

*CITY OF FLORENCE*

# Budget in Brief

FISCAL YEAR 2015 – 2016





*City of Florence*  
**A City in Motion**

**Budget in Brief**  
**3<sup>rd</sup> Edition**

**Fiscal Year 2015 – 2016**

**CITY COUNCIL MEMBERS**

Mayor Joe Henry  
Council President Joshua Greene  
Council Vice-President Ron Preisler  
Councilor Susy Lacer  
Councilor George Lyddon

**CITIZEN BUDGET COMMITTEE MEMBERS**

Chair Robert Forsythe  
Pat Zeh  
Hugh Guinn  
Sally Wantz  
Ronald Duzy

**CITY STAFF**

Erin Reynolds, City Manager  
Mike Miller, Public Works Director  
Tom Turner, Police Chief  
Wendy Farley-Campbell, Planning Director  
Kevin Rhodes, Events Center Director  
Kelli Weese, City Recorder  
Megan Messmer, Assistant to the City Manager  
Ann Steward, Human Resources Manager  
Andy Parks, Contract Finance Director

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This Budget in Brief is intended to demonstrate how City services are paid for. Detailed financial reports, required audited financial statements, and budget documents can be found on the City's Finance Department website at [www.ci.florence.or.us/finance](http://www.ci.florence.or.us/finance).

Citizens of the City of Florence,

It is my pleasure, on behalf of our City leadership team and staff to present the 2015-16 budget for the City of Florence and the progress we have made thus far. The total balanced budget for fiscal year 2015-16 is \$33,877,033. The General Fund portion of the budget is \$7,360,672. City wide net spending totals \$17,825,964<sup>1</sup>.

During the 2015-16 budget process, the organization continued to sustain current



operations while the newly elected City Council and staff worked diligently to review and discuss the various City operations and future planning. That planning included, but was not limited to, desired service levels, potential limitations and challenges, and projected funding. Through that process the City Council adopted seven broad goals and a five-year

work plan. The goals and work plan served as the foundation for the fiscal year 2015-16 budget, which reflects our commitment to ensure Florence remains Oregon's Premier Coastal Community.

The Budget in Brief provides key information included in the adopted budget document. If you have questions or are interested in learning more, I encourage you to look at the full budget document at [www.ci.florence.or.us/finance/budget-documents](http://www.ci.florence.or.us/finance/budget-documents).

Sincerely,

Erin Reynolds  
City Manager

<sup>1</sup> Net of inter-fund transfers and loans between funds of \$7,895,639 and of an ending fund balance of \$8,155,430.

## Florence—A *City in Motion*

Incorporated in 1893, the City of Florence is proud of our rich community history. We work to preserve that history while our *City in Motion* moves forward. The mission of the City of Florence is:

*To meet community expectations for municipal services, provide a vision for civic improvements, maintain a quality environment and position Florence to have an economically viable and sustainable future.*

The City of Florence is a full-service municipal government providing services to our community through the departments and committees displayed in the City Services & Organizational Chart on page 4. City departments and staff carry out the policies set forth by the City Council.

The Florence City Council has taken a focused approach on sustaining and improving our city services and growing our economy. The City Council Goals, shown on page 2, outline the desire to enhance our economic base, improve livability and quality of life, and enhance public safety, communication, and trust, while sustaining our city services and maintaining financial stability. The City has worked to ensure that the 2015-16 budget sustains and improves service delivery throughout all City operations and special areas of focus.

Mayor Henry, the Florence City Council, and City Staff have embraced the changing economic environment and our citizens' desire to improve our great community. We implore everyone to look at us now because we are *A City in Motion!*

### Florence City Council



**Mayor  
Joe Henry**

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**President  
Joshua Greene**

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**Vice-President  
Ron Preisler**

