

CITY OF FLORENCE

Budget in Brief

FISCAL YEAR 2016 – 2017





City of Florence

A City in Motion

Budget in Brief

4th Edition

Fiscal Year 2016 – 2017

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
Hugh Guinn
Sally Wantz
Leonard Larson
Joel Marks

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, City Project Manager
Andy Parks, CPA, Contract Finance Director

This Budget in Brief is intended to communicate an overview of the City's fiscal plan for fiscal year 2016-17. The complete budget document can be found on the City's Finance Department website at 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 fiscal year 2016-17 budget for the City of Florence and the progress we have made thus far. The total balanced budget for fiscal year 2016-17 is \$34,507,952. The General Fund budget is \$8,106,971. City-wide net spending totals \$22,578,889¹.

During fiscal year 2015-16, the City sustained its operations and initiated work on several capital projects and programs that will have community-wide impacts. The management team also engaged with the City Council to update and refine the City's five-year work plan, including collaboration with the Florence Urban Renewal Agency Board and the community to review various alternatives to improve Highway 101 through "ReVision Florence" and spark development activity within the Urban Renewal District and City.

The updated City goals and work plan served as a foundation for preparing the fiscal year 2016-17 budget, which reflects our commitment to ensure that 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.

Sincerely,



Erin Reynolds
City Manager



City of Florence
Oregon's Premier Coastal Community

- 1 City Service Delivery**
Sustain and improve the delivery of cost effective and efficient services, including public safety, to the citizens of Florence and our visitors.
- 2 Livability & Quality of Life**
Sustain and improve the City's livability and quality of life for Florence residents and visitors.
- 3 Economic Development**
Create a strategy and actions aimed towards sustaining and expanding the Florence economy.
- 4 Communication & Trust**
Sustain and improve the City's communication program and strengthen citizen trust.
- 5 Financial & Organizational Sustainability**
Sustain and improve the City's financial position, City-wide policies, and the infrastructure networks to support current and future needs.

¹ Net of inter-fund transfers and loans between funds of \$5,721,151 and of an ending fund balance of \$6,207,913.

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 municipality that provides numerous services to our community as displayed in the City Services & Organizational Chart on page 4. City departments and staff carry out policies set forth by the City Council.



Pepperoaks Park Re-Opening

The City Council continues a focused approach to sustain and improve our City services and grow 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 2016-17 budget sustains and improves service delivery throughout the organization, with considerable capital investment, \$11.4 million, scheduled.

Mayor Henry, City Councilors, and City Staff have embraced the changing economic environment and our citizens' desire to improve our great community. We call on everyone to stay engaged because we are *A City in Motion!*

