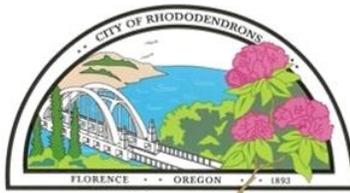




City of Florence, Oregon

Biennial Budget

Fiscal Biennium 2017-2019



City of Florence
A City in Motion

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City of Florence
A City in Motion

Adopted Biennial Budget 2017-19



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of Florence

Oregon

For the Fiscal Year Beginning

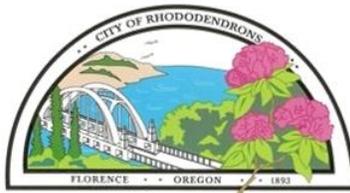
July 1, 2016

Executive Director



City of Florence
A City in Motion

Adopted Biennial Budget 2017-19



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City of Florence
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City of Florence, Oregon

Biennial 2017-2019 Budget

July 1, 2017 – June 30, 2019



Budget Committee

Council Members

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

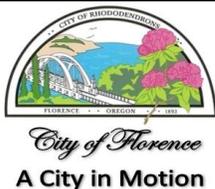
Citizen Members

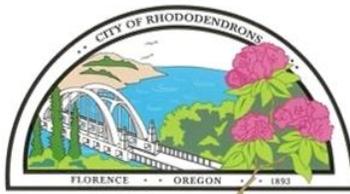
	<u>Term Expires</u>
Sally Wantz, Chair	January 2019
Leonard Larson	January 2018
Joel Marks	January 2020
Wayne Sharpe	January 2018
George Ceffalo	January 2019

The City's Budget Committee consists of the Mayor, four City Council members and an equal number of citizen members. Citizen member terms are three years expiring January 31st. With the implementation of a biennial budget, terms will be extended to four years.

The Budget Committee received the proposed budget May 15, 2017. The committee held two public meetings May 22 and 23 with City staff making presentations and addressing questions. The public meetings provided an opportunity for public testimony.

The City Council held a public hearing on the approved budget June 12, 2017. After the public hearing the Council adopted the approved budget, with limited changes, levied property taxes and established budget appropriations. In July 2017, the Council approved changes to the City's fees and charges consistent with changes included in the adopted budget.





City of Florence
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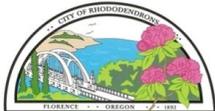


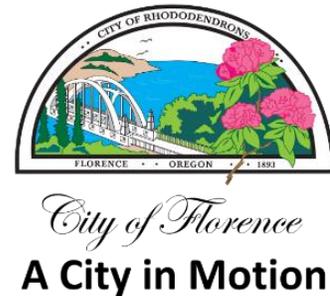
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City Manager's Budget Message



Vision: Oregon's Premier Coastal Community

Mission: 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.

To: The Honorable Mayor Joe Henry, Florence City Councilors, members of the Budget Committee, and the citizens of Florence

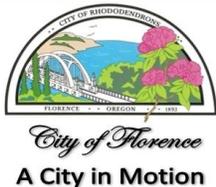
It is my honor to submit this proposed budget for the City's first ever two-year or biennial budget encompassing the fiscal years (FY) ending June 30, 2018, and June 30, 2019. This biennial budget is the City's single most important policy document. Its purposes are to provide a comprehensive overview of all City funds and services and to give residents a better understanding of the City's operating and fiscal programs.

The City of Florence 2017-2019 Biennial Budget has been prepared pursuant to Oregon Local Budget Law and the City's financial policies. It presents my recommendations as the City of Florence Budget Officer, and it incorporates all aspects of the City Work Plan. It sets standards and establishes action, operational, and financial plans for the delivery of City services from July 1, 2017, through June 30, 2019.

The recommended budget as presented maintains current City services and represents an effective use of the City's resources. We are committed to maintaining the financial forecasts included in the budget document for the next two biennia, or through the fiscal year ending June 30, 2023. This reflects our commitment to ensuring that decisions made today can be sustained in the next biennium and beyond. We have been successful in doing this for nearly all of our programs, with

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.



continued efforts to prioritize and time street and wastewater projects to best meet the funding available.

This budget represents an ambitious and capital-intensive, yet financially feasible and manageable action plan for our future. We have spent the past two years planning, designing and engineering for the future. During FY 2018-2019, we will have the opportunity to put these plans into action. It is a privilege to be a part of several ambitious once-in-a-generation projects that will effect positive change for our community now and for future generations.

Overview. The biennial budget totals \$55.4 million (\$36.4 FY18 and \$25.1 FY19, respectively) and is balanced. The general fund biennial budget is \$16 million (\$10.1 FY18 and \$7.4 FY19, respectively). Budgeting for capital projects is \$15.1 million (\$10.7m FY18 and \$3.8m FY19, respectively), representing a significant investment in facilities, equipment and infrastructure for the next two years. City-wide net spending totals over \$42.2 million* (\$25.9m FY18 and \$16.3m FY19).

Goals. The five City Council members have remained the same since 2015 when they first took office together. With that continuity in governing leadership they have reaffirmed their commitment to the five City goals as refined in 2016. The goals comprehensively reflect the City’s mission, vision and motto:

- **City Service Delivery**
- **Livability and Quality of Life**
- **Economic Development**
- **Communication and Trust**
- **Financial and Organizational Sustainability**

Work Plan. The City’s work plan was created for a two-year horizon in anticipation of preparing, for the first time in the City’s history, a biennial budget for FY 2017-2019. The City of Florence's work plan provides a strategic direction from the City Council and a foundation for prioritizing the projects the City intends to undertake on behalf of its residents during the next two years. These priorities and the projects associated with them are discussed in the following section.

Biennial Budget Summary		
Resources	Millions	% of Total
Taxes	6.1	11.0%
Intergovernmental	5.3	9.6%
Franchise fees	1.8	3.3%
Licenses and permits	0.8	1.4%
Charges for services	15.4	27.8%
Miscellaneous	2.1	3.8%
Transfers	7.4	13.4%
Debt proceeds	6.7	12.1%
Total current resources	45.6	82.5%
Beginning fund balance	9.7	17.5%
Total resources	55.3	100.0%
Requirements		
Personnel	11.5	22.9%
Materials and services	10.9	21.7%
Capital outlay	14.6	29.0%
Debt service	5.2	10.3%
Transfers	8.1	16.1%
Total expenditures	50.3	100.0%
Ending fund balance	5.0	9.9%
Total requirements	55.3	109.9%



Priorities for the 2017-2019 biennium. There are 13 priorities contained within the work plan. The proposed biennial budget is built from these 13 priorities. The budget achieves a stable and sustainable financial plan that enables the City to do these priority projects; to fulfill citizen expectations for municipal services; to retain and attract a professional, trained workforce; and to support the City Council in providing excellent governance and financial oversight along the way. The priorities are as follows:

1. Improve, Expand, and Complete New and Existing Facilities. The proposed budget will enable service delivery as expected in the 21st Century and as a Premier Coastal Community by providing funding for improving, expanding, completing and building new facilities. Our first priority involves a focus on three facilities, which includes City Hall, the Justice Center, and the new Public Works Operations Facility.

- City Hall will be remodeled and expanded, temporarily displacing 22 employees to other City facilities.
- The Justice Center will see the completion of its round room over the next several months.
- And finally, the new Public Works Operations Facility will be completed and furnished and will serve as the new base for public works administration and maintenance.

2. Increase Operational Efficiencies through Improved Technology. The proposed budget will increase operational efficiencies by funding up-to-date technology. A recent information technology strategy and internal needs assessment identified the need for a full-time on-site information technology professional. Over the next biennium, we will fill this position. Additionally, the budget includes a proposal for significant investment to increase network capacity, software, and equipment.



3. Expand City Services. The proposed budget supports the expansion of City services to meet the demands of the urban growth boundaries and newly annexed properties. Successful execution of the plan to meet this demand will require a team effort among all City departments. A primary focus will be on wastewater and public service as demand grows for urban utilities. Additionally, to support current and future customers, the City will continue to maintain and invest in water, wastewater and stormwater utility infrastructure and treatment plants according to master plans. The proposed budget also includes funding for additional staff capacity for our new stormwater division.

4. Sustain and Improve the Delivery of Public Safety Services. The proposed budget continues to sustain and improve the delivery of public safety services to our citizens. To fulfill this priority, the City will implement a variety of initiatives.

- First is a new school resource officer program. In partnership with the Siuslaw School District, the Florence Police Department will develop and deploy dedicated policing services to the Oak Street corridor.
- Emergency management will become a function of the police department.
- Fairly new public safety workforce compared to prior years – emphasis on training and creating a professional culture.
- Finally, local 911 dispatch will receive technology upgrades. The upgrades will allow dispatch to keep up with regulations, the demands of our community and the standards of our public safety partners, as well as provide a great service to the Florence Police Department and Municipal Court.

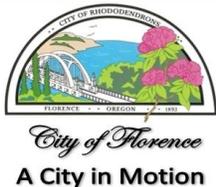
5. Implement Best Practices and Process Improvements. The proposed budget includes financial means for process improvements and implementation of best practices. From my administrative perspective, it will allow us to professionally manage our City as a dynamic and growing entity so that we can become the organization that we strive to be.

To that end, we endeavor to maintain, improve, and seek sustainability of various internal systems and policies, with a focus on City records management and personnel recruitment and development. Additionally, we will support staff involvement in community activities, programs and clubs, and will continue to provide excellent City Council support.

6. Improve Parks and Trails. The proposed budget funds projects to fund parks and trails, an integral element of our second City Council goal, livability & quality of life. The parks and trails initiative will enhance our natural resources in partnership with the community, allow us to obtain grant funding for improvements, and plan for the future of our parks and trails. Improvements will include:

- Added facilities at Miller Park;
- Creation of the Siuslaw River Beach Access Park;
- Planning of Gallagher Park, to be located at the current Public Works facility on Spruce Street;
- Obtaining grant funding for the completion of the long-anticipated Estuary Trail. In FY17 the Urban Renewal Agency purchased the trail head at Hwy 126 & Redwood Street.

The City strives to meet public demand for organized recreation programs and facilities with existing funding sources. Additionally, we are committed to obtaining new funding sources and finding other creative, innovative ways to provide facilities and fields for



new sports leagues and groups like soccer and pickleball, while maintaining and improving existing facilities for traditional programs like baseball, softball, and tennis.

7. Uphold Our Commitment to Community Development. The proposed budget includes funding for projects and personnel for the City’s community development program to be funded by increased development and building permit activity.

- Planning, Building & Code Enforcement departments will increase their focus on customer service, efficient internal processes, and functionality with the help of one additional Planning Technician position.
- Sustainability and planning for the future will include a focus on public transit, solid waste, recycling, and our FloGro yard debris composting program.
- The HEOP will update the housing code to achieve a modern and user-friendly City Code that can support policy decisions for the next 20 years.
- The code-enforcement program will receive funding to digitize the code-enforcement process and to purchase a new and better suited code-enforcement vehicle.



8. Modernize and Expand the Florence Events Center. The proposed budget includes funding for improvement projects at the Florence Events Center (FEC). Projects include (1) modernizing the FEC through technology upgrades made possible through the continued financial support from the Friends of the FEC, and (2) initiating master planning for the expansion of parking, indoor meeting space, and storage square footage on the newly acquired north property.

The FEC will seek long-term financial support for expansion to the north of the existing facility from donors through endowments and estate planning, increasing capacity for improvement and reducing reliance on the general fund.

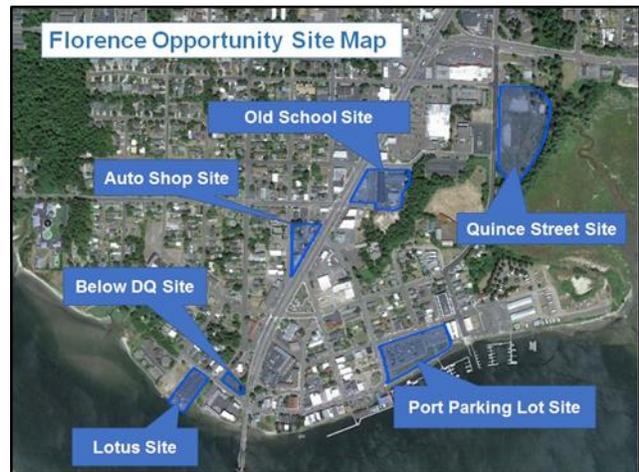


9. Implement Projects and Management of the Airport. The proposed budget funds projects and management of the Florence Municipal Airport, including: a community project to create the new General Ben King’s Florence Airport’s Memorial Gateway Park; continued efforts to professionally manage the Florence Municipal Airport through existing staff; continued efforts to realize efficiencies gained with the new Public Works Operations Facility located at north end of runway; the completion of significant capital projects; and updating of the Airport Master Plan.

10. Improve Street and Transportation Systems. The proposed budget funds continued investment in our street and transportation systems. We’ve made great progress over the past five years when it comes to keeping our transportation infrastructure in good condition. In the last two years, significant portions of Rhododendron Drive were completed, in addition to the completion of other overlays and chip seals throughout town.

We remain committed to implementing Americans with Disabilities Act (ADA) compliance and multi-modes of transportation improvements as funding allows. Steady street and transportation system improvements are budgeted for the next two years. Several deferred projects will also be completed if Federal or State transportation funding is made available in the near future.

11. Invest in Economic Development. The proposed budget funds projects and personnel to support the Economic Development Program. Specifically, funding will include continued investment in part-time contract staffing of the Economic Development Catalyst; business retention and expansion through RAIN, Top Hydraulics, SDCD, LCC, and workforce development LWP; forging of partnerships and leveraging of resources; and marketing and recruitment for Urban Renewal Catalyst sites, Pacific View Business Park, commercial areas north of 9th Street, and the EcDev “Open for Business” Website.



12. Build Trust, Communication, Community Engagement, and Community Partnerships. The proposed budget continues funding for building trust and community engagement through communication, outreach, sustaining a solid and manageable financial foundation, and marketing and tourism. Each of these activities is discussed in greater detail below.

Communication & Outreach

Communication and outreach is integral when engaging with our community and gaining their trust. In order to improve communication, staff will be trained to use modern technology tools to maintain a presence on social media and to continue to publish our monthly newsletter using a modern e-mail distribution platform. Staff will also be encouraged to maintain open and timely communication with residents, visitors, City Council, and our partners. There will also be an addition of an Information Technology Manager who will update and sustain the City's technology infrastructure to maximize the efficiency and effectiveness of City staff, enhance City services and connectivity interaction with the public.



A Solid Financial Foundation



Sustaining a solid and manageable financial foundation is another important activity for building community trust and engagement. A good financial foundation starts with fiscally sound financial policies and best practices, and includes timely financial reporting in accordance with standards: Budget, Audit & internal reporting. The City of Florence's award-winning annual Budget in Brief document is one such financial report. It has proven to be one of the City's most valuable communication tools, winning the Government Finance Officers Association (GFOA) award for the past two years. This year's proposed budget is the City's first biennial budget and has been prepared in accordance with the City's newly adopted financial policies. It will be used for sustaining a solid financial foundation.

Marketing & Tourism

The City will continue to partner with the Florence Chamber of Commerce and Visitor Information Center as the City's marketing agent to manage and promote events that attract out-of-town visitors. The City will also partner with the Chamber of Commerce, Travel Oregon, Travel Oregon Coast, Travel Lane County, and other agencies to improve cross-marketing efforts of the Florence Events Center and maximize the social media platforms to leverage scarce resources and increase revenues.



The City will continue to manage a grant program to donate money to Siuslaw Outreach Services; activities undertaken by the Urban Renewal Agency; economic incentive programs; ReVision Florence; and public art installations.

Example of a recent public art installation.

13. City Service Delivery. Finally, the proposed budget funds personnel, projects, and activities to continue providing 24/7 city service delivery. This includes sustaining and improving the delivery of cost-effective public services to the citizens of Florence and to our visitors. Our excellent and unwavering level of service couldn't be accomplished without dedicated employees who are passionately committed to improving their community, as well as our volunteers who sit on boards and committees or provide operational support to the City.

We have endeavored to ensure that the 2017-19 budget sustains and improves service delivery throughout all City operations. The purpose of this budget message is to highlight key aspects of the budget in relation to the City work plan, while referring you to further explanations throughout the document as it relates to each fund and program. Each program section contains a narrative summary, program highlights, and performance measure information that all together tells the story of a City in Motion. Important features included in the budget for each service area are listed below:

- **Public safety**
 - o Full staffing
 - o Exterior maintenance on the Justice Center completed in FY 2018
 - o Increased activity levels in all operational areas
 - o The Justice Center Round Room to be completed and provide greater opportunities
- **Water**
 - o 2.8% rate increase (consistent with the annual change in CPI) with a phased-in structure
 - o Full staffing
 - o \$1.4 million in debt proceeds to fund major capital improvements
 - o Into the fifth year of an outside services contract to repair and recoat the water reservoirs.
- **Wastewater**
 - o 2.8% rate increase in line with CPI with a phased-in structure
 - o Increase staffing at the wastewater treatment plant by 1 FTE
 - o Increase in capital expenditures to replace or repair critical capital equipment at the wastewater treatment plant
 - o Sandpines sewer pump station was removed from service in 2016 when the Rhododendron Drive gravity sewer project was completed
- **Stormwater**
 - o 2.8% rate increase in line with CPI with a phased-in structure

- o Increase staffing in Stormwater by 1 FTE (Full Time Equivalent).
- o Funding for engineering work in relation to Stormwater Master Plan update and three priority projects (6th Street, 2nd Street, and Pine Court) and begin construction of the Pine Court project in year two of the biennium budget (fiscal year 2019)

- **Streets**

- o \$0.50 increase per dwelling unit equivalent for Street Maintenance Fee
- o Development of the Siuslaw Estuary Trail from Hwy 126 to just north of the Port of Siuslaw campground is scheduled to begin in fiscal year 2018
- o Implement Equity Street Fee for commercial customers based on per trip generation

- **Parks**

- o Purchase and develop a new riverside/beach park from two grant sources
- o Light pole banner program and expansion of flower basked program in Old Town

- **Community Development**

- o Adding one FTE to assist with increased activities across the board
- o Community development and code enforcement software budgeted to increase efficiency and effectiveness of staff
- o Code enforcement vehicle

- **Florence Event Center**

- o The *Dancing with the Sea Lions* campaign was an award-winning success for the Friends of the FEC raising \$62,000 for improvements earmarked for technical upgrades in the theater.
- o Full staffing
- o The long-awaited acquisition of the one-acre property north of the FEC was completed! Staff will create a master plan for future funding and development.

- **Airport**

- o Debt for Kingwood improvements paid off in fiscal year 2017
- o Transfer from the General fund is eliminated

- **Technology**

- o IT strategy and plan completed
- o IT Manager recruitment has been initiated

Acknowledgements. I am honored and humbled to be of service to the City Council during these exciting times for the City of Florence. I appreciate the dedication of City employees as they deliver key community services, maintain financial stability and continue to make decisions that support the City of Florence as Oregon’s Premier Coastal Community and a City in Motion!

I would like to acknowledge City Council Members Mayor Joe Henry, Council President Joshua Greene, Council Vice-President Ron Preisler, Councilor Susy Lacer, and Councilor George Lyddon; Citizen Budget Committee Members Leonard Larson, Joel Marks, Sally Wantz, George Ceffalo.



In turn, I would like to extend a personal thank you to each member of the management team and their staff for the information and insights they have provided in the preparation of this budget, including Public Works Director Mike Miller, Police Chief Tom Turner, Planning Director Wendy FarleyCampbell, Events Center Director Kevin Rhodes, City Recorder Kelli Weese, Project Manager, PIO & Acting Human Resources Manager Megan Messmer, and Contract Finance Director Andy Parks.

Respectfully submitted,



Erin R. Reynolds
City Manager/Budget Officer

City Overview

About

Incorporated in 1893, Florence is a scenic seaside community at the confluence of the Siuslaw River and the Pacific Ocean. The City is located along the [Pacific Coast Scenic Byway](#) (Highway 101), only one hour west of Eugene, and is served by a marina and boasts its own airport.

The City has grown at a modest pace since 2000, an average of 0.8% annually, to a population of 8,680 as of July 1, 2016. Similar growth is anticipated during the next several years. Additionally, an estimated 2,300 residents live outside the City but within the City's Urban Growth Boundary (UGB).

Florence's Historic Old Town is a charming 1900s fishing village that is built beside the Siuslaw River. The Port of Siuslaw has built a boardwalk along its updated and expanded marina providing up-to-date amenities for commercial and recreational users. The Siuslaw River Bridge which connects highway 101 across the Siuslaw is visible from much of Old Town. The Bridge, built in 1936, is in the midst of a major refurbishment project by the Oregon Department of Transportation. The project is scheduled for completion in 2018.

The Florence area is rich with outdoor pursuits. Beaches, parks, hiking trails, lakes, rivers and creeks are found throughout this premiere coastal community. The City has two golf courses, the world's first ever sand board park, and is located minutes away from the Oregon Sand Dunes National Recreation Area. Within the Siuslaw National Forest, the dunes are the largest coastal sand dunes in North America.

The City also boasts its own Events Center. The Florence Events Center hosts popular annual events such as the Florence Festival of Books, the Celebrate Arts juried art show and the Winter Folk Festival. Additionally, the FEC is home to the Last Resort Players theatre company and the Seacoast Entertainment Association' annual concert series.

Form of Government

Florence operates under a Council-Manager form of government. The Mayor and City Councilors are responsible for hiring and providing direction to the City Manager, establishing policy, adopting budgets and approving City contracts. The Mayor and City Councilors are elected at-large. The Mayor serves a term of two years and the City Councilors serve staggered four-year terms. The Mayor presides at official meetings and work sessions.

The Florence City Council meets the first and third Monday of each month at City Hall. Council meetings are video-taped and broadcast on cable channel 191. Additionally, videos of previous meetings are available on the City's website <https://ci.florence.or.us/council/watch-past-city-council-meetings-online>.



Services

The City of Florence, from its elected officials to its field and clerical support staff, are dedicated to professionalism, efficiency and effectiveness, and outstanding customer service. The City provides police, emergency dispatch, municipal court, water, sewer and surface water utilities, streets and sidewalks, events center, parks, airport, and community development; planning, building, engineering and code enforcement services. Additionally, the City has an urban renewal agency, the Florence Urban Renewal Agency (FURA), which is staffed by City personnel and overseen by a separate nine-member board that includes three City Councilors.

Fire and Rescue services are provided by Siuslaw Valley Fire & Rescue District, ambulance services are provided by Western Lane Ambulance District, and the library is operated by the Siuslaw Public Library District. Public transportation services are provided by Lane Transit District, which operates the Rhody Express.

Florence lies within Lane County, which has five commissioners, elected by district. The County's administration is located in Eugene, sixty miles east of Florence. Florence is within District 1 West Lane, which is represented by Commissioner Jay Bozievich.

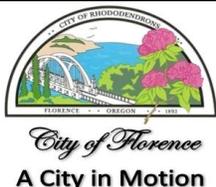
History

The Florence area was originally inhabited by the Siuslaw tribe, whose name to this day is shared by the river that flows through the country where these Native Americans once lived. Europeans first began traversing this region during the Golden Age of Exploration, when Spanish galleons sailed off the coast, charting the territory. Years later, on his northwest voyage, the famous English seaman Captain Cook explored the Oregon coastline, giving names to many present landmarks, such as Cape Foulweather.

In the second half of the 19th century, Anglo-Americans permanently settled the area that would become Florence. This rugged frontier community depended on logging and fishing for its economic survival. The town hit a population of 300 in the year 1900, at which time there were a lumber mill, two general stores, two canneries, a saloon, and a weekly newspaper.

One of the town's most complete mercantile stores, located in the Kyle Building, was built in 1901. Bulk goods, farm tools, hats, boots, and other items were sold here, providing residents necessities for life in what was a remote part of the state. The town's vital link across the Siuslaw River was provided by ferry boats until 1936, when the picturesque Siuslaw River Bridge was completed.

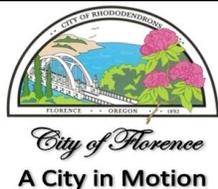
Some state that the city was named for state senator A. B. Florence, who represented Lane County from 1858–1860; another notion is that Florence was named for a French vessel that was wrecked at the mouth of the Siuslaw River on February 17, 1875.

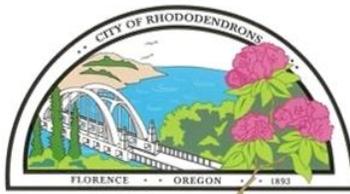


Statistics

Metric	Data
Year incorporated	1893
Form of government	Council/manager
Area in square miles – total/land only	5.87/5.37
Annual rainfall - average inches since 1957	68.69
Parks and public open space	154 acres
Population (2016)	8,680
Persons per household (2009-2013) – Florence/Oregon	1.91/2.49
Percent of population female (2010) – Florence/Oregon	53.6%/50.5%
Persons under 5 years age – percent (2010) – Florence/Oregon	3.8%/6.2%
Persons under 18 years age – percent (2010) – Florence/Oregon	13.9%/22.6%
Persons above 65 years age – percent (2010) – Florence/Oregon	36.4%/13.9%
High school graduate or higher % of persons 25+ years of age (2009-2013) – Florence/Oregon	92.0%/89.4%
Bachelor’s degree or higher % of persons 25+ years of age (2009-2013) – Florence/Oregon	22.9%/29.7%
Median family income (2009-2013) – Florence/Oregon	\$31,812/\$50,229
Per capita income – past 12 months (2013 dollars, 2009-2013) – Florence/Oregon	\$24,044/\$26,809
Persons below poverty level – Florence/Oregon	15.2%/16.2%
Number of housing units (2009-2013)	5,103
Households (2010)	4,399
Percent owner occupied – Florence/Oregon	62.9%/62.0%
Median value of owner-occupied housing (2009-2013) – Florence/Oregon	\$195,900/\$238,000
Housing units (%) in multi-family – Florence/Oregon	21.1%/23.2%
City lane miles of street	79.06
Sewer mains	93 miles
Sewer pump stations	38
Stormwater pipes	34 miles
Water mains	62 miles
Water storage – gallons	4.5 million
Water and sewer connections	3,700
Bond rating	A
City property tax rate	\$2.8610
City bonded debt property tax rate (estimate 2017-18/2018-19)	\$0.1722/\$0.1684
Total property tax rate – City (estimate 2017-18/2018-19)	\$3.0332/\$3.0294
City share of total property tax rate - estimated	21.0%
Total budget – 2017-19 Biennium	\$56,040,958

Source for much of the demographic data – U.S. Census
<http://quickfacts.census.gov/qfd/states/41/4126050.html>

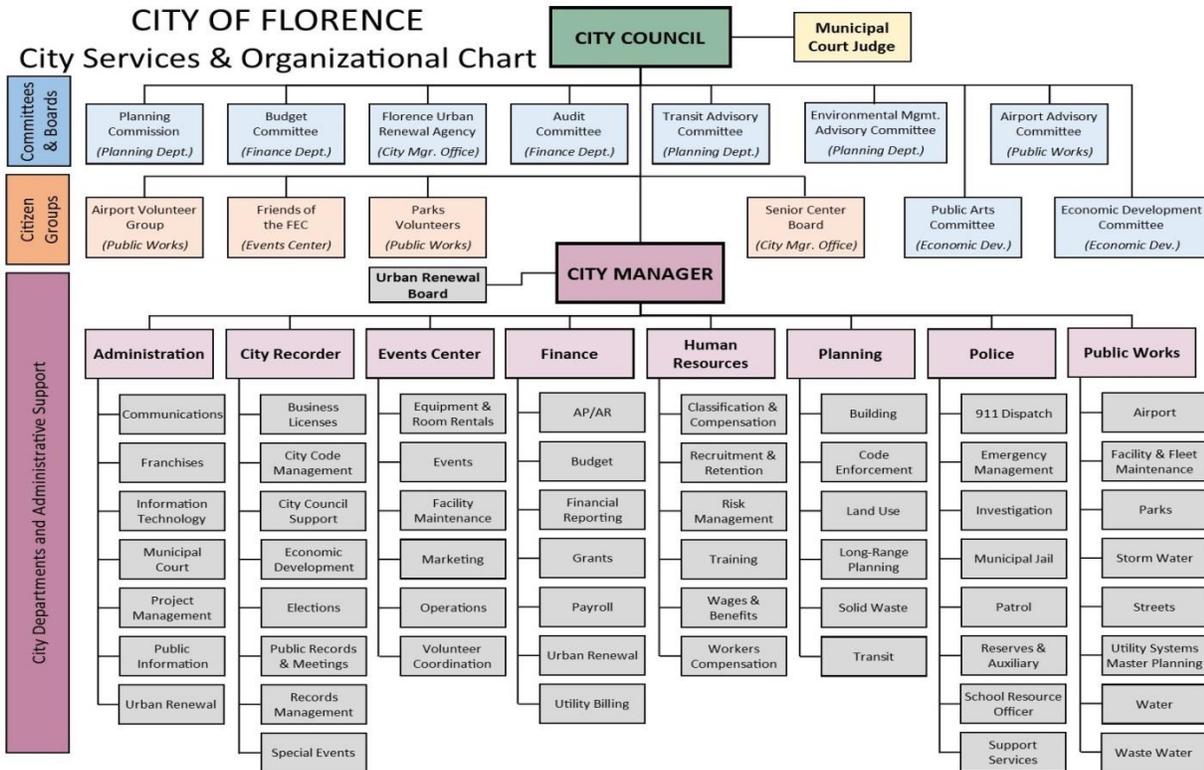




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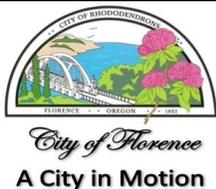
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Personnel



Full-time Equivalent (FTE's) Employees

Department	2014-15	2015-16	2016-17	2017-19
	Actual	Actual	Budget	Budget
Police	24.0	24.0	25.0	25.0
Community Development	6.3	6.4	6.4	7.6
Parks	2.0	2.0	2.4	2.5
Municipal Court	2.9	2.5	2.4	2.4
Administration	8.5	8.0	9.3	10.6
City Hall Maintenance	1.0	1.0	1.0	1.0
Street	1.0	1.0	1.0	1.0
Florence Events Center	4.0	4.0	4.0	4.0
Water	5.0	5.0	5.0	5.0
Wastewater	5.0	5.0	4.0	5.0
Stormwater	1.0	1.0	1.0	2.0
Public Works Administration	4.0	4.0	6.0	6.0
Total FTE's - Citywide	64.7	63.9	67.5	72.1
Less: Contracted FTE's	(2.7)	(2.8)	(2.8)	(3.0)
Net FTE's - Citywide	62.0	61.1	64.7	69.1



Summary

Prior to fiscal year 2014-15 City staffing was decreased due to revenue and activity reductions resulting from the extended recession that began in 2007. During the past few years activity levels and revenue have stabilized and increased. Increased services demand, deferred capital investment, and low interest rates have spurred increases in capital investment as well as the need for additional personnel.

