have.

It has been determined by contract personnel who regularly service the roof at 400 NE 3<sup>rd</sup> Street that the current flat designed roof is beyond its usable life span. The roof has consistently leaked for several years and regular patching was the short-term solution. The approximately cost of roof replacement is currently programmed for FY 14-15. Serious structural concerns exist regarding the viability of the main structure below the roof due to years of persistent leaks, which may, once the roof is opened up; drive the costs of total repairs much higher.

## Emergency Dispatch Fund

City of Prineville 911 Dispatch Capital Improvement Plan Fiscal Years 2014-18						
Project Description	Current Year Construction Estimate	2014	2015	2016	2017	2018
<b>Facility</b>						
400 NE 3rd Street - Mobile data upgrade	\$ 15,000	\$ 15,000				
400 NE 3rd Street - RMS2 EIS revision			\$ 20,000			
12051 SE Juniper Canyon Rd - Alt. PSAP			\$ 97,400			
	\$ 15,000	\$ 15,000	\$ 117,400	\$ -	\$ -	\$ -

Mobile Data Controller Mobile Access is an upgrade for the Crook County Fire & Rescue (CCF&R) units. This will add the PSNET Mobile Client, server interface software, and VPN Connection software to allow for adding mobile access to 911/Dispatch CAD data for CCF&R units. This feature represents the functional piece that CCF&R needs to bring them up to date with the other public safety agencies in the City of Prineville and Crook County. CCF&R has directly contributed funds for this project.

Currently our 911 Dispatch Center exceeds State Standards for redundancy in case of an outage due to natural or man-made causes. Despite meeting this standard the building which the 911 Dispatch Center resides suffers from a number of structural deficiencies which make it vulnerable to failure, particularly if we should experience a moderate seismic event. In light of this vulnerability partner agencies generally agree that an alternate location to conduct emergency public safety communications should be identified and developed. A preliminary concept to create this capacity at the Juniper Canyon Fire Station has been developed and tentatively agreed upon by the leadership of the Crook County Fire and Rescue District. Costs estimated for FY 14-15 reflect a fully operational alternate center.

The records management system will require a significant version up grade in the near future. Currently this is programmed as being most desirable in FY 14-15. This upgrade is consistent with anticipated records management system development and will enhance electronic interoperability between the Prineville Police Department, Crook County Sheriff's Office, and Crook County District Attorney.

## Transportation SDC Fund

City of Prineville Transportation SDC Capital Improvement Plan Fiscal Years 2014-18						
Project Description	Current Year Construction Estimate	2014	2015	2016	2017	2018
2nd St N - Dead end west to Fairview	\$ 1,093,800					
2nd Street egress End of egress project to Meadow Lakes						
2nd St. N - Fairview to Knowledge/3rd	\$ 1,339,300					
4th St N - Harwood to Elm	\$ 638,100					
9th St - N Main St to 7th St W	\$ 2,293,000					
Signals and N. Main and 9th and 10th						
9th St N - Madras Hwy to Main St	\$ 2,528,200					
Brummer Road extension	\$ 21,825,500					
Combs Flat Rd - 3rd St to Laughlin	\$ 332,900					
Combs Flat Rd - Laughlin to Barnes Butte	\$ 11,408,800					
Deer St - 5th to Lamonta	\$ 1,030,200					
Elm St - Lynn to 10th St	\$ 1,237,600					
Gardner Rd - Madras Hwy to Lamonta	\$ 1,308,400					
Harwood St - 3rd St NW to Lamonta	\$ 944,200					
Lamonta - Gardner to Main	\$ 2,481,300					
Laughlin Rd - 7th St/Juniper to 3rd St NW	\$ 8,703,800					
Lynn Blvd - Main St to Combs Flat	\$ 4,106,400					
Main St - Ballpark/Fairground entrance to house #2702	\$ 8,663,700					
Main St - S. City Limits to Ballpark/Fairground Ent	\$ 2,948,900					
Millican Rd - Hwy 126 to Les Schwab	\$ 14,210,200					
Est. cost for rotary \$4 mil, our portion 25%					\$ 800,000	\$ 800,000
Peters Rd - Main St to Yellowpine	\$ 848,300					
Peters (Smith) Rd Extension - Main to Lamonta	\$ 5,005,200					
Peters Rd - Yellowpine to Combs Flat	\$ 2,976,200					
Signal at S. Main and 1st	\$ 300,000		\$ 300,000			
Signal at S. Main and Lynn Blvd.	\$ 400,000			\$ 400,000		
West "Y" roundabout	\$ 2,185,000					
Yellowpine Rd - Peters to city limits	\$ 2,144,100					
Crooked River concept	\$ 25,000	\$ 25,000	\$ 25,000			
Habitat concervation plan	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
TSP update	\$ 10,000	\$ 10,000				
	\$ 100,998,100	\$ 45,000	\$ 335,000	\$ 410,000	\$ 810,000	\$ 810,000

No nonrecurring projects for FY 2014.

## Water SDC Fund

City of Prineville Water SDC Capital Improvement Plan Fiscal Years 2014-18						
Project Description	Current Year Construction Estimate	2014	2015	2016	2017	2018
<b>Source</b>						
Airport well #3 (1000 gpm)	\$ 795,700	\$ 795,700				
Airport well #4 (350 gpm)	\$ 512,400	\$ 512,400				
Backup power for airport well #3	\$ 97,100	\$ 97,100				
Source Water Protection Grant	\$ 30,000	\$ 30,000				
Crooked River concept	\$ 25,000	\$ 25,000	\$ 25,000			
Habitat conservation plan	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Water rights acquisition	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
<b>Storage</b>						
Airport tank #2 (1.0 mg steel)	\$ 995,500	\$ 995,500				
Barnes Butte tank #2 (1.0 mg steel)	\$ 1,250,000				\$ 1,250,000	
Fairgrounds tank #2 (1.0 mg concrete)	\$ 1,250,000					
Hudspeth tank #1 (2.0 mg concrete)	\$ 2,500,000					
Hudspeth tank #2 (1.5 mg concrete)	\$ 1,875,000					
Hudspeth tank #3 (1.0 mg concrete)	\$ 1,250,000					
Melrose tank #1 (1.0 mg steel)	\$ 1,000,000					
<b>Transmission</b>						
Barnes Butte transmission - Distribution mains	\$ 1,797,300					
Fairgrounds transmission - Distribution mains	\$ 1,100,000					
Hudspeth booster pump station #1	\$ 350,000					
Hudspeth booster pump station #2	\$ 350,000					
Hudspeth booster pump station #3	\$ 350,000					
Hudspeth transmission - Distribution mains	\$ 1,994,300					
Line looping Millican Rd to High Desert Dr	\$ 300,000	\$ 300,000				
NW area transmission - Distribution mains	\$ 2,781,900					
	\$ 20,644,200	\$ 2,795,700	\$ 65,000	\$ 40,000	\$ 1,290,000	\$ 40,000

The CIPs shown above are primarily related to the construction of new water facilities to serve the growing population of the City of Prineville. These projects have been identified to provide expanded capacity of the City's water system, improving system capacity and reliability while allowing for new economic growth. As the City's water system grows, the Water Division is tasked with maintaining this expanding system. These new network components will increase future costs. However, the current year proposed capital improvements are not expected to require additional staffing or increased maintenance costs at this time.

## Wastewater SDC Fund

City of Prineville Wastewater SDC Capital Improvement Plan Fiscal Years 2014-18							
Project Description	Master Plan Estimated Cost	Current Year Construction Estimate	2014	2015	2016	2017	2018
Colson & Colson	\$ 902,800	\$ 932,000			\$ 932,000		
Melrose Bailey sewer	\$ 3,239,000	\$ 3,344,000					
North interceptor sewer	\$ 2,073,100	\$ 2,140,200					
Pinkard Lane railroad sewer	\$ 178,900	\$ 184,700				\$ 184,700	
Railroad interceptor sewer	\$ 606,700	\$ 626,300		\$ 626,300			
Rimrock Park interceptor sewer	\$ 5,938,800	\$ 6,131,200				\$ 6,131,200	\$ 6,131,200
Swamp sewer	\$ 3,930,100	\$ 4,057,500					
Crooked River concept		\$ 25,000	\$ 25,000	\$ 25,000			
Disposal wetland design		\$ 450,000	\$ 95,000				
Habitat conservation plan		\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
	\$ 16,869,400	\$ 17,900,900	\$ 130,000	\$ 661,300	\$ 942,000	\$ 6,325,900	\$ 6,141,200

The CIPs shown above are primarily related to the construction of new wastewater facilities to serve the growing population of the City of Prineville. These projects have been identified to provide expanded capacity of the City's wastewater system, improving system capacity and reliability while allowing for new economic growth. As the City's wastewater system grows, the Wastewater Division is tasked with maintaining this expanding system. These new network components will increase future costs. However, the current year proposed capital improvements are not expected to require additional staffing or increased maintenance costs at this time.

## Airport Fund

City of Prineville Airport Maintenance / Improvement CIP Fiscal Years 2014-18						
Description	Current Year Construction Estimate	2014	2015	2016	2017	2018
Above ground fuel system				\$ 350,000		
Airport Entry Landscaping			\$ 4,000			
Asphalt Maintenance - Runways / Taxiways*			\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Asphalt Overlay - Runways / Taxiways*				\$ 150,000		
AV gas fuel Truck			\$ 50,000			
AWOS - Weather System * **	\$ 175,000	\$ 303,500				
Equipment Shed				\$ 15,000		
Expanded parking apron*			\$ 400,000			
Infrastructure North Rwy 28			\$ 250,000	\$ 250,000		
Infrastructure West Side RWY33				\$ 250,000	\$ 250,000	
Install new lighted windcone RWY 33*			\$ 3,000			
Ramp Equip. Tug/ GPU				\$ 20,000		
Replace Lighted windcone RWY 28*	\$ 10,000		\$ 15,000			
Tank Farm Maintenance			\$ 10,000	\$ 5,000		
Update Airport Master Plan*		\$ 198,000				
USFS / BLM Airbase***				\$ 4,000,000		
	\$ 185,000	\$ 501,500	\$ 782,000	\$ 5,090,000	\$ 300,000	\$ 50,000

\*FAA Grant funds

\*\*Connect Oregon IV funding

\*\*\*Partnership - USFS/BLM/County/City

Detailed explanation provided on project sheets.

## Recurring/Routine Five Year Capital Improvement Plans

### General Fund

City of Prineville Police Department Maintenance CIP Fiscal Years 2014-18						
Project Description	Current Year Construction Estimate	2014	2015	2016	2017	2018
<b>Police Equipment</b>						
Fleet patrol vehicles lease	\$ 56,500	\$ 56,500	\$ 56,500	\$ 56,500	\$ 56,500	\$ 56,500
	\$ 56,500	\$ 56,500	\$ 56,500	\$ 56,500	\$ 56,500	\$ 56,500

The replacement of police vehicles is a necessary strategic expenditure to maintain and stabilize costs in each FY budget. To obtain this goal we will lease six police vehicles fully equipped for the next five years. This will stabilize the capital outlay fund and reduce the motor vehicle maintenance fund where maintenance costs have increased rapidly each year due to deferring vehicle replacement.

## Transportation Fund

City of Prineville Transportation Improvement CIP Fiscal Years 2014-18								
Project Description	Area	Current PCI	Current Year Construction Estimate	2014	2015	2016	2017	2018
<b>Capital Rehabilitation</b>								
NW Claypool / Beaver grind and inlay - W 1st to NW 5th	118,818 sqft.	52	\$ 156,100	\$ 156,100				
NE Mariposa grind and inlay - N Main to NE Lisa	49,445 sqft.	50	\$ 64,900					
NE Peters grind and inlay	94,536 sqft.	52	\$ 124,200	\$ 124,200				
NE Elm grind and inlay - NE 7th to NE Loper	72,928 sqft.	36	\$ 95,800		\$ 98,700			
NE Gardner Rd overlay	95,648 sqft.	57	\$ 95,500		\$ 98,400			
SE 2nd grind and inlay - SE Knowledge to SE Idlewood	32,120 sqft.	22	\$ 42,200		\$ 43,500			
SE Idlewood grind and inlay - E 1st to SE 2nd	108,15 sqft.	50	\$ 14,200		\$ 14,600			
SE Knowledge grind and inlay - SE Lynn to SE 2nd	103,850 sqft.	45	\$ 136,400		\$ 140,500			
NW 4th grind and inlay - N Main to NW Deer	47,100 sqft.	63	\$ 61,900			\$ 65,600		
NW 5th grind and inlay - N Main to NW Deer	49,995 sqft.	72	\$ 65,700			\$ 69,600		
NW 9th crack seal and 2" overlay - N Main to Hwy 26	165,220 sqft.	55	\$ 152,500			\$ 161,700		
SE 5th grind and inlay - SE Fairview to SE Knowledge	86,050 sqft.	72	\$ 113,000				\$ 123,200	
SE Fairview crack seal and 2" overlay - NE 3rd to SE Lynn	147,494 sqft.	76	\$ 182,200				\$ 198,600	
SW Cliffside grind and inlay - SW Crestview to SW Park	29,616 sqft.	34	\$ 38,900					\$ 43,600
SW Crestview grind and inlay - SW Park to Dead end	94,920 sqft.	34	\$ 124,700					\$ 139,600
SW Park grind and inlay - SW Rimrock to SW Crestview	21,408 sqft.	52	\$ 28,100					\$ 31,500
SW Rimrock grind and inlay - Hwy 126 to Dead end	77,784 sqft.	45	\$ 102,200					\$ 114,400
<b>Capital Maintenance</b>								
<b>Crack Seals</b>								
Crack seal airport area			\$ 100,000		\$ 103,000			
Crack seal NE Quadrant			\$ 180,000	\$ 60,000				
Crack seal NW Quadrant			\$ 80,000					
Crack seal SE Quadrant			\$ 80,000	\$ 20,000				
Crack seal SW Quadrant			\$ 80,000					\$ 89,600
Finish up all crack seal areas			\$ 100,000			\$ 106,000		
<b>Seal Coats</b>								
N Main slurry seal - NE 9th to N City Limits	33,000 sqyd.	64	\$ 52,800	\$ 52,800				
NE 7th & NE Laughlin crack and slurry seal - Entire	32,000 sqyd.	82	\$ 51,000					\$ 57,100
NE Peters crack and slurry seal - N Main to NE Yellowpine	10,500 sqyd.	52	\$ 17,000			\$ 18,000		
NW Deer crack and slurry seal - Entire	20,000 sqyd	75	\$ 31,900			\$ 33,800		
NW Gardner crack and slurry seal - Entire	10,650 sqyd.	57	\$ 17,000			\$ 18,000		
NW Harwood crack and slurry seal - Entire	19,650 sqyd.	77	\$ 31,500					\$ 35,300
NW Lamonta crack and slurry seal - Entire	24,500 sqyd.	77	\$ 40,000			\$ 42,400		
Seal Crystal Springs								
Seal Deer Ridge								
Seal North Ridge								
Seal Stone Ridge								
<b>Equipment</b>								
New sweeper			\$ 175,000				\$ 190,800	
			\$ 2,634,700	\$ 413,100	\$ 498,700	\$ 515,100	\$ 512,600	\$ 511,100

The CIP expenditures discussed in the preceding section are primarily related to the construction of new transportation facilities to serve the growing population of the City of Prineville. The projects have been identified to provide for expanded capacity of the transportation network, reducing current traffic congestion while allowing for new economic growth. These projects will provide for an enhanced level of service within the City's transportation network. As the City's transportation network grows, the Transportation Division is tasked with maintaining and expanding network. These new network components will increase future Transportation maintenance costs in the future. The current year proposed capital improvements are not expected to require additional staffing or increased maintenance dollars.

## Water Fund

City of Prineville Water Improvement - Water Repair and Maintenance (R&P) Capital Improvement Plan Fiscal Years 2014-18						
Project Description	Current Year Construction Estimate	2014	2015	2016	2017	2018
<b>Source</b>						
Pump controls (Telemetry)		\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Upgrade chlorination systems			\$ 20,000		\$ 20,000	
Upgrade sampling stations						
Water mitigation credits	\$ 167,000					
Water rights (Including administration and mitigation credits)	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
<b>Storage</b>						
Recoat Ochoco tanks (Remove original 1950 lead coatings)	\$ 600,000	\$ 600,000				
Reservoir maintenance (Cleaning/painting/elemetry)		\$ 20,000		\$ 20,000		\$ 20,000
<b>Transmission</b>						
W. 1st St - Main to NW Deer (960 ft of 8")	\$ 96,000	\$ 96,000				
NW 2nd St - N. Main to NW Deer (960 ft of 8")	\$ 96,000	\$ 96,000				
NW 4th St - N. Main to NW Deer (960 ft of 8")	\$ 96,000		\$ 98,900			
NW 5th St - N. Main to NW Deer (960 ft of 8")	\$ 96,000		\$ 98,900			
NW 5th St - NW Deer to NW Harwood (1,350 ft of 8")	\$ 135,000			\$ 143,100		
NW Harwood - NW 4th to NW 5th (350 ft of 8")	\$ 35,000			\$ 37,100		
NW Locust St - NW 5th to NW 6th (175 ft of 8")	\$ 17,500			\$ 18,600		
SE 4th - S Main to SE Fairview (1,575 ft of 8")	\$ 157,500				\$ 171,700	
SE Belknap - SE 5th to SE 3rd (640 ft of 8")	\$ 89,600				\$ 97,700	
Plus replumb 4th Street well (\$140/ft)						
SE Fairview - SE 5th to SE 2nd (950 ft of 8")	\$ 95,000				\$ 103,600	
Deer St - NW 3rd to SW 5th Pl (2,050 ft of 8")	\$ 205,000					\$ 229,600
SW Ewen St - Deer to Deer loop (1,700 ft of 8")	\$ 170,000					\$ 190,400
SE Dunham - SE 3rd to SE 2nd (320 ft of 8")	\$ 32,000					
NE 2nd - NE Holly to NE Juniper (650 ft of 8")	\$ 65,000					
NE Holly - E 1st to NE 3rd (650 ft of 8")	\$ 65,000					
NW Beaver - NW 7th to NW10 (960 ft of 8")	\$ 96,000					
NW Ewen - NW 7th to NW 8th (300 ft of 8")	\$ 30,000					
NW Crest - NW Allen to NW Allen (1970 ft of 8")	\$ 197,000					
NW McRae - NW Loper to NW Sunrise (485 ft of 8")	\$ 48,500					
NW Wilshire - NW Loper to NW Sunrise (485 ft of 8")	\$ 48,500					
NE Court - NE 7th to Tanks (1,150 ft of 12" at \$130/ft)	\$ 149,500					
<b>Maintenance</b>						
Meter replacement (\$200 each)		\$ 80,000	\$ 85,000	\$ 95,000		
Meter base station	\$ 25,000					
	\$ 2,645,100	\$ 1,094,000	\$ 337,800	\$ 348,800	\$ 428,000	\$ 475,000

The CIPs shown above are primarily related to maintenance activities needed to support the aging City of Prineville Water System. These projects, once complete, will alleviate maintenance related issues, allowing the water department to limit labor associated with patching failing lines. The above telemetry improvements will allow the Water Department to better control the many wells and water storage tanks within the water system, limiting overflows which will in turn, limit costs as it is expensive to pump water out of the ground, pressurize and chlorinate it. See the large project sheet for description of Ochoco tank project.

## Wastewater Fund

City of Prineville Wastewater Repair and Maintenance (R&P) Capital Improvement Plan Fiscal Years 2014-18						
Project Description	Current Year Construction Estimate	2014	2015	2016	2017	2018
<b>Treatment Plant</b>						
ATV with serviceable bed	\$ 10,000		\$ 10,000			
Golf course pump rebuilds (\$12.5k each)	\$ 12,500	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Irrigation improvements	\$ 10,000	\$ 10,000	\$ 10,000		\$ 10,000	\$ 10,000
Pump rebuilds	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500
Upgrade chlorination system	\$ 25,000	\$ 25,000		\$ 25,000	\$ 25,000	\$ 25,000
<b>Sanitary Sewer (Materials and Services)</b>						
Manhole rehabilitation (10 per year)	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Infiltration and Inflow maintenance	\$ 100,000		\$ 100,000	\$ 100,000	\$ 200,000	\$ 200,000
	\$ 211,000	\$ 113,500	\$ 198,500	\$ 203,500	\$ 313,500	\$ 313,500

The CIPs shown above are primarily related to maintenance activities needed to support the aging City of Prineville Wastewater Collection and Treatment System. These projects, once complete, will lower costs associated with nonscheduled downtime (breakdowns). Unscheduled downtime can be quite expensive in overtime and “Rush” Repair costs. This is an example of how the City of Prineville Wastewater Department is doing all it can to meet the Council goal to “Continue to be fiscally responsible in all we do”.

## Golf Course Fund

City of Prineville Meadow Lakes Capital Improvement Plan Fiscal Years 2014-18						
Project Description	Current Year Construction Estimate	2014	2015	2016	2017	2018
Cart barn addition / remodel					\$ 15,000	
Exterior painting - Cart barn	\$ 5,000	\$ 5,000				
Exterior painting - Club house	\$ 15,000	\$ 15,000				
Fairway mower			\$ 50,000			
Golf carts expansion (10 additional carts)					\$ 40,000	
Golf carts replacement			\$ 100,000	\$ 100,000		
Landscaping upgrades	\$ 500	\$ 500				
New carpet for clubhouse						\$ 25,000
Replace restrooms on course						\$ 37,500
Windows & seals - Banquet & dining room	\$ 10,000	\$ 10,000				
	\$ 30,500	\$ 30,500	\$ 150,000	\$ 100,000	\$ 55,000	\$ 62,500

Over the next several years, there will be a number of non-routine capital expenditure projects designed to enhance the efficiency, profitability, and curb appeal of Meadow Lakes.

In FY14, an overdue “face lift” for the exterior of the clubhouse and cart barn will take place, beginning with new paint for the clubhouse, cart barn and out buildings near the first and tenth tees. The current siding on the clubhouse and cart barn, especially on the south and west ends in high sun-exposed areas is in danger of being lost if new paint is not applied soon. The landscaping around the clubhouse will also continue to be upgraded in FY14. This will include the removal of two trees that have recently died due to a disease in the local area specifically targeting elm trees. Those trees will be replaced with trees that are more compatible with our climate and soil. Additional flowers and shrubbery will also be added near the front entrance and the patio area to improve the visual aspects of

the facility. Finally, twenty-two of the windows and seals in the dining room and banquet room will be replaced. The seals on those windows have broken, which causes moisture, cobwebs, and dust to get in-between the two panes. These bad seals also cause energy bills to be higher, due to cold air that gets into the building in the winter and warm air that gets in during summer months. It is estimated that new energy-efficient windows could save the facility upwards of \$500 per year in energy costs.

Beginning in FY15, new golf carts will be purchased to replace half of the current, aging golf car fleet. The second half will be replaced in FY16. Maintaining the current fleet of golf cars for the past two years has cost \$39,410, compared to just \$2,239 in FY07-08, a significant increase. This is due to chargers, batteries, windshields, and other parts that have been in need of replacement. In FY17, additional carts will be purchased to add to the current fleet. Although the additional carts will slightly increase the amount of labor to maintain the fleet, as well as increase the amount of energy required to charge the fleet, additional revenue will be made on busy days when the current fleet is not large enough to meet the number of cart requests by customers. An estimated \$10,000 more per year will be made with the 10 additional carts. The cart barn will also need to be expanded to accommodate the larger fleet. Other equipment that will be purchased to replace aging and underperforming equipment includes a new irrigation system and a new fairway mower. The new irrigation system will provide more uniform coverage to help eliminate wet and dry spots on the course by having control over individual sprinkler heads instead of just control over sections of the course. By having more control over individual sprinkler heads, significantly less man hours will be spent on hand-watering dry spots on the course, as well as less man hours repairing wet/mud spots in low areas. Approximately \$2,400 per year will be saved in labor once the new system is in place. Finally, in FY18 the two outhouse-style restrooms on the golf course will be replaced by 1 new outhouse near holes 10, 16 and 17 and one comfort station that is accessible on holes 5, 8 and 13. The comfort station will be a significant upgrade to the current out-building.

## Public Works Administration Services Fund

City of Prineville Public Works Capital Improvement Plan Fiscal Years 2014-18						
Project Description	Current Year Construction Estimate	2014	2015	2016	2017	2018
Backhoe	\$ 100,000					\$ 112,000
Dump truck	\$ 100,000				\$ 109,000	
Large camera truck	\$ 90,000		\$ 92,700			
Mini excavator	\$ 50,000			\$ 53,000		
Pickup	\$ 32,000	\$ 32,000	\$ 33,000	\$ 33,900	\$ 34,900	\$ 35,800
Shop truck	\$ 65,000	\$ 65,000				
Tilt bed trailer	\$ 12,000			\$ 12,700		
Vactor	\$ 300,000					
Equipment shed	\$ 40,000					
	\$ 789,000	\$ 97,000	\$ 125,700	\$ 99,600	\$ 143,900	\$ 147,800

The CIPs shown above associated with equipment upgrades. The Public Works Maintenance Division closely tracks maintenance costs for each and every piece of equipment. As equipment ages, maintenance costs increase while dependability decreases. By scheduling equipment upgrades each year, the equipment fleet of the City of Prineville can be maintained in good, reliable condition at the least cost possible.

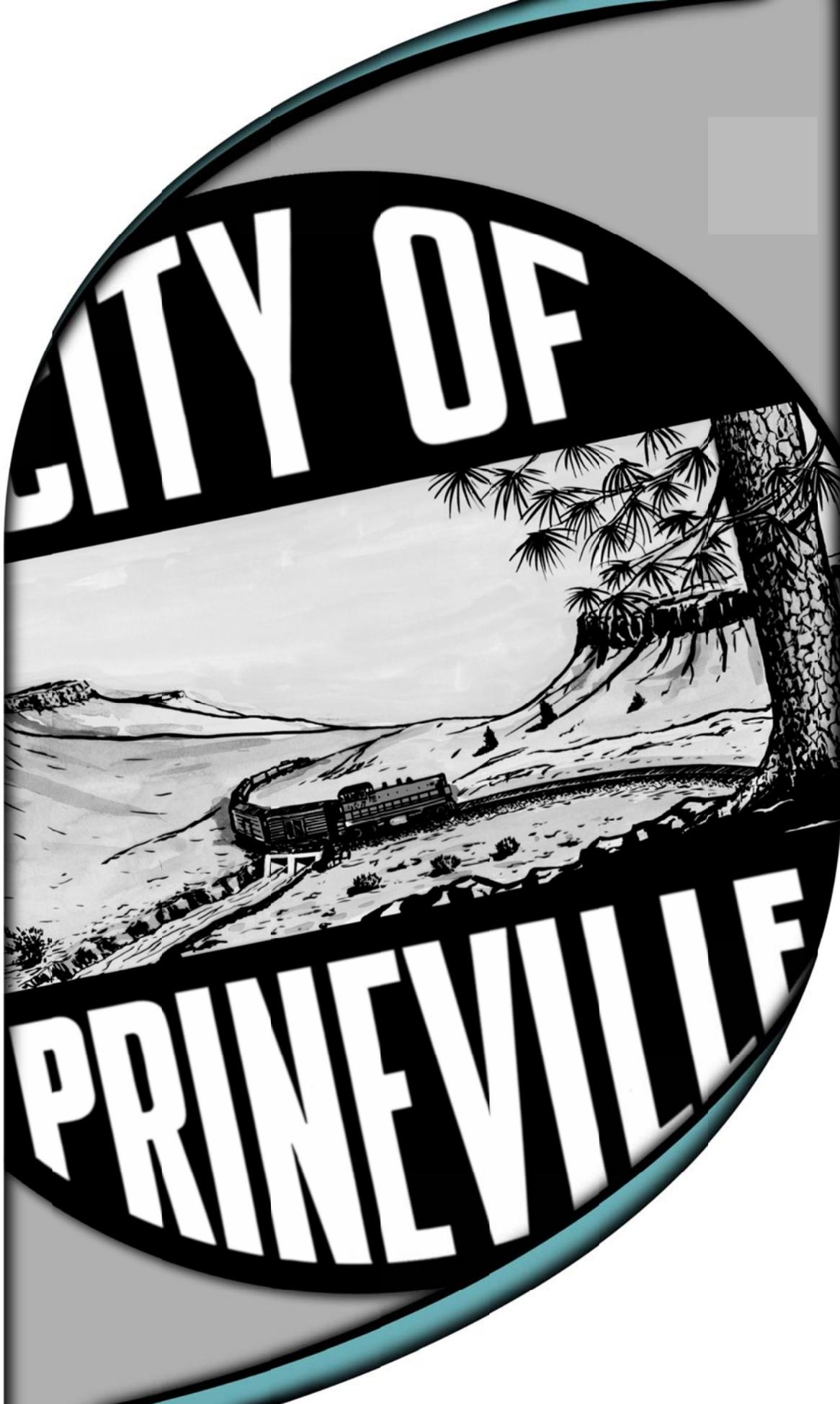
# Long Range Planning Models

Water Fund								
Financial Forecasts								
(amounts in thousands)								
FY 2011-2031								
Fiscal Year Ended or Ending June 30								
	Actual	Actual	Estimated	Proposed	Forecast	Forecast	Forecast	Forecast
Resources	2011	2012	2013	2014	2015	2016	2017	2018
Charges for services	\$ 1,487	\$ 1,667	\$ 1,752	\$ 1,852	\$ 1,982	\$ 2,101	\$ 2,196	\$ 2,306
Intergovernmental	165							
Interest	3	4	2	4	24	21	19	17
Miscellaneous	1	4	4	4	-	-	-	-
Water Mitigation		86	50					
Debt Proceeds	-	2,868	-	-	-	-	-	-
Transfers	-	47	127	120	-	-	-	-
<b>Total resources</b>	<b>1,656</b>	<b>4,676</b>	<b>1,935</b>	<b>1,980</b>	<b>2,006</b>	<b>2,122</b>	<b>2,215</b>	<b>2,323</b>
<b>Expenditures</b>								
Personal services	325	298	-	-	-	-	-	-
Materials and services	350	409	439	461	479	498	518	541
Franchise fee	-	76	80	90	99	105	110	115
Capital outlay	608	602	343	1,100	400	400	414	426
Equipment								
Improvements	608	602	343	1,100	400	400	414	426
Debt service								
Principal	35	1,826	140	140	140	145	155	165
Interest	30	130	140	136	133	130	127	122
Transfers	478	520	824	813	862	914	969	1,032
<b>Total expenditures</b>	<b>1,826</b>	<b>3,861</b>	<b>1,966</b>	<b>2,740</b>	<b>2,113</b>	<b>2,192</b>	<b>2,293</b>	<b>2,401</b>
<b>Revenue over/(under) expenditures</b>	<b>(170)</b>	<b>815</b>	<b>(31)</b>	<b>(760)</b>	<b>(107)</b>	<b>(70)</b>	<b>(78)</b>	<b>(78)</b>
<b>Beginning fund balance</b>	<b>940</b>	<b>770</b>	<b>1,601</b>	<b>1,570</b>	<b>810</b>	<b>704</b>	<b>634</b>	<b>556</b>
<b>Ending fund balance</b>	<b>\$ 770</b>	<b>\$ 1,585</b>	<b>\$ 1,570</b>	<b>\$ 810</b>	<b>\$ 704</b>	<b>\$ 634</b>	<b>\$ 556</b>	<b>\$ 478</b>
<b>Fund balance analysis</b>								
Available fund balance	770	1,585	1,570	810	704	634	556	478
Desired available fund balance	540	561	573	576	593	611	629	651
Difference	230	1,024	997	234	111	23	(73)	(173)
	12.6%	26.5%	50.7%	8.6%	5.2%	1.0%	-3.2%	-7.2%
<b>Assumptions</b>								
Rate - single family home (8 CCF/mo)	\$ 23.94	\$ 26.48	\$ 28.07	\$ 29.75	\$ 31.54	\$ 33.12	\$ 34.28	\$ 35.48
% increase - rates		10.6%	6.0%	6.0%	6.0%	5.0%	3.5%	3.5%
\$ change - rates - SF home (8 CCF/mo)		2.54	1.59	1.68	1.79	1.58	1.16	1.20
CPI %	0.5%	1.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Cumulative CPI %	100.5%	102.0%	105.1%	108.2%	111.5%	114.8%	118.3%	121.8%
Personal services adjustment %	3.0%	3.0%	3.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Population growth rate	0.0%	0.0%	0.5%	0.5%	1.0%	1.0%	1.0%	1.5%
Population increase	-	-	46	46	93	94	95	144
Population	9,253	9,253	9,299	9,345	9,438	9,532	9,627	9,771
Franchise fee	-	5%	5%	5%	5%	5%	5%	5%
<b>Capital outlay</b>								
Capital outlay - 2011 dollars		350	312	300	300	300	350	350
Capital outlay - inflation adjusted \$		602	343	1,100	400	400	414	426
Debt service - SDC program		-	-	-	-	-	-	-
Capital outlay - if no debt service refunding		602	343	1,100	400	400	414	426
Capital outlay - original request		475	475	475	475	475	475	475
Capital outlay - original request inflation adjusted \$		485	499	514	529	545	562	579
Difference		117	(156)	586	(129)	(145)	(148)	(153)
<b>Outstanding debt</b>								
Revenue bond 2003	580	545	505	465	425	385	345	305
Refunding issue	2,868	2,868	2,768	2,668	2,568	2,463	2,348	2,223
	3,448	3,413	3,273	3,133	2,993	2,848	2,693	2,528
<b>DCR Analysis</b>								
Revenue	\$ 1,487	\$ 1,667	\$ 1,752	\$ 1,852	\$ 1,982	\$ 2,101	\$ 2,196	\$ 2,306
Expenditures, excluding bond issuance costs (\$64k)	1,153	1,163	1,263	1,274	1,341	1,412	1,487	1,573
Net revenue	334	504	489	578	641	689	709	733
Debt service - excluding refunding	65	165	280	276	273	275	282	287
DCR	5.12	3.06	1.75	2.10	2.35	2.51	2.52	2.55
Revenue with SDC reimbursement	1,487	1,714	1,879	1,972	1,982	2,101	2,196	2,306
DCR with SDC reimbursement	5.12	3.34	2.20	2.53	2.35	2.51	2.52	2.55
DCR MADS	4.91							
EDU per capita %								
SDC - EDUs	-	-	21	21	43	43	44	66
SDC reimbursement - EDU	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SDC - improvement	\$ 2,587	\$ 2,626	\$ 2,705	\$ 2,786	\$ 2,870	\$ 2,956	\$ 3,045	\$ 3,136

<b>Wastewater Fund</b>		<b>5% Rate Reduction FY 2012, FY 13 3.30% Rate Reduction, Thereafter, 3% Growth Long-term</b>						
<b>Financial Forecasts</b>		<b>(amounts in thousands)</b>						
<b>FY 2011-2031</b>		<b>Fiscal Year Ended or Ending June 30</b>						
<b>Resources</b>	<b>Actual 2011</b>	<b>Actual 2012</b>	<b>Estimated 2013</b>	<b>Proposed 2014</b>	<b>Forecast 2015</b>	<b>Forecast 2016</b>	<b>Forecast 2017</b>	<b>Forecast 2018</b>
Charges for services	\$ 3,068	\$ 2,846	\$ 2,962	\$ 3,017	\$ 3,209	\$ 3,353	\$ 3,504	\$ 3,662
Intergovernmental	75							
Interest	4	1	3	3	6	39	41	41
Miscellaneous	64	92	68	61	63	65	67	69
SDC Reimbursement Fee	0	204	14	72	200	98	75	106
Debt Proceeds		5,043						
Transfers	54							
<b>Total resources</b>	<b>3,265</b>	<b>8,186</b>	<b>3,047</b>	<b>3,153</b>	<b>3,478</b>	<b>3,555</b>	<b>3,687</b>	<b>3,878</b>
<b>Expenditures</b>								
Personal services	238	255	185	195	207	219	232	246
Materials and services	497	569	500	534	555	580	606	633
Franchise fee	-	82	141	151	160	168	175	183
Capital outlay	100	74	274	114	195	201	296	305
Debt service								
Principal	1,045	5,752	408	459	491	508	560	870
Interest	414	470	408	396	422	407	392	334
Fees		36	55	17	31	28	26	24
Transfers	915	942	1,250	1,249	1,325	1,369	1,415	1,463
<b>Total expenditures</b>	<b>3,209</b>	<b>8,180</b>	<b>3,221</b>	<b>3,115</b>	<b>3,386</b>	<b>3,480</b>	<b>3,702</b>	<b>4,058</b>
<b>Resources over/(under) expenditures</b>	<b>56</b>	<b>6</b>	<b>(174)</b>	<b>38</b>	<b>92</b>	<b>75</b>	<b>(15)</b>	<b>(180)</b>
<b>Beginning fund balance</b>	<b>1,232</b>	<b>1,288</b>	<b>1,351</b>	<b>1,166</b>	<b>1,204</b>	<b>1,296</b>	<b>1,371</b>	<b>1,356</b>
<b>Ending fund balance</b>	<b>\$ 1,288</b>	<b>\$ 1,294</b>	<b>\$ 1,177</b>	<b>\$ 1,204</b>	<b>\$ 1,296</b>	<b>\$ 1,371</b>	<b>\$ 1,356</b>	<b>\$ 1,176</b>
<b>Other requirements</b>								
Debt service reserves	748	304	304	304	304	304	304	304
<b>Available fund balance</b>	<b>540</b>	<b>990</b>	<b>873</b>	<b>900</b>	<b>992</b>	<b>1,067</b>	<b>1,052</b>	<b>872</b>
Desired available fund balance	664	695	741	752	779	800	821	843
Difference	(124)	295	132	148	213	267	231	29
<b>SDC's Treatment</b>								
SDCs Improvement - Treatment	-	-	22	23	47	74	77	81
Interest earnings	-	-	-	1	1	3	5	8
Balance	-	-	22	46	94	171	253	342
<b>Assumptions</b>								
Rate - single family home	\$ 50.99	\$ 48.44	\$ 46.84	\$ 48.25	\$ 49.70	\$ 51.19	\$ 52.73	\$ 54.31
% increase - rates (% of CPI)	0.00%	-5.00%	-3.30%	3.00%	3.00%	3.00%	3.00%	3.00%
CPI %	0.5%	1.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Cumulative CPI %	100.5%	102.0%	105.1%	108.2%	111.5%	114.8%	118.3%	121.8%
Population growth rate	0.0%	0.0%	0.5%	0.5%	1.0%	1.5%	1.5%	1.5%
Population increase	-	-	46	46	93	142	144	146
Population	9,253	9,253	9,299	9,345	9,438	9,580	9,724	9,870
Franchise fee	-	3%	5%	5%	5%	5%	5%	5%
Capital outlay - 2011 dollars		129	164	175	175	175	250	250
EDU per capita %								
SDC - EDUs	-	-	21	21	43	65	66	67
SDC reimbursement - EDU	\$ 1,306	\$ 1,326	\$ 1,366	\$ 1,407	\$ 1,449	\$ 1,492	\$ 1,537	\$ 1,583
SDC - improvement - Treatment	\$ 989	\$ 1,004	\$ 1,034	\$ 1,065	\$ 1,097	\$ 1,130	\$ 1,164	\$ 1,199
SDC - improvement - Collection	\$ 1,394	\$ 1,415	\$ 1,457	\$ 1,501	\$ 1,546	\$ 1,592	\$ 1,640	\$ 1,689
Plant capacity - EDUs	6,423	6,423	6,423	6,423	6,423	6,423	6,423	6,423
Plant utilization - EDUs	4,615	4,615	4,636	4,657	4,700	4,765	4,831	4,898
Plant utilization % of capacity	71.9%	71.9%	72.2%	72.5%	73.2%	74.2%	75.2%	76.3%
<b>Outstanding balance</b>								
SRRB 1998	515	-	-	-	-	-	-	-
SRF 1992	314	-	-	-	-	-	-	-
SPWF 1992	84	1	1	1	1	1	1	1
DEQ CWSRF R74682/1	8,247	4,000	4,000	4,000	4,000	4,000	4,000	3,748
DEQ CWSRF R74682/2	7,269	6,893	6,505	6,106	5,695	5,272	4,837	4,389
Refunding issue - FFCO		5,010	4,990	4,930	4,850	4,765	4,640	4,470
	16,429	15,904	15,496	15,037	14,546	14,038	13,478	12,608
<b>DCR Analysis</b>								
Revenue without SDC reimbursement	\$ 3,068	\$ 2,938	\$ 3,030	\$ 3,078	\$ 3,272	\$ 3,418	\$ 3,571	\$ 3,731
Expenditures - excluding debt issuance costs and franchise fee	1,650	1,678	1,990	1,995	2,118	2,196	2,279	2,366
Net revenue	1,418	1,260	1,040	1,083	1,154	1,222	1,292	1,365
Debt service - excluding refunded debt	990	834	816	855	913	915	952	1,204
DCR	1.43	1.51	1.27	1.27	1.26	1.34	1.36	1.13
Revenue with SDC reimbursement	3,068	3,142	3,044	3,150	3,472	3,516	3,646	3,837
Net revenue with SDC Reimbursement	1,418	1,464	1,054	1,155	1,354	1,320	1,367	1,471
DCR with SDC reimbursement	1.43	1.76	1.29	1.35	1.48	1.44	1.44	1.22
DCR MADS - excluding SDC reimbursement		1.01	0.83	0.86	0.92	0.98	1.03	1.09
DCR MADS - including SDC reimbursement		1.17	0.84	0.92	1.08	1.05	1.09	1.17
DCR MADS - including SDC excluding Golf Transfer		1.45	1.12	1.20	1.36	1.33	1.37	1.45
<b>Treatment Expansion Summary</b>								
Available fund balance - excess	-	-	22	46	94	171	253	342
Available dollars - SDC -Treatment	(124)	295	154	194	307	438	484	371
Total Available dollars								
Estimated cost of Treatment Expansion	(12,474)	(12,240)	(12,757)	(13,104)	(13,390)	(13,670)	(14,047)	(14,596)
<b>Funding Gap</b>								

<b>Golf Course Fund</b>								
<b>Financial Forecasts (amounts in thousands)</b>								
<b>FY 2011-2031 Fiscal Year Ended or Ending June 30</b>								
<b>Resources</b>	<b>Actual 2011</b>	<b>Actual 2012</b>	<b>Estimated 2013</b>	<b>Proposed 2014</b>	<b>Forecast 2015</b>	<b>Forecast 2016</b>	<b>Forecast 2017</b>	<b>Forecast 2018</b>
Charges for services	\$ 1,034	\$ 979	\$ 985	\$ 1,047	\$ 1,094	\$ 1,143	\$ 1,194	\$ 1,248
Interest	1	2	2	2	5	5	5	5
Miscellaneous	4	4	8	9	-	-	-	-
Transfers	350	350	350	350	350	350	350	350
Debt proceeds	-	728	-	-	-	-	-	-
<b>Total resources</b>	<b>1,390</b>	<b>2,063</b>	<b>1,346</b>	<b>1,408</b>	<b>1,449</b>	<b>1,498</b>	<b>1,549</b>	<b>1,603</b>
<b>Expenditures</b>								
Golf course	512	459	366	394	412	431	450	470
Waste disposal	407	455	432	453	467	481	495	510
Restaurant	369	347	381	397	415	434	454	474
Capital outlay	30	237	246	30	150	100	55	63
Debt service								
Principal - note payable	59	216	-	-	-	-	-	-
Interest - note payable	1	0	-	-	-	-	-	-
Principal - credit facility	-	20	40	42	44	46	23	-
Interest - credit facility	-	4	8	6	4	2	1	-
Principal - 2011 bonds	-	10	10	10	10	10	30	40
Interest - 2011 bonds	-	22	19	19	19	18	18	17
<b>Total expenditures</b>	<b>1,378</b>	<b>1,770</b>	<b>1,501</b>	<b>1,352</b>	<b>1,521</b>	<b>1,522</b>	<b>1,526</b>	<b>1,574</b>
<b>Resources over/ (under) expenditures</b>	<b>12</b>	<b>293</b>	<b>(156)</b>	<b>56</b>	<b>(72)</b>	<b>(24)</b>	<b>23</b>	<b>30</b>
Beginning fund balance	253	264	557	401	457	385	361	384
Ending fund balance	\$ 264	\$ 557	\$ 401	\$ 457	\$ 385	\$ 361	\$ 384	\$ 413
Rounds	27,262	26,433	26,697	26,964	27,369	27,779	28,196	28,619
<b>Assumptions</b>								
CPI			3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Growth - additional rounds			1.0%	1.0%	1.5%	1.5%	1.5%	1.5%
Revenue per round	0.04	36.95	0.04	0.04	0.04	0.04	0.04	0.05
Change revenue per round				5.0%	5.0%	5.0%	5.0%	5.0%
Interest rate - new bonds				5.0%	5.0%	5.0%	5.0%	5.0%

City of Prineville										
Financial Forecasts (amounts in thousands)										
FY 2013-2018 with actual 2009-2012 Fiscal Year Ended or Ending June 30										
General Fund	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Estimated 2013	Proposed 2014	Forecast 2015	Forecast 2016	Forecast 2017	Forecast 2018
Revenue	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Property taxes	1,726	1,830	1,757	1,637	1,635	1,648	1,669	1,748	1,815	1,906
Transient lodging tax	164	149	176	180	208	211	218	226	234	242
Franchise taxes	680	779	701	960	1,329	1,761	1,875	2,003	2,180	2,372
Licenses & permits	8	8	9	10	11	10	10	10	10	10
Intergovernmental	275	327	207	288	276	201	184	188	190	192
Charges for Services	207	34	23	32	76	62	58	60	61	60
Miscellaneous	80	88	56	60	56	56	57	57	57	57
Total revenue	3,140	3,215	2,929	3,167	3,591	3,949	4,071	4,292	4,547	4,839
Expenses										
Planning	342	-	-	-	-	-	-	-	-	-
Police	1,937	1,690	1,807	2,024	2,075	2,268	2,364	2,449	2,525	2,602
Police Facility	55	60	54	57	60	62	64	66	68	70
Non Dept. General	75	68	79	79	102	213	219	228	236	245
Total expenditures	2,409	1,818	1,940	2,160	2,237	2,543	2,647	2,743	2,829	2,917
Revenue over/(under) expenditures	731	1,397	989	1,007	1,354	1,406	1,424	1,549	1,718	1,922
Other non-operating resources and expenditures										
Interest income	8	4	4	2	3	3	4	6	10	10
Sale of assets	-	1	6	2	2	2	3	3	2	2
Interest expense	-	(48)	-	-	-	-	-	-	-	-
Principal payments	-	(61)	-	-	-	-	-	-	-	-
Capital outlay	(76)	(136)	(7)	(172)	(42)	(103)	(105)	(109)	(112)	(115)
Transfers from other funds	-	-	27	-	-	-	-	-	-	-
Transfers to other funds	(674)	(804)	(847)	(836)	(1,081)	(1,237)	(1,249)	(1,266)	(1,286)	(1,313)
Debt proceeds	-	-	-	-	-	-	-	-	-	-
Total net other non-operating resources and expenditures	(742)	(1,044)	(817)	(1,004)	(1,118)	(1,335)	(1,347)	(1,366)	(1,386)	(1,416)
Revenue and other non-operating resources over/(under) expenses and other non-operating expenditures	(11)	353	172	3	236	71	77	183	332	506
Beginning fund balance	477	466	819	991	956	1,192	1,263	1,340	1,523	1,855
Prior period adjustment				(38)						
Ending fund balance	466	819	991	956	1,192	1,263	1,340	1,523	1,855	2,361

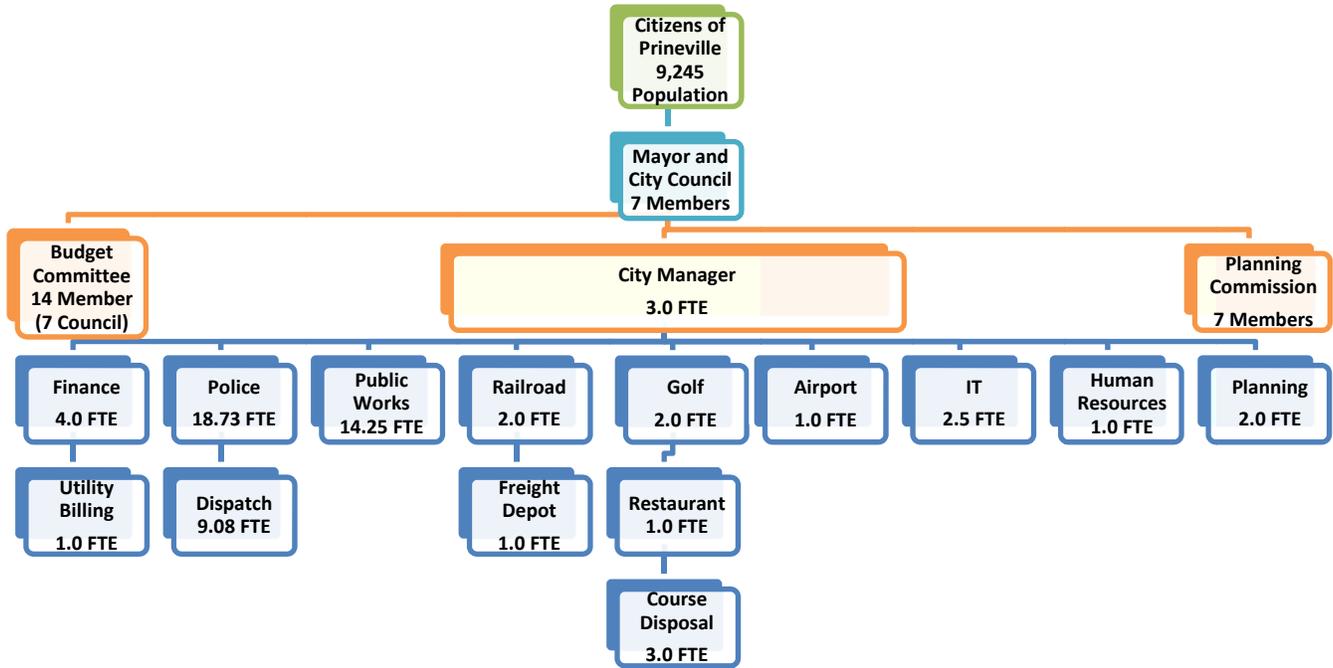


# Personnel

## City of Prineville Adopted Budget FY 2013-2014

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# Organizational Chart



## FTEs by Fund

Positions - Prior Years and Budget Year  
By Functional Area  
Excludes Part time and Seasonal Help

Department & Position	FY10	FY11	FY12	FY13	FY14	Monthly FY14 Salary Range		Yearly Salary	
						Low	High	Low	High
<b>General Fund</b>									
<i>Police Department</i>									
Chief of Police		1.00	1.00	1.00	1.00	6,667	8,583	80,004	102,996
Captain	1.00	1.00	1.00	1.00	1.00	5,075	6,867	60,900	82,404
Administrative Assistant	0.66	0.66	0.66	0.66	0.66	3,750	5,726	45,000	68,709
Sergeant	4.00	3.00	3.00	3.00	3.00	4,275	5,930	51,300	71,157
Police Officer	11.00	9.00	10.00	10.00	10.66	4,010	4,839	48,120	58,067
Community Services Officer	1.00	1.00	1.00	1.00	1.00	3,504	4,229	42,048	50,750
Evidence Officer	1.00	1.00	1.00	0.50	0.50	2,979	3,595	35,748	43,136
Office Technician	0.50	0.50	0.50	0.75	0.66		Hourly	35,760	41,880
Janitorial	0.50	0.50	0.25	0.25	0.25		Hourly		
<b>Police Department Total</b>	<b>19.66</b>	<b>17.66</b>	<b>18.41</b>	<b>18.16</b>	<b>18.73</b>				
<i>FY 14 changed Patrol Office to Police Officer. Change in title only.</i>									
<b>General Fund Total</b>	<b>19.66</b>	<b>17.66</b>	<b>18.41</b>	<b>18.16</b>	<b>18.73</b>				

Department & Position	FY10	FY11	FY12	FY13	FY14	Low	High	Yearly Salary	
<b>Planning Fund</b>									
Planning Director	1.00	1.00	1.00	1.00	1.00	5,350	6,798	64,200	81,576
Senior Planner	1.00	1.00	1.00	1.00	1.00	4,125	5,085	49,500	61,021
<b>Planning Department Total</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>				

*FY 10 Planning moved out of General Fund and became its own fund.*

<b>Transportation Fund</b>									
Senior Lead Utility Worker	1.00	1.00	1.00	1.00	1.00	3,921	4,421	47,052	53,049
Utility	1.00	1.00	1.50	1.00	1.00	3,606	4,096	43,272	49,156
<b>Transportation Fund Total</b>	<b>2.00</b>	<b>2.00</b>	<b>2.50</b>	<b>2.00</b>	<b>2.00</b>				

<b>Emergency Dispatch Fund</b>									
Communications Director	1.00	1.00	1.00	1.00	1.00	4,708	6,113	56,496	73,357
Administrative Assistant	0.33	0.33	0.33	0.33	0.33	3,750	4,719	45,000	56,634
Communications Supervisor	1.00	2.00	1.00	1.00	1.00	3,812	4,737	42,016	56,844
Communications Officer	7.00	5.00	6.25	6.00	6.00	3,504	4,229	42,048	50,750
Office Technician	0.50	0.50	0.50	0.50	0.50		Hourly	35,760	41,880
Janitor	0.50	0.50	0.25	0.25	0.25		Hourly		
<b>Emergency Dispatch Fund Total</b>	<b>10.33</b>	<b>9.33</b>	<b>9.33</b>	<b>9.08</b>	<b>9.08</b>				