Florence City Council



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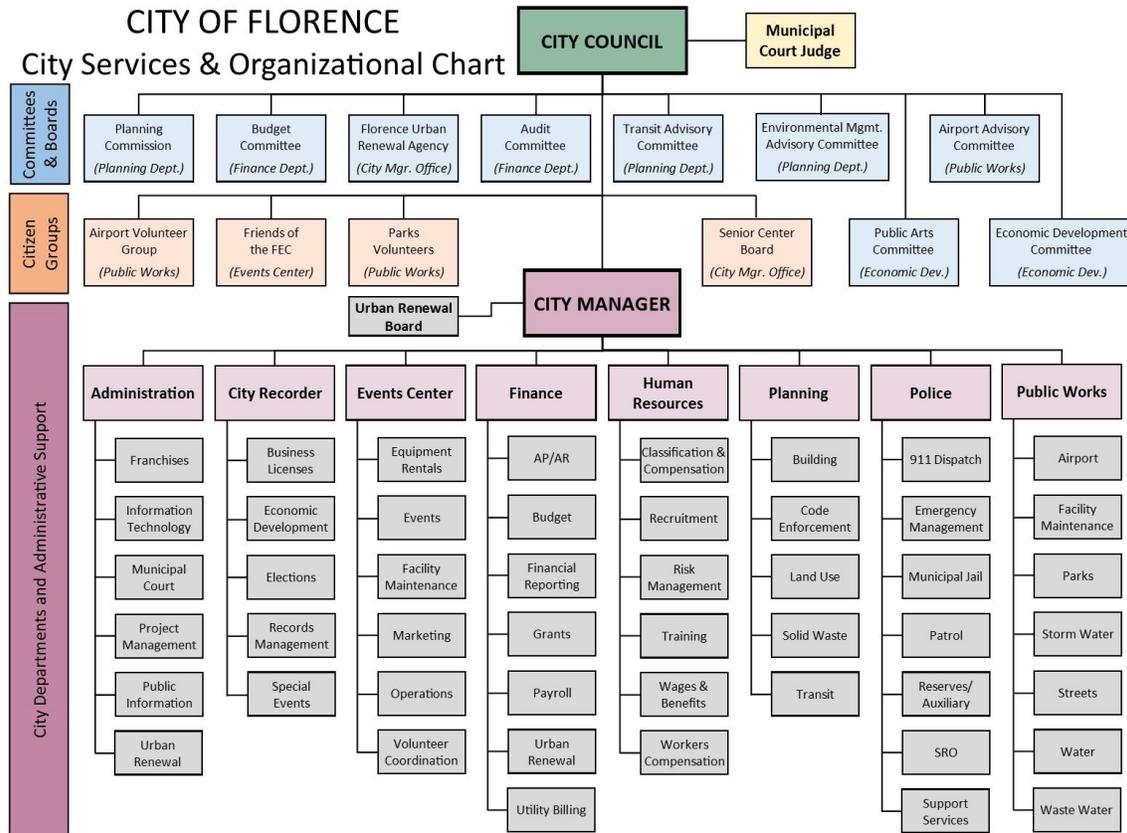


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City Services & Organizational Chart