Given the changes in conditions, the City has incrementally restored staffing to previous levels including the addition in fiscal year 2014-15 of a Sergeant position, the return of the Planning Director after a tour of military duty, a Planner position, and an Office Coordinator position for the Florence Events Center.

In 2014, the City completed a comprehensive compensation study that informed an update of salary ranges for all non-represented positions of the City. The salary schedule was approved by the City Council in 2015. Consistent with the City personnel policies, the salary ranges are adjusted annually on July 1 by the percentage change in the CPI-W for the previous March-February period. The annual adjustment is limited to a minimum one percent (1.0%) and maximum three percent (3.0%). The adjustment July 1, 2017 is 2.8%. The estimated adjustment July 1, 2018 is 2.0%.

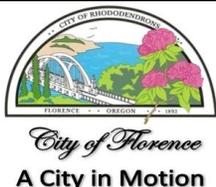
The City Manager is responsible for administering the City's compensation plan which includes receiving approval from the City Council on the pay structure and associated benefits. The City Manager's compensation is established by the City Council. The Municipal Court Judge, Finance Director, Building Official and Building Inspectors are not employees of the City. They receive compensation via personal services contracts. Additionally, the City uses an outside employment agency for non-permanent part-time and seasonal employment.

In fiscal year 2016-17 the following positions were added:

- School Resource Officer position, with Federal and School District funding
- An existing position was reorganized to a Project Manager position
 - The position provides direct management of the City's capital improvement program and other key initiatives
- The reorganized position, i.e., the Assistant to the City Manager position was replaced with an Intern position with significant job responsibilities distributed to other positions
- A part-time Intern position was added to provide support to the City Manager
- A Wastewater Treatment Plant Supervisor position was reorganized to public works administration to provide supervision to water and wastewater treatment operations
- Municipal Court staff was reduced by 0.5 FTE due to changes in technology and a retirement.

With the change to biennial budgeting for fiscal years 2017-18 and 2018-19, and the iterative process of the organization moving from planning and resource coordination related activities to implementation of the work plan, i.e., a transition to increased capital project activity and increased development related activity levels, staffing needs have been carefully evaluated and considered. Additional positions included in the 2017-19 biennium budget include:

- A planning technician position to assist with increased development activity (1.0 FTE)
- An increase in outsourced staffing for building inspections (0.2 FTE)



- An increase in seasonal staffing for park maintenance (0.1 FTE)
- An information technology manager position to oversee implementation of the IT Strategic Plan and support the City's investment in technology systems (1.0 FTE)
- Additional hours for the Intern position to support the City Manager (0.3 FTE)
- A wastewater operator position to address treatment plant maintenance issues (1.0 FTE)
- A stormwater position to increase manpower for more effective staff utilization (1.0 FTE)

The net change in total full-time equivalent positions, including contract positions, for the 2017-19 biennium is 4.6 FTE's, from 67.5 FTE's to 72.1 FTE's, and the net City employees FTE's is 69.1, an increase of 4.4 FTE's.

Total compensation, i.e., personnel services budgeted for 2017-18 is \$5.6 million, compared to the 2016-17 budget of \$5.5 million, an increase of \$92,800, less than two percent (1.7%). Fiscal year 2018-19 total compensation is estimated to total \$5.9 million, an increase of \$279,000 (5.0%). Personnel cost increases from fiscal year 2016-17 to 2017-18 have been mitigated by retirements and other turnover of staff at the top of their pay range and replacement of these staff with personnel that are entering the City at lower levels of pay.

The 2017-19 biennial budget includes the following payroll cost assumptions:

- A cost-of-living pay adjustment July 1, 2017 of two and eight tenths percent (2.8%), and two percent (2.0%) July 1, 2018 for non-represented employees
- A cost-of-living pay adjustment of one-half percent (0.5%) for Police Association members July 1, 2017 and two percent (2.0%) July 1, 2018
- The labor agreement between the City and Police Association expired June 30, 2017. The City and Police Association reached a settlement in August 2017 which includes a two and eight tenths percent (2.8%) increase July 1, 2017 and a two percent (2.0%) pay increase July 1, 2018 and July 1, 2019
- Merit pay for non-represented and management employees – discretionary – 2.0%
- Premium increase for health insurance – five percent (5.0%) each year
 - Health insurance for vacant positions budgeted with employee and spouse coverage
 - Health coverage for all current employees based on current coverage
- PERS rates effective July 1, 2017, for the 2017-19 biennium period

○ Tier I/II	14.98%	(previous 10.52%)
○ OPSRP General	5.93%	(previous 3.67%)
○ OPSRP Police	10.70%	(previous 7.78%)
- No change to life, disability, workers compensation premiums
- Overtime varies by department and is based on historical and projected needs

The City's salary schedule for non-represented positions for fiscal year 2017-18 and estimated salary schedule for fiscal year 2018-19 are presented below.



Salary Schedule – Non-represented Positions July 1, 2017

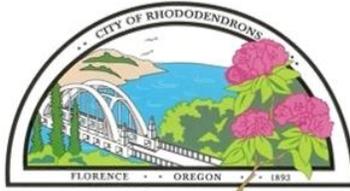
Position	Pay Grade	Annual Salary	
		Minimum	Maximum
City Hall Clerk I	4	27,621	38,164
Accounting Clerk I	7	31,974	44,180
Court Clerk	8	33,573	46,389
Building Maintenance Worker	8	33,573	46,389
Utility/Billing Clerk	8	33,573	46,389
Executive Assistant to Public Works Director	8	33,573	46,389
FEC Maintenance Technician	8	33,573	46,389
FEC Office Coordinator	8	33,573	46,389
Planning Administrative Assistant	8	33,573	46,389
Building Technician	9	35,252	48,708
Utility Worker I	9	35,252	48,708
Accounting Clerk II	9	35,252	48,708
GIS Technician	10	37,014	51,144
Code Enforcement Officer	10	37,014	51,144
Executive Assistant to Planning Director	10	37,014	51,144
Events Center Marketing Specialist & Event Coordinator	10	37,014	51,144
Water Treatment Plant Operator I	11	38,865	53,701
Field Assistant - Public Works	11	38,865	53,701
Utility Worker II	11	38,865	53,701
Planning Technician	11	38,865	53,701
Utility Worker II/Engineering Tech	12	40,808	56,386
Wastewater Treatment Plant Operator II	12	40,808	56,386
Human Resources Coordinator	12	40,808	56,386
Senior Court Clerk	12	40,808	56,386
Assistant Planner	13	42,849	59,205
Water Treatment Plant Operator II	14	44,991	62,165
City Recorder/Economic Development Coordinator	15	47,241	65,274
Wastewater Treatment Plant Operator III	15	47,241	65,274
Assistant to the City Manager/PIO	15	47,241	65,274
Human Resources Manager	15	47,241	65,274
Communications Center Supervisor	16	49,603	68,537
Assistant Finance Director	16	49,603	68,537
Field Supervisor	16	49,603	68,537
Parks Maintenance Supervisor	16	49,603	68,537
Wastewater Treatment Plant Supervisor	18	54,687	75,562
Wastewater/Water Treatment Plant Superintendent	19	57,421	79,340
Police Sergeant	19	57,421	79,340
Information Technology Manager	19	57,421	79,340
Events Center Director	21	60,292	83,307
Police Lieutenant	22	66,472	91,846
Planning Director	23	69,796	96,439
Finance Director	24	73,286	101,261
Police Chief	26	80,797	111,640
Public Works Director	26	80,797	111,640
City Manager		90,990	125,210



Salary Schedule – Non-represented Positions July 1, 2018 (Estimate)

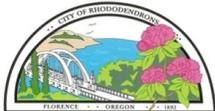
Position	Pay Grade	Annual Salary	
		Minimum	Maximum
City Hall Clerk I	4	28,173	38,927
Accounting Clerk I	7	32,613	45,064
Court Clerk	8	34,244	47,317
Building Maintenance Worker	8	34,244	47,317
Executive Assistant to Public Works Director	8	34,244	47,317
FEC Maintenance Technician	8	34,244	47,317
FEC Office Coordinator	8	34,244	47,317
Planning Administrative Assistant	8	34,244	47,317
Building Technician	9	35,957	49,682
Utility Worker I	9	35,957	49,682
Accounting Clerk II	9	35,957	49,682
GIS Technician	10	37,754	52,167
Code Enforcement Officer	10	37,754	52,167
Executive Assistant to Planning Director	10	37,754	52,167
Events Center Marketing Specialist & Event Coordinator	10	37,754	52,167
Water Treatment Plant Operator I	11	39,642	54,775
Field Assistant - Public Works	11	39,642	54,775
Utility Worker II	11	39,642	54,775
Planning Technician	11	39,642	54,775
Utility Worker II/Engineering Tech	12	41,624	57,514
Wastewater Treatment Plant Operator II	12	41,624	57,514
Human Resources Coordinator	12	41,624	57,514
Senior Court Clerk	12	41,624	57,514
Assistant Planner	13	43,706	60,389
Water Treatment Plant Operator II	14	45,891	63,408
City Recorder/Economic Development Coordinator	15	48,186	66,579
Wastewater Treatment Plant Operator III	15	48,186	66,579
Assistant to the City Manager/PIO	15	48,186	66,579
Human Resources Manager	15	48,186	66,579
Communications Center Supervisor	16	50,595	69,908
Assistant Finance Director	16	50,595	69,908
Field Supervisor	16	50,595	69,908
Parks Maintenance Supervisor	16	50,595	69,908
Court Administrator	17	53,125	73,403
Wastewater Treatment Plant Supervisor	18	55,781	77,023
Wastewater/Water Treatment Plant Superintendent	19	58,569	80,927
Police Sergeant	19	58,569	80,927
Information Technology Manager	19	58,569	80,927
Events Center Director	21	64,573	89,222
Police Lieutenant	22	67,801	93,683
Planning Director	23	71,192	98,368
Finance Director	24	74,752	103,286
Police Chief	26	82,413	113,873
Public Works Director	26	82,413	113,873
City Manager		92,810	127,714





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Basis of Budgeting

The City budgets all funds on the modified accrual basis of accounting. Items such as depreciation, amortization, property taxes and other revenues that are not expected to be received in the current period or within sixty days of fiscal year end are not included in the budget. All expenditures forecast to occur during the year, such as principal, interest payments and capital acquisitions are budgeted. Expenditures for accrual of accrued leave and other payroll costs incurred are not budgeted.

Within the City's audited financial statements, the General Fund, special revenue funds and debt service funds are accounted for using the modified accrual basis of accounting. The enterprise and internal service funds utilize the full accrual method of accounting. The primary difference between the two methods of accounting, relative to the budget basis used, is depreciation, acquisition of capital assets and principal payments on debt are handled differently, i.e., depreciation is not budgeted, acquisition of capital assets and principal payments are budgeted, but are not shown as expenditures in full accrual accounting.

Budget appropriations for authorized spending are provided for all the funds noted below. The amount of appropriations are as presented in the "Adopted Budget" column of the budget summaries presented for each fund.

Fund Accounting

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 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 services generally supported by property taxes and other non-dedicated or restricted revenue. These services include police, parks, municipal court, administration, and community development and Council directed funding of outside agencies or other activities. General administrative costs are recovered through internal charges to the fund or department using these services. These costs include: Administration and financial services, risk management, network computer and phone services, and city hall usage. The costs of these services are at full cost, including replacement cost, thereby providing more accurate costs of providing services.

Special Revenue Funds

Special revenue funds are a fund type used when certain revenues have been earmarked or are legally restricted to expenditure for a specific purpose.

Street Fund

The Street Fund provides the accounting of the City's street, bike lane, and right of way activities. Funding sources include state highway gas tax, street fees, and grant funding from various sources. Heavy equipment, vehicles and maintenance, engineering, project oversight, and public works administration and support services costs are accounted for through transfers to internal service funds for the estimated costs of the provision of these services.

9-1-1 Fund

The 9-1-1 Fund accounts for the activities of the areas emergency services dispatching. The operation is managed by the chief of police and serves the Lane County Sheriff's Department, Siuslaw Valley Rural Fire District, Western Lane Ambulance District, and the Florence Police Department. Funds are provided by 911 telephone taxes and payments from entities served.

Transient Room Tax Fund

The Transient Room Tax Fund accounts for the receipt and disbursement of the City's four percent (4.0%) room tax. The total room tax in the City is ten and one-half percent; five percent (5.0%) County, one and one-half percent (1.5%) State of Oregon, and four percent (4.0%) City. Collected revenue is distributed to the Chamber of Commerce (40%) and the Florence Events Center (60%).

Airport Fund

This fund accounts for the operation of the Florence Airport. The principal sources of revenue include federal and state grants, aircraft fuel sales, hanger ground leases, and property sales. Expenditures are for the operation, administration, maintenance, and improvement of airport facilities



Debt Service Funds

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

Spruce Street 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 un-bonded assessments. Expenditures are for debt service requirements.

General Obligation Bond Fund

This fund accounts for the debt service associated with voter-approved general obligation debt issued to fund water improvements. Revenue is provided by property taxes, which are exempt from taxing limitations, and expenditures are limited to bonded debt and interest payments.

City/FURA Debt Service Fund

This fund accounts for City debt and debt service for full faith and credit obligations issued by the City for the benefit of the City's Urban Renewal Agency (Florence Urban Renewal Agency, a separate entity). The City and FURA have entered into an Intergovernmental Agreement for borrowing(s) that provides FURA, and ultimately City and overlapping taxing jurisdiction taxpayers the most advantageous loan terms available. FURA utilizes debt proceeds to invest in the City's urban renewal area, with property tax revenue paid to FURA used to pay the City so that the City may make principal and interest payments.

Proprietary Funds

Other government services are financed through user charges for which the cost to the individual, business, or non-profit is proportionate to the benefit received by the customer. 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 financed and operated in a manner similar to private enterprises.

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.

Water SDC Fund

This fund accounts for the City's collection and investment of water system development charges (SDCs). The principal source of revenue are system development charges paid by builders and developers. Expenditures are for qualified system improvements.

Wastewater Fund

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

Wastewater SDC Fund

This fund accounts for the City's collection and investment of wastewater system development charges (SDCs). The principal source of revenue are system development charges paid by builders and developers. Expenditures are for qualified system improvements.

Stormwater Fund

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

Stormwater SDC Fund

This fund accounts for the City's collection and investment of stormwater system development charges (SDCs). The principal source of revenue are system development charges paid by builders and developers. Expenditures are for qualified system improvements.

Florence Events Center Fund

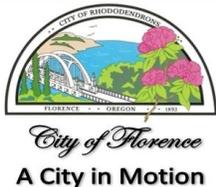
The activities of the FEC are accounted for in this fund. Principal sources of revenue include event program revenue, building rental, ticket surcharges, catering, an allocation of the City's transient room taxes, and funding from the County's share of transient room taxes. Expenditures are for the operation of the Events Center, including marketing, building maintenance, debt service and transfers for administrative related services.

Internal Service Funds

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.

Public Works Administration 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 fund. Revenues are generated through user charges for the cost of providing the services to the various benefitting funds. Expenditures are for administrative and supervisory staffing, operating support costs, and the public works building operation, maintenance and debt service.



Fund Structure

Fund Structure at a glance

Fund Structure				
Governmental Funds			Proprietary Funds	
General Fund	Special Revenue Funds	Debt Service Funds	Enterprise Funds	Internal Service Funds
	Street Fund	General Obligation Bond Fund	Water Fund	Public Works Administration Fund
	Street SDC Fund	Spruce Street LID Debt Service Fund	Water SDC Fund	
	9-1-1 Fund	City FURA Debt Service Fund	Wastewater Fund	
	Transient Room Tax Fund		Wastewater SDC Fund	
	Airport Fund		Stormwater Fund	
			Stormwater SDC Fund	
			Florence Events Center Fund	

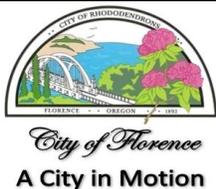
Note: Bold white text denotes major funds. Major funds are those that meet certain revenue, expenditure, asset or equity measures.

Functional Units

The following table provides where the City’s functional units are accounted for by fund type and fund. Additionally, the functional units/funds that are in bold and italicized are the City’s major funds. Major funds are those funds that meet certain accounting requirements relative to revenue and or assets.



Functional Units				
Governmental Funds			Proprietary Funds	
General Fund	Special Revenue Funds	Debt Service Funds	Enterprise Funds	Internal Service Funds
City Council Public safety Police patrol Jail School officer Code enforcement Building code Emergency management Community development Planning/zoning Municipal court Parks City hall facility Justice building Outside agency funding Administration City manager office Human resources Finance Information technology City recorder Economic development Communications	Street Fund Street maintenance Street construction Sidewalks Bike paths Trails Street lighting	General Obligation Bond Fund Debt service	Water Fund System operations including capital investment and debt service	Public Works Administration Fund Administration Fleet maintenance Public works building construction and maintenance
	Street SDC Fund Funding for street construction	Spruce Street LID Debt Service Fund Debt service	Water SDC Fund Funding for water construction	
	9-1-1 Fund Emergency dispatch services	City FURA Debt Service Fund Debt service	Wastewater Fund System operations including capital investment and debt service	
	Transient Room Tax Fund Tourism promotion Funding for FEC operation		Wastewater SDC Fund Funding for wastewater construction	
	Airport Fund Ground leases Fuel sales Airport maintenance		Stormwater Fund System operations including capital investment and debt service	
			Stormwater SDC Fund Funding for stormwater construction	
			Florence Events Center Fund Entertainment Community events Conventions Trade shows	



Budget Process

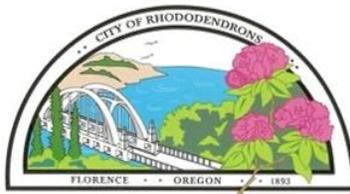
A budget is defined by Oregon State Law (Oregon Revised Statutes, Chapter 294), as a financial plan containing estimates of revenues and expenditures for a given period or purpose, such as the fiscal year. The City is required to budget all funds and for each fund to have a balanced budget.

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 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 Oregon Revised Statutes (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 Florence 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 Florence City Council. Accordingly, the City of Florence has ten 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. This process is similar to the regular budget including the use of public hearings, but excluding the Citizens' Budget Committee.



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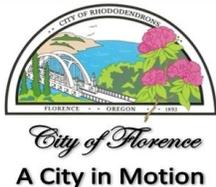


City of Florence
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Citywide Financial Schedules

Fiscal Years Ended June 30, 2016 through Fiscal Year Ending June 30, 2019

	2015-16 Actual	2016-17 Estimate	2017-18 Budget	2018-2019 Budget
Resources				
Taxes	2,862,361	2,944,100	3,013,700	3,082,900
Intergovernmental	922,897	2,310,300	3,180,600	2,140,900
Franchise fees	788,988	890,500	868,700	899,400
Licenses and permits	325,320	367,500	409,200	410,200
Charges for services	7,215,431	7,296,500	7,603,168	7,835,900
Miscellaneous	875,317	560,900	1,528,200	585,300
Transfers	2,125,582	3,543,700	4,096,300	3,290,100
Debt proceeds	925,363	7,325,400	6,000,000	700,000
Total resources	16,041,259	25,238,900	26,699,868	18,944,700
Expenditures				
Personnel	4,901,804	4,863,220	5,632,000	5,906,800
Materials and services	3,371,529	5,719,280	6,989,568	3,957,855
Capital outlay	2,907,435	7,554,900	10,746,400	3,809,600
Transfers	999,188	2,215,000	2,500,255	2,651,362
Debt service	3,270,694	3,805,600	4,366,300	3,817,400
Total expenditures	15,450,650	24,158,000	30,234,523	20,143,017
Resources over (under) expenditures	590,609	1,080,900	-3,534,655	-1,198,317
Beginning fund balance	8,061,285	8,651,895	9,732,795	6,198,140
Ending fund balance	8,651,895	9,732,795	6,198,140	4,999,823



Citywide 2017-19 Biennium Budget

Resources

Fund	Current year resources										Total Current Year Resources	Total Resources
	Beginning Fund Balance	Taxes	Intergovern- mental	Franchise Fees	Licenses and Permits	Charges for Services	Miscellaneo- us	Transfers	Debt Proceeds			
General	1,687,829	5,012,300	1,109,900	1,627,000	819,400	672,800	538,000	2,353,800	2,200,000		14,333,200	16,021,029
Street	191,892	-	1,797,100	141,100	-	902,200	7,100	228,000	500,000		3,575,500	3,767,392
Street SDC's	571,596	-	-	-	-	120,000	12,100	-	-		132,100	703,696
9-1-1	157,052	-	154,200	-	-	329,900	-	1,087,100	-		1,571,200	1,728,252
Room Tax	90,402	785,300	-	-	-	-	-	-	-		785,300	875,702
Florence Events Center	390,514	-	213,300	-	-	450,400	342,200	596,200	200,000		1,802,100	2,192,614
Water	2,214,044	-	-	-	-	4,505,500	287,400	200,000	500,000		5,492,900	7,706,944
Water SDC	126,410	-	-	-	-	215,800	2,500	-	-		218,300	344,710
Wastewater	563,657	-	200,000	-	-	6,515,400	723,700	757,500	-		8,196,600	8,760,257
Wastewater SDC	601,020	-	-	-	-	211,000	12,900	-	-		223,900	824,920
Stormwater	698,510	-	-	-	-	1,101,500	15,500	110,000	-		1,227,000	1,925,510
Stormwater SDC	131,916	-	-	-	-	162,600	1,000	-	-		163,600	295,516
Airport Public Works Administration	38,338	-	1,143,800	-	-	215,068	54,600	-	-		1,413,468	1,451,806
Administration	1,781,562	-	-	-	-	36,900	-	2,053,800	-		2,090,700	3,872,262
GO Debt Service	137,311	299,000	-	-	-	-	1,500	-	-		300,500	437,811
LID Debt Service	350,742	-	-	-	-	-	115,000	-	-		115,000	465,742
City/FURA Debt Service	-	-	703,200	-	-	-	-	-	3,300,000		4,003,200	4,003,200
Totals	9,732,795	6,096,600	5,321,500	1,768,100	819,400	15,439,068	2,113,500	7,386,400	6,700,000		45,644,568	55,377,363

Expenditures and Ending Fund Balance

Personnel	Materials and Services	Capital Outlay	Debt Service	Transfers	Total Expenditures	Ending Fund Balance	Total Expenditures and Ending Balance
6,818,100	3,307,300	3,027,900	298,200	1,302,900	14,754,400	1,266,629	16,021,029
143,100	563,550	1,585,800	439,500	662,000	3,393,950	373,442	3,767,392
-	122,400	-	-	228,000	350,400	353,296	703,696
1,139,200	160,900	20,000	-	265,300	1,585,400	142,852	1,728,252
-	314,100	-	-	481,200	795,300	80,402	875,702
677,000	732,500	149,000	14,100	297,600	1,870,200	322,414	2,192,614
664,000	824,700	3,730,000	315,400	1,575,000	7,109,100	597,844	7,706,944
-	20,000	-	-	200,000	220,000	124,710	344,710
720,800	1,002,900	2,362,500	2,356,600	1,707,000	8,149,800	610,457	8,760,257
-	19,200	-	-	757,500	776,700	48,220	824,920
239,700	114,850	500,000	33,500	542,400	1,430,450	495,060	1,925,510
-	67,000	-	-	110,000	177,000	118,516	295,516
-	171,700	1,205,800	-	54,800	1,432,300	19,506	1,451,806
1,136,900	225,523	1,975,000	438,200	-	3,775,623	96,639	3,872,262
-	-	-	359,400	-	359,400	78,411	437,811
-	800	-	193,517	-	194,317	271,425	465,742
-	3,300,000	-	703,200	-	4,003,200	-	4,003,200
11,538,800	10,947,423	14,556,000	5,151,617	8,183,700	50,377,540	4,999,823	55,377,363



Citywide Budget – Fiscal Year 2017-18

Resources

Fund	Current year resources									Total Current Year Resources	Total Resources
	Beginning Fund Balance	Taxes	Intergovernmental	Franchise Fees	Licenses and Permits	Charges for Services	Miscellaneous	Transfers	Debt Proceeds		
General	1,687,829	2,476,700	703,100	803,800	409,200	366,800	269,500	1,211,100	2,200,000	8,440,200	10,128,029
Street	191,892	-	665,100	64,900	-	390,900	1,900	228,000	-	1,350,800	1,542,692
Street SDC's	571,596	-	-	-	-	60,000	5,700	-	-	65,700	637,296
9-1-1	157,052	-	75,700	-	-	162,500	-	535,500	-	773,700	930,752
Room Tax	90,402	387,500	-	-	-	-	-	-	-	387,500	477,902
Florence Events Center	390,514	-	111,300	-	-	222,000	169,500	297,500	200,000	1,000,300	1,390,814
Water	2,214,044	-	-	-	-	2,222,700	268,700	100,000	500,000	3,091,400	5,305,444
Water SDC	126,410	-	-	-	-	107,000	1,300	-	-	108,300	234,710
Wastewater	563,657	-	200,000	-	-	3,214,600	691,600	657,500	-	4,763,700	5,327,357
Wastewater SDC	601,020	-	-	-	-	104,000	6,000	-	-	110,000	711,020
Stormwater	698,510	-	-	-	-	543,400	7,000	50,000	-	600,400	1,298,910
Stormwater SDC	131,916	-	-	-	-	80,500	600	-	-	81,100	213,016
Airport	38,338	-	1,143,800	-	-	105,868	52,400	-	-	1,302,068	1,340,406
Public Works Administration	1,781,562	-	-	-	-	22,900	-	1,016,700	-	1,039,600	2,821,162
GO Debt Service	137,311	149,500	-	-	-	-	1,000	-	-	150,500	287,811
LID Debt Service	350,742	-	-	-	-	-	53,000	-	-	53,000	403,742
City/FURA Debt Service	-	-	281,600	-	-	-	-	-	3,100,000	3,381,600	3,381,600
Totals	9,732,795	3,013,700	3,180,600	868,700	409,200	7,603,168	1,528,200	4,096,300	6,000,000	26,699,868	36,432,663