<b>Railroad Fund</b>									
General Manager	1.00	1.00	1.00	1.00		7,000	7,400	84,000	88,800
Operations Manager					1.00	4,500	5,665	54,000	67,980
Assistant General Manager		1.00				4,500	5,500	54,000	66,000
Agent	1.00					3,500	4,000	42,000	48,000
Superintendent / Engineer	1.00	1.00	1.00	1.00	1.00	4,800	5,253	57,600	63,036
Engineer	1.00	1.00	1.00	1.00		4,200	4,850	50,400	58,200
Track Crew	1.00					2,254	3,033	27,048	36,396
Freight Depot / Track Maintenance					1.00	2,254	3,124	27,048	37,488
<b>Railroad Fund Total</b>	<b>5.00</b>	<b>4.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>				

Department & Position	FY10	FY11	FY12	FY13	FY14	Low	High	Yearly Salary	
<b>Airport Fund</b>									
General Manager			1.00	1.00	1.00	3,167	4,292	38,004	51,504
<b>Airport Fund Total</b>	<b>0.00</b>	<b>0.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>				

<b>Water Fund</b>									
Lead Utility Worker	1.00	1.00	1.00					Moved to PW	
Utility	3.00	3.00	3.00					Moved to PW	
<b>Water Fund Total</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>0.00</b>	<b>0.00</b>				

*FY 13 Moved Utility Workers to Public Works Support Services Fund.*

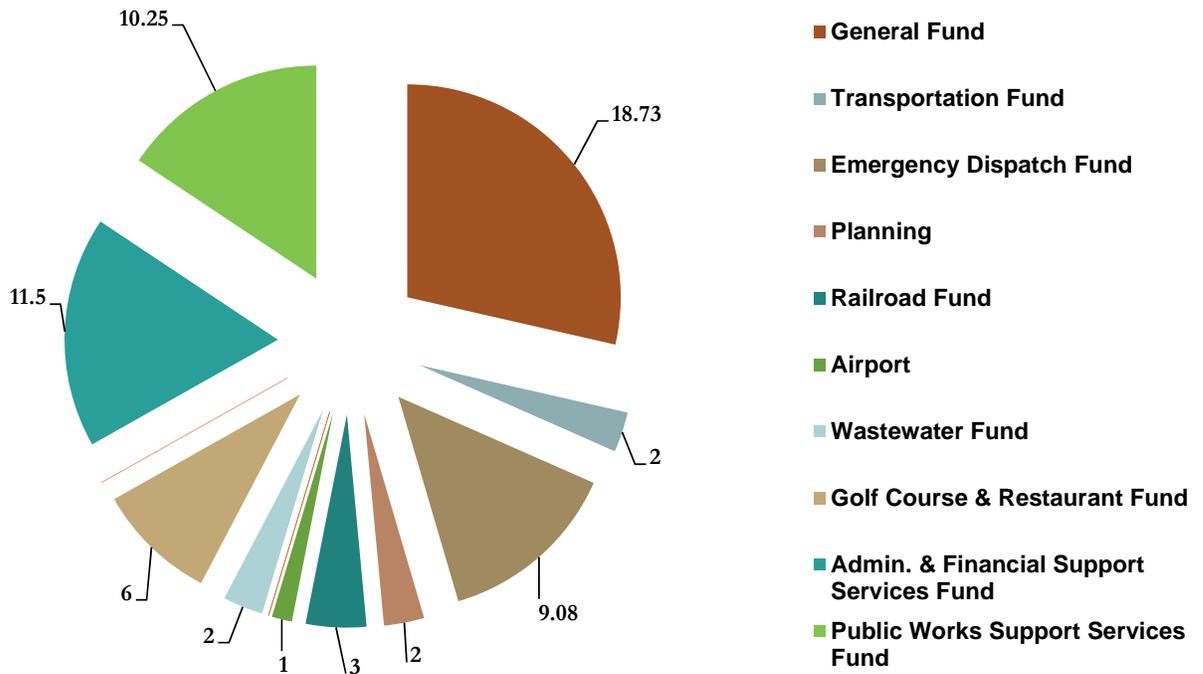
<b>Wastewater Fund</b>									
Wastewater Treatment Plant Supervisor	1.00	1.00	1.00	1.00	1.00	4,819	6,393	57,828	76,719
Utility	2.00	2.00	2.00	1.00	1.00	3,606	4,096	43,272	49,156
<b>Wastewater Fund Total</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>2.00</b>	<b>2.00</b>				

*FY 13 Moved one Utility Worker to Public Works Support Services Fund.*

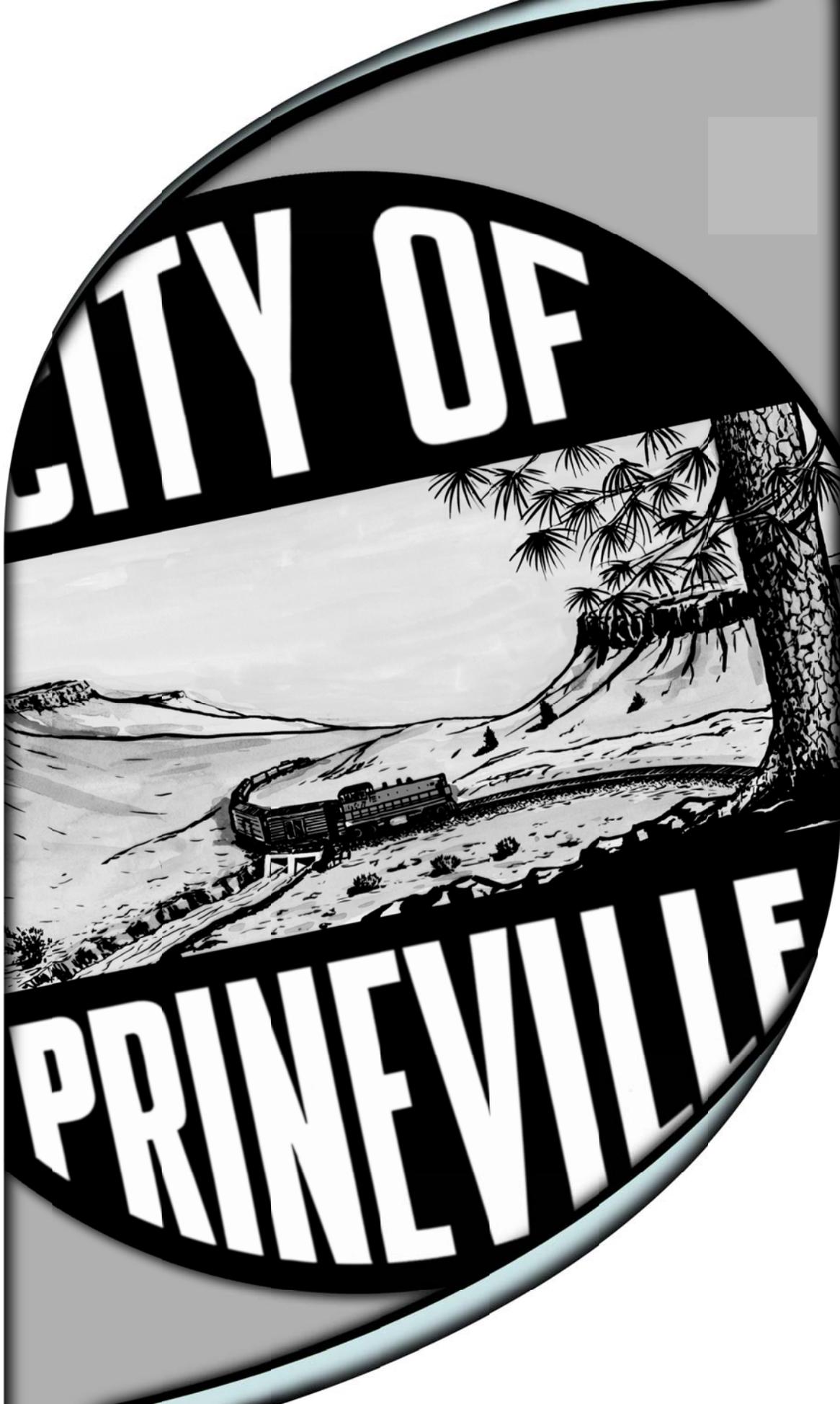
*FY 14 Changed WWTP Manager to WWTP Supervisor. Change in title only.*

Department & Position	FY10	FY11	FY12	FY13	FY14	Low	High		
<b>Golf Course &amp; Restaurant Fund</b>									
Golf Manager/Head Professional	0.00	0.00	1.00	1.00	1.00	5,417	5,833	65,000	69,996
<i>Golf Course Disposal Site</i>									
Superintendent	1.00	1.00	1.00	1.00	1.00	5,000	5,580	60,000	66,954
Greens keeper/Irrigation Tech	1.00	1.00	1.00	1.00	1.00	3,008	4,009	36,096	48,105
Mechanic	1.00	1.00	1.00	1.00	1.00	3,333	4,291	39,996	51,492
<i>Golf Course Disposal Site Total</i>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>				
<i>Golf Operations</i>									
Golf Professional	1.00	1.00				4,317	5,833	51,804	69,996
Golf Shop Manager	1.00	1.00	1.00			3,292	3,458	39,504	41,496
Assistant Golf Operations Manager				1.00	1.00	2,916	3,375	34,992	40,500
<i>Golf Operations Total</i>	<b>2.00</b>	<b>2.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>				
<i>Restaurant Operations</i>									
Restaurant Manager	1.00	1.00	1.00			2,625	3,041	31,500	36,492
Restaurant Supervisor				1.00	1.00	2,558	2,704	30,696	32,445
<i>Restaurant Operations Total</i>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>				
<i>*Part time / Seasonal help not listed</i>									
<b>Golf Course &amp; Restaurant Fund Total</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>				
<b>Freight Depot Fund</b>									
Supervisor	1.00	1.00	1.00	1.00				Moved to RR	
<b>Freight Depot Fund Total</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>				
<i>FY 14 Freight Depot position moved to Railroad Fund.</i>									
<b>Admin. &amp; Financial Support Services Fund</b>									
City Manager	1.00	1.00	1.00	1.00	1.00	7,500	10,300	90,000	123,600
Administrative Assistant / City Recorder	2.00	1.00	1.00	1.00	1.00	3,942	5,013	47,304	60,156
Community Development Dir.	1.00					6,250	7,500	75,000	90,000
Finance Director	1.00	1.00	1.00	1.00	1.00	5,575	7,725	66,900	92,700
Finance Assistant I	0.75	0.75	0.75			14.10 / 16.00	Hourly	21,996	24,960
Finance Assistant II	3.00	3.00	3.25	4.00	4.00	2,740	3,399	32,880	40,788
IT Manager	1.00	1.00	1.00	1.00	1.00	5,683	7,810	68,196	93,726
IT Specialist I					0.50	18.14	Hourly	18,720	18,720
IT Specialist II	1.00	1.00	1.00	1.00	1.00	3,625	4,223	43,500	50,676
Human Res Mgr / Risk Mgr	1.00	1.00	1.00	1.00	1.00	4,258	5,723	51,096	68,672
Procurement / Contract Admin		1.00	1.00	1.00	1.00	3,333	4,720	39,996	56,646
<b>Admin. &amp; Financial Support Services Fund Total</b>	<b>11.75</b>	<b>10.75</b>	<b>11.00</b>	<b>11.00</b>	<b>11.50</b>				
<b>Public Works Support Services Fund</b>									
City Engineer / Public Works Director				1.00	1.00	6,250	7,725	75,000	92,700
Public Works Superintendent / Inspector	1.00	1.00	1.00	1.00	1.00	4,583	6,438	54,996	77,250
City Engineer	1.00	1.00	1.00			5,042	6,483	60,504	77,796
Assistant City Engineer			0.25	0.25	0.25		Hourly		
Administrative Technician	1.00	1.00	1.00	1.00	1.00	3,679	4,172	44,148	50,058
Mechanic	1.00	1.00	1.00	1.00	1.00	3,813	4,310	45,756	51,714
Inspector	1.00	1.00	1.00	1.00		3,679	4,050	44,148	48,600
Utility				5.00	6.00	3,606	4,096	43,272	49,156
<b>Public Works Support Services Fund Total</b>	<b>5.00</b>	<b>5.00</b>	<b>5.25</b>	<b>10.25</b>	<b>10.25</b>				
<i>Engineer moved from Planning FY10. Became Public Works Director as well in FY 13.</i>									
<i>FY 13 Moved Utility Workers to Public Works Support Services Fund (1 from Wastewater, 4 from Water).</i>									
<i>Inspector moved to Public Works Superintendent position in FY13, but will retain Inspector responsibilities.</i>									
<b>City of Prineville Total</b>	<b>69.74</b>	<b>64.74</b>	<b>66.49</b>	<b>65.49</b>	<b>65.56</b>				

## FTE's by Fund



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# Governmental Funds

General Fund

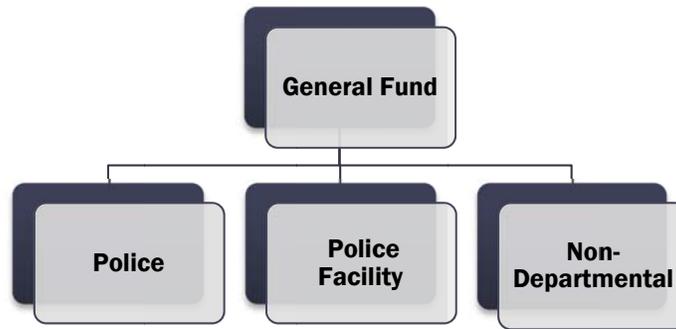
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## General Fund

*The General Fund accounts for police services and Council directed funding of outside agencies or other activities. A transfer of funds to Planning helps support the short term planning needs of the City. General administrative costs are paid through internal charges to the Internal Services Fund for the following services based upon the cost to the department for using these services; administrative and financial services, risk management, computer, and phone services. The costs of these services are at full cost, including replacement cost, thereby providing a more accurate cost of providing services.*

Resources	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 10-11	FY 11-12	Budget FY 12-13	FY 12-13	Budget FY 13-14	Budget FY 13-14	Budget FY 13-14
<b>Beginning fund balance</b>	\$ 819,315	\$ 953,846	\$ 918,978	\$ 963,998	\$ 1,127,798	\$ 1,127,798	\$ 1,127,798
<b>Current year resources</b>							
Property taxes	1,757,264	1,647,123	1,550,000	1,627,000	1,640,000	1,640,000	1,640,000
Transient lodging tax	176,156	179,945	165,000	200,000	200,000	200,000	200,000
Franchise fees	700,965	959,884	1,077,700	1,326,600	1,752,700	1,752,700	1,752,700
Licenses and permits	9,370	9,620	10,300	10,700	10,700	10,700	10,700
Intergovernmental revenues	207,136	288,429	238,400	277,700	270,400	270,400	270,400
Charges for services	23,132	32,147	3,000	76,000	61,500	61,500	61,500
Interest	4,338	2,439	2,500	3,000	3,000	3,000	3,000
Miscellaneous	61,275	61,211	55,900	60,700	70,200	70,200	70,200
Transfers	26,960	-	-				
<b>Total current year resources</b>	\$ 2,966,596	\$ 3,180,798	\$ 3,102,800	\$ 3,581,700	\$ 4,008,500	\$ 4,008,500	\$ 4,008,500
<b>Total resources</b>	\$ 3,785,911	\$ 4,134,644	\$ 4,021,778	\$ 4,545,698	\$ 5,136,298	\$ 5,136,298	\$ 5,136,298
Expenditures	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 10-11	FY 11-12	Budget FY 12-13	FY 12-13	Budget FY 13-14	Budget FY 13-14	Budget FY 13-14
Police	2,368,752	2,627,616	2,793,500	2,786,100	3,078,400	3,078,400	3,078,400
Police facility	53,670	135,944	61,300	72,900	68,600	68,600	68,600
Non-departmental	409,643	407,086	513,900	558,900	1,025,900	1,025,900	1,025,900
Contingency	-		653,078		963,398	963,398	963,398
<b>Total expenditures</b>	\$ 2,832,065	\$ 3,170,646	\$ 4,021,778	\$ 3,417,900	\$ 5,136,298	\$ 5,136,298	\$ 5,136,298
<b>Ending fund balance</b>	\$ 953,846	\$ 963,998	\$ -	\$ 1,127,798	\$ -	\$ -	\$ -

## General Fund – Organization of Fund



One department (Police) and three organizational units (Police, Police Facility and Non-Departmental) represent the makeup of the General Fund. This section provides the expenditure detail, executive summary information, goals and objectives of each unit, and, when available, performance measure data for these units of the General Fund.

### Personnel

Department & Position	FY13 FTEs	FY14 FTEs
<b>General Fund</b>		
<b>Police Department</b>		
Chief of Police	1.00	1.00
Captain	1.00	1.00
Administrative Assistant	0.66	0.66
Sergeant	3.00	3.00
Police Officer	10.00	10.66
Community Services Officer	1.00	1.00
Evidence Officer	0.50	0.50
Office Technician	0.75	0.66
Janitorial	0.25	0.25
<b>Police Department Total</b>	<b>18.16</b>	<b>18.73</b>

*Changes in FY 14 are the result of the addition of a part-time Police Officer paid for with grant funding. In addition, the FTE of the Office Technician was reduced to 0.66 to more accurately display the funding for this position.*

### Beginning Fund Balance Ending Fund Balance / Contingency Comparison

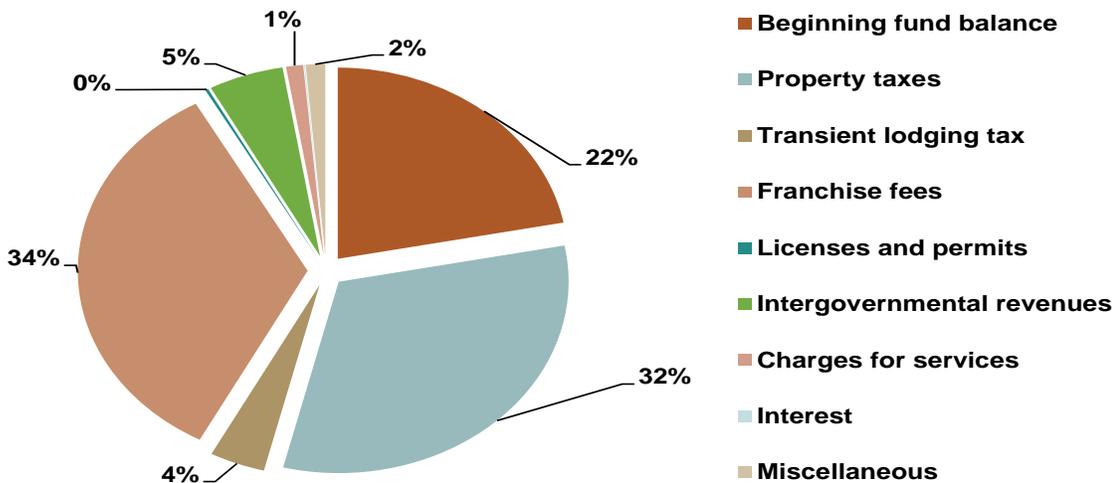
Fund	Actual Beginning Fund Balance FY 12-13	Proposed FY 13-14 Beginning Fund Balance	% Change FY13 to FY 14	Proposed Ending Fund Balance / Contingency	% Change FY 14	Reserve Requirements by Policy	Over (Under) Requirements
General	\$963,998	\$1,127,798	17%	\$963,398	-15%	\$960,478	0%

The beginning fund balance increased approximately 17% from the previous year largely due to the unanticipated volume of electrical franchise fees. Other contributing factors were the increase of transient lodging tax and additional property tax revenue. The proposed ending fund balance for FY 14 is a decrease to fund balance of 15%; however, ending fund balance meets policy requirements this year.

## Strategic Planning Updates

- Short Term –In the short term, the Police Department is looking to maintain the school resource officer presence and also refine the mission to provide animal control services to our community.
- Long Term – Develop a plan to replace the current aging police facility and continue to develop resources, through cost controls in order to achieve staffing goals consistent with Council objectives.

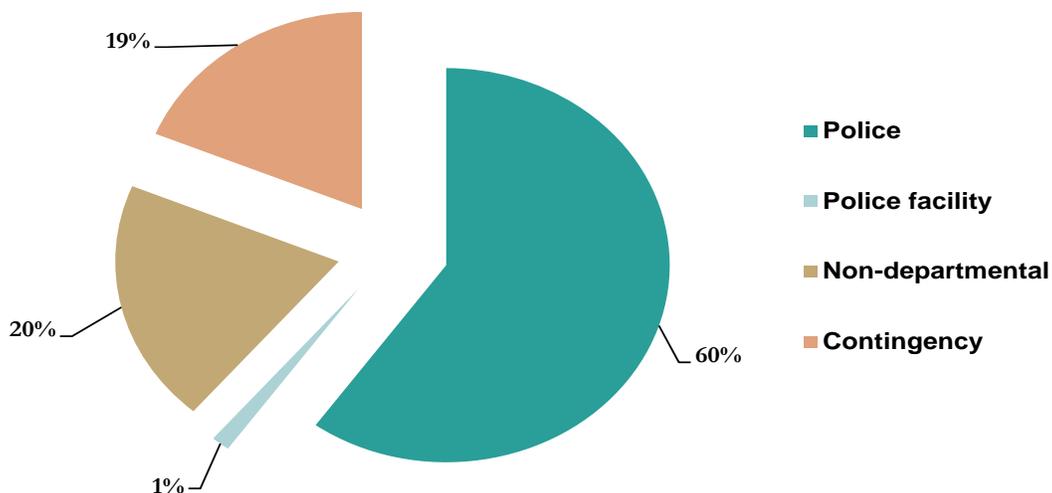
## Resources



## Assumptions

Projections received from the County Assessor’s office indicate the collection of taxes to be up approximately 5% over prior year, we have taken a conservative approach to the collection estimating tax collection at \$1.640 million for the coming year. Franchise fees are estimated to increase approximately \$700,000 over prior year largely due to the addition of commercial business in FY 13.

## Requirements

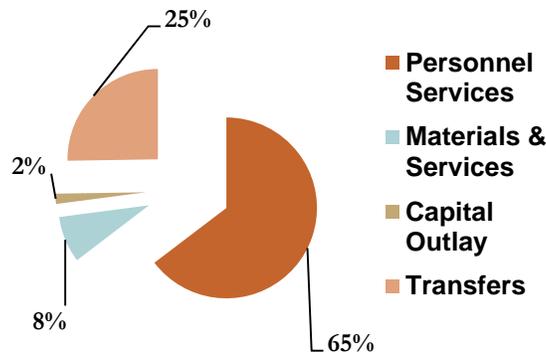


## Assumptions

In FY 14 the total requirements for General Fund will increase 28% percent. Public safety operations and facility increased approximately 10% over prior year. Non-departmental requirements include a transfer to the airport, street lighting, costs associated with the possible refunding of our PERS UAL, and a feasibility study for urban renewal.

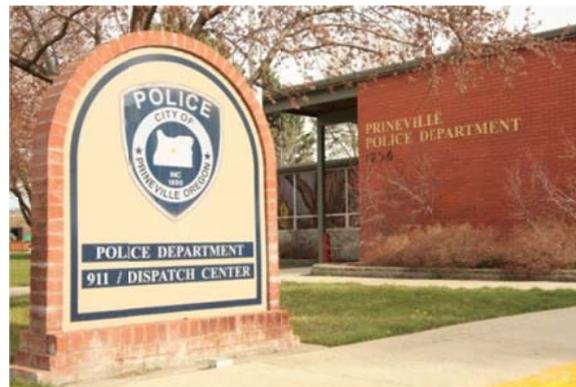
## Police

Expenditures	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 10-11	FY 11-12	Budget FY 12-13	FY 12-13	Budget FY 13-14	Budget FY 13-14	Budget FY 13-14
Personnel Services	\$ 1,569,355	\$ 1,752,418	\$ 1,839,700	\$ 1,853,000	\$ 2,010,500	\$ 2,010,500	\$ 2,010,500
Materials & Services	275,822	274,768	273,400	264,800	244,700	244,700	244,700
Capital Outlay	6,575	92,875	36,300	33,200	56,500	56,500	56,500
Transfers	517,000	507,555	644,100	635,100	766,700	766,700	766,700
<b>Total expenditures</b>	<b>\$ 2,368,752</b>	<b>\$ 2,627,616</b>	<b>\$ 2,793,500</b>	<b>\$ 2,786,100</b>	<b>\$ 3,078,400</b>	<b>\$ 3,078,400</b>	<b>\$ 3,078,400</b>



## Executive Summary

The Police fund functions as the operational division of the Prineville Police Department. This fund provides essential government services to the citizens of Prineville. Through use of the fund, the police department provides for public safety through the protection of life, property, and the preservation of peace. The police have a responsibility to control conducts, both criminal and non-criminal, in order to maintain public safety. This is accomplished through the enforcement of a wide variety of State and local laws, city ordinances, and other regulations. The emphasis of the department is on prevention, problem-solving policing through community involvement, the regulation of non-criminal conduct, crime prevention education, and other service-oriented activities accounts for expenditures of time and personnel resources.



*Prineville Police Department Exterior*

There are three primary groups of “customers” that the Prineville Police Department serves. First, we serve the diverse residents of Prineville by ensuring that we meet our operational objectives for the year. To do this the police department must maintain and improve the quality of life of the City. Second, we serve all of the people that make up the daily service population. This group is made up of those that come to Prineville to shop, work, and otherwise enjoy the City of Prineville. With fair and professional services, such as traffic enforcement, we keep the area safe and a pleasant place to visit. Finally, we serve our partners in the criminal justice system. Needs of the justice system are met with our officers practicing timely response to duties of all types, efficient and thorough investigations, as well as proper handling of critical incidents with the rights of victims and suspects both in mind.

### **Accomplishments for FY 2012-2013**

- Conducted multiple critical incident training events that included multiple government and community entities.
- Worked closely with selected council members and the City Manager on long-term public safety resource requirements and revenue sources, using meetings, training, and hands on experiences as tools to inform and educate elected officials.
- Developed a strategic concept to support the current staffing methodology for the Prineville Police Department. This will allow for predictable and sustainable staffing levels to serve the community, and meet the mission established by the City Council.
- Hosted regional law enforcement training events that trained the maximum number of Prineville Police Department officers at a minimal cost.
- Implemented a newly developed policy and procedure manual that is web-based and integrates a sustainable training system for all employees.
- Established a formal partnership with Crook County School District that supports the sustained funding for the School Resource Officer in FY 14.
- Published the first draft of the City Emergency Operations Plan.
- Published the first draft of a revised Police Policy and Procedures manual for staff review.

### **Operational Objectives**

The Prineville Police Department will continue to focus on the fundamental community expectations. This includes the continued protection of life and property and safeguarding the rights of individuals. This will be done through prevention and suppression of crime, apprehension of those who commit acts of crime, and enforcement of local laws and ordinances that help keep our community safe. The idea of controlling conduct and maintaining the peace and order of the public as a whole plays a pivotal role in the safety of the city. For other large scale emergencies, the police department will create and conduct detailed plans with purpose of protecting the community at large. Planning for disasters such as floods or earthquakes will be the cornerstones of the planning efforts.

### **Goals and Objectives for FY 2013-2014**

The objective to “maintain a small town feel” set by the City Council, and living up to the mission of the City and Prineville Police Department, will be tied directly into putting officers in rotation in a number that satisfies both the Prineville Police Department’s and the City of Prineville’s idea of demand. Strategic planning for this budget year will focus on developing a plan to meet the current and any future demands for the City. Also, the police department will work to enhance its capabilities in the area of emergency management through exercise-style training. Further goals for the year are as follows:

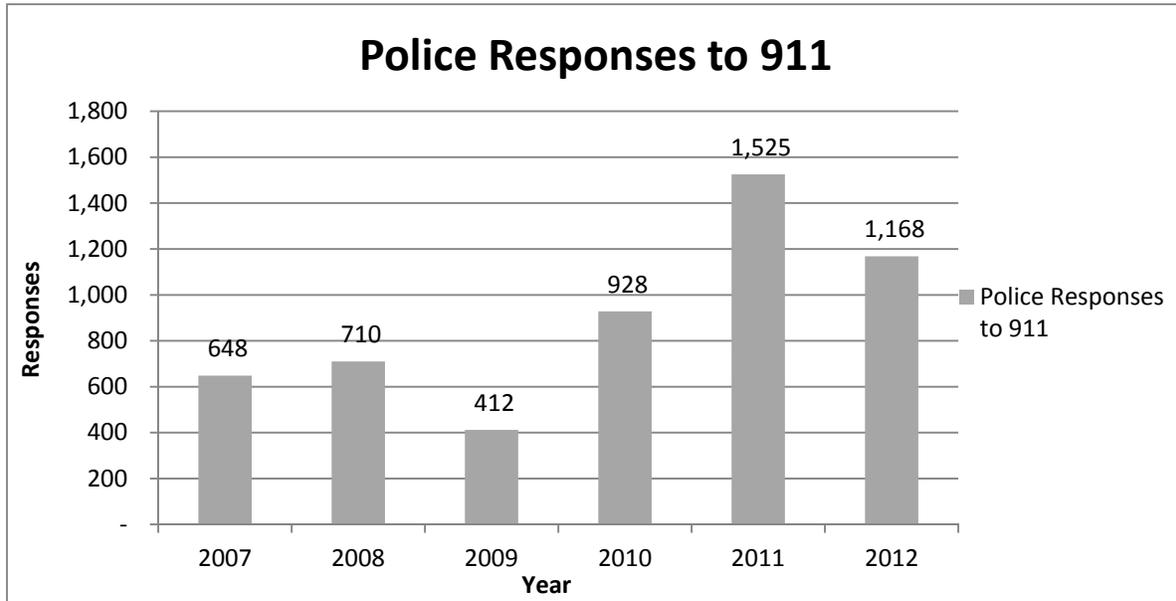
- Develop a strategy to create a culture of web-based communications in order to allow officers to interact with their neighborhood members through the website and to allow for better presentation of press information.
- Develop a long-range strategy to address the current police facility that now approaches sixty years in age.
- Support Crook County and the Crook County Sheriff Department’s efforts to invest into a modern correctional facility.
- Positively influence the reduction in costs for animal enforcement.

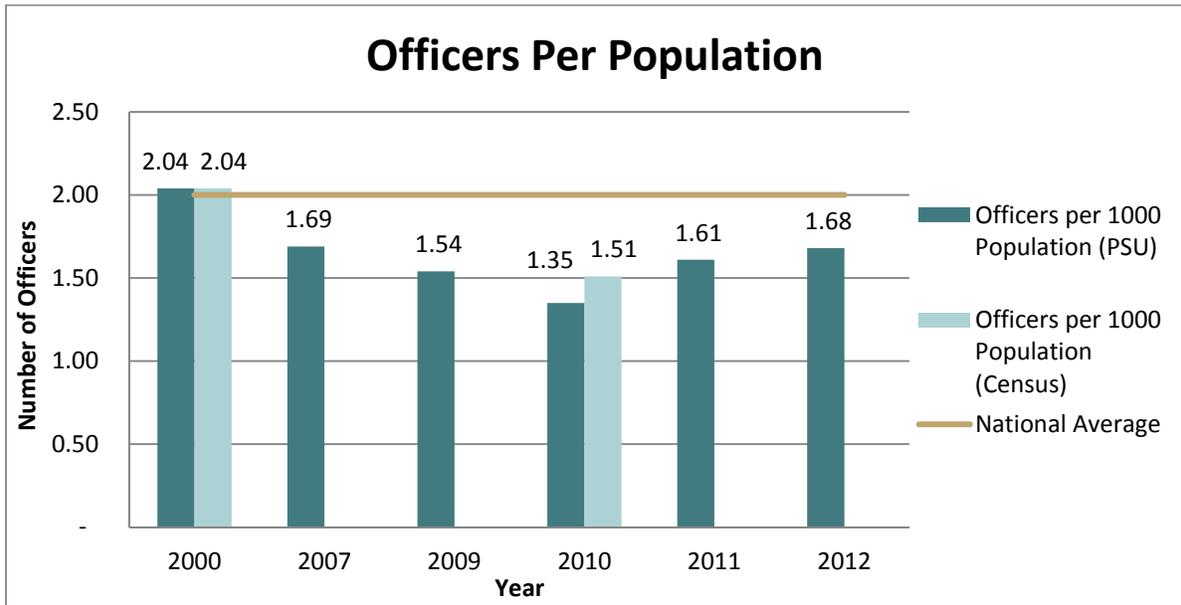
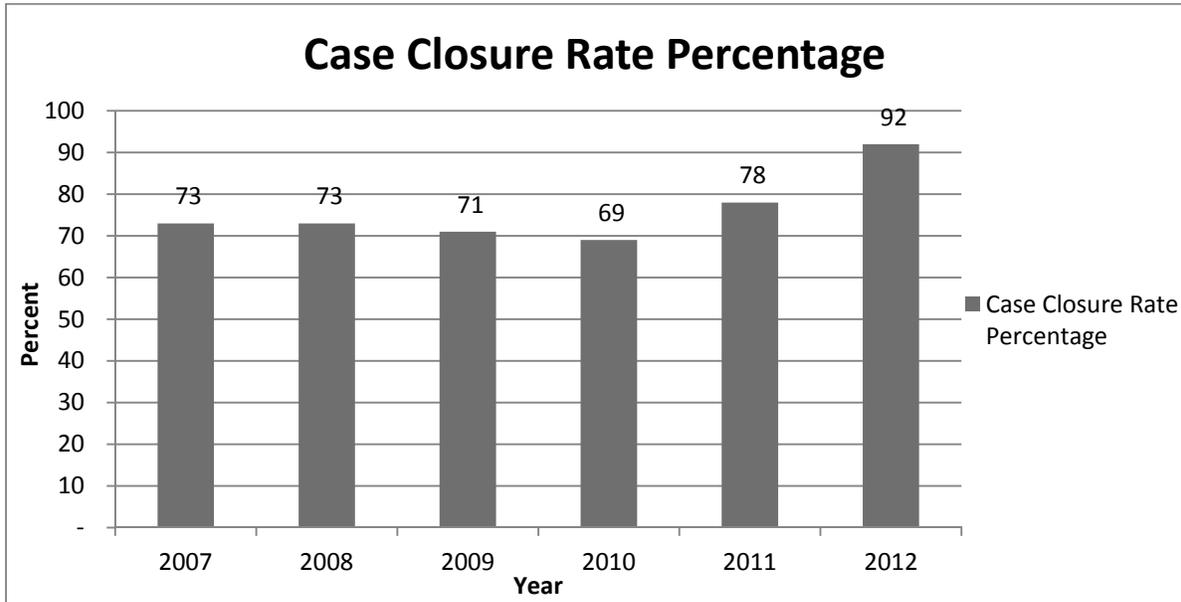
**Capital Outlay**

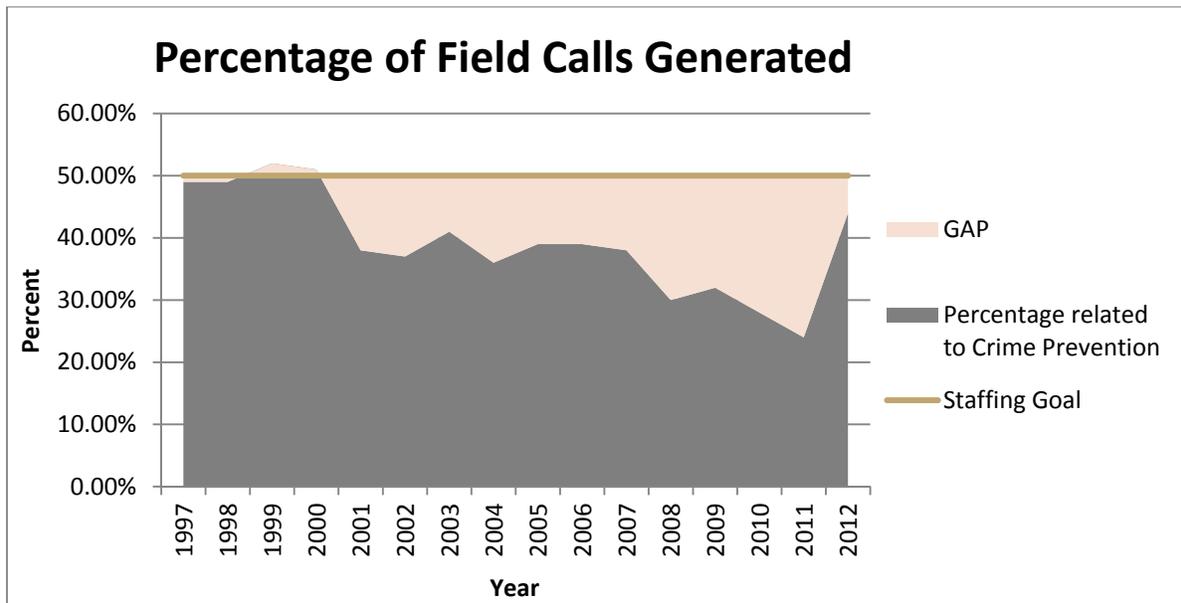
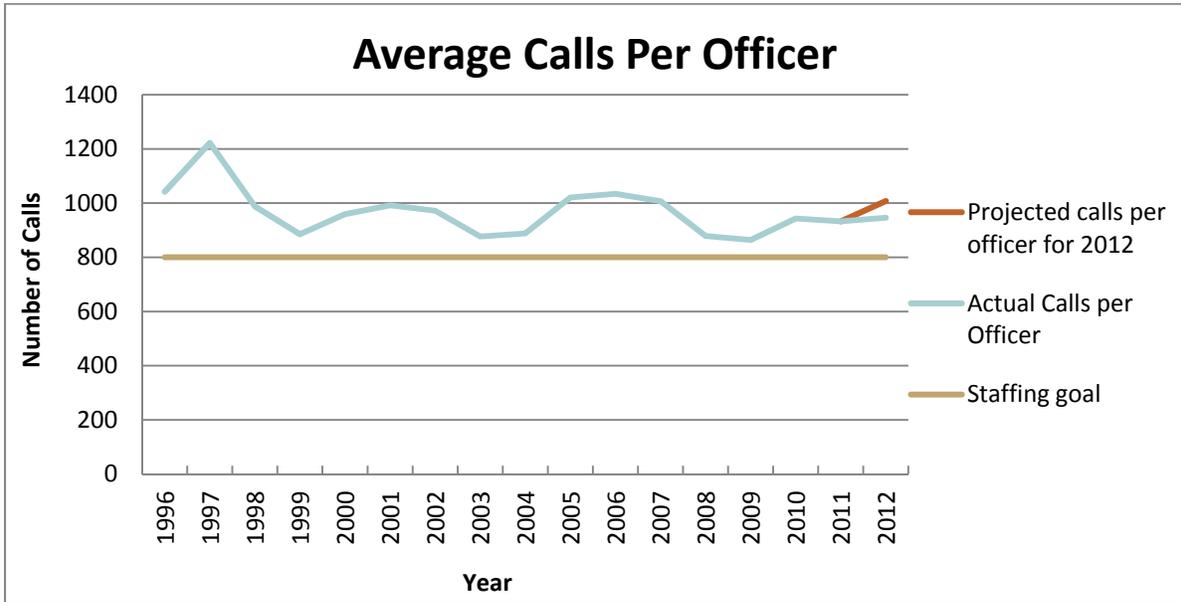
Capital Outlay Overview		
Project	Amount Budgeted	
<b>Equipment</b>		
Fleet patrol vehicles lease	\$ 56,500	
<b>Total</b>		\$ 56,500

*A more detailed summary of capital outlay can be found in the Short and Long Term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 81.*

**Performance Measures**







## Police Facility

Expenditures	Actual	Actual	Current	Proposed	Approved	Adopted
	FY 10-11	FY 11-12	Budget FY 12-13	Budget FY 13-14	Budget FY 13-14	Budget FY 13-14
Materials & Services	\$ 53,670	\$ 56,882	\$ 61,300	\$ 63,900	\$ 68,500	\$ 68,500
Capital outlay	-	79,063	-	9,000	100	100
<b>Total expenditures</b>	<b>\$ 53,670</b>	<b>\$ 135,944</b>	<b>\$ 61,300</b>	<b>\$ 72,900</b>	<b>\$ 68,600</b>	<b>\$ 68,600</b>

**Executive Summary**

The Police Facility unit is responsible for the maintenance and upkeep of the current police department building. The funding from the General Fund is used to keep the almost sixty year old facility in running condition while options are sought out for future renovations or construction. This year we have continued to maintain and modernize our current facility, having completed the remodel of our Dispatch Center and an upgrade to our emergency generator. Other basic building needs such as electrical maintenance, electricity, and provisions are accounted for each year. Capital expenditures are kept at a minimum for the time being, until a time where the expenditure becomes a necessity.

**Capital Outlay**

Capital Outlay Overview		
Project	Amount Budgeted	
Facility		
Placeholder	\$ 100	
<b>Total</b>		\$ 100

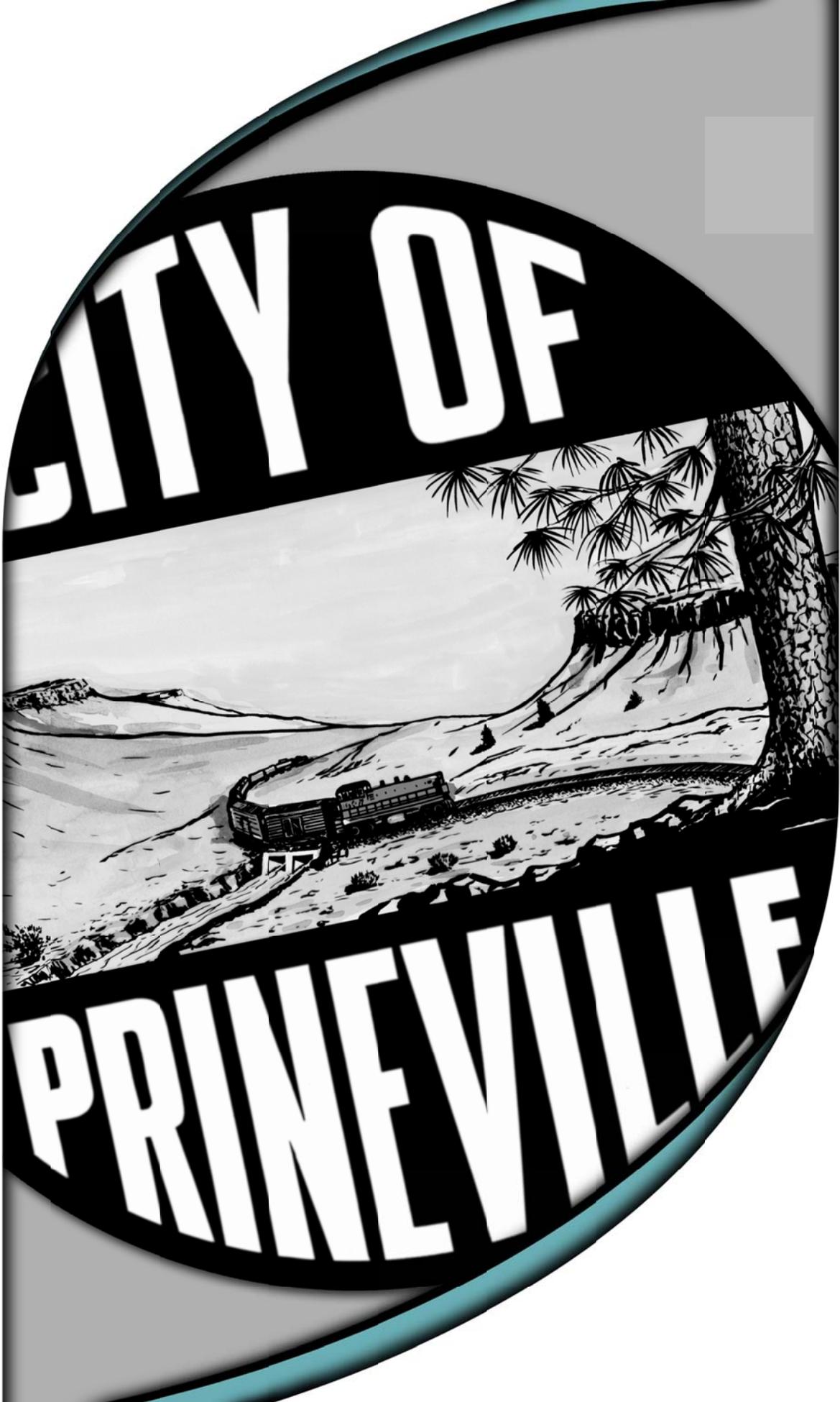
*A more detailed summary of capital outlay can be found in the Short and Long Term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 81.*

**Non-Departmental**

Expenditures	Actual	Actual	Current	Proposed	Approved	Adopted	
	FY 10-11	FY 11-12	Budget FY 12-13	Estimates FY 12-13	Budget FY 13-14	Budget FY 13-14	Budget FY 13-14
<b>Non-departmental</b>							
Materials & Services	\$ -	79,086	\$ 78,000	123,000	335,000	335,000	335,000
Capital Outlay	79,157	-	-				
Transfers	330,486	328,000	435,900	435,900	690,900	690,900	690,900
<b>Total expenditures</b>	<b>\$ 409,643</b>	<b>\$ 407,086</b>	<b>\$ 513,900</b>	<b>\$ 558,900</b>	<b>\$ 1,025,900</b>	<b>\$ 1,025,900</b>	<b>\$ 1,025,900</b>

**Executive Summary**

Activities that are not associated directly with public safety operations are accounted for within the non-departmental. In FY 14 a transfer to the Planning department is budgeted for \$250,000, which is up slightly over prior year by \$15,000. Also budgeted for FY 14 is a transfer of \$25,000 to the City/County Airport, street lighting has been moved to general fund, costs associated to the restructuring of our unfunded PERS liability, and transfer to cover debt service for the freight depot. Other discretionary spending such as the Prineville-Crook County Chamber of Commerce and the Crook County Fairgrounds requests are budgeted here.



# Special Revenue Funds

Transportation Operations Fund

Emergency Dispatch Fund

Planning Fund

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## Transportation Operations Fund

*The Transportation Operations Fund provides the accounting of the City's street, bike-lane, right-of-way and storm water maintenance. Funding sources include state highway gas tax and State revenue sharing. Heavy equipment, vehicles and maintenance, engineering, project oversight, and public works administration and support services costs, are accounted for through transfers to the Internal Service Fund for the estimated costs of the provision of these services.*

Resources	Actual FY 10-11	Actual FY 11-12	Current Budget FY 12-13	Estimates FY 12-13	Proposed Budget FY 13-14	Approved Budget FY 13-14	Adopted Budget FY 13-14
<b>Beginning fund balance</b>	\$ 552,725	\$ 592,330	\$ 370,016	\$ 362,832	\$ 152,632	\$ 152,632	\$ 152,632
<b>Current year resources</b>							
Intergovernmental	\$ 893,856	\$ 720,191	\$ 704,700	\$ 721,700	\$ 720,300	\$ 720,300	\$ 720,300
Franchise fee		157,699	\$ 222,300	222,300	241,100	241,100	241,100
Interest	2,718	993	1,000	1,000	1,000	1,000	1,000
Miscellaneous	35,034	30,799	11,000	13,500	10,500	10,500	10,500
Transfers from other funds				-	100,000	100,000	100,000
<b>Total current year resources</b>	\$ 931,608	\$ 909,682	\$ 939,000	\$ 958,500	\$ 1,072,900	\$ 1,072,900	\$ 1,072,900
<b>Total resources</b>	\$ 1,484,333	\$ 1,502,012	\$ 1,309,016	\$ 1,321,332	\$ 1,225,532	\$ 1,225,532	\$ 1,225,532
<b>Expenditures</b>							
Personnel Services	\$ 165,874	\$ 186,218	\$ 178,400	\$ 178,500	\$ 191,400	\$ 191,400	\$ 191,400
Material & services	369,772	353,432	372,000	378,700	193,800	193,800	193,800
Capital outlay							
Improvements	84,557	295,830	255,000	255,000	413,100	413,100	413,100
Transfers	271,800	303,700	356,500	356,500	260,400	260,400	260,400
Contingency			147,116		166,832	166,832	166,832
<b>Total expenditures</b>	\$ 892,003	\$ 1,139,180	\$ 1,309,016	\$ 1,168,700	\$ 1,225,532	\$ 1,225,532	\$ 1,225,532
<b>Ending fund balance</b>	\$ 592,330	\$ 362,832	\$ -	\$ 152,632	\$ -	\$ -	\$ -

**Personnel**

Department & Position	FY 13 FTEs	FY 14 FTEs
<b>Transportation Fund</b>		
Utility	2.00	2.00
<i>Transportation Fund Total</i>	2.00	2.00

*No changes to staffing levels in FY 14.*

**Beginning Fund Balance & Ending Fund Balance / Contingency Comparison**

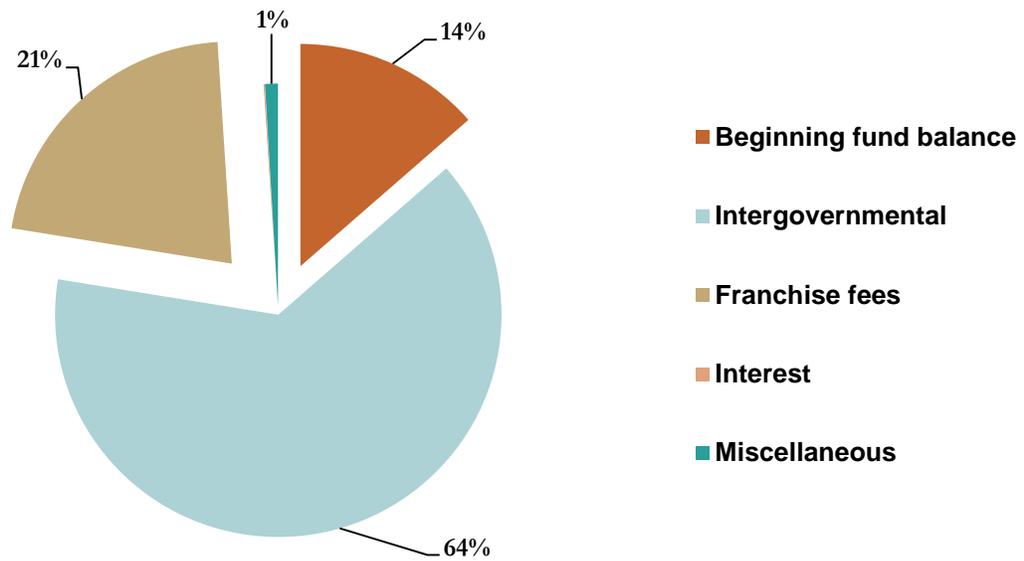
Fund	Actual Beginning Fund Balance FY 12-13	Proposed FY 13-14 Beginning Fund Balance	% Change FY13 to FY 14	Proposed Ending Fund Balance / Contingency	% Change FY 14	Reserve Requirements by Policy	Over (Under) Requirements
Transportation	\$362,832	\$152,632	-58%	\$166,832	9%	\$133,635	25%

The 58% decrease in fund balance for FY 14 is a result of budgeted capital improvements. The budgeted contingency meets the City’s financial policy objectives by 25%. Management has moved the street light costs to the general fund in this budget as part of non-departmental. This will allow for more transportation dollars to be spent on street improvements. A transfer has been budgeted from general fund of \$100,000 to assist in capital improvements to streets as well.

**Strategic Planning Updates**

- Short Term – In the short term the transportation department will maintain a reasonable Pavement Condition Index (PCI) rating with the amount of available funds. Grants will continue to be pursued to add supplemental funds for city streets and infrastructure.
- Long Term – The Transportation Department strives to provide a safe, efficient transportation system that supports economic opportunity, and creates a livable community for the citizens of Prineville. To manage the condition of the street network at the lowest cost possible, the Transportation Department has identified a Pavement Condition Index goal of 82-85. The Pavement Condition Index is a high-level indicator for condition of the City’s largest asset from a dollar and utilization standpoint. The lower the PCI, the more expensive the asset is to maintain. The Transportation Department will continue to investigate new revenue sources to improve the PCI index.