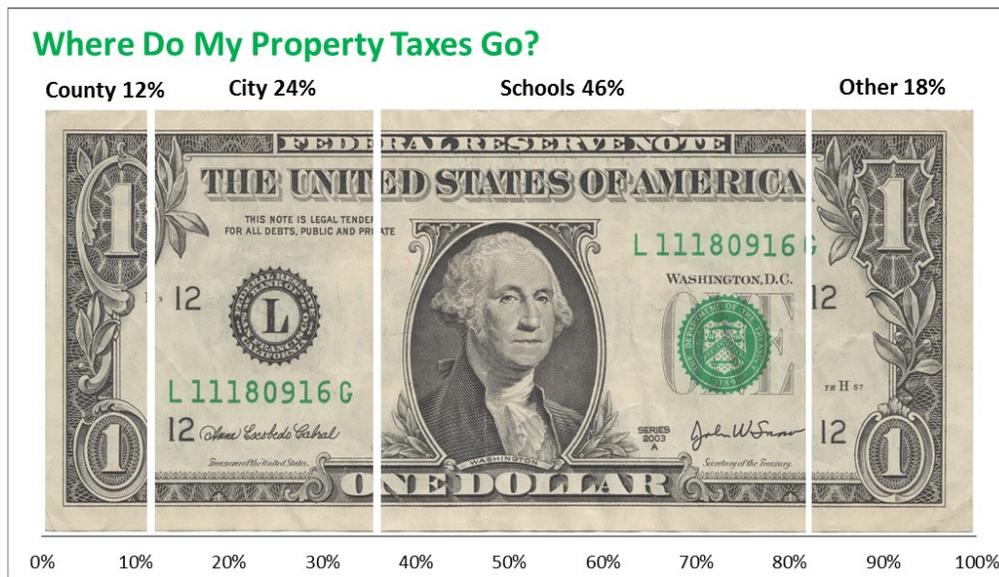


Staffing by Department

Department	2012-13	2013-14	2014-15	2015-16	2015-16	2016-17
	Actual	Actual	Actual	Budget	Estimate	Adopted
Police	22.0	23.0	24.0	24.0	24.0	25.0
Community Development	5.4	4.3	5.6	6.4	6.1	6.1
Parks	2.0	2.0	2.0	2.4	2.1	2.4
Municipal Court	2.3	2.9	2.9	2.9	2.9	2.4
Administration	7.8	7.8	8.5	9.0	9.0	9.0
City Hall Maintenance	1.0	1.0	1.0	1.0	1.0	1.0
Street	1.0	1.0	1.0	1.0	1.0	1.0
Florence Events Center	3.0	3.0	4.0	4.0	4.0	4.0
Water	5.0	5.0	5.0	5.0	5.0	5.0
Wastewater	5.0	5.0	5.0	5.0	5.0	4.0
Stormwater	1.0	1.0	1.0	1.0	1.0	1.0
Public Works Administration	5.0	5.0	5.0	5.0	5.0	6.0
Total FTE's - Citywide	60.4	60.9	65.0	66.7	66.1	66.9
Less: Contracted FTE's	(2.2)	(3.1)	(3.0)	(3.7)	(3.4)	(3.4)
Net FTE's - Citywide	58.3	57.8	62.0	63.0	62.7	63.5

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 2016-17. 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 \$2.48 million, which represents approximately 50% of the General Fund revenue and approximately 16% of total estimated revenue in fiscal year 2016-17.

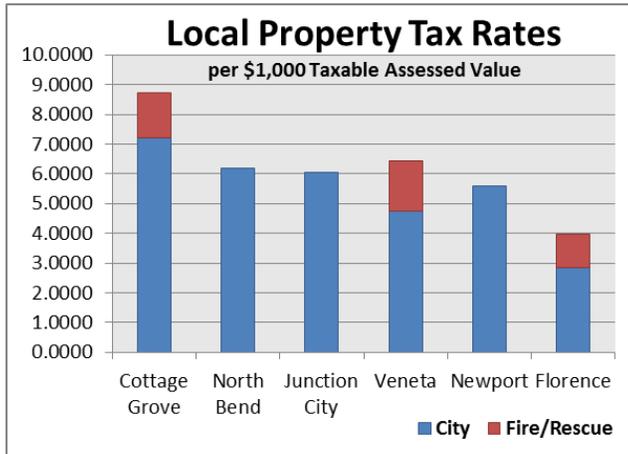


Total estimated tax bill for Florence Properties 2016-2017

Taxing District	Tax Rate ²	% of Total
City of Florence (Operating)	\$ 2.7626	19.9%
City of Florence (General Obligation Debt)	0.1720	1.2%
Florence Urban Renewal Agency	0.4159	3.0%
Port of Siuslaw	1.0994	7.9%
Siuslaw Public Library District	0.4986	3.6%
Siuslaw Valley Fire & Rescue	0.1424	1.0%
Western Lane Ambulance District	0.7588	5.5%
Lane County	1.6303	11.7%
Education (District 97J, LCC, & related GO Bonds)	6.4221	46.2%
Total	\$ 13.9021	100.0%

Property Tax Comparison

The City of Florence’s permanent tax rate of \$2.8610³ per thousand of taxable assessed value (TAV) is one of the lowest in the State of Oregon. When comparing

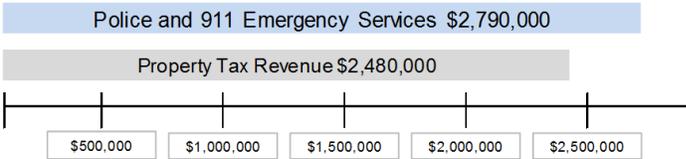


the City’s tax rate to other similar sized communities in the region the tax rate of the local fire and rescue special districts are added to improve the comparisons between communities. With the Siuslaw Valley Fire and Rescue District’s tax rate of \$1.1391³, the combined rate of \$4.0001³ for Florence

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

The City’s property tax revenue is projected to be \$2.48 million for FY 2016-17, which funds approximately 89% of the City’s Public Safety

FY 2016 -17 Cost of Public Safety Services:



service costs, including police and 911 emergency services, of \$2,790,100.