Expenditures and Ending Fund Balance

Personnel	Materials and Services	Capital Outlay	Debt Service	Transfers	Total Expenditures	Ending Fund Balance	Total Expenditures and Ending Balance
3,338,400	1,676,600	2,822,600	95,900	650,400	8,583,900	1,544,129	10,128,029
70,200	279,900	290,000	247,200	313,100	1,200,400	342,292	1,542,692
-	61,200	-	-	228,000	289,200	348,096	637,296
558,500	79,500	10,000	-	130,700	778,700	152,052	930,752
-	155,000	-	-	232,500	387,500	90,402	477,902
332,000	366,900	95,500	-	237,300	1,031,700	359,114	1,390,814
325,600	410,500	2,260,000	169,500	764,900	3,930,500	1,374,944	5,305,444
-	17,500	-	-	100,000	117,500	117,210	234,710
348,400	502,800	2,077,500	1,193,800	832,700	4,955,200	372,157	5,327,357
-	17,100	-	-	657,500	674,600	36,420	711,020
100,100	57,050	130,000	16,800	142,500	446,450	852,460	1,298,910
-	67,000	-	-	50,000	117,000	96,016	213,016
-	86,400	1,205,800	-	26,700	1,318,900	21,506	1,340,406
558,800	111,718	1,855,000	219,100	-	2,744,618	76,544	2,821,162
-	-	-	181,400	-	181,400	106,411	287,811
-	400	-	94,955	-	95,355	308,387	403,742
-	3,100,000	-	281,600	-	3,381,600	-	3,381,600
5,632,000	6,989,568	10,746,400	2,500,255	4,366,300	30,234,523	6,198,140	36,432,663



Citywide Budget – Fiscal Year 2018-19

Resources

Fund	Current year resources									Total Current Year Resources	Total Resources
	Beginning Fund Balance	Taxes	Intergovernmental	Franchise Fees	Licenses and Permits	Charges for Services	Miscellaneous	Transfers	Debt Proceeds		
General	1,544,129	2,535,600	406,800	823,200	410,200	306,000	268,500	1,142,700	-	5,893,000	7,437,129
Street	342,292	-	1,132,000	76,200	-	511,300	5,200	-	500,000	2,224,700	2,566,992
Street SDC's	348,096	-	-	-	-	60,000	6,400	-	-	66,400	414,496
9-1-1	152,052	-	78,500	-	-	167,400	-	551,600	-	797,500	949,552
Room Tax	90,402	397,800	-	-	-	-	-	-	-	397,800	488,202
Florence Events Center	359,114	-	102,000	-	-	228,400	172,700	298,700	-	801,800	1,160,914
Water	1,374,944	-	-	-	-	2,282,800	18,700	100,000	-	2,401,500	3,776,444
Water SDC	117,210	-	-	-	-	108,800	1,200	-	-	110,000	227,210
Wastewater	372,157	-	-	-	-	3,300,800	32,100	100,000	-	3,432,900	3,805,057
Wastewater SDC	36,420	-	-	-	-	107,000	6,900	-	-	113,900	150,320
Stormwater	852,460	-	-	-	-	558,100	8,500	60,000	-	626,600	1,479,060
Stormwater SDC	96,016	-	-	-	-	82,100	400	-	-	82,500	178,516
Airport	21,506	-	-	-	-	109,200	2,200	-	-	111,400	132,906
Public Works Administration	76,544	-	-	-	-	14,000	-	1,037,100	-	1,051,100	1,127,644
GO Debt Service	106,411	149,500	-	-	-	-	500	-	-	150,000	256,411
LID Debt Service	308,387	-	-	-	-	-	62,000	-	-	62,000	370,387
City/FURA Debt Service	-	-	421,600	-	-	-	-	-	200,000	621,600	621,600
Totals	6,198,140	3,082,900	2,140,900	899,400	410,200	7,835,900	585,300	3,290,100	700,000	18,944,700	25,142,840

Expenditures and Ending Fund Balance

Personnel	Materials and Services	Capital Outlay	Debt Service	Transfers	Total Expenditures	Ending Fund Balance	Total Expenditures and Ending Balance
3,479,700	1,630,700	205,300	202,300	652,500	6,170,500	1,266,629	7,437,129
72,900	283,650	1,295,800	192,300	348,900	2,193,550	373,442	2,566,992
-	61,200	-	-	-	61,200	353,296	414,496
580,700	81,400	10,000	-	134,600	806,700	142,852	949,552
-	159,100	-	-	248,700	407,800	80,402	488,202
345,000	365,600	53,500	14,100	60,300	838,500	322,414	1,160,914
338,400	414,200	1,470,000	145,900	810,100	3,178,600	597,844	3,776,444
-	2,500	-	-	100,000	102,500	124,710	227,210
372,400	500,100	285,000	1,162,800	874,300	3,194,600	610,457	3,805,057
-	2,100	-	-	100,000	102,100	48,220	150,320
139,600	57,800	370,000	16,700	399,900	984,000	495,060	1,479,060
-	-	-	-	60,000	60,000	118,516	178,516
-	85,300	-	-	28,100	113,400	19,506	132,906
578,100	113,805	120,000	219,100	-	1,031,005	96,639	1,127,644
-	-	-	178,000	-	178,000	78,411	256,411
-	400	-	98,562	-	98,962	271,425	370,387
-	200,000	-	421,600	-	621,600	-	621,600
5,906,800	3,957,855	3,809,600	2,651,362	3,817,400	20,143,017	4,999,823	25,142,840



Revenue

Taxes

Property taxes, transient room taxes (motel/hotel taxes) and effective fiscal year 2017-18 local marijuana taxes comprise taxes revenue. In November 2016 Florence voters approved a 3.0% tax on marijuana sales within Florence. Approximately \$72,000 is projected from this source. Transient room taxes account for \$785,000, and property taxes for general obligation debt service \$299,000, and the balance, approximately \$4.95 million is for general purposes.

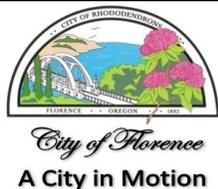
The City's permanent tax rate per \$1,000 of taxable value is \$2.8610. Property taxes are limited to increases to taxable assessed value which is capped at 3.0% per year for existing properties. New development and improvements to existing development provide additional property tax revenue. Florence has realized increases in property taxes of less than 3.0% per year for the past four years, due to reduced property values below tax limitation thresholds that have not been recovered since the recession that began in 2007. Going forward, real market values are anticipated to increase by approximately 3.0% per year, plus the value of new construction.

Intergovernmental

This category includes state gas taxes, \$1.0 million, \$180,000 in ODOT fund exchanges, \$75,000 in grant funding from ODOT for the Siuslaw Estuary Trail, \$154,000 in 9-1-1 telephone taxes, \$213,000 in County transient room taxes, \$200,000 from Lane County for wastewater improvements, \$703,000 from the Florence Urban Renewal Agency for debt repayment and \$1.1 million from the Federal Aviation Administration and State Department of Aviation for airport projects. Additionally, the City's general fund receives allocations based on population from the state's liquor and cigarette taxes, state revenue sharing totaling nearly \$600,000 with an additional \$300,000 from state and regional sources for park projects and another \$200,000 for the school resource officer program.

Due to the State legislature passing the State Transportation Measure in July 2017, State gas taxes are projected to provide approximately \$2,000,000 during the next ten years, with the taxes and fees phased in over the next three years. This amount was not factored into the adopted budget due to the considerable uncertainty of the measure's passage.

Revenue from the continuing sources in the general fund are anticipated to show slight increases consistent with the change in population in Florence. An allocation of state taxes on marijuana sales is anticipated beginning in 2017-18, however, a limited amount (\$25,000) was included in the budget due to the significant uncertainty with respect to the amount the City may receive. Before distributing taxes to local governments, the state of Oregon will repay itself for costs incurred to implement the tax. Neither those costs or the amount of taxes collected, or other factors used to determine revenue allocation were known at the time the budget was prepared.



Franchise Fees

The City has five franchise agreements with utilities operating within the City's right-of-way. Revenue from these sources have trended slightly higher during the past several years as the economy has strengthened. However, electricity franchise fees are significantly impacted by winter weather, with colder weather increasing electricity consumption and thus fees. Revenue from these sources are expected to remain relatively stable during the biennium. The overall franchise fee varies from 5.0% to 7.0% of gross revenue.

<u>Franchise</u>	<u>Budget</u>	<u>%</u>
Cable	\$ 184,500	11.3%
Telephone	61,500	3.8%
Computer data	17,600	1.1%
Electricity	810,800	49.8%
Water	<u>5,300</u>	<u>0.3%</u>
	\$1,079,700	66.4%

Additionally, the City recognizes transfers from its water fund (\$222,800, 13.7%) and wastewater fund (\$324,500, 19.9%) as payment in lieu of franchise fees. Total franchise fees in the general fund for the biennium is \$1.63 million.

Additionally, separate agreements have been entered into with the City's two solid waste haulers. These agreements provide revenue to the City's street fund, \$141,100, during the biennium. The fee is 3.5% of gross revenues in fiscal year ending June 30, 2018 and 4.0% in fiscal year 2018-19. The fee increases an additional 0.5% per year until reaching 5.0%

Charges for Services

An estimated \$15.4 million in revenue from charges for services is budgeted in the 2017-19 biennium. Utilities generate the vast majority of charges: water; \$4.5 million (29.2%), sewer; 6.5 million (42.2%); and stormwater; \$1.1 million (7.1%). System development charges for water, sewer, stormwater, and streets total \$.7 million (0.5%). Street fees (\$0.9 million, 5.8%), 9-1-1 user charges \$141,000 (0.1%), Events Center \$450,000 (2.9%), and various charges in the general fund (\$673,000, 4.4%) and public works administration (\$37,000, 0%) make up the balance of charges for services budgeted.

Rates are established to recover the costs of providing services. These are reviewed annually, with emphasis on ensuring revenue for the City's utilities and its street maintenance program are sufficient to pay for ongoing maintenance and operations. Specific rate adjustments with material impacts on revenue are noted in the specific funds.

Licenses and Permits

The building department is budgeted to generate approximately \$819,000 in licenses and permit fees during the biennium. This is a conservative estimate relative to the increased activity during the past eighteen months. Budgeted amounts for this category are generally more conservative given the significant fluctuations that can occur with building projects.

Miscellaneous

City-wide approximately \$2.2 million in revenue comes from miscellaneous sources, primarily interest income, building rental, debt repayment for assessments and reimbursements from developers for City-constructed assets.

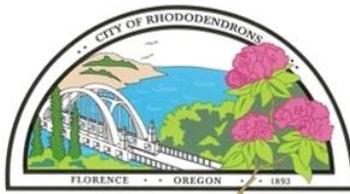
Transfers

The City transfers monies from funds receiving benefits of services provided to the general fund, public works administration fund and the facilities fund.

Debt Proceeds

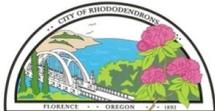
The City anticipates borrowing approximately \$6.7 million during the biennium. Of this amount, \$3.3 million is planned to loan to the Florence Urban Renewal Agency for urban renewal projects. \$2.2 million is planned to complete the Justice Center and a remodel expansion of the City Hall facility. \$200,000 is planned for property acquisition repayment by the Events Center to the general fund, and \$500,000 for water expansion projects.

Additional information on revenue may be provided in the fund narratives.



City of Florence
A City in Motion

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General Fund

Summary

The General Fund accounts for the City's police--including corrections and emergency dispatch--municipal court, community development, parks, administration, City Hall facility operations, and discretionary non-departmental activities.

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

Highlights

- The General Fund is projected to have an ending fund balance as of June 30, 2017 of \$1.7 million
- Property values are trending upward, resulting in stabilization and growth in property tax revenue
- Increased valuation and financing with the City's full faith and credit will facilitate significant investment in the City's urban renewal area and provide funding to the City's General Fund to reimburse the City for staff time related to those activities
- Continued funding for an economic development program
- Investment in parks capital improvements for projects that have grant or community funding
- Addition of an Information Technology Manager with targeted investment in technology to improve efficiencies and effectiveness
- Addition of a School Resource Officer position
- Projected year-end fund balance, that meets fund policy requirements and is sustainable

Changes from previous year

- Initiation of construction for the City Hall remodel/expansion project
- Complete construction of the Justice Center Round Room
- The transfer to the Airport Fund is no longer necessary
- The transfer amount to the Florence Events Center Fund is reduced
- An addition of a dedicated staff position to lead and support information technology
- An addition of a position in Community Development to support increased development activity
- Targeted Community Development fees are adjusted to recover a greater percentage of staff costs

Revenue

Property taxes

The 2017-18 property tax levy is projected to increase approximately 2.5% to \$2.585 million compared to the fiscal year 2016-17 levy of \$2.522 million. The levy for fiscal year 2018-19 is projected to also increase 2.5%, to \$2.65 million. The City Council levied the City's maximum property tax rate of \$2.8610, which was approved by the Budget Committee.

Intergovernmental

Revenue from continuing sources, such as liquor and cigarette taxes, and state share revenue are projected to increase slightly. Budgeted grants for parks total \$300,000; school resource officer funding from the federal government and School District totals \$107,000, and revenue from the local marijuana tax (3.0%) and allocation of the State marijuana tax totals \$97,000 for the biennium. The marijuana taxes are new taxes with no history. The timing of receipt of marijuana taxes is uncertain at this time as the State completes its distribution methodology.

Franchise fees

Revenue from franchise fees in fiscal year 2017-18 are projected to be four percent (4.2%) greater than the current year budgeted amounts, but less than the current year estimate by four percent (4.0%). The revenue forecast for electricity franchise fees is the driver of the difference in both respects due to the uncertainty of the amount to be received in the fourth quarter of fiscal year 2017. Projections for fiscal years 2017-18 and 2018-19 are conservative, consistent with the adopted fiscal policies.

Licenses and permits

Revenue from licenses and permits has strengthened during the past few fiscal years. The forecast for fiscal biennium 2017-19 is consistent with the current year year-end estimates, which are estimated to be approximately fifteen percent (15.2%) greater than the fiscal year 2016-17 budget. Based on current planning and building activity trends in the Community Development Department, the budgeted amount for permit revenue is conservative. Revenue from business licenses is decreased due to the implementation of the \$10 credit fee for timely payment.

Charges for services

Contracted police services and administrative support services provided the Florence Urban Renewal Agency (FURA) are the primary charges for services. Contract services from FURA are projected to increase in fiscal year 2017-18 for the active management and support of the ReVision Florence project. After completion of the ReVision Florence project in 2018, revenue from FURA is projected to be reduced by approximately forty percent (40%). An additional revenue source anticipated during the biennium is recovery from other agencies for information technology support. Approximately five to fifteen percent of the budgeted cost of the IT Manager position is forecast to be recovered through charges to other agencies.

Miscellaneous

Fines and forfeitures are the primary revenue source in this category, estimated at \$220,000 in fiscal years 2017-18 and 2018-19 (82% of total). Other revenue includes interest earnings (\$25,000 each year) and rental of various City owned land parcels.

Transfers

Revenue from transfers is increased in fiscal year 2017-18 reflecting a repayment from the FEC to the general fund for a land purchase made for the benefit of the FEC in fiscal year 2017 (\$181,000). Additionally, transfers are increased to recover costs associated with increased costs for continuing operations, information technology staffing, and debt service for the City Hall remodel/expansion project.

Debt Proceeds

Long-term debt proceeds of \$2.2 million is budgeted to fund design and construction of the City Hall remodel/expansion project and completion of the Justice Center Round Room in fiscal year 2017-18.

Expenditures

Overall, operating expenditures for fiscal year 2017-18 are increased \$362,900 to \$5.1 million (7.8%) above the fiscal year 2016-17 budget of \$4.64 million. Operating expenditures for fiscal year 2018-19 are anticipated to increase \$108,000 (1.9%) over the fiscal year 2017-18 budgeted amount. The most significant changes from fiscal year 2017 are the addition of staff in fiscal year 2018 and increased retirement contributions effective July 1, 2017.

Capital spending in fiscal biennium 2017-19 is budgeted at \$3.03 million. This includes City Hall remodel and expansion (\$1.92 million), completion of the Justice Center Round Room (\$200,000) and \$489,000 for park improvements.

Debt service is projected to increase by approximately \$141,000 in fiscal year 2019 with the addition of the debt to complete City Hall and the Justice Center.

Lastly, transfers are budgeted to decrease by approximately \$44,000 to \$642,800 in fiscal year 2017-18 and increase slightly in fiscal year 2018-19. The majority of the decrease is due to reducing transfers to the Florence Events Center and the Airport funds.

Other requirements

The budget includes a contingency that equals approximately ten percent (9.6%) of budgeted expenditures for the biennium. The projected ending fund balance at the end of fiscal year 2017-18 and 2018-19 is projected to exceed the required minimum fund balance by \$478,000 in fiscal year 2017-18, \$128,000 in fiscal year 2018-19 and \$168,000 for the biennium.

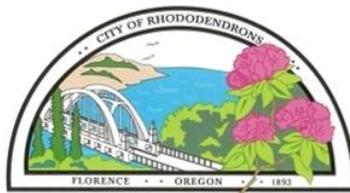


General Fund Budget

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Beginning fund balance	2,478,238	2,085,371	1,854,471	1,892,929	1,687,829	1,687,829	1,687,829
Current year resources							
Property taxes	2,309,791	2,347,838	2,477,600	2,418,000	5,012,300	5,012,300	5,012,300
Intergovernmental	233,490	253,562	1,128,100	232,400	1,109,900	1,109,900	1,109,900
Franchise fees	733,335	788,988	771,600	836,800	1,627,000	1,627,000	1,627,000
Licenses and permits	322,371	325,320	318,900	367,500	819,400	819,400	819,400
Charges for services	154,406	254,520	324,200	310,700	672,800	672,800	672,800
Miscellaneous	405,129	267,571	253,200	243,700	538,000	538,000	538,000
Transfers	742,795	805,377	888,900	888,900	2,353,800	2,353,800	2,353,800
Loan proceeds			400,000	-	2,200,000	2,200,000	2,200,000
Total current year resources	4,901,317	5,043,176	6,562,500	5,298,000	14,333,200	14,333,200	14,333,200
Total resources	7,379,555	7,128,547	8,416,971	7,190,929	16,021,029	16,021,029	16,021,029
Expenditures							
Police	2,398,931	2,506,253	2,195,400	1,987,300	4,421,300	4,421,300	4,421,300
Community Development	521,456	579,572	672,500	695,000	1,599,300	1,599,300	1,599,300
Parks	129,574	121,371	126,700	142,400	331,500	331,500	331,500
Municipal Court	301,456	328,356	279,500	251,800	564,900	564,900	564,900
Administration	937,935	1,050,624	1,150,800	1,100,700	2,763,600	2,763,600	2,763,600
City Hall	71,112	106,512	97,700	99,100	182,800	182,800	182,800
Non-departmental	47,800	110,645	129,500	133,000	262,000	262,000	262,000
Operating expenditures	4,408,264	4,803,333	4,652,100	4,409,300	10,125,400	10,125,400	10,125,400
Capital outlay							
Police	120,976	110,008	55,000	60,300	402,000	402,000	402,000
Community Development	-	-	-	-	39,200	39,200	39,200
Parks	10,180	54,128	797,000	54,100	488,900	488,900	488,900
Municipal Court	-	51,791	-	-	-	-	-
Administration	103,171	14,600	40,000	23,000	180,000	180,000	180,000
City Hall	40,835	26,027	150,000	42,200	1,917,800	1,917,800	1,917,800
Non-departmental	359,481	-	-	181,100	-	-	-
Capital outlay	634,643	256,554	1,042,000	360,700	3,027,900	3,027,900	3,027,900
Debt service							
Police	19,787	19,787	19,787	19,800	27,500	27,500	27,500
Parks	-	-	3,800	3,800	7,500	7,500	7,500
Administration	15,385	7,667	15,000	14,500	30,700	30,700	30,700
City Hall	-	-	-	-	175,000	175,000	175,000
Non-departmental	-	-	29,000	29,000	57,500	57,500	57,500
Debt service	35,172	27,454	67,587	67,100	298,200	298,200	298,200
Transfers							
Police	-	-	519,900	519,900	1,087,100	1,087,100	1,087,100
Parks	3,877	3,796	41,100	41,100	100,800	100,800	100,800
Administration	15,503	14,661	-	-	-	-	-
Non-departmental	196,725	114,057	125,000	105,000	115,000	115,000	115,000
Transfers	216,105	132,514	686,000	666,000	1,302,900	1,302,900	1,302,900
Total expenditures	5,294,184	5,219,855	6,447,687	5,503,100	14,754,400	14,754,400	14,754,400
Other requirements							
Contingency	-	-	645,000	-	1,266,629	1,266,629	1,266,629
Unappropriated ending fund balance	-	-	1,014,271	-	-	-	-
Total other requirements	-	-	1,659,271	-	1,266,629	1,266,629	1,266,629
Total expenditures and other requirements	5,294,184	5,219,855	8,106,958	5,503,100	16,021,029	16,021,029	16,021,029

Financial Summary and Fund Balance Analysis

Financial Summary	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Resources over (under) expenditures	(392,867)	(176,679)	114,813	(205,100)	(421,200)	(421,200)	(421,200)
Beginning fund balance	2,478,238	2,085,371	1,908,692	1,892,929	1,687,829	1,687,829	1,687,829
Ending fund balance	2,085,371	1,908,692	2,023,505	1,687,829	1,266,629	1,266,629	1,266,629
Fund balance analysis	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Revenue	4,901,317	5,043,176	6,562,500	5,298,000	14,333,200	14,333,200	14,333,200
Less:							
Property taxes	2,309,791	2,347,838	2,477,600	2,418,000	5,012,300	5,012,300	5,012,300
Net revenue	2,591,526	2,695,338	4,084,900	2,880,000	9,320,900	9,320,900	9,320,900
Monthly	215,961	224,612	340,408	240,000	388,371	776,742	776,742
Expenditures	5,294,184	5,219,855	6,447,687	5,503,100	14,754,400	14,754,400	14,754,400
Monthly	441,182	434,988	537,307	458,592	614,767	1,229,533	1,229,533
Monthly burn rate	225,222	210,376	196,899	218,592	226,396	226,396	226,396
Minimum fund balance - Five months	1,126,108	1,051,882	984,495	1,092,958	1,131,979	1,131,979	1,131,979
Fund balance	2,085,371	1,908,692	2,023,505	1,687,829	1,266,629	1,266,629	1,266,629
Fund balance over/(under) minimum	959,263	856,810	1,039,010	594,871	134,650	134,650	134,650
Fund balance within policy	Y	Y	Y	Y	Y	Y	Y



City of Florence
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Police

Summary

The Florence Police Department has three primary functions: Patrol, Corrections, and Communications, which are supported by an administrative function.

The Patrol Division consists of three Sergeants, one Detective and nine Patrol Officers. A School Resource Officer is included in the proposed budget, with position costs fully offset by funding from the Siuslaw School District and a federal grant. The Corrections Division has one Corrections Officer, with Patrol also performing corrections duties. Our Communications Division is comprised of seven Communications Officers. The Administrative Division functions in support of these divisions and is comprised of an Administrative Assistant, a Commander, and Chief of Police.



The communications center of the Florence Police Department operates as the Western Lane 911 Public Safety Answering Point (PSAP), one of three PSAPs within Lane County and one of forty-three within the State. Our area of responsibility covers over 700 square miles and has a year-round population of over 18,000. The jail was upgraded to a “Local Correctional Facility” in 2008, which allows for the detention of inmates for up to one year, and is one of seven municipal jails with this designation within the State of Oregon.

The City has undertaken the task of finishing the Justice Center Round Room. This room is approximately 2,800 square feet of unfinished space that was originally supposed to house our partner agencies. Since that occupation did not occur when the building was constructed, the Round Room has remained unfinished for the past 20 years, during which it has been utilized for storage, trainings, meetings, and other activities that needed temporary space. In finishing the Round Room, the capacity of the Justice Center will increase with the completion of a large meeting space, three office spaces, and two restrooms. This construction is estimated at \$200,000, and the City Council will have reviewed bid submissions in June 2017. Long-term, this space will be utilized for organizational and regional trainings and additional office space. In the near-term, this space will be used by City Hall administrative staff during the City Hall remodel.

Highlights

- The department is projected to be at full staffing at the beginning of the fiscal year.
- Exterior maintenance on the Justice Center, approximately \$65,000, completed in FY 2018
- Increased activity levels in all operational areas.

- The Justice Center Round Room will be completed and provide greater opportunities to use this large space.

Changes from previous year

- Full costs of the Communications operation, including a transfer to the general fund for police management, facility use, and administration costs, have been transferred to the 911 Fund
- Due to change in accounting, the police budget includes a transfer to 911 for its proportional share of funding
- Capital expenses included the costs of finishing the Justice Center Round Room.

Emergency Management Summary

The City has taken a leadership role in the regional emergency management group – West Lane Emergency Operations Group (WLEOG). City staff members serve as the WLEOG Chair as well as other Board positions. The Emergency Operations Plan (EOP), approved by WLEOG in February 2016 and adopted by City Council on March 7, 2016, has guided WLEOG through various disaster drills over the past two years. In addition to regional efforts, the City has increased the training and preparedness of City staff for small and major emergency situations, as well as outfit the Emergency Operations Center (EOC) with updated materials and technology.

Highlights

- City participating as Chair of WLEOG.
- Continued participation in Lane County Emergency Manager’s group.
- Continued improvement of the regional Emergency Operations Plan adopted in 2016.
- Participation in Oregon Office of Emergency Management Blue Line Pilot Project.
- Hosted the Oregon National Guard Convoy at the Florence Events Center. The National Guard were drilling how they would travel and set up in Florence in the aftermath of a natural disaster to provide relief. Citizens were invited to see their capabilities and assist in their drill to feed large numbers of citizens.
- Oregon Office of Emergency Management held the first annual Oregon Tsunami Conference at the Florence Events Center. Various City staff and regional officials attended.
- The City participated in the 2016 Emergency Preparedness Expo hosted by the Siuslaw News.

Performance Measures

- Continue to incorporate WLEOG EOP into City procedures.
- Establish additional operational aspects for EOP.
- Utilize Alert Sense for mass communications.
- Continue development of a Communications Plan.
- Update the City-wide Continuity of Government Plan.



- Increase number of staff with Emergency Operations training.
- Continued participation in regional groups, trainings, and drills.

Activity Level

- WLEOG Board Meetings Attended: Once per month
- WLEOG Executive Team Meetings: Once per quarter
- WLEOG Exercise Planning Meetings: One to three per month for various exercises.
- Staff hours contributed to emergency operations planning, training, and drilling: 50+

Budget Summary

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
<i>Corrections</i>							
Personnel	-	68,073	90,400	73,600	149,400	149,400	149,400
<i>Emergency Communications</i>							
Personnel	-	516,574	-	-	-	-	-
<i>Police</i>							
Personnel	2,050,850	1,553,906	1,796,000	1,532,000	3,538,800	3,538,800	3,538,800
Personnel services	2,050,850	2,138,553	1,886,400	1,605,600	3,688,200	3,688,200	3,688,200
Materials and services	348,081	367,699	309,000	381,700	733,100	733,100	733,100
Police	2,398,931	2,506,253	2,195,400	1,987,300	4,421,300	4,421,300	4,421,300
Capital outlay	120,976	110,008	55,000	60,300	402,000	402,000	402,000
<i>Debt service</i>							
SIUSLAW BANK PRINCIPAL	17,649	18,277	18,300	18,300	9,700	9,700	9,700
SIUSLAW BANK INTEREST	2,138	1,510	1,500	1,500	200	200	200
FFCO 2017 - principal & interest					17,600	17,600	17,600
Debt service	19,787	19,787	19,800	19,800	27,500	27,500	27,500
Transfers	-	-	519,900	519,900	1,087,100	1,087,100	1,087,100
Non-operating expenditures	140,763	129,795	594,700	600,000	1,516,600	1,516,600	1,516,600
Total	2,539,694	2,636,048	2,790,100	2,587,300	5,937,900	5,937,900	5,937,900

Performance Measures

Patrol Measure	2013 Actual	2014 Actual	2015 Actual	2016 Actual
Traffic citations	2,004	1,650	1,484	1,266
Arrests	636	690	599	752
Police contacts from calls for service	13,869	13,992	15,590	14,300
Daily average	38.00	38.33	31.28	39
Communications Measure	2013 Actual	2014 Actual	2015 Actual	2016 Actual
Calls taken by dispatch totals	N/A	N/A	19,976	19,565
Average dispatch calls per day	N/A	N/A	55	54
Alarm calls	234	245	317	355
9-1-1 calls received	4,147	5,148	6,606	6,554
Corrections Measure	2013 Actual	2014 Actual	2015 Actual	2016 Actual
Inmates	550	539	490	405
Daily average/inmates	5.3	5.2	5.3	5
Prisoner transports	120	108	138	102

Note: The police department reports its activities on a calendar basis.