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**Councilor  
Susy Lacer**

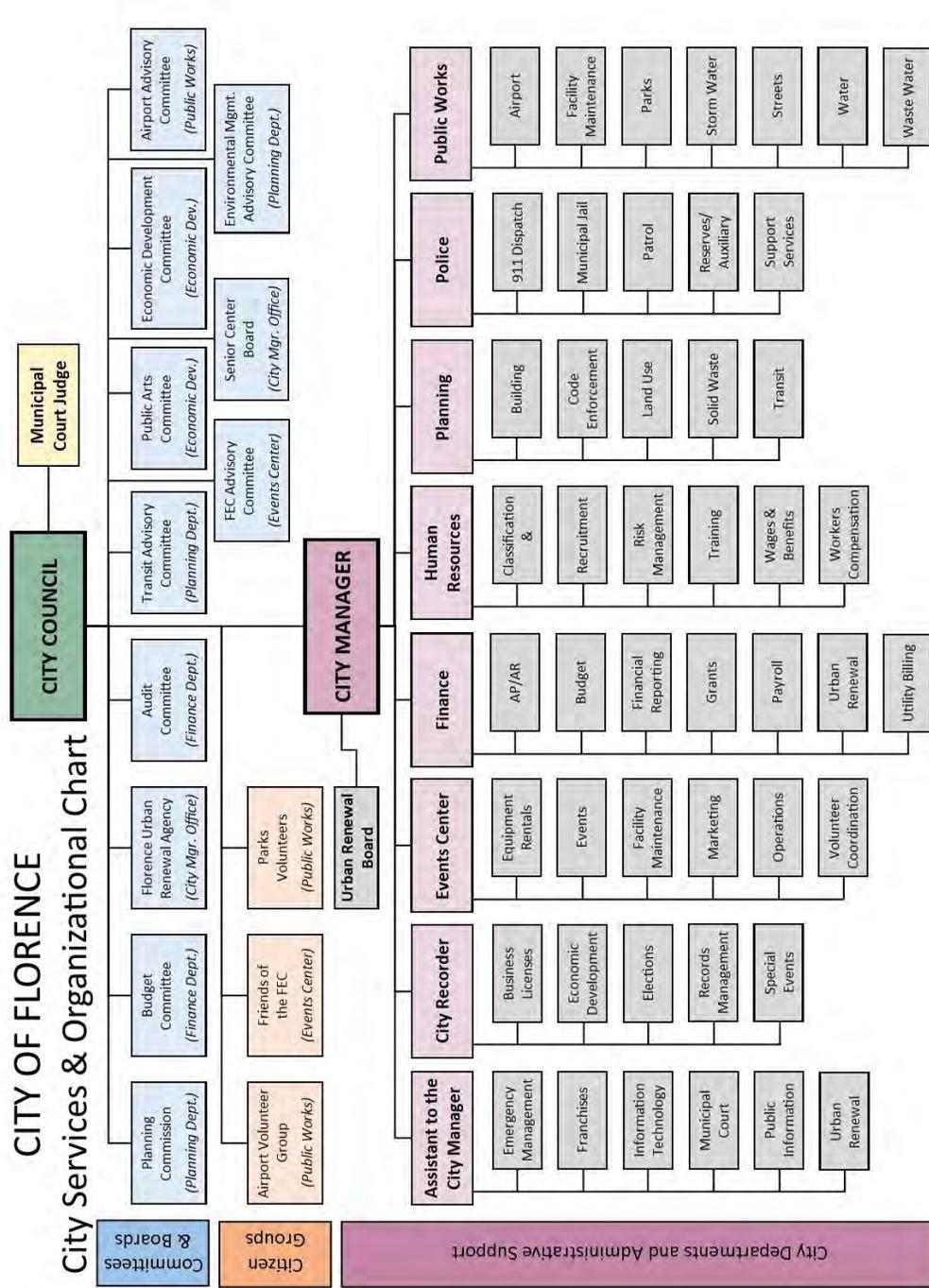
susy.lacer@  
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**Councilor  
George Lyddon**

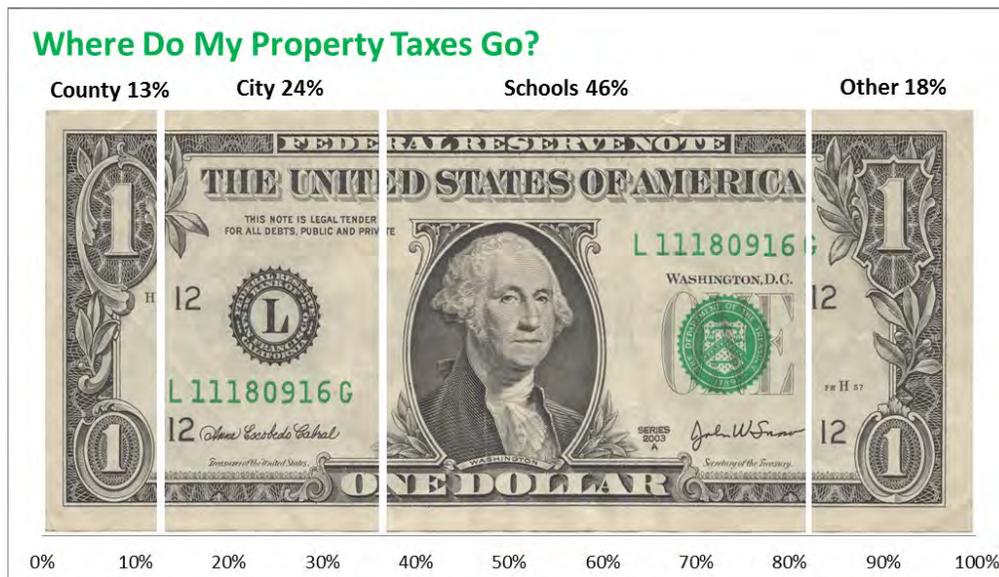
george.lyddon@  
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# City Services & Organizational Chart