Members of the Florence Police Department & Police Auxiliary spoke with citizens at the Preparedness Expo.

The remaining funding to pay for public safety services and other City programs, such as community development, parks, municipal court, streets, water, wastewater, stormwater, and code enforcement

come from fees and charges, intergovernmental sources, transient room taxes, franchise fees, and other miscellaneous sources.

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

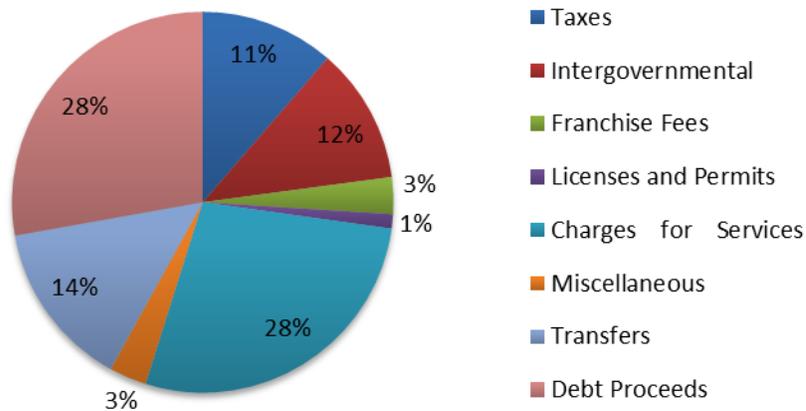
³ City and Fire District rates are prior to allocation of increment to the Florence Urban Renewal Agency.

City of Florence — Budget Summary (All Funds)

Resources (amounts in thousands)

Fund	Beginning Fund Balance	Taxes	Intergovernmental	Franchise Fees	Licenses and Permits	Charges for Services	Miscellaneous	Transfers	Debt Proceeds	Total Current Year Resources	Total Resources
General	1,854	2,478	818	772	319	324	253	889	400	6,253	8,107
Street	512	-	1,529	54	-	351	2	550	500	2,986	3,498
Street SDC's	931	-	-	-	-	36	7	-	-	43	973
9-1-1	-	-	215	-	-	158	-	520	-	893	893
Room Tax	60	364	-	-	-	-	-	-	-	364	425
Events Center	393	-	123	-	-	241	140	301	-	804	1,197
Water	1,119	-	-	-	-	2,135	17	300	1,400	3,851	4,971
Water SDC	289	-	-	-	-	99	2	-	-	101	390
Wastewater	737	-	200	-	-	3,126	371	281	-	3,978	4,714
Wastewater SDC	549	-	-	-	-	100	2	-	-	102	651
Stormwater	907	-	-	-	-	527	2	-	-	529	1,436
Stormwater SDC	96	-	-	-	-	50	2	-	-	52	147
Airport	-	-	19	-	-	116	2	45	-	182	182
Public Works	80	-	-	-	-	18	-	849	3,300	4,168	4,248
GO Debt Service	171	151	-	-	-	-	1	-	-	152	322
Debt Service	466	-	128	-	-	-	35	-	1,725	1,888	2,354
Totals	8,164	2,993	3,032	826	319	7,282	833	3,735	7,325	26,344	34,508