The Florence Justice Center – home of the Florence Police, Jail and 911 operation

Staffing

Position	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Communications Center Supervisor	1.0	1.0	1.0	-	-	-	-
Communications Officers	6.0	6.0	6.0	7.0	7.0	7.0	7.0
FTE's	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Corrections Officer	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total FTE's - Police	24.0	24.0	25.0	25.0	25.0	25.0	25.0

Staffing for Emergency Communicates included in 9-1-1 Fund.

Capital Outlay

	Priority	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Building improvements	1	62,980	-	10,000	200,000	200,000	200,000
Vehicles	1	47,028	55,000	50,300	202,000	202,000	202,000
		110,008	55,000	60,300	402,000	402,000	402,000

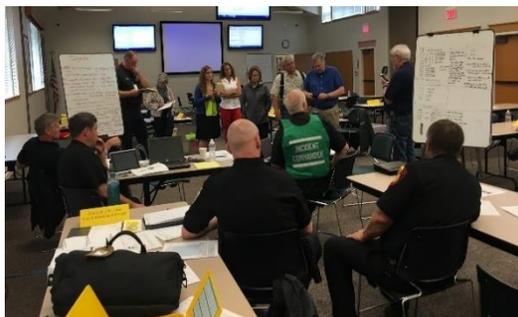
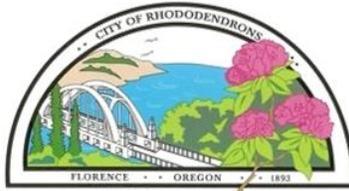


Photo Courtesy Mark Brennan/Siuslaw News



City of Florence

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Community Development

Summary

The Community Development Department has three primary divisions: Planning, Building, and Code Enforcement. In addition to the primary responsibilities, the department takes the lead and supports several other programs as described herein.



Planning is responsible for administering all current and long-range land-use related planning functions of the City. The department processes all land use development and change of use applications at the staff, Planning Commission and the City Council level. Planning also spearheads land use code review, policy implementation and overall coordinated development of the City. Planning processes requests for annexation, right-of-way vacations and reimbursement district creation. In support of the above functions, planning staffs the Planning Commission.

In addition to land use functions, planning staff is the administration lead for transit and solid waste management programs. Transit functions include staffing the Transit Advisory Committee, updating contracts, coordinating the Bus Buddy program and developing Rhody Express ridership promotion efforts. In support of solid waste management, staff works with the Environmental Management Advisory Committee to coordinate solid waste rate reviews with solid waste service providers and consultants to evaluate service costs and calculate associated collection rates for Council review. Planning staff and EMAC also create and support solid waste prevention education and events to ensure that the City meets the DEQ's Opportunity to Recycle Requirements.



Building is responsible for administering all functions related to the execution of State Building Code regulations. Personnel process applications, review plans, issue building permits, perform inspections, and issue final occupancy permits. Staff processes and manages construction excise tax collection and processing for the Siuslaw School District. Staff also process requests for and payments of systems development charges, public infrastructure improvements and connections when associated with a construction project. They also work with the public to explain complex building codes and system development requirements. In addition, the staff processes sign permits, assigns addresses, and participates in the Western Lane

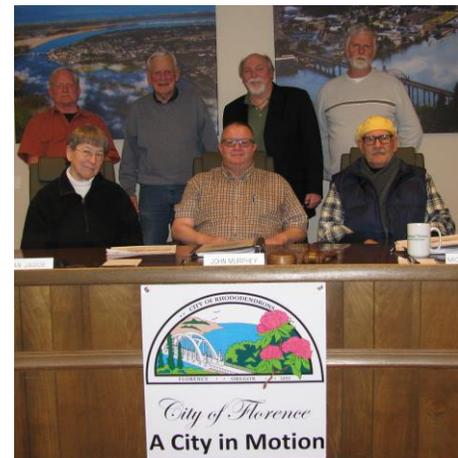
Emergency Operations Group. Code Enforcement works with building and planning staff to address unpermitted work. Staff also handles nuisance code issues, animal control, excessive false alarm notifications, and on-street parking regulations.

Highlights

- Nine annexation requests processed, the same number processed over the last 17 years
- Over-the-counter land use procedural and supporting code written to offer an expedited process for reviewing minor building and property modifications that meet code
- Housing & Economic Opportunities Analyses launched. Project will update plans from 1997, 2000, 2004 & 2007
- Periodic Review of the Florence 2020 Comprehensive Plan that has been in process for last 20 years completed
- Land use applications increased 48% from 2015
- Building permits issued increased 19% from 2015 and 36% from 5 years ago
- Nuisance complaints increased 19% from 2015
- Modernize and update City Code to implement changes needed as identified in various assessments and plans
- Community development and code enforcement software budgeted to increase efficiency and effectiveness of staff
- Code enforcement vehicle

Changes from previous year

- Adding one FTE to process Over-the-Counter and Administrative land use applications, assist with Building and Land Use code enforcement, review building permits for compliance with city codes, manage approvals through construction
- Housing and Economic Opportunities Analyses to continue through December 2017
- Employees working towards certifications in their respective fields improving retention and opportunities for movement within the organization
- Planning and building application fee analyses underway to inform cost of service recovery decision



Budget Summary

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
<i>Planning</i>							
Personnel services	233,704	297,865	320,400	316,100	802,600	802,600	802,600
Materials and services	48,532	39,012	91,100	81,400	168,200	168,200	168,200
Planning	282,236	336,877	411,500	397,500	970,800	970,800	970,800
<i>Building</i>							
Personnel services	80,151	81,071	83,900	84,100	180,100	180,100	180,100
Materials and services	159,069	161,624	177,100	213,400	448,400	448,400	448,400
Building	239,220	242,695	261,000	297,500	628,500	628,500	628,500
Community Development	521,456	579,572	672,500	695,000	1,599,300	1,599,300	1,599,300
Capital outlay	-	-	-	-	39,200	39,200	39,200
Total Community Development	521,456	579,572	672,500	695,000	1,638,500	1,638,500	1,638,500

Performance Measures

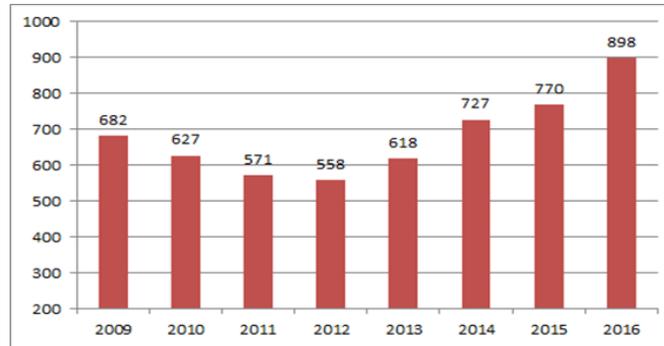
Planning:

Number of land use permits processed:

Measure	2011	2012	2013	2014	2015	2016
Number of Land Use applications	26	27	24	57	39	75
Percentage of current workload	35%	36%	32%	76%	52%	100%
Planning staff to application ratio	1:7	1:11	1:11	1:23	1:15	1:30
FTE's – filled positions	3.7	2.5	2.2	2.5	2.5	2.5

Building:

Number of building permits processed:



Code Enforcement:

Measure

Number of complaints	925
Number of citations	174
Citations to complaints ratio	18%



Staffing

Position	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-18 Proposed	2018-19 Proposed	2017-19 Proposed
Planning Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Code Enforcement Officer	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Assistant Planner	-	-	1.0	1.0	-	-	-
Associate Planner	1.0	1.0	-	-	1.0	1.0	1.0
Planning Administrative	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Planning Technician	-	-	-	-	1.0	1.0	1.0
Total FTE's - Planning	4.0	4.0	4.0	4.0	5.0	5.0	5.0
Building Technician	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Contracted Building Official/Inspectors	1.3	1.4	1.4	1.6	1.6	1.6	1.6
Total FTE's - Building	2.3	2.4	2.4	2.6	2.6	2.6	2.6
Total FTE's - Community Dev.	6.3	6.4	6.4	6.6	7.6	7.6	7.6

Did you know the City's Community Development Department also coordinates the City's public transportation, i.e., regional busing program – Rhody Express?

Parks

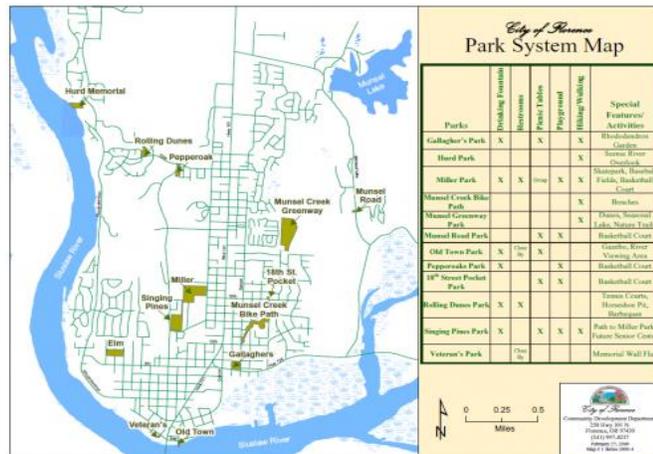
Summary

The City has more than 154 acres of parkland at twenty sites. Of these, thirteen parks provide recreational amenities such as playgrounds, trails, community gathering areas, and sports fields and other improvements. Of the thirteen parks, four are mini-parks or ‘pocket parks’; two are neighborhood parks; five are special use parks; and one community park.

Florence’s park system includes four restroom facilities (Maple/Bay Street, Miller Park, Rolling Dunes Park, and Munsel Greenway Park); tennis courts (Rolling Dunes Park); a skate park (Miller Park); four baseball fields, two softball fields, and an area to play soccer (Miller Park); an off-leash dog park (Singing Pines Park); basketball courts (Miller Park, 18th Street Pocket Park and Pepperoaks Park); and two picnic shelters (Miller Park and Rolling Dunes Park).

Our mission is to maintain our park and recreation facilities, including the trail network, in a safe and clean manner to support a variety of outdoor recreation opportunities. In past years, the City’s general fund has only been able to support the minimum level of maintenance of our parks.

The 2017-2019 biennium budget is aligned with sustaining and improving the delivery of cost-effective and efficient park services to the community by continuing to provide a dedicated utility worker and increased funding of seasonal labor; sustaining and improving the City’s livability and quality of life by making several key investments in parks facilities; continuing to develop and nurture an adopt-a-park program, and pursuing several significant grants to leverage the City’s limited dollars.



The community has continued to provide financial donations and significant volunteer hours, demonstrating the importance of parks to the community. This has proved to be an innovative solution to enhance and maintain the existing park system. Boy Scouts of America Troop 721, Siuslaw Baseball Association, Shoreline Christian School, Siuslaw Youth Soccer Association, Delta Gamma of ESA, Florence Kiwanis Club and the Rhododendron Society are all examples of community groups

committed to maintaining our parks system. However, even with this significant volunteer effort, there are still many park operations, recreation programs and expansions that cannot be completed within the City's existing resources. This issue will be explored further during the upcoming biennium.

Highlights

- Purchase and develop a new riverside/beach park from two grant sources
- Potential funding to rehabilitate Miller Park softball fields, development of a soccer field, and the construction of a new restroom facility, complete with additional storage and concession stand
- Expansion of the flower basket program in Old Town
- Light pole banner program in Old Town

Changes from previous year

- The 'Miller Park Rehabilitation' project grant application has a reduced scope from the 'Project Grand Slam' request that was submitted last year. The revised project is now \$360,000 and provides funding for a new restroom facility, complete with additional storage and concession stand; relocation and development of two softball fields; development of a soccer field. The grant request was for \$216,000 in grant funds with a local match of \$144,000
- Funding request for paving the gravel parking area at the south end of Miller Park
- Request to construct a pickleball court adjacent to the tennis court at Rolling Dunes park
- New playground equipment for Rolling Dunes park. Currently there is only the tennis court and picnic shelter/restroom facility at this park. There is a strong need for play equipment at this park to serve the surrounding neighborhood. The funding request is for fiscal 2018-2019. Staff will seek grant from the Local Government Grant Program through Oregon Parks and Recreation Department
- Begin the process of converting the former Public Works center on Spruce Street into a neighbor park and expansion of the rhododendron gardens of Gallagher Park



and

Budget Summary

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Personnel services	68,920	35,042	47,100	62,900	137,300	137,300	137,300
Materials and services	60,654	86,330	79,600	79,500	194,200	194,200	194,200
Parks	129,574	121,371	126,700	142,400	331,500	331,500	331,500
Capital outlay	10,180	54,128	797,000	54,100	488,900	488,900	488,900
<i>Debt service</i>							
2011 LOCAP - principal	-	-	2,100	2,100	4,400	4,400	4,400
2011 LOCAP - interest	-	-	1,700	1,700	3,100	3,100	3,100
Debt service	-	-	3,800	3,800	7,500	7,500	7,500
Transfers	3,877	3,796	41,100	41,100	100,800	100,800	100,800
Non-operating expenditures	14,057	57,924	838,100	95,200	589,700	589,700	589,700
Total	143,631	179,295	964,800	237,600	921,200	921,200	921,200

Performance Measures

- 154 acres of parkland
- 13 active parks maintained, including one off-leash dog park, total of 54.23 acres
- Daily cleaning and maintenance of four restrooms
- 12.7 acres of turf area mowed
- Monthly park play equipment inspections (10 structures).
- Maintain 2.45 miles of hard surface (asphalt) paths and 2.37 miles of soft surface (mostly gravel) trails
- Maintain three outdoor basketball courts
- Maintain two picnic shelters
- Maintain four baseball and two softball fields
- Maintain a skate park
- Maintain 30 irrigation systems. These irrigation systems not are for the active parks, but also Wilber Crest (landscaped right-of-way); traffic island on Kingwood (35th and Kingwood); right-of-way at Quince and Hwy 101; and City Hall
- Maintain pedestrian scale streetlights in Old Town
- Flower basket program - watering and maintaining 54 hanging flower baskets in Old Town



for a

only

Staffing

Position	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Parks Supervisor	1.00		-	-			
Utility Worker	-	1.00	1.00	0.70	1.00	1.00	1.00
Seasonal	0.96	1.00	1.40	1.40	1.48	1.48	1.48
Total FTE's - Parks	1.96	2.00	2.40	2.10	2.48	2.48	2.48

Capital Outlay

Description	Priority	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Miller Park	1	709,500	-	360,000	360,000	360,000
River/Beach Park	1	87,500	54,100	38,900	38,900	38,900
Rolling Dunes playground equipment	2	-	-	35,000	35,000	35,000
Dunes	2	-	-	45,000	45,000	45,000
Expansion of Gallagher Park - demo old PW office and add play area	2			10,000	10,000	10,000
		797,000	54,100	488,900	488,900	488,900



Municipal Court

Summary

The City operates a full-service municipal court including adjudication of cases typically processed by district courts, such as driving under influence and minor criminal cases that may result in jail time for convictions. It is through municipal courts that many citizens come into contact with the judicial system, either as a defendant, victim, or witness. The Municipal Court staff provides equal access to a timely, fair, equitable, and cost-effective justice system.

The Municipal Court employees facilitate the judicial process by administering the daily court business. They schedule trial dates, handle all official correspondence, and oversee a wide-variety of criminal cases and violations. Materials and services expenditures provide for contract services for our Judge, Public Defenders and a Prosecutor.

Highlights

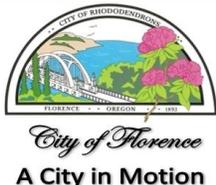
- In 2016, the Municipal Court converted and upgraded its court management software
- The new software allows the Court to be more efficient and allows greater customer access
- A change in collection efforts has positively impacted collections of unpaid fines
 - Fiscal year 2013-14 \$16,534
 - Fiscal year 2014-15 \$35,926
 - Fiscal year 2015-16 \$45,963
 - Fiscal year 2016-2017 year to date \$25,259

Changes from previous year

- No changes

Performance Measures

- Reduction of non-compliance probation cases
- Activity Levels (**Calendar Year 2016**)
 - Cases Filed 2,055
 - Misdemeanors 660
 - Violations 1,395
 - Cases Closed 787
- Fine collection ratio to fines imposed 88%



Budget Summary

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Personnel services	168,026	190,984	144,700	102,200	264,000	264,000	264,000
Materials and services	133,430	137,372	134,800	149,600	300,900	300,900	300,900
Municipal Court	301,456	328,356	279,500	251,800	564,900	564,900	564,900
Capital outlay	-	51,791	-	-	-	-	-
Total	301,456	380,148	279,500	251,800	564,900	564,900	564,900

Staffing

Position	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Court Clerk	0.5	0.1	1.0	1.0	1.0	1.0	1.0
Senior Court Clerk	1.0	1.0	1.0	1.0	0.5	0.5	0.5
Court Administrator	1.0	1.0	-	-	0.5	0.5	0.5
Municipal Judge - contract	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Total FTE's	2.9	2.5	2.4	2.4	2.4	2.4	2.4

The Senior Court Clerk is anticipated to complete certification in 2018. Upon successfully earning the certification and meeting other requirements, the position is anticipated to be reclassified to Court Administrator.

Administration

Summary

The Administration of the City is organized into following functional areas of responsibility:

- Mayor and City Council
- City Manager's Office
 - City Manager
 - City Recorder
 - Human Resources
 - Project Management
 - Communications
 - Urban Renewal
- Finance
- Information Technology



Mayor, City Councilors and City Management Team

The budget provides accountability at each of the primary levels with a total appropriation for the entire administration department. The following budget summarizes the Administration Department. Division program details and budgets follow the budget summary.

Council Goals

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.

Budget Summary

	2014-15	2015-16	2016-17	2016-17	2017-19	2017-19	2017-19
	Actual	Actual	Budget	Estimate	Proposed	Approved	Adopted
Mayor and City Council	34,522	36,939	45,500	45,200	104,300	104,300	104,300
City Manager's Office	501,892	487,991	574,000	528,400	1,292,100	1,292,100	1,292,100
Finance	401,521	525,694	531,300	527,100	1,038,800	1,038,800	1,038,800
Information Technology	-	-	-	-	328,400	328,400	328,400
Administration	937,935	1,050,624	1,150,800	1,100,700	2,763,600	2,763,600	2,763,600
Capital outlay	103,171	14,600	40,000	23,000	180,000	180,000	180,000
Debt service	15,385	7,667	15,000	14,500	30,700	30,700	30,700
Transfers	15,503	14,661	-	-	-	-	-
Administration - non-operating expenditures	134,059	36,928	55,000	37,500	210,700	210,700	210,700
Total Administration	1,071,994	1,087,552	1,205,800	1,138,200	2,974,300	2,974,300	2,974,300

Mayor and City Council

Summary

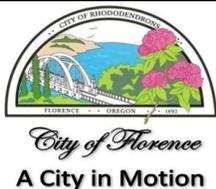
The Mayor and City Council provide leadership, legislative, governance and oversight for all City functions and operations. The Mayor is elected to a term of two years, while two of the four City Councilors are elected to staggered four-year terms, each two years.

Highlights

- The Mayor and Council continue meeting with staff in regular work sessions to develop broader issue awareness and understanding and work toward policy decisions that are supported by the Council, staff and community
- The Mayor and Council worked with staff to develop broad goal statements and the 2017-18 work plan

Changes from previous years

- Florence has been awarded as the site 2018 Oregon Mayor's Conference. The budget includes funding for this event.
- The budget includes changes to the overall contract for services for video for the City Council meetings. These changes include allocation for two additional cameras and video input to connect to the projector. These additions will allow not only better transparency but increased



versatility in how the City Council videos are utilized, representing significant strides toward Council Goal 4: to improve the City’s communication program and strengthen citizen trust.

Budget Summary

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Materials and services	34,522	36,939	45,500	45,200	104,300	104,300	104,300
Mayor and City Council	34,522	36,939	45,500	45,200	104,300	104,300	104,300

City Manager’s Office

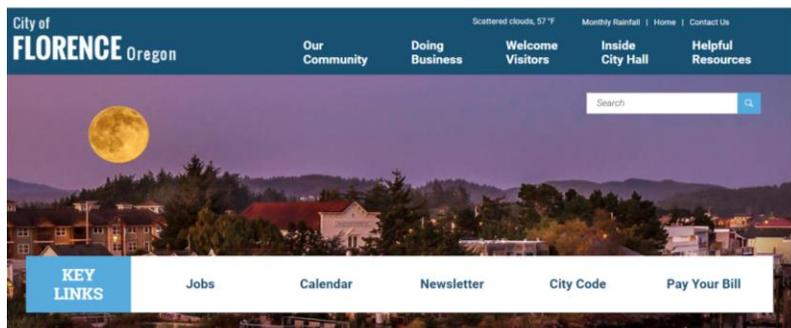
Summary

The City Manager’s office provides oversight and direction to ensure that all departments are responding to the City’s adopted work plan, applying policy consistently, and identifying key issues that need Council direction. The City Manager’s office also provides staff support for the Florence Urban Renewal Agency (FURA).

Additionally, staff have responsibility for public and media outreach, elections, business / special events / liquor licenses, records retention, franchise agreements, City communications, emergency preparation, economic development, information technology, project management, urban renewal, risk management, human resources and oversee the municipal court operation.

Highlights

- Completed City website update, allocated responsibilities among various staff and completed training as appropriate
- Completed Marijuana Tax referral process and subsequent Oregon Department of Revenue intergovernmental agreement for marijuana tax
- Completed digitization of City Council and Committee agenda distribution allowing for better transparency



- Increased turnaround for new business licenses from 1.5 weeks on average to 5 days
- Assisted the Planning Department in the creation of the new Housing and Economic Opportunities Project (HEOP) Ad-Hoc Committee
- Began administration of the Florence Urban Renewal Agency board
- Completed the 2016 City Elections process

Changes from previous year

- Move to legal codification process to provide for online city code hosting and codification providing better verification of legality of codes and improved communication to the public
- Addition of professional records management including off-site records storage, document management, secure document destruction, document shredding and document imaging.
- Contract services to allow for additional labor during the City Hall remodel
- Agenda Management software to streamline workflows for City Council and Committee agendas and improve communication with citizens
- Records Management software and cloud-based storage system to facilitate compliance with state records retention laws through simplifying the capture, lifetime management, security and access to City records in order to lower city's liability and improve transparency.

Human Resources

Summary

Human Resources Department oversees and supports the City's employee recruiting and retention efforts, compensation and employee benefit programs, training, risk management, employee wellness, and employee safety.

Highlights

- The City has continued to improve the employee compensation and salary program
- Funding for Human Resource software to automate human resource management functions
- Began participation in the Portland State University (PSU) Total Employer Cost of Compensation (TECC) program to better analyze and compare City positions, wages, and benefits with other similar organizations and positions
- In the coming fiscal year, the City will review and update the Personnel Handbook, personnel policies, and the Safety Manual and associated policies based on best practices

Changes from previous year

- Continued recruitment for a new Human Resources professional
- Position classification has changed to better position the City for recruitment



- Continue implementation of the compensation plan
- Implement a human resource management application
- Training of a new Human Resources professional

Performance Measures

Workers Comp Statistics – 2016

The City experienced three claims, one involving time loss, with a total of 127 time-loss days, and total claim cost of \$64,266. The City utilizes City County Insurance Services’ (CIS) to process claims.

Employee Turnover – 2016

The City’s turnover percentage was 12.6% for 2016 (2015 - 17.5%). The breakdown by reason:

- Relocation 3
- Resigned 2
- Retired 1
- Termination 2

Recruitment – 2016

- There were 10 recruitments in 2016.

Compensation

In July 2015, the Council approved a comprehensive compensation plan for non-represented employees, which will enable City management to better manage personnel. Salary adjustments consistent with the plan were made in July 2016. The City is participating in the PSU TECC Program as indicated above. This will assist the City in utilizing comparable positions as we update our position classifications and when new ones are added.

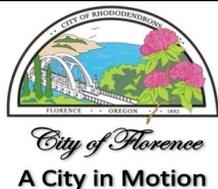
Wellness Program

In 2015, the City formed a Wellness Committee. Objectives include planning wellness events, determining ways to engage employees in the area of healthy living, and encouraging them to set and attain personal goals. This Committee will be utilized as new opportunities for wellness initiatives arise. The same Committee will also assist with coordinating the Personnel Handbook update.

Safety/Risk Management

The City’s Safety Committee consists of employees from each City facility, as well as our local insurance agent. We meet monthly to discuss safety-related topics and to review and provide feedback on any employee incident/accident reports which may have been submitted during the prior month. The committee members also conduct safety inspections every month, each City facility is on a quarterly inspection schedule. Our Public Works team ensures that risk related items discovered during an inspection are taken care of in a timely fashion to mitigate potential losses of any kind.

During the upcoming budget cycle, the Safety Committee will facilitate updating the City’s Safety Manual based on the best practices provided by City/County Insurance Services.



Staff Training

City staff receives training from a number of sources. The League of Oregon Cities and City/County Insurance Services offer numerous training opportunities throughout the year. Law enforcement personnel utilize the Department of Public Safety Standards and Training (DPSST) for the majority of their training. Supervisors manage and approve training for their employees through their various professional training opportunities. City staff also have access to the CIS Learning Center and are able to register for free online courses and low-cost instructor-led classes as approved.

Communications

Summary

City staff continue to produce a monthly newsletter, update important information on the City and FEC websites, and actively manage several social media sites. The City newsletter is produced monthly. The City website and social media sites are updated almost daily. City Council meetings are uploaded to Vimeo the day following the City Council meeting.