# Property Taxes

The City of Florence and Florence Urban Renewal Agency are estimated to receive approximately 24% of the total taxes levied on Florence properties in fiscal year 2015-16. The remaining taxes go to the county, school district, port, fire district and other special districts. The projected property tax revenue for the City is \$2.35 million, which represents approximately 45% of the general fund revenue and approximately 17% of total estimated revenue in fiscal year 2015-16.

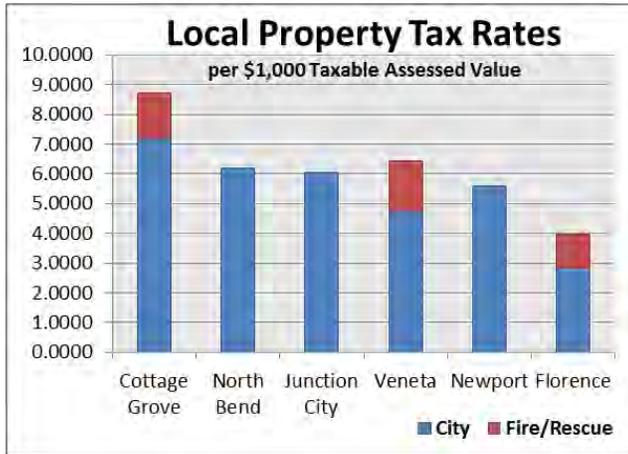


## Total estimated tax bill for Florence Properties 2015-2016

Taxing District	Tax Rate <sup>2</sup>	% of Total
City of Florence (Operating)	\$ 2.7694	19.8%
City of Florence (General Obligation Debt)	0.1692	1.2%
Florence Urban Renewal Agency	0.3866	2.8%
Port of Siuslaw	0.1427	1.0%
Siuslaw Public Library District	0.4998	3.6%
Siuslaw Valley Fire & Rescue	1.1019	7.9%
Western Lane Ambulance District	0.7596	5.4%
Lane County	1.7884	12.8%
Education (District 97J, LCC, & related GO Bonds)	6.3969	45.6%
<b>Total</b>	<b>\$ 14.0145</b>	<b>100.0%</b>

## Property Tax Comparison

The City of Florence's permanent tax rate of \$2.8610<sup>3</sup> per thousand of taxable assessed value is one of the lowest in the State of Oregon. When comparing the

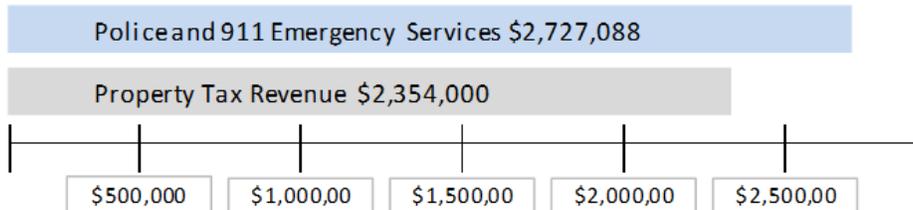


City's tax rate to other similar sized communities in the region the tax rate of the local fire and rescue special districts are added to improve the comparisons between communities. With the Siuslaw Valley Fire and Rescue District's tax rate of \$1.1034, the combined rate of \$3.9644 for Florence

residents is 64% of the average (\$6.1562) of communities demonstrated above.

The City's property tax revenue is projected to be \$2.354 million for FY 2015-16, and funds approximately 86% of the City's Public Safety service costs, including police and 911 emergency services, of \$2,727,088.