Current Year Resources

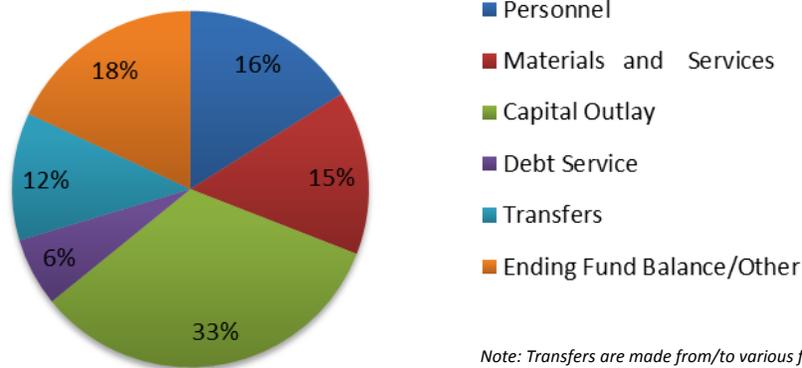


Fiscal Year 2015-16

Expenditures (amounts in thousands)

Fund	Personnel	Materials and Services	Capital Outlay	Debt Service	Transfers	Total Expenditures	Ending Fund Balance/Other	Total Expenditures/Ending Fund Balance/Other
General	3,348	1,305	1,042	68	686	6,448	1,659	8,107
Street	68	263	2,383	177	268	3,158	340	3,498
Street SDC's	-	6	-	-	550	556	417	973
9-1-1	531	81	17	-	127	756	137	893
Room Tax	-	146	-	-	219	364	60	425
Events Center	326	388	103	-	48	864	333	1,197
Water	347	418	2,225	142	655	3,787	1,184	4,971
Water SDC	-	3	-	-	300	303	87	390
Wastewater	320	497	1,706	1,207	719	4,449	265	4,714
Wastewater SDC	-	5	-	-	281	286	366	651
Stormwater	67	67	645	17	121	917	519	1,436
Stormwater SDC	-	41	-	-	-	41	106	147
Airport	-	85	20	51	23	179	4	182
Public Works	532	102	3,325	77	-	4,036	212	4,248
GO Debt Service	-	-	-	185	-	185	137	322
Debt Service	-	1,726	-	224	-	1,950	404	2,354
Totals	5,539	5,131	11,465	2,148	3,995	28,278	6,230	34,508

Current Year Requirements



Note: Transfers are made from/to various funds to pay for services provided by staff in other funds and debt service. The net amount of transfers in/out is \$0.

City Services, Utilities, & Infrastructure

Delivering sustainable services with predictable costs requires considerable planning. The City uses long-range financial modeling, including capital investment planning, to help inform decisions related to service levels, capital investment, debt and necessary revenue to sustain City operations including capital intensive utility and street systems. The City's financial position



Crews set the new well enclosure for Well #3A.

and outlook are stable due in part to this long-term planning.

Periodically, significant capital investment is necessary to replace and enhance aging infrastructure and/or to expand systems. A \$7.0 million loan was authorized in fiscal year 2015-16 to fund various major projects throughout the City. Of that, \$2.5 million was used last fiscal year with the balance of \$5.3 million committed to fund completion of carryover projects. There is an additional \$2.0 million authorized to fund a Phase I of the new Public Works Operations Facility in fiscal year 2016-17.



Crews installing new stormwater system on 35th Street.

The City's initiated a study last fiscal year to review the utility finances and rates. Based on the study findings, future increases in utility revenue due to growth, plus rate increases of approximately the rate of inflation, are anticipated to provide adequate resources to fund system operations and capital replacement and betterments.

In addition, other adjustments to the various account classifications are anticipated in order ensure that our rates are more equitable across the board. Potential changes to rates and rate methodology are being reviewed by the City's ad-hoc finance committee and public hearings will be held prior to the City Council taking action.



Removing sand from Oak Street that has drifted off the sand dune.

We are presently reviewing system development charges (SDCs) and building fees to be presented later this year. Both reviews include policy considerations that may impact utility rates and lead to rate adjustments that are in line with creating a more equitable rate structure. We are working carefully throughout the process to ensure charges and fees are reasonable, equitable, and are adequate to fund services at desired service levels.