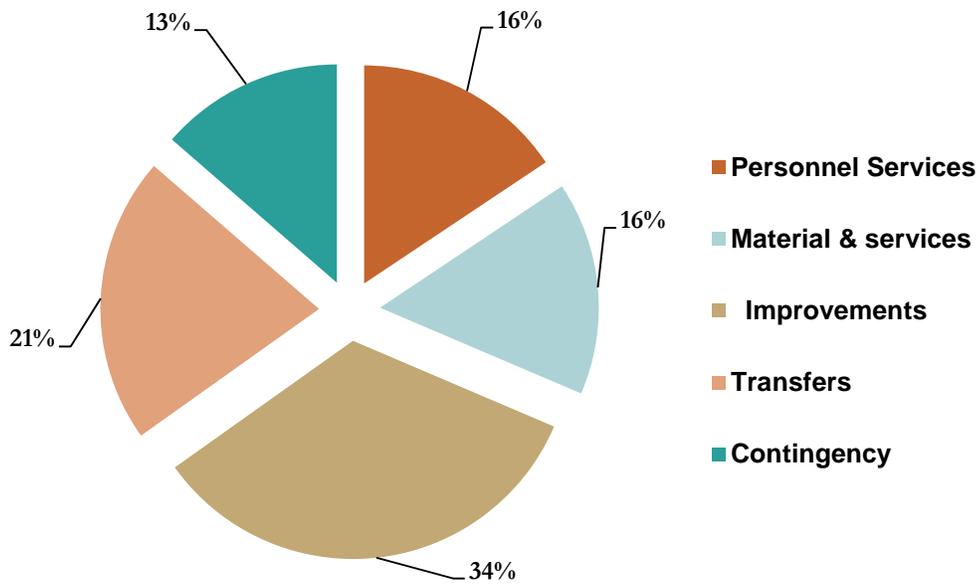
**Resources**



**Assumptions**

Intergovernmental revenues for FY 14 remain flat from prior year. System Transportation Planning (STP) dollars from Oregon Department of Transportation total approximately \$100,000. Franchise fees from the wastewater and water departments totaling \$241,100 for FY 14 have been instrumental in replacing the lost revenue stream from the county, along with the transfer from general fund of \$100,000. State of Oregon gas tax is projected at \$530,300.

**Requirements**



## Assumptions

Requirements budgeted overall in FY 14 have decreased approximately 7% from previous year, largely due to transferring the cost of street lighting to the general fund.

## Executive Summary

The purpose of the Transportation Fund is to finance the activities of the City's transportation division of the Public Works Department. Prineville's street infrastructure is a network of roads under the jurisdiction of the City, Crook County, and ODOT. The Transportation Department has the primary responsibility to maintain the City's 113 lane miles of streets, rights of way, weed control, street sweeping, paving, street striping, street signs, storm drains, and one traffic control signal. It is the mission of the Transportation Department to provide a safe and serviceable traffic infrastructure for today while planning for the needs of the future.



*2012 City Grind and Inlay Project*

## Accomplishments for FY 2012-2013

- Completed the 2012 Grind and Inlay Project. This project restored 15 blocks of City Street in the SE quadrant of town. The project consisted of a two inch grind followed with a three inch asphalt inlay. Prior to this project, aging waterlines within the scheduled streets were replaced. This project was consistent with the Council goal of sustaining and efficiently planning infrastructure.
- Decommissioned 11 Underground Injection Control Devices (UICs) in the second phase of the Ironhorse development.
- Sealed approximately 30 miles of cracks.
- Seventeen American with Disabilities Act (ADA) wheel chair ramps were updated near the Grind and Inlay Project as well as key pedestrian routes. The Transportation Department continues to utilize public involvement as ADA ramps are replaced.
- The asphalt mix was improved for the Grind and Inlay Project by improving the quality of the oil binders. This is an example of the Street Department answering the question, "What can we do to lengthen the serviceable life of our infrastructure?" This new asphalt design will be used on all future street projects.
- Continued investigating a surface seal coat preventative maintenance project near the SW Deer Street. Approximately 200,000 sq. ft. of City streets were sealed, extending the useful life of surfaces from five to eight years.
- Participated in the development of an update to the City Transportation System Plan.



*Sealing City Streets*

- All streets were inspected and maintenance management scenarios were created using the Metropolitan Transportation Commission Pavement Management Program software.

### **Grants Received for FY 2012-2013**

- Funding to the tune of \$431,000 for the now completed Safe Routes to School Project which constructed 2,400 feet of sidewalk on NE Hudspeth and NE Juniper Streets near the Crook County Middle School. The use of this grant for the project was consistent with the Council goal of community safety.
- Received \$101,400 in Federal Surface Transportation Program (STP) allocation funding via ODOT fund exchange program.

### **Operational Objectives**

The objective of the Transportation Department is to provide a source of friendly and responsive information and services. Under this wing of the City's services, it is the duty of the department to assure and preserve the present and future health, safety, and welfare of the public that utilize the City street network on a daily basis. By the use of cost effective maintenance practices, planning, permitting, inspection, and responsible operations, this goal will be achieved. The key to this success will be through the efficient and motivated efforts of quality through our committed staff.

### **Goals and Objectives for FY 2013-2014**

- Continue the crack sealing/seal coating program to extend the life of area roads without having to repave them.
- Continue de-commissioning storm water UICs to lower overall maintenance costs.
- Continue to research various pavement preservation techniques to lengthen the useful life of the City's streets.
  - Conduct a slurry seal demonstration project on North Main Street.
- Continue traffic counting studies to gather data for future planning.
- Maintain and protect pavement quality on city streets.
- Update the PCI index rating methodology.
- Upgrade seven American with Disabilities Act (ADA) wheel chair ramps.

## Capital Outlay

Capital Outlay Overview		
Project	Amount Budgeted	
<b>Capital Rehabilitation</b>		
NW Claypool to NW Beaver grind and inlay – W 1 <sup>st</sup> to NW 5 <sup>th</sup>	\$ 156,100	
NE Peters grind and inlay	\$ 124,200	
<b>Capital Maintenance</b>		
Crack seal NE quadrant	\$ 60,000	
Crack seal SE quadrant	\$ 20,000	
N Main slurry seal – NE 9 <sup>th</sup> to Northern City Limits	\$ 52,800	
<b>Total</b>		\$ 413,100

*A more detailed summary of capital outlay can be found in the Short and Long Term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 81.*

## Performance Measures

### Overall Pavement Condition Index

The Pavement Condition Index (PCI) is a numerical index between 0 and 100 used to indicate the condition of a roadway. This rating is given to streets through a process of visual observations and calculations performed through the use of the Metropolitan Transportation Commission Pavement Management Program software. The numerical value between 0 and 100 defines the condition of the wearing surface with 100 representing a new street in excellent condition. These scores translate into four general condition categories, ranging from “Poor” to “Good.”

PCI Ratings	
Good	70 - 100
Satisfactory	50 - 69
Fair	25 - 49
Poor	0 - 24



*Crack Sealing City Streets*

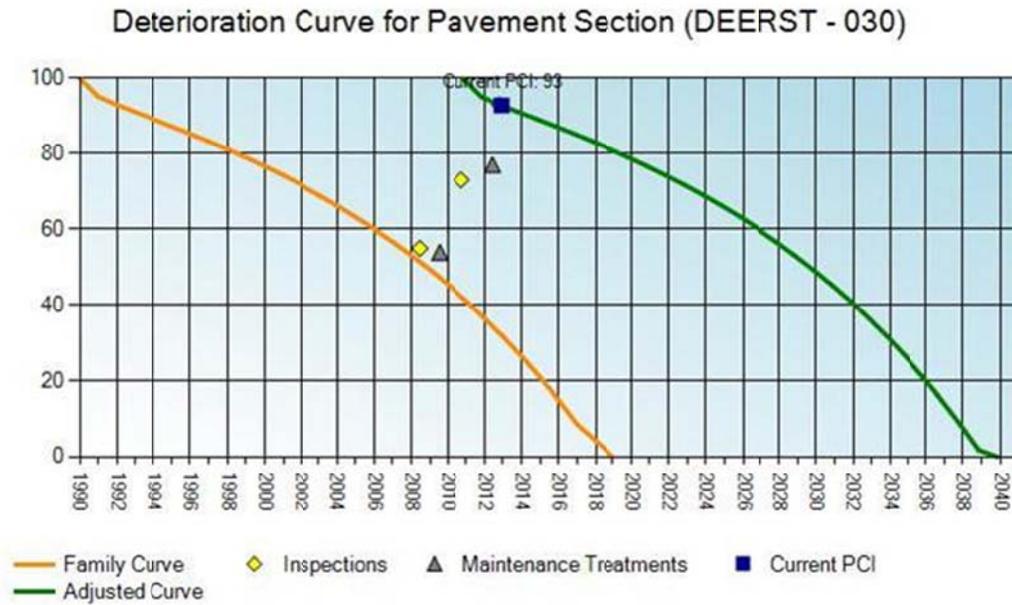
Each score range is assumed to warrant a specific type of treatment. Treatments can be thought of in three general categories; seal, overlay, and reconstruct, with reconstruct being a complete rebuild of the pavement roadway. The Pavement

Management System determines the most efficient and effective use of anticipated funds over multiple years. This program has shown the importance of pavement preservation techniques such as crack sealing and seal coating as a way of stretching precious maintenance dollars.

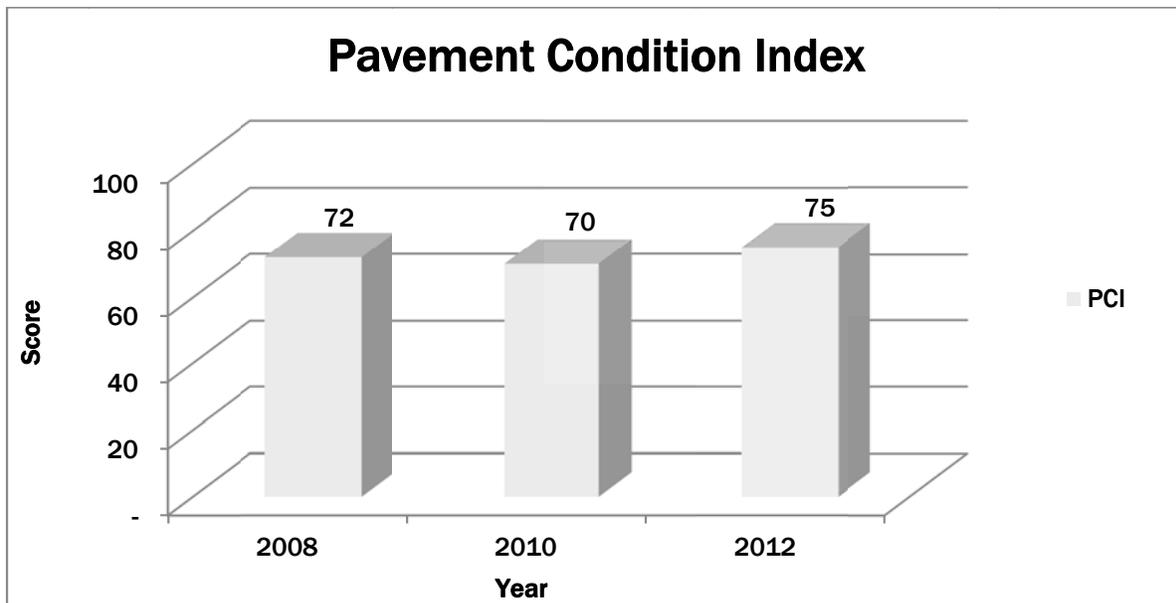
The City of Prineville first inspected and ranked all city streets in the summer of 2008. All streets were again inspected in the summer of 2010, the summer of 2012, and plans have been made to continue this process in this budget year. The goal of the Transportation Department is to maintain the overall PCI at a calculated average of 82 to 85. This level provides the optimum longevity of the wearing surfaces with the minimum investment level. The program is consistent with Council goals for sustaining infrastructure.

A good example of the importance of preventative maintenance activity (crack seal and seal coat) extending the life of a City street can be seen by looking at a section of SW Deer St. This section of City street had the following maintenance treatments performed with drastic results.

- Summer 2008, Inspection PCI 56
- Summer 2009, Crack Seal
- Summer 2010, Inspection PCI 75
- Summer 2012, Seal Coat
- Summer 2012, Inspection PCI 93

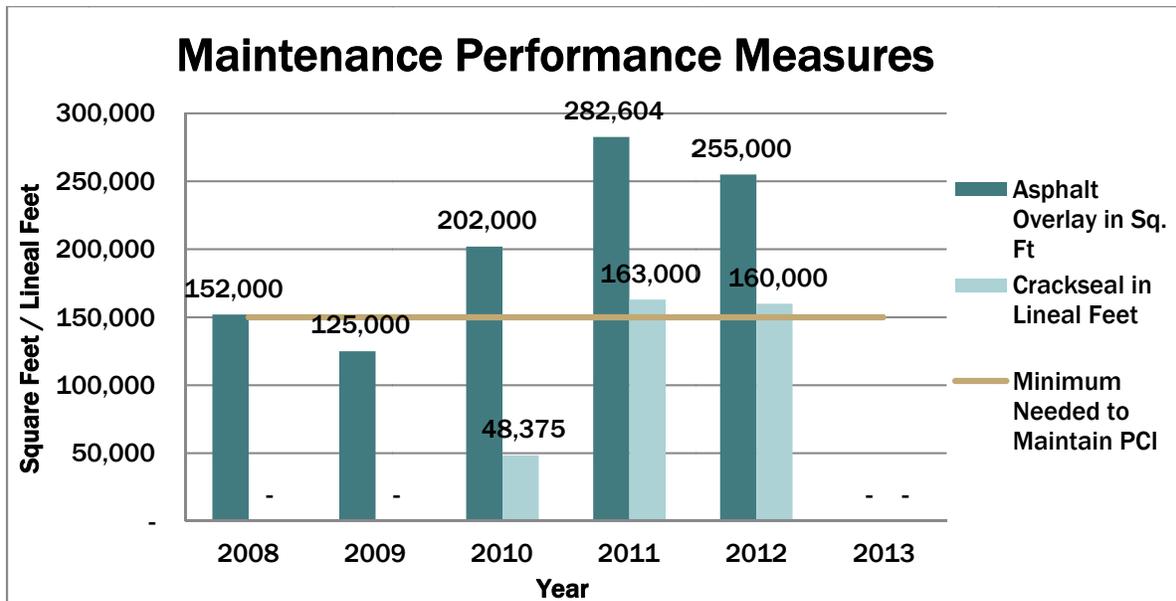


By focusing our limited budget on preservation activities, the Transportation Department has been able to raise the PCI. It is important to remember that the most economical PCI is in the mid to low 80s.



**Preventative Maintenance Measures**

For the City to maintain its current level of pavement condition index, a minimum of 150,000 sq. ft. of overlay and 150,000 lineal feet of crack seals must be completed each year. Crack seal amounts prior to 2010 are not available. This program is consistent with Council goals for sustaining infrastructure.

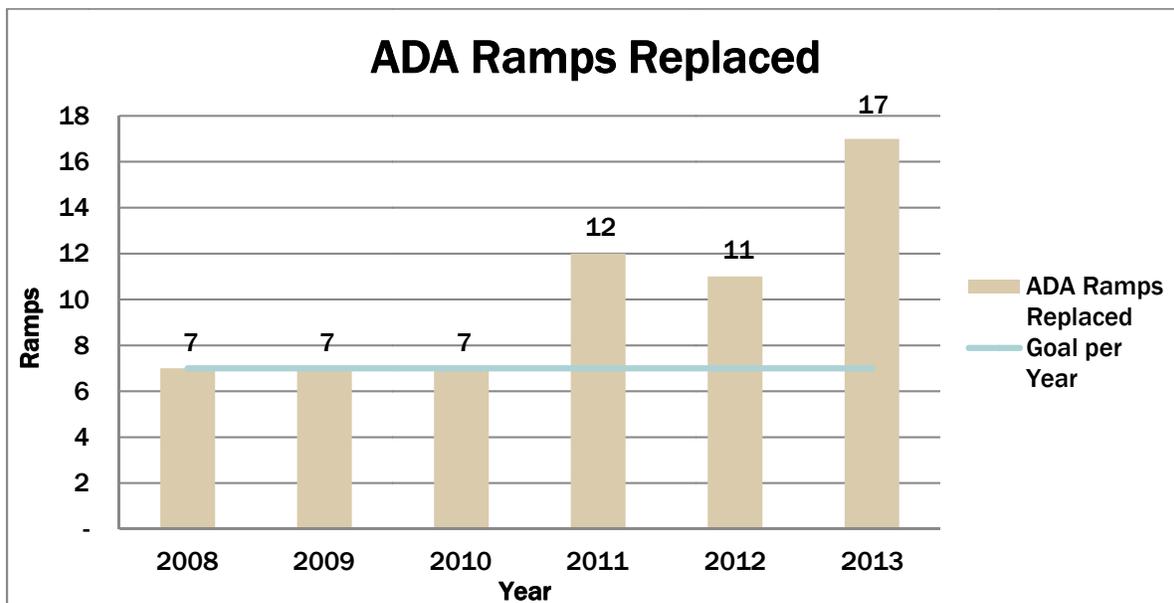


**American with Disabilities Act Ramps**

There are 65 ADA ramps located in downtown Prineville that have been identified as infrastructure that needs to be replaced. A plan was put in place to replace at least seven ADA ramps per year. In FY 13, the Transportation Department surpassed its yearly goal by replacing 17 ramps. The ramps to be replaced are identified during an annual meeting between the Transportation Department and disabled Citizens. By working closely with this community, the Transportation Department can ensure that our precious resources are put to most use. The goal of ADA ramp replacement continues to be met on a yearly basis and coincides with the Council goal of improving community safety.



*ADA Ramp Upgrade*

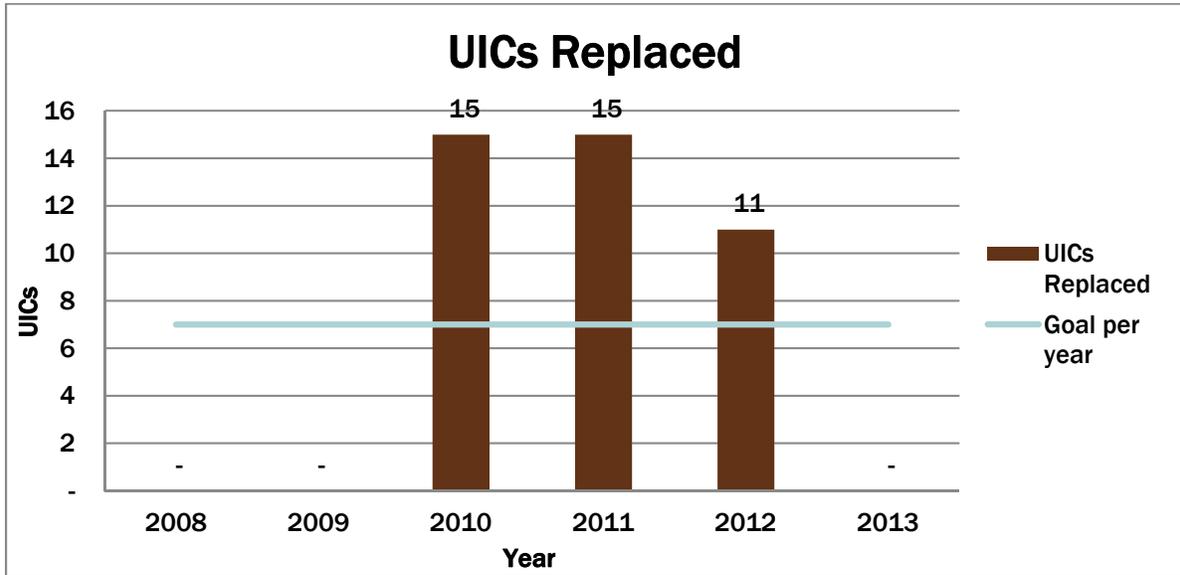


### Underground Injection Control Devices

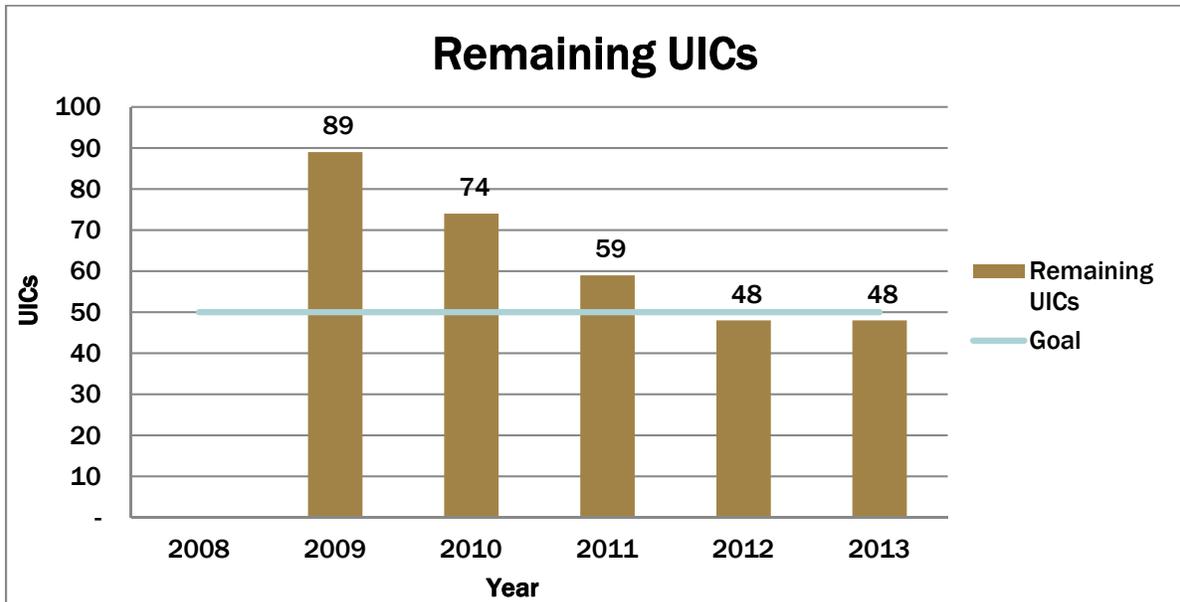
In 2008, Prineville had a total of 83 underground injection control devices (UICs), or storm water dry wells, which had been identified as a costly burden to maintain. UICs for storm water management require an annual registration fee of \$100 payable to the Oregon Department of Environmental Quality. In addition, devices must be tested at a cost of \$2,300 per device on a yearly basis. The total number of UICs the municipality owns determines how many must be tested each year. At 83 UICs, the City was required to perform 12 of these tests per year. When the total number of installed UICs reaches 50 or less, the City would see a significant reduction in testing and registration fees. In the 2011-2012 fiscal year, this threshold was met.



*Decommissioning UICs*



The City decommissioned zero UICs in FY 13 as the threshold was met for the City to begin realizing a significant cost savings by having fewer than 50 UICs at the beginning on the fiscal year. This can be associated with the Council goal of being fiscally responsible.



The capital improvement project (CIP) expenditures discussed in the preceding section are primarily related to scheduled preventative maintenance activities. As the City’s infrastructure reaches its expected useful life span, maintenance activities sharply increase significantly impacting budgets. By performing preventative maintenance activities when scheduled, impacts to maintenance budgets are controlled and expenditures are reduced. This is another example of the City of Prineville controlling future unanticipated costs by professionally managing the public’s infrastructure.

## Emergency Dispatch Fund

*The Emergency Dispatch Fund accounts for the activities of the areas emergency services dispatching. The operation is managed by the Chief of Police and serves Crook County Sheriff, Crook County Rural Fire District, Bureau of Land Management and the City Police. Funds are provided by 911 telephone taxes and payments from entities served.*

Resources	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 10-11	FY 11-12	Budget FY 12-13	FY 12-13	Budget FY 13-14	Budget FY 13-14	Budget FY 13-14
<b>Beginning fund balance</b>	\$ 327,167	\$ 294,941	\$ 259,974	\$ 263,687	\$ 218,587	\$ 218,587	\$ 218,587
<b>Current year resources</b>							
Intergovernmental	\$ 575,645	\$ 647,987	\$ 576,900	\$ 645,500	\$ 594,000	\$ 594,000	\$ 594,000
Interest	1,787	1,185	3,000	3,000	3,000	3,000	3,000
Miscellaneous	700	374	2,700	21,000	3,000	3,000	3,000
Transfers from other funds	289,200	244,855	380,600	371,600	466,100	466,100	466,100
<b>Total current year resources</b>	\$ 867,332	\$ 894,401	\$ 963,200	\$ 1,041,100	\$ 1,066,100	\$ 1,066,100	\$ 1,066,100
<b>Total resources</b>	\$ 1,194,499	\$ 1,189,342	\$ 1,223,174	\$ 1,304,787	\$ 1,284,687	\$ 1,284,687	\$ 1,284,687
Expenditures	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 10-11	FY 11-12	Budget FY 12-13	FY 12-13	Budget FY 13-14	Budget FY 13-14	Budget FY 13-14
Personnel Services	\$ 672,986	\$ 688,162	\$ 738,800	\$ 690,400	\$ 781,800	\$ 781,800	\$ 781,800
Material & services	74,072	75,693	106,800	102,200	93,000	93,000	93,000
Capital outlay							
Buildings				39,000			
Equipment				95,000	15,000	15,000	15,000
Transfers	152,500	161,800	159,600	159,600	167,800	167,800	167,800
Contingency	-		217,974		227,087	227,087	227,087
<b>Total expenditures</b>	\$ 899,558	\$ 925,655	\$ 1,223,174	\$ 1,086,200	\$ 1,284,687	\$ 1,284,687	\$ 1,284,687
<b>Ending fund balance</b>	\$ 294,941	\$ 263,687	\$ -	\$ 218,587	\$ -	\$ -	\$ -

**Personnel**

Department & Position	FY 13 FTEs	FY 14 FTEs
<b>Emergency Dispatch Fund</b>		
Communications Director	1.00	1.00
Administrative Assistant	0.33	0.33
Communications Supervisor	1.00	1.00
Communications Officer	6.00	6.00
Office Technician	0.50	0.50
Janitor	0.25	0.25
<i>Emergency Dispatch Fund Total</i>	9.08	9.08

*No change in staffing level for FY 14.*

**Beginning Fund Balance & Ending Fund Balance / Contingency Comparison**

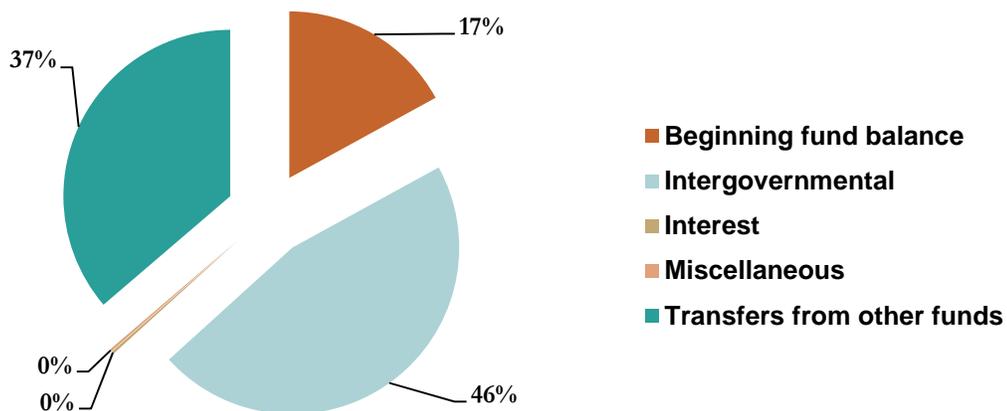
Fund	Actual Beginning Fund Balance FY 12-13	Proposed FY 13-14 Beginning Fund Balance	% Change FY13 to FY 14	Proposed Ending Fund Balance / Contingency	% Change FY 14	Reserve Requirements by Policy	Over (Under) Requirements
Emergency Dispatch	\$263,687	\$218,587	-17%	\$227,087	4%	\$226,647	0%

The 17% decrease in fund balance from FY 13 to FY 14 is a result of managing user fees and transfers at the lowest possible level while maintaining fund balance requirements.

**Strategic Planning Updates**

- Short Term – In the short term, Emergency Dispatch looks to maintain adequate service levels with the existing funding for personnel, equipment, and capital.
- Long Term – Develop and implement a strategy for a more effective and efficient 911 – Dispatch system, leveraging partnerships with neighboring jurisdictions where possible.

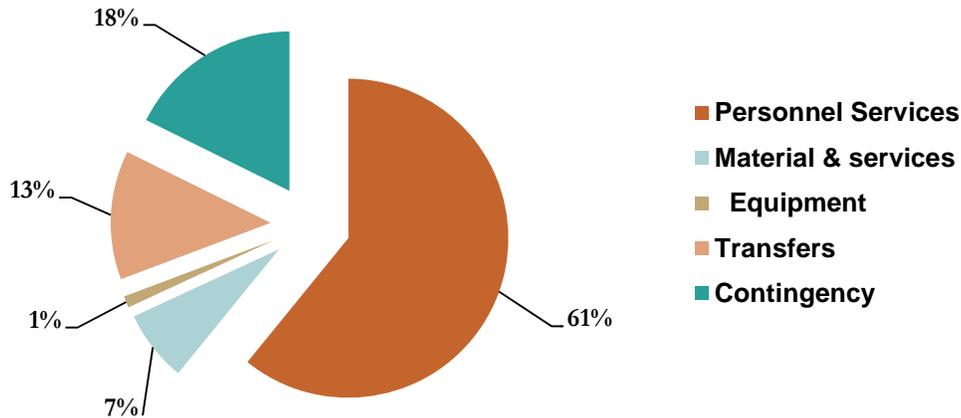
**Resources**



## Assumptions

Receipt of 911 dollars is expected to decrease approximately 37%, from \$368,000 to \$270,000 in FY 14. User fees from the general fund have increased 22% or \$380,600 to \$466,100 from prior year due to the decrease of revenue from state 911 funding and increase in personnel costs.

## Requirements



## Assumptions

The requirements for FY 14 have increased approximately 5% over prior year largely due to the increased cost in personnel service benefits.

## Executive Summary

Emergency Dispatch, a division of the Police Department, supports public safety by providing interoperable communications throughout Prineville and Crook County, as well as the Central Oregon area. The dispatch or 911 center is also the PSAP (Public Safety Answering Point) for Crook County and has the task of providing 911 services for all citizens and visitors. In addition to supporting the Police Department, we also contract services for other users of the dispatch center. Crook County Fire and Rescue, Crook County Sheriff's Office, the Bureau of Land Management, and the U.S. Forest Service all contract with the Emergency Dispatch for public safety dispatch services.



*Emergency Dispatch Center Prior to 2012 Remodel*

In 2008, Emergency Dispatch developed a communications plan which put the department on a path toward interoperable communications with Jefferson County and partner agencies in Eastern Oregon. This year the Jefferson County 911 Center closed permanently. Prineville is leveraging our other partnerships to continue to explore interoperability opportunities in order to position our community strategically for future changes in the 911 system.

## **Accomplishments for FY 2012-2013**

- Back up capacity established with the 911 center in Condon, Oregon.
- Planning and conceptual design for an alternate PSAP site identified at the Juniper Canyon Fire Station.
- The City of Prineville has led the regional response to the legislative acceptance of the “Kimball Report,” which has recommended to the State legislature that the ideal number of PSAPs in Oregon be reduced to nine, instead of the current 47. Prineville and Crook County are currently positioned well to retain local control of public safety infrastructure and are in a very good position to continue to provide citizens the best services possible.
- We continue to work on another initiative to work toward interoperability. Prineville Police Emergency Dispatch, along with the other 11 agencies and Deschutes County 911, partnered in a grant opportunity to connect Deschutes County, the Oregon State Police, and the Oregon Department of Transportation together in order to enable us to move toward complete connectivity.
- City staff has actively participated in the legislative process, providing testimony on key pieces of State legislation that have direct financial impacts on our local 911/Dispatch system.
- Worked with the State of Oregon to purchase and install a next generation capable telephone system.
- Completed the deployment of a 911 educational program for elementary school children.

## **Operational Objectives**

Emergency Dispatch is dedicated to the protection of life and property through effective coordination, communications, and the support of user agencies. It is the responsibility of the department to create efficient operations to use tax dollars and user fees in a transparent manner to ensure that citizens receive the best service available at the maximum value to the department. This includes maintaining the critical systems in the communication infrastructure. Dispatch will also be refining the 911 In Schools program with the aid of the school resource officer to promote safety in the community and responsible habits.

## **Goals and Objectives for FY 2013-2014**

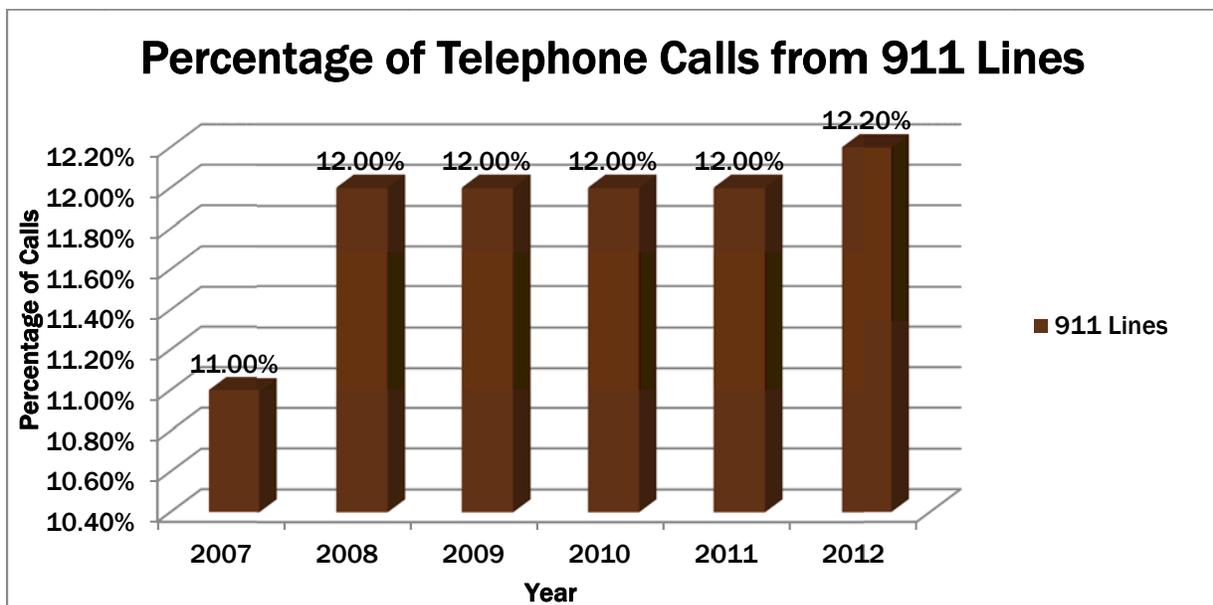
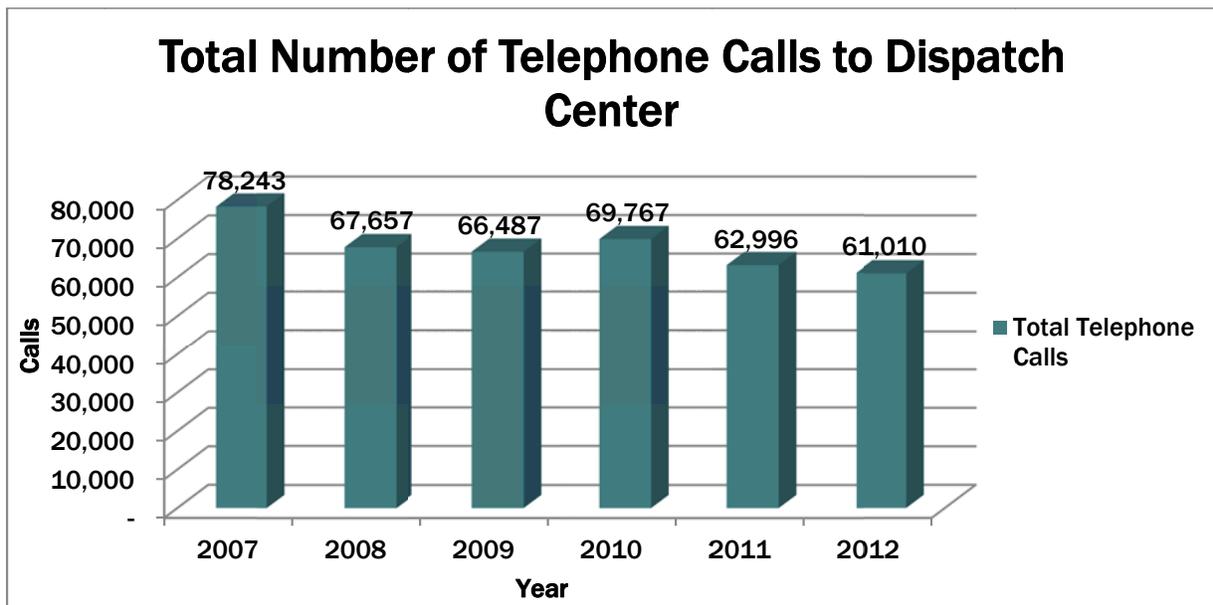
- Develop a plan to secure a more reliable revenue stream to support future dispatch operations due to the anticipated increased demands on dispatch services while bringing operational costs increases to a minimum.
- Complete plans and achieve an “initial operating capability” in an alternate PSAP in Crook County.
- Continue to examine how to respond to future legislative mandates for consolidation and the potential for a regional or virtual consolidation concept.
- Continue building a prominent public relationship.

## Capital Outlay

Capital Outlay Overview		
Project	Amount Budgeted	
Facility		
Mobile data upgrade	\$	15,000
<b>Total</b>		\$ 15,000

A more detailed summary of capital outlay can be found in the Short and Long Term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 81.

## Performance Measures



In order to provide the best possible service to the citizens of Prineville and to meet our operational objectives for 2013-2014, our goal is to answer 100% of all 911 calls received by the dispatch center within five seconds. To meet this objective it is necessary to develop and implement a plan to hire at the appropriate minimum staffing levels in order to answer multiple 911 calls as they ring in to the dispatch center. In accordance with prompt response time it is important that we:

- Achieve at least 90% citizen satisfaction. It is one of the top priorities in Emergency Dispatch. To accomplish this we have a current policy that all non-emergency calls for service be dispatched within 15 minutes. To measure this goal, staff will continue to run the response time summary report monthly to determine call receipt to dispatch times. All calls that fall outside the 15 minute standard will be analyzed regarding delayed response time and corrective measures will be recommended and implemented.
- Have 100% department participation in some portion of the department wellness program during the 2013-2014 fiscal year.
- Identify and secure funding to complete the necessary equipment upgrades for Prineville PSAP and backup locations.



**Personnel**

Department & Position	FY 13 FTEs	FY 14 FTEs
<b>Planning Fund</b>		
Planning Director	1.00	1.00
Senior Planner	1.00	1.00
<i>Planning Fund Total</i>	2.00	2.00

*No changes to staffing levels in FY 14.*

**Beginning Fund Balance & Ending Fund Balance / Contingency Comparison**

Fund	Actual Beginning Fund Balance FY 12-13	Proposed FY 13-14 Beginning Fund Balance	% Change FY13 to FY 14	Proposed Ending Fund Balance / Contingency	% Change FY 14	Reserve Requirements by Policy	Over (Under) Requirements
Planning	\$80,497	\$64,697	-20%	\$60,097	-7%	\$56,998	5%

The Planning Department continues to maintain fund balance within the City’s policy requirements. Planning activity is forecasted to improve as the economy slowly recovers.

**Strategic Planning Updates**

Short Term Goals

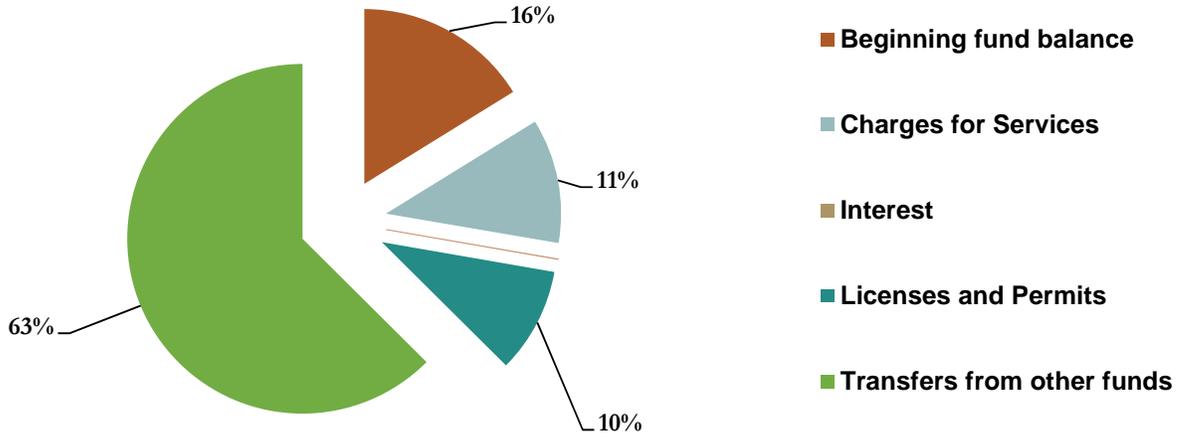
- Maintain a high level of customer service.
- Support economic development efforts by participating on committees and providing staff time and technical support for both public and private economic development initiatives.
- Complete update of Prineville Transportation Systems Plan.
- Complete the Ochoco Creek Trail restoration project.
- Continue to work with the parks district, Central Oregon Trails Alliance (COTA), and other local bike and pedestrian advocates to expand and add amenities to the Ochoco Creek Trail and to identify and address other gaps in the bike and pedestrian network.
- Complete an urban renewal feasibility study and update the Downtown Enhancement Plan.
- Continue to work with ODOT, Crook County, and private businesses to identify funding to make safety and capacity improvements to the Tom McCall intersection.
- Amend urban growth boundary (UGB) management agreement with Crook County and establish a grid street map to help manage development in the UGB outside of the city limits.
- Participate in update of the Airport Master Plan and actively coordinate planning efforts in industrial areas around the airport to ensure consistency with the plan.
- Work with Crook County to identify a site to add to the UGB through the Central Oregon Large Lot Industrial Program.
- Evaluate the land use code enforcement procedures and explore ways to improve code enforcement activities, including the possibility of hiring or contracting for a code enforcement officer.
- Continue to increase the level and quality of training provided to the Planning Commission.

Long Term Goals

- Work toward the development of an Associate Planner position as funding and development activity increases.
- Evaluate and plan for urban growth boundary expansion and explore the potential for urban reserve planning

- Establish an Economic Development/Urban Renewal Committee, staffed by the Planning Department.

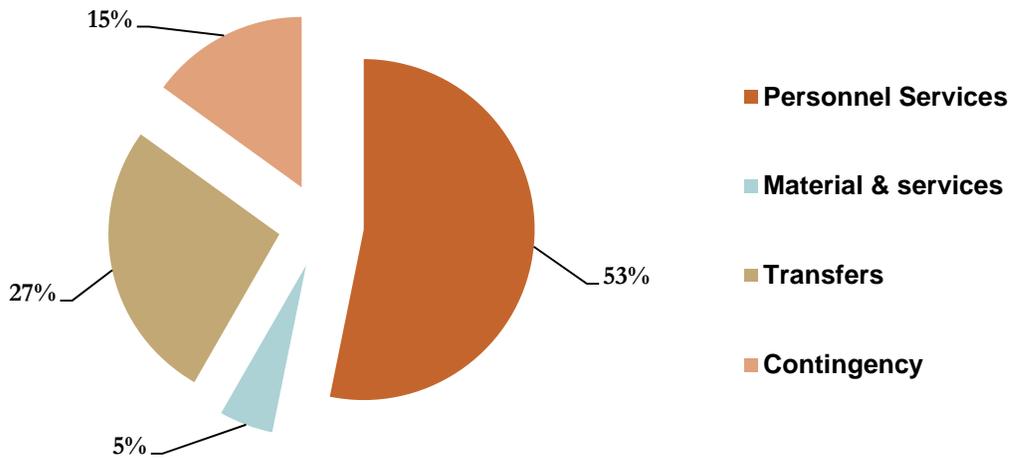
**Resources**



**Assumptions**

As the economic conditions improve, license and permit revenue is projected to increase in FY 14 by approximately 44%. SDC administrative fee estimates are based off of 46 new equivalent dwelling units, a new hospital, and continued expansion of the data centers.

**Requirements**



**Assumptions**

The planning department operational requirements have increased over prior year by 4%.

## Executive Summary

The City of Prineville's Planning Department assists residents and customers with their current and future planning needs. The Planning Department is often the first point of contact for the general public, whether an individual is planning to build a storage shed or if a major corporation is looking to build a large facility. Planning staff facilitates all development review, pulling together input from other departments both within the city as well as from outside organizations. The department is also responsible for managing and staffing the Planning Commission, a seven member citizen body which reviews



subdivisions and conditional use proposals and provides policy recommendations to the City Council. The Planning Department also manages and develops current and long range planning documents for the City at large, such as the City's comprehensive plan, the development code, the Transportation Systems Plan, the Downtown Enhancement Plan, the sign ordinance, and the flood code. The Planning Department holds the responsibility for meeting all federal, state, and local mandates in regards to community growth and land use permit regulations.

## Accomplishments for FY 2012-2013

- Worked in conjunction with Oregon Department of Transportation (ODOT), Kittelson and Associates, and citizens involved in the Project Advisor Committee to make significant progress toward an update of the City's Transportation Systems Plan (TSP), which is expected to be complete in September of 2013.
- Completed construction of a sidewalk project from the existing sidewalk on Hudspeth Road to Third Street via Laughlin Road and Juniper Street. This was funded by a \$431,000 Safe Routes to School grant which was managed by the Planning Department.
- Participated in the successful development and adoption of a regional large lot industrial program in cooperation with other incorporated cities and counties in Central Oregon; this project justifies the expansion of urban growth boundaries to include large, project ready industrial sites to attract industry to the region. This is a groundbreaking effort that is the first of its kind in regard to Oregon land use planning.
- Worked with Crook County and ODOT to have the Tom McCall intersection identified as a project for potential funding through the State of Oregon's Transportation Improvement Plan "Enhance It" program.
- Continued to provide exceptional training opportunities to the Planning Commission, including customized training in transportation and land use law.
- Made significant progress in the management and administration of a \$524,000 Flex Funds Grant from ODOT to repave the Ochoco Creek Trail. The department selected an engineering firm for the project and achieved 30% design acceptance. Full design acceptance is anticipated to be complete in the fall of 2013 with construction of the trail beginning in the spring of 2014.
- Actively worked to build relationships through collaboration and communication with partner agencies such as Oregon Department of Land Conservation and Development (DLCD), ODOT, Crook County, Oregon Association of Planning Directors, 1000 Friends of Oregon, the Prineville-Crook County Chamber of Commerce, Economic Development for Central Oregon, and local service groups.

- Facilitated design review and development processes for several commercial, industrial and residential projects, including the ICP Northwest siting on NE Peters Road and a plan amendment to bring an additional 160 acres of prime industrial land into the City’s UGB.
- Provided planning expertise and information to businesses considering Prineville as a future location and provided maps, letters, and other documents to support the certification of two industrial properties as “shovel ready” by the State of Oregon.
- Helped facilitate the decision on the relocation of the hospital and the location of a new elementary school by providing information on planning processes.
- Completed a dynamic database with a buildable lands inventory that the City will be able to update and utilize for zone changes, boundary expansions and other planning purposes.
- Initiated an effort to inform and educate community leaders in regard to urban renewal and the potential for Prineville to use this as a tool for development.
- Provided technical assistance and mapping for the Prineville chapter of the Central Oregon Trails Alliance (COTA) which is planning for future development of multi-use trails in Crook County.

These accomplishments address the following City Council Goals:

- *Continue to Be Fiscally Responsible in All We Do* – Implementation of grant funding in the construction of the Safe Routes to School sidewalk project and the design of the Ochoco Creek Trail; identification of the Tom McCall intersection for potential Enhance It funding.
- *Strengthen Local, Regional and Educational Intergovernmental Relationships & Cooperation* – Participation on local, regional and state committees; collaboration and communication with partner agencies; participation on Central Oregon Large Lot Industrial Program; technical assistance provided to COTA.
- *Be “Business Friendly” – Strengthen Business – Government Relationships & Cooperation* – Provision of planning expertise and information for existing and prospective businesses; provision of planning guidance for the relocation of the hospital; mapping and other technical assistance provided for the shovel ready certification of two industrial sites; expansion of urban growth boundary to include additional 160 acres of prime industrial land.
- *Sustain & Efficiently Plan for the Future Development of Infrastructure* – Administration of sidewalk and trail grants; collaborative work to plan for the Tom McCall intersection improvements; development of buildable lands inventory database; initial educational effort in regard to the potential use of urban renewal to address infrastructure needs..
- *Community Safety & Maintain Livability of Prineville* – Administration of sidewalk and trail grants; design and development review procedures that take safety and livability into account.

### **Operational Objective**

The primary objective of the Prineville Planning Department is to contribute to economic development and sustainable growth of Prineville while maintaining the small-town character and overall livability of the community. The department will continue to achieve this by assisting existing and prospective businesses, developers, and residents through a consistent, personal, and mutually understood planning and regulatory process. The department will also continue to pursue long range planning efforts (such as the Transportation Systems Plan) to ensure these objectives can be met well into the future.

## Goals and Objectives for FY 2013-2014

- Complete an update to the Prineville Transportation System Plan (TSP)
- Complete an urban renewal feasibility study.
- Continue to increase public involvement in the planning process utilizing the Planning Commission, Public Input Committee, various project specific committees, and other opportunities to interact with the public such as participation in EDCO and Chamber of Commerce events.
- Continue to provide exceptional, personal customer service by ensuring our staff is available daily from 8:00AM to 5:00PM, or is able to respond to messages left within four business hours.
- Continue to seek grant funding for economic and community development projects.
- Continue to build intergovernmental relationships locally, regionally, and statewide through collaboration and participation on committees and other joint efforts.
- Continue to work with community partners to identify and address gaps and needed amenities in the bike and pedestrian system.
- Participate in update of the Airport Master Plan.
- Work with Crook County to identify a site to add to the UGB through the Central Oregon Large Lot Industrial Program.
- Evaluate the land use code enforcement procedures and explore ways to improve code enforcement activities, including the possibility of hiring or contracting for a code enforcement officer.
- Continue to increase the level and quality of training provided to the Planning Commission.
- Work with ODOT and Crook County to plan and secure funding for the Tom McCall infrastructure improvement.

These goals and objectives address the following City Council Goals:

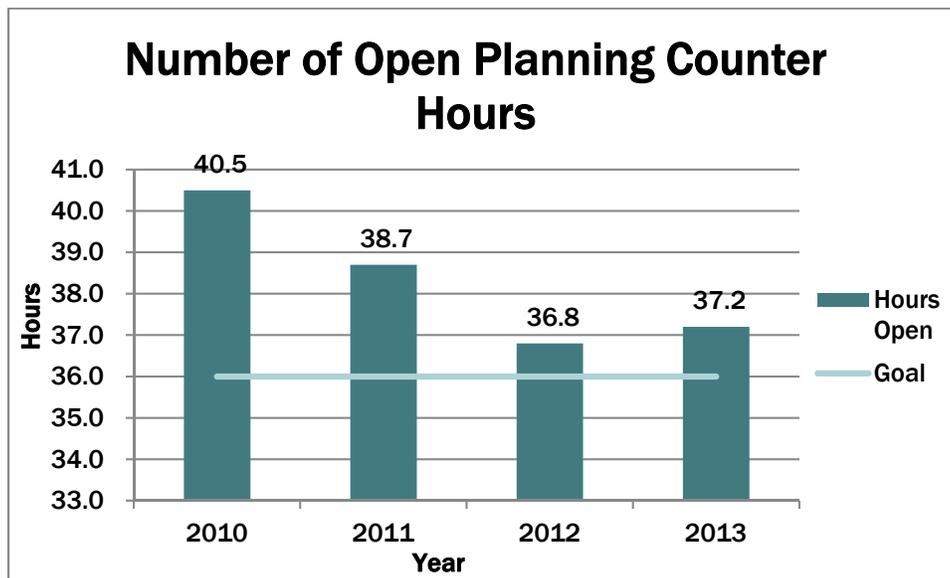
- *Continue to Be Fiscally Responsible in All We Do* – Continue to seek grant funding; TSP update; Tom McCall intersection improvement.
- *Strengthen Local, Regional and Educational Intergovernmental Relationships & Cooperation* – Continued participation on local, regional and state committees; collaboration and communication with partner agencies.
- *Be “Business Friendly” – Strengthen Business – Government Relationships & Cooperation* – Continued provision of planning expertise and information for existing and prospective businesses; identification of industrial site for large lot industrial program.
- *Sustain & Efficiently Plan for the Future Development of Infrastructure* – TSP update and infrastructure grant applications
- *Community Safety & Maintain Livability of Prineville* – Ochoco Creek Trail and other bike and pedestrian projects; urban renewal; evaluation and improvement of code enforcement procedures.

## Performance Measures

The Planning Department strives to provide professional, knowledgeable, and friendly customer service while being readily available to the public and efficient in processing development requests. The following performance measures are intended to help evaluate our department in relation to these objectives.

### Hours the Planning Counter is Open

There are currently only two members of the staff available to provide service at the planning counter. As a result, it is not possible to keep the counter open during all business hours while balancing meetings, training, lunch breaks, vacations, and sick leave. However, the department makes its best effort to have the counter open as often as possible by staggering lunch breaks and trying to be available to be pulled out of meetings to answer questions. The department began tracking hours in 2010. The goal is to have the counter open at least 36 hours per week on average. The department met this goal with a planner being available to the public an average of 37.2 hours per week. While meeting the goal, it does represent a significant drop from previous years. The primary reason for this is an increase in staff participation in regional and statewide advisory committees which require time outside of the office.