### FY 2015 -16 Cost of Public Safety Services:



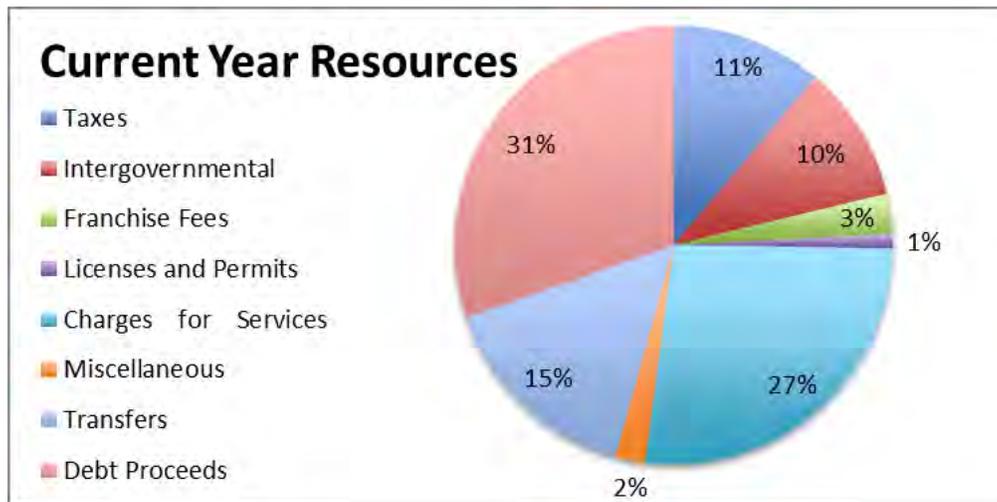
The remaining funding needed to pay for public safety services and other City programs, such as community development, parks, municipal court, streets, water, wastewater, stormwater, and code enforcement comes from other fees and charges, intergovernmental sources, fines, transient room taxes, and franchise fees.

<sup>2</sup> All permanent and applicable special levy and bond levy rates are shown net of urban renewal impact.

<sup>3</sup> City rate of \$2.8610 is prior to allocation of increment to the Florence Urban Renewal Agency.

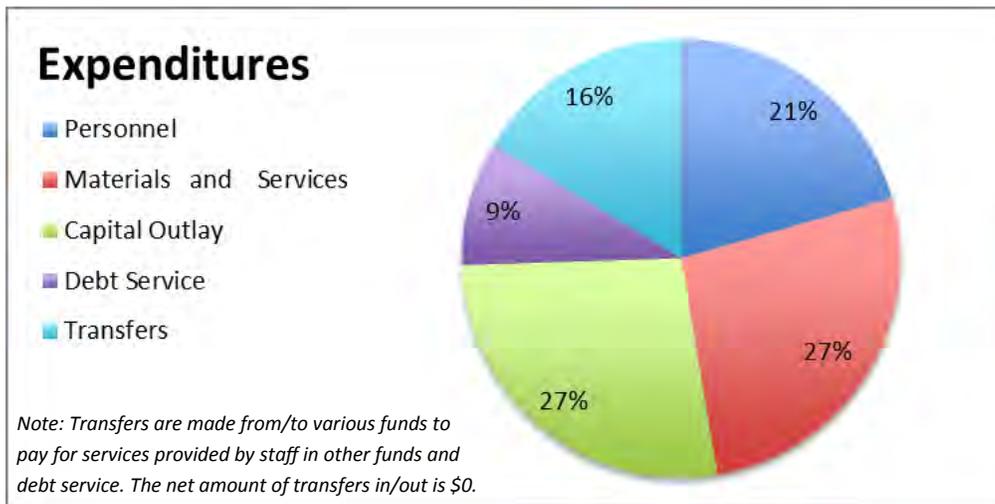
## City of Florence — Budget Summary (All Funds)