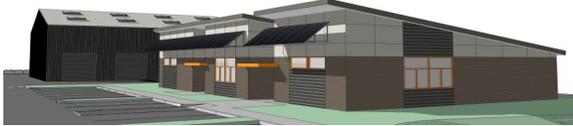
The base lift of permeable paving being installed for the Rhododendron Drive shoulder extension.

Among the most visible capital projects for fiscal year 2016-17 will be those on Rhododendron Drive. The first of these major projects is the Rhododendron Drive Shoulder Extension between 9th Street and Wild Winds Street, which was completed fall 2016. The Rhododendron Drive Shoulder Extension included funding of

\$850,000 from ODOT, \$110,000 in system development charges, and the balance in local funding. The second of these major projects is the Rhododendron Drive 9th Street to Highway 101 Improvement Project, with a construction contract awarded at approximately \$2.65 million. This project will increase water line capacity, make needed wastewater improvements, add capacity to the stormwater system, repave the roadway, and create additional sidewalk and bike lanes.

City Services, Utilities & Infrastructure

The new Public Works Operations Facility is another highly visible project. After receiving initial cost



estimates and evaluating alternatives, the City Council decided to combine phases I and II of the project in order to maximize the value of our funding. The new facility



Crews collecting soil samples at the new Public Works Facility site.

includes a dedicated maintenance facility and separate administration building that will have space for training and serve as a backup Emergency Operations Center. The new Public Works campus will be located in the Pacific View Business Park on land owned by the City, adjacent to the airport. The facilities will have a significant positive impact on efficiencies and effectiveness, and the location provides the City future expansion opportunities. The vacated Spruce Street location will be converted to an extension of Gallagher's Park.

Design work for a remodel and limited expansion of City Hall is also budgeted. City Hall was built in 1967 and has served the community well since its opening. However, the layout of the space was created to serve different uses and functions than what is needed today and the building's electrical, flooring, and other surfaces are in need of replacement or repair. A component of this project is to complete improvements to the Justice Center as a temporary office location for part of City Hall staffing, preparing the space for use later by the Police Department as its needs grow.

Other City projects include general utility infrastructure maintenance projects to replace old lines, rehabilitate reservoirs, and maintain or replace existing equipment. Additionally, funds are allocated for system expansions, as needed, utilizing system development charges.



New sewer main installed along Munsel Lake Road.

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 Remodel Design	\$ 150,000
Information Technology	40,000
Police Vehicles	55,000
Parks Improvements	797,000
Total General Fund	1,042,000

Street Fund

Rhody Dr. Shoulder Expansion	957,800
Rhody Dr. Hwy 101 to 9th St.	1,000,000
Siuslaw Estuary Trail	250,000
Spruce St. Culvert Bridge	50,000
Crack/Hot Oil Chip Seal	75,000
Sidewalks and ADA Improvements	50,000
Total Streets	2,382,000

Events Center Fund

Equipment	102,500
Total Event Center Fund	102,500

9-1-1 Fund

Equipment	16,800
Total 9-1-1 Fund	16,800



Airport Fund

Equipment	\$ 20,000
Total Airport Fund	20,000

Water Fund

Meter Replacement/Upgrade	400,000
Well/Reservoir Rehabilitation	305,000
Waterline Replacement	455,000
Waterline Expansion	1,065,000
Total Water Fund	2,225,000

Wastewater Fund

Equipment & Vehicles	431,000
Pump Station Rehabilitation	40,000
Wastewater Line Replacement	150,000
Wastewater Line Extension	1,085,000
Total Wastewater Fund	1,706,000

Stormwater Fund

Equipment & Vehicles	20,000
Stormwater Expansion	625,000
Total Stormwater Fund	645,000

Public Works Administration Fund

Public Works Facility	3,224,800
Equipment & Vehicles	100,000
Total Public Works Admin. Fund	3,224,800