### Customer Service

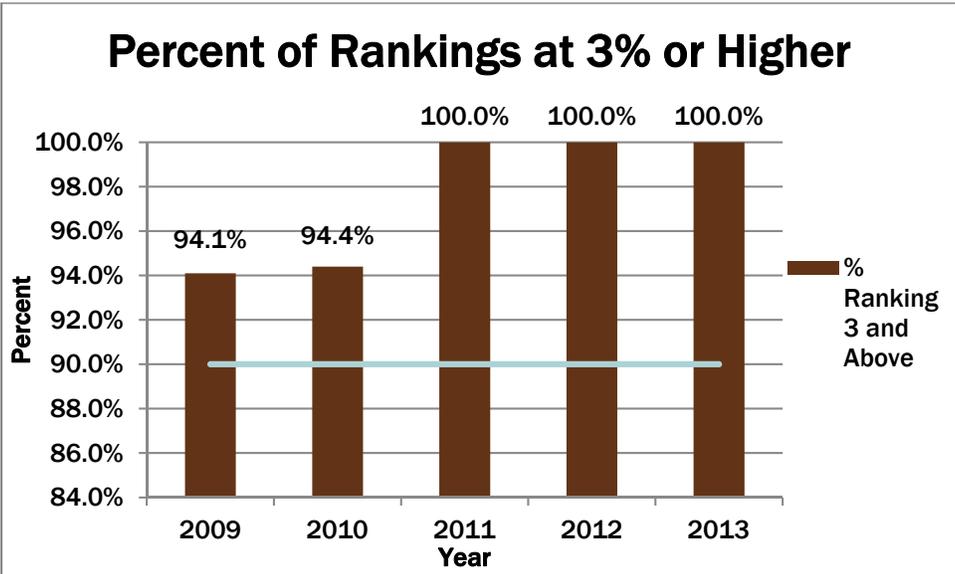
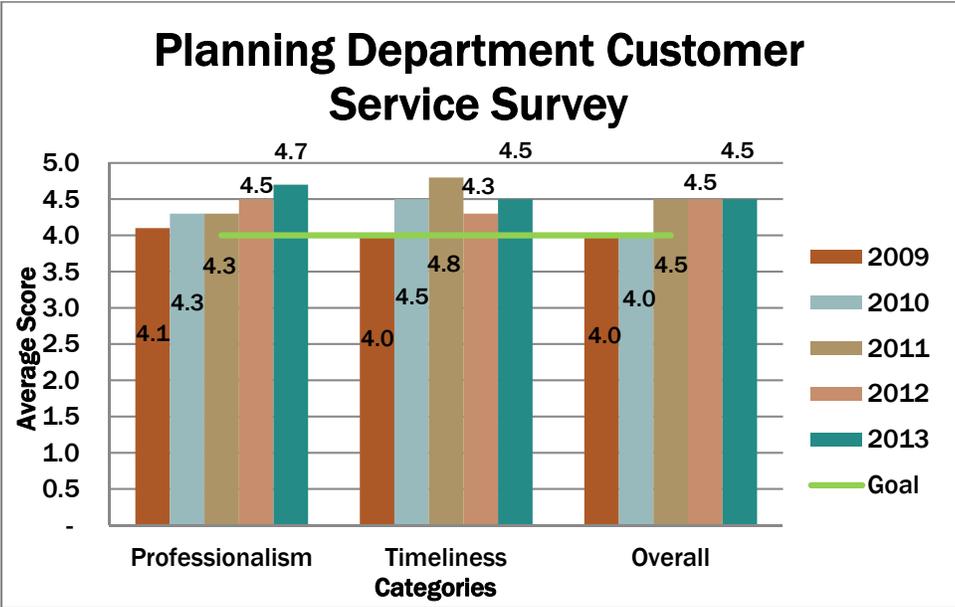
Beginning in 2009 the department has distributed surveys with each decision issued. The following three questions are included in the survey:

1. How professional and knowledgeable are we in our interactions with you?
2. How responsive and timely were we in processing your application and responding to questions and information requests?
3. Overall how well did we meet our objective of providing quality customer service and making a good impression for the city?

On the survey, applicants are asked to rank the performance of the planning department on each question on a scale of 1 to 5 as follows:

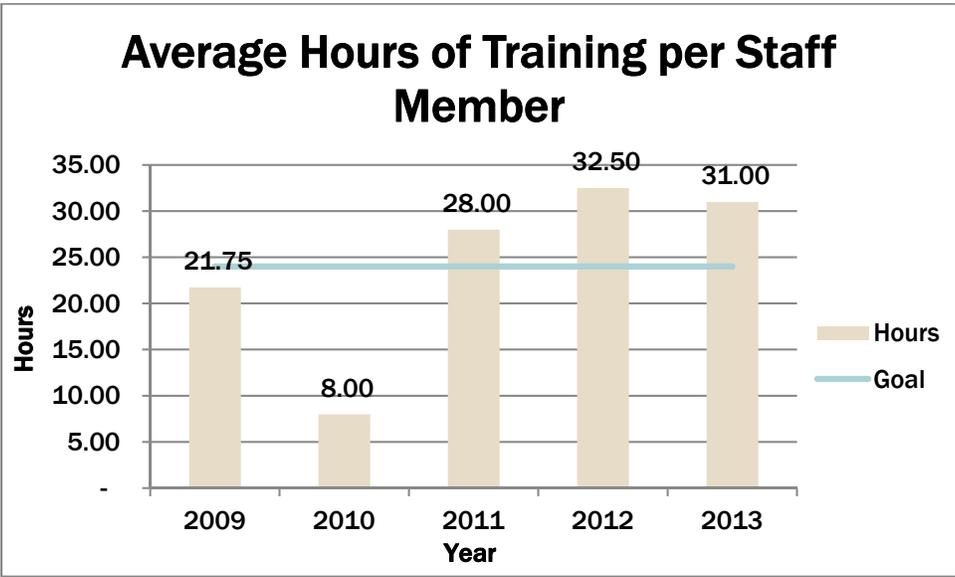
1 = poor    2 = fair    3 = satisfactory    4 = good    5 = exceptional

Acknowledging that it is not possible to fully please every customer, the goal is to receive an average score of 4.0 or higher in regard to each of the three questions and to receive a rating of 3.0 or higher on at least ninety 90% of the responses. As the charts below demonstrate, the department achieved both of these goals.



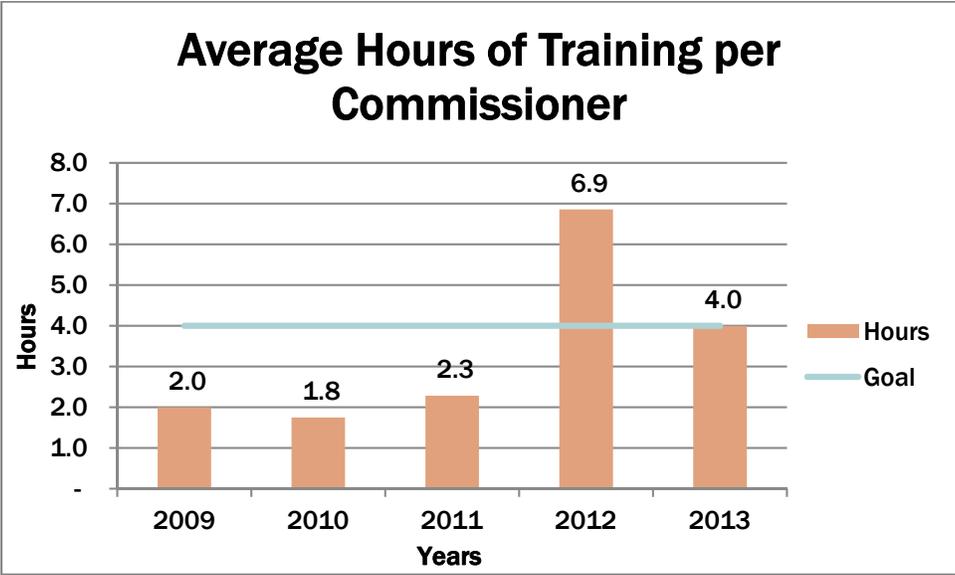
**Staff Training**

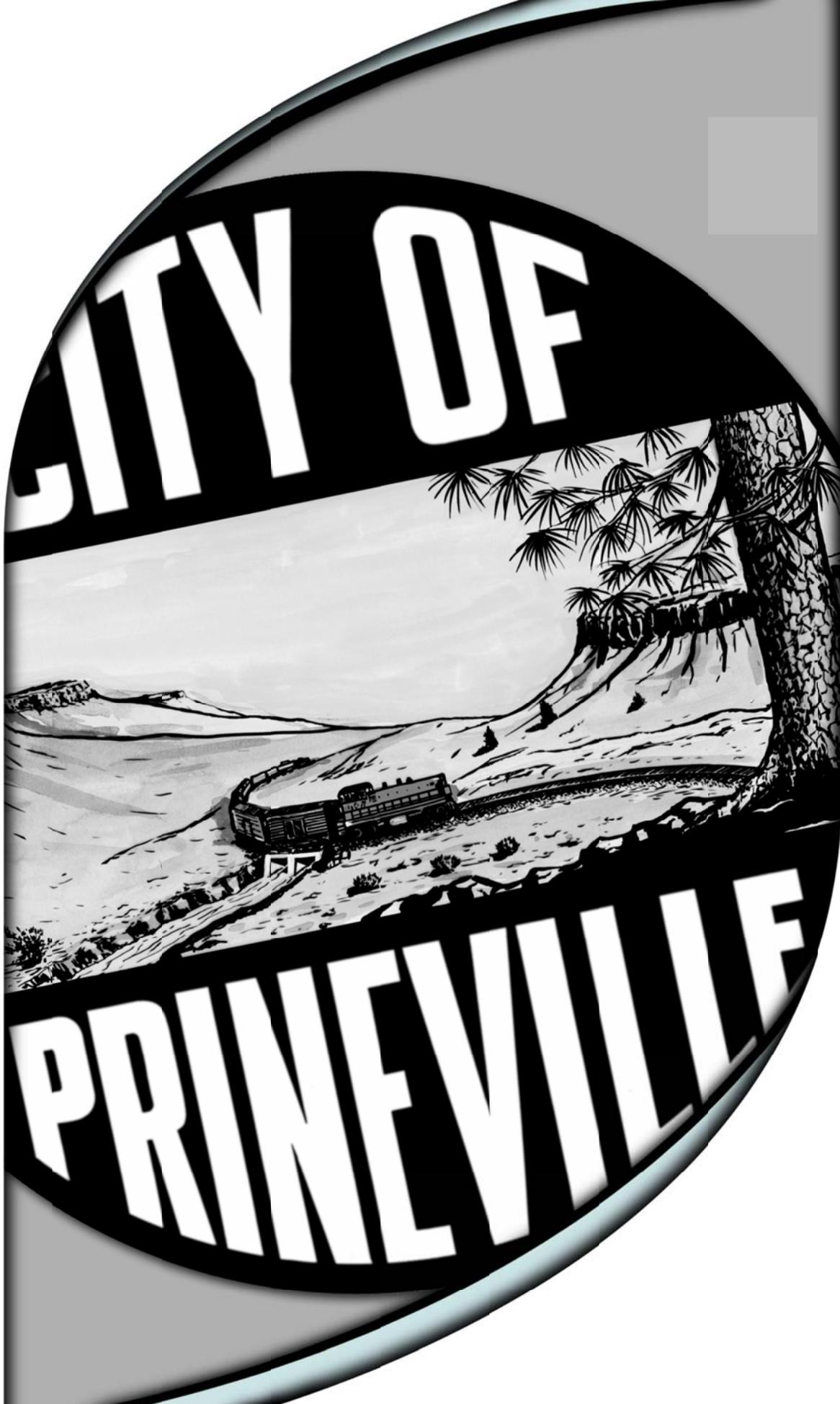
In order to provide accurate, informed and professional guidance and information to the public, it is critical that we are up to date on current planning issues, laws and tools. The goal is to have at least 24 hours of training per planning staff member on average. Staff exceeded this training goal. Each staff member attended a three day training (Oregon Planning Institute and American Planning Association) which met the goal. In addition, staff had the opportunity to participate in additional trainings offered by the City and County related to job-specific issues.



**Planning Commission Training**

As the Planning Commission makes decisions that are important for the long term character and health of the community, it is critical that planning commissioners are adequately trained to evaluate the proposals and issues that come before them. The goal is at least four hours of training per commissioner on average. This goal was met as the Planning Commissioners participated in land use law training and a session related to the impacts of data centers on the future of the community, both of which were customized specifically for the Prineville Planning Commission.





# Debt Service Funds

LID Debt Service Fund

PERS / POB Fund

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## LID Debt Service Fund

*This fund accounts for the debt service associated with special assessment debt with governmental commitment incurred to fund local improvement district projects. The principal source of revenue is payments from the property owners on bonded and unbonded assessments. Expenditures are for debt service requirements.*

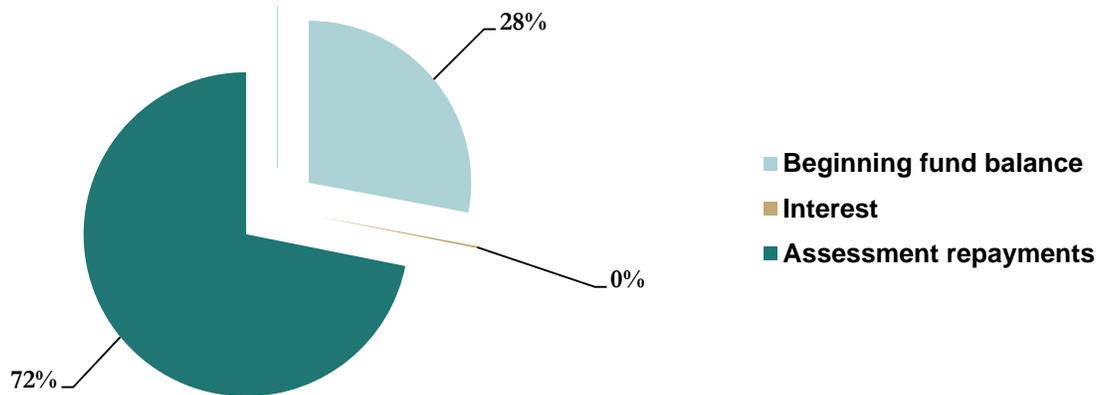
Resources	Actual FY 10-11	Actual FY 11-12	Current Budget FY 12-13	Estimates FY 12-13	Proposed Budget FY 13-14	Approved Budget FY 13-14	Adopted Budget FY 13-14
<b>Beginning fund balance</b>	\$ 195,928	\$ 142,040	\$ 140,911	\$ 107,675	\$ 69,075	\$ 69,075	\$ 69,075
<b>Current year resources</b>							
Interest	800	289	700	500	500	500	500
Assessment repayments	190,579	188,898	178,500	179,600	177,600	177,600	177,600
Transfers	25,000	25,000	25,000	25,000	-	-	-
<b>Total current year resources</b>	\$ 216,379	\$ 214,187	\$ 204,200	\$ 205,100	\$ 178,100	\$ 178,100	\$ 178,100
<b>Total resources</b>	\$ 412,307	\$ 356,227	\$ 345,111	\$ 312,775	\$ 247,175	\$ 247,175	\$ 247,175
<b>Expenditures</b>							
Materials and services	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400
Debt service							
Principal							
Spruce Lane LID - 2001	9,200	9,200	-				
10th St/Madras Hwy LID - 20	8,179	8,528	9,000	9,000	9,600	9,600	9,600
Northridge LID - 2003	65,000	70,000	80,000	80,000			
Ochoco Hwy LID - 2004	25,244	2,578	-				
Ironhorse LID - 2006	59,411	62,925	63,000	66,700	70,600	70,600	70,600
Interest							
Spruce Lane LID - 2001	725	242	-				
10th Street/Madras Hwy LID -	1,652	1,304	900	900	300	300	300
Northridge LID - 2003	9,138	6,375	3,400	3,400			
Ochoco Hwy LID - 2004	815	13	-				
Ironhorse LID - 2006	90,503	86,988	87,000	83,300	79,400	79,400	79,400
Contingency			101,411		86,875	86,875	86,875
<b>Total expenditures</b>	\$ 270,267	\$ 248,552	\$ 345,111	\$ 243,700	\$ 247,175	\$ 247,175	\$ 247,175
<b>Ending fund balance</b>	\$ 142,040	\$ 107,675	\$ -	\$ 69,075	\$ -	\$ -	\$ -

### Beginning Fund Balance & Ending Fund Balance / Contingency Comparison

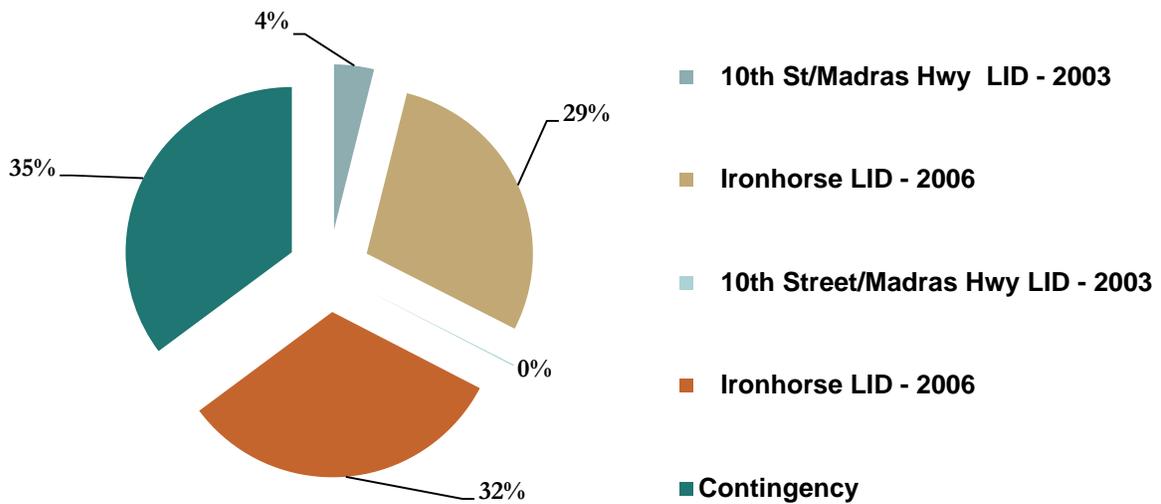
Fund	Actual Beginning Fund Balance FY 12-13	Proposed FY 13-14 Beginning Fund Balance	% Change FY13 to FY 14	Proposed Ending Fund Balance / Contingency	% Change FY 14
LID Debt Service	\$107,675	\$69,075	-36%	\$86,875	26%

The 36 % decrease from beginning fund balance FY 13 to beginning fund balance FY 14 is the result of a budgeted debt service requirement. The fund performance is as expected.

### Resources



### Requirements



## **Executive Summary**

For FY 14 the Local Improvement District (LID) Debt Service Fund is tracking as expected with the remaining balances for the remaining local improvement districts. Of the three LID's requiring payments in FY 13, only two will be returning for this budget year after the final payment was made for the Northridge LID in February 2013 after meeting its obligation. FY 14 will see final payments on the 10th Street/Madras Hwy LID in June 2014, leaving the only one remaining open obligation with the Ironhorse LID. Both of the remaining assessment accounts within the 10th Street/Madras Hwy LID are on track with keeping their payment schedule, with the final payment due October 2013. Looking towards the future of the LID Debt Service Fund, the Ironhorse LID will be the only remaining repayment as the final debt payment won't be made until FY 27.

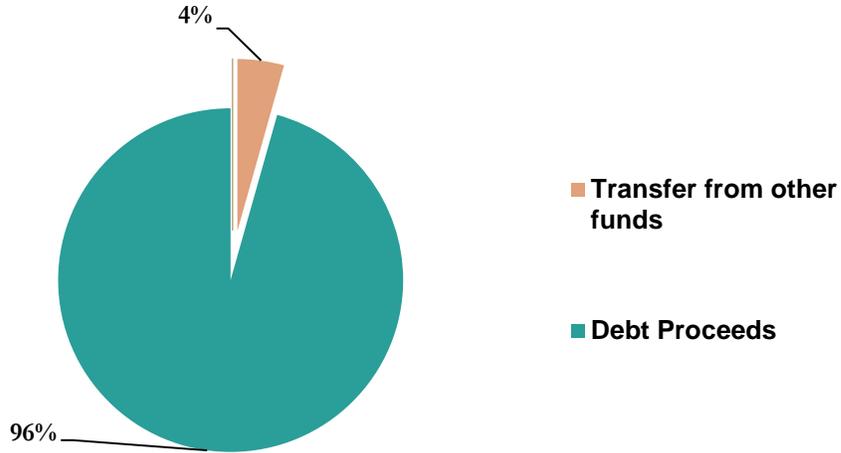
While the Finance Department has done its due diligence in attempting to keep citizens' accounts current and on outlined payment schedules, there will still be one final account from the Northridge LID that will be paid upon in FY 14. Even though the 10 year repayment period passed for the beneficial property, the City agreed to allow further payments rather than move forward with foreclosure proceedings. If the current payment arrangement is kept, the final Northridge account will be paid off in FY 15.

## PERS / POB Fund

*This fund accounts for the potential issuance of pension obligation bonds to fund the City's existing unfunded actuarial liability (UAL) and associated debt repayment. The principal source of revenue is charges to other funds with salaries subject to PERS via a surcharge. Additionally, in fiscal year 2013-14 a transfer from the general fund is included to pre-fund a portion of debt service costs pending final decisions to issue the debt and determining the amount of the surcharge. Expenditures are for payments to PERS for the UAL and for debt service requirements.*

<b>Resources</b>	<b>Actual FY 11-12</b>	<b>Current Budget FY 12-13</b>	<b>Estimates FY 12-13</b>	<b>Proposed Budget FY 13-14</b>	<b>Approved Budget FY 13-14</b>	<b>Adopted Budget FY 13-14</b>	
<b>Beginning fund balance</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Current year resources</b>							
Transfer from other funds	-	-	-	180,000	180,000	180,000	
Debt Proceeds				3,950,000	3,950,000	3,950,000	
<b>Total current year resources</b>	\$ -	\$ -	\$ -	\$ 4,130,000	\$ 4,130,000	\$ 4,130,000	
<b>Total resources</b>	\$ -	\$ -	\$ -	\$ 4,130,000	\$ 4,130,000	\$ 4,130,000	
<b>Expenditures</b>	<b>Actual FY 10-11</b>	<b>Actual FY 11-12</b>	<b>Current Budget FY 12-13</b>	<b>Estimates FY 12-13</b>	<b>Proposed Budget FY 13-14</b>	<b>Approved Budget FY 13-14</b>	<b>Adopted Budget FY 13-14</b>
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ 3,800,000	\$ 3,800,000	\$ 3,800,000
Materials & Services	-	-	-	-	150,000	150,000	150,000
Debt service							
Principal - POB 2013	-	-	-	-	-	-	-
Interest - POB 2013	-	-	-	-	110,000	110,000	110,000
Contingency	-	-	-	-	70,000	70,000	70,000
<b>Total expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ 4,130,000	\$ 4,130,000	\$ 4,130,000
<b>Ending fund balance</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

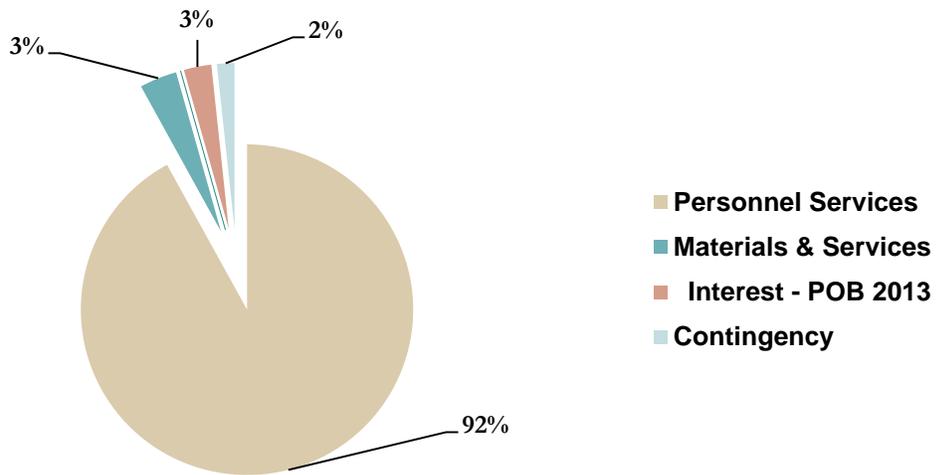
## Resources



## Assumptions

The City issues pension obligation bonds to fully pay the estimated amount of the UAL.

## Requirements



## Assumptions

The City fully funds its estimated UAL in fiscal year 2013-14. The City's debt service consists of one interest only payment. The City incurs professional service fees related to the issuance of the pension obligation bonds and the administrative fees related to continuing debt repayment.

## **Executive Summary**

In 2008 the valuation of the City's pension assets invested in PERS declined approximately 27%. This resulted in the City's funded status at PERS, i.e. the ratio of the value of the City's pension assets invested in PERS to the City's accrued PERS retirement liabilities, declining well below one-hundred percent (December 31, 2008 ratio was 80%). Subsequently the City's pension contribution rate to PERS increased each two years beginning July 1, 2011, and July 1, 2013 (increases begin eighteen months after actuarial valuations performed at the end of odd numbered calendar years and are projected to increase July 1, 2015, July 1, 2017, and so on until the rate is sufficient to pay the full cost of PERS).

The incremental increases to the PERS rate have been less than they otherwise would have been due to rate collars used to smooth out significant increases. However, as a result of the rate collars, the City's contributions to PERS have not been sufficient to stabilize the amount of the UAL. As of December 31, 2011 the City's UAL was approximately \$3.3 million. As of August 31, 2013, the City's estimated UAL will be approximately \$3.8 million. To stabilize the City's pension contribution rates, the City has been evaluating alternatives including issuing pension obligation bonds.

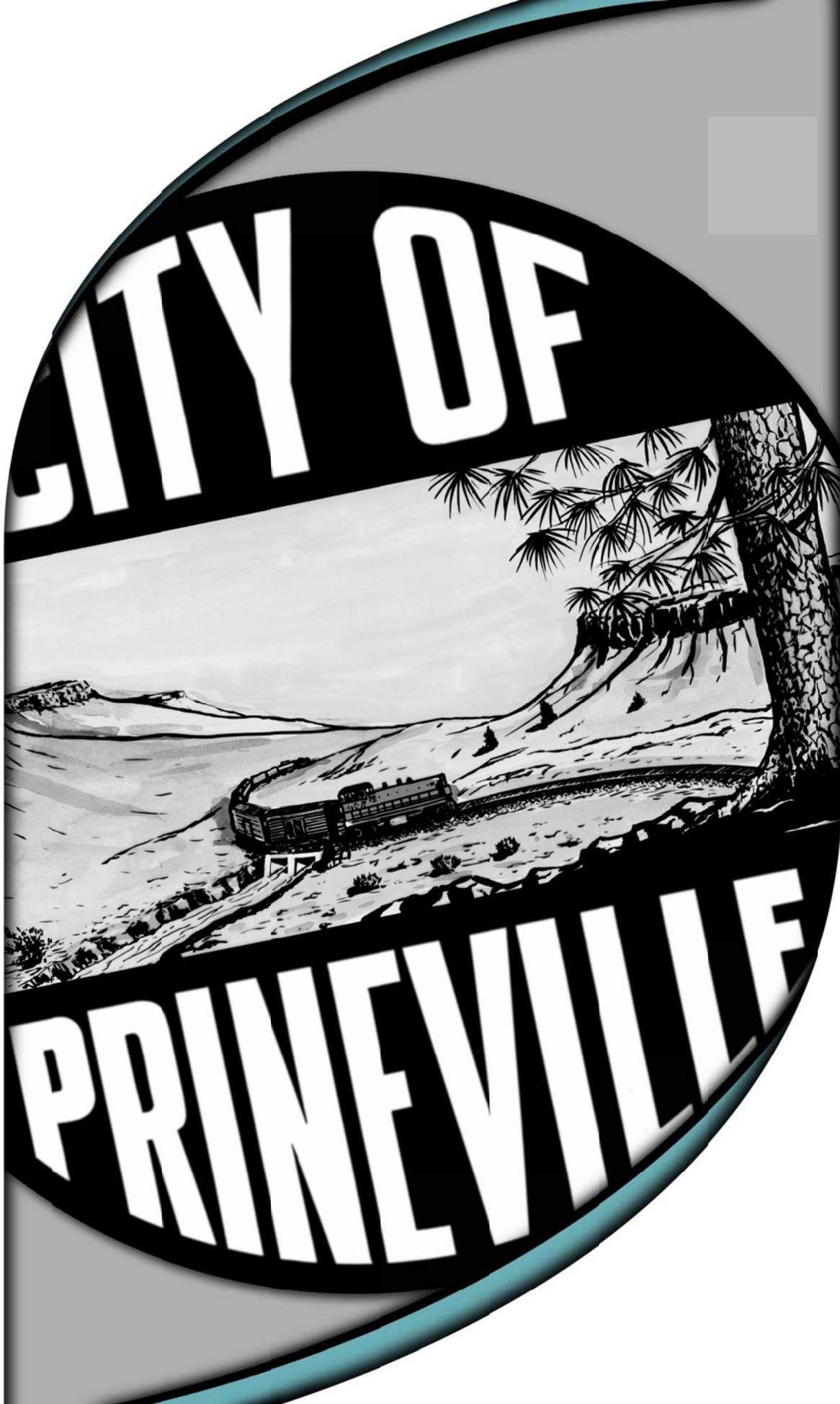
The full PERS UAL rate is estimated to be nearly 7.0%, however as noted previously PERS rate collars do not allow the City to pay the full rate. Effective July 1, 2013, only 1.29% of the 7.0% rate will be charged, thereby deferring payments for the UAL to the future, likely requiring a greater UAL rate. The estimated rate on subject payroll sufficient to repay debt service on the POB's, assuming the City issues sufficient debt to fully pay the UAL, is approximately 5.0%.

The adopted budget does not implement the POB surcharge to current subject salaries as the transfer from the general fund is sufficient to prefund the necessary resources pending final decisions related to the bonds. If the City moves forward with this strategy the combined PERS rate in fiscal year 2014-2015 is expected to increase approximately 3.7% (5.0% less 1.29%).

The adopted budget provides for the City to issue sufficient debt to pay PERS up to the full amount of its UAL in fiscal year 2013-2014, although a final decision has not been made. The City is also evaluating paying the UAL by dollar cost averaging the payments of the UAL over two to three years using debt proceeds from one debt issue and also by saving additional resources each year to make lump-sum payments as allowed by PERS once each three years. The minimum lump-sum payment to the UAL is 25% of the UAL or \$1 million, whichever is less.

The Council has authorized an econometric analysis of estimated future earnings of PERS relative to the borrowing costs associated with a POB. The City of Prineville together with more than thirty other public sector organizations in Oregon are participating in the study. The study is expected to be completed by early August, with a decision by the Council expected shortly thereafter on its strategy to fund the PERS UAL.

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# Capital Projects Funds

Transportation SDC Fund

Water SDC Fund

Wastewater SDC Fund

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## Transportation SDC Fund

*This fund accounts for the receipt and expenditures of Transportation System Development Charges (SDCs) improvement fees. SDCs are charged to builders to provide a source of income to pay for the expansion of the City's transportation system.*

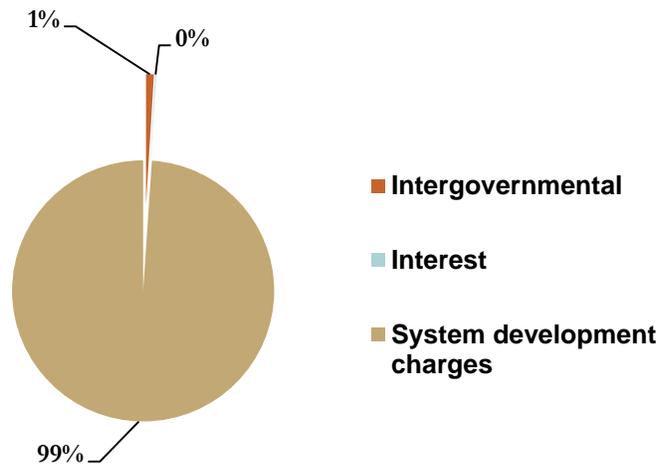
Resources	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 10-11	FY 11-12	Budget FY 12-13	FY 12-13	Budget FY 13-14	Budget FY 13-14	Budget FY 13-14
<b>Beginning fund balance</b>	\$ 539,885	\$ 206,789	\$ 182,989	\$ 187,542	\$ 258,342	\$ 258,342	\$ 258,342
<b>Current year resources</b>							
Intergovernmental	\$ 141,590	\$ 3,242	\$ 100,000	\$ 2,000	\$ 5,000	\$ 5,000	\$ 5,000
Interest	1,670	556	800	800	500	500	500
System development charges	55,946	84,884	50,000	140,000	511,400	511,400	511,400
<b>Total current year resources</b>	\$ 199,206	\$ 88,682	\$ 150,800	\$ 142,800	\$ 516,900	\$ 516,900	\$ 516,900
<b>Total resources</b>	\$ 739,091	\$ 295,471	\$ 333,789	\$ 330,342	\$ 775,242	\$ 775,242	\$ 775,242
Expenditures	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 10-11	FY 11-12	Budget FY 12-13	FY 12-13	Budget FY 13-14	Budget FY 13-14	Budget FY 13-14
Material & services	\$ 320	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Capital outlay							
Improvements	530,282	103,684	155,000	55,000	45,000	45,000	45,000
Debt service - interest note payable							
Transfers	1,700	4,245	2,500	7,000	25,700	25,700	25,700
Contingency			166,289		694,542	694,542	694,542
<b>Total expenditures</b>	\$ 532,302	\$ 107,929	\$ 333,789	\$ 72,000	\$ 775,242	\$ 775,242	\$ 775,242
<b>Ending fund balance</b>	\$ 206,789	\$ 187,542	\$ -	\$ 258,342	\$ -	\$ -	\$ -

### Beginning Fund Balance & Ending Fund Balance / Contingency Comparison

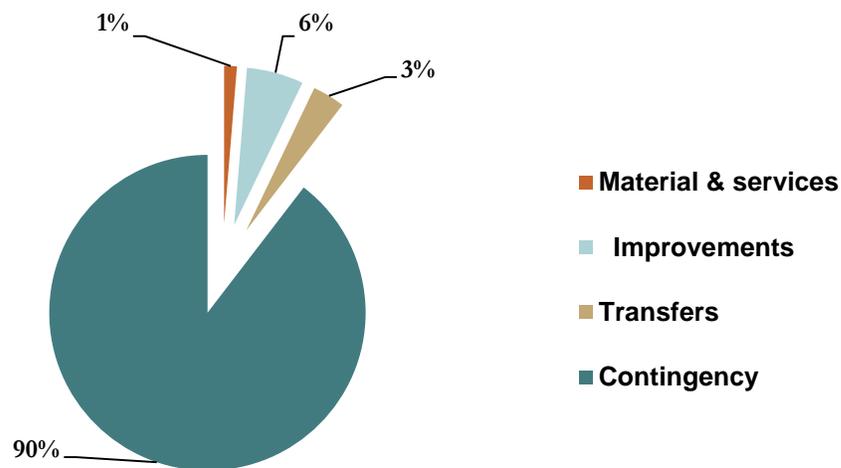
Fund	Actual Beginning Fund Balance FY 12-13	Proposed FY 13-14 Beginning Fund Balance	% Change FY13 to FY 14	Proposed Ending Fund Balance / Contingency	% Change FY 14
Transportation SDC	\$187,542	\$258,342	38%	\$694,542	169%

The 38% increase from beginning fund balance FY 13 to beginning fund balance FY 14 is largely due to collection of fees from the data center projects in FY 13. The proposed ending fund balance for FY14 is an estimate based on 46 equivalent dwelling units (EDU) and the assumption of a new hospital being built.

### Resources



### Requirements



**Executive Summary**

This fund accounts for the receipt and expenditures of Transportation System Development Charges (SDCs). This fund was created to improve accountability, planning, and investment of SDCs in transportation capital improvements. The current SDC charged is 100% of the maximum allowed amount as determined in an analysis of the City’s transportation requirements. The amount of the SDCs included in the budget reflects an approximate 4% increase for FY 14, based upon increases in the Engineering News Record Seattle Construction Cost Index.



*2nd Street Egress Project*

The Transportation System Plan (TSP) serves as the foundation for an update to the City’s SDC methodology and determines the maximum SDC allowed. The budget includes \$10,000 for the completion of TSP update project. The SDC work will serve the City for the next five years when another update will be appropriate.

Transfer for administrative fee costs associated with collecting, accounting, and disbursing these funds are consistent with Council adopted methodology – which by definition is consistent with state law. Transfers for the Transportation SDC fund total 5% with the Planning Fund getting 2%, while 3% goes to the Administrative Internal Service Fund.

**Capital Outlay Overview**

<b>Capital Outlay Overview</b>		
<b>Project</b>	<b>Amount Budgeted</b>	
<b>Improvements</b>		
Crooked River concept (CRC)	\$ 25,000	
Habitat conservation plan (HCP)	\$ 10,000	
TSP update	\$ 10,000	
<b>Total</b>		\$ 45,000

*A more detailed summary of capital outlay can be found in the Short and Long Term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 81.*

## Water SDC Fund

*This fund accounts for the receipt and expenditures of Water System Development Charges (SDCs) improvement fees. SDCs are charged to builders to provide a source of income to pay for the expansion of the City's water system.*

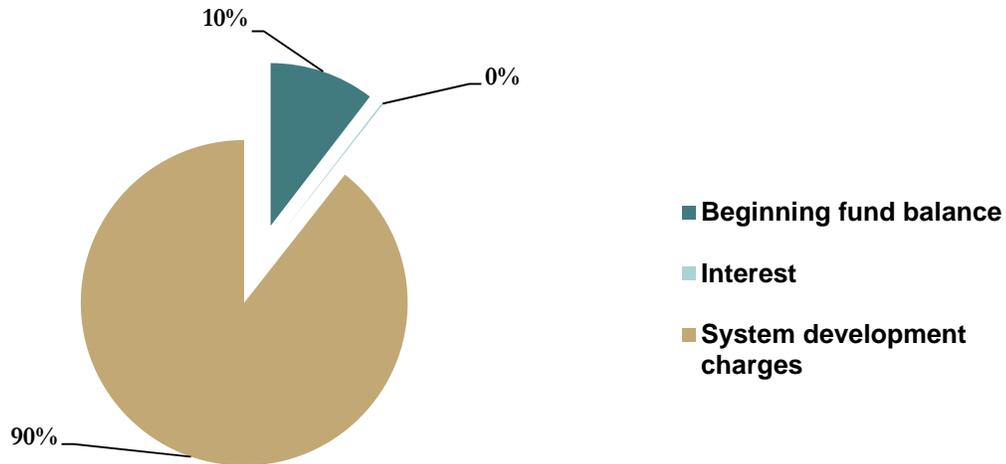
Resources	Actual FY 10-11	Actual FY 11-12	Current Budget FY 12-13	Estimates FY 12-13	Proposed Budget FY 13-14	Approved Budget FY 13-14	Adopted Budget FY 13-14
<b>Beginning fund balance</b>	\$ 486,964	\$ 180,714	\$ 68,314	\$ 86,038	\$ 30,038	\$ 30,038	\$ 30,038
<b>Current year resources</b>							
Intergovernmental				\$ 5,000	\$ 25,000	\$ 25,000	\$ 25,000
Charges for Services					2,800,000	2,800,000	2,800,000
Interest	1,344	435	1,000	1,000	500	500	500
System development charges	28,457	28,688	507,000	180,000	258,200	258,200	258,200
Transfers	-	1,626,278					
<b>Total current year resources</b>	\$ 29,801	\$ 1,655,401	\$ 508,000	\$ 186,000	\$ 3,083,700	\$ 3,083,700	\$ 3,083,700
<b>Total resources</b>	\$ 516,765	\$ 1,836,115	\$ 576,314	\$ 272,038	\$ 3,113,738	\$ 3,113,738	\$ 3,113,738
<b>Expenditures</b>							
Material & services	\$ -	\$ 272	\$ 5,000	\$ 4,000	\$ 5,000	\$ 5,000	\$ 5,000
Capital outlay							
Improvements	49,196	75,392	65,000	105,000	2,795,700	2,795,700	2,795,700
Debt service							
Principal - short-term borrowir	200,000	1,626,278					
Interest - short-term borrowing	85,435	-					
Transfers	1,420	48,135	152,300	133,000	133,000	133,000	133,000
Contingency			354,014		180,038	180,038	180,038
<b>Total expenditures</b>	\$ 336,051	\$ 1,750,077	\$ 576,314	\$ 242,000	\$ 3,113,738	\$ 3,113,738	\$ 3,113,738
<b>Ending fund balance</b>	\$ 180,714	\$ 86,038	\$ -	\$ 30,038	\$ -	\$ -	\$ -

### Beginning Fund Balance & Ending Fund Balance / Contingency Comparison

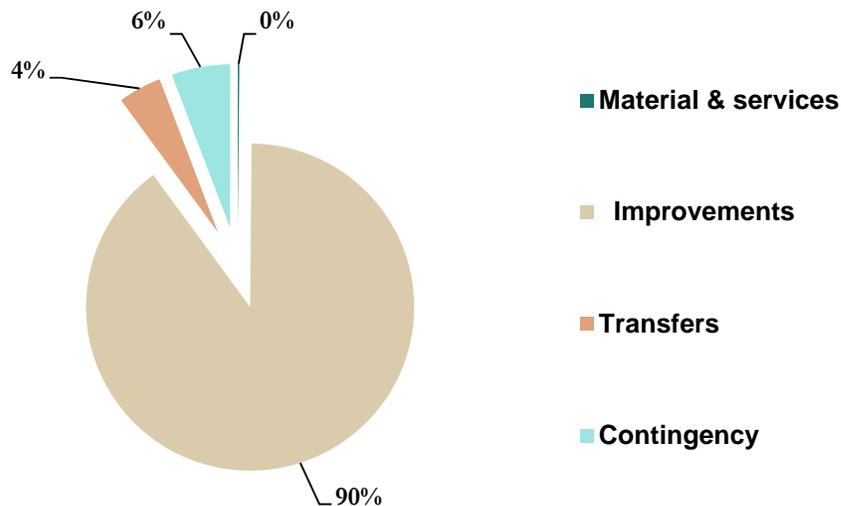
Fund	Actual Beginning Fund Balance FY 12-13	Proposed FY 13-14 Beginning Fund Balance	% Change FY13 to FY 14	Proposed Ending Fund Balance / Contingency	% Change FY 14
Water SDC	\$86,038	\$30,038	-65%	\$180,038	499%

The 65% decrease from beginning fund balance FY 13 to beginning fund balance FY 14 is due to improvements. In FY 14 the proposed ending fund balance of approximately \$180,000 is based on an estimate of 46 equivalent dwelling units (EDU) and the assumption of a new hospital being built.

### Resources



### Requirements



## Executive Summary

This fund accounts for the receipt and expenditures of Water System Development Charges (SDCs) improvement fees. Effective fiscal year 2005-2006 this fund was created to improve accountability, planning, and investment of SDCs in water capital improvements.

The current SDC charged is 100% of the maximum allowed amount as determined in an analysis of the City's water system requirements. The amount of the SDCs included in the budget reflects an approximate 4% increase for FY 14, based upon increases in the Engineering News Record Seattle Construction Cost Index.



*Water Line Replacement*

In January FY 2013 a supplemental budget was passed to allow for construction of the Airport well and tank associated with the data centers. This project has been moved to FY 2014 which will include many SDC funded improvements to the City water system, as shown in the below capital outlay overview. These improvements will be made near the Prineville-Crook County Airport and are planned to serve the newly developing data center industry in our community. These improvements will be funded with SDCs associated with the new data centers.

Transfers for administrative fee costs associated with collecting, accounting, and disbursing these funds are consistent with Council adopted methodology – which by definition is consistent with state law. Transfers for the Water SDC fund total 5% with the Planning Fund getting 2%, while 3% goes to the Administrative Internal Service Fund.

**Capital Outlay**

<b>Capital Outlay Overview</b>		
<b>Project</b>	<b>Amount Budgeted</b>	
<b>Source</b>		
Airport well #3	\$ 795,700	
Airport well #4	\$ 512,400	
Backup power for Airport well #3	\$ 97,100	
Crooked River concept (CRC)	\$ 25,000	
Habitat conservation plan (HCP)	\$ 10,000	
Source Water Protection grant	\$ 30,000	
Water rights acquisition	\$ 30,000	
<b>Storage</b>		
Airport tank #2	\$ 995,500	
<b>Transmission</b>		
Line looping SW Millican to SW High Desert	\$ 300,000	
<b>Total</b>		\$ 2,795,700

*A more detailed summary of capital outlay can be found in the Short and Long Term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 81.*

## Wastewater SDC Fund

*This fund accounts for the receipt and expenditures of Wastewater System Development Charges (SDCs) improvement fees. SDCs are charged to builders to provide a source of income to pay for the expansion of the City's wastewater system.*

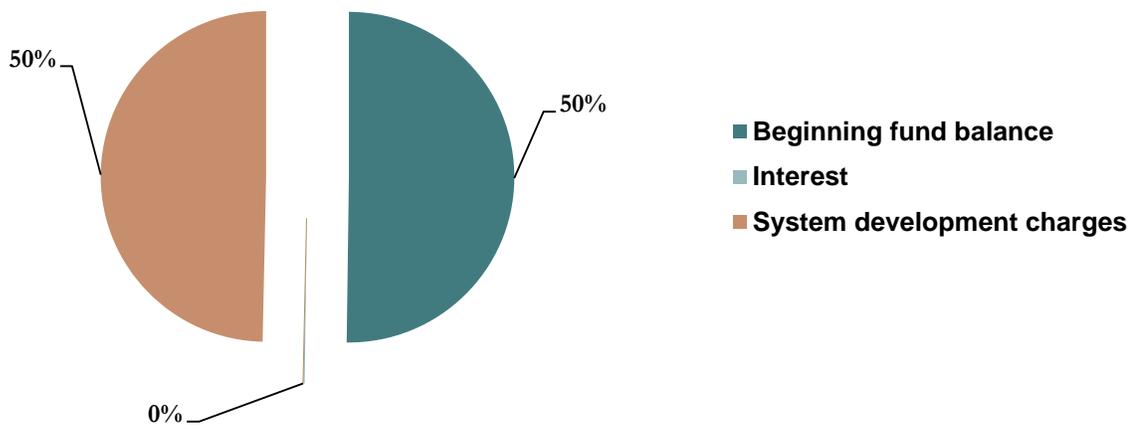
Resources	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 10-11	FY 11-12	Budget FY 12-13	FY 12-13	Budget FY 13-14	Budget FY 13-14	Budget FY 13-14
<b>Beginning fund balance</b>	\$ 503,407	\$ 41,069	\$ 181,769	\$ 135,888	\$ 188,988	\$ 188,988	\$ 188,988
<b>Current year resources</b>							
Intergovernmental		\$ -	\$ 240,000	\$ 280,000	\$ -	\$ -	\$ -
Interest	667	819	600	600	500	500	500
Misc. revenue		75,000	-	-	-	-	-
System development charges	30,497	501,255	332,500	50,000	186,900	186,900	186,900
Debt proceeds		-					
Transfer from other funds		-					
<b>Total current year resources</b>	\$ 31,164	\$ 577,074	\$ 573,100	\$ 330,600	\$ 187,400	\$ 187,400	\$ 187,400
<b>Total resources</b>	\$ 534,571	\$ 618,143	\$ 754,869	\$ 466,488	\$ 376,388	\$ 376,388	\$ 376,388
Expenditures	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 10-11	FY 11-12	Budget FY 12-13	FY 12-13	Budget FY 13-14	Budget FY 13-14	Budget FY 13-14
Material & services	\$ -	\$ 480		\$ -	\$ -	\$ -	\$ -
Capital outlay							
Improvements	24,239	212,497	350,000	275,000	130,000	130,000	130,000
Debt service							
Principal - short-term borrowin	400,000	257,374	-				
Interest - short-term borrowing	15,263	200	-				
Transfers	54,000	11,704	23,000	2,500	13,000	13,000	13,000
Contingency	-		381,869		233,388	233,388	233,388
<b>Total expenditures</b>	\$ 493,502	\$ 482,255	\$ 754,869	\$ 277,500	\$ 376,388	\$ 376,388	\$ 376,388
<b>Ending fund balance</b>	\$ 41,069	\$ 135,888	\$ -	\$ 188,988	\$ -	\$ -	\$ -

### Beginning Fund Balance & Ending Fund Balance / Contingency Comparison

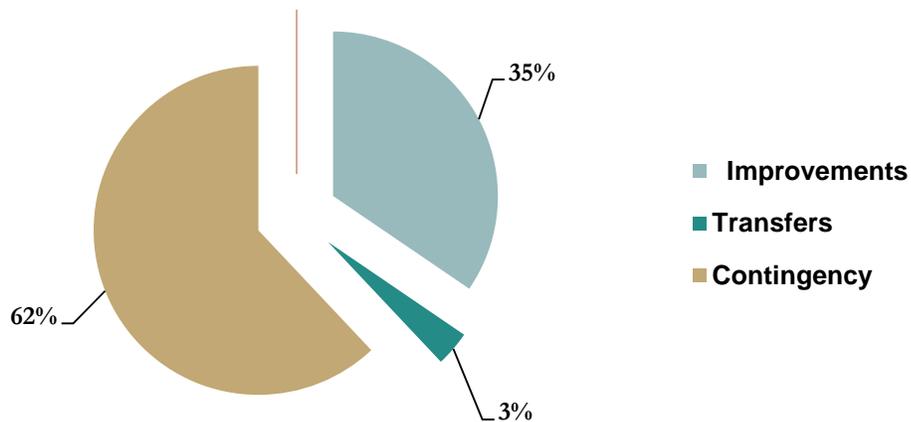
Fund	Actual Beginning Fund Balance FY 12-13	Proposed FY 13-14 Beginning Fund Balance	% Change FY13 to FY 14	Proposed Ending Fund Balance / Contingency	% Change FY 14
Wastewater SDC	\$135,888	\$188,988	39%	\$233,388	23%

The 39% increase from beginning fund balance FY 13 to the beginning fund balance FY 14 is a result of SDC's collected for the data center projects. The 23% increase proposed for the ending fund balance in FY 14 is based on an estimate of 46 equivalent dwelling units (EDU) and the assumption of a new hospital being built.

### Resources



### Requirements



**Executive Summary**

This fund accounts for the receipt and expenditures of Wastewater System Development Charges (SDCs) improvement fees. The amount of the SDCs included in the budget reflects an approximate 4% increase for FY 14, based upon increases in the Engineering News Record Seattle Construction Cost Index.



*Design of Wetland Project*

In FY 13, the City was able to continue the design of the future Crooked River Wetland. This wetland will be used for future effluent disposal and was the key component which allowed the City to reduce the Wastewater SDC by approximately 50% in FY 12.

By utilizing the existing treatment infrastructure, future treatment costs were reduced from \$33,000,000 to \$6,600,000. This reduction in future capital cost allowed the SDC to be reduced from \$9,147 to \$3,875 in FY 12. This simplistic treatment and disposal process will also significantly lower future operations and maintenance costs. Design of the Wetland facility is scheduled to be complete Fall 2013. With design completion, staff will begin gathering funds via grants and contributions for the construction of this wonderful amenity to our community.

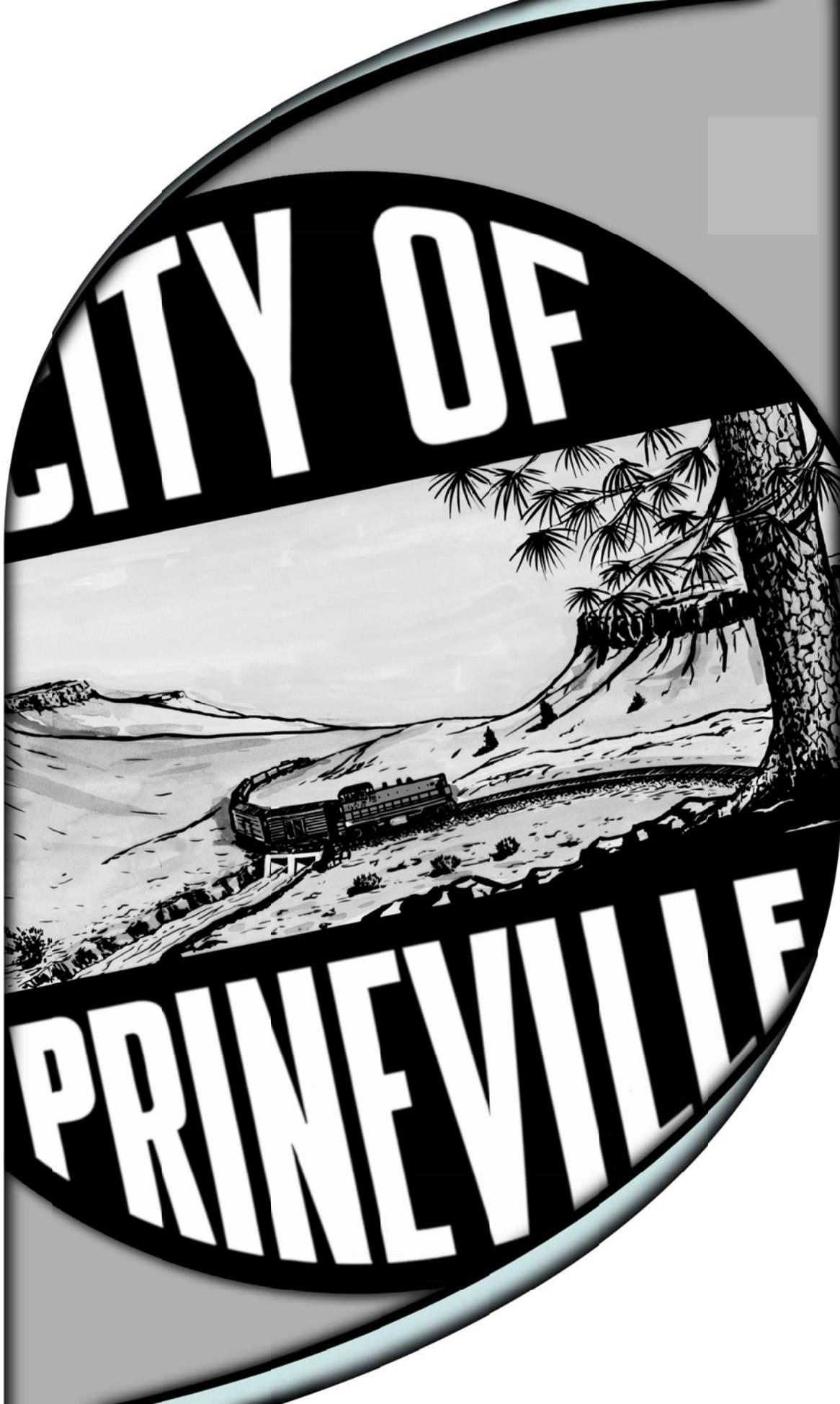
Transfer for administrative fee costs associated with collecting, accounting, and disbursing these funds are consistent with Council adopted methodology – which by definition is consistent with state law. Transfers in Wastewater SDC fund are 5% with the Planning Fund getting 2%, while 3% goes to the Administrative Internal Service Fund.