Highlights

- The City is on Facebook, Twitter, and Instagram
- City Council meeting videos and other City videos are posted online via Vimeo
- In early 2017, we converted newsletter production to an online platform
- During FY 2017, the website was upgraded to a new platform with a new look and features
- City and FEC websites are mobile friendly, responding to the device being used with the display adjusting accordingly
- Produced the City in Motion video with over 1,600 views as of May 1, 2017
- Created a City Instagram account

Performance measures

- Increase Facebook likes to 6,000
- Increase Twitter followers to 800
- Increase email distribution of City newsletter to 1,000
- Increase the types of videos posted to the City's Vimeo page, including informational videos

Activity levels

- Newsletter frequency: monthly
- Newsletter electronic distribution List: 628 (2016 -- 581)
- Newsletter printed distribution: 150

- Social media reach:

Social media platform	May 1, 2016	May 1, 2017
City Facebook likes	3,576	4,284
City Twitter likes	360	586
City Instagram followers	n/a	410
FEC Facebook likes	unknown	1,123
FEC Twitter followers	unknown	279
Vimeo videos loaded	39	75

- Website Statistics:

Website Statistics	2015	2016
Total Website Sessions	91,791	91,664
Desktop Sessions	57,968 (63.15%)	54,867 (59.85%)
Mobile Sessions	24,121 (26.28%)	27,418 (29.91%)
Tablet Sessions	9,702 (10.57%)	9,382 (10.24%)
Unique website users	60,418	58,762
Page views	234,535	229,114

Changes from previous year

- Continued implementation and improvement of the online based newsletter
- Continuous improvement of the City website
- Development of internal intranet

Budget Summary

	2014-15 Actual	2016-17 Adopted	2016-17 Adopted	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Personnel services	336,771	362,342	438,900	363,900	891,400	891,400	891,400
Materials and services	165,121	125,649	135,100	164,500	400,700	400,700	400,700
City Manager's Office	501,892	487,991	574,000	528,400	1,292,100	1,292,100	1,292,100



Performance measures

- City Council Support / Elections
 - 40 Council Meetings in 2016
 - 6 Ordinances in 2016
 - 25 Resolutions in 2016
 - 18 Proclamations in 2016
 - 3 Candidates for City Council Office in 2016
- Business, Special Event, & Miscellaneous Licenses
 - 174 business licenses issued in 2016
 - 66 special event licenses issued in 2016
 - 2 street closures issued in 2016
 - 8 liquor licenses issued in 2016

Staffing

Position	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
City Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City Recorder	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Project Manager	-	-	1.00	1.00	1.00	1.00	1.00
Human Resources Analyst	-	-	-	-	1.00	1.00	1.00
Intern	-	0.50	0.30	0.50	0.60	0.60	0.60
Assistant to City Manager,	1.00	1.00	-	-	-	-	-
Human Resource Manager	1.00	1.00	1.00	0.25	-	-	-
Total FTE's	4.00	4.00	4.30	3.75	4.60	4.60	4.60

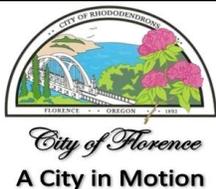
Finance

Summary

The City and Florence Urban Renewal Agency (FURA) is served by a finance department that performs financial and strategic planning, budgeted, reporting, accounting, billing and collection for all City and FURA services, payroll, accounts payable, local improvement districts, centralized customer service,

Highlights

- The City received an unqualified opinion from its independent auditor for the fiscal year end 2016 financial report
- The City received the Distinguished Budget Award for its fiscal year 2017 budget
- The budget for fiscal years 2017-18 and 2018-19 is a biennial budget



- Additional enhancements to the fiscal year 2017 budget document will be provided with the final biennial 2017-19 budget document
- An update to the City's financial accounting systems is budgeted in fiscal year 2018

Changes from previous year

- Information technology costs are reorganized under a separate division
- Billing and collection services have been outsourced
- Finance director position budgeted as contract rather than in personnel services
- Budgeting and financial reporting will require modifications for the change to biennial budgeting
- Chart of accounts will be restructured
- Project accounting will be implemented
- Automated time-keeping will be implemented
- A review of all accounting procedures and processes will be completed
- A banking services request for proposals will be completed

Budget Summary

	2014-15 Actual	2016-17 Adopted	2016-17 Adopted	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Personnel services	231,616	228,912	364,000	239,900	549,200	549,200	549,200
Materials and services	169,905	296,782	167,300	287,200	489,600	489,600	489,600
Operating	401,521	525,694	531,300	527,100	1,038,800	1,038,800	1,038,800
Capital outlay	103,171	14,600	40,000	23,000	17,000	17,000	17,000
<i>Debt service</i>							
DEBT SERVICE: PRINCIPAL I	14,668	7,559	-	-	-	-	-
DEBT SERVICE: INTEREST F	717	108	-	-	-	-	-
2011 LOCAP - principal		-	15,000	7,900	18,000	18,000	18,000
2011 LOCAP - interest		-	-	6,600	12,700	12,700	12,700
Debt service	15,385	7,667	15,000	14,500	30,700	30,700	30,700
Transfers	15,503	14,661	-	-	-	-	-
Non-operating	134,059	36,928	55,000	37,500	47,700	47,700	47,700
Total	535,580	562,622	586,300	564,600	1,086,500	1,086,500	1,086,500

Performance Measures

- Receive an "Unqualified" opinion from the City's independent auditor
- Prepare timely and accurate quarterly financial reports – within forty days of quarter end
- Submit the Adopted Budget document to the Government Finance Officers Association for consideration for a Distinguished Budget Award
- Timely and accurately pay of vendors 100%

- Timely and accurately prepare payroll 100%
- Timely and accurately bill customers 100%
- Collection rate for accounts 99.9%
- Turn-off ratio to collect accounts <1.0%

A goal for fiscal year 2018 is to collect and report on the following performance measure:

- Earnings rate on investments relative to an appropriate benchmark

Staffing

Position	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Finance Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Assistant Finance Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Accounting Specialists	2.5	2.0	2.0	2.0	2.0	2.0	2.0
Administrative Assistant	-	-	1.0	1.0	1.0	1.0	1.0
Total FTE's - Finance	4.5	4.0	5.0	5.0	5.0	5.0	5.0

Information Technology

Summary

During fiscal year 2017, the City undertook a comprehensive analysis of our IT infrastructure, equipment, and policies to direct the City's IT investment. The previous 5-year plan was created in 2012 and expired at the end of fiscal year 2016. The product of this effort, which included participation from all departments, is an IT Strategy and Plan that is intended to be reviewed and updated annually and be a living plan versus a static plan. The Strategy and Plan recommendations include system-wide improvements for infrastructure and policy, department specific improvements, and management and support of the City's numerous systems.

One priority recommendation is to add an in-house position to lead and support the City's systems. Management and support has previously been performed via contracted services with the City Project Manager as a liaison for the City as a whole and one of the Sergeants as the Police Department specific liaison.

For the coming biennium, the City has budgeted an IT Manager position and reduced IT support from the current technical support provider. Maintaining funding for some outside support will provide the ability for the IT Manager to learn the system, provide specific expertise on our systems, and provide redundancy or backup. The IT Manager will be able to manage the implementation of various software and hardware upgrades to our systems, enhancing the quality of our current system, while providing day-to-day, on the ground support to City staff. One of the new position's main tasks in the biennium will be to evaluate the City's contractual support needs moving forward.

Highlights

- IT Strategy and Plan completed
- IT Strategy and Plan recommendations for improvements and timeline have been included in the biennium budget and future budget year forecasts
- IT Manager recruitment has been initiated

Changes from previous year

- In-house staffing to manage and support the City's information technology systems
- Implementation of deferred capital investment pending completion of the Strategy and Plan

Budget Summary

	2014-15 Actual	2016-17 Adopted	2016-17 Adopted	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Personnel services	-	-	-	-	193,000	193,000	193,000
Materials and services	-	-	-	-	135,400	135,400	135,400
Operating	-	-	-	-	328,400	328,400	328,400
Capital outlay	-	-	-	-	163,000	163,000	163,000
Total Information Technology	-	-	-	-	491,400	491,400	491,400

Performance Measures

Activity levels (individual units supported):

- Servers 11
- Desktop computers 72
- Laptops 18
- iPads 30
- Printers/copiers 25
- Phones 101
- Data maintained & protected:
 - o Total storage space: 20.4 TB
 - o Total free space: 5.2 TB
 - o Total space used: 15.2 TB

Staffing

Position	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
IT Manager	-	-	-	-	1.0	1.0	1.0

Capital Outlay

Description	Priority	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
IT Strategic Plan	1	20,000	23,000	-	-	-
Network hardware	1	20,000	-	156,000	156,000	156,000
Network software	1	-	-	7,000	7,000	7,000
		40,000	23,000	163,000	163,000	163,000

City Hall

Summary

Activity associated with the City Hall facility is accounted for within this division. The Public Works Department oversees the maintenance operation.

The upcoming biennium includes the remodel and expansion of City Hall, which is one of the City's current priority capital improvement investments. \$1.96 million has been budgeted for this project, including architectural services of \$167,000, all soft costs and construction.

Highlights

- A needs assessment and conceptual facility plan was completed in fiscal year 2016
- Major findings noted the existing building, with a modest expansion and remodel, could meet the City's needs to serve a population of 17,000+
- In early 2017, the City entered into a design and engineering contract
- Construction is scheduled for fiscal year 2018

Changes from previous year

- City Hall will be closed for remodeling for a portion of fiscal year 2018, with staff relocated to the Justice Center and new Public Works facility
- Debt service is projected to commence fully in fiscal year 2019



Budget Summary

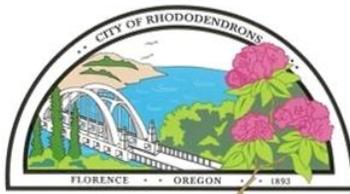
	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Personnel services	43,920	47,829	62,200	65,700	112,300	112,300	112,300
Materials and services	27,192	58,683	35,500	33,400	70,500	70,500	70,500
City Hall	71,112	106,512	97,700	99,100	182,800	182,800	182,800
Capital outlay	40,835	26,027	150,000	42,200	1,917,800	1,917,800	1,917,800
<i>Debt service</i>							
FFCO 2017 - principal	-	-	-	-	140,700	140,700	140,700
FFCO 2017 - interest	-	-	-	-	34,300	34,300	34,300
Debt service	-	-	-	-	175,000	175,000	175,000
Total non-operating	40,835	26,027	150,000	42,200	2,092,800	2,092,800	2,092,800
Total City Hall	111,947	132,539	247,700	141,300	2,275,600	2,275,600	2,275,600

Staffing

Position	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Building Maintenance Worker	1.0	1.0	1.0	1.0	1.0	1.0	1.0

Capital Outlay

Description	Funding Source	Priority	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Facility expansion and remodel							
Design	City-wide	0	150,000	42,200	125,300	125,300	125,300
Construction and soft costs	City-wide	1	-	-	1,792,500	1,792,500	1,792,500
			150,000	42,200	1,917,800	1,917,800	1,917,800



City of Florence
A City in Motion

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Non-departmental

Summary

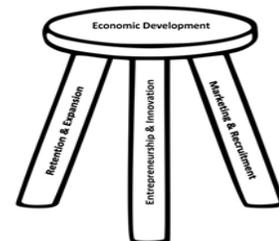
Non-departmental includes costs that are not directly associated with a particular department or its inclusion within that department. Due to variability in program costs, trend information may inadvertently be impacted.

Included in the non-departmental budget is funding of outside agencies, economic development and transfers to the Florence Events Center Fund. Economic development activity is budgeted in non-departmental as it benefits the entire organization and is a contracted service with oversight from the City's Economic Development Committee and support from the City Manager's office.

Economic Development

Summary

Economic Development is one of the five adopted City Council goals. Beginning in June 2014, the City put additional focus toward this program by allocating staff time for coordination with many existing economic development groups including the Lane Economic Committee, South Coast Development Council, Travel Lane County, Florence Area Chamber of Commerce and others. City staff representation on each of these groups represents a shift in culture for the City by providing more focus for economic development initiatives.



2016 saw the City of Florence continue its strategies for economic development with three targeted segments; Business Retention & Expansion, Business Marketing & Recruitment, and Entrepreneurs & Innovation.

Highlights

- Hired part-time contract Economic Development Catalyst to help promote economic development initiatives
- Coordinated over five tours of Florence for economic development stakeholders including hosting Governor Kate Brown in March
- Assisted various companies in establishing their businesses within Florence including facilitating the first development within the Pacific View Business Park in nearly a decade



- Worked with Regional Accelerator and Innovation Network (RAIN) to achieve grant to hire a Coastal Venture Catalyst and establish a Florence Pre-Accelerator program. The program provides a 12-week training course for seven local entrepreneurs to help establish their companies
- Assisted manufacturing firm with acquisition of and siting on City property

Changes from previous years

- No budgetary changes



Highlights

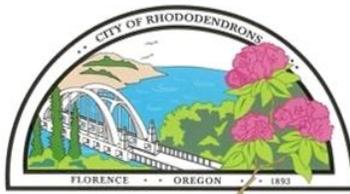
- Siuslaw Outreach Services - funding \$20,000 per year
- Funds are also budgeted in the various utility funds to provide assistance to customers in financial distress
- Rhody Express funding \$33,000 per year
- Funding for economic development program \$78,000 per year
- Reduced transfer to FEC (from \$80,000) due \$65,000 FY 2018
to increased transient room tax collections \$50,000 FY 2019
and strength of fund balance
- Transfer to Airport Fund eliminated
- Amount paid for property in fiscal year 2017 is reimbursed by FEC Fund in fiscal year 2018
- Contingency exceeds financial policy minimum by approximately \$135,000

Changes from the previous year

- Emergency management program costs have been moved to the Police Department
- Reductions in transfers to other funds
- Inflationary and growth adjustments to funding programs
- Staffing for economic development is provided via contractual services

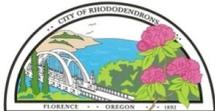
Budget Summary

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Materials and services	47,800	110,645	129,500	133,000	262,000	262,000	262,000
Non-departmental	47,800	110,645	129,500	133,000	262,000	262,000	262,000
Capital outlay	359,481	-	-	181,100	-	-	-
<i>Debt service</i>							
2010B - principal	-	-	24,300	24,300	50,300	50,300	50,300
2010B - interest	-	-	4,700	4,700	7,200	7,200	7,200
Debt service	-	-	29,000	29,000	57,500	57,500	57,500
Transfers	196,725	114,057	125,000	105,000	115,000	115,000	115,000
Total non-operating	556,206	114,057	125,000	286,100	115,000	115,000	115,000
Total	604,006	224,702	254,500	419,100	377,000	377,000	377,000
Contingency	-	-	-	-	1,266,629	1,266,629	1,266,629
Total other requirements	-	-	-	-	1,266,629	1,266,629	1,266,629



City of Florence
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Street Fund

Summary

The Street Division strives to provide a transportation system that is safe for pedestrians, bicyclists and the motoring public. It is the mission of the Division to provide a safe and efficient multi-modal transportation system, including sidewalks and multi-use paths.

The City of Florence has 39.5 center lane miles (79.2 lane miles) of streets to maintain. Of these, 56% are in the very good condition class (PCI range 70-100); 33% are considered good (PCI range 50-69); 10% are in poor condition; and 1% are considered very poor (PCI range 0-25). Even with the recently completed Rhododendron Drive (9th to Hwy 101) and Kingwood (2nd to Rhododendron Drive) paving project, our Pavement Condition Index (PCI) average dropped from 71 to 70, which is still considered very good. However, there are several streets that require significant capital maintenance. We continue to work on the backlog of projects with available funding, including an increase in the City's street fee of \$0.50 per month per household. Existing or anticipated resources are budgeted to fund \$3.0 million in improvements during the 2017-2019 biennium.



Highlights

- Revenues to support the department's services primarily come from state highway apportionment (State gas tax) and street utility fees. The City of Florence does not have a local fuel tax.
- Interesting statistic: the City maintains approximately 0.2 square miles of pavement surface
- Due to amount of utility projects and corresponding participation from the Street fund to pay for grind/inlays the Pavement Rehabilitation program has been moved to fiscal year 2018-19 and funded at \$200,000. We are proposing to stay within our expectant revenues without additional debt service. As funding packages and new proposals are sought at the State level, we will be well poised to take advantage of any additional transportation funding package that the State authorizes. We will continue to chip away at the backlog of pavement preservation projects.
- Complete a grind inlay of 9th Street from Rhododendron Drive to Juniper Street as part of a water main installation project.
- Continue hot oil chip seal program.

Changes from previous year

- Street Fee for single family residence is increased \$0.50 (from \$6.00 to \$6.50) per month
- Implement equity Street Fee for commercial customers. Currently commercial customers only pay \$6 per month per meter connection, which is not equitable based on the number of trips generated by the business as compared to residential type uses
- Increase of the licensing fee for solid waste by 0.5%, with funding directed to the Street Fund
 - Increasing 0.5% per year until fee is 5.0% of gross receipts
 - Provides an estimated \$63,200 revenue in fiscal year 2018
- Slight increase in the cost of electricity to operate the streetlights. We are forecasting a two and two tenths percent (2.2%) increase from \$124,800 to \$127,500 in fiscal year 2018 and another two percent (2%) increase from \$127,500 to \$130,000 in fiscal year 2019
- The Transportation Enhancement Project to develop the Siuslaw Estuary Trail from Hwy 126 to just north of the Port of Siuslaw campground is scheduled to begin in fiscal year 2018



Street Fund Budget

	2014-15	2015-16	2016-17	2016-17	2017-19	2017-19	2017-19
	Actual	Actual	Budget	Estimate	Proposed	Approved	Adopted
Beginning fund balance	639,170	220,420	512,048	515,492	191,892	191,892	191,892
Current year resources							
Intergovernmental	703,698	508,569	1,529,100	1,601,100	1,797,100	1,797,100	1,797,100
Franchise fees	-	-	54,000	53,700	141,100	141,100	141,100
Charges for services	291,512	322,508	351,200	324,000	902,200	902,200	902,200
Miscellaneous	24,492	11,196	2,000	8,500	7,100	7,100	7,100
Transfers	-	-	550,000	550,000	228,000	228,000	228,000
Debt proceeds	-	808,042	500,000	500,000	500,000	500,000	500,000
Total current year resources	1,019,702	1,650,314	2,986,300	3,037,300	3,575,500	3,575,500	3,575,500
Total resources	1,658,872	1,870,734	3,498,348	3,552,792	3,767,392	3,767,392	3,767,392
Expenditures							
Personal services	55,413	63,143	67,700	67,900	143,100	143,100	143,100
Materials and services	229,739	253,987	263,200	271,300	563,550	563,550	563,550
Capital outlay	789,323	792,255	2,382,800	2,556,900	1,585,800	1,585,800	1,585,800
Transfers	214,995	116,977	267,800	267,800	662,000	662,000	662,000
Debt service							
2011 LOCAP - principal	-	-	-	12,200	27,000	27,000	27,000
OPB 2014 - principal	85,627	67,978	50,400	50,400	79,300	79,300	79,300
Siuslaw Bank 2012 - principal	49,025	50,770	52,600	52,600	27,000	27,000	27,000
FFCO 2016 - principal	-	-	-	58,000	234,300	234,300	234,300
Debt service - principal	134,652	118,748	103,000	173,200	367,600	367,600	367,600
2011 LOCAP - interest	-	-	-	10,200	19,100	19,100	19,100
OPB 2014 - interest	8,391	5,938	4,000	4,000	3,900	3,900	3,900
Siuslaw Bank 2012 - interest	5,939	4,194	2,400	2,400	500	500	500
FFCO 2016 - interest	-	-	67,400	17,400	67,500	67,500	67,500
Debt service - interest	14,330	10,132	73,800	23,800	71,900	71,900	71,900
Debt service	148,982	128,880	176,800	197,000	439,500	439,500	439,500
Total expenditures	1,438,452	1,355,242	3,158,300	3,360,900	3,393,950	3,393,950	3,393,950
Other requirements							
Contingency	-	-	340,048	-	373,442	373,442	373,442
Total expenditures and other requirements	1,438,452	1,355,242	3,498,348	3,360,900	3,767,392	3,767,392	3,767,392

Fund Summary and Financial Benchmarks

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Financial Summary							
Resources over (under) expenditures	(418,750)	295,073	(172,000)	(323,600)	181,550	181,550	181,550
Beginning fund balance	639,170	220,420	512,048	515,492	191,892	191,892	191,892
Ending fund balance	220,420	515,492	340,048	191,892	373,442	373,442	373,442
Fund balance analysis							
Desired minimum cash 60	83,400	72,400	99,800	101,200	114,100	114,100	114,100
One years debt service	149,000	128,900	176,800	197,000	192,300	192,300	192,300
Major repair	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total minimum fund balance	282,400	251,300	326,600	348,200	356,400	356,400	356,400
Fund balance above/(below)	(61,980)	264,192	13,448	(156,308)	17,042	17,042	17,042
Fund balance within policy	N	Y	Y	N	Y	Y	Y



Performance Measures

- 39.5 center lane miles of paved streets maintained
- Traffic control devices and signage maintained in accordance with MUTCD
- Inspecting and maintaining 500 signs and posts in the city
- 14.13 miles of right-of-way mowed
- Freshen street markings annually
- Sight/Vision Clearance – vegetation control at intersections and around traffic control devices
- Application of traction aid (sanding operations)
- Sidewalk replacement program
- Hazard tree removal (within City right-of-ways)

Effectiveness Measures

	2014	2015	2016	2017
<i>Number of complaints regarding high weeds, grass or vegetation obstructing visibility.</i>	3	8	6	3
<i>Number of complaints regarding street conditions</i>	8	8	12	8
<i>Overall Pavement Condition Index (PCI) of street system</i>	71	70	69	70

Staffing

Position	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Utility Worker	1.00	1.00	1.00	1.00	1.00	1.00	1.00



Capital Outlay

Description	Funding Source	Priority	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
<i>Facilities and equipment</i>							
<i>Street maintenance</i>							
Crack/hot oil chip seal	Street	1	75,000	75,700	155,000	155,000	155,000
<i>Preservation and improvement</i>							
Rhody Drive - Hwy 101 to 9th Street	Street	1	1,000,000	1,398,200	-	-	-
9th St. - Rhody to Juniper	Street	1	-	-	325,000	325,000	325,000
Numerous overlays Rhody Drive - Wildwinds to 35th St. (spot repairs)	Street	1	-	-	200,000	200,000	200,000
Spruce Street Culvert Bridge	Street	1	50,000	-	100,000	100,000	100,000
Sidewalks and ADA ramps	Street	1	50,000	10,000	50,000	50,000	50,000
Rhody multiuse path	ODOT/Street /SDCs	1	957,800	1,073,000	80,800	80,800	80,800
Siuslaw Estuary trail	ODOT/FURA/ Local	2	250,000	-	675,000	675,000	675,000
			2,382,800	2,556,900	1,585,800	1,585,800	1,585,800



9-1-1 Tax Fund

Summary



The 9-1-1 Emergency Fund is used to account for revenue from the 9-1-1 telephone tax and user fees from various special districts for the operation of the Western Lane County Public Safety Answering Point (PSAP). 9-1-1 PSAP is a self-contained fund with personnel and other expenditures related to PSAP operations all reported with revenues. Funds are transferred from the General Fund to pay for the City's share of the operations.

Highlights

- Full staffing
- Administrative support staffing in the Police Department will help provide timely statistical information
- Technology upgrades are funded

Changes from previous year

- Supervision provided by Commander positions, same employee count
- The City received the full payment of funds held by Lane Council of Governments
- The City receives all 9-1-1 monies directly from State and local jurisdictions



9-1-1 Fund Budget

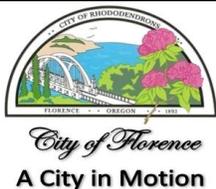
	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Beginning fund balance	-	-	-	7,552	157,052	157,052	157,052
Current year resources							
Intergovernmental	55,506	68,416	215,000	218,400	154,200	154,200	154,200
Charges for services	145,779	145,867	157,800	157,800	329,900	329,900	329,900
Miscellaneous	85	108	-	-	-	-	-
Transfers	-	-	519,900	519,900	1,087,100	1,087,100	1,087,100
Total current year resources	201,370	214,391	892,700	896,100	1,571,200	1,571,200	1,571,200
Total resources	201,370	214,391	892,700	903,652	1,728,252	1,728,252	1,728,252
Expenditures							
Personnel services	-	516,574	531,100	535,300	1,139,200	1,139,200	1,139,200
Materials and services	-	-	80,900	67,900	160,900	160,900	160,900
Capital outlay	-	-	16,800	16,500	20,000	20,000	20,000
Transfers	201,370	206,839	126,900	126,900	265,300	265,300	265,300
Total expenditures	201,370	206,839	755,700	746,600	1,585,400	1,585,400	1,585,400
Other requirements							
Contingency	-	-	137,000	-	142,852	142,852	142,852
Total expenditures and other requirements	201,370	206,839	892,700	746,600	1,728,252	1,728,252	1,728,252

Financial Summary and Benchmarks

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Financial Summary							
Resources over (under) expenditures	-	7,552	137,000	149,500	(14,200)	(14,200)	(14,200)
Beginning fund balance	-	-	-	7,552	157,052	157,052	157,052
Ending fund balance	-	7,552	137,000	157,052	142,852	142,852	142,852
Fund balance analysis							
Desired minimum fund balance - 60 days	33,600	34,500	126,000	124,400	132,100	132,100	132,100
Fund balance above/(below) minimum	(33,600)	(26,948)	11,000	32,652	10,752	10,752	10,752
Fund balance within policy	N	N	Y	Y	Y	Y	Y

Staffing

Position	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Communications Center Super	1.0	1.0	1.0	-	-	-	-
Communications Officers	6.0	6.0	6.0	7.0	7.0	7.0	7.0
FTE's	7.0	7.0	7.0	7.0	7.0	7.0	7.0



Room Tax Fund

Summary

The Room Tax Fund accounts for the collection of the City's portion of the transient room tax and its disbursement to the tourism marketing program with the Florence Chamber of Commerce (40%) and funding for the Florence Events Center (60%).

Highlights

- TRT collections in fiscal year 2017 are estimated to be 2.0% greater than fiscal year 2016
- TRT collections are projected to increase approximately 2.0% in fiscal years 2018 and 2019
- Contract with Chamber of Commerce for tourism promotion renewed

Changes from the previous year

- \$10,000 of fund balance is transferred to the Florence Events Center Fund to fund the development of an expansion plan
- TRT revenue above budget has resulted in sufficient fund balance to create opportunities to fund one-time opportunities such as the \$10,000 payment to the FEC

Room Tax Fund Budget

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Beginning fund balance	33,586	60,073	60,173	82,502	90,402	90,402	90,402
Current year resources							
Taxes	319,287	367,729	364,400	377,500	785,300	785,300	785,300
Total current year resources	319,287	367,729	364,400	377,500	785,300	785,300	785,300
Total resources	352,873	427,802	424,573	460,002	875,702	875,702	875,702
Expenditures							
Materials and services	126,000	138,100	145,800	151,000	314,100	314,100	314,100
Transfers	166,800	207,200	218,600	218,600	481,200	481,200	481,200
Total expenditures	292,800	345,300	364,400	369,600	795,300	795,300	795,300
Other requirements							
Contingency	-	-	60,173	-	80,402	80,402	80,402
Total expenditures and other requirements	292,800	345,300	424,573	369,600	875,702	875,702	875,702

Financial Summary and Benchmarks

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Financial Summary							
Resources over (under) expenditures	26,487	22,429	-	7,900	(10,000)	(10,000)	(10,000)
Beginning fund balance	33,586	60,073	60,173	82,502	90,402	90,402	90,402
Ending fund balance	60,073	82,502	60,173	90,402	80,402	80,402	80,402
Fund balance analysis							
Desired minimum fund balance - 30 days	24,400	28,800	30,400	30,800	34,000	34,000	34,000
Fund balance above/(below) minimum	35,673	53,702	29,773	59,602	46,402	46,402	46,402
Fund balance within policy	Y	Y	Y	Y	Y	Y	Y

Florence Events Center Fund

Summary

The Florence Events Center (FEC) Fund accounts for the activities of the FEC. The primary sources of revenues consist of rental fees, ticket sales and event fees, intergovernmental revenues such as the Rural Tourism Marketing Project (RTMP) and operating transfers of Transient Room Tax (TRT) revenue from the Room Tax Fund, and a General Fund transfer subsidy.



The FEC is unique in that it is the only combination Conference Center and Professional Theater of its size serving a community with a population of 20,000 or less in the state of Oregon. The FEC provides a valuable and accessible service to the community enabling them to enjoy theater productions as well as a gathering place for a variety of occasions. The FEC also offers equipment rentals for off-site functions, which makes it convenient and safer for those in our community to remain local. Additionally, the FEC generates revenue for the business community as it draws attendees from outside our area for special events, conferences and festivals. Travel Lane County has distributed an economic impact equation that estimates a two-day conference with 100 attendees will generate approximately \$29,800 in revenue within the City.

The FEC Celebrated its twenty-year anniversary in 2016 and has been widely utilized with an average of 400 events per year. By the end of 2016, the FEC hosted 7,809 events since its construction in 1996. In 2016 the FEC hosted 375 events with 330 being local users and the remaining 45 from out of the area. The FEC is often stated to be one of the primary reasons why people chose to relocate or retire in Florence.