Fund	Beginning Fund Balance	Total Current Year Resources	Total Resources
General	\$ 2,082,865	\$ 5,277,807	\$ 7,360,672
Street	247,935	3,687,298	3,935,233
Street SDC's	893,798	118,300	1,012,098
911	4,850	210,057	214,907
Room Tax	45,886	314,900	360,786
Florence Events Center	328,077	682,100	1,010,177
Water	465,766	4,165,000	4,630,766
Water SDC	529,740	103,000	632,740
Wastewater	1,217,235	3,404,500	4,621,735
Wastewater SDC	476,399	67,000	543,399
Stormwater	868,803	523,500	1,392,303
Stormwater SDC	45,160	47,500	92,660
Airport	16,323	122,400	138,723
Public Works Admin.	141,498	1,850,600	1,992,098
GO Debt Service	211,973	148,500	360,473
Debt Service	544,516	4,957,042	5,501,558
WLCF Trust	76,306	400	76,706
<b>Totals</b>	<b>\$ 8,197,129</b>	<b>\$ 25,679,904</b>	<b>\$ 33,877,033</b>



# Fiscal Year 2015-16

Total Expenditures	Ending Fund Balance	Total Expenditures & Ending Balance
\$ 5,674,552	\$ 1,686,120	\$ 7,360,672
2,826,463	1,108,770	3,935,233
515,500	496,598	1,012,098
214,907	-	214,907
327,200	33,586	360,786
690,000	320,177	1,010,177
2,728,074	1,902,692	4,630,766
566,000	66,740	632,740
3,926,755	694,980	4,621,735
156,000	387,399	543,399
758,050	634,253	1,392,303
61,000	31,660	92,660
136,138	2,585	138,723
1,877,800	114,298	1,992,098
188,331	172,142	360,473
5,074,433	427,125	5,501,558
400	76,306	76,706
<b>\$ 25,721,603</b>	<b>\$ 8,155,430</b>	<b>\$ 33,877,033</b>



## Maintaining City Utilities & Infrastructure

The City of Florence utilizes long-range financial modeling to help inform decisions related to service levels, capital outlay, debt requirements and the revenue necessary to sustain City operations. The City's financial position is stable due in part to this planning.



*One of two water tanks (each with a 2 million gallon capacity) located on the hill at 35th and Kingwood Streets that received interior and exterior maintenance during FY2014-15.*

Consistent with our long-range planning and making incremental rate adjustments, our utility fees were increased 1.7% (Consumer Price Index, or CPI) and street fees have been increased \$0.50 per month. These fees are critical to the on-going maintenance and operation of the water, wastewater, stormwater, and street infrastructure systems that serve our community. The borrowing anticipated in fiscal year 2014-

15 has been deferred into fiscal year 2015-16, with additional borrowing planned to fund projects carried over from 2014-15, and projects scheduled in fiscal years 2015-16 and 2016-17. Additionally, to take advantage of the low interest rate environment and the City's credit rating, the City is issuing debt to be repaid by the Florence Urban Renewal Agency. This will save the Agency, and its taxpayers, more than \$250,000.

Future utility rate increases are anticipated to increase annually by approximately the CPI, with the potential exception of street utility fees. During fiscal year 2015-16, the City's utility rates, system development charges, and building fees will be reviewed. The review will include policy decisions that may impact rate methodologies, which may result in necessary rate adjustments that are more or less than the CPI. We will work carefully during this process to minimize impacts to existing residents.



*Public Works utility employees repair a broken water line on 9th Street near Hemlock Street.*

The City plans to make significant capital investment during the 2015-16 fiscal year. Among the most visible will be Rhododendron Drive multi-use path phase I, which will begin in the summer of 2016. Grant funding of \$850,000 has been secured. This, combined with \$200,000 in system development charges, will provide the funding for this project. Portions of Rhododendron Drive were repaved and chipsealed during summer 2015, with an additional



*Rhododendron Drive (9th Street to Wildwinds)  
Pavement Improvement Project Groundbreaking*

segment to be paved in summer 2016. This preservation work is aimed at extending the lives of these streets and protecting the investment in the road base.



*The current Public Works facility, located on Spruce Street,  
once served as the Police Station and Municipal Jail.*

During fiscal year 2015-16, the City will initiate construction of a new Public Works operation and maintenance facility in the Pacific View Business Park on lots adjacent to the airport. This new facility will replace the current buildings on Spruce

Street, which are more than fifty years old and are inefficient and costly to operate. Once Public Works has moved, the current location will be converted to an extension of Gallagher's Park.

Building maintenance projects are budgeted for the Justice Center, the Florence Events Center, and City Hall. Additionally, technology investments are funded for the Municipal Court, as well as the City's information technology infrastructure and website. General utility infrastructure maintenance projects are funded to replace old lines, rehabilitate reservoirs, and maintain or replace existing equipment.