**Capital Outlay**

<b>Capital Outlay Overview</b>		
<b>Project</b>	<b>Amount Budgeted</b>	
<b>Wastewater Improvements</b>		
Crooked River concept (CRC)	\$ 25,000	
Disposal wetland design	\$ 95,000	
Habitat conservation plan (HCP)	\$ 10,000	
<b>Total</b>		\$ 130,000

*A more detailed summary of capital outlay can be found in the Short and Long Term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 81.*

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# Enterprise Funds

Railroad Fund

Airport Fund

Water Fund

Wastewater Fund

Golf Course & Restaurant Fund

Freight Depot Fund

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## Railroad Fund

*The Railroad fund accounts for the operation of the City's railroad, transload facility, and bulk transload facility. The principal sources of revenue include rail access fees, car haulage\switching fees, charges for service, and lease revenue on rail cars and warehouse space. Expenditures are for the operation, administration, maintenance and improvement of the railroad and its facilities.*

Resources	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 10-11	FY 11-12	Budget FY 12-13	FY 12-13	Budget FY 13-14	Budget FY 13-14	Budget FY 13-14
<b>Beginning fund balance</b>	\$ 632,833	\$ 709,790	\$ 772,861	\$ 730,397	\$ 623,097	\$ 623,097	\$ 623,097
<b>Current year resources</b>							
Charges for services	\$ 371,669	\$ 305,269	\$ 448,000	\$ 336,700	\$ 506,000	\$ 506,000	\$ 506,000
Intergovernmental	376,787	772,465	708,000	1,200,000	700,000	700,000	700,000
Use of money & property	103,106	128,419	73,100	62,200	71,500	71,500	71,500
Transfers fr other funds				-	251,784	251,784	251,784
Miscellaneous	176,627	23,338	10,000	85,000	20,100	20,100	20,100
<b>Total current year resources</b>	<b>\$ 1,028,189</b>	<b>\$ 1,229,491</b>	<b>\$ 1,239,100</b>	<b>\$ 1,683,900</b>	<b>\$ 1,549,384</b>	<b>\$ 1,549,384</b>	<b>\$ 1,549,384</b>
<b>Total resources</b>	<b>\$ 1,661,022</b>	<b>\$ 1,939,281</b>	<b>\$ 2,011,961</b>	<b>\$ 2,414,297</b>	<b>\$ 2,172,481</b>	<b>\$ 2,172,481</b>	<b>\$ 2,172,481</b>
<b>Expenditures</b>							
Personnel Services	\$ 415,456	\$ 355,963	\$ 219,500	\$ 292,900	\$ 263,600	\$ 263,600	\$ 263,600
Material and services	253,716	195,530	234,300	263,700	324,600	324,600	324,600
Capital outlay							
Improvements	131,360	504,991	650,000	1,124,000	700,000	700,000	700,000
Debt Service							
Principal - Freight Depot					88,400	88,400	88,400
Interest - Freight Depot					12,500	12,500	12,500
Transfers	150,700	112,400	110,600	110,600	95,900	95,900	95,900
Contingency			797,561		687,481	687,481	687,481
<b>Total expenditures</b>	<b>\$ 951,232</b>	<b>\$ 1,168,884</b>	<b>\$ 2,011,961</b>	<b>\$ 1,791,200</b>	<b>\$ 2,172,481</b>	<b>\$ 2,172,481</b>	<b>\$ 2,172,481</b>
<b>Other requirements</b>							
Environmental cleanup reserve	\$ -	\$ 40,000	\$ -	\$ -			
<b>Ending fund balance</b>	<b>\$ 709,790</b>	<b>\$ 730,397</b>	<b>\$ -</b>	<b>\$ 623,097</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Personnel**

Department & Position	FY 13 FTEs	FY 14 FTEs
<b>Railroad Fund</b>		
General Manager	1.00	0.00
Operations Manager	0.00	1.00
Superintendent / Engineer	1.00	1.00
Engineer	1.00	0.00
Freight Depot / Track Maintenance	0.00	1.00
<b>Railroad Fund Total</b>	<b>3.00</b>	<b>3.00</b>

*No additions to FTE in FY14, title changes only.*

**Beginning Fund Balance & Ending Fund Balance / Contingency Comparison**

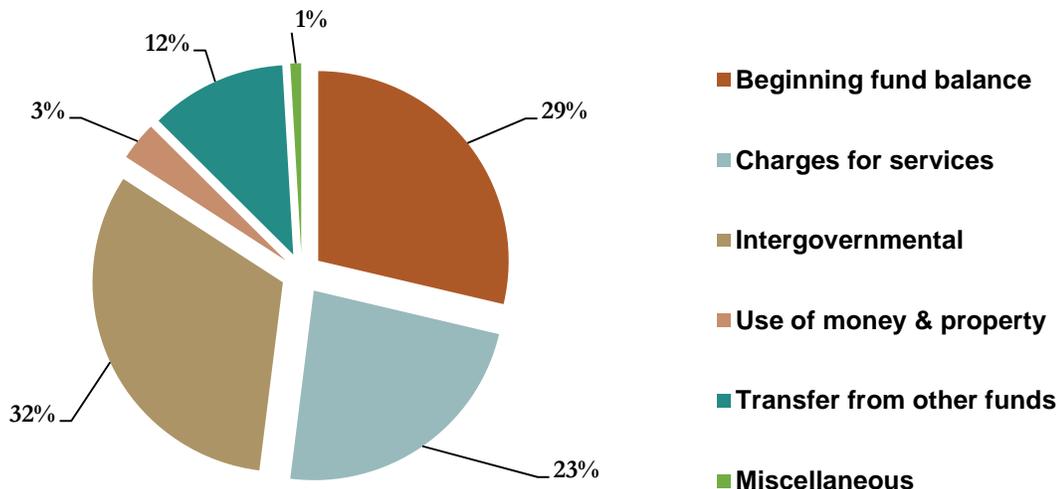
Fund	Actual Beginning Fund Balance FY 12-13	Proposed FY 13-14 Beginning Fund Balance	% Change FY13 to FY 14	Proposed Ending Fund Balance / Contingency	% Change FY 14	Reserve Requirements by Policy	Over (Under) Requirements
Railroad	\$730,397	\$623,097	-15%	\$687,481	10%	\$684,100	0%

Despite efforts to cost save through allocation of expenses to Connect Oregon III project and job sharing, the Railroad operations has seen a decrease to fund balance in FY 13 of approximately 15%. The proposed budget for FY 14 shows a 10% increase to fund balance at year end. Policy requirements for the Railroad are equal to one year of an operating budget. This fund meets policy requirements.

**Strategic Planning Updates**

- Short Term – Cost control to manage costs and marketing focus to protect fund balance and allow time for economy to improve, as well as business development opportunities to produce.
- Long Term – Build the rail freight business model into viable stable revenue source to offset City operational costs.

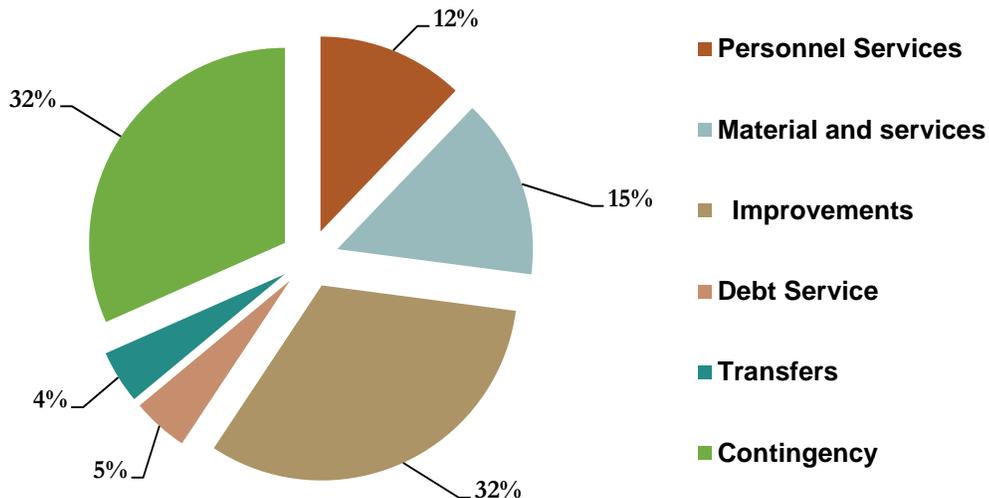
**Resources**



## Assumptions

In FY 14 the Railroad and Freight Depot funds have been combined into one enterprise fund. This is a contributing factor to the increase in charges for service budgeted to improve in FY 14 approximately 33%. Intergovernmental revenue from the Connect Oregon III project is budgeted at \$700,000 which will be used for equipment expenditures. The project will be wrapping up in the first quarter of FY 14.

## Requirements



## Assumptions

Requirements for FY14 have increased over prior year budget approximately 18%. This is a result of carry-over of the Connect Oregon III project by approximately \$700,000 and the combining of the Freight Depot and Railroad funds. Personnel services have decreased approximately 10% from year-end estimate due to the changes in job positions.

## Executive Summary



*The City of Prineville Railroad in Action*

The City of Prineville Railway and the Prineville Freight Depot provide an operating partnership that strengthens the City's ability to offer a full service transportation package for our Prineville/Crook County based industries as well as opening up transportation options for the region. This joint venture offers a multitude of services that are essential to building a transportation hub that allows industry the opportunity to compete in the national and international marketplaces. This operation has been designed to complement the Class One Railroad's new operating model. In addition, the Railway received both support

and recognition from both the Union Pacific and Burlington Northern for our ability to provide a regional point of transfer for rail freight. In the long run this will create a niche in the freight movement industry which will provide a competitive advantage for Prineville and Central Oregon. These assets will also help attract new industry and create badly needed jobs.

The Prineville Freight Depot allows the City of Prineville Railway to offer a complete package of freight services. The majority of funding for the Freight Depot project has been provided by the Connect Oregon program. Seven and a half million dollars in grant money from Connect Oregon I, II, & III have funded the facilities that have been under construction since 2006. Facilities include one building that can allow locomotives or train cars to enter via track to gain access to a 25 ton overhead crane. Because of this, the building can also be used to repair trains or cars opening another line of revenue previously untapped. The Prineville Junction Bulk Transload site is slated for completion by late June 2013, opening a new source of revenue to the Railway though its capacity d to handle bulk liquid, aggregate, and farm products. In addition, the Railroad has received \$1.1 in Federal ARRA grant money to improve and renovate the rail line.

Both the Railway and Freight Depot are managed together to support the City Council goals and to provide a safe working environment that protects employees and benefits the community. The Freight Depot has been designed to handle a wide range of commodities which in the long run should strengthen the profitability of both operations. Since 2005 over 30 different customers have made use of the facility and at this time we have four anchor tenants operating at the Freight Depot with lease agreements. We are currently working with several potential customers and will continue to actively pursue ways to increase revenues for the operation.

For FY 14, the City has made the decision to operate the Freight Depot under the Railway, combining the funds to offer better service to our customers by having all of the facilities being handled under one roof. By combining the funds, the fund will realize a savings in personnel costs, both by consolidation of labor duties that were previously separated and through efficiencies created by the merger.

### **Accomplishments for FY 2012-2013**

- Finished work on \$2.5 million Connect Oregon III grant for construction of bulk transload facility at the Prineville Junction.
- No injuries or human factor accidents.
- Secured three new customers with one utilizing rail.
- Kept expenses at a minimum by cross training employees.
- Secured two new anchor tenants.
- Achieved Freight Depot profitability.

### **Operational Objectives**

To contribute to the economic advantage of local and regional business and industry providing a financially viable, affordable, alternative mode of transportation that enhances Central Oregon's competitive edge in the National and Regional economy. Our goal is to increase carloads for the City of Prineville Railway and become the premier transload and transportation center and provider in Central and Eastern Oregon in order to draw new business opportunities and industry to the City of Prineville.

### **Goals and Objectives for FY 2013-2014**

- No injuries or human factor accidents.
- Increase carloads and reduce expenses that result in the Railway being profitable for the budget year.
- Secure a minimum of three new shippers utilizing the Railway.

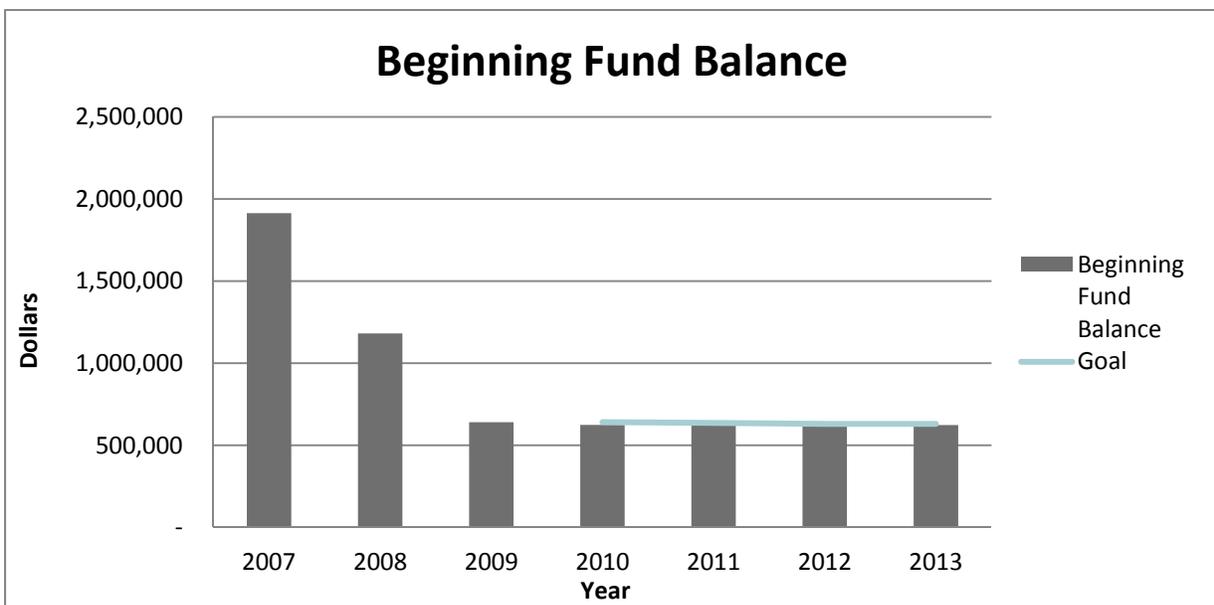
- Incorporate the Freight Depot budget into the Railway to operate as one department.
- Operate within a positive margin.

**Capital Outlay**

Capital Outlay Overview		
Project	Amount Budgeted	
<b>Improvements</b>		
Connect Oregon Grant III	700,000	
<b>Total</b>		\$700,000

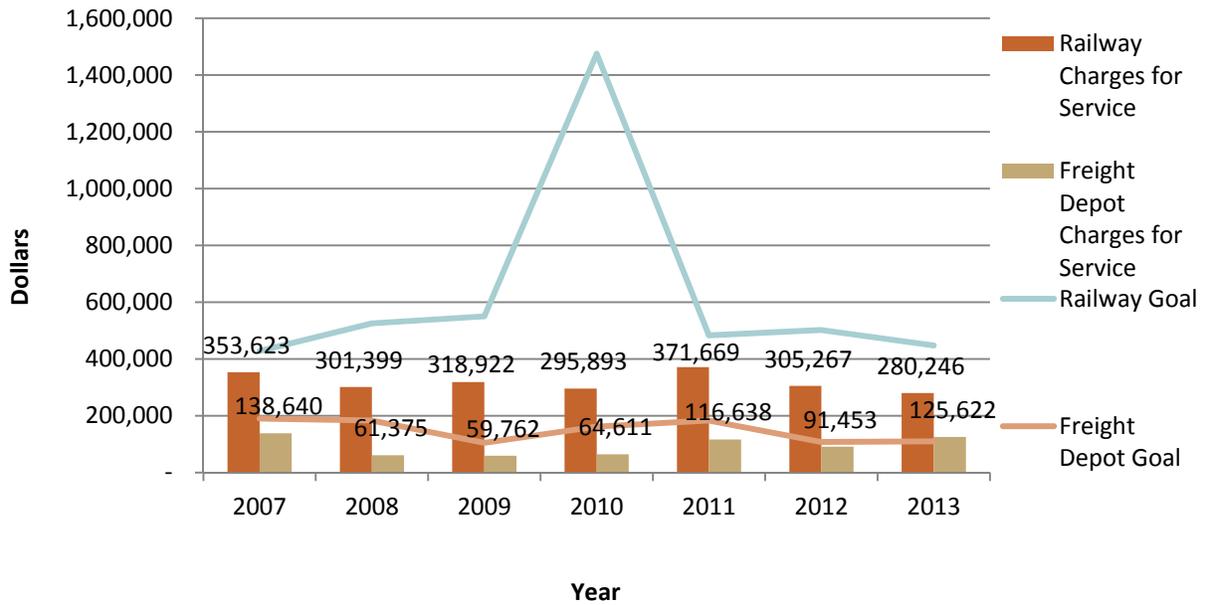
*A more detailed summary of capital outlay can be found in the Short and Long Term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 81.*

**Performance Measures**

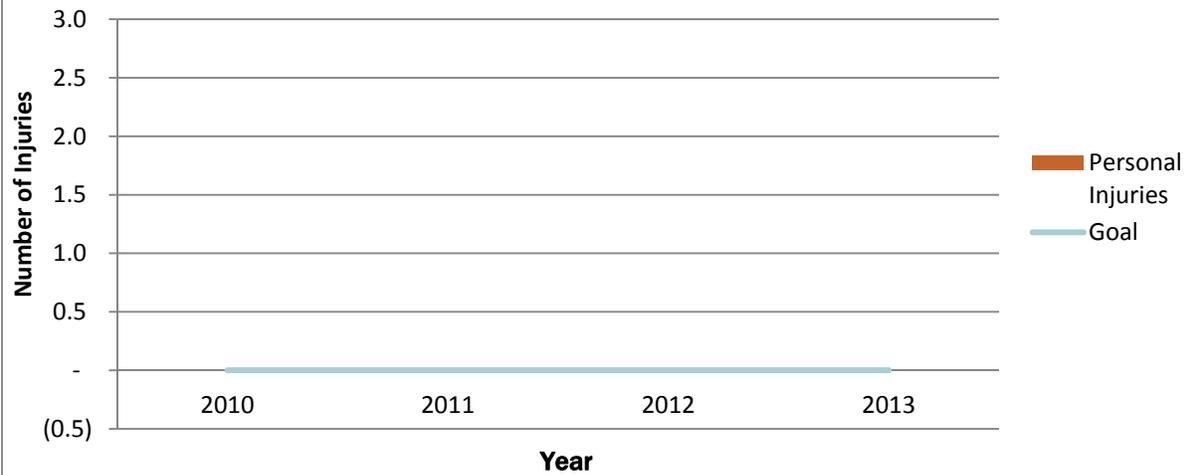


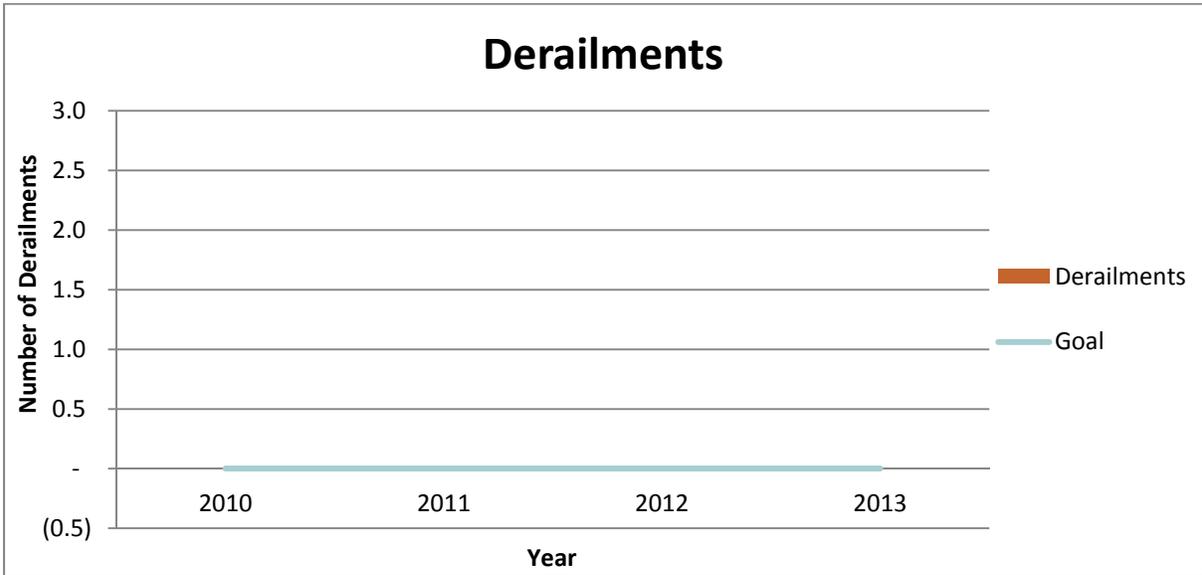
In 2007 thru 2009 Railroad Fund had decreased fund balance approximately \$400,000 per year. Year - end estimates show the Railroad fund balance decreasing in FY 13 approximately 15%. The budget in FY 14 anticipates increasing fund balance 10%. Management goal is to maintain fund balance through this downturn in the economy.

## Charges for Service



## Personal Injuries





## Airport Fund

*The Prineville-Crook County Airport operations fund provides the accounting of the jointly owned, city managed airport. Funding sources include, aircraft fuel sales (Jet A and 100LL), hanger rents, and leasing agreements for private hangers on County owned land, and the United States Forest Service / Bureau of Land Management. City and County contributions supplement portions of operational costs. Large maintenance, engineering and improvement projects are largely funded through the FAA and other grant opportunities.*

Resources	Actual FY 10-11	Actual FY 11-12	Current Budget FY 12-13	Estimates FY 12-13	Proposed Budget FY 13-14	Approved Budget FY 13-14	Adopted Budget FY 13-14
<b>Beginning fund balance</b>		\$ -	\$ 32,643	\$ 83,435	\$ 46,235	\$ 46,235	\$ 46,235
<b>Current year resources</b>							
Intergovernmental		\$ 51,243	\$ 420,000	\$ 285,000	\$ 518,000	\$ 518,000	\$ 518,000
Charges for services		373,886	458,500	481,500	700,500	700,500	700,500
Interest		127	100	100	100	100	100
Transfer from other funds				25,000	25,000	25,000	25,000
<b>Total current year resources</b>		\$ 425,256	\$ 878,600	\$ 791,600	\$ 1,243,600	\$ 1,243,600	\$ 1,243,600
<b>Total resources</b>		\$ 425,256	\$ 911,243	\$ 875,035	\$ 1,289,835	\$ 1,289,835	\$ 1,289,835
Expenditures	Actual FY 10-11	Actual FY 11-12	Current Budget FY 12-13	Estimates FY 12-13	Proposed Budget FY 13-14	Approved Budget FY 13-14	Adopted Budget FY 13-14
Personnel Services		\$ 36,622	\$ 77,500	\$ 77,500	\$ 79,600	\$ 79,600	\$ 79,600
Materials and services		278,078	430,500	415,500	591,000	591,000	591,000
Capital outlay							
Improvements		27,121	346,500	285,000	501,500	501,500	501,500
Transfers			50,800	50,800	82,100	82,100	82,100
Contingency			5,943		35,635	35,635	35,635
<b>Total expenditures</b>		\$ 341,821	\$ 911,243	\$ 828,800	\$ 1,289,835	\$ 1,289,835	\$ 1,289,835
<b>Ending working capital</b>		\$ 83,435	\$ -	\$ 46,235	\$ -	\$ -	\$ -

**Personnel**

Department & Position	FY 13 FTEs	FY 14 FTEs
<b>Airport Fund</b>		
Airport Manager	1.00	1.00
<b>Airport Fund Total</b>	<b>1.00</b>	<b>1.00</b>

*No changes in staffing in FY 14.*

**Beginning Fund Balance & Ending Fund Balance / Contingency Comparison**

Fund	Actual Beginning Fund Balance FY 12-13	Proposed FY 13-14 Beginning Fund Balance	% Change FY13 to FY 14	Proposed Ending Fund Balance / Contingency	% Change FY 14	Reserve Requirements by Policy	Over (Under) Requirements
Airport	\$83,435	\$46,235	100%	\$35,635	-23%	\$188,160	-81%

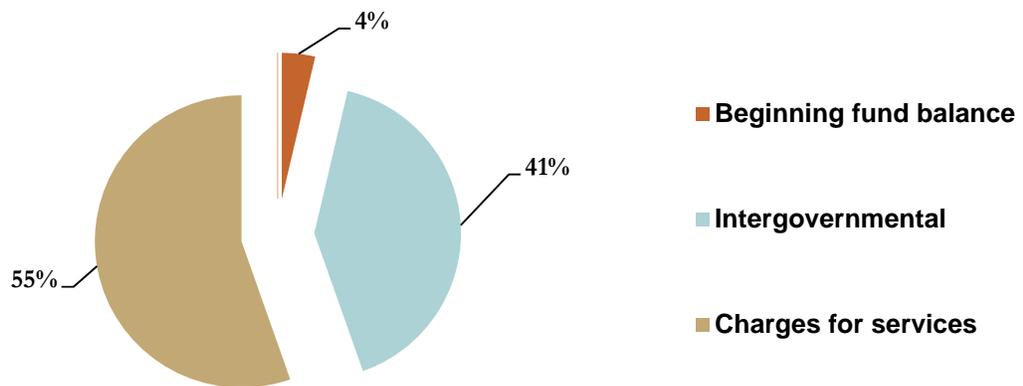
**Strategic Planning Update**

- Short Term – Continue to create a positive atmosphere while meeting and exceeding the aviation communities need for airport facilities and services.
- Long Term – Create and support economic development in the community while providing the continued stable friendly environment Prineville has become known for. Develop master plan structured around the City and County’s goals.



*The Airport services all types of planes*

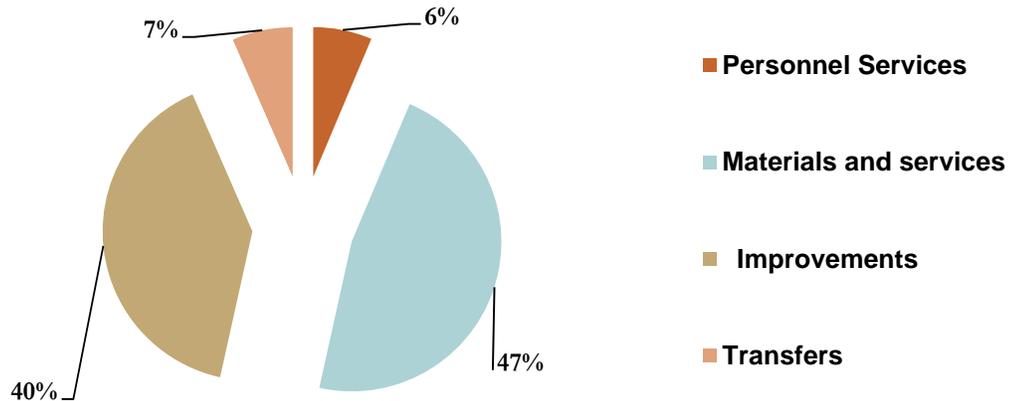
**Resources**



## Assumptions

Intergovernmental revenues for FY 14 will include approximately \$25,000 from Crook County, \$25,000 from the City of Prineville, Federal Aviation Administration (FAA) grant funds for airport improvements of approximately \$233,000 for an automated weather observation system (AWOS) system and \$180,000 for a new Airport Master Plan.

## Requirements



## Assumptions

The Prineville-Crook County Airport has seen improvement in the activity levels and hangar occupancy rates even though overall general/corporate aviation usage is still below average. With the addition of the Hillsboro Aviation flight school operating at a full-time capacity in FY 13, the door will be open to further increase activity levels and revenue opportunities at the Airport. Hillsboro Aviation has plans to expand their operations in the future, meaning that more business shall be realized in the next few years from their expansion. Local economic growth and demand for lower operating costs will provide larger market share to the Prineville Airport, thus keeping airport operation funding on a steady increase.

## Executive Summary

The City of Prineville is now in its second year of running the Prineville-Crook County Airport after taking over the management responsibilities from Crook County in September 2011. All indicators mark that this has been a beneficial transition for both government entities. Communication, community support, safety, service, and planning for the future will continue to be the key issues that the airport management will embrace as the airport grows.



Management has worked hard to create several opportunities at the airport by pursuing business and personal aviation interests with proactive communication. This was all done while building relationships within the aviation community. Sponsoring local events at the airport and attending regional events has shown a very positive response. The Airport is standing at the threshold economic

opportunity that will be of benefit to the entire community, while making a strong statement to the aviation world that Prineville is open for business and shouldn't be ignored.

### Accomplishments for FY 2012-2013

- Secured Connect Oregon IV and FAA grant funds for the AWOS project.
- Gained FAA approval for new Master Plan Update.
- Created new lines of communication with airport users and members of the community by holding meetings and special events.
- Improved overall user/tenant experience by expanding the communication with all parties involved. Offering more transparency to the billing process, listening to needs, and working with tenants during unique circumstances has helped build stronger relationships.
- Upgraded the fuel systems to establish a safe working and operating environment.

### Operational Objectives

- To provide a friendly and responsive source of information and coordinated services.
- Assure and maintain the present safety, service, and growth of the airport.
- Cost effective maintenance, planning, inspections, and operations of the airport system.
- Maintain the Airport's success with efficient and motivated efforts through a committed staff.

### Goals and Objectives for FY 2013-2014

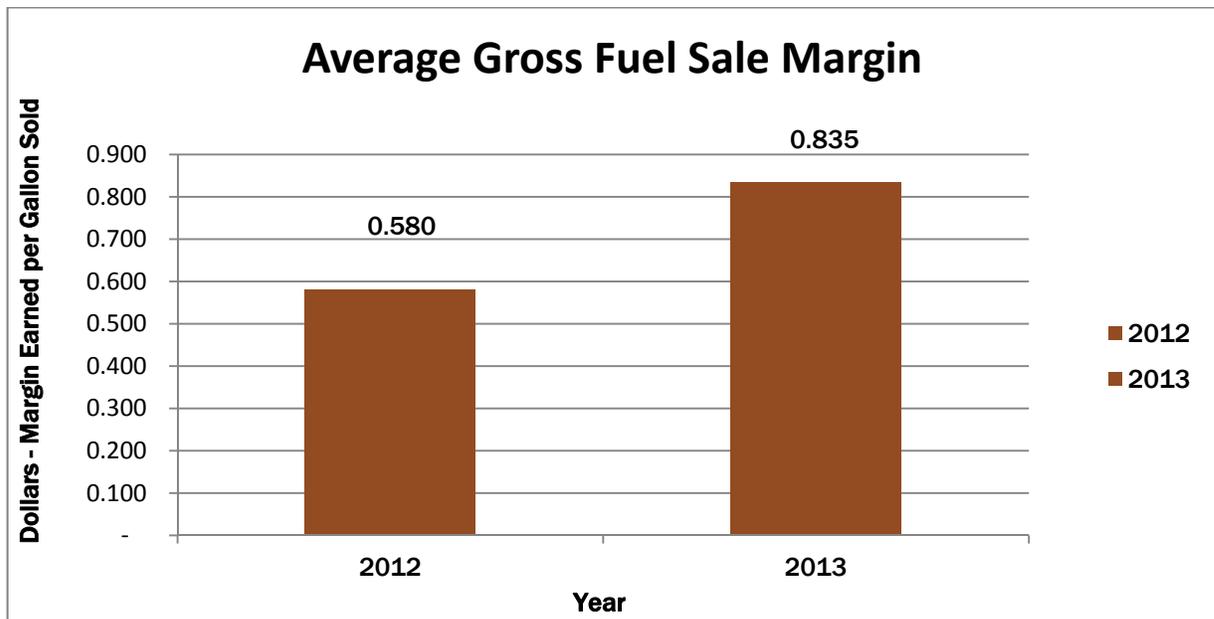
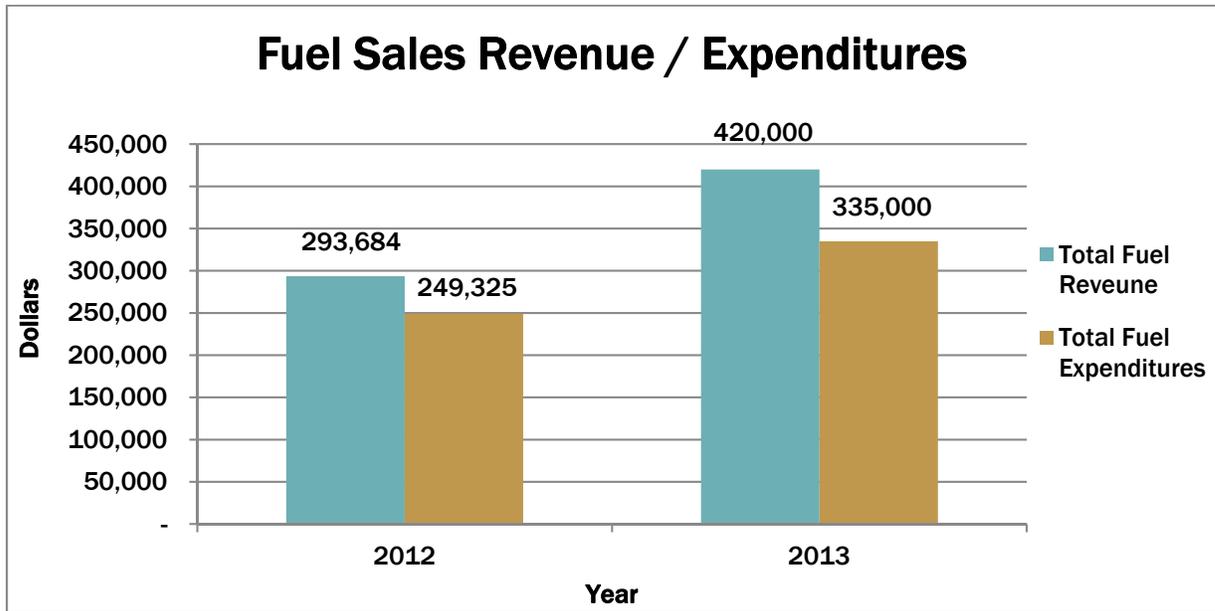
- Create a new Airport Master Plan.
- Continue low operating costs by using in house resources for most maintenance and operational needs.
- Continue to upgrade equipment and the facilities as the budget allows. At this time computers for flight planning, the weather reporting system, and fuel systems have been improved.
- Increase fuel market share with competitive pricing and promotion.
- Attract the personal market and business development with better communication and advertising.
- Enhance visual aspect of airport by conducting weed control, updating signage, and maintaining a professional appearance of the entry landscaping.

### Capital Outlay

Capital Outlay Overview		
Project	Amount Budgeted	
<b>Improvements</b>		
AWOS system	\$ 303,500	
Master plan	\$ 198,000	
<b>Total</b>		\$ 501,500

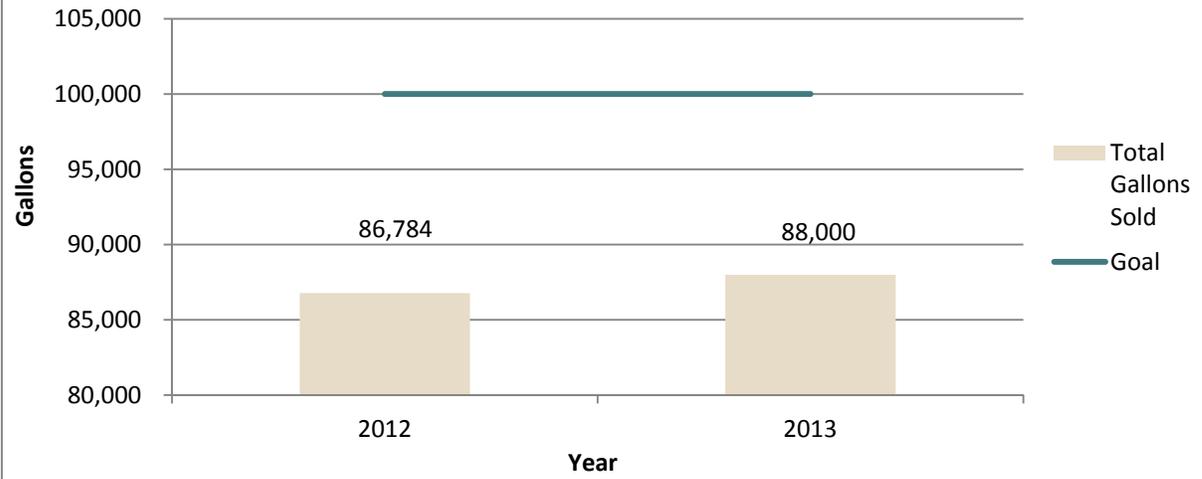
*A more detailed summary of capital outlay can be found in the Short and Long Term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 81.*

**Performance Measures**

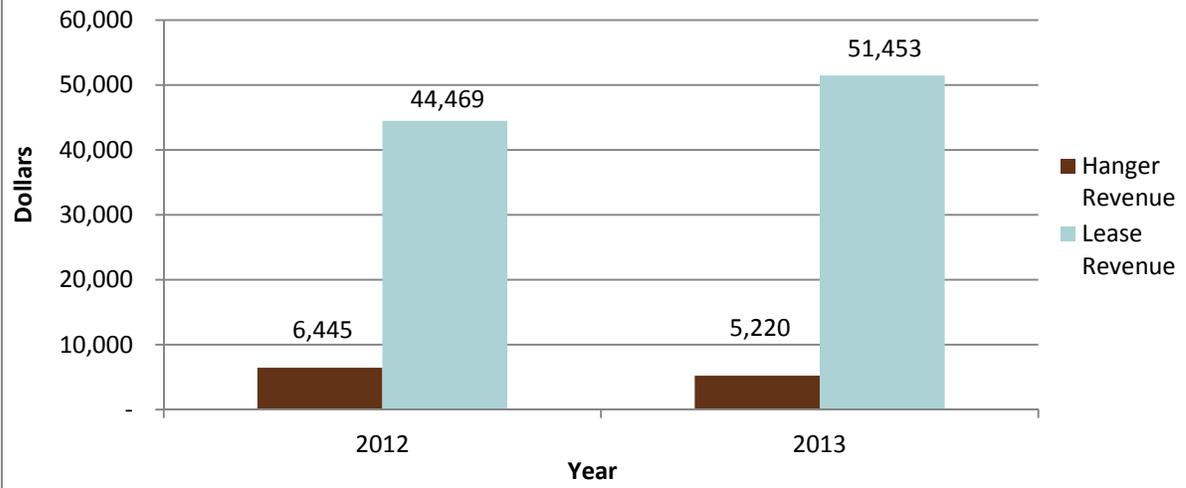


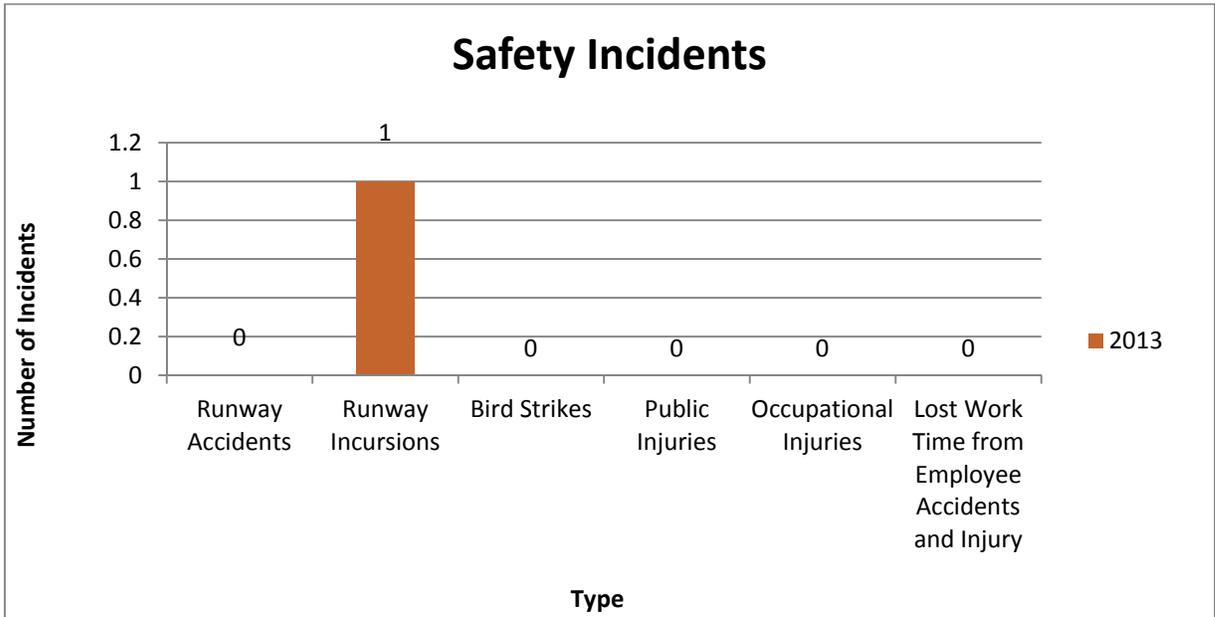
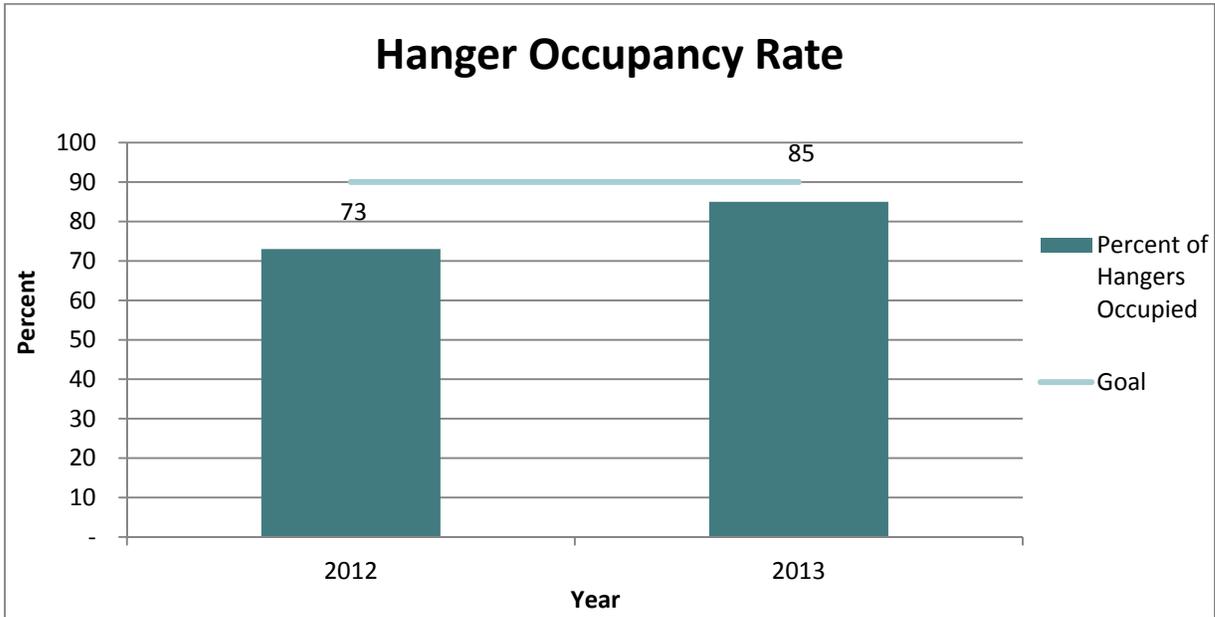
In FY 12, the Airport ran with a fuel sales margin of 15.1%. However, this is based on revenue figures beginning on September 20, 2011 after the City of Prineville had taken over management of the airport. For FY 13 the revenue margin rose to 20.3%. This is expected given the fluctuations in the price of fuel and with the fund finally hitting a full year of revenues and expenditures.

### Volume of Fuel Sales



### Hanger / Lease Revenue





## Water Fund

*This fund accounts for the operation of the City's water utility. The principal sources of revenue are user fees and system development charges. Expenditures are for the operation, administration, maintenance, system betterments and expansion of the system.*

Resources	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 10-11	FY 11-12	Budget FY 12-13	FY 12-13	Budget FY 13-14	Budget FY 13-14	Budget FY 13-14
<b>Beginning fund balance</b>	\$ 940,570	\$ 764,567	\$ 1,380,441	\$ 1,601,509	\$ 1,573,109	\$ 1,573,109	\$ 1,573,109
<b>Current year resources</b>							
Charges for services	\$ 1,486,649	\$ 1,752,828	\$ 1,677,000	\$ 1,802,500	\$ 1,851,800	\$ 1,851,800	\$ 1,851,800
Intergovernmental	165,000	-	\$ 243,000	-			
Interest	3,525	3,820	2,000	3,000	4,000	4,000	4,000
SDC Reimbursement Fee		46,700	127,000	127,000	120,000	120,000	120,000
Miscellaneous	664	3,791	1,000	4,000	4,000	4,000	4,000
Debt proceeds		2,867,419					
Transfer							
<b>Total current year resources</b>	<b>\$ 1,655,838</b>	<b>\$ 4,674,558</b>	<b>\$ 2,050,000</b>	<b>\$ 1,936,500</b>	<b>\$ 1,979,800</b>	<b>\$ 1,979,800</b>	<b>\$ 1,979,800</b>
<b>Total resources</b>	<b>\$ 2,596,408</b>	<b>\$ 5,439,125</b>	<b>\$ 3,430,441</b>	<b>\$ 3,538,009</b>	<b>\$ 3,552,909</b>	<b>\$ 3,552,909</b>	<b>\$ 3,552,909</b>
<b>Expenditures</b>							
Personnel Services	\$ 330,099	\$ 292,232					
Materials and services	350,651	458,387	444,600	437,900	461,600	461,600	461,600
Franchise fee expense			80,300	80,300	90,100	90,100	90,100
Capital outlay							
Improvements	607,604	602,210	703,600	343,000	1,094,000	1,094,000	1,094,000
Debt service							
Principal - refunding bond 2011			100,000	100,000	100,000	100,000	100,000
Principal - revenue bond 2003	35,000	35,000	40,000	40,000	40,000	40,000	40,000
Interest - refunding bond 2011		109,635	112,000	112,000	109,800	109,800	109,800
Interest - revenue bond 2003	29,687	28,890	27,500	27,500	25,800	25,800	25,800
Transfers	478,800	2,311,262	824,200	824,200	813,200	813,200	813,200
Contingency			1,098,241		818,409	818,409	818,409
<b>Total expenditures</b>	<b>\$ 1,831,841</b>	<b>\$ 3,837,616</b>	<b>\$ 3,430,441</b>	<b>\$ 1,964,900</b>	<b>\$ 3,552,909</b>	<b>\$ 3,552,909</b>	<b>\$ 3,552,909</b>
<b>Ending fund balance</b>	<b>\$ 764,567</b>	<b>\$ 1,601,509</b>	<b>\$ -</b>	<b>\$ 1,573,109</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## Beginning Fund Balance & Ending Fund Balance / Contingency Comparison

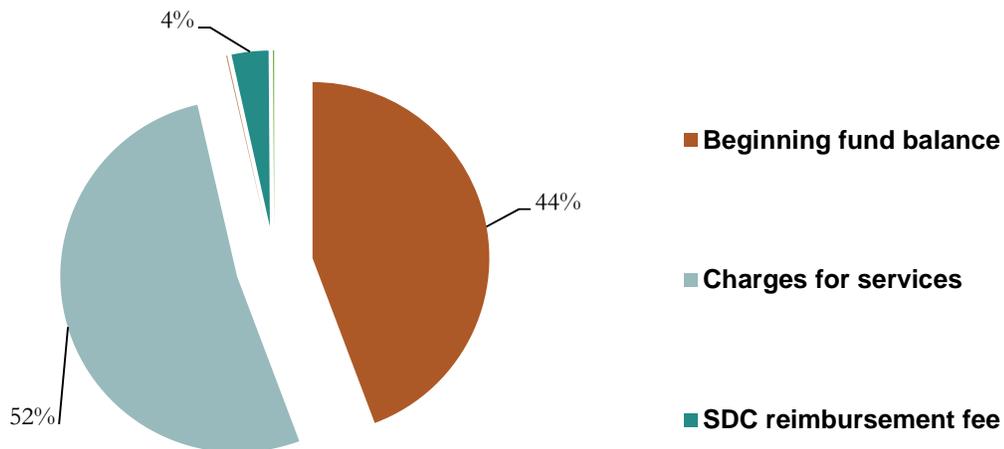
Fund	Actual Beginning Fund Balance FY 12-13	Proposed FY 13-14 Beginning Fund Balance	% Change FY13 to FY 14	Proposed Ending Fund Balance / Contingency	% Change FY 14	Reserve Requirements by Policy	Over (Under) Requirements
Water	\$1,601,509	\$1,573,109	-2%	\$818,409	-48%	\$518,870	58%

The 2% decrease in beginning fund balance to prior year is a result of budgeted capital improvements in FY 13. Capital projects budgeted in FY 14 will again decrease fund balance approx. 48%. The fund remains well above reserve requirements at 58%.

### Strategic Planning Updates

- Short Term – Manage Water Fund resources to keep costs as low as possible during challenging economic conditions for our city customers. Continue implementation of capital projects associated with the recent debt restructuring to increase water capacity.
- Long Term – Develop and implement long term water resource strategy to secure the City’s water needs supporting the build out of the urban growth boundary. Manage Water Fund to deliver water at a value, keeping combined water and wastewater rates at manageable levels and provide adequate capital for improvements.

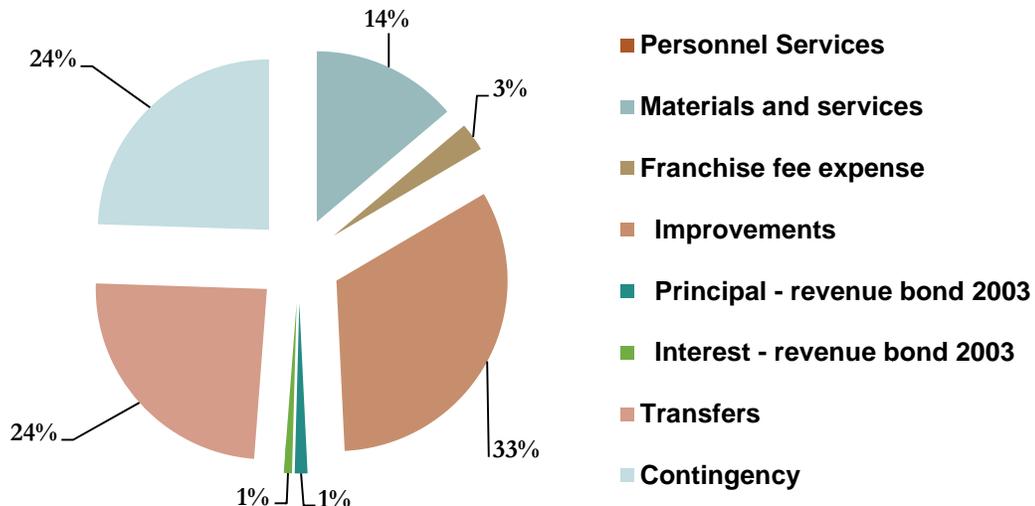
### Resources



### Assumptions

Charges for services in the FY 14 budget is proposed to increase approximately 3% over the year-end estimate. This increase includes a rate increase of 6%. SDC reimbursement fees are budgeted at 4% of revenue.