Highlights

- The long-awaited acquisition of the one-acre property north of the FEC was completed! Staff will create a master plan for future funding and development.
- The *Dancing with the Sea Lions* campaign was an award-winning success for the Friends of the FEC raising \$62,000 for improvements earmarked for technical upgrades in the theater.
- In 2016, the Friends of FEC contributed approx. **\$30,000** towards FEC items including kitchen equipment, technical equipment, dance floor replacement and a new ticketing system
- In 2016, Friends of FEC awarded **\$3,500** in performance grants to local non-profit organizations and school performances
- The FEC provides a 50% rental fee discount for local school functions in addition to the performance grants

- The FEC provided a 5% rental fee discount for non-profit organizations
- Serving as a conference incentive, the FEC offers up to a 30% rental fee discount through its Business Opportunity Fund
- The FEC completed a remodeling project including new carpeting for a portion of the offices



Changes from the previous year

- The general fund subsidy was reduced in fiscal year 2016 due to good performance of other revenue sources
- To account for full costs of the FEC, the FEC budget includes a transfer to the general fund to pay for administrative services
- No changes in staffing are anticipated

Florence Events Center Fund Budget

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Beginning balance	298,039	274,699	392,880	351,076	390,514	390,514	390,514
Current year resources							
Intergovernmental	85,782	92,350	123,000	110,400	213,300	213,300	213,300
Charges for services	206,741	225,367	241,000	222,500	450,400	450,400	450,400
Miscellaneous	123,134	121,615	139,500	145,000	342,200	342,200	342,200
Transfers	315,271	345,605	300,900	297,400	596,200	596,200	596,200
Debt proceeds	-	-	-	-	200,000	200,000	200,000
Current year resources	730,928	784,937	804,400	775,300	1,802,100	1,802,100	1,802,100
Total resources	1,028,967	1,059,636	1,197,280	1,126,376	2,192,614	2,192,614	2,192,614
Expenditures							
Personnel services	267,989	257,965	326,000	316,100	677,000	677,000	677,000
Materials and services	327,662	412,112	388,000	378,200	732,500	732,500	732,500
Capital outlay	158,617	38,483	102,500	23,700	149,000	149,000	149,000
Transfers	-	-	47,900	47,900	297,600	297,600	297,600
Debt service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	14,100
Debt service	-	-	-	-	-	-	14,100
Total expenditures	754,268	708,560	864,400	765,900	1,856,100	1,856,100	1,870,200
Other requirements							
Contingency	-	-	253,875	-	257,514	257,514	243,414
Reserved fund balance	-	-	79,005	79,005	79,000	79,000	79,000
Total other requirements	-	-	332,880	79,005	336,514	336,514	322,414
Total expenditures and other requirements	754,268	708,560	1,197,280	844,905	2,192,614	2,192,614	2,192,614

Fund Summary and Financial Benchmarks

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Financial Summary							
Resources over (under) expenditures	(23,340)	76,377	(60,000)	9,400	(54,000)	(54,000)	(68,100)
Beginning balance	298,039	274,699	392,880	381,114	390,514	390,514	390,514
Ending balance	274,699	351,076	332,880	390,514	336,514	336,514	322,414

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Fund balance analysis							
Desired minimum fund balance (60 days cash plus \$50,000 plus reserved)	150,700	143,100	248,100	231,700	233,900	233,900	235,100
Fund balance above/(below) minimum	123,999	207,976	84,780	158,814	102,614	102,614	87,314
Fund balance within policy	Y	Y	Y	Y	Y	Y	Y



Performance Measures

- The FEC hosted 375 events in 2016, 12% were from out of area
- Approximately 41,000 people attended events at the FEC in 2016
- FEC Volunteers contributed 4,158 total hours in 2016
- In 2016, the flat floor meeting rooms were utilized 202 days out of the year and the theater/stage was utilized a total of 169 days including performances and rehearsals.
- In 2016 the FEC Box Office generated \$203,622 in gross ticket sales. 73% of the tickets sold were purchased through the box office with 27% purchases via the internet. In 2015 the FEC Box Office generated \$191,678 in gross sales. 71% of the tickets were sold through the box office and 29% of the sales were from the Internet. Staff anticipates an increase in on-line ticket sales in 2017 with the implementation of our new ticketing system.



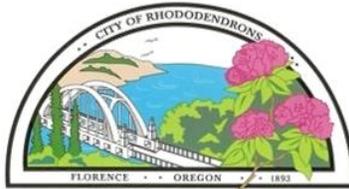
Staffing

Position	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
FEC Office Coordinator	1.0	1.0	1.0	1.0	2.0	2.0	2.0
Marketing Specialist & Event Coordinator	1.0	1.0	1.0	1.0	2.0	2.0	2.0
Maintenance Tech	1.0	1.0	1.0	1.0	2.0	2.0	2.0
Events Center Director	1.0	1.0	1.0	1.0	2.0	2.0	2.0
Total FTE's	4.0	4.0	4.0	4.0	4.0	4.0	4.0

Capital Outlay

Description	Priority	2016-17	2016-17	2017-19	2017-19	2017-19
		Budget	Estimate	Proposed	Approved	Adopted
Equipment - Friends	1	17,500	11,700	35,000	35,000	35,000
Theater Sound & Light Upgrades	0	-	-	72,000	72,000	72,000
Facility LED replacement	0	85,000	12,000	42,000	42,000	42,000
North property development	2			-	-	-
Electric reader board	2			-	-	-
Upgrade video surveillance	2			-	-	-
Fire panel replacement	2			-	-	-
Total		102,500	23,700	149,000	149,000	149,000

- 0 Continuing project
- 1 High priority - required for safe operation of system
- 2 Medium priority - recommended for safe operation of system
- 3 Low priority - scheduled but not required presently



City of Florence
A City in Motion

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Water Fund

Summary

The City's water system derives its source from the North Florence Sole Source Dunal Aquifer. The City currently operates 13 wells, three reservoirs and three pump stations, and delivers water to over 3,750 customer connections through approximately 62 miles of water mains. Presently, the City is able to produce and treat 3.0 million gallons of water per day through its state of the art treatment facilities.

The Water Division provides safe and reliable drinking water that meets or exceeds all Environmental Protection Agency (EPA) and State of Oregon standards for water quality. The division holds to these standards under normal, peak and emergency situations. Additionally, the Water Division is recognized as an Outstanding Performer by the Oregon Health Authority, Drinking Water Program.

The primary responsibility of the Water Division is to operate, maintain, repair, and expand the water system while at the same time providing a high quality, dependable water supply to its customers. Our mission is to provide safe, reliable, cost-effective water supplies and outstanding customer service in an environmentally sensitive manner. The City encourages efficient water use with a goal of reducing water consumption by implementing the benchmarks as described in the approved 2015 Florence Water Management and Conservation Plan.



Highlights

- Funding to fully integrate our water meters into a radio read technology (carryover project from fiscal year 2017)
 - Currently 36% of the water meters are read manually, 17% are touch read meters, and 47% are an older radio read meter system.
 - Upgrading to a fully integrated radio read system will reduce the time to read meters from 48 hours per month to less than 6 hours per month
- The City enters c The annual cost of the contract is \$250,000

- The budget includes \$1.4 million in debt proceeds to fund major capital improvements – sufficient to fund scheduled capital projects and maintain a stable fund balance over the next five years
 - Install a new 12-inch water line along Hwy 101 from Maple Street to Hwy 126 and along Hwy 126 to Quince Street ahead of ODOT’s paving project of Hwy 101 in 2018
 - 16-inch water main on 9th Street from Rhododendron to Kingwood
 - 16-inch water main on Kingwood from 9th Street to Rhododendron
 - 12-inch water main extension along Hwy 126 (south side) from Upas to Vine streets
 - 12-inch water line extension along Hwy 126 (north side) from Vine to Xylo streets (reimbursement district)
 - 8-inch water line extension along Xylo from Hwy 126 to Coastal Highlands (reimbursement district)
- Focus on major plant maintenance items
 - Chemical saturators
 - Sodium hydroxide room cleanup and equipment update
 - Begin green sand filter rehabilitation program, \$30,000 per year
 - Update and remodel lab area
- Continuation of \$7,500 in funding to SOS for assistance to financially distressed customers

Changes from previous year

- Revenue includes a 2.8% (CPI) increase to water service charges
- A phased in rate structure adjustment per recommendation of ad hoc finance committee will be implemented
 - Rate adjustments are to be revenue neutral and phased in over five years
- Transfers to public works administration
 - The methodology to allocate public works administration was reviewed updated



and

Water Fund Budget

	2014-15	2015-16	2016-17	2016-17	2017-19	2017-19	2017-19
	Actual	Actual	Budget	Estimate	Proposed	Approved	Adopted
Beginning fund balance	569,727	596,048	1,119,248	1,332,944	2,214,044	2,214,044	2,214,044
Current year resources							
Intergovernmental	11,595	-	-	-	-	-	-
Charges for services	2,076,897	2,189,611	2,134,900	2,146,400	4,505,500	4,505,500	4,505,500
Miscellaneous	35,853	18,140	16,500	18,700	287,400	287,400	287,400
Transfers	-	350,000	300,000	300,000	200,000	200,000	200,000
Debt proceeds	-	109,279	1,400,000	1,400,000	-	-	500,000
Total current year resources	2,124,345	2,667,030	3,851,400	3,865,100	4,992,900	4,992,900	5,492,900
Total resources	2,694,072	3,263,078	4,970,648	5,198,044	7,206,944	7,206,944	7,706,944
Expenditures							
Personnel services	328,531	307,198	347,000	294,200	664,000	664,000	664,000
Materials and services	379,583	386,355	417,600	359,400	824,700	824,700	824,700
Capital outlay	666,762	563,372	2,225,000	1,535,700	3,730,000	3,730,000	3,730,000
<i>Debt service</i>							
OPB - 2011 - principal	20,605	10,769	-	-	-	-	-
SPWF - principal	102,700	-	-	-	-	-	-
Siuslaw Bank - principal	40,201	41,631	43,131	43,200	22,200	22,200	22,200
2011 LOCAP - principal	-	-	-	25,000	54,800	54,800	54,800
2016 FFCO - principal	-	-	-	29,700	115,700	115,700	115,700
Debt service - principal	163,506	52,400	43,131	97,900	192,700	192,700	192,700
OPB - 2011 - Interest	1,167	120	-	-	-	-	-
SPWF -interest	5,976	-	-	-	-	-	-
Siuslaw Bank - interest	4,870	3,439	2,000	1,900	400	400	400
2011 LOCAP - interest	-	-	20,700	20,800	38,800	38,800	38,800
2016 - FFCO - interest	-	-	51,600	20,100	83,500	83,500	83,500
Debt service - interest	12,013	3,559	74,300	42,800	122,700	122,700	122,700
Debt service	175,519	55,959	117,431	140,700	315,400	315,400	315,400
Transfers	547,629	617,249	654,900	654,000	1,575,000	1,575,000	1,575,000
Total expenditures	2,098,024	1,930,133	3,761,931	2,984,000	7,109,100	7,109,100	7,109,100
<i>Other requirements</i>							
Contingency	-	-	1,208,717	-	97,844	97,844	597,844
Total other requirements	-	-	1,208,717	-	97,844	97,844	597,844
Total expenditures and other requirements	2,098,024	1,930,133	4,970,648	2,984,000	7,206,944	7,206,944	7,706,944

Fund Summary and Financial Benchmarks

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Financial Summary							
Resources over (under) expenditures	26,321	736,897	89,469	881,100	(2,116,200)	(2,116,200)	(1,616,200)
Beginning fund balance	569,727	596,048	1,119,248	1,332,944	2,214,044	2,214,044	2,214,044
Ending fund balance	596,048	1,332,944	1,208,717	2,214,044	97,844	97,844	597,844
Fund Balance Analysis							
Desired minimum ending fund balance							
Operating - 2 months operating expenditures							
	201,000	210,000	178,000	218,000	198,000	198,000	198,000
Emergency capital repairs	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Debt service - one year debt service	223,000	107,000	117,000	141,000	146,000	146,000	146,000
Total desired minimum fund balance	674,000	567,000	545,000	609,000	594,000	594,000	594,000
Ending fund balance over/(under) minimum desired fund balance	(77,952)	765,944	663,717	1,605,044	(496,156)	(496,156)	3,844
Meets policy	N	Y	Y	Y	N	N	Y
Debt coverage							
Revenue	2,081,410	2,193,406	2,138,900	2,148,000	4,539,200	4,539,200	4,539,200
Operating expenditures	1,208,459	1,259,553	1,419,500	1,307,600	3,063,700	3,063,700	3,063,700
Net revenue	872,951	933,853	719,400	840,400	1,475,500	1,475,500	1,475,500
Debt service							
Debt paid in fund	175,519	55,959	117,431	140,700	315,400	315,400	315,400
Debt transfers	47,284	51,248	-	-	-	-	-
Total debt service	222,803	107,208	117,431	140,700	315,400	315,400	315,400
DCR	3.92	8.71	6.13	5.97	4.68	4.68	4.68
Debt capacity							
Net revenue	872,951	933,853	719,400	840,400	737,300	737,300	737,300
Less:							
Debt service @1.25 DCR	(278,504)	(134,010)	(146,789)	(175,875)	(182,375)	(182,375)	(182,375)
Net available revenue for debt service	594,447	799,843	572,611	664,525	554,925	554,925	554,925
Annual debt service per \$1 million at 4.0%							
Annual debt service per \$1 million at 4.0%-1.25 DCR	73,582	73,582	73,582	73,582	73,582	73,582	73,582
	91,977	91,977	91,977	91,977	91,977	91,977	91,977
Debt capacity - 1.25 DCR, 20 years, 4.0% - in millions							
	6.46	8.70	6.23	7.22	6.03	6.03	6.03

Performance Measures

- Operate and maintain the water system utilizing best management practices
- Complete annual unidirectional flushing of the water distribution system
- Provide outstanding customer service to our internal and external customers
- Complete at least one well rehabilitation project per year
- All backflow prevention devices tested annually

Effectiveness Measures

	2014	2015	2016	2017 Est
Total water produced (in millions of gallons)	363.90	392.69	378.66	365
Unaccounted for water (Water loss)	3.71%	5.3%	4.6%	4%
Percentage of water samples taken that meets or exceeds water quality standards	100%	100%	100%	100%
Number of line repairs completed	17	17	12	15
Number of residential meters retrofitted to radio read meters.	100	70	41	1413

Staffing

Position	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Water Plant Operators	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Utility Worker	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Field Assistant	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total FTE's	5.00	5.00	5.00	5.00	5.00	5.00	5.00



Capital Outlay

	Funding Source	Priority	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Maintenance							
<i>Facilities and equipment</i>							
New Lab cabinets and stainless steel counter top	Rates	2			30,000	30,000	30,000
Flouride Saturator and Permagenate saturator	Rates	1			30,000	30,000	30,000
Caustic Soda Room - cleanup and update	Rates	1			35,000	35,000	35,000
Green sand Filter Rehab	Rates	1			60,000	60,000	60,000
Meter replacement/upgrade	Rates	2	400,000	-	500,000	500,000	500,000
Vehicles	Rates	2	-	-	40,000	40,000	40,000
<i>Well rehabilitation</i>	Rates	1	55,000	70,400	110,000	110,000	110,000
<i>Pump stations</i>	Rates	1	-	-	-	-	-
<i>Reservoirs</i>	Rates	2	250,000	250,000	500,000	500,000	500,000
<i>Waterline replacements:</i>							
12" along Hwy 101, 2nd to Hwy 126	Rates	0	-	-	580,000	580,000	580,000
8" crossing Hwy 101 at 8th St	Rates	1	100,000	53,400	-	-	-
Upgrade to 16" Kingwood/2nd to Rhody and on Rhody Kingwood to 9th	Rates/SDCs	2	280,000	280,000	-	-	-
Munsel Lake Rd/North Fork Rd	Rates	0	50,000	91,300	-	-	-
12" Rhody/Kingwood to Hwy 101	Rates/SDCs	1	25,000	25,000	-	-	-
16" 9th St. from Rhody to Kingwood	Rates/SDCs	2	-	-	100,000	100,000	100,000
16" Kingwood from Rhody to 9th	Rates/SDCs	2	-	-	70,000	70,000	70,000
Total maintenance			1,160,000	770,100	2,055,000	2,055,000	2,055,000
Expansion							
Hwy 126 - Upas to Xylo, including Xylo Extension (Reimbursement District)	SDCs/Reimb	0			475,000	475,000	475,000
12" along Hwy 101, 2nd to Hwy 126	SDC's	0	-	-	275,000	275,000	275,000
Upgrade to 16" Kingwood/2nd to Rhody and on Rhody Kingwood to 9th	SDC's	2	840,000	690,600	-	-	-
12" Rhody/Kingwood to Hwy 101	SDC's	1	75,000	75,000	-	-	-
16" 9th St. from Rhody to Kingwood	SDC's	2			550,000	550,000	550,000
16" Kingwood from Rhody to 9th	SDC's	2			375,000	375,000	375,000
12" Upas St to Vine St, across Hwy 126	SDCs	1	150,000	-	-	-	-
Total expansion			1,065,000	765,600	1,675,000	1,675,000	1,675,000
Total capital outlay			2,225,000	1,535,700	3,730,000	3,730,000	3,730,000

- 0 Continuing project
- 1 High priority - required for safe operation of system
- 2 Medium priority - recommended for safe operation of system
- 3 Low priority - scheduled but not required presently

Wastewater Fund

Summary

The City's Wastewater Treatment Plant is a conventional secondary activated sludge plant built in 1999, with an average dry weather capacity of 1.3 million gallons per day and a wet weather average daily flow of 4.3 million gallons per day (wet weather peak capacity of 6.0 million gallons per day). Presently, the City experiences an average flow of 0.85 million gallons per day. The wastewater system is comprised of approximately 93 miles of sanitary sewer lines, 37 pump stations (Sandpines pump station was removed from service in 2016 due to a new gravity sewer line that was constructed) plus 28 STEP (Septic Tank Effluent Pump) stations and serves over 3,800 customer connections.



The Wastewater Division is responsible for collecting and conveying wastewater from customers to the treatment plant in a well-maintained collection system, free of stoppages and spills. The wastewater collection system includes many miles of wastewater pipes and numerous wastewater pumping stations. The pumping stations provide a means of moving wastewater from areas lacking gravity sewer lines to an adjacent area where gravity lines exist.

The Wastewater Treatment Plant is located off Rhododendron Drive at river mile 3.7. The City is responsible for meeting Department of Environmental Quality (DEQ) requirements concerning the treatment and disposal of all wastewater from the collection system, and operation and maintenance of all equipment needed to meet these requirements. Additionally, our Biosolids Management Plan allows the City to utilize a covered aerated static pile (CASP) system to compost the biosolids into a Class A product that can be distributed to the public.



Our mission is to provide cost-effective and efficient wastewater collection, treatment and biosolids handling operations that are compliant with federal and state regulations, which will ensure a clean and safe environment for future generations.

Highlights

- Increase staffing at the wastewater treatment plant by 1 FTE (Full Time Equivalent). With the significant amount of routine and preventative maintenance at the plant, an additional full-time

plant operator is necessary to ensure that equipment is maintained to protect the community's investment

- Staff continue to work with Lane County to provide wastewater service to Harbor Vista County Campground. Engineering has been completed and DEQ has reviewed and approved the plans. Staff is currently drafting a 'development' agreement with the County to outline participation costs. Once the agreement is executed, construction is anticipated to start in the fall
- Increased capital expenditures to replace or repair major equipment and components at the wastewater treatment plant that had been deferred
- Sewer line extensions along the west side of Hwy 101 from Munsel Lake Road to Heceta Junction. 50% of this project will be funded through Wastewater SDC's, however the remaining portion will need to be paid for through a reimbursement district
- Sewer line extensions along the east side of Hwy 101 from 52nd Street pump station to Heceta Junction. 50% of this project will be funded through Wastewater SDC's, however the remaining portion will need to be paid through a reimbursement district
- Sewer line extension along Hwy 126 from Vine to Xylo Street to service recently annexed properties
- Continuation of \$7,500 funding to SOS for financial assistance to financially distressed customers



Changes from the previous year

- Revenue includes a 2.8% (CPI) increase to wastewater service charges
- Increase staffing at the wastewater treatment plant by 1 FTE
- Sandpines sewer pump station was removed from service in 2016 when the Rhododendron Drive gravity sewer project was completed
- Increase in capital expenditures to replace or repair critical capital equipment at the wastewater treatment plant
- Transfers to public works administration
 - The methodology to allocate public works administration was reviewed and updated
- A phased in rate structure adjustment per recommendation of ad hoc finance committee will be implemented
 - Rate adjustments are revenue neutral and phased in over five years



Wastewater Fund Budget

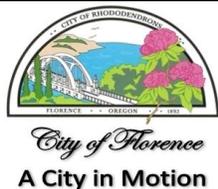
	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Beginning fund balance	1,026,178	1,257,788	736,687	793,357	563,657	563,657	563,657
Current year resources							
Intergovernmental	-	-	200,000	-	200,000	200,000	200,000
Charges for services	2,989,025	3,120,309	3,126,000	3,104,700	6,515,400	6,515,400	6,515,400
Miscellaneous	38,083	41,445	371,000	26,700	723,700	723,700	723,700
Transfers	-	40,000	280,700	83,200	757,500	757,500	757,500
Total current year resources	3,027,108	3,201,754	3,977,700	3,214,600	8,196,600	8,196,600	8,196,600
Total resources	4,053,286	4,459,542	4,714,387	4,007,957	8,760,257	8,760,257	8,760,257
Expenditures							
Personnel services	417,485	404,249	320,300	330,300	720,800	720,800	720,800
Materials and services	409,934	520,726	496,500	500,900	1,002,900	1,002,900	1,002,900
Capital outlay	110,001	903,158	1,706,000	691,300	2,862,500	2,862,500	2,362,500
<i>Debt service</i>							
OPB 2011 - principal	9,069	4,657	-	-	-	-	-
SPW #R33422 - principal	241,756	241,756	241,800	241,800	483,600	483,600	483,600
Siuslaw Bank - principal	9,855	10,154	10,500	10,500	5,400	5,400	5,400
OBDD SPW - principal	18,527	23,598	23,700	23,700	47,600	47,600	47,600
OPB 2014 - Principal	28,492	28,748	29,600	29,600	46,500	46,500	46,500
2010B - Principal	-	-	716,400	716,400	1,475,400	1,475,400	1,475,400
2011 LOCAP - Principal	-	-	-	2,700	5,800	5,800	5,800
Debt service - principal	307,699	308,913	1,022,000	1,024,700	2,064,300	2,064,300	2,064,300
OPB 2011 - interest	458	29	89	-	-	-	-
SPW #R33422 - interest	-	-	-	-	-	-	-
Siuslaw Bank - interest	1,138	839	500	500	100	100	100
OBDD SPW - interest	21,181	20,811	20,400	20,400	39,300	39,300	39,300
OPB 2014 - Interest	3,411	3,154	2,300	-	2,200	2,200	2,200
2010B - Interest	-	-	135,500	135,600	209,200	209,200	209,200
2011 LOCAP - interest	-	-	4,900	2,200	4,100	4,100	4,100
Debt service - interest	26,188	24,833	163,689	158,700	254,900	254,900	254,900
Debt service financing fee	22,362	21,154	21,200	20,500	37,400	37,400	37,400
Debt service	356,249	354,900	1,206,889	1,203,900	2,356,600	2,356,600	2,356,600
Transfers	1,501,829	1,489,365	719,300	717,900	1,707,000	1,707,000	1,707,000
Total expenditures	2,795,498	3,672,398	3,947,989	3,444,300	8,649,800	8,649,800	8,149,800
Other requirements							
Contingency	-	-	265,398	-	110,457	110,457	610,457
Total other requirements	-	-	265,398	-	110,457	110,457	610,457
Total expenditures and other requirements	2,795,498	3,672,398	4,213,387	3,444,300	8,760,257	8,760,257	8,760,257

Fund Summary and Financial Benchmarks

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Fund Summary							
Resources over (under) expenditures	231,610	(470,644)	29,711	(229,700)	(453,200)	(453,200)	46,800
Beginning fund balance	1,026,178	1,257,788	736,687	793,357	563,657	563,657	563,657
Ending fund balance	1,257,788	787,144	766,398	563,657	110,457	110,457	610,457
Fund balance analysis							
Operating - 60 days operating costs	244,000	261,000	256,000	256,000	286,000	286,000	286,000
Emergency capital repair	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Debt service - one year	1,221,000	1,204,000	1,207,000	1,207,000	1,178,000	1,178,000	1,178,000
Desired minimum fund balance	1,715,000	1,715,000	1,713,000	1,713,000	1,714,000	1,714,000	1,714,000
Ending fund balance over/(below) desired minimum fund balance	(457,212)	(927,856)	(946,602)	(1,149,343)	(1,603,543)	(1,603,543)	(1,103,543)
Meets policy	N	N	N	N	N	N	N
Percentage ending fund balance over (below) policy minimum fund balance	-26.7%	-54.1%	-55.3%	-67.1%	-93.6%	-93.6%	-64.4%
Debt coverage							
Revenue	2,989,025	3,120,309	3,126,000	3,104,700	6,515,400	6,515,400	6,515,400
Operating expenditures	1,464,015	1,564,828	1,536,100	1,549,100	3,430,700	3,430,700	3,430,700
Net revenue	1,525,010	1,555,481	1,589,900	1,555,600	3,084,700	3,084,700	3,084,700
Debt service							
Debt paid in fund	356,249	354,900	1,206,889	1,203,900	2,356,600	2,356,600	2,356,600
Debt transfers	865,233	849,512	-	-	-	-	-
Total debt service	1,221,482	1,204,412	1,206,889	1,203,900	2,356,600	2,356,600	2,356,600
DCR	1.25	1.29	1.32	1.29	1.31	1.31	1.31
Debt capacity							
Net revenue	1,525,010	1,555,481	1,589,900	1,555,600	3,084,700	3,084,700	3,084,700
Less:							
Debt service @1.25 DCR	(1,526,853)	(1,505,515)	(1,508,611)	(1,504,875)	(2,945,750)	(2,945,750)	(2,945,750)
Net available revenue for debt service	(1,843)	49,966	81,289	50,725	138,950	138,950	138,950
Annual debt service per \$1 million at 4.0%							
Annual debt service per \$1 million at 4.0%-1.25 DCR	73,582	73,582	73,582	73,582	73,582	73,582	73,582
Debt capacity - 1.25 DCR, 20 years, 4.0% - in millions	(0.0)	0.5	0.9	0.6	1.5	1.5	1.5

Performance Measures

- Process 0.85 million gallons per day of wastewater
- Complete wastewater line cleaning on a three-year cycle
- Complete video inspection of the wastewater system on a five-year cycle
- Provide repair and maintenance to City wastewater systems, including pump stations
- No sanitary sewer overflows or backups within the City's wastewater collection system
- Provide outstanding customer service to our internal and external customers



Effectiveness Measures

	2014	2015	2016	2017 Est
Total Wastewater Plant Flows (in millions of gallons)	262.76	273.38	294.01	290
Amount of solids produced (in wet tons)	537.9	679.85	1733.91*	600
Amount of solids diverted for composting (in wet tons)	105.0	53.05	51.8	160
Number of wastewater pump stations maintained	38	38	37	38
Number of STEP systems inspected	28	28	28	29
Lineal feet of wastewater lines cleaned	34,003	6,990	36,669	160,000
Lineal feet of wastewater lines video inspected	7,747	4,005	5,645	90,000
Number of spot repairs completed	11	8	7	6
Number of sewer surcharges (overflows)	0	1	1	0

* Hauled 345,300 gallons of 1.5% solids to Heard Farms in April, May, and June 2016 due to the centrifuge being off-line and inoperable

Staffing

Position	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
WWTP Supervisor	1.0	1.0	-	-	-	-	-
Wastewater Treatment Operators	3.0	3.0	3.0	3.0	4.0	4.0	4.0
Utility Worker	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total FTE's	5.0	5.0	4.0	4.0	5.0	5.0	5.0

Capital Outlay

Description	Funding Source	Priority	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Maintenance							
Facility and equipment							
Rebuild clarifiers	Rates	1	85,000	7,400	85,000	85,000	85,000
Replace air handling equipment/difusers	Rates	1	185,000	21,500	150,000	150,000	150,000
Methane burner	Rates	1	31,000	-	32,500	32,500	32,500
GORE cover for compost operations	Rates	2	75,000	74,500	-	-	-
Major facility and equipment rehabilitation	Rates	2/3	-	150,500	120,000	120,000	120,000
Vehicle - pickup truck	Rates	2	40,000	72,300	-	-	-
Storage building - WWTP	Rates	2	15,000	5,000	-	-	-
Pump Stations							
31st St pump station/Lilly pump station	Rates	1	40,000	46,100	-	-	-
Pump Station Rehab program	Rates	2	-	-	100,000	100,000	100,000
Sewerline replacement:							
5th Street crossing - Hwy 101 (Rhody Drive)	Rates	1	-	-	130,000	130,000	130,000
Gravity sewer - Rhododendron	Rates/SDCs	0	-	100,900	300,000	300,000	-
Unidentified projects		2/3	150,000	-	300,000	300,000	200,000
Total maintenance			621,000	478,200	1,217,500	1,217,500	817,500
Expansion							
Harbor Vista sewer extension	SDCs/Reimb	1	400,000	37,300	450,000	450,000	450,000
Munsel Lake Road sewer extension	SDCs/Reimb	1	50,000	78,800	-	-	-
Rhody gravity sewer	SDCs	1	-	32,100	100,000	100,000	-
Hwy 126 extension - Vine to Xylo (including Xylo and Pier 126) Reimbursement District	SDCs/Reimb	2			220,000	220,000	220,000
Hwy 101 extension - 52nd Street to Heceta Junction (east side)	SDCs/Reimb	2			325,000	325,000	325,000
Hwy 101 extension - Munsel Lake Rd to Heceta Junction (west side)	SDCs/Reimb	2	635,000	64,900	550,000	550,000	550,000
Total expansion			1,085,000	213,100	1,645,000	1,645,000	1,545,000
Total capital outlay			1,706,000	691,300	2,862,500	2,862,500	2,362,500

- 0 Continuing project
- 1 High priority - required for safe operation of system
- 2 Medium priority - recommended for safe operation of system
- 3 Low priority - scheduled but not required presently



Stormwater Fund

Summary

The Stormwater Division is responsible for operating and maintaining the City's stormwater management collection system. The program has four objectives:

- Preventative maintenance, such as routine line cleaning and catch basin cleaning
- Convey stormwater effectively to prevent localized flooding
- Provide adequate water quality treatment of stormwater runoff to meet regulatory requirements
- Conduct street sweeping operations as a best management practice for stormwater management

Sweeping City streets on a frequent and regular basis helps to keep larger debris from going down storm drains, and sweeping with a regenerative air unit, such as ours, also removes the fine dust particulates out of the cracks and crevices. Often, fine dust particulates can be more damaging to stormwater runoff than larger debris. This dust can contain several different contaminants and toxins like vehicle lubricants, coolants and brake dust, petroleum products used in pavements as well as other contaminants that fall on road surfaces and where there is intense parking such as Old Town.