## Where the Money Comes From & Where the Money Goes

Below is a summary of the City of Florence budget for the fiscal year 2015-16, as well as a comparison to the previous fiscal year. A breakdown of the City's Capital Outlay budgeted projects can be found on the next page.

<b>Revenue</b>	2015-16 Budget	2014-15 Estimate	Change Over Previous Year
Property Taxes			
Current year	\$ 2,354,000	\$ 2,263,000	\$ 91,000
Unpaid from prior year	52,000	51,000	1,000
Bonded Debt	148,000	244,000	(96,000)
City Room Tax	314,900	298,500	16,400
Franchise Fees	757,800	722,000	35,000
Intergovernmental	2,586,635	1,228,600	1,358,035
Licenses & Permits	273,000	260,000	13,000
Charges for Services	6,894,730	6,637,500	257,230
Miscellaneous	562,000	975,400	(413,400)
<b>Total Revenue</b>	<b>13,942,265</b>	<b>12,680,000</b>	<b>1,262,265</b>
Other Resources			
Debt Proceeds <sup>4</sup>	7,800,000	0	7,800,000
Beginning Balances	8,168,329	8,324,857	(156,528)
<b>Total Revenue &amp; Resources</b>	<b>\$ 29,910,594</b>	<b>\$ 21,004,857</b>	<b>\$ 8,905,737</b>
<b>Expenditures &amp; Other Requirements</b>			
Personnel	\$ 5,292,400	\$ 4,668,400	\$ 624,000
Materials & Services <sup>5</sup>	6,888,997	2,758,250	4,130,747
Capital Outlay	6,985,000	2,706,900	4,278,100
Debt Service	2,359,567	2,459,297	(99,730)
<b>Total Expenditures</b>	<b>\$ 21,525,964</b>	<b>\$ 12,529,847</b>	<b>\$ 8,933,117</b>
<b>Ending Fund Balance</b>	<b>\$ 8,126,630</b>	<b>\$ 8,168,329</b>	<b>\$ (41,699)</b>

<sup>4</sup>Includes \$3.7 million in fiscal year 2015-16 for the Florence Urban Renewal Agency, with \$1.875 million of existing FURA debt refinanced.

<sup>5</sup>Includes \$3.7 million loan to the Florence Urban Renewal Agency.

## Capital Outlay & Projects

Capital Outlay and Projects categorizes items such as 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, lifespan, or economy of operating as an existing fixed asset (streets, sidewalks, roads, sewers, storm water, parks, and buildings).

### General Fund

City Hall Maint. & Assessment	\$ 45,000
Information Technology	40,000
Municipal Court Software	50,000
Police Vehicles & Facility Maint.	125,000
Parks Land Acquisition & Equip.	240,000
<b>Total General Fund</b>	<b>500,000</b>

### FEC

Building Repairs & Maintenance	75,000
<b>Total FEC</b>	<b>75,000</b>

### Streets

Rhody Dr. Shoulder Expansion	1,050,000
Rhody Dr. Chipseal	100,000
Rhody Dr. Overlay	440,000
New Street Development	300,000
Right of Way Mower	100,000
Sidewalks and ADA Improvements	50,000
Bike Lane Improvements	10,000
Other	50,000
<b>Total Streets</b>	<b>2,100,000</b>

### Water

Reservoir Maintenance	250,000
Waterline Replacement	500,000
Well #13	350,000
Other	110,000
<b>Total Water</b>	<b>1,210,000</b>

### Wastewater

Equipment	\$ 325,000
Line Replacement	150,000
Rhody Dr. Wastewater Line	350,000
Harbor Vista Extension	300,000
Other	55,000
<b>Total Wastewater</b>	<b>1,180,000</b>

### Stormwater

Old Town Storm Drain Project	200,000
Pine Court Pump Station	75,000
Spruce St. (N. of Munsel Lake Rd.)	75,000
Siano Loop	150,000
Equipment	20,000
<b>Total Stormwater</b>	<b>520,000</b>

### Public Works Administration

Public Works Facility	1,400,000
<i>The City will construct a new equipment maintenance facility to meet Public Works facility requirements for fifty or more years.</i>	
<b>Total Public Works Admin.</b>	<b>1,400,000</b>