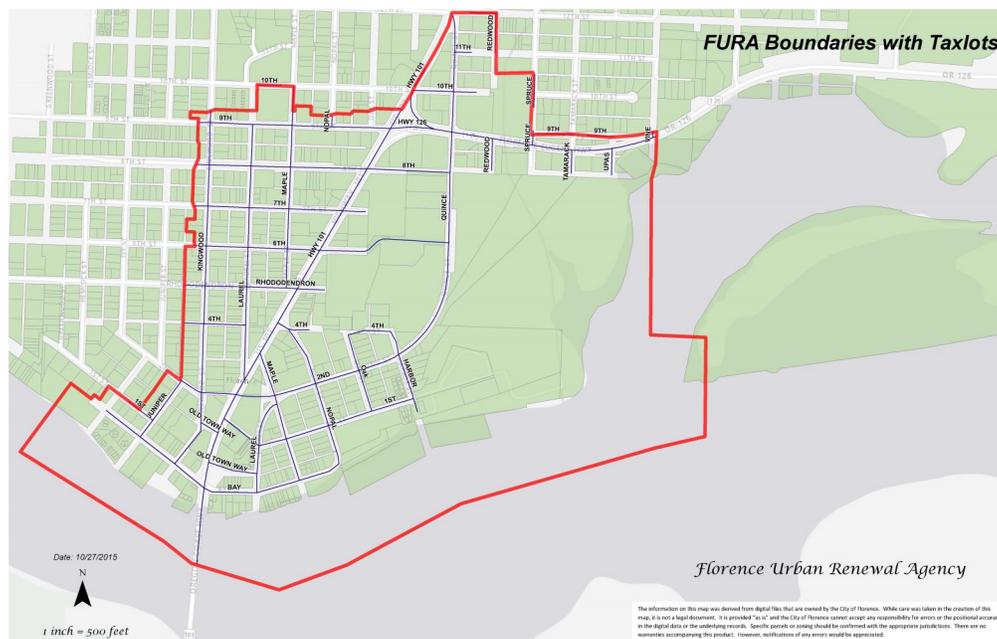
Total Capital Investment	\$ 11,364,100
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Florence voters approved the formation of the Florence Downtown Preservation and Renewal Plan in 2007, which created the Florence Urban Renewal Agency (FURA) district (boundary shown below). FURA uses property tax increment financing, repaid with dedicated property taxes, to fund projects within the District to facilitate redevelopment and development.

Urban Renewal focuses on 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’s nine-member board, consisting of the Mayor, two City Councilors, and members appointed by the overlapping taxing jurisdictions within Florence, authorized \$3.7 million of borrowing from the City in fiscal year 2015-16. Of this amount, \$1.6 million was borrowed to refinance existing urban renewal debt with more favorable terms. The \$2.1 million balance of borrowing is budgeted in fiscal year 2016-17 to fund planned projects.



FURA by the Numbers

Last year FURA and the City received very positive public feedback from citizens and the business community on concept designs for “ReVision Florence” which will provide streetscaping along Highway 101 from the Siuslaw River Bridge to Highway 126. FURA has taken the next step, engaging a team to lead engineering and design work for the project. This project is in collaboration with the Oregon Department of Transportation, as the desire is to include as much of the streetscape improvements as possible when Highway 101 is resurfaced from the Siuslaw River Bridge to the Highway 126 intersection in 2018. FURA has also budgeted funds to implement recommendations included in the economic analysis and development strategy completed in early 2016. Additionally, FURA, with the help of the City’s Public Art Committee, is developing plans to leverage investment in public art to enhance the area’s interest and sense of place.

Planned Projects & Capital Investment

ReVision Florence	\$	600,000
Development Projects		500,000
Public Art		125,000
2nd Street Sidewalks		75,000
Total FURA Project Budget	\$	1,300,000

FURA FY 2016-17 Work Plan Timeline

(Quarter Ending)





BUDGET IN BRIEF
4th Edition

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