Whenever there is a rain event, anything left on the paved surface will be picked up by the stormwater runoff and flow into our local waterways. Our street sweeping program consists of sweeping all the public streets once per month and the streets within Old Town once per week.

The Stormwater Fund has proven itself to be a model for the other utility enterprise funds within the City. It is efficient, effective, sustainable and provides an outstanding service to the community. Our mission is to provide stormwater management in a cost efficient and effective manner that fully meets all regulations and does not negatively impact local rivers and streams, and to develop and preserve our drainage infrastructure in a manner that meets the community's needs.

Highlights

- Increase staffing in Stormwater by 1 FTE (Full Time Equivalent). Currently, with only one dedicated FTE in each of the following areas: stormwater, streets, and wastewater collections is not effective in completing various tasks. For a number of years, we have been understaffed in these areas. For most stormwater and wastewater collection tasks, such as line cleaning and video inspection

requires a minimum of two individuals. With street sweeping operations, especially after wind events, requiring additional time a number of tasks are delayed or simply not completed. For example, cleaning of our wastewater collection system has only been able to complete 22% of the target footage on an annual basis. Likewise, video inspection of the wastewater collection system has been only 6-7% of the industry standard.

- Completion of engineering and survey for the 6th Street stormwater project - 6th Street from Juniper to Hemlock and Hemlock from 6th to 1st Street. Construction is anticipated to occur in the 2019-21 biennium
- Completion of engineering and survey for the 2nd Street stormwater project - 2nd Street from Kingwood to Ivy and Ivy from 2nd to 1st Street. Construction is anticipated to occur in the 2019-21 biennium
- Complete engineering and survey for the Pine Court stormwater project - project includes 18th Street, Pine Court, and 16th Street east of Willow Loop
- Begin construction of the Pine Court stormwater project in fiscal year 2019 and complete project in fiscal year 2020
- Transfer of \$250,000 from Stormwater to FURA for stormwater related elements in the ReVision Florence project



Changes from previous year

- Revenue includes a 2.8% (CPI) increase to stormwater service charges
- Transfers to public works administration
- The methodology to allocate public works administration was reviewed and updated
- Funding for engineering work in relation to Stormwater Master Plan update and three priority projects (6th Street, 2nd Street, and Pine Court) and begin construction of the Pine Court project in year two of the biennium budget (fiscal year 2019)
- Transfer of \$250,000 to FURA for stormwater related elements in the ReVision Florence project.
- A phased in rate structure adjustment per recommendation of ad hoc finance committee will be implemented
- Rate adjustments are revenue neutral and phased in over five years

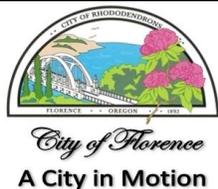


Stormwater Fund Budget

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Beginning fund balance	735,470	927,558	906,758	945,410	698,510	698,510	698,510
Current year resources							
Charges for services	512,317	522,140	527,300	526,100	1,101,500	1,101,500	1,101,500
Miscellaneous	174	-	1,500	9,500	15,500	15,500	15,500
Transfers	-	-	-	30,000	110,000	110,000	110,000
Total current resources	512,491	522,140	528,800	565,600	1,227,000	1,227,000	1,227,000
Total resources	1,247,961	1,449,698	1,435,558	1,511,010	1,925,510	1,925,510	1,925,510
Expenditures							
Personnel services	57,935	64,107	67,300	62,000	239,700	239,700	239,700
Materials and services	38,954	54,845	66,900	57,100	114,850	114,850	114,850
Capital outlay	95,048	274,787	645,000	555,600	500,000	500,000	500,000
<i>Debt service</i>							
Sweeper lease - principal	22,753	-	-	-	-	-	-
Sweeper lease - interest	868	-	-	-	-	-	-
2010B - principal	-	-	14,300	14,300	29,300	29,300	29,300
2010B - interest	-	-	2,700	2,700	4,200	4,200	4,200
Debt service	23,621	-	17,000	17,000	33,500	33,500	33,500
Transfers	104,845	110,550	120,800	120,800	542,400	542,400	542,400
Total expenditures	320,403	504,288	917,000	812,500	1,430,450	1,430,450	1,430,450
Other requirements							
Contingency	-	-	163,700	-	495,060	495,060	495,060
Unappropriated ending fund balance	-	-	354,858	-	-	-	-
Total other requirements	-	-	518,558	-	495,060	495,060	495,060
Total expenditures and other requirements	320,403	504,288	1,435,558	812,500	1,925,510	1,925,510	1,925,510

Fund Summary and Financial Benchmarks

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Fund Summary							
Resources over (under) expenditures	192,088	17,852	(388,200)	(246,900)	(203,450)	(203,450)	(203,450)
Beginning fund balance	735,470	927,558	906,758	945,410	698,510	698,510	698,510
Ending fund balance	927,558	945,410	518,558	698,510	495,060	495,060	495,060
Fund balance analysis							
Operating working capital - 2 months	17,000	19,000	21,000	20,000	37,000	100,000	100,000
Major emergency repair	200,000	200,000	200,000	200,000	200,000	200,000	200,000
One year debt service	23,600	-	17,000	17,000	16,800	33,700	33,700
Total minimum desired fund balance	240,600	219,000	238,000	237,000	253,800	333,700	333,700
Ending fund balance over (under) minimum desired fund balance	686,958	726,410	280,558	461,510	241,260	161,360	161,360
Meets policy	Y	Y	Y	Y	Y	Y	Y



	2014-15	2015-16	2016-17	2016-17	2017-19	2017-19	2017-19
	Actual	Actual	Budget	Estimate	Proposed	Approved	Adopted
Debt Coverage							
Revenue	512,317	522,140	527,300	526,100	1,101,500	1,101,500	1,101,500
Operating expenditures, including operating transfers	184,628	212,552	255,000	239,900	646,950	646,950	646,950
Net revenue	327,689	309,588	272,300	286,200	454,550	454,550	454,550
Debt service	40,727	16,950	17,000	17,000	33,500	33,500	33,500
Debt coverage ratio (DCR)	8.0	18.3	16.0	16.8	13.6	13.6	13.6

Performance Measures

- Complete 96 lane miles of street sweeping per month
- Complete catch basin cleaning and maintenance
- Complete stormwater line cleaning on a three-year cycle
- Complete video inspection of the stormwater system on a five-year cycle
- Provide repair and maintenance to City stormwater systems, including public water quality facilities
- Minimize localized flooding events



Staffing

Position	2014-15	2015-16	2016-17	2016-17	2017-19	2017-19	2017-19
	Actual	Actual	Budget	Estimate	Proposed	Approved	Adopted
Utility Worker	1.00	1.00	1.00	1.00	2.00	2.00	2.00

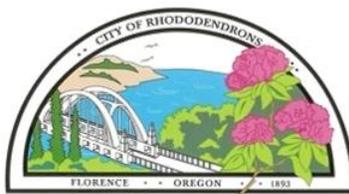
Capital Outlay

Description	Funding Source	Priority	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Facility and equipment	Rates	1-3	20,000	10,000	40,000	40,000	40,000
Construction - 1st St Ivy to Hemlock	Rates	1	350,000	260,400	-	-	-
Rhododendron Drive Stormwater	Rates	1	240,000	237,600	-	-	-
Engineering - 6th Street Project and 2nd Street Project	SDCs	0	-	30,000	110,000	110,000	110,000
Pine Court Stormwater Pump Station	Rates	1	35,000	17,600	350,000	350,000	350,000
Hwy 101 Stormwater - contribution to FURA	Rates	1	-	-	250,000	250,000	250,000
Total capital outlay			645,000	555,600	750,000	750,000	750,000

- 0 Continuing project
- 1 High priority - required for safe operation of system
- 2 Medium priority - recommended for safe operation of system
- 3 Low priority - scheduled but not required presently

Effectiveness Measures

	2014	2015	2016	2017 Est
<i>Number of water quality facilities maintained</i>	1	2	5	5
<i>Number of catch basin sumps cleaned</i>	900	913	913	913
<i>Percentage of storm line system cleaned (Goal: 33% annually)</i>	20%	20%	20%	33%
<i>Percentage of storm line video inspected (Goal: 20% annually)</i>	20%	20%	10%	20%
<i>Catch basin cleaning (Goal: Clean 100% of catch basins annually)</i>	100%	100%	100%	100%



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System Development Charge Funds

Summary

The City has water, wastewater, stormwater and transportation system development charges (SDC's). Revenue from these charges are restricted in use to pay for qualified infrastructure improvements and related costs or the repayment of debt service associated with those costs.

To ensure the funds for the respective SDC's are properly accounted for, separate funds have been established for each of the SDC's.

SDC revenue is accumulated in the various funds and transferred to the respective operational fund to provide funding for qualified expansion related projects. Additionally, during the current fiscal year each of the funds includes funds for consulting work to review the methodology of the SDC's, update the capital improvement schedules and the associated costs, and revise the maximum amount of the SDC.

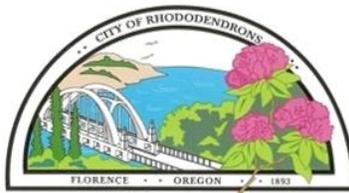
This effort is well under way. Upon determining the maximum amount of SDC's the City's finance consultant and City staff will engage the ad hoc finance committee, City Council, builders, developers and interested parties with policy discussions and implications related to a range of potential decisions, from having no SDC's to charging the maximum SDC. This effort is anticipated to begin during Fall 2017, with policy decisions in Spring 2018.



Changes from previous year

- Increased transfers to operating funds for qualified improvement costs
- Funding for master plan studies
- Funding for Transportation System Plan update

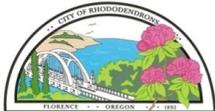




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Water SDC Fund

Summary

This fund accounts for the collection and disbursement of Wastewater System Development Charges. SDCs are restricted for use for qualified capacity increasing transportation system improvements and costs associated with the establishment and management of SDCs, such as professional services to prepare Master Plans and SDC studies to establish SDCs and City staff time to administer the program.

Highlights

- Transfer to Water Fund to pay for qualified improvement projects

Changes from the previous year

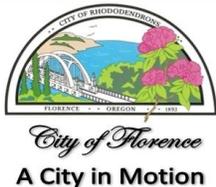
- Completion of the Water SDC update is budgeted

Water SDC Fund Budget

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Beginning fund balance	387,340	527,157	288,857	306,710	126,410	126,410	126,410
Current year resources							
Charges for services	77,754	100,706	99,000	117,000	215,800	215,800	215,800
Miscellaneous	4,939	6,254	2,000	4,700	2,500	2,500	2,500
Transfers	58,000	24,000	-	-	-	-	-
Total current year resources	140,693	130,960	101,000	121,700	218,300	218,300	218,300
Total resources	528,033	658,117	389,857	428,410	344,710	344,710	344,710
Expenditures							
Materials and services	876	1,407	2,500	2,000	20,000	20,000	20,000
Capital outlay	-	-	-	-	-	-	-
Transfers	-	350,000	300,000	300,000	200,000	200,000	200,000
Total expenditures	876	351,407	302,500	302,000	220,000	220,000	220,000
Other requirements							
Contingency	-	-	87,357	-	117,210	124,710	124,710
Total other requirements	-	-	87,357	-	117,210	124,710	124,710
Total expenditures and other requirements	876	351,407	389,857	302,000	337,210	344,710	344,710

Financial Summary

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Resources over (under) expenditures	139,817	(220,447)	(201,500)	(180,300)	(1,700)	(1,700)	(1,700)
Beginning fund balance	387,340	527,157	288,857	306,710	126,410	126,410	126,410
Ending fund balance	527,157	306,710	87,357	126,410	124,710	124,710	124,710





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Wastewater SDC Fund

Summary

This fund accounts for the collection and disbursement of Wastewater System Development Charges. SDCs are restricted for use for qualified capacity increasing transportation system improvements and costs associated with the establishment and management of SDCs, such as professional services to prepare Master Plans and SDC studies to establish SDCs and City staff time to administer the program.

Highlights

- Funds are transferred to the Wastewater Fund for construction of qualified projects.
- Completion of the Wastewater SDC update is budgeted

Changes from the previous year

- Completion of the Wastewater SDC update is budgeted

Wastewater SDC Fund Budget

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Beginning fund balance	400,399	480,172	549,272	568,320	684,220	684,220	684,220
Current year resources							
Charges for services	78,735	126,752	100,000	111,400	211,000	211,000	211,000
Miscellaneous	2,323	2,802	2,000	5,700	14,600	14,600	14,600
Total current year resources	81,058	129,554	102,000	117,100	225,600	225,600	225,600
Total resources	481,457	609,726	651,272	685,420	909,820	909,820	909,820
Expenditures							
Materials and services	1,285	1,406	5,000	1,200	19,200	19,200	19,200
Transfers	-	40,000	280,700	-	100,000	100,000	100,000
Total expenditures	1,285	41,406	285,700	1,200	119,200	119,200	119,200
Other requirements							
Contingency	-	-	365,572	-	790,620	790,620	790,620
Total other requirements	-	-	365,572	-	790,620	790,620	790,620
Total expenditures and other requirements	1,285	41,406	651,272	1,200	909,820	909,820	909,820

Financial Summary

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Resources over (under) expenditures	79,773	88,148	(183,700)	115,900	106,400	106,400	106,400
Beginning fund balance	400,399	480,172	549,272	568,320	684,220	684,220	684,220
Ending fund balance	480,172	568,320	365,572	684,220	790,620	790,620	790,620



Stormwater SDC Fund

Summary

This fund accounts for the collection and disbursement of Stormwater SDCs. SDCs are restricted for use for qualified capacity increasing system improvements and costs associated with the establishment and management of SDCs, such as professional services to prepare Master Plans and SDC studies to establish SDCs and City staff time to administer the program.

Highlights

- Completion of the Master Plan update approved in fiscal year 2017 is budgeted
- SDC update study is budgeted
- Transfers to fund qualified stormwater projects

Changes from the previous year

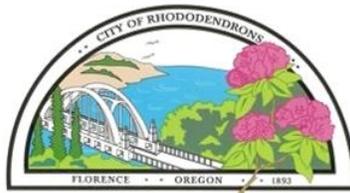
- Includes transfers to fund the Pine Court Stormwater Project in fiscal year 2019
- Includes funding to update the Stormwater SDC

Stormwater SDC Fund Budget

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Beginning fund balance	48,060	38,527	86,587	102,616	131,916	131,916	131,916
Current year resources							
Charges for services	43,298	64,058	107,400	78,300	162,600	162,600	162,600
Miscellaneous	2,045	1,438	1,500	1,000	1,000	1,000	1,000
Transfers	-	-	-	-	-	-	-
Total current year resources	45,343	65,496	108,900	79,300	163,600	163,600	163,600
Total resources	93,403	104,023	195,487	181,916	295,516	295,516	295,516
Expenditures							
Materials and services	876	1,407	41,000	20,000	67,000	67,000	67,000
Transfers	54,000	-	-	30,000	110,000	110,000	110,000
Total expenditures	54,876	1,407	41,000	50,000	177,000	177,000	177,000
Other requirements							
Contingency	-	-	106,327	-	-	118,516	118,516
Total other requirements	-	-	106,327	-	-	118,516	118,516
Total expenditures and other requirements	54,876	1,407	147,327	50,000	177,000	295,516	295,516

Financial Summary

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Resources over (under) expenditures	(9,533)	64,089	67,900	29,300	(13,400)	(13,400)	(13,400)
Beginning fund balance	48,060	38,527	86,587	102,616	131,916	131,916	131,916
Ending fund balance	38,527	102,616	154,487	131,916	118,516	118,516	118,516



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Street SDC Fund

Summary

This fund accounts for the collection and disbursement of Street System Development Charges. Street SDCs are restricted for use for qualified capacity increasing transportation system improvements and costs associated with the establishment and management of SDCs, such as professional services to prepare Transportation System Plans and SDC studies to establish SDCs and City staff time to administer the program.

Highlights

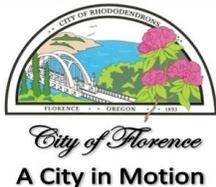
- SDCs transferred to the Street Fund to pay for qualified improvements in fiscal year 2017 up to the budgeted amount, with additional qualified costs from fiscal year 2017 budgeted in fiscal year 2018
- An update to the City's Transportation System Plan (TSP) is budgeted over the biennium (\$90,000)
- An update to the City's Transportation SDC is budgeted (\$30,000)

Changes from the previous year

- The cost of the studies noted above

Street SDC Fund Budget

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Beginning fund balance	835,498	981,242	930,642	1,032,096	571,596	571,596	571,596
Current year resources							
Charges for services	37,563	42,501	36,000	84,300	120,000	120,000	120,000
Miscellaneous	8,181	9,056	6,500	6,900	12,100	12,100	12,100
Transfers	100,000	-	-	-	-	-	-
Tota current year resources	145,744	51,557	42,500	91,200	132,100	132,100	132,100
Total resources	981,242	1,032,799	973,142	1,123,296	703,696	703,696	703,696
Expenditures							
Materials and services	-	703	6,000	1,700	122,400	122,400	122,400
Transfers	-	-	550,000	550,000	228,000	228,000	228,000
Total expenditures	-	703	556,000	551,700	350,400	350,400	350,400
Other requirements							
Contingency	-	-	417,142	571,596	353,296	353,296	353,296
Total other requirements	-	-	417,142	571,596	353,296	353,296	353,296
Total expenditures and other requirements	-	703	973,142	1,123,296	703,696	703,696	703,696



Financial Summary

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Resources over (under) expenditures	145,744	50,854	(513,500)	(460,500)	(218,300)	(218,300)	(218,300)
Beginning fund balance	835,498	981,242	930,642	1,032,096	571,596	571,596	571,596
Ending fund balance	981,242	1,032,096	417,142	571,596	353,296	353,296	353,296

Airport Fund

Summary

The Florence Municipal Airport (FAA ID 6S2) is a Category IV general aviation airport located at 2001 Airport Way, near the southern end of the Florence city limits on approximately 139.77 acres. The Airport features a 60 x 3,000-foot paved and lighted runway; parallel taxiway; helicopter parking area; self-serve fuel (100LL and Jet A) which is available 24 hours, 7 days a week; Automated Weather Observing Station (AWOS) system; 18 aircraft tie downs; two business aircraft parking positions; two courtesy cars and bicycles are available for transient pilot and passenger use.

The airport serves predominantly small single-engine and twin-engine aircraft associated with transient and locally based general aviation aircraft activity. The airport also accommodates a limited amount of turbine aircraft activity associated with business aviation (turboprop or small business jet), occasional military or government related activity and helicopter operations.

Airport users have formed an Airport Volunteer Group (AVG), which provides invaluable volunteer services such as a frequent presence at the airport improving security and a willingness to perform tasks to keep the airport terminal building open seven days a week.



During 2016, the City sold one of the lots in Pacific View Business Park to a new business venture (Top Hydraulics) with the proceeds from the sale going to the airport fund. Additionally, Public Works Department is paying a ground lease for the property where the soon to be completed public works operations center is being constructed. The ground rent from Public Works and the sale of the Pacific View Business Park lot meet the airport's short- and mid-term financial needs.

Public Works mission for the airport is to provide a safe and functional general aviation airport facility while continuing to perform maintenance that complies with Federal Aviation Administration (FAA) safety standards.

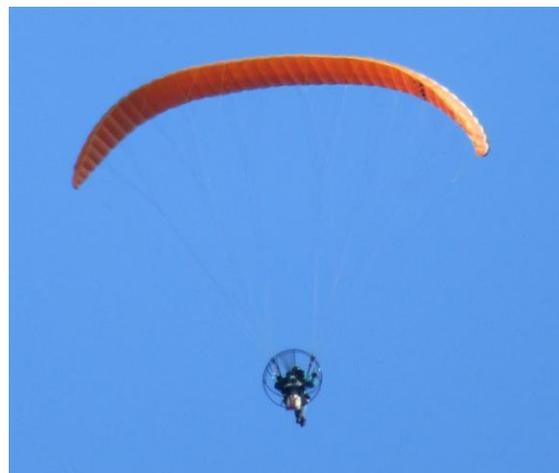
Highlights

- No general fund transfer budgeted in the biennium
- Fuel purchases budgeted in the amount of \$90,400 represents forty-one percent (41%) of the biennium budget
- The remaining fifty-nine percent (59%) of the biennium budget is for insurance, utilities, maintenance of equipment, small transfer to PW Admin (\$24,600) and General Fund Admin (\$22,500) to recognize a portion of the time contributions made by City staff in these areas, including project management of the runway/taxiway rehabilitation and lighting project
- Lease revenue of \$71,500 from Public Works during the biennium for the Public Works Operations Facility site
- Runway and Taxiway rehabilitation project, including lighting upgrades to include PAPI (Precision Approach Pathway Indicator) on Runway 15 and MIRL (Medium Intensity Runway Lights), included in the Capital Improvement Plan. Funding for this project comes from FAA and ODA
- Development of an Airport Veteran's Memorial Gateway project. This project is dependent upon grants and donations. As envisioned, the project would be named after General Ben King and provide a welcoming entrance to the airport



Changes from previous year

- Debt for Kingwood improvements paid off in fiscal year 2017
- One-time Increase of \$4,600 in maintenance costs associated with an upgrade of the AWOS system for an AviMet display
- Fueling terminal upgrade in the amount of \$12,000 in fiscal year 2018
- Ground rent for the public works facility in the amount of \$35,400 in fiscal year 2018 and \$36,100 in fiscal year 2019
- Transfer from the General fund is eliminated



Airport Fund Budget

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Beginning fund balance	35,482	11,788	427	8,438	38,338	38,338	38,338
Current year resources							
Intergovernmental	-	-	19,000	-	1,143,800	1,143,800	1,143,800
Charges for services	77,799	97,417	116,200	94,900	215,068	215,068	215,068
Miscellaneous	6,437	4,646	1,600	70,800	54,600	54,600	54,600
Transfers	22,400	25,000	45,000	25,000	-	-	-
Total current year resources	106,636	127,063	181,800	190,700	1,413,468	1,413,468	1,413,468
Total resources	142,118	138,851	182,227	199,138	1,451,806	1,451,806	1,451,806
Expenditures							
Materials and services	80,129	77,138	85,000	84,900	171,700	171,700	171,700
Capital outlay	-	-	20,000	2,200	1,205,800	1,205,800	1,205,800
Debt service							
Principal - Kingwood project	42,611	48,030	48,500	48,500	-	-	-
Interest - Kingwood project	7,590	5,246	2,700	2,700	-	-	-
Debt service	50,201	53,276	51,200	51,200	-	-	-
Transfers	-	-	22,500	22,500	54,800	54,800	54,800
Total expenditures	130,330	130,414	178,700	160,800	1,432,300	1,432,300	1,432,300
Other requirements							
Contingency	-	-	3,527	-	19,506	19,506	19,506
Total other requirements	-	-	3,527	-	19,506	19,506	19,506
Total expenditures and other requirements	130,330	130,414	182,227	160,800	1,451,806	1,451,806	1,451,806

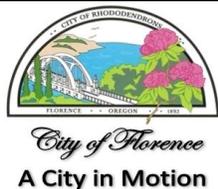
Staffing

Management and staffing is provided by Public Works Administration.

Capital Outlay

	Funding Source	Priority	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Pavement maintenance	FAA	1	20,000	-	-	-	-
Upgrade fueling station	Airport	1	-	-	12,000	12,000	12,000
Runway/taxiway rehab and lighting	FAA/ODA	1	-	-	1,143,800	1,143,800	1,143,800
Replace AWOS	FAA/ODA	1	-	-	-	-	-
Gateway project	Donations	2	-	-	50,000	50,000	50,000
Total capital outlay			-	-	1,205,800	1,205,800	1,205,800

- 0 Continuing project
- 1 High priority - required for safe operation of system
- 2 Medium priority - recommended for safe operation of system
- 3 Low priority - scheduled but not required presently



Financial Summary and Fund Analysis

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Resources over (under) expenditures	(23,694)	(3,350)	3,100	29,900	(18,832)	(18,832)	(18,832)
Beginning fund balance	35,482	11,788	427	8,438	38,338	38,338	38,338
Ending fund balance	11,788	8,438	3,527	38,338	19,506	19,506	19,506

Fund balance analysis

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Desired fund balance - 60 days	21,700	21,700	26,500	26,400	18,900	18,900	18,900
Fund balance above/(below) minimum	(9,912)	(13,262)	(29,473)	11,938	606	606	606
Fund balance within policy	N	N	N	Y	Y	Y	Y

Performance Measures

- 24 acres of turf area mowed and maintained
- Daily and monthly QA/QC on aircraft fuel and fueling system
- Bi-weekly security check on perimeter fencing
- Invasive weed control on 139.77 acres
- Daily runway light checks
- Bi-monthly sweeping of taxiway and ramp area
- 5,162 annual aircraft operations
- 33 based aircraft

Public Works Administration Fund

Summary

Public Works Administration was reorganized in fiscal year 2012 to account for costs related to the administration of all public works operations for the City. Public Works Administration is responsible for the planning, design, construction, operation and oversight of the City's major infrastructure systems. These systems include airport, parks, streets, stormwater, wastewater, water and City facilities.

Revenue to support Public Works Administrative services come from transfers from the various Public Works enterprise funds (airport, water, wastewater, stormwater and streets) for services provided.

The major cost centers around personnel, utilities for the operations center, telephone and internet expenses, general office supplies for all divisions, vehicle maintenance for three vehicles, postage, and maintenance agreements for copiers, iWorq, GIS and AutoCAD software.



Our core values are professionalism, respect, integrity, dedication and enthusiasm. We proudly provide stewardship and professional management in maintaining and improving the infrastructure of airport, parks, streets, stormwater, wastewater, water and city facilities, to the highest possible standards for our community. We continually look ahead to plan for and provide services that will allow the City of Florence to meet its future needs.

Highlights

- Initiation of the public works complex in 2016, completion of phases I and II in 2017
- Continued improvements to the complex without borrowing for the next several years
- Stabilization of transfers from benefitting funds for several years

Changes from previous year

- Completion of the Public Works Operations facility, including purchase of office furnishings, emergency standby power generator, and further site development. In December 2016, City awarded the construction



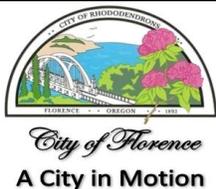
contract for a \$3.131 million Public Works Operations facility which included an administration/office building and a maintenance building. Additional improvements for housing Public Works equipment and vehicles will be phased in over several years without incurring additional debt.