## Requirements



## Assumptions

Requirements for personnel services were moved to the public works administration fund in FY13 to better account for the activities of the utility workers between departments. This transfer of costs is reflective in the increase of dollars for transfers. Overall operating costs increased approximately 2% in FY 14.

## Executive Summary

The Water Fund supports the City's Water Department, which provides for the delivery of adequate quantities of safe, high quality water to domestic and commercial/industrial water users. The Water Department has the primary responsibility to ensure that the City's water quality meets or exceeds all regulatory standards and requirements. Maintaining a sufficient and reliable supply of water for fire protection is also a paramount consideration in construction and maintenance of Prineville's water distribution system. The City's water system currently provides water to 3,500 residential accounts and 500 commercial/industrial accounts. Annual well production totals approximately 600,000,000 gallons. The water system includes a total of 43 miles of distribution mains, 10 wells, and five storage tanks. Total well capacity is 4.5 million gallons per day (MGD), with an actual peak demand of four MGD.



*Water Department Staff monitor a test well.*

The Water Department continues to replace and upsize water delivery mains. Many of the City's water mains are undersized, rapidly deteriorating, and do not meet current requirements for pressures or flow. The City strives to replace approximately 5,000 lineal feet of water main per year to meet current

and future requirements. The City wells also require maintenance on a regular basis to ensure high water quality and efficient production. During 2013-2014 fiscal year the water department's first priority is to retain the resources for needed maintenance programs to ensure high quality service to our customers.

### Accomplishments for FY 2012-2013

- Replaced approximately 1,500 lineal feet of water line in advance of a street reconstruction project.
- Replaced approximately 1,500 lineal feet of water line as part of conservation and system optimization programs.
- Installed approximately 3,500 feet of 12 inch water main to serve the new data center industry.
- Water conservation activities were continued allowing the Water Department to serve more customers with our existing infrastructure.
- Staff secured a new water right permit for 5,600 gallons per minute.
  - This will allow the City to provide for the build out of our Urban Growth Boundary.
- Staff created 202.5 additional mitigation credits to allow for groundwater pumping.
  - If the City were to have to purchase these credits on the open market, it would have cost up to \$1,417,500.
- Staff continues to participate in federal legislation termed the "Crooked River Concept".
  - This would allocate some water from Prineville reservoir to be used for groundwater mitigation.
- Staff refined the hydro-geological assessment of the airport aquifer.
  - This assessment provides the City a better understanding of the airport aquifer.
  - The City now understands how the aquifer recharges and what the expected sustainable production level is.
  - Three test wells were drilled and test pumped, while information was gathered to refine the geological assessment.
- The Water Department replaced and upgraded approximately 500 meters.



*2012 Water Main Replacement Project*

The preceding activities are well representative of the City of Prineville Council's goal to sustain and efficiently plan for the future development of infrastructure.

### Grants Received for FY 2012-2013

*(These funds will not pass through our budget as the awarding agencies will directly pay the contractors)*

- Department of Environmental Quality (DEQ) Groundwater Modeling Project - \$50,000: This is a grant to refine the existing hydro-geological model of the Prineville area.
- Department of Health Services Drinking Water Source Protection Fund - \$35,000: This grant will use the hydro-geological information obtained from the above DEQ grant to update the City well's capture zones. The model will be used to develop one, two, five, and 10 year

capture zones for each of the City’s wells. The potential contaminant sources within each zone will be prioritized.

**Operational Objectives**

- To provide a friendly and responsive source of information and coordinated services.
- Assure and maintain the present and future health, safety, and welfare of the public.
- Cost effective maintenance, planning, permitting, inspections, and operations of our water system.
- Maintain the key to our success with efficient and motivated efforts of quality through a committed staff.

**Goals and Objectives for FY 2013-2014**

- Continue to refine the hydro-geologic assessment of the Airport Aquifer.
- Develop two new production well sites near the airport area to serve future industrial activities.
- Construct Airport Tank #2.
- Replace an additional 500 water meters with remote read water meters.
- Continue replacement of aging, undersized water mains.
- Upgrade telemetry systems throughout the water system.
- Increase water resource availability to support urban growth boundary build out.
- Secure federal legislation to provide for groundwater mitigation from Bowman Dam.

**Capital Outlay**

<b>Capital Outlay Overview</b>		
<b>Project</b>	<b>Amount Budgeted</b>	
<b>Source</b>		
Pump controls (Telemetry)	\$ 10,000	
Water mitigation Credits	\$ 167,000	
Water rights (Including administration and mitigation credits)	\$ 25,000	
<b>Storage</b>		
Recoat Ochoco tanks	\$ 600,000	
Reservoir maintenance (Cleaning/painting/telemetry)	\$ 20,000	
<b>Transmission</b>		
NW 2 <sup>nd</sup> St. – N Main to NW Deer (960ft. of 8” main)	\$ 96,000	
W 1 <sup>st</sup> St. – N Main to NW Deer (960ft. of 8” main)	\$ 96,000	
<b>Maintenance</b>		
Meter replacement	\$ 80,000	
<b>Total</b>		\$ 1,094,000

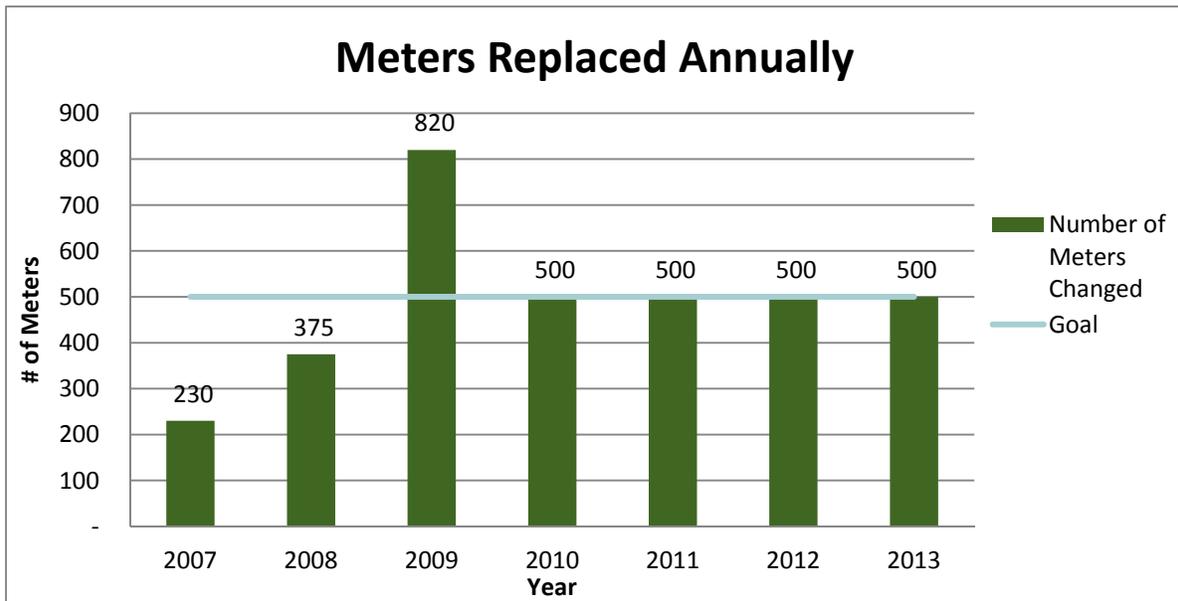
*A more detailed summary of capital outlay can be found in the Short and Long Term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 81.*

The above capital improvement projects (CIP) are primarily related to maintenance of an aging water system. The expenditure of these funds will reduce and or contain future costs associated with system maintenance.

## Performance Measures

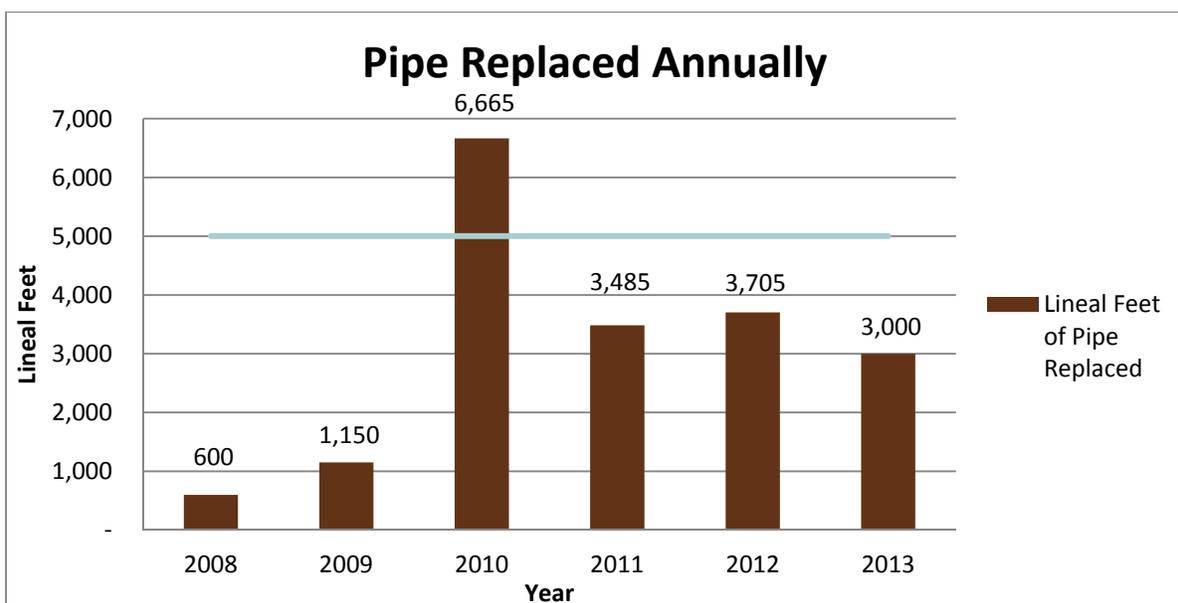
### Water Meter Replacement

The existing water distribution system includes approximately 3,800 water meters. Public Works is striving to update all of these meters with new, more efficient remote read meters. The department's goal is to replace 500 meters per year. This is one of several action items to achieve water rate stability, under fiscal responsibility, by reducing labor costs associated with meter reading.



### Water Main Replacement

The industry standard for life expectancy of water lines is 50 years. With the number of lineal feet in the City's water line infrastructure, the department strives to replace 5,000 lineal feet per year. This is yet another action item in remaining consistent with the Council's goal of a well-planned infrastructure.

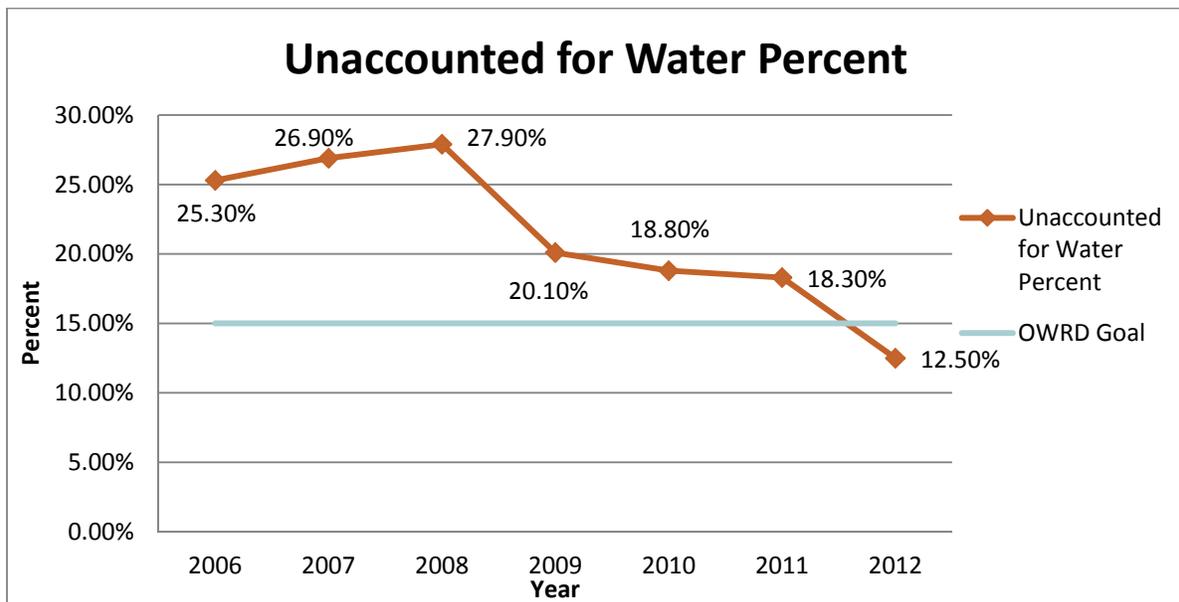


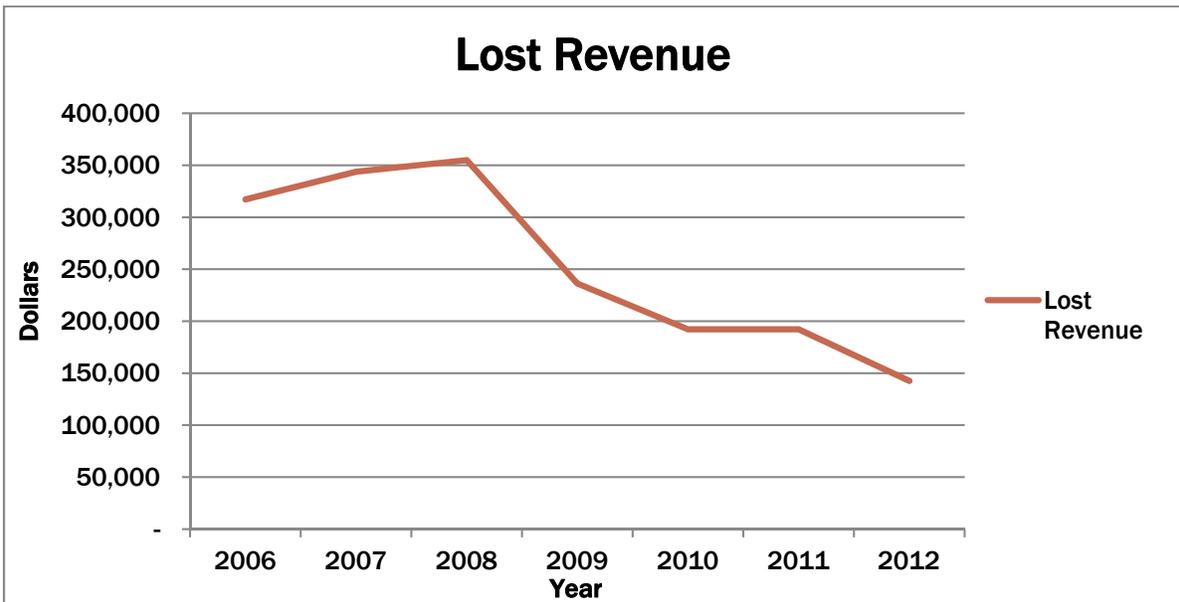
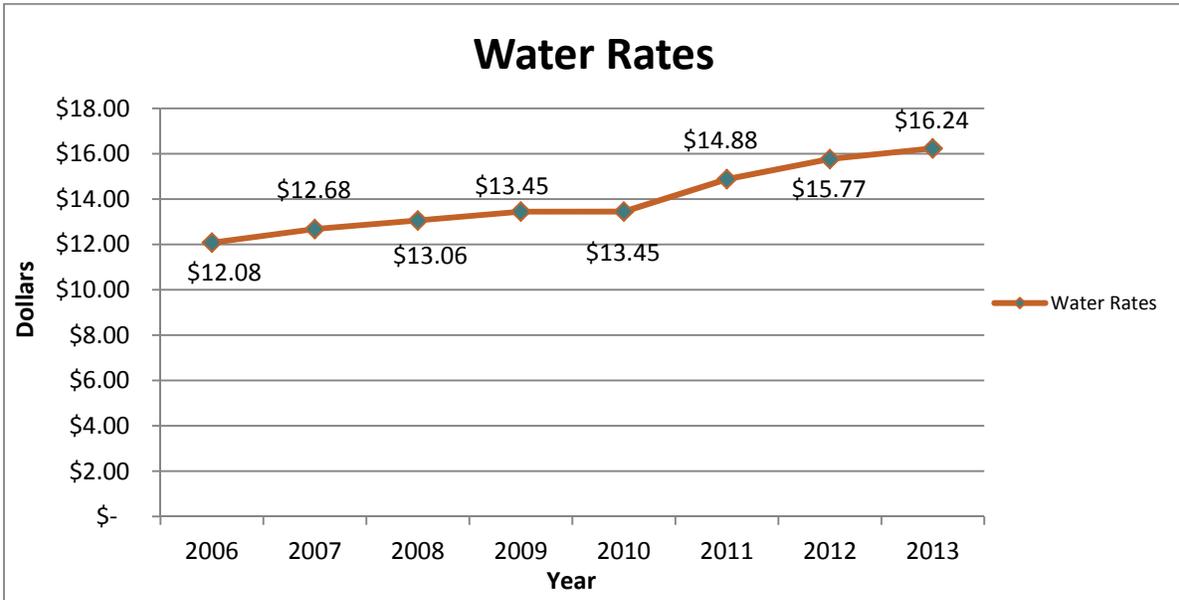
## Water Conservation Activities

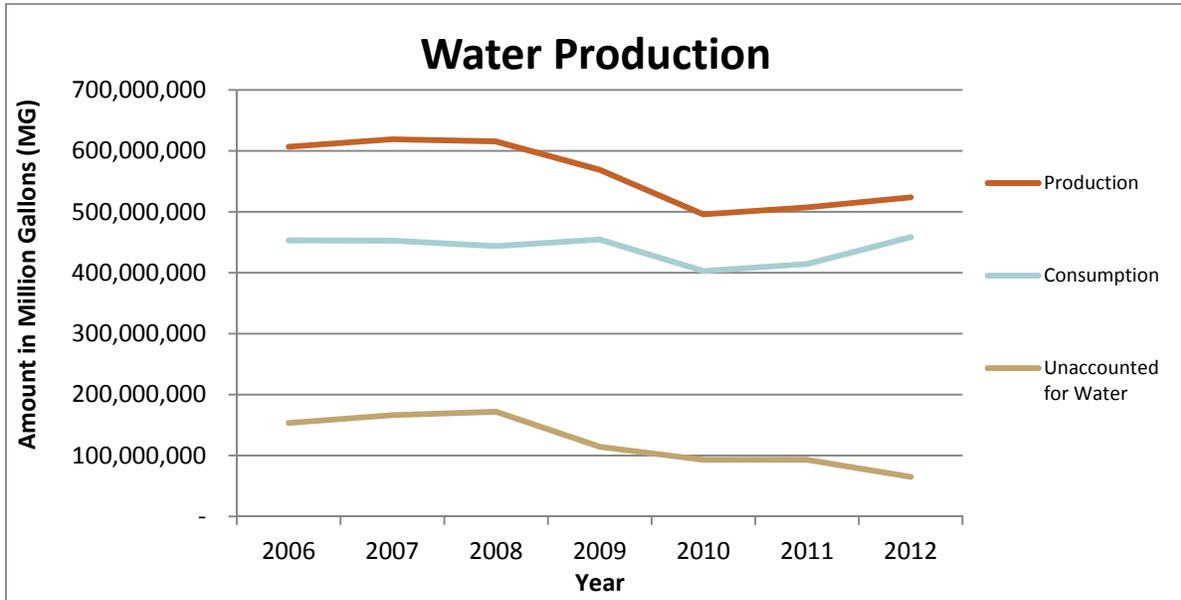
Unaccounted for water is the water that is produced by the City's wells but is not sold to customers. This number can be attributed to unmetered customers, leaking lines, or inaccurate meters. The Oregon Water Resources Department's goal for municipalities is to limit unaccounted for water to no greater than 15% of the produced water and no more than 10%, if feasible. The City has made a concerted effort to lower this amount over the last few years as is shown in the following activities:

- The Golf Course Water Conservation Project where the irrigation of seven and a half acres of land was removed from the domestic water system. This project saved approximately 51,000 gallons of water per day or enough water to provide for 63 new homes. This usage was not previously metered or billed.
- The Police Department HVAC reconstruction project where the HVAC system was removed from the domestic water system. This project saved approximately 36,000 gallons of water per day or enough water to provide for 45 new homes. This usage was metered but was not billed.
- Aggressive leak detection.
- Strategic water main replacements.
- Upgrades to telemetry control system.

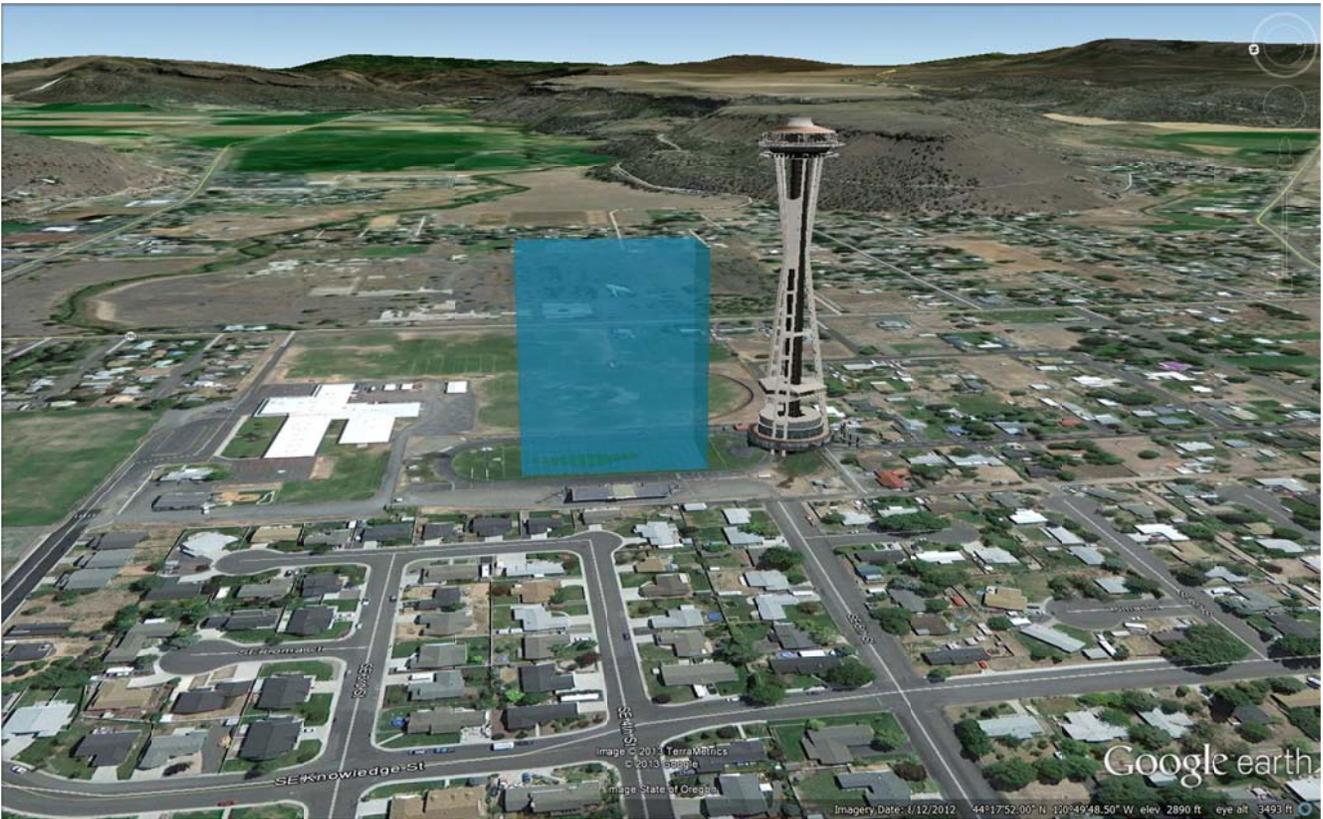
As shown in the below graph, in 2006, 26% of the water the City produced was unaccounted for. In 2012, this rate of unaccounted for water was reduced to approximately 12.5%.



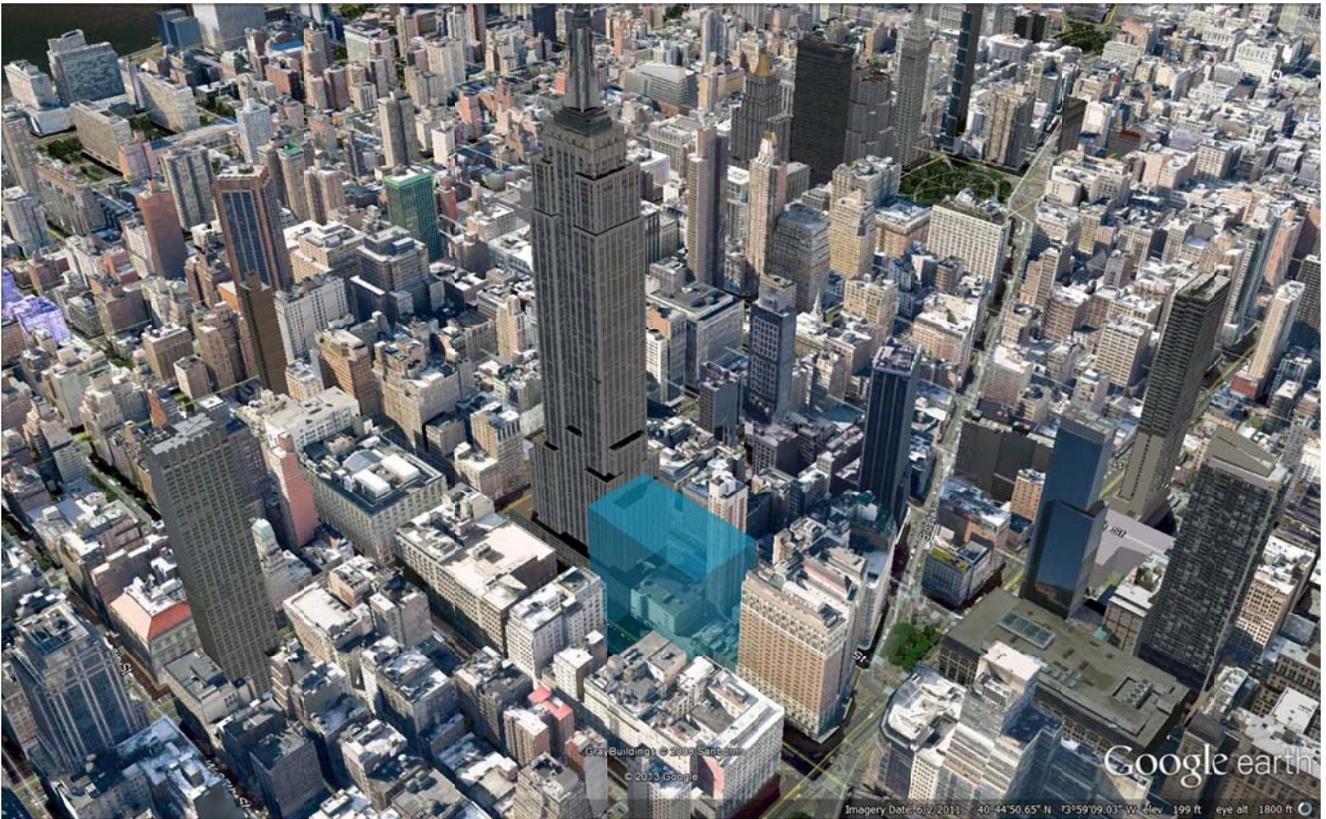




The reduction of unaccounted for water from 26% to approximately 12.5% represents approximately 106,561,384 gallons of water per year that is no longer produced and lost. It is quite expensive to pump 106 million gallons of water out of the ground, pressurize and chlorinate it. By conserving this water and only pumping what we need (or slightly more), the City has greatly reduced costs and lost revenue associated with the unaccounted for water.



When looking at the total conservation of 106 million gallons of water, it is a huge amount of water that the City is now conserving on an annual basis. If this volume of water were placed on the high school football field (300 feet x 160 feet), it would create a tower over 300 feet high. The Space Needle is placed next to the tower to give a scale of reference. We are now saving this volume of water each and every year.



Here is that same volume of water saved every year near the Empire State Building.



The same volume of water saved annually displayed under the St. Louis Arch.

## Wastewater Fund

*This fund accounts for the operation of the City's sewage utility. The principal sources of revenue are user fees and system development charges. Expenditures are for operation, administration, maintenance, system betterments and expansion of the system.*

Resources	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 10-11	FY 11-12	Budget FY 12-13	FY 12-13	Budget FY 13-14	Budget FY 13-14	Budget FY 13-14
<b>Beginning fund balance</b>	\$ 1,232,378	\$ 1,283,925	\$ 1,261,509	\$ 1,350,830	\$ 1,165,930	\$ 1,165,930	\$ 1,165,930
<b>Current year resources</b>							
Charges for services	3,068,224	2,862,680	2,816,700	2,929,600	3,016,600	3,016,600	3,016,600
Intergovernmental	74,628						
Interest	4,332	1,566	1,000	3,500	3,000	3,000	3,000
Miscellaneous	56,053	82,566	67,500	65,100	60,500	60,500	60,500
SDC Reimbursement Fee	7,712	204,210	127,500	14,000	71,700	71,700	71,700
Debt Proceeds		5,043,034					
Transfers	54,000						
<b>Total current year resources</b>	\$ 3,264,949	\$ 8,194,056	\$ 3,012,700	\$ 3,012,200	\$ 3,151,800	\$ 3,151,800	\$ 3,151,800
<b>Total resources</b>	\$ 4,497,327	\$ 9,477,981	\$ 4,274,209	\$ 4,363,030	\$ 4,317,730	\$ 4,317,730	\$ 4,317,732
<b>Expenditures</b>							
Personnel Services	\$ 242,136	\$ 255,889	\$ 184,700	\$ 184,700	\$ 194,900	\$ 194,900	\$ 194,900
Materials and services	436,311	568,147	511,700	499,700	534,400	534,400	534,400
franchise fee expense		82,000	140,800	140,800	151,000	151,000	151,000
Capital outlay							
Equipment							
Improvements	100,000	74,066	198,500	273,500	113,500	113,500	113,500
Debt service							
Principal							
SRRB 1998	240,000	515,000	-	-	-	-	-
SRF 1992	150,564	314,813	-	-	-	-	-
SPWF 1992	78,092	85,493	-	-	-	-	-
DEQ CWSRF R74682/1	211,218	4,247,035	-	-	-	-	-
DEQ CWSRF R74682/2	365,459	376,282	387,500	387,500	398,900	398,900	398,900
Refunding 2011 /Principal			20,000	20,000	60,000	60,000	60,000
Interest							
SRRB 1998	27,505	12,283	-	-	-	-	-
SRF 1992	13,961	4,011	-	-	-	-	-
SPWF 1992	10,183	2,800	-	-	-	-	-
DEQ CWSRF R74682/1	156,410	52,460	-	-	-	-	-
DEQ CWSRF R74682/2	205,704	210,938	199,800	199,800	188,400	188,400	188,400
Refunding 2011 / interest		132,222	207,400	207,400	207,000	207,000	207,000
Fees							
DEQ CWSRF R74682/1	22,691	-	-	-	-	-	-
DEQ CWSRF R74682/2	38,168	36,341	34,500	34,500	16,300	16,300	16,300
Transfers	915,000	1,157,370	1,249,200	1,249,200	1,248,600	1,248,600	1,248,600
Contingency			836,109		900,730	900,730	900,732
<b>Total expenditures</b>	\$ 3,213,402	\$ 8,127,151	\$ 3,970,209	\$ 3,197,100	\$ 4,013,730	\$ 4,013,730	\$ 4,013,732
<b>Other requirements</b>							
Debt service reserves	\$ -	\$ -	\$ 304,000	\$ -	\$ 304,000	\$ 304,000	\$ 304,000
<b>Ending fund balance</b>	\$ 1,283,925	\$ 1,350,830	\$ -	\$ 1,165,930	\$ -	\$ -	\$ -

**Personnel**

Department & Position	FY 13 FTEs	FY 14 FTEs
<b>Wastewater Fund</b>		
Utility	2.00	2.00
<b>Wastewater Fund Total</b>	<b>2.00</b>	<b>2.00</b>

*No changes to staffing levels in FY 14.*

**Beginning Fund Balance & Ending Fund Balance / Contingency Comparison**

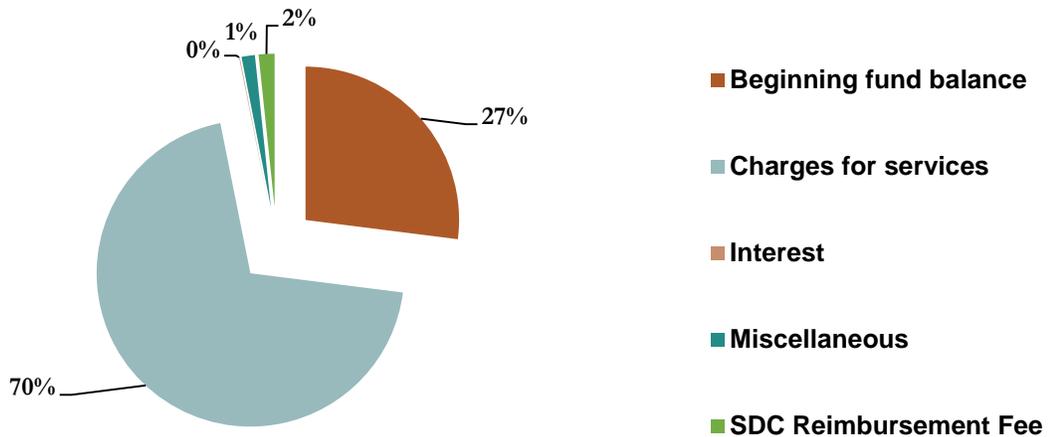
Fund	Actual Beginning Fund Balance FY 12-13	Proposed FY 13-14 Beginning Fund Balance	% Change FY13 to FY 14	Proposed Ending Fund Balance / Contingency	% Change FY 14	Reserve Requirements by Policy	Over (Under) Requirements
Wastewater	\$1,350,830	\$1,165,930	-14%	\$900,730	3%	\$512,405	76%

The 14% decrease in beginning fund balance from prior year is largely due to budgeted capital expenditures and the 3.30% rate reduction to revenue in FY13. The ending fund balance is budgeted to improve approximately 3% in FY 14. Fund balance is 76% above policy made possible by restructuring of debt in FY12 along with the reimbursement of SDC fees from Facebook.

**Strategic Planning Updates**

- Short Term – In the short term, the Wastewater Department will begin preventative maintenance activities associated with recent lack of capital outlay. It is also the goal of the department to finalize the design of new effluent disposal wetland to position the project for grant funding.
- Long Term – Construct effluent disposal wetland, stabilize rate structure; provide sustainable capital improvement program dollars, and adequate fund balances.

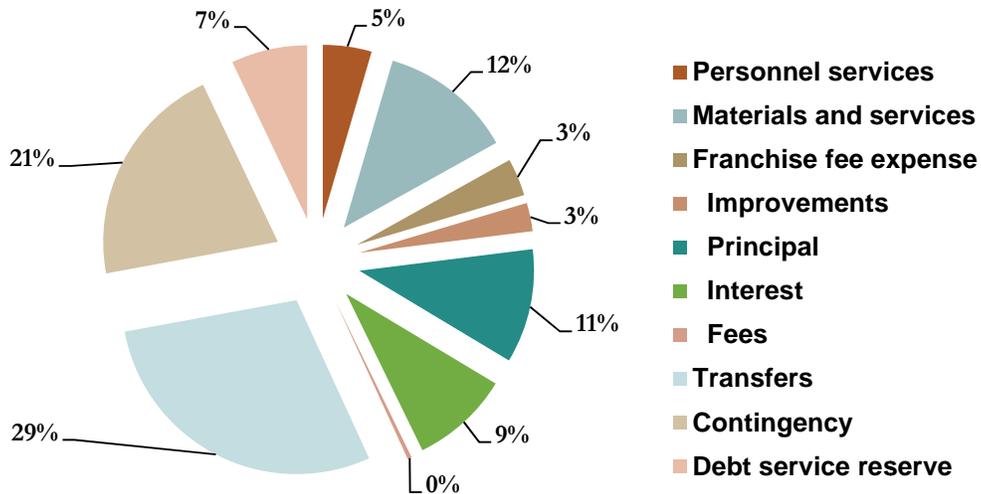
**Resources**



### Assumptions

Charges for services are budgeted to increase over year end estimates in FY 14 approximately 3%. The increase in charges for services is reflective of the proposed rate increase of 3% .

### Requirements



### Assumptions

Personnel services have increased 5% over the prior year budget. Materials and services for FY 14 have increased approximately 4%. The increase in requirements for wastewater operations total approximately \$54,500 over prior year.

### Executive Summary



*View of the Wastewater Treatment Plant*

The Wastewater Fund supports the City’s Wastewater Department, whose primary responsibility is to ensure the City’s wastewater system meets or exceeds all regulatory standards and requirements. The Department provides for the safe conveyance and treatment of residential, commercial, and industrial wastewater for the community. The wastewater collection system includes approximately 40 miles of collection lines ranging in size from three inches to 48 inches. The existing wastewater treatment plant consists of two parallel, partially aerated facultative lagoon systems capable of processing 1.67 million gallons of influent per day (MGD). Current average inflows to the plant are approximately 1.1 MGD. The existing plant produces a class C effluent. This effluent is discharged into the

Crooked River during the winter under an approved Department of Environmental Quality (DEQ) permit. At other times, effluent is stored and discharged via irrigation systems onto the City owned golf course or approximately 350 acres of City owned pasture lands.

## Accomplishments for FY 2012-2013

- The City continued the design of the effluent disposal wetland at the Wastewater Treatment Plant. The design is currently at 80% complete and is scheduled to be finalized in the fall of 2013.
- Installed 3,500 feet of eight inch collection main lines to serve the new data center industry.
- Continued to monitor influent flows and identified areas of infiltration and inflow.
- Installed an influent screen to remove organics from the incoming waste flows which will reduce downtime issues.
- Constructed 1,100 feet of 18 inch sewer as part of the Railroad Interceptor Project. This was done to remove a problem area in the collection system and increase capacity for future development.
- Installed an aeration system in the Wastewater Treatment Plant Storage Pond #1 to reduce reliance on chemical treatments thereby reducing ongoing costs. This will also reduce water quality complaints at the Meadow Lakes Golf Course disposal site.



## Operational Objectives

- To provide a friendly and responsive source of information and coordinated services.
- Assure and maintain the present and future health, safety, and welfare of the public.
- Cost effective maintenance, planning, permitting, inspections, and operations of our wastewater collection and treatment system.
- Maintain the key to our success with efficient and motivated efforts of quality through a committed staff.

## Goals and Objectives for FY 2013-2014

- Complete design of the Crooked River Wetland.
- Identify potential funding for the Crooked River Wetland project.
- Identify areas of Infiltration and Inflow (I&I).
- Update the sewer model with the newest information.
- Continue to serve the public, protect our environment and minimize the cost to the community.



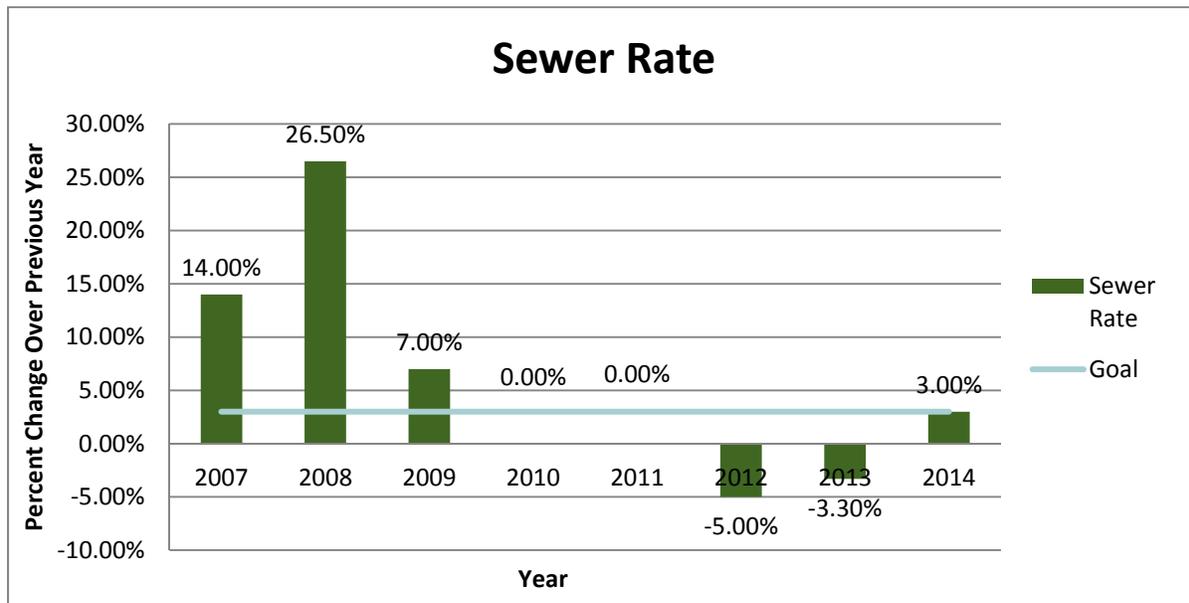
## Capital Outlay

Capital Outlay Overview		
Project	Amount Budgeted	
<b>Sanitary Sewer (materials and services)</b>		
Manhole rehabilitation (10 per year)	\$ 35,000	
<b>Treatment Plant</b>		
Golf Course pump rebuilds (2 at \$12.5k each)	\$ 25,000	
Irrigation improvements	\$ 10,000	
Pump rebuilds	\$ 18,500	
Upgrade chlorination system	\$ 25,000	
<b>Total</b>		\$ 113,500

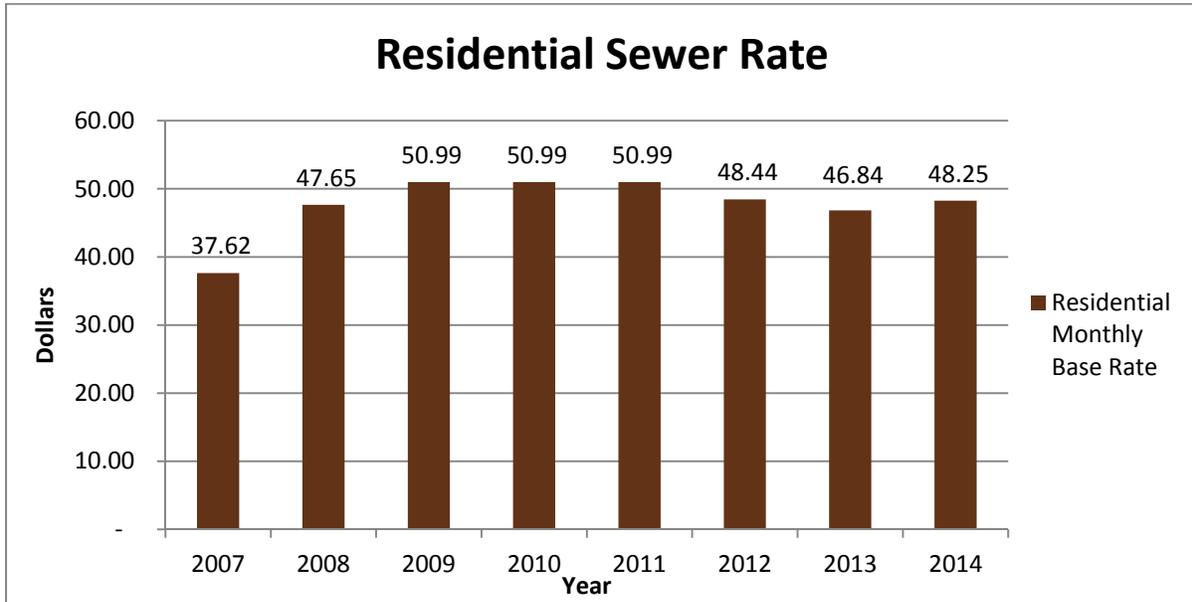
A more detailed summary of capital outlay can be found in the Short and Long Term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 81.

## Performance Measures

In previous years the City of Prineville has experienced double digit rate increases to meet debt to income ratio requirements. Recently, with the economic climate and 15% unemployment the City has been able to maintain a zero percent increase, while the last two years the City was able to decrease the monthly rate by 8.30% to help offset increasing water rates and stabilize total monthly utility costs. This year a 3% increase is proposed.



Our performance goal is to have a modest CPI yearly increase.



The capital improvement project (CIP) expenditures discussed in the preceding section are primarily related to scheduled preventative maintenance activities. As the City’s infrastructure reaches its expected useful life span, maintenance activities sharply increase, significantly impacting budgets. By performing preventative maintenance activities when scheduled, impacts to maintenance budgets are controlled and expenditures are reduced. This is another example of the City of Prineville controlling future unanticipated costs by professionally managing the public’s infrastructure.

## Golf Course Fund

*This fund accounts for the operation of the City's municipal golf course and restaurant at Meadow Lakes Golf Course and the effluent disposal site of the wastewater treatment plant. The principal sources of revenue are user fees, food and beverage sales, facility rental, and transfers from the wastewater fund for disposal site related services. Expenditures are for operation, administration, maintenance, and improvements to the course including the effluent disposal site and operation/administration of the restaurant. Operating costs are paid from Golf revenues and a contribution from the Sewer fund from rates. In 2013 the City of Prineville revised its 2006 business plan to reflect the facility's needs in the current economic market along with industry trends. The current budget is developed to maintain the financial direction outlined in the plan.*

Resources	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 10-11	FY 11-12	Budget FY 12-13	FY 12-13	Budget FY 13-14	Budget FY 13-14	Budget FY 13-14
<b>Beginning fund balance</b>	\$ 252,654	\$ 264,480	\$ 559,091	\$ 557,060	\$ 401,260	\$ 401,260	\$ 401,260
<b>Current year resources</b>							
Charges for services							
Golf Course	\$ 745,292	\$ 690,603	\$ 681,300	\$ 661,800	\$ 711,500	\$ 711,500	\$ 711,500
Waste disposal	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Restaurant	293,080	288,696	290,500	323,500	335,000	335,000	335,000
Interest	1,438	1,874	1,000	2,000	2,000	2,000	2,000
Miscellaneous		3,524	700	8,200	9,000	9,000	9,000
Debt proceeds		727,935	-	-	-	-	-
<b>Total current year resources</b>	\$ 1,389,810	\$ 2,062,632	\$ 1,323,500	\$ 1,345,500	\$ 1,407,500	\$ 1,407,500	\$ 1,407,500
<b>Total resources</b>	\$ 1,642,464	\$ 2,327,112	\$ 1,882,591	\$ 1,902,560	\$ 1,808,760	\$ 1,808,760	\$ 1,808,760
<b>Expenditures</b>							
	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 10-11	FY 11-12	Budget FY 12-13	FY 12-13	Budget FY 13-14	Budget FY 13-14	Budget FY 13-14
Golf Course	\$ 541,512	\$ 710,972	\$ 620,900	\$ 611,600	\$ 424,400	\$ 424,400	\$ 424,400
Waste disposal	406,995	439,662	457,900	432,100	453,100	453,100	453,100
Restaurant	369,477	346,646	333,400	380,500	397,300	397,300	397,300
Debt service							
Principal - note payable	58,999	216,309	-				
Interest - note payable	1,001	369	-				
Principal - credit facility		19,549	40,400	40,400	42,000	42,000	42,000
Interest - credit facility		4,410	7,600	7,600	6,000	6,000	6,000
Principal - 2011 bonds		10,000	10,000	10,000	10,000	10,000	10,000
Interest - 2011 bonds		22,135	19,100	19,100	18,900	18,900	18,900
Contingency			393,291		457,060	457,060	457,060
<b>Total expenditures</b>	\$ 1,377,984	\$ 1,770,052	\$ 1,882,591	\$ 1,501,300	\$ 1,808,760	\$ 1,808,760	\$ 1,808,760
<b>Ending fund balance</b>	\$ 264,480	\$ 557,060	\$ -	\$ 401,260	\$ -	\$ -	\$ -

**Personnel**

<b>Department &amp; Position</b>	<b>FY 13 FTEs</b>	<b>FY 14 FTEs</b>
<b>Golf Course &amp; Restaurant Fund</b>		
<b>Golf Course Operations Department</b>		
Golf Manager / Head Professional	1.00	1.00
<b>Golf Course Operations Department Total</b>	1.00	1.00
<b>Golf Course Disposal Site</b>		
Greenskeeper / Irrigation Tech	1.00	1.00
Mechanic	1.00	1.00
Superintendent	1.00	1.00
Part Time Seasonal		
<b>Golf Course Disposal Site Total</b>	3.00	3.00
<b>Golf Operations</b>		
Assistant Golf Operations Manager	1.00	1.00
Part Time Seasonal		
<b>Golf Operations Total</b>	1.00	1.00
<b>Restaurant Operations</b>		
Restaurant Supervisor	1.00	1.00
Cook/ Wait Staff (Part Time)		
<b>Restaurant Operations Total</b>	1.00	1.00
<b>Golf Course &amp; Restaurant Fund Total</b>	6.00	6.00

*No changes to the full time staffing number in FY 14. Part time seasonal staffing is monitored closely and adjusted as necessary.*

**Beginning Fund Balance & Ending Fund Balance / Contingency Comparison**

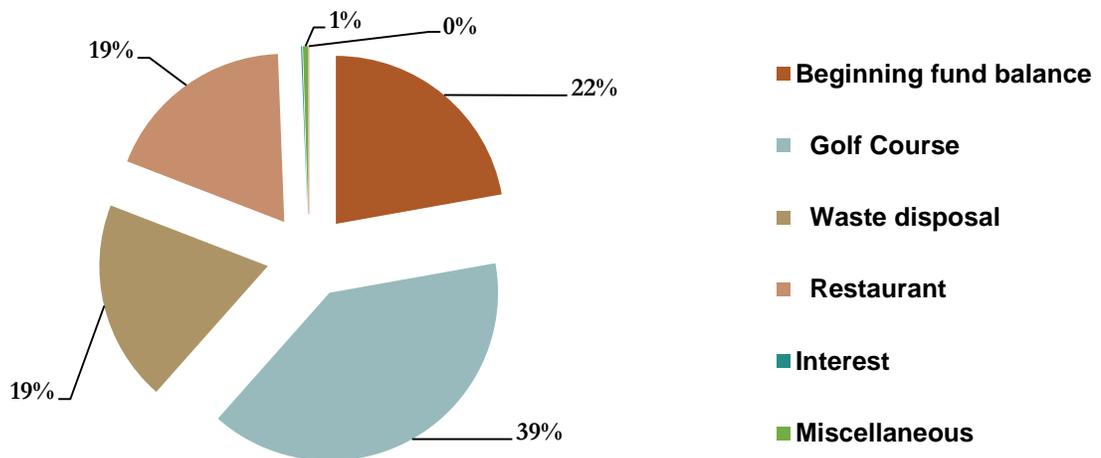
<b>Fund</b>	<b>Actual Beginning Fund Balance FY 12-13</b>	<b>Proposed FY 13-14 Beginning Fund Balance</b>	<b>% Change FY13 to FY 14</b>	<b>Proposed Ending Fund Balance / Contingency</b>	<b>% Change FY 14</b>	<b>Reserve Requirements by Policy</b>	<b>Over (Under) Requirements</b>
Golf Course and Restaurant	\$557,060	\$401,260	-28%	\$457,060	14%	\$229,540	99%

Local economic conditions have continued to reduce play, however, pro shop sales and restaurant activity are slowly improving. The Meadow Lakes Golf Fund has decreased in balance in FY 13 by 28% as anticipated due to the influx of capital funds from the previous year’s debt restructuring. The overall balance of the fund is budgeted to increase 14% in FY 14. The golf fund is well above policy requirements.

## Strategic Planning Update

- Short Term – The short term goal for Meadow Lakes is to maintain highest possible golf and restaurant experience using the most efficient measures possible to curb expenditures. Through our actions we hope to protect the existing customer base to ensure no further loss of business outside of the downturn due to economic situations for both the course and restaurant. Our golf fund will continue to be fiscally responsible by monitoring and adjusting expenses to match revenues on a monthly basis, therefore protecting the ending fund balance. A budgeted debt restructure, with the inclusion of additional capital dollars, has allowed the city's golf operations to make much needed capital improvements and maintenance.
- Long Term – In the long term Meadow Lakes Golf Course aims to return to a growth model for customer base through expansions in marketing and programming for golf and the restaurant. The main goal is to target families specifically and build up a bigger place in the community as a go to place for food and entertainment. Through business growth, the intention is to further nurture the fund to eventually be able to provide a revenue source that helps offset city wide operational expenses.