**Total Capital Investment**      \$ **6,985,000**

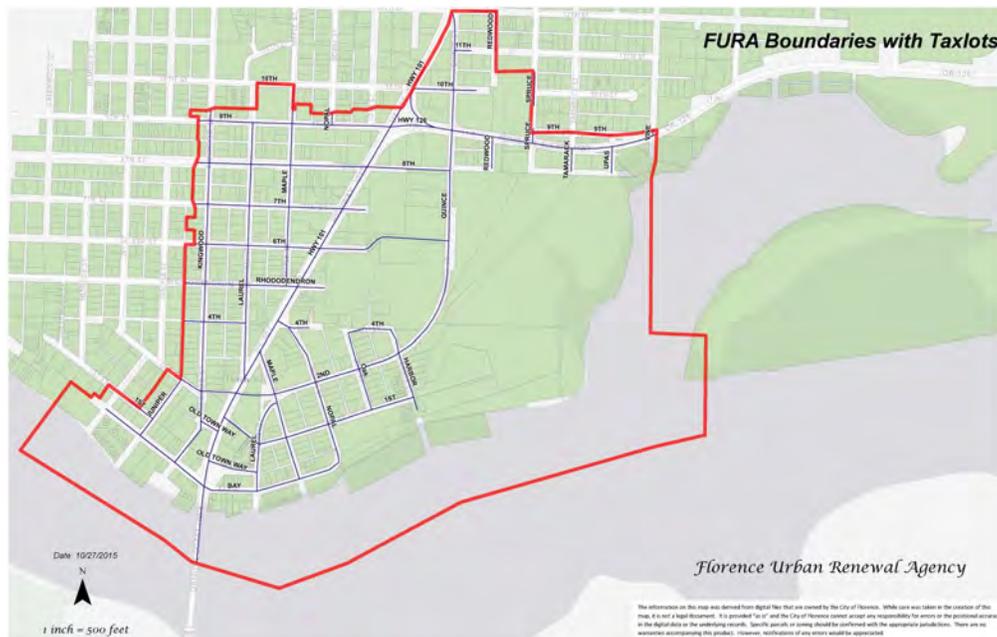




In August of 2006 Florence City Council adopted an ordinance approving the Florence Downtown Preservation and Renewal Plan and it was approved by voters in 2007. The Plan creates the Florence Urban Renewal Agency (FURA) district (shown below) encompassing properties along Highway 101 generally south of Highway 126, east of Kingwood Avenue, and inland of the Siuslaw River. Urban renewal projects under the Plan are financed by private and public funding sources, as well as tax increment funds (taxes on the increase in assessed value of property in the urban renewal district that occurs after the Plan was adopted).

The Plan does not increase taxes that property owners pay. The Plan includes projects such as construction and repair of public infrastructure including parks, streets, and other public facilities; facilitation of public-private partnerships to revitalize and preserve downtown properties; promotion of mixed-use development; and rehabilitation of the waterfront for public and commercial uses.

FURA is overseen by a nine-member board, consisting of the Mayor, two City Councilors, and appointments from the overlapping taxing jurisdictions that forego a portion of their tax levies to invest in urban renewal activities.



## FURA by the Numbers

FURA wasted no time in the new fiscal year. Since July, the Board has entered into an agreement with the City of Florence to receive a \$3.7 million loan from the City. This allowed the Agency to refinance its existing debt (\$1.665 million) that carried an interest rate of 6.0% with a new interest rate of 3.25%. Additionally, the Agency will pay off an amount due to the Siuslaw Public Library District (\$210,000) and now has approximately \$2 million for projects during the next two years.

Streetscape Design & Improvements	\$	900,000
Public Artwork		250,000
Development Projects		750,000
Professional Services		200,000
<b>Total FURA Project Budget</b>	<b>\$</b>	<b>2,100,000</b>

FURA will be engaging the public in fall 2015 for streetscape design on Highway 101 and within the Urban Renewal District. FURA will collaborate with the Oregon Department of Transportation (ODOT) to include as much of the streetscape improvements as possible when ODOT repaves Highway 101 between the Siuslaw Bridge and the Highway 126 intersection in the next few years. FURA is also looking to stimulate development within the District to provide jobs and increase economic activity in the City beginning with an economic analysis and development strategy. Additionally, FURA is leveraging investment in public art to enhance the area's interest and sense of place. The first phase planned in this fiscal year is to develop a strategy and provisioning alternatives.

### FURA FY 2015-16 Work Plan Timeline

July 31, 2015	August 30, 2015	September 30, 2015	December 31, 2015	March 31, 2016	June 30, 2016
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