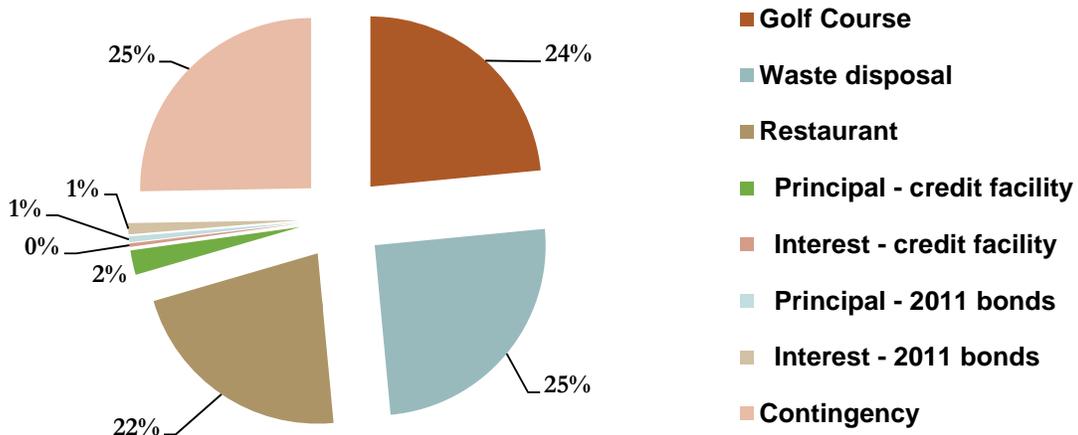
## Resources



## Assumptions

Golf revenue projections for operations in FY 14 propose a slight increase to activity in the Pro shop and Restaurant.

## Requirements



## Assumptions

Personnel services will increase approximately 2% in FY 14. Material and services will increase approximately 4% and capital expenditures will decrease to 12% of prior year budget. Ending fund balance/contingency is budgeted to increase approximately 14%. Meadow Lakes has improved fund balance approximately 81% since FY 11.

## Golf Course Fund – Organization of Fund

Meadow Lakes Golf Course was created to be a wastewater disposal site, with the bonus of creating an enterprise avenue to enrich the surrounding community. In FY 14, there are three departments (Golf Course, Waste Disposal, and Golf Course Restaurant) in the Golf Course Fund. This section will provide expenditure detail, executive summary information, goals and objectives of each unit, and, when available, performance measure data for these units of the Golf Course Fund.



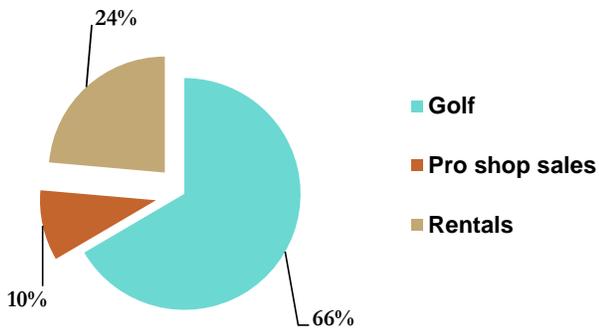
# Golf Course Operations

Revenue	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 10-11	FY 11-12	Budget FY 12-13	FY 12-13	Budget FY 13-14	Budget FY 13-14	Budget FY 13-14
Golf	\$ 529,506	\$ 479,721	\$ 472,400	\$ 430,000	\$ 473,500	\$ 473,500	\$ 473,500
Pro shop sales	56,308	62,269	54,000	69,000	70,000	70,000	70,000
Rentals	159,478	148,614	154,900	162,800	168,000	168,000	168,000
<b>Total revenue</b>	<b>\$ 745,292</b>	<b>\$ 690,603</b>	<b>\$ 681,300</b>	<b>\$ 661,800</b>	<b>\$ 711,500</b>	<b>\$ 711,500</b>	<b>\$ 711,500</b>

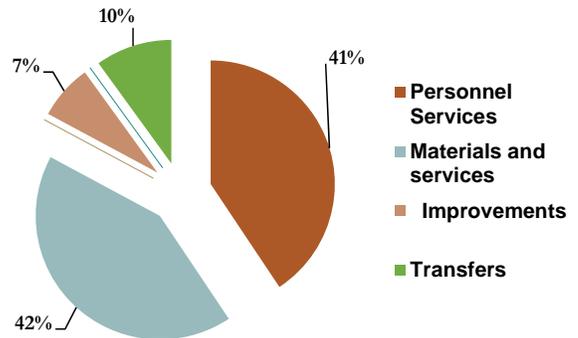
  

Expenditures	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 10-11	FY 11-12	Budget FY 12-13	FY 12-13	Budget FY 13-14	Budget FY 13-14	Budget FY 13-14
Personnel Services	\$ 225,387	\$ 202,925	\$ 158,300	\$ 163,000	\$ 172,500	\$ 172,500	\$ 172,500
Materials and services	234,019	218,999	151,600	171,800	179,200	179,200	179,200
Capital outlay							
Improvements		236,649	280,000	245,800	30,500	30,500	30,500
Equipment leases	29,806	-	-	-	-	-	-
Transfers	52,300	52,400	31,000	31,000	42,200	42,200	42,200
<b>Total expenditures</b>	<b>\$ 541,512</b>	<b>\$ 710,972</b>	<b>\$ 620,900</b>	<b>\$ 611,600</b>	<b>\$ 424,400</b>	<b>\$ 424,400</b>	<b>\$ 424,400</b>

## Resources



## Requirements



## Capital Outlay

Capital Outlay Overview		
Project	Amount Budgeted	
<b>Improvements</b>		
Exterior painting – Cart barn	\$	5,000
Exterior painting – Club house	\$	15,000
Landscaping upgrades	\$	500
Windows & Seals – Banquet & Dining room	\$	10,000
<b>Total</b>		\$ 30,500

*A more detailed summary of capital outlay can be found in the Short and Long Term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 81.*



### Executive Summary

Meadow Lakes serves as both a municipal golf course and a wastewater disposal site to Prineville. The course has been open for over 20 years and continues to receive great reviews from the golfing community. For travelers and citizens alike, the course serves as a beautiful entry way for those coming into the city via Highway 126. Meadow Lakes receives great local and regional support including players who travel from all over the Northwest to play at the course awarded as an “Environmental Leader” by Golf Digest. Meadow Lakes has a full service restaurant and lounge with facilities for hosting weddings, auctions, fundraisers, or any other large event. Meadow Lakes strives to keep both its customer service and food quality at exceptional levels. The golf shop is kept fully stocked with all the necessities for the modern day golfer on a course that is one of Central Oregon’s best golf values. All of the departments under the banner of Meadow Lakes operations have selected dedicated and experienced staff members that take pride in offering the highest quality of service to its patrons.

### Accomplishments for FY 2012-2013

- Purchased two new greens mowers that will help improve the quality of the greens, a trait that is highly significant to golfers when selecting which course to play. The new mowers will allow the maintenance crew to be able to mow at a lower height, verti-cut more frequently, and regularly roll the greens in order to increase the speed of the greens when desired. The new mowers will also help prevent hydraulic leaks that instantly kill the grass.
- Replaced, lengthened, stabilized, and increased the height of the driving range net in order to improve safety and reduce expenses in replacing lost range balls.
- Implemented a successful “Dog and Draft” advertising promotion that has helped to increase late winter/early spring play 22% over previous year, while also improving snack bar sales by 31%.
- Increased promotion of the restaurant and banquet facility, and have implemented new and creative daily specials, “happy hour” during peak season, a new banquet menu, and a new

breakfast menu, while also improving customer service and food quality resulting in an overall increase of 8%) or \$27,300 in restaurant revenue over the previous year.

- Restructured the management team and altered scheduling practices for part-time / seasonal employees in the golf shop and maintenance departments which have helped lead to a decrease in the amount of labor dollars by 10% over the previous year in those departments.
- Replaced the Heating, Ventilation, and Air Conditioning Unit (HVAC) in the clubhouse, and replaced / upgraded the HVAC unit in the banquet room. The new system in the clubhouse is much more efficient, which will save in energy costs. The new banquet unit is also very energy-efficient, but is also much more powerful than the old unit, which will make summer banquets more enjoyable and comfortable for guests. The old system could not keep up in the warm summer months, and guests were consequently uncomfortable during banquets.
- Enhanced the visual aspect of the facility by upgrading the landscaping features including additional flowers and shrubs and new bark around the clubhouse and cart barn.
- Began the process of implementing the PGA's "Tee it Forward" initiative by adding an additional set of tees on each hole which has made the course more player friendly for golfers of all ability levels.
- Purchased new patio furniture to entice and increase the number of restaurant guests that eat outside during the peak season.
- Purchased and installed new bunker sand in each of the 36 green-side bunkers, which has drastically improved the visual aspect and playability of the sand traps.
- Began replacing low quality turf on holes #9 and #18 near the river area with additional topsoil, new turf and proper irrigation equipment. The new irrigation lines will help to maintain the quality of the new turf moving forward.
- In the process of replacing the range ball dispenser with a new machine that will make a number of improvements: 1) it will be more reliable and operate with less mechanical errors that reflect poorly on the facility; 2) the new machine will use a code, rather than tokens, which will allow us to save upwards of \$750 per year that is spent on lost range tokens that are never redeemed; 3) the new machine will allow for the use of membership cards and pre-paid range cards that will be more convenient for the patrons and also cut down on lines and wait time in the golf shop.
- Developed and implemented a new Safety Manual for the restaurant.
- Developed and implemented a new general standards and procedures binder for the restaurant.
- Increased golf cart rentals by 8% over FY12.
- Increased merchandise sales in the golf shop by 9% over FY12.
- Increased annual pass sales by 10% over FY12.

### **Operational Objectives**

Meadow Lakes Golf Course is charged with the unique tasks of efficiently disposing wastewater in an environmentally responsible way and running an enterprise. While the restaurant and golf course operations are charged with the primary goal of providing outstanding service to golfers and the population at large, the course disposal team is to provide the golfing public with the best playing conditions possible. All departments follow their primary objections while maintaining fiscal responsibility by staying within budget guidelines set by the revenues received and expenditures planned for the year.

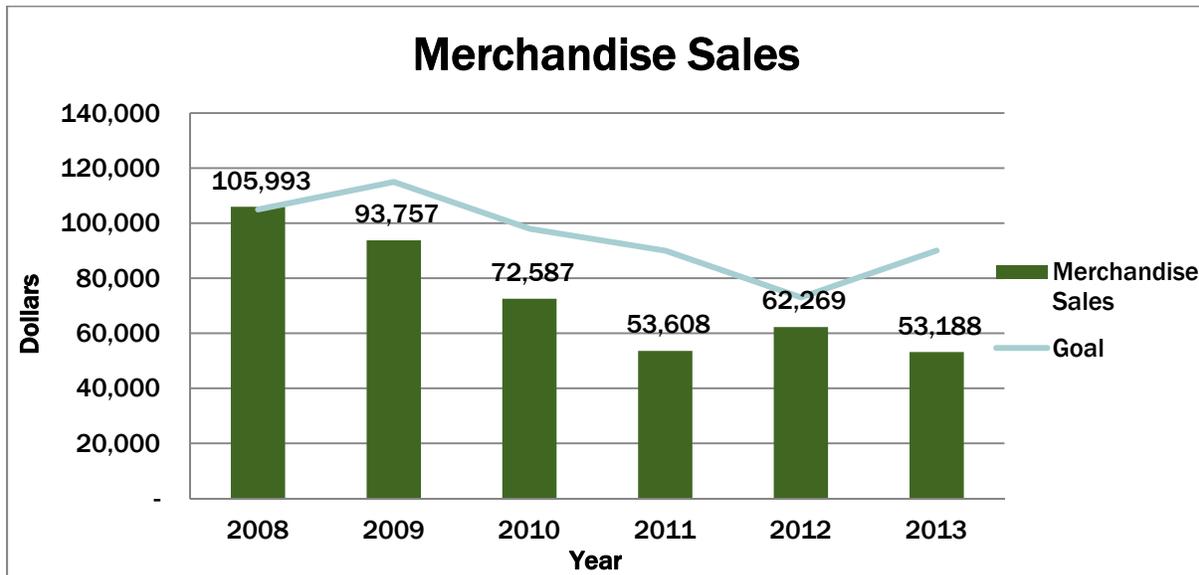
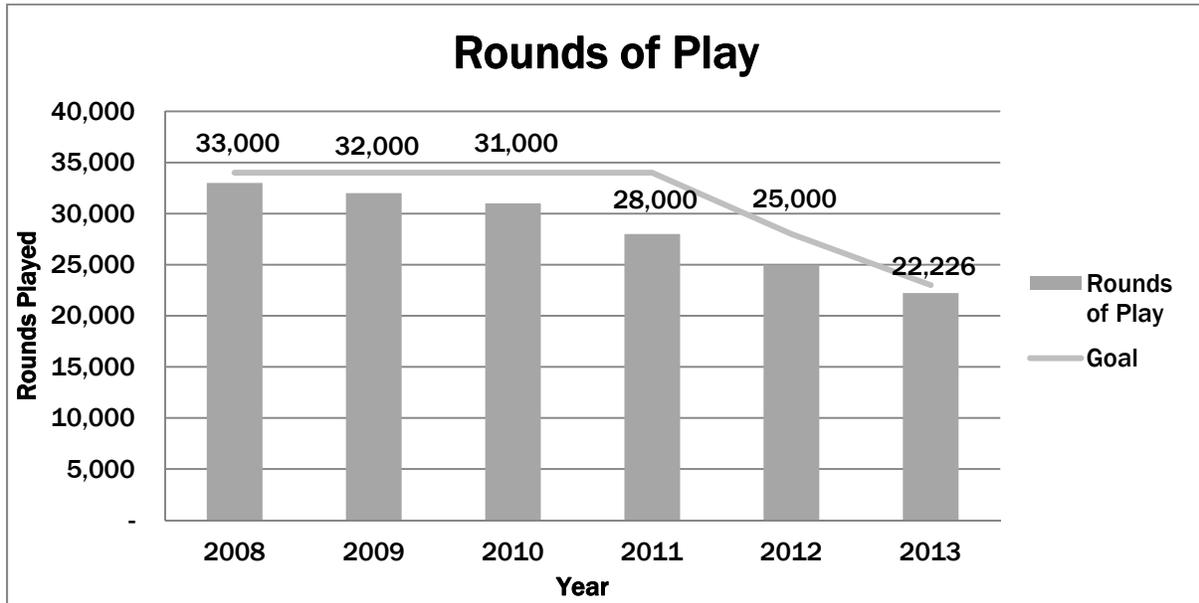
## **Goals and Objectives for FY 2013-2014**

In the upcoming budget year, the aim of Meadow Lakes is to continue strategically improve the condition of the golf course using the resources allotted with creativity and purpose. Projects that will extend the life of the course and reduce maintenance costs, therefore creating an air of fiscal responsibility to the Prineville's citizens, will be a major focus. An aggressive top dressing program to improve the overall quality of turf, restoration of specified carts paths, and better irrigation practices will be some of the greater steps taken in 2013-2014 to achieve this goal. These improvement projects are to run in tandem with increasing restaurant and course patrons through specials, advertising, and enticements to help drive revenues. Other goals and objects are as follows:

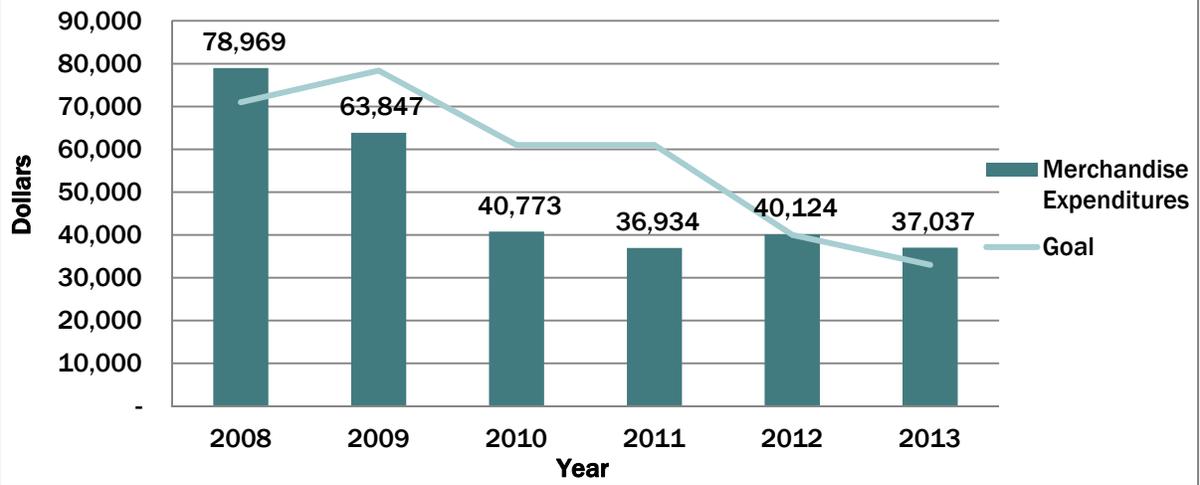
- Continue to advertise to promote the restaurant and golf course both together and individually with carefully selected media and added value offers.
- Continue the process of replacing coniferous trees that are dying out (due to their incompatibilities with our soil and water levels), with deciduous trees that are compatible to our area.
- Implement new lunch menu in the restaurant to increase profitability and maintain high food standards.
- Create attractive and informational banquet and wedding brochures that will help to promote the wide variety of events that can be accommodated using the restaurant and banquet facilities.
- Continue to enhance the visual aspect of the facility by painting the exterior of the clubhouse and cart barn.
- Increase restaurant business with late day specials, improved / updated menu, and themed specials during specific times of the week that are identified as "slow".
- Increase revenue from Daily Play Golf by a 10% over FY13.
- Refurbish the cart path from the bridge on Hole #1, past the driving range out to the Maintenance Shed, and from the Maintenance Shed along holes #1 and #2 to the gate on #3 Tee box, as well as patching damaged areas around the course.
- Take steps to improve the health and clarity of the ten effluent ponds on the course. Draining and cleaning the pond on Hole #10 is the first priority.
- Increase annual golf pass revenue by 6% over FY13.
- Update the current website with a new format that will be able to be modified conveniently by management. This will allow us to frequently update information and add daily/weekly/monthly specials.

## Performance Measures

Charts will be updated at year-end for 2013



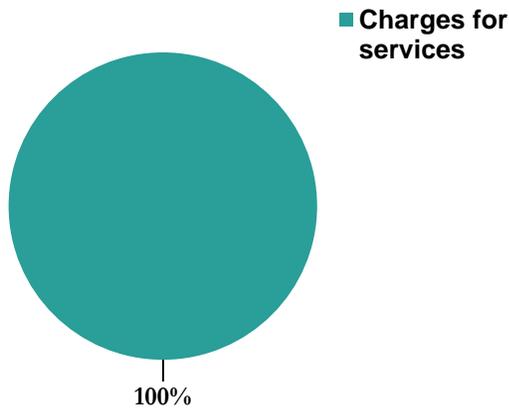
## Merchandise Expenditures



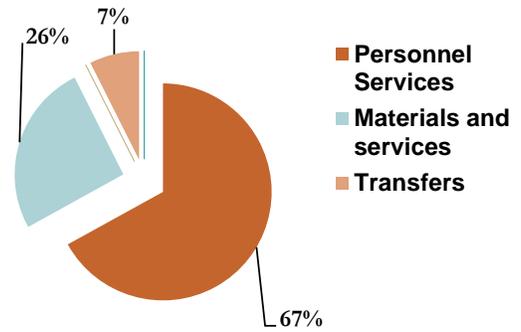
# Wastewater Disposal

	Actual FY 10-11	Actual FY 11-12	Current Budget FY 12-13	Estimates FY 12-13	Proposed Budget FY 13-14	Approved Budget FY 13-14	Adopted Budget FY 13-14
<b>Revenue</b>							
Charges for services	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000
<b>Total revenue</b>	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000
	Actual FY 10-11	Actual FY 11-12	Budget FY 12-13	Estimates FY 12-13	Proposed Budget FY 13-14	Approved Budget FY 13-14	Adopted Budget FY 13-14
<b>Expenditures</b>							
Personnel Services	\$ 296,936	\$ 307,798	\$ 307,000	\$ 298,000	\$ 302,700	\$ 302,700	\$ 302,700
Materials and services	89,859	97,264	129,100	112,300	116,800	116,800	116,800
Transfers	20,200	34,600	21,800	21,800	33,600	33,600	33,600
<b>Total expenditures</b>	\$ 406,995	\$ 439,662	\$ 457,900	\$ 432,100	\$ 453,100	\$ 453,100	\$ 453,100

## Resources



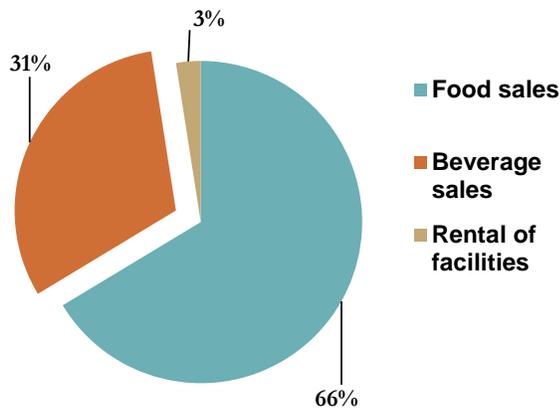
## Requirements



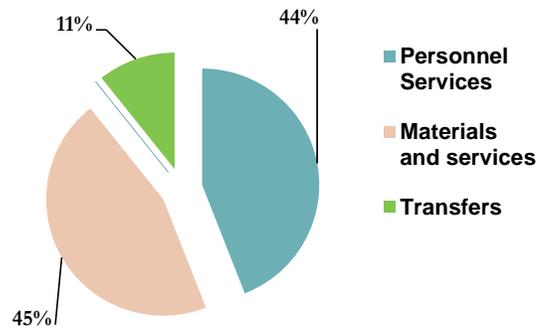
# Restaurant

	Actual FY 10-11	Actual FY 11-12	Current Budget FY 12-13	Estimates FY 12-13	Proposed Budget FY 13-14	Approved Budget FY 13-14	Adopted Budget FY 13-14
<b>Revenue</b>							
Food sales	\$ 197,016	\$ 192,452	\$ 188,000	\$ 218,000	\$ 225,000	\$ 225,000	\$ 225,000
Beverage sales	92,073	90,639	95,500	98,000	102,000	102,000	102,000
Rental of facilities	\$ 3,991	5,605	\$ 7,000	7,500	8,000	8,000	8,000
<b>Total revenue</b>	\$ 293,080	\$ 288,696	\$ 290,500	\$ 323,500	\$ 335,000	\$ 335,000	\$ 335,000
<b>Expenditures</b>							
Personal services	\$ 177,974	\$ 146,118	\$ 128,000	\$ 172,000	\$ 171,100	\$ 171,100	\$ 171,100
Materials and services	159,303	160,428	175,100	178,200	183,600	183,600	183,600
Transfers	32,200	40,100	30,300	30,300	42,600	42,600	42,600
<b>Total expenditures</b>	\$ 369,477	\$ 346,646	\$ 333,400	\$ 380,500	\$ 397,300	\$ 397,300	\$ 397,300

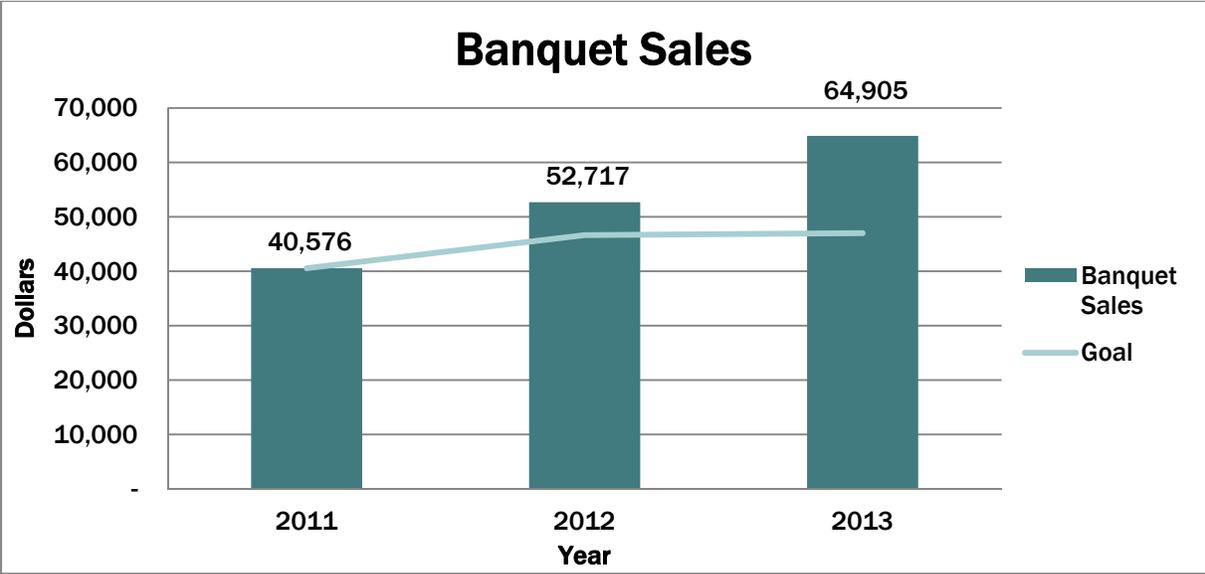
## Resources



## Requirements



**Performance Measures**

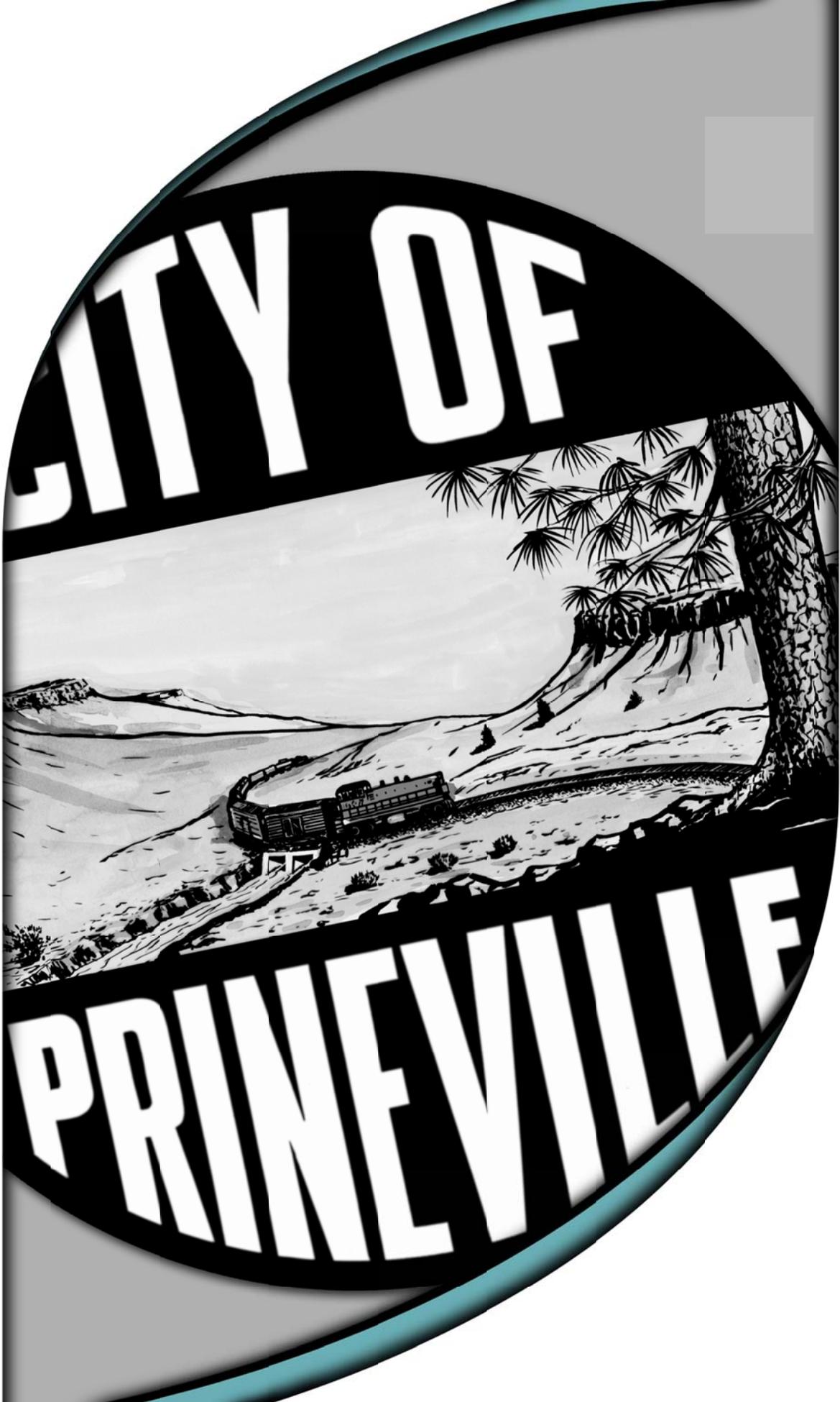


For FY 13, the goal was to increase the activity of the Restaurant before 9:00AM and after 3:00PM. The best way to do this was through banquet bookings. As indicated by the chart, banquet bookings are up over previous years.

## Freight Depot

*This fund accounted for the operation of the City's railroad freight warehousing operation. Revenues are derived from customers needing storage, loading, or unloading services for freight shipping via the City's railroad or other forms of freight transportation. This fund is combined with the Railroad fund in FY 14. A transfer is budgeted to close out this fund.*

Resources	Actual	Actual	Budget	Estimates	Proposed	Approved	Adopted
	FY 10-11	FY 11-12	FY 12-13	FY 12-13	Budget FY 13-14	Budget FY 13-14	Budget FY 13-14
<b>Beginning fund balance</b>	\$ 36,604	\$ 22,755	\$ 35,953	\$ 20,584	\$ 125,884	\$ 125,884	\$ 125,884
<b>Current year resources</b>							
Charges for services	116,638	91,453	110,000	158,000	-	-	-
Interest	89	168	200	300	-	-	-
Miscellaneous	14,549	4,131	100	-	-	-	-
Transfers	110,486	455,353	165,900	165,900	-	-	-
Debt proceeds		451,438	-				
<b>Total current year resources</b>	\$ 241,762	\$ 1,002,543	\$ 276,200	\$ 324,200	\$ -	\$ -	\$ -
<b>Total resources</b>	\$ 278,366	\$ 1,025,298	\$ 312,153	\$ 344,784	\$ 125,884	\$ 125,884	\$ 125,884
			<b>Current</b>		<b>Proposed</b>	<b>Approved</b>	<b>Adopted</b>
<b>Expenditures</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimates</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
	<b>FY 10-11</b>	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 12-13</b>	<b>FY 13-14</b>	<b>FY 13-14</b>	<b>FY 13-14</b>
Personnel Services	\$ 76,629	\$ 52,067	\$ 85,900	\$ 50,300	\$ -	\$ -	\$ -
Materials and services	55,496	53,866	55,800	54,000	-	-	-
Debt service							
Principal Hwy 126	64,698	367,253	-		-	-	-
Interest Hwy 126	45,788	13,100	-		-	-	-
Principal Credit facility		485,125	84,900	84,800	-	-	-
Interest Credit facility		19,503	16,000	16,000	-	-	-
Transfers	13,000	13,800	13,800	13,800	125,884	125,884	125,884
Contingency			55,753	0	0	0	0
<b>Total expenditures</b>	\$ 255,611	\$ 1,004,714	\$ 312,153	\$ 218,900	\$ 125,884	\$ 125,884	\$ 125,884
<b>Ending fund balance</b>	\$ 22,755	\$ 20,584	\$ -	\$ 125,884	\$ -	\$ -	\$ -



# Internal Service Funds

Administration/Financial Support Services Fund

Public Works Support Services Fund

City Hall Fund

Plaza Maintenance Fund

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## Admin/Financial Support Services Fund

*The Administrative / Financial Support Service Fund is an internal service fund that accounts for the activities of the City Council and Administrative Services. The services provided are recovered through charges for services to other funds.*

<b>Resources</b>	<b>Actual FY 10-11</b>	<b>Actual FY 11-12</b>	<b>Budget FY 12-13</b>	<b>Estimates FY 12-13</b>	<b>Proposed Budget FY 13-14</b>	<b>Approved Budget FY 13-14</b>	<b>Adopted Budget FY 13-14</b>
<b>Beginning fund balance</b>	\$ 362,554	\$ 307,769	\$ 282,521	\$ 289,704	\$ 144,004	\$ 144,004	\$ 144,004
<b>Current year resources</b>							
Charges for services	\$ 1,537,285	\$ 1,591,031	\$ 1,593,400	\$ 1,604,700	\$ 1,862,100	\$ 1,862,100	\$ 1,862,100
Interest	1,555	916	1,000	1,000	1,000	1,000	1,000
<b>Total current year resources</b>	\$ 1,538,840	\$ 1,591,947	\$ 1,594,400	\$ 1,605,700	\$ 1,863,100	\$ 1,863,100	\$ 1,863,100
<b>Total resources</b>	\$ 1,901,394	\$ 1,899,716	\$ 1,876,921	\$ 1,895,404	\$ 2,007,104	\$ 2,007,104	\$ 2,007,104
			<b>Current Budget FY 12-13</b>	<b>Estimates FY 12-13</b>	<b>Proposed Budget FY 13-14</b>	<b>Approved Budget FY 13-14</b>	<b>Adopted Budget FY 13-14</b>
<b>Expenditures</b>	<b>Actual FY 10-11</b>	<b>Actual FY 11-12</b>					
City Council	\$ 68,733	\$ 59,706	\$ 77,300	\$ 73,400	\$ 80,900	\$ 80,900	\$ 80,900
Administration/team services	696,432	657,789	684,500	658,800	685,200	685,200	685,200
Financial services	443,085	496,211	545,100	578,100	627,900	627,900	627,900
Information technology	385,375	396,306	435,600	441,100	432,800	432,800	432,800
Contingency	-	-	134,421	-	180,304	180,304	180,304
<b>Total expenditures</b>	\$ 1,593,625	\$ 1,610,012	\$ 1,876,921	\$ 1,751,400	\$ 2,007,104	\$ 2,007,104	\$ 2,007,104
<b>Ending fund balance</b>	\$ 307,769	\$ 289,704	\$ -	\$ 144,004	\$ -	\$ -	\$ -

## Personnel

Department & Position	FY 13 FTEs	FY 14 FTEs
<b>Admin. &amp; Financial Support Services Fund</b>		
City Manager	1.00	1.00
Administrative Assistant / City Recorder	1.00	1.00
Human Resource Director	1.00	1.00
Procurement/Contract Administrator	1.00	1.00
Finance Assistant II	4.00	4.00
Finance Director	1.00	1.00
IT Manager	1.00	1.00
IT Specialist I	0.00	0.50
IT Specialist II	1.00	1.00
<b>Admin. &amp; Financial Support Services Fund Total</b>	<b>11.00</b>	<b>11.50</b>

*For FY 14, a part-time IT Specialist I was added which changes the IT Specialist to IT Specialist II.  
No other changes were made.*

## City Council

Expenditures	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 10-11	FY 11-12	Budget FY 12-13	FY 12-13	Budget FY 13-14	Budget FY 13-14	Budget FY 13-14
Materials and services	\$ 35,533	\$ 25,506	\$ 42,000	\$ 38,100	\$ 44,500	\$ 44,500	\$ 44,500
Transfers	33,200	34,200	35,300	35,300	36,400	36,400	36,400
<b>Total expenditures</b>	<b>\$ 68,733</b>	<b>\$ 59,706</b>	<b>\$ 77,300</b>	<b>\$ 73,400</b>	<b>\$ 80,900</b>	<b>\$ 80,900</b>	<b>\$ 80,900</b>

Seven volunteer positions make up the City Council; one Mayor and six councilors. The materials and services budget includes training dollars, membership fees, specific support for Council approved contributions and discretionary spending.

## Finance

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Expenditures	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 10-11	FY 11-12	Budget FY 12-13	FY 12-13	Budget FY 13-14	Budget FY 13-14	Budget FY 13-14
Personnel Services	\$ 290,547	\$ 340,350	\$ 363,000	\$ 365,000	\$ 385,800	\$ 385,800	\$ 385,800
Materials and services	124,038	126,461	151,800	182,800	210,900	210,900	210,900
Transfers	28,500	29,400	30,300	30,300	31,200	31,200	31,200
<b>Total expenditures</b>	<b>\$ 443,085</b>	<b>\$ 496,211</b>	<b>\$ 545,100</b>	<b>\$ 578,100</b>	<b>\$ 627,900</b>	<b>\$ 627,900</b>	<b>\$ 627,900</b>

### Executive Summary

The Finance Department provides the City's financial accounting and reporting, auditing, budget preparation, long range planning, cash and investment management, payroll, billings and collection, disbursement processing, risk management oversight, and grant coordination.

### FY 2012-2013 Accomplishments

- Provided timely and accurate quarterly financial reports to Council.
- Cross training completed in all areas of finance, reporting, accounts payable/receivable, utilities, and payroll.
- Maintained quality service at front counter and phones.
- Delivered consistent and accurate billing.
- Completed long range planning for water, wastewater, golf, and general fund.
- Completed updating business plan for Meadow Lakes Golf Course.
- Began strategizing on PERS issues as they relate to our city, exploring viable options to stabilize the PERS rate for future budgets.
- Improvement towards department communication/processes.
- Prepared financial statements and related supporting documentation in house.
- Received *Distinguished Budget Award* from GFOA.

### Operational Objectives

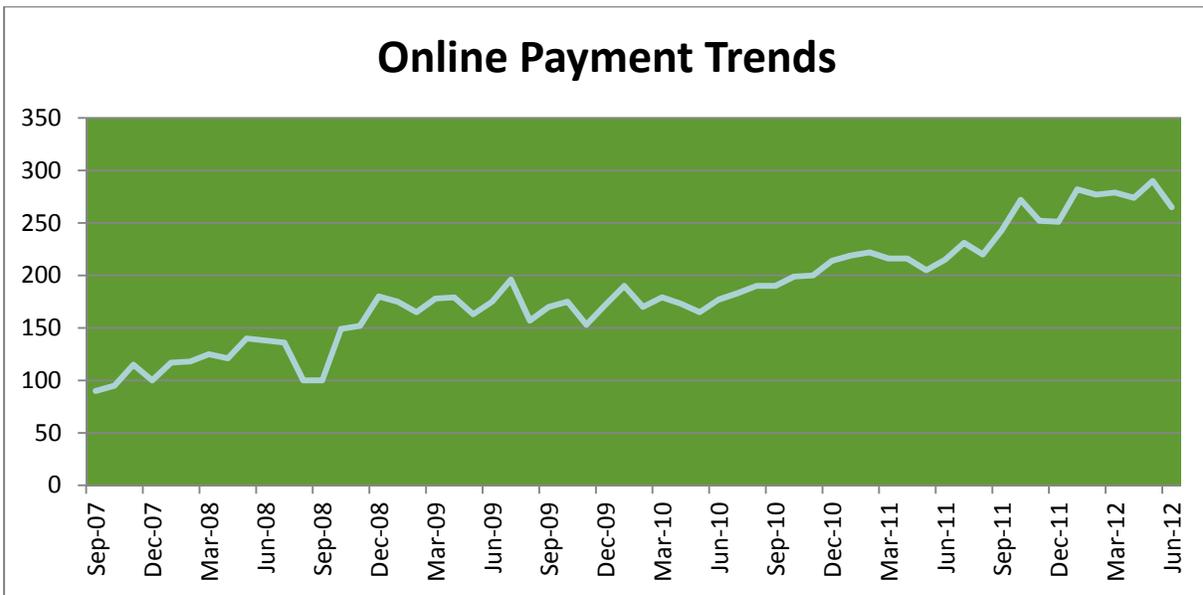
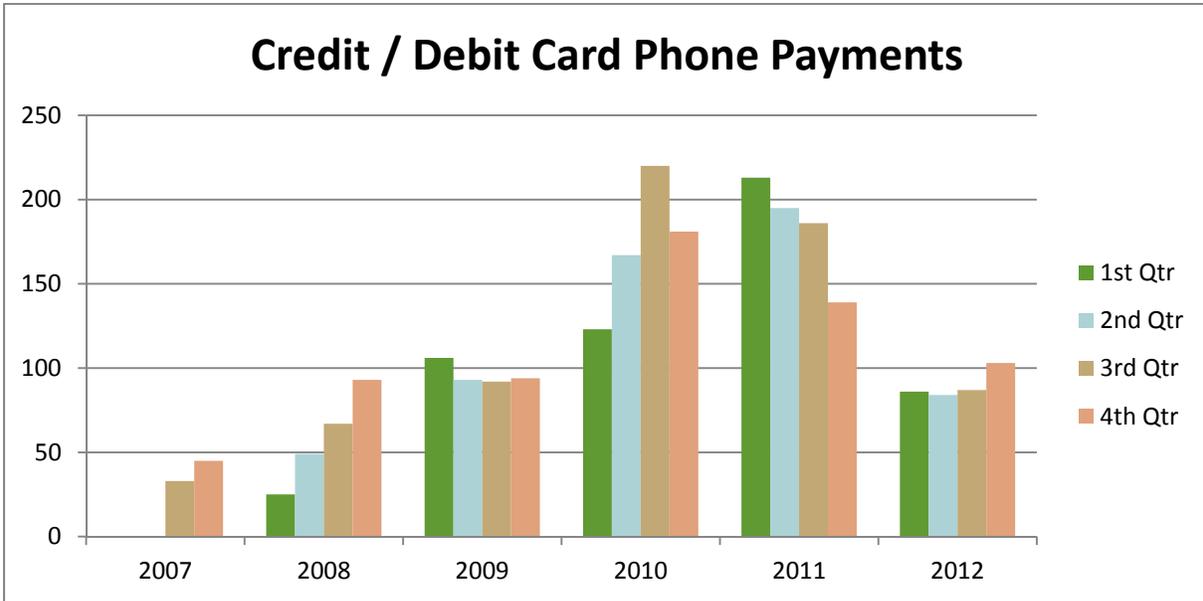
The mission of the Prineville Finance Services Department is to provide the taxpayers of the City of Prineville, its Council and all employees, with accurate, timely data, maximize returns on investments, and minimize loss and risk. We strive to achieve our mission in a professional and friendly manner that reflects the integrity of the overall mission of the City.

### FY 2013-2014 Goals & Objectives

- Continue focus on in depth software training and cross training in all areas of finance.
- Continue efforts with software expansion beyond finance to departments to increase utilization and efficiency of the City's financial software.
- Continue to enhance demand reporting for business type funds.
- Continue efforts / update and create five year financial plans for all city activities.
- Develop and submit budget document for FY 14 to GFOA for budget award.
- Continue to maintain quality service at the front counter and phones, while creating more efficiency throughout the department.

- Review and update water and sewer ordinances.
- Continue to improve reserves to meet city policy requirements.
- Identify revenue to fund governmental fund accrual.
- Identify and move forward with PERS stabilization plan.
- Complete setup for GASB reporting model software for improved comprehensive financial document.
- Create business plan for all enterprise funds.

**Performance Measures**

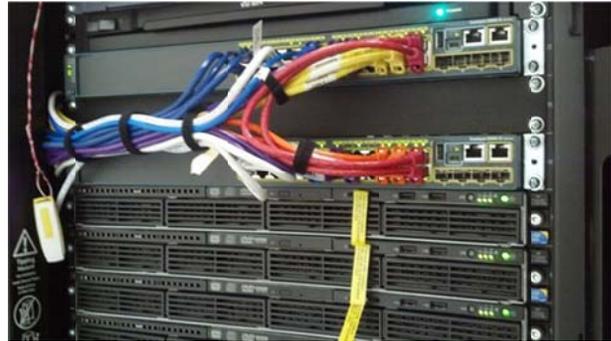


## Information Technology

Expenditures	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 10-11	FY 11-12	Budget FY 12-13	FY 12-13	Budget FY 13-14	Budget FY 13-14	Budget FY 13-14
Personnel Services	\$ 159,920	\$ 169,997	\$ 178,000	\$ 178,000	\$ 209,600	\$ 209,600	\$ 209,600
Materials and services	189,255	189,709	200,700	206,200	210,900	210,900	210,900
Capital outlay							
Equipment			20,000	20,000			
Transfers	36,200	36,600	36,900	36,900	12,300	12,300	12,300
<b>Total expenditures</b>	<b>\$ 385,375</b>	<b>\$ 396,306</b>	<b>\$ 435,600</b>	<b>\$ 441,100</b>	<b>\$ 432,800</b>	<b>\$ 432,800</b>	<b>\$ 432,800</b>

### Executive Summary

The Information Technology Department (IT) provides cost effective technology services to the City. The department upgrades software and hardware, manages maintenance of computers and communications devices, installs electronic equipment in vehicles, manages the City's computer network and website, and manages the Prineville 911 fixed radio site infrastructure. This department provides support services to other functional departments and City staff to perform their responsibilities throughout the day as well as additional projects. The IT Department has developed internal programs to assist each department in gathering valuable information, keeps all forms of communication in the city running efficiently, assists in grant writing, assists in meetings and much more. The IT Department continuously provides excellent support with a can do attitude and keeps the city on the cutting edge of technology.



### Accomplishments for FY 2012-2013

- Installed an emergency communications site on Wolf Mountain providing 911-Dispatch connectivity to Rager Emergency Services, Crook County Fire and Rescue and the Crook County Sheriff's Office. This site provides radio coverage back to 911 in areas of Eastern Crook County and Paulina.
- Developed the Grizzly Mountain Emergency Communications site completing the 2009 IECGP Grant and moved all public safety infrastructures from leased spaced into the new facility and 100' free standing tower.
- Deployed microwave equipment connecting the Prineville 911 center to the new Grizzly Mountain communications site.
- Completed the federally mandated process of migration of all radio users to narrowband channels. This involved extensive inventory, updates and replacement of key radio infrastructure.
- Deployed a Digital Mobile Radio (DMR) system to replace the Railway's aging radio equipment and bring them into narrowband compliance.
- Installed security enhancements including video surveillance at the Prineville City Hall building.
- Equipped two new police vehicles with technology up fit packages.

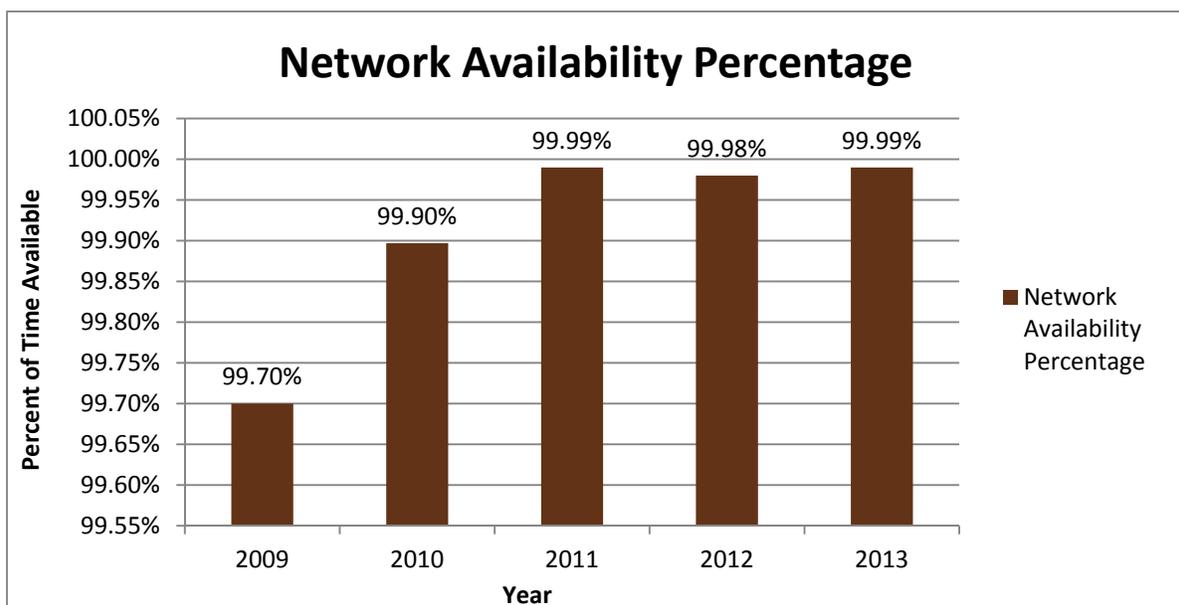
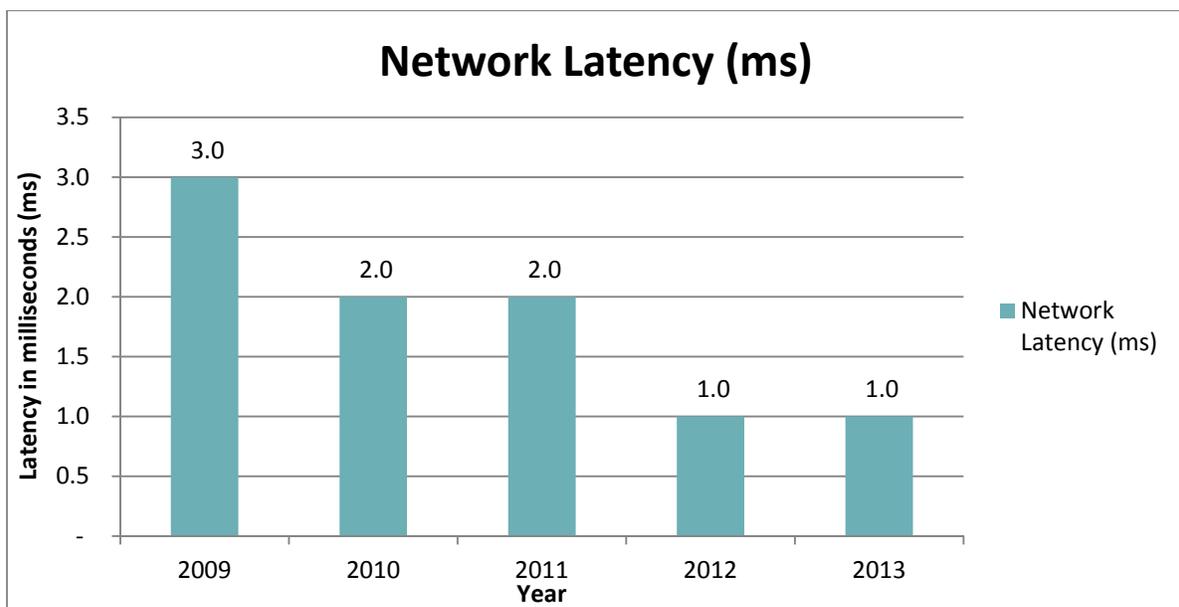
## Operational Objectives

The mission of Information Technology is to provide cost-effective technology services both internally and externally which meet the needs of a diverse user group while enabling dissemination of information to the general public through the use of varied present-day technology.

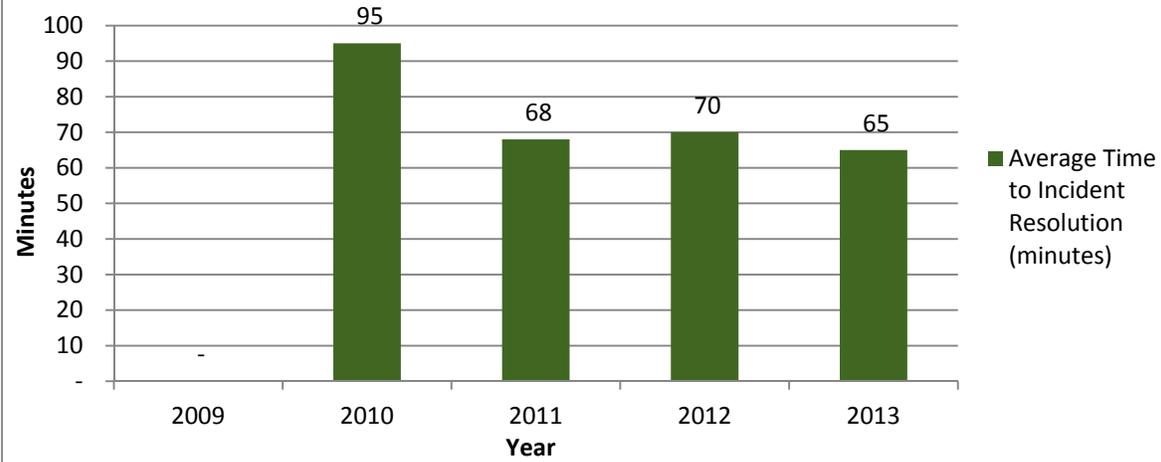
## Goals and Objectives for FY 2013-2014

- Replace copy machines and workgroup printers with new managed devices and pool resources across all departments to realize cost savings on document production.
- Migrate the telephone systems at two facilities to voice over IP system.
- Deploy new City website.

## Performance Measurements



# Average Time to Incident Resolution (minutes)



## Admin/Team Services

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Expenditures	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 10-11	FY 11-12	Budget FY 12-13	FY 12-13	Budget FY 13-14	Budget FY 13-14	Budget FY 13-14
Personnel Services	\$ 492,183	\$ 458,282	\$ 437,000	\$ 432,000	\$ 442,000	\$ 442,000	\$ 442,000
Materials and services	177,049	171,406	218,600	197,900	213,400	213,400	213,400
Transfers	27,200	28,100	28,900	28,900	29,800	29,800	29,800
<b>Total expenditures</b>	<b>\$ 696,432</b>	<b>\$ 657,789</b>	<b>\$ 684,500</b>	<b>\$ 658,800</b>	<b>\$ 685,200</b>	<b>\$ 685,200</b>	<b>\$ 685,200</b>

### Executive Summary

The City Manager and the Human Resources Director guide City departments with personnel needs, oversee risk management, and the implementation of long range plans, goals and objectives of the City.



*Exterior view of City Hall*

### Accomplishments for FY 2012-2013

- As the economy continued toward recovery, we hired a few employees that are highly qualified with appropriate knowledge, skills, and abilities.
- We have encouraged professional development of our valued team members.
- Conducted a compensation survey for police negotiations with the goal in mind that we remain competitive in the region and State.
- We provided employees with a compensation statement annually which clearly shows all the benefits and reminds employees how fortunate we are to work for the citizens of Prineville.
- Continued to work on safety and wellness awareness.
  - The joint health fair with Crook County last June was very successful. Another is being planned for this year.
  - We have provided health, safety, and wellness articles in the monthly newsletter, and also furnished employees with some bi-monthly newsletters focused on health topics
- Carefully watched the State Unemployment Insurance claims and Workers' Compensation claims. Incidents are reported to the Safety Committee monthly and are briefly reviewed.

We have a few employees seeking college degrees to further their professional development on their own time. Cross-training is being completed as time allows. This is challenging during times of tightened budgets.

Our State Unemployment Insurance rate will decrease significantly on July 1, 2013. The new rate will be 1.7%, down from 3.1%. Even with the decrease we will keep a watchful eye on our claims and every attempt will be made to keep our costs down.

Our workers' compensation premium will be fairly stable for 2013-2014. The claims costs of 2009 and 2010 have had a negative effect on our Experience Modification rate (MOD). However, it will decline by 0.01% beginning July 1, 2013. We need to continue to work with our team members to be safety

conscious. "Safety first," that's our motto! We hope to put SAIF to work providing some safety training this fall or winter for us.

Our property/casualty and liability claims count are down for 2012-2013 fiscal year so far. The nature of our claims has been less costly, so the incurred costs are dropping. All claims are followed and have been handled in a timely fashion.

It is our ongoing mission to continue to work with all City employees toward a wellness consciousness. We firmly believe that the healthier we become the better we feel, the more efficient workers we become, and in general we are happier human beings and satisfied workers. This all contributes to a positive relationship with co-workers and associates, customers, guests, and the public in general. The benefit of wellness is not just personal; it also can over the long term reduce the usage of our insurance plans and lower workers' compensation claims thus having a positive effect on future rates.

On June 28, 2012 the City and County held a joint health fair, "Passport to Health 2012." This was the first joint health fair endeavor the City had participated in. It is exciting to network with our partner across the street and the local health professionals of our fine city! Another is being planned for this summer.

Protection of the taxpayers' dollars from unnecessary spending is important to us. We endeavor to earn and keep the citizens' trust by being transparent and keeping the public informed of City projects and accomplishments.

### **Operational Objectives**

The City Manager is responsible for administration of the City including implementation of City Council policies and goals, enforcement of ordinances and resolutions, supervision over department managers and employees, preparation of the budget, and general management of the City's operations.

Human Resources duties include ensuring compliance with employment related laws and regulations, administering the benefit plans, overseeing the employee performance evaluation process, managing recruitment activities, developing and interpreting personnel policies and procedures, and advising management regarding employment related issues. Initial handling of workers' compensation claims and/or insurance claims is routed through Human Resources as well.

### **Goals and Objectives for FY 2013-2014**

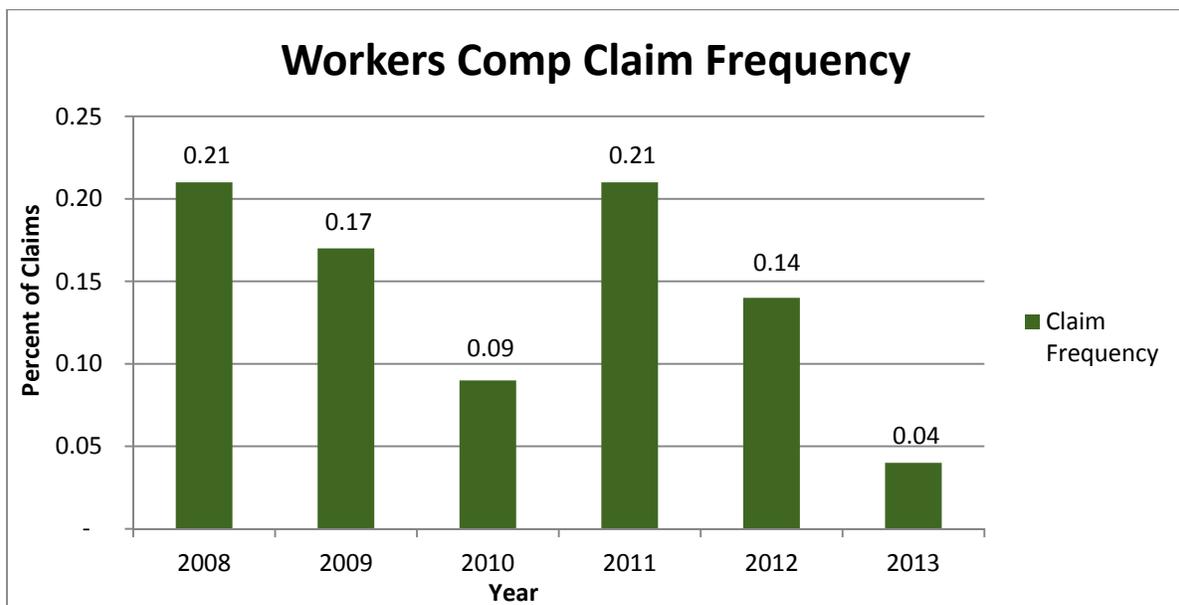
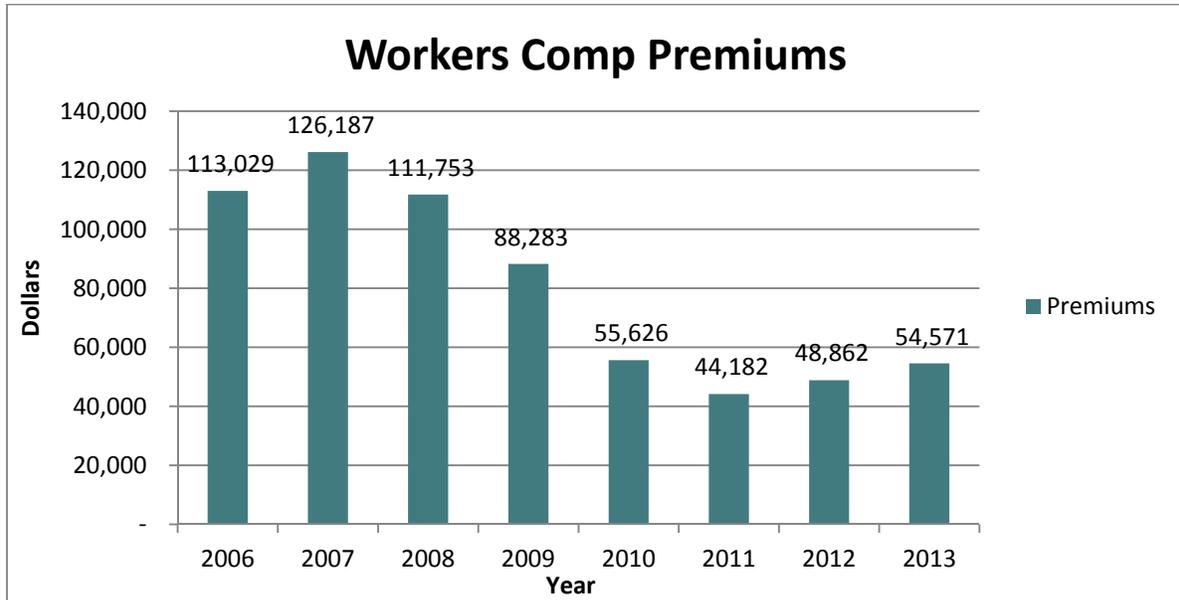
- Continue to hire employees that are highly qualified with appropriate knowledge, skills, and abilities.
- Encourage continued professional development of our valued team members.
- Provide employees with compensation statements annually clearly showing all the benefits and reminding employees how fortunate we are to work for the citizens of Prineville.
- Continue to work on safety and wellness awareness. Create a Wellness Committee that promotes wellness activities in a positive and motivating way.
- Help team members understand the effects of the Patient Protection and Affordable Care Act (PPACA) on our insurance plans.
- Continue to carefully watch the State Unemployment insurance claims and Workers' Compensation claims. Strive to reduce the claims and the costs associated with them.

## Performance Measures

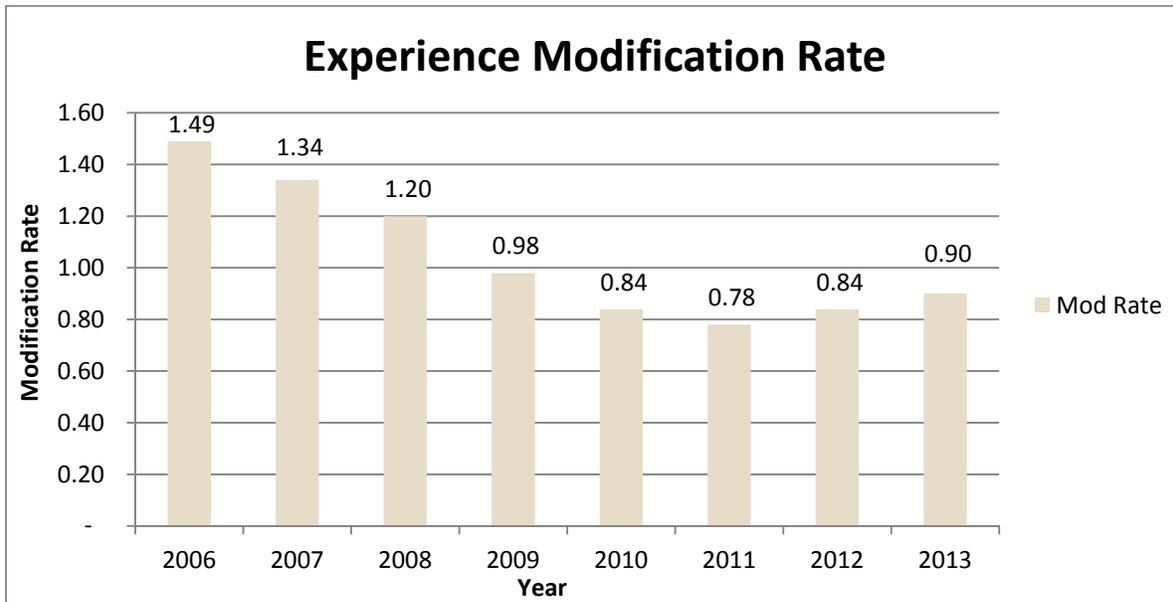
### Workers' Compensation (SAIF)

We are working diligently to promote and maintain a culture of safety. It is the goal to have all city employees able to return home safely at the end of the day to their loved ones and friends. We watch out for each other's safety.

The City began working with SAIF several years ago and continues to strive for improvement of our claims frequency and premium decreases for workers' compensation. Below is a chart that shows our improvement over the last few years.

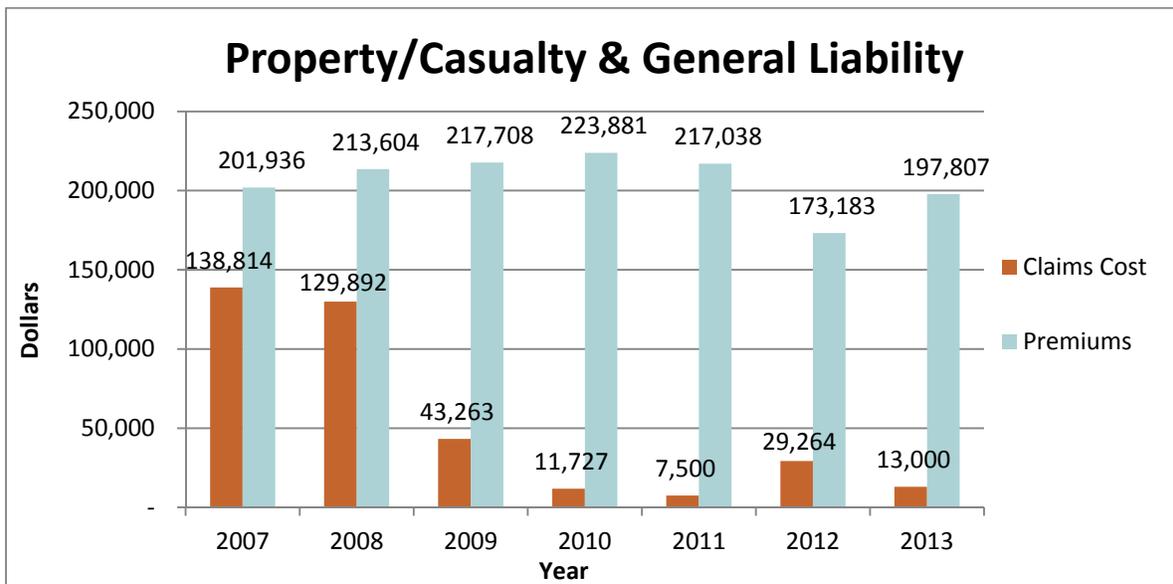


The Safety Committee and the City team members will continue to be safety aware and safety conscious. We have established a safety culture and will continue to nurture it.



Due to higher incurred costs our MOD rate has increased slightly over the last two years. The good news is that we will experience a slight decline in the MOD for 2013-2014. We hope to continue on the downward trend in future years.

#### Property/Casualty & General Liability (CIS)



Our property/casualty and general liability claims costs are steadily declining. We know that City County Insurance Services (CIS) as a whole (city/county pool) has had two years of increased employment related liability claims and that will have an affect on our premiums because we are pooled. CIS would have had to increase the premiums by over 27% in order to make up for the reserve that had to be used to handle the increased overall claims. However, the board decided that the 2013-2014 premiums for liability coverage alone will not exceed 10.6%, auto coverage will not exceed 8.4%, and property coverage will not exceed 9.8%. Our claims costs are down, but in the last five years we have had some high claims. We expect to be under the “not to exceed” increases given by

CIS at the annual conference. CIS uses a five year lookback when determining premiums, so it may be a few more years before we see any significant reduction in our premiums.

CIS is now offering free training webinars on various employment liability issues. All of these trainings are offered to our Department Managers, as we attempt also to keep employment liability claims down.

## Public Works Support Services Fund

*The Public Works Support Services Fund is an internal service fund that supports and accounts for the activities, fleet maintenance operations and Public Works building maintenance. All costs associated with these activities are accounted for within this fund and costs are recovered through charges to funds that receive these services.*

<b>Resources</b>	<b>Actual FY 10-11</b>	<b>Actual FY 11-12</b>	<b>Current Budget FY 12-13</b>	<b>Estimates FY 12-13</b>	<b>Proposed Budget FY 13-14</b>	<b>Approved Budget FY 13-14</b>	<b>Adopted Budget FY 13-14</b>
<b>Beginning fund balance</b>	\$ 166,685	\$ 76,357	\$ 104,731	\$ 79,239	\$ 230,639	\$ 230,639	\$ 230,639
<b>Current year resources</b>							
Charges for services	540,723	675,888	1,291,200	1,301,200	1,150,500	1,150,500	1,150,500
Interest	787	405	200	500	500	500	500
Miscellaneous	40,535	13,760	1,500	15,000	13,700	13,700	13,700
<b>Total current year resources</b>	\$ 582,045	\$ 690,053	\$ 1,292,900	\$ 1,316,700	\$ 1,164,700	\$ 1,164,700	\$ 1,164,700
<b>Total resources</b>	\$ 748,730	\$ 766,410	\$ 1,397,631	\$ 1,395,939	\$ 1,395,339	\$ 1,395,339	\$ 1,395,339
<b>Expenditures</b>							
Public Works Support Services	\$ 506,488	\$ 542,966	\$ 975,700	\$ 907,000	\$ 1,015,000	\$ 1,015,000	\$ 1,015,000
Public Works Fleet & Vehicles	142,960	125,830	244,000	214,300	246,000	246,000	246,000
Public Works Facilities	22,925	18,374	24,000	44,000	27,500	27,500	27,500
Contingency			153,931		106,839	106,839	106,839
<b>Total expenditures</b>	\$ 672,373	\$ 687,171	\$ 1,397,631	\$ 1,165,300	\$ 1,395,339	\$ 1,395,339	\$ 1,395,339
<b>Ending fund balance</b>	\$ 76,357	\$ 79,239	\$ -	\$ 230,639	\$ -	\$ -	\$ -

## Personnel

Department & Position	FY 13 FTEs	FY 14 FTEs
<b>Public Works Support Services Fund</b>		
Assistant Engineer	0.25	0.25
City Engineer / Public Works Director	1.00	1.00
Inspector	1.00	0.00
Mechanic	1.00	1.00
Public Works Superintendent / Inspector	1.00	1.00
Technician	1.00	1.00
Utility	5.00	6.00
<b>Public Works Support Services Fund Total</b>	<b>10.25</b>	<b>10.25</b>

*In FY 14 the Inspector moved into the Public Works Superintendent position, but will be retaining the Inspector job duties. The FY 14 budget will include one new utility worker.*

## Executive Summary

The Public Works Administration fund provides technical and administrative services in support of the City of Prineville's Water, Wastewater and Transportation funds. As part of this support, vehicle and equipment management, as well as facilities maintenance are managed under this fund. Revenues for this fund consist of financial transfers from the Water, Wastewater and Transportation funds to support the actions and services rendered of this fund.



New Backhoe purchased in 2012

## Strategic Planning Updates

- Short Term – In the short term, the goal is to manage the Public Works fund resources to keep costs low during challenging economic conditions for our city customers.
- Long Term – Long term strategies are to be developed and implemented to secure funding the City's Public Works infrastructure needs to support the build out of the urban growth boundary. A constant eye is to be kept on the Public Works fund in order to deliver services at a value, keeping rate increases within reasonable levels.

## Accomplishments for FY 2012-2013

- An electronic vehicular preventative maintenance program has been recently implemented which tracks maintenance on all Public Works vehicles and equipment.

- An update to the Public Works standards and specifications was completed that included extensive improvements to design standards, development provisions, contract general provisions, construction specifications and standard drawings. This is consistent with the Council’s goal of a well-planned infrastructure.
- A survey and upload of all City infrastructure systems into the Geographic Information System began in 2012. This project will enable new maps of all City infrastructure systems to be developed and the information will be made available to Public Works Crews electronically in the field.

**Operational Objectives**

The objective of the Public Works Support Services Fund is to provide technical and administrative services in support of the City of Prineville’s Water, Wastewater and Transportation funds. It is the duty of this department to ensure orderly growth of the City’s infrastructure. It is also a goal of this department to manage all city infrastructures in a proactive manner that extends its useful life at the lowest cost possible. By providing professional management of this fund, services will be delivered to our customers in a consistent manner at the lowest cost possible.

**Capital Outlay**

<b>Capital Outlay Overview</b>		
<b>Project</b>	<b>Amount Budgeted</b>	
<b>Improvements</b>		
Pickup	\$ 32,000	
Shop truck	\$ 65,000	
<b>Total</b>		\$ 97,000

*A more detailed summary of capital outlay can be found in the Short and Long Term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 81.*

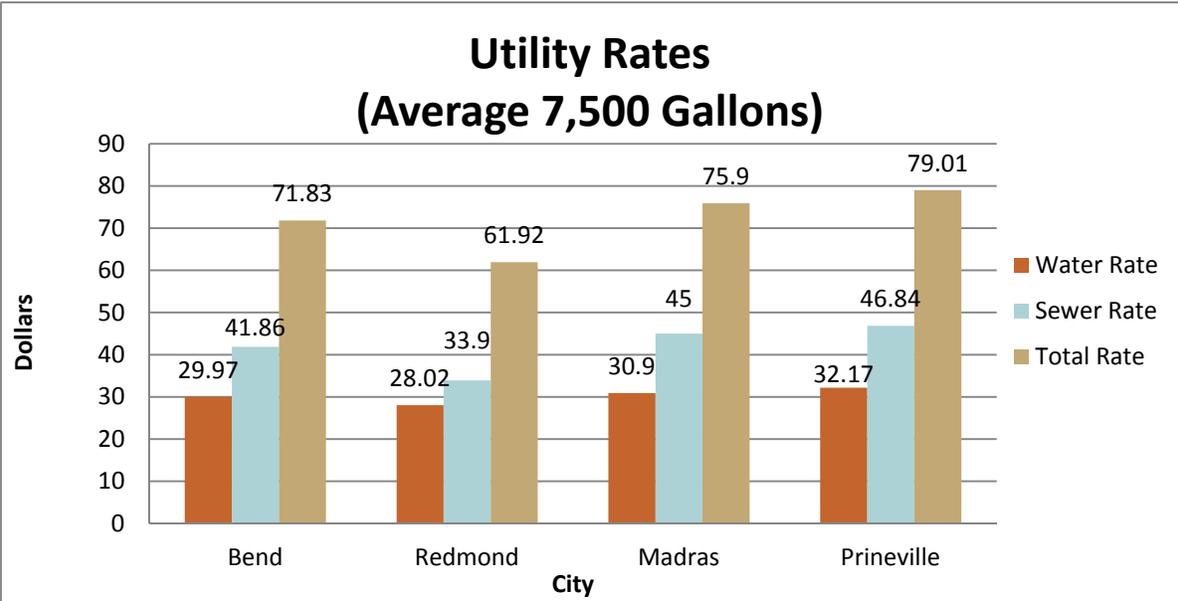
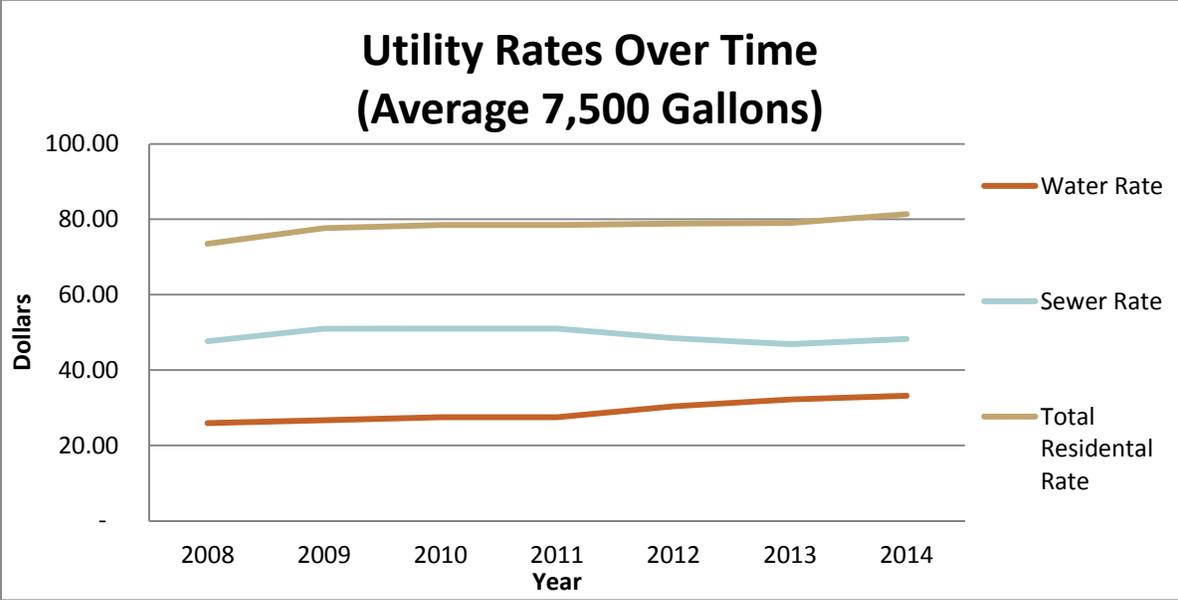
**Goals and Objectives for FY 2013-2014**

- Complete the survey and upload all City infrastructure systems in an effort to create new utility maps.
- Continue to provide technical support to the water fund by developing a long term water right management plan.
- Continue to refine technical support to the transportation fund via the development of future pavement mixture designs as well as traffic management plans.

**Performance Measures**

In previous years the City of Prineville has experienced rapid utility rate increases to meet debt to income ratio requirements. Unfortunately, the City boasts one of the highest monthly combined wastewater and water rates in the region. These rates can be attributed to debt associated with a large expansion of the Wastewater Treatment Plant in 2004 and the debt service in the water department associated with three dry wells drilled by the City in 2005. The Public Works Support Services Department is cognizant of the current economic climate and strives to keep the combined sewer and water rate as low as possible while meeting the very large debt service requirements.

Recently, the City has been able to decrease the wastewater monthly rate to offset needed increases to the water rate. This year, minimal rate increases associated with increases in the Consumer Price Index are made to keep pace with inflation. The graph below compares the City’s residential rate (7,500 gal per month) with other communities in the Central Oregon Region.



## Personal Services

	Actual FY 10-11	Actual FY 11-12	Current Budget FY 12-13	Estimates FY 12-13	Proposed Budget FY 13-14	Approved Budget FY 13-14	Adopted Budget FY 13-14
<b>Expenditures</b>							
Personnel Services	\$ 464,025	\$ 501,858	\$ 930,700	\$ 860,000	\$ 968,000	\$ 968,000	\$ 968,000
Materials and services	42,463	37,709	45,000	47,000	47,000	47,000	47,000
Transfers		3,400	-				
<b>Total expenditures</b>	\$ 506,488	\$ 542,966	\$ 975,700	\$ 907,000	\$ 1,015,000	\$ 1,015,000	\$ 1,015,000

## Fleet Maintenance and Operations

	Actual FY 10-11	Actual FY 11-12	Current Budget FY 12-13	Estimates FY 12-13	Proposed Budget FY 13-14	Approved Budget FY 13-14	Adopted Budget FY 13-14
<b>Expenditures</b>							
Material and services	\$ 115,374	\$ 105,460	\$ 149,000	\$ 119,000	\$ 149,000	\$ 149,000	\$ 149,000
Capital outlay	27,586	20,370	95,000	95,300	97,000	97,000	97,000
<b>Total expenditures</b>	\$ 142,960	\$ 125,830	\$ 244,000	\$ 214,300	\$ 246,000	\$ 246,000	\$ 246,000

## Public Works Building

	Actual FY 10-11	Actual FY 11-12	Current Budget FY 12-13	Estimates FY 12-13	Proposed Budget FY 13-14	Approved Budget FY 13-14	Adopted Budget FY 13-14
<b>Expenditures</b>							
Material and services	\$ 22,925	\$ 18,374	\$ 24,000	\$ 44,000	\$ 27,500	\$ 27,500	\$ 27,500
Capital outlay							
<b>Total expenditures</b>	\$ 22,925	\$ 18,374	\$ 24,000	\$ 44,000	\$ 27,500	\$ 27,500	\$ 27,500

## City Hall Fund

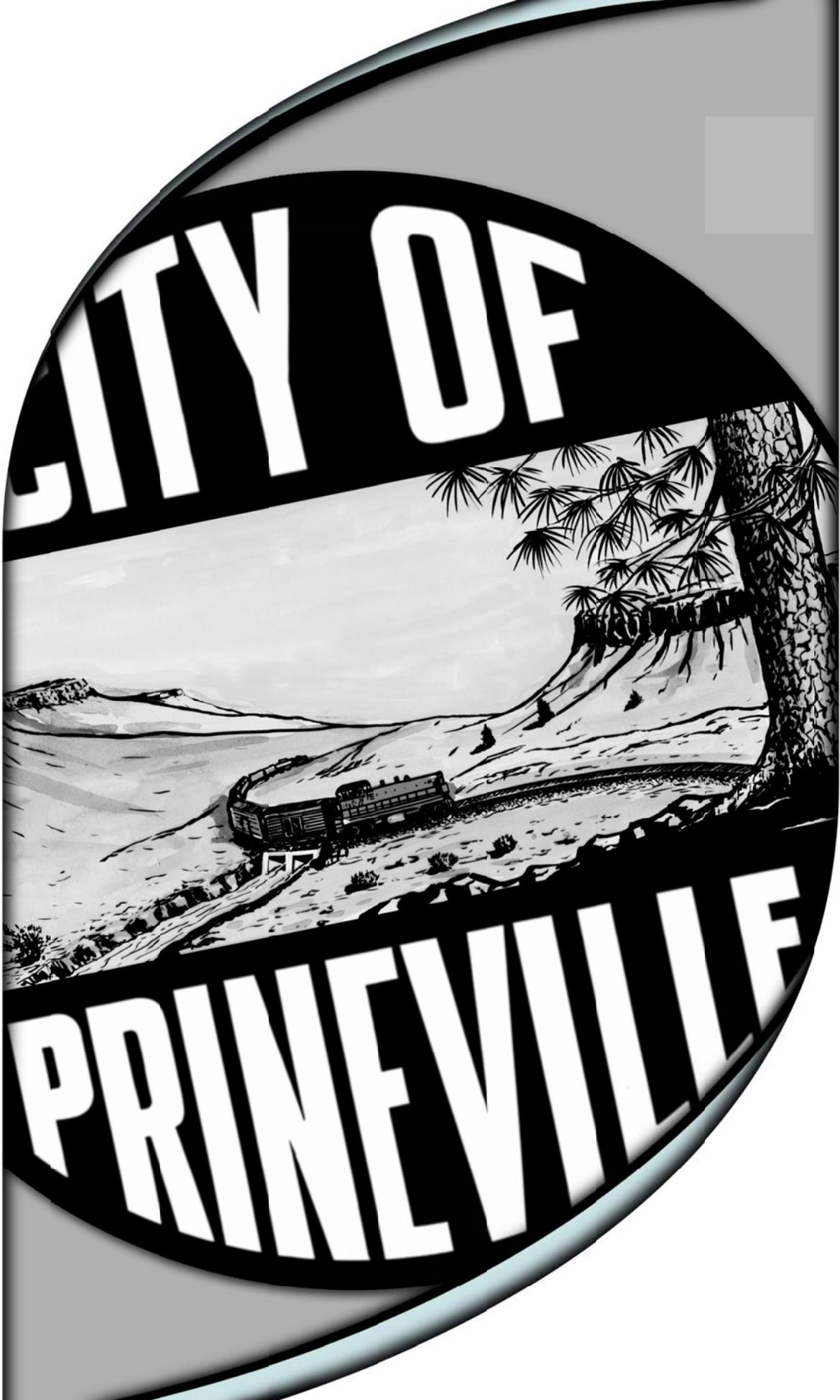
*City Hall is utilized by a variety of departments including City Council, Administration, Team Services, Finance, Information Technology, and Community Development. The facility is managed to recover full costs, including replacement costs, through lease rates that are set at or near market rates. Operating expenses, debt service and replacement funds are accounted for within this fund. The debt service reserve requirement is equal to one year's debt service (\$104,940).*

Resources	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 10-11	FY 11-12	Budget FY 12-13	FY 12-13	Budget FY 13-14	Budget FY 13-14	Budget FY 13-14
<b>Beginning fund balance</b>	\$ 70,325	\$ 66,106	\$ 67,006	\$ 77,623	\$ 124,523	\$ 124,523	\$ 124,523
<b>Current year resources</b>							
Rent	\$ 157,900	\$ 162,800	\$ 167,700	\$ 167,700	\$ 172,900	\$ 172,900	\$ 172,900
Misc. income	17			\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Interest	465	246	500	500	500	500	500
Transfers		13,000	53,700	50,000	10,000	10,000	10,000
<b>Total current year resources</b>	\$ 158,382	\$ 176,046	\$ 221,900	\$ 223,200	\$ 188,400	\$ 188,400	\$ 188,400
<b>Total resources</b>	\$ 228,707	\$ 242,152	\$ 288,906	\$ 300,823	\$ 312,923	\$ 312,923	\$ 312,923
Expenditures	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 10-11	FY 11-12	Budget FY 12-13	FY 12-13	Budget FY 13-14	Budget FY 13-14	Budget FY 13-14
Personnel Services	\$ -	\$ -	\$ -				
Materials and services	58,482	60,444	58,400	61,300	75,400	75,400	75,400
Debt service							
Principal							
USDA - 2005	35,562	37,074	38,700	38,700	40,300	40,300	40,300
Interest							
USDA - 2005	68,557	67,011	66,300	66,300	64,700	64,700	64,700
Transfers			10,000	10,000	10,000	10,000	10,000
Contingency			10,506		17,523	17,523	17,523
<b>Total expenditures</b>	\$ 162,601	\$ 164,529	\$ 183,906	\$ 176,300	\$ 207,923	\$ 207,923	\$ 207,923
<b>Other requirements</b>							
Debt service reserve	\$ -	\$ -	\$ 105,000		\$ 105,000	\$ 105,000	\$ 105,000
<b>Ending fund balance</b>	\$ 66,106	\$ 77,623	\$ -	\$ 124,523	\$ -	\$ -	\$ -

## Plaza Maintenance

*This fund accounts for the maintenance of the plaza joining City Hall and the Crook County Annex building. The county and the city maintain the plaza in a joint effort. Starting in 2005 the county was responsible for accounting for the maintenance of the plaza per a city and county agreement. The agreement has been revised and the city starting FY 13 now assumes the responsibility of accounting for the plaza maintenance. Revenues are generated through a transfer from the city with matching monies from the county. Expenditures are for maintaining the landscaping, sidewalks and lighting.*

Resources	Actual FY 10-11	Actual FY 11-12	Current Budget FY 12-13	Estimates FY 12-13	Proposed Budget FY 13-14	Approved Budget FY 13-14	Adopted Budget FY 13-14
	\$ -	\$ -	\$ -	\$ -	\$ 29,000	\$ 29,000	\$ 29,000
<b>Current year resources</b>							
Intergovernmental	\$ -	\$ -	\$ 10,000	\$ 35,900	\$ 10,000	\$ 10,000	\$ 10,000
Charges for services							
Interest				100	100	100	100
Transfers			10,000	10,000	10,000	10,000	10,000
<b>Total current year resources</b>	\$ -	\$ -	\$ 20,000	\$ 46,000	\$ 20,100	\$ 20,100	\$ 20,100
<b>Total resources</b>	\$ -	\$ -	\$ 20,000	\$ 46,000	\$ 49,100	\$ 49,100	\$ 49,100
	<b>Actual</b>	<b>Actual</b>	<b>Current Budget</b>	<b>Estimates</b>	<b>Proposed Budget</b>	<b>Approved Budget</b>	<b>Adopted Budget</b>
Materials and services	-	-	15,600	13,300	15,600	15,600	15,600
Transfers			3,700	3,700	3,700	3,700	3,700
Contingency	-	-	700	-	29,800	29,800	29,800
<b>Total expenditures</b>	\$ -	\$ -	\$ 20,000	\$ 17,000	\$ 49,100	\$ 49,100	\$ 49,100
<b>Ending fund balance</b>	\$ -	\$ -	\$ -	\$ 29,000			



# Closed Funds

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## MERP (Medical Employee Reimbursement) Fund

*The MERP Fund accounts for the reimbursement of a portion of expense charged to the employees of the city. In an effort to decrease the rising costs of health benefits the city choose to self-insure its dental and vision program, and increase the deductible for medical insurance from \$500 to \$1,500, while reimbursing the 80 percent of the difference back to the employee. A transfer of funds from each funds personal service to the MERP fund will account for this plan. For fiscal year 2011, the City has negotiated an insurance plan that includes medical, dental, and vision at a lower deductible rate and cost. As a result, this fund is no longer needed.*

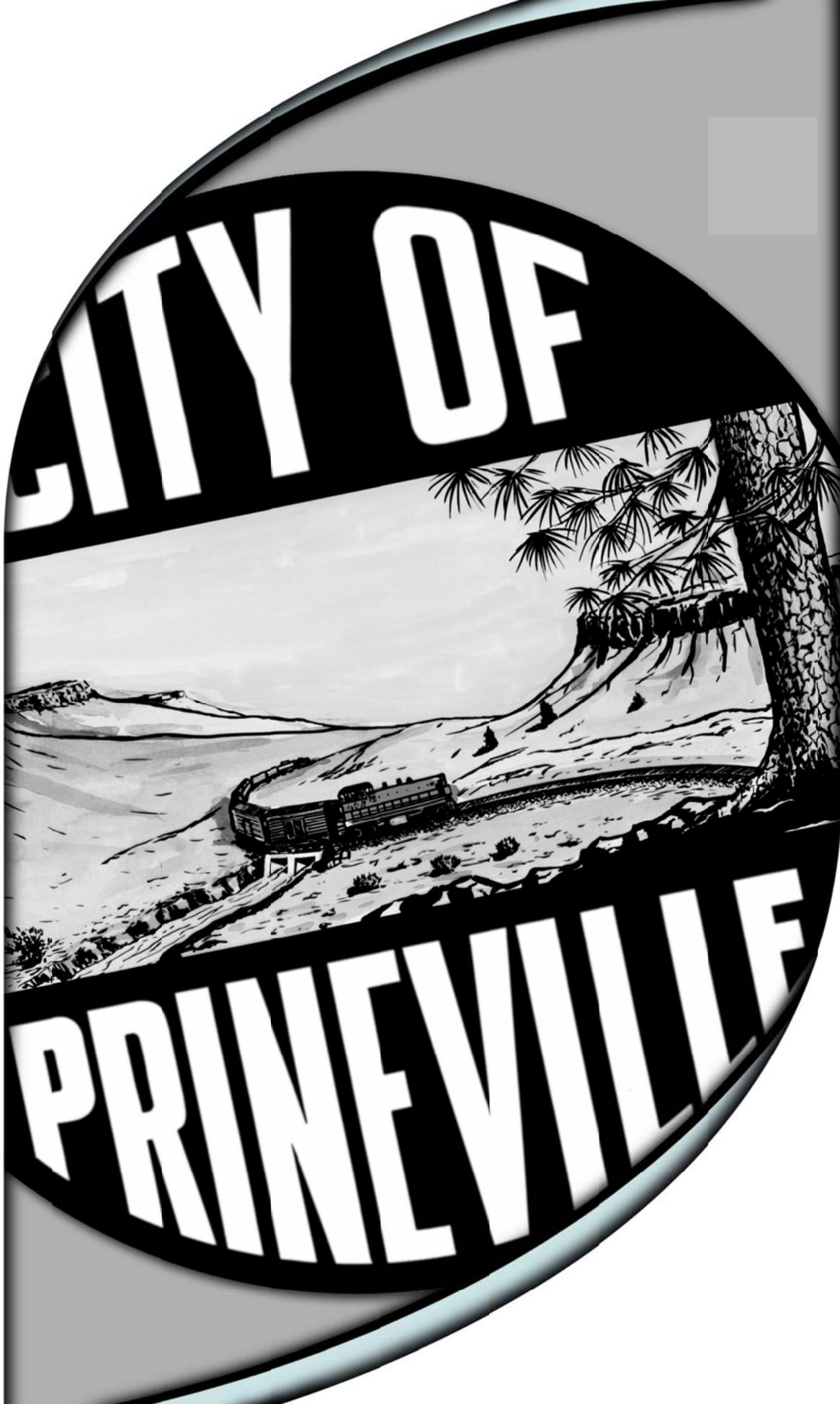
	Actual FY 08-09	Actual FY 09-10	Budget FY 10-11	Estimated FY 10-11	Budget FY 11-12 Proposed	Budget FY 11-12 Approved	Budget FY 11-12 Adopted
<b>Resources</b>							
<b>Beginning fund balance</b>	\$ -	\$ -	\$ 33,900	\$ 43,724	\$ -	\$ -	\$ -
<b>Current year resources</b>							
Transfers from other funds		\$ 99,177	\$ -	\$ -	\$ -	\$ -	\$ -
Interest		152		200			
Misc revenue	-	-	-	915	-	-	-
<b>Total current year resources</b>	\$ -	\$ 99,329	\$ -	\$ 1,115	\$ -	\$ -	\$ -
<b>Total resources</b>	\$ -	\$ 99,329	\$ 33,900	\$ 44,839	\$ -	\$ -	\$ -
	Actual FY 08-09	Actual FY 09-10	Budget FY 10-11	Estimated FY 10-11	Budget FY 11-12 Proposed	Budget FY 11-12 Approved	Budget FY 11-12 Adopted
<b>Expenditures</b>							
Materials & services		\$ 55,605	\$ 33,900	\$ 19,600	\$ -	\$ -	\$ -
Transfers				25,239			
Contingency	-	-	-				
<b>Total expenditures</b>		55,605	33,900	\$ 44,839	\$ -	\$ -	\$ -
<b>Ending fund balance</b>		43,724	-	\$ -	\$ -	\$ -	\$ -

## G.O. Debt Service Fund

*This fund accounts for the repayment of general obligation bonds issued for water system improvements and fire hall improvements. The primary source of revenue is property taxes.*

	Actual FY 08-09	Actual FY 09-10	Budget FY 10-11	Estimated FY 10-11	Budget FY 11-12 Proposed	Budget FY 11-12 Approved	Budget FY 11-12 Adopted
<b>Resources</b>							
<b>Beginning fund balance</b>	\$ 41,813	\$ 30,577	\$ 14,177	\$ 21,550	\$ -	\$ -	\$ -
<b>Current year resources</b>							
Property taxes	\$ 75,373	\$ 79,338	\$ 65,000	\$ 66,500	\$ -	\$ -	\$ -
Interest	1,110	380	400	200	-	-	-
Transfer from other funds			10,000	1,300	-		
<b>Total current year resources</b>	\$ 76,483	\$ 79,718	\$ 75,400	\$ 68,000	\$ -	\$ -	\$ -
<b>Total resources</b>	\$ 118,296	\$ 110,295	\$ 89,577	\$ 89,550	\$ -	\$ -	\$ -
	Actual FY 08-09	Actual FY 09-10	Budget FY 10-11	Estimated FY 10-11	Budget FY 11-12 Proposed	Budget FY 11-12 Approved	Budget FY 11-12 Adopted
<b>Expenditures</b>							
Debt service							
G.O. Bonds Principal	\$ 75,000	\$ 80,000	\$ 85,000	\$ 85,000	\$ -	\$ -	\$ -
G.O. Bonds Interest	12,719	8,745	4,577	4,550	-	-	-
Other requirements	-	-	-	-	-	-	-
<b>Total expenditures</b>	\$ 87,719	\$ 88,745	\$ 89,577	\$ 89,550	\$ -	\$ -	\$ -
<b>Ending fund balance</b>	\$ 30,577	\$ 21,550	\$ -	\$ -	\$ -	\$ -	\$ -

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# Glossary

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**Actual**

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

**Ad Valorem Tax**

A tax based on the assessed value of a property.

**Adopted Budget**

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

**Approved Budget**

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

**Appropriations**

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

**Assessed Valuation**

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

**Assets**

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

**Audit**

A report prepared by an external auditor. As a rule the audit shall contain a statement of the scope of the audit, explanatory comments concerning exceptions of the auditor as to the applicant on generally accepted auditing standards, explanatory comments concerning verification procedures, financial statements and schedules, and sometime statistical tables, supplemental comments and recommendations.

**Base Budget**

Cost of continuing the existing levels of service in the current budget year. Base budget is also referred to as a Status Quo budget.

**Beginning Balance**

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

**Bond or Bond Issue**

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

**Bond Funds**

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

**Budget**

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

**Budget Calendar**

A schedule of key dates followed by a government in the preparation and adoption of the budget.

**Budget Committee**

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

**Budget Document**

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

**Budget Message**

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

**Budgetary Basis**

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

**Capital Budget**

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

**Capital Expenditures**

The City defines a capital expenditure as using the following three criteria: (1) relatively high monetary value (equal or greater than \$10,000), (2) long asset life (equal to or greater than five years useful life), and (3) results in the creation of a fixed asset, or the revitalization of a fixed asset.

**Capital Improvement**

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

**Capital Improvement Project**

Any project having assets of significant value and having a useful life of five (5) 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 and/or construction of buildings, structures and facilities of all types, in addition to machinery and equipment. It includes expenditures that result in the acquisition or addition of a fixed asset or increase the capacity, efficiency, span of life, or economy of operating as an existing fixed asset. For an item to qualify as a capital outlay expenditure it must meet all of the following requirements: (1) have an estimated useful life of more than one year; (2) typically have

a unit cost of \$10,000 or more; and (3) be a betterment or improvement. Replacement of a capital item is classified as capital outlay under the same code as the original purchase. Replacement or repair parts are classified under materials and services.

**Capital Projects**

Major repairs, improvements or additions to the City's fixed assets (streets, sidewalks, roads, sewers, storm water, parks, and buildings).

**Cash Management**

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

**Charges for Service**

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

**Comprehensive Annual Financial Report**

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

**Comprehensive Plan**

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

**Consumer Price Index**

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

**Contingency**

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

**Cost Center**

An organizational budget/operating unit within each City division or department.

**Debt Service**

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

**Debt Service Fund**

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

**Department**

Head by a general manager, this combination of divisions of the City share specific and unique sets of goals and objectives (i.e., Police, Fire, Financial Services, Water Resources, etc.).

**Division**

A functional unit within a department consisting of one or more cost centers engaged in activities supporting the unit's mission and objectives.

**Depreciation**

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

**Designated Contingency**

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

**Elderly and Disabled**

Provides funding for transportation alternatives for seniors and persons with disabilities. This includes taxi and bus services for employment, medical, shopping, and other necessary trips.

**Employee Benefits**

Contributions made by a government to meet commitments or obligations for employee-related expenses. Included is this is the government's share of costs for social security and the various pension, medical and life insurance plans.

**Encumbrance**

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

**Ending Balance**

The residual, non-restricted funds that are spendable or available for appropriation at the end of the fiscal year.

**Enterprise Funds**

Established to account for operations, including debt service that are financed and operated similarly to private businesses – where the intent is the service is self-sufficient, with all costs supported predominantly by user charges.

**Estimated Actual**

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

**Expenditures**

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

**Fees**

Charges for specific services levied by local government in connection with providing a service, permitting an activity or imposing a fine or penalty.

**Fiscal Management**

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

**Fiscal Year**

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

**Five-Year Financial Plan**

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

**Fixed Assets**

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

**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.

**Full-Time Equivalent**

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

**Fund**

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

**Fund Balance**

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

**General Fund**

This is the primary operating fund of the City. It exists to account for the resources devoted to finance the services traditionally associated with local government.

**General Long-term Debt**

Represents any unmatured debt not considered to be a fund liability. General Obligation Bonds (G.O. Bonds) are secured by the full faith and credit of the issuer. G.O. bonds issued by local units of government are secured by a pledge of the issuer's property taxing power (secondary portion). Usually this is issued to pay for general capital improvements such as parks and City facilities.

**Goal**

The result or achievement toward which effort is directed; aim; end.

**Grant**

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

**Infrastructure**

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

**Indirect Charges**

In support of an operating program, these administrative costs that are incurred in the General Fund or Community Development Fund. These charges are budgeted as interfund transfers.

**Indirect Cost Allocation**

Funding transferred to the general fund and community development fund from other funds for specific administrative functions, which benefit those funds.

**Interfund Transfers**

Appropriation category used in the City's budget resolution which includes amounts distributed from one fund to pay for services provided by another fund. Transfers from the other funds appear as non-departmental expenditures called "Interfund Transfers".

**Intergovernmental Revenues**

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

**Job Access/Reverse Commute**

Grant funds available to help with operating costs of equipment, facilities, and associated expenses related to providing access to jobs.

**Levy**

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

**Line Item Budget**

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

**Local Budget Law**

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

**Local Improvement District**

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

**Local Option Levy**

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

**Materials and Services**

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

**Measure 5**

In November 1990, State of Oregon voters passed a constitutional limit on property taxes. The new law sets a maximum \$10 tax rate on individual properties for the aggregate of all non-school taxing jurisdictions. Schools' maximum rate is limited to \$15 in FY 1991-92 with a phased in reduction to \$5 in FY 1995-96.

**Measure 50**

A 1997 voter approved initiative which rolled back assessed values to 90 percent of their levels in fiscal year FY 1995-96 and limits future annual increases to three percent, except for major improvements.

Tax rates are now fixed and not subject to change. Voters may approve local initiatives above the fixed rates provided a majority approves at either (I) a general election in an even numbered year; or (II) at any other election in which at least 50 percent of registered voters cast a ballot.

**Mission**

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

**Non-Operating Budget**

Part of the budget composed of the following items: interfund transfers, reserves, contingencies, capital projects, and debt service payments.

**Objective**

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

**Operating Budget**

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

**Operating Revenue**

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

**Ordinance**

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

**Outstanding Debt**

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

**Performance Measure**

Data collected to determine how effective or efficient a program is in achieving its objectives.

**Permanent Tax Rate**

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

**Personal Services**

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

**Property Tax**

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

**Project Manager**

An individual that is responsible for budgeting for a project and managing project to its completion.

**Proposed Budget**

A financial document that combines operating, non-operating and resource estimates prepared by the City Manager, which is submitted to the public and the Budget Committee for review and approval.

**Resolution**

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

**Resources**

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

**Retained Earnings**

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

**Revenue**

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

**Revenue Bonds**

Bonds payable from a specific source of revenue, which does not pledge the taxing authority of the issuer. Pledged revenues may be derived from

operation of the financed project, grants, excise or other specified non-property tax.

**Special Assessment**

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

**Special Assessment Bond**

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

**Special Revenue Funds**

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

**Supplemental Budget**

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

**System Development Charges**

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

**Taxes**

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

**Tax Levy**

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

**Tax Rate**

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

**Tax Revenue**

Includes property taxes, hotel and motel room tax.

**Tax Roll**

The official list showing the amount of taxes levied against each property.

**Transfers**

An authorized exchange of cash or other resources between funds.

**Trust Funds**

A fund established to administer resources received and held by the City as the trustee or agent for others. Uses of these funds facilitate the discharge of responsibility placed upon the City by virtue of law or other similar authority.

**Unappropriated Ending Fund Balance**

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

**Unreserved Fund Balance**

The portion of a fund's balance that is not restricted for a specific purpose. It is available for general appropriation.

**Unrestricted General Capital Fund**

Established to account for transfers-in from the General Fund and for any other activity for which a special capital fund has not been created.

**User Fees**

The fee charged for services to the party or parties who directly benefits. They are also referred to as Charges for Service.

**ACRONYMS**

ACMP Advisory Community for Master Planning  
 ADA Americans with Disabilities Act  
 ARRA American Recovery and Reinvestment Act  
 ATV All-Terrain Vehicle  
 AV Assessed Value  
 AWOS Automated Weather Observation System  
 BLM Bureau of Land Management  
 CAD Computer Aided Drafting  
 CAFR Comprehensive Annual Financial Report

CCF&R Crook County Fire and Rescue  
 CD Community Development  
 CD Compact Disk  
 CIP Capital Improvement Projects  
 CMFR Comprehensive Monthly Financial Reports  
 COLA Cost of Living Adjustment  
 COP Certificates of Participation  
 COTA Central Oregon Trail Alliance  
 CPA Certified Public Accountant  
 CPI Consumer Price Index  
 CSO Community Service Officer  
 DEQ Department of Environmental Quality  
 DLCD Department of Land Conservation and Development  
 DMR Digital Mobile Radio  
 DO Dissolved Oxygen  
 DOT Department of Transportation  
 DRB Development Review Board  
 DUI Driving Under the Influence  
 DVD Digital Video Disk  
 E&D Elderly and Disabled  
 EDCO Economic Development for Central Oregon  
 EDU Equivalent Dwelling Units  
 EPA Environmental Protection Agency  
 FAA Federal Aviation Administration  
 FASB Financial Accounting Standards Board  
 FDP Final Development Plan  
 FICA Federal Income Contributions Act  
 FTE Full-Time Equivalent  
 FY Fiscal Year  
 GAAP Generally Accepted Accounting Principles  
 GAC Granulated Activated Carbon  
 GASB Governmental Accounting Standards Board  
 GFOA Government Finance Officers Association  
 GIS Geographic Information Systems  
 HR Human Resources  
 HVAC Heating, Ventilation, and Cooling Equipment  
 I&I Infiltration and Inflow  
 IECGP Interoperable Emergency Communications Grant Program  
 IS Information Systems  
 IT Information Technology  
 ISP Internet Service Provider  
 ITS Intelligent Transportation System  
 JARC Job Access / Reverse Commute  
 LAN Local Area Network  
 LCDC Land Conservation and Development Board of Commissioners  
 LED Light Emitting Diodes  
 LID Local Improvement District  
 LSTA Library Services and Technology Act  
 MAV Maximum Assessed Value

MGD Million Gallons per Day  
NPDES National Pollutant Discharge Eliminating System  
OAA Older Americans Act  
ODOT Oregon Department of Transportation  
OECD Oregon Economic and Community Development Department  
OR Oregon  
ORS Oregon Revised Statutes  
OSHA Occupational Safety and Health Administration  
PC Personal Computer  
PCI Pavement Condition Index  
PDA Personal Digital Assistant  
PDP Preliminary Development Plan  
PEG Public Educational Government  
PERS Public Employees Retirement System  
PGA Professional Golfers Association  
PIO Public Information Officer  
POB Pension Obligation Bond  
PPACA Patient Protection and Affordable Care Act  
PSAP Public Safety Answering Point  
PSNET Public Safety Network  
PTP Peer-To-Peer  
RMV Real Market Value  
SAIF State Accident Insurance Fund  
SAP Specific Area Plan  
SCADA Supervisory Control and Data Acquisition  
SDCs System Development Charges  
SEIU Service Employees International Union  
SRO School Resource Officer  
STP Surface Transportation Program  
TDM Transportation Demand Management  
TMP Transit Master Plan  
TOC Total Organic Carbon  
TSP Transportation System Plan  
UAL Unfunded Accrued Liability  
UBG Urban Growth Boundary  
UIC's Underground Injection Control Devices  
VoIP Voice-over Internet Protocol  
VPN Virtual Private Network  
WAN Wide Area Network  
WWTP Waste Water Treatment Plant

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