Public Works Administration Budget

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Beginning fund balance	-	136,887	79,987	81,662	1,781,562	1,781,562	1,781,562
Current year resources							
Charges for services	-	3,674	18,400	18,400	36,900	36,900	36,900
Miscellaneous	-	1,127	-	-			
Transfers	524,788	535,600	849,300	849,300	2,053,800	2,053,800	2,053,800
Debt proceeds	-	8,042	3,300,000	3,300,000	-	-	-
Total current year resources	524,788	548,443	4,167,700	4,167,700	2,090,700	2,090,700	2,090,700
Total resources	524,788	685,330	4,247,687	4,249,362	3,872,262	3,872,262	3,872,262
Expenditures							
Personnel services	314,163	422,544	531,700	438,800	1,136,900	1,136,900	1,136,900
Materials and services	66,247	102,208	102,400	107,200	225,523	225,523	225,523
Capital outlay	7,491	78,827	3,324,800	1,812,300	1,975,000	1,975,000	1,975,000
<i>Debt service</i>							
Principal - FFCO 2015	-	-	-	65,300	254,700	254,700	254,700
Interest - FFCO 2015	-	88	76,900	44,200	183,500	183,500	183,500
Debt service	-	88	76,900	109,500	438,200	438,200	438,200
Total expenditures	387,901	603,667	4,035,800	2,467,800	3,775,623	3,775,623	3,775,623
Other requirements							
Contingency	-	-	211,887	-	96,639	96,639	96,639
Total expenditures and other requirements	387,901	603,667	4,247,687	2,467,800	3,872,262	3,872,262	3,872,262

Fund Summary

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Resources over (under) expenditures	136,887	(55,225)	131,900	1,699,900	(1,684,923)	(1,684,923)	(1,684,923)
Beginning fund balance	-	136,887	79,987	81,662	1,781,562	1,781,562	1,781,562
Ending fund balance	136,887	81,662	211,887	1,781,562	96,639	96,639	96,639



Fund Balance Analysis

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Desired fund balance - 30 days cash	32,300	43,700	59,300	54,600	75,900	75,900	75,900
Fund balance above/(below) minimum	104,587	37,962	152,587	1,726,962	20,739	20,739	20,739
Fund balance within policy	Y	Y	Y	Y	Y	Y	Y



New Public Works Administrative Office Building on 27th Street

Staffing

Position	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Public Works Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Utility Worker	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00	1.00	1.00	1.00
GIS Technician	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Field Supervisor	-	-	1.00	1.00	1.00	1.00	1.00
Treatment Plant Superintendent	-	-	1.00	-	1.00	1.00	1.00
Total FTE's	4.00	4.00	6.00	5.00	6.00	6.00	6.00

Capital Outlay

Description	Priority	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Equipment	1	-	100,000	-	140,000	140,000	140,000
Public Works Facility	1	78,827	3,224,800	1,812,300	1,835,000	1,835,000	1,835,000
Total		78,827	3,324,800	1,812,300	1,975,000	1,975,000	1,975,000

- 0 Continuing project
- 1 High priority - required for safe operation of system
- 2 Medium priority - recommended for safe operation of system
- 3 Low priority - scheduled but not required presently

Performance Measures

- Manage the implementation and creation of departmental communications, such as *Focus on Florence* articles, annual water quality report (Consumer Confidence Report), press releases, etc. for various divisions within the department
- Administer department-wide service contracts
- Provide oversight to the development and administration of the City's Capital Improvement Plan (CIP)
- Provide professional fleet management services to all departments of the City
- Provide professional facility maintenance services to all departments of the City
- Manage overall department and division budgets

Effectiveness Measures

	2014	2015	2016	2017
<i>Number of Focus on Florence articles and Water Quality Report</i>	13	18	17	17
<i>Number of customer service requests</i>	15	8	30	36
<i>Percentage of capital projects budgeted and completed timely</i>	100%	100%	100%	100%

General Obligation Bond Debt Service Fund

Summary

This fund accounts for the payment of the general obligation bonds, approved by the City's voters to fund the Justice Center and water treatment improvements, with a separate property tax levy.

Highlights

- Levy for fiscal years 2017-18, 2018-19 and fiscal years through 2021-22 is projected to be \$153,500 (same as fiscal year 2016-17)

General Obligation Bond Debt Service Fund Budget

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Beginning fund balance	463,488	212,383	170,583	172,811	137,311	137,311	137,311
Current year resources							
Property taxes	243,877	146,795	151,000	148,600	299,000	299,000	299,000
Miscellaneous	2,033	1,925	500	700	1,500	1,500	1,500
Total current year resources	245,910	148,720	151,500	149,300	300,500	300,500	300,500
Total resources	709,398	361,103	322,083	322,111	437,811	437,811	437,811
Expenditures							
Debt service							
Water GO Refunding Bond 2013 - Principal	164,095	164,094	164,095	164,100	328,200	328,200	328,200
Justice Center GO Bond 2008 - Principal	300,000	-	-	-	-	-	-
Debt services - principal	464,095	164,094	164,095	164,100	328,200	328,200	328,200
Water GO Refunding Bond 2013 - Interest	27,670	24,198	20,774	20,700	31,200	31,200	31,200
Justice Center GO Bond 2008 - Interest	5,250	-	-	-	-	-	-
Debt service - interest	32,920	24,198	20,774	20,700	31,200	31,200	31,200
Debt service	497,015	188,292	184,869	184,800	359,400	359,400	359,400
Total expenditures	497,015	188,292	184,869	184,800	359,400	359,400	359,400
Other requirements							
Unappropriated ending fund balance	-	-	137,214	137,311	78,411	78,411	78,411
Total other requirements	-	-	137,214	137,311	78,411	78,411	78,411
Total expenditures and other requirements	497,015	188,292	322,083	322,111	437,811	437,811	437,811

Financial Summary

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Resources over (under) expenditures	(251,105)	(39,573)	(33,369)	(35,500)	(58,900)	(58,900)	(58,900)
Beginning fund balance	463,488	212,383	415,076	172,811	137,311	137,311	137,311
Ending fund balance	212,383	172,811	381,707	137,311	78,411	78,411	78,411

Fund Balance Analysis

The GO Debt Service Fund fund balance is planned to decline to \$0 in fiscal year 2021-22 by levying taxes in an amount that is less than the scheduled debt service until bond maturity in fiscal 2021-22 .

Spruce Street LID Bond Debt Service Fund

Summary

This fund accounts for the repayment of the bonds issued to fund infrastructure improvements. The primary source of funding is payments from benefited property owners.

Highlights

- The property owners of the two largest assessment balances are actively evaluating development opportunities

Spruce Street LID Debt Service Fund Budget

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Beginning fund balance	221,135	515,842	466,642	427,942	350,742	350,742	350,742
Current year resources							
Miscellaneous	387,995	4,645	35,000	19,000	115,000	115,000	115,000
Total current year resources	387,995	4,645	35,000	19,000	115,000	115,000	115,000
Total resources	609,130	520,487	501,642	446,942	465,742	465,742	465,742
Expenditures							
Materials and services	400	400	400	400	800	800	800
Debt service							
Spruce Street LID - Principal	45,000	45,000	50,000	50,000	105,000	105,000	105,000
Spruce Street LID - Interest	47,888	47,145	46,200	45,800	88,517	88,517	88,517
Debt service	92,888	92,145	96,200	95,800	193,517	193,517	193,517
Total expenditures	93,288	92,545	96,600	96,200	194,317	194,317	194,317
Other requirements							
Contingency	-	-	405,042	-	271,425	271,425	271,425
Total other requirements	-	-	405,042	-	271,425	271,425	271,425
Total expenditures and other requirements	93,288	92,545	501,642	96,200	465,742	465,742	465,742

Financial Summary and Fund Balance Analysis

Financial Summary	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Resources over (under) expenditures	294,707	(87,900)	(61,600)	(77,200)	(79,317)	(79,317)	(79,317)
Beginning fund balance	221,135	515,842	271,279	427,942	350,742	350,742	350,742
Ending fund balance	515,842	427,942	209,679	350,742	271,425	271,425	271,425
Fund balance analysis							
Desired minimum fund balance (one years debt service)	92,900	92,100	96,200	95,800	98,600	98,600	98,600
Fund balance above/(below) minimum	422,942	335,842	113,479	254,942	172,825	172,825	172,825
Fund balance within policy	Y	Y	Y	Y	Y	Y	Y

City FURA Debt Service Fund

Summary

This fund accounts for the issuance and repayment of Full Faith and Credit Obligations (FFCO) issued by the City, that are loaned to the Florence Urban Renewal Agency (FURA). FURA used an initial borrowing that closed in fiscal year 2017 to refinance/repay existing debt and provide funding for the Agency's programs and projects. The planned debt issue in calendar year 2018 is to fund the ReVision Florence program and other FURA activities.

The funding source for loan repayments is property taxes received by FURA and paid by FURA to the City per Intergovernmental Agreements (IGAs).

Highlights

- \$3.7 million debt issue closed in fiscal year 2017
- \$3.3 million issue is projected in calendar year 2018
- Debt issued is in accordance with an IGA which provides for minimum debt coverage requirements for current and future debt

Changes from previous year

- An additional debt issue of up to \$3.3 million, initiated in fiscal year 2017-18 and fully drawn and closed in fiscal year 2018-19 is projected
- Full annual debt service payments are anticipated to begin in fiscal year 2019-20

City FURA Debt Service Fund Budget

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Beginning fund balance	-	-	-	-	-	-	-
Current year resources							
Intergovernmental	-	-	127,800	148,000	703,200	703,200	703,200
Debt proceeds	-	-	1,725,351	2,125,400	3,300,000	3,300,000	3,300,000
Total current year resources	-	-	1,853,151	2,273,400	4,003,200	4,003,200	4,003,200
Total resources	-	-	1,853,151	2,273,400	4,003,200	4,003,200	4,003,200
Expenditures							
Materials and services	-	-	1,725,351	2,125,400	3,300,000	3,300,000	3,300,000
<i>Debt service</i>							
FFCO 2015 - Principal	-	-	-	73,300	285,500	285,500	285,500
FFCO 2018 - Principal	-	-	-	-	70,000	70,000	70,000
Principal	-	-	-	73,300	355,500	355,500	355,500
FFCO 2015 - Interest	-	-	127,800	74,700	205,700	205,700	205,700
FFCO 2018 - interest	-	-	-	-	142,000	142,000	142,000
Interest	-	-	127,800	74,700	347,700	347,700	347,700
Debt service	-	-	127,800	148,000	703,200	703,200	703,200
Total expenditures	-	-	1,853,151	2,273,400	4,003,200	4,003,200	4,003,200
Other requirements							
Contingency	-	-	-	-	-	-	-
Total expenditures and other requirements	-	-	1,853,151	2,273,400	4,003,200	4,003,200	4,003,200

Note:

This fund is intended to be a clearing fund, with loan proceeds received by the City and immediately distributed to FURA and loan payments from FURA received by the City and immediately transmitted to the lender(s).

Closed Funds

Events Center Endowment Fund

This fund accounted for unspent bond proceeds used to build the FEC with earnings supporting the FEC.

- This fund was consolidated into the Florence Events Center Fund as of June 30, 2016

FFCO 2010B Bond Debt Service Fund

This fund accounted for the repayment of the 2010 Full Faith and Credit Obligation (FFCO) debt issue used to fund general fund equipment, stormwater and wastewater improvements. The primary source of funding were transfers from the benefitting funds.

- Effective fiscal year 2017 the debt service payments are recognized directly in the fund that borrowed.

Florence Events Center Debt Service Fund

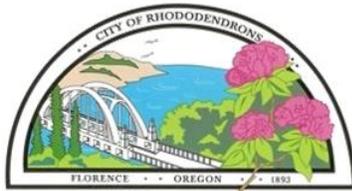
This fund accounted for the repayment of the bonds issued to fund the construction of the Florence Events Center. The primary source of funding were payments from Lane County from transient room taxes (the County's portion) collected within Florence.

- The bonds were paid in full in fiscal year 2016.

LOCAP Debt Service Fund

This fund accounted for the repayment of the 2011 LOCAP debt issue used to fund park, general fund equipment, street, water and wastewater improvements. The primary source of funding was transfers from the benefitting funds.

- Effective fiscal year 2017 the debt service payments are recognized directly in the fund that borrowed.



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Florence Urban Renewal Agency

Summary

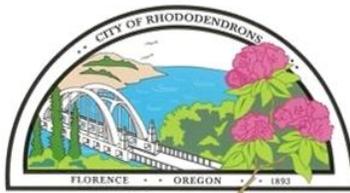
The Florence Urban Renewal Agency (FURA) budget is presented for reference purposes only. The Budget Committee and the Board of Directors for FURA will receive, deliberate and determine the Agency's budget. Two City Councilors and the Mayor are members of the nine-member Board.

In 2006, the City Council adopted an ordinance approving the Florence Downtown Preservation and Renewal Plan. The Plan was approved by Florence voters in 2007. The Plan authorizes maximum indebtedness of \$22,545,000.

The Plan does not increase taxes that property owners pay. The Plan proposes 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.

In 2015 the City Council agreed to use full faith and credit obligations of the City, loaned to FURA, to fund FURA projects and refinance existing FURA debt. The policy decision increased the debt capacity of the Agency and reduced the interest cost to taxpayers.





City of Florence
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FURA General Fund

Summary

This fund accounts for the activities associated with the Agency's implementation of its Plan. The primary resources are debt proceeds (repaid with property taxes resulting from the increased, i.e., incremental, value of property within the urban renewal district over the frozen base value), grants, and developer contributions.

Highlights

- Construction of the ReVision project during the biennium
- \$500,000 is budgeted to leverage private sector investment
- Funding for public art is budgeted
- Estuary trail – phase I contribution reduced to \$55,000
- \$3.3 million debt issue planned to complete ReVision Florence project

Changes from previous year

- The Agency has moved to a biennial budget from an annual budget
- In the 2017-19 biennium the Agency moves from strategy, planning and design to
 - Construction of the ReVision Florence project
 - Acquisition and implementation of the public arts program
 - Updates to the City Development Code to remove barriers to development

Key Projects

ReVision Florence - The ReVision Florence streetscape project continues to move forward. The full project cost estimates are \$7.4 million, including design engineering, right-of-way administration and acquisition, and construction. The City and FURA continue to work with State and Federal elected officials, the Oregon Department of Transportation, our Regional Solutions Team, Lane County, and our other partner agencies to develop the funding package for this project.



Public Art - FURA has partnered with the City’s Public Art Committee (PAC) to implement the public art programs in the Urban Renewal District Area. The Public Art Committee is implementing phase one of its Public Art Work Plan with the assistance of funding from FURA. Highlights of the Phase One implementation plan occurring within the Urban Renewal District include:

1. Donated Art Program: Placement of donated art for public viewing, such as sculptures.
2. City Beautification Projects:
Implementation of the ‘beautification of trash cans’ project in Old Town.
3. Siuslaw Bridge Steps Art Installation: A “Call to Artists” will be made to develop an art piece on the steps leading from Bay Street to the north end of the Siuslaw Bridge.
4. ‘Art Exposed-Dynamic Public Art’: This outdoor gallery rental / purchase program will install 5 pieces in Old Town. “Calls to Artists” is in process.
5. Central Lincoln PUD building mural (Hwy 126 and 101): Agreement has been reached with the PUD board and details of preparation of the surface are in progress.



Photo Courtesy of Jo Beaudreau

Development Projects - The FURA Board continues to set aside funding for development in the Urban Renewal District. The intent of these funds are for the Board to have the ability to enter into a public/private partnership in the event that there is a development need or program that would benefit the District. Project that have been discussed include retaining \$500,000 to assist one or more developers with significant projects, and lesser amounts in materials and services for facade improvement programs, architecture grants, development incentives, and other items outlined in FURA’s 2016 Economic Analysis and Development Strategy.

FURA General Fund Budget

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Beginning fund balance	294,491	262,769	175,119	(71,016)	915,484	915,484	915,484
Current year resources							
Intergovernmental	-	-	-	-	3,000,000	3,000,000	3,000,000
Miscellaneous	2,246	3,461	1,000	15,000	1,000	1,000	1,000
Debt proceeds	-	110,349	1,725,351	2,125,400	3,900,000	3,900,000	3,900,000
Total current year resources	314,687	115,038	1,726,351	2,140,400	6,901,000	6,901,000	6,901,000
Total resources	609,178	377,807	1,901,470	2,069,384	7,816,484	7,816,484	7,816,484
Expenditures							
Materials and services	43,567	320,254	249,300	188,900	430,200	430,200	430,200
Capital outlay	-	128,569	1,300,000	965,000	7,230,000	7,230,000	7,230,000
Total expenditures	346,409	448,823	1,549,300	1,153,900	7,660,200	7,660,200	7,660,200
Other requirements							
Contingency	-	-	352,170	-	156,284	156,284	156,284
Total other requirements	-	-	352,170	-	156,284	156,284	156,284
Total expenditures and other requirements	346,409	448,823	1,901,470	1,153,900	7,816,484	7,816,484	7,816,484

Financial Summary

	2014-15 Actual	2015-16 Actual	2016-17 Adopted	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Resources over (under) expenditures	(31,722)	(333,785)	177,051	986,500	(759,200)	(759,200)	(759,200)
Beginning fund balance	294,491	262,769	175,119	(71,016)	915,484	915,484	915,484
Ending fund balance	262,769	(71,016)	352,170	915,484	156,284	156,284	156,284

Staffing

Staffing for FURA activity is provided by the City. Payments to the City's General Fund and the Public Works Administration Fund are budgeted to reimburse the City for staff related costs.

Capital Outlay

	Funding Source	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
2nd Street Sidewalk	TI	-	75,000	-	-	-	-
Public art	TI	10,000	125,000	15,000	225,000	225,000	225,000
ReVision Florence	TI/City/Other		600,000	950,000	6,450,000	6,450,000	6,450,000
Development projects	TI	-	500,000	-	500,000	500,000	500,000
Estuary trail/land	TI		-	-	55,000	55,000	55,000
Total capital outlay	-	10,000	1,300,000	965,000	7,230,000	7,230,000	7,230,000

FURA Debt Service Fund

This fund accounts for the repayment of City issued full faith and credit obligations issued to finance the FURA's projects and programs. FURA's primary revenue sources to repay the obligation are property taxes and funding commitments from other agencies.

Highlights

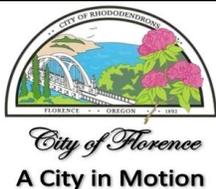
- Property tax revenue increase with debt coverage ratio above 1.25 retained with proposed debt issue

Changes from the previous year

- Full amortization of the \$3.7 million financing closed in 2016 begins in fiscal year 2017-18

FURA Debt Services Fund Budget

	2014-15 Actual	2015-16 Actual	2016-17 Budget	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Beginning fund balance	252,756	565,990	35,349	399,077	780,190	780,190	780,190
Current year resources							
Property taxes	312,441	326,617	363,600	361,100	815,400	815,400	815,400
Miscellaneous	793	946	1,000	1,100	9,000	9,000	9,000
Total current year resources	616,076	1,791,851	364,600	362,200	824,400	824,400	824,400
Total resources	868,832	2,357,841	399,949	761,277	1,604,590	1,604,590	1,604,590
Expenditures							
<i>Debt service</i>							-
2015 FFCO - principal	-	-	127,800	73,300	285,500	285,500	285,500
2018 FFCO - principal	-	-	-	-	-	-	-
Du jour - principal	-	-	-	-	600,000	600,000	600,000
Total principal	190,000	1,885,380	127,800	73,300	885,500	885,500	885,500
FFCO 2015 - interest	-	-	-	74,700	205,700	205,700	205,700
FFCO 2018 - Interest	-	-	-	-	126,000	126,000	126,000
Total interest	112,842	50,867	-	74,700	331,700	331,700	331,700
Debt service	302,842	1,936,247	127,800	148,000	1,217,200	1,217,200	1,217,200
Total expenditures	302,842	1,958,764	127,800	148,000	1,217,200	1,217,200	1,217,200
Other requirements							
Contingency	-	-	272,149	-	387,390	387,390	387,390
Total expenditures and other requirements	302,842	1,958,764	399,949	148,000	1,604,590	1,604,590	1,604,590



Financial Summary and Financial Benchmarks

	2014-15 Actual	2015-16 Actual	2016-17 Adopted	2016-17 Estimate	2017-19 Proposed	2017-19 Approved	2017-19 Adopted
Financial Summary							
Resources over (under) expenditures	313,234	(166,913)	236,800	214,200	(392,800)	(392,800)	(392,800)
Beginning fund balance	252,756	565,990	35,349	565,990	780,190	780,190	780,190
Ending fund balance	565,990	399,077	272,149	780,190	387,390	387,390	387,390
Debt coverage ratio							
Property taxes	312,441	326,617	363,600	361,100	815,400	815,400	815,400
Debt service - excludes du jour and refinanced debt payments	302,842	50,867	127,800	148,000	617,200	617,200	617,200
Debt coverage ratio	1.03	6.42	2.85	2.44	1.32	1.32	1.32

Capital Outlay

All Funds

Fiscal Biennium 2017-19

Summary

The following schedules summarize the various capital investments, by fund, for the 2017-19 biennium. A description of the project, funding source(s), priority on a scale of 0 – continued from previous year to 3 – identified but not funded, amount, and impact on operating budget (and whether debt service is incurred) is noted.

With respect to anticipated impact on operating budget the following terms are used:

Terms utilized	Definition
Replacement – reduced	Notes items that will be acquired to replace aging assets; operating costs are anticipated to decrease
Limited	Items are anticipated to increase operating costs, however the impact is expected to be marginal
Reduce(d)	Operating costs are anticipated to decrease, however, the amount is not known
Reduced total costs	Costs to support the item may increase, however, staff efficiencies and other costs are anticipated to exceed additional direct costs
Upgrade – reduced	Upgraded item – overall costs are anticipated to decline as a result of acquisition and implementation
Modernization – nominal	Costs are anticipated to increase, however, the impact is not anticipated to be increased beyond normal inflationary adjustments
Sustain	Improvements are part of regular maintenance program

Where estimates of operating cost impacts have been identified, amounts have been provided. Impacts on debt service are also noted.

General Fund

Police				
Description	Funding Source	Priority	Amount	Impact on operating costs
Vehicles	General	1	202,000	Replacement - reduced
Building improvements	Debt	1	200,000	Limited Debt service - ~\$14,000/year
			<u>402,000</u>	
Community Development				
Description	Funding Source	Priority	Amount	Impact on operating costs
Vehicles	General	1	26,900	Replacement - reduced
Software	General	1	12,300	Reduced total costs
			<u>39,200</u>	
Parks				
Description	Funding Source	Priority	Amount	Impact on operating costs
Miller Parks	Grants/ General	1	360,000	<\$20,000/year
River/Beach Park	General	1	38,900	Limited
Playground equipment	General	2	35,000	Limited
Improvements	General	2	45,000	Limited
Gallagher Park – initial	General	2	10,000	Final plan not approved – impact not known
			<u>488,900</u>	
Information Technology				
Description	Funding Source	Priority	Amount	Impact on operating costs
Hardware	General	1	156,000	Replacement - reduced
Software	General	1	7,000	Upgrade - reduced
			<u>39,200</u>	
City Hall				
Description	Funding Source	Priority	Amount	Impact on operating costs
Building improvements	Debt	1	1,917,800	Modernization – nominal Debt service - ~140,000/year
Total			3,027,900	

Street Fund

Description	Funding Source	Priority	Amount	Impact on operating costs
<i>Facilities and equipment</i>				
<i>Street maintenance</i>				
Crack/hot oil chip seal	Street	1	155,000	Sustain
<i>Preservation and improvement</i>				
9th St. - Rhody to Juniper	Street	1	325,000	Sustain
Numerous overlays	Street	1	200,000	Sustain
Rhody Drive - Wildwinds to 35th St. (spot repairs)	Street	1	100,000	Sustain
Spruce Street Culvert Bridge	Street	1	50,000	Sustain
Sidewalks and ADA ramps	Street	1	80,800	Sustain
Siuslaw Estuary trail	ODOT/FURA/Local	2	675,000	Sustain
			1,585,800	

9-1-1 Fund

Description	Funding Source	Priority	Amount	Impact on operating costs
Equipment	Telephone tax	1	20,000	Sustain

Florence Events Center Fund

Description	Source	Funding Priority	Amount	Impact on operating costs
Equipment - Friends	Friends	1	35,000	Sustain
Theater Sound & Light Upgrades	Friends	0	72,000	Limited
Facility LED replacement	FEC	0	42,000	Reduce
Total			149,000	

Water Fund

	Funding Source	Priority	Amount	Impact on operating costs
Maintenance				
<i>Facilities and equipment</i>				
New Lab cabinets and stainless steel counter top	Rates	2	30,000	Limited
Flouride Saturator and Permagenate saturator	Rates	1	30,000	Sustain
Caustic Soda Room - cleanup and update	Rates	1	35,000	Sustain
Green sand Filter Rehab	Rates	1	60,000	Sustain
Meter replacement/upgrade	Rates	2	500,000	Reduce
Vehicles	Rates	2	40,000	Sustain
<i>Well rehabilitation</i>	Rates	1	110,000	Sustain
<i>Reservoirs</i>	Rates	2	500,000	Sustain
<i>Waterline replacements:</i>				
12" along Hwy 101, 2nd to Hwy 126	Rates	0	580,000	Reduce
16" 9th St. from Rhody to Kingwood	Rates/SDCs	2	100,000	Reduce
16" Kingwood from Rhody to 9th	Rates/SDCs	2	70,000	Reduce
Total maintenance			2,055,000	
Expansion				
Hwy 126 - Upas to Xylo, including Xylo Extension (Reimbursement District)	SDCs/Reimb	0	475,000	Limited
12" along Hwy 101, 2nd to Hwy 126	SDC's	0	275,000	Limited
16" 9th St. from Rhody to Kingwood	SDC's	2	550,000	Limited
16" Kingwood from Rhody to 9th	SDC's	2	375,000	Limited
Total expansion			1,675,000	
Total capital outlay			3,730,000	

Wastewater Fund

Description	Funding Source	Priority	Adopted	Impact on operating costs
Maintenance				
Facility and equipment				
Rebuild clarifiers	Rates	1	85,000	Sustain
Replace air handling equipment/difusers	Rates	1	150,000	Sustain
Methane burner	Rates	1	32,500	Sustain
Major facility and equipment rehabilitation	Rates	2/3	120,000	Reduce
Pump Station Rehab program	Rates	2	100,000	Sustain
Sewerline replacement:				
5th Street crossing - Hwy 101 (Rhody Drive)	Rates	1	130,000	Reduce
Unidentified projects		2/3	200,000	Reduce
Total maintenance			817,500	
Expansion				
Harbor Vista sewer extension	SDCs/Reimb	1	450,000	Limited
Hwy 126 extension - Vine to Xylo (including Xylo and Pier 126)				
Reimbursement District	SDCs/Reimb	2	220,000	Limited
Hwy 101 extension - 52nd Street to Heceta Junction (east side)	SDCs/Reimb	2	325,000	Limited
Hwy 101 extension - Munsel Lake Rd to Heceta Junction (west side)	SDCs/Reimb	2	550,000	Limited
Total expansion			1,545,000	
Total capital outlay			2,362,500	

Reimb – Reimbursement by third parties



Stormwater Fund

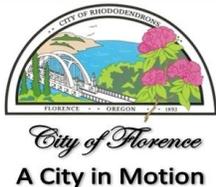
Description	Funding Source	Priority	Amount	Impact on operating costs
Facility and equipment	Rates	1-3	40,000	Limited
Engineering - 6th Street Project and 2nd Street Project	SDCs	0	110,000	None
Pine Court Stormwater Pump Station	Rates	1	350,000	<\$2,500/yr
Hwy 101 Stormwater - contribution to FURA	Rates	1	<u>250,000</u>	None
Total capital outlay			750,000	

Public Works Administration Fund

Description	Funding Source	Priority	Amount	Impact on operating costs
Equipment	Public Works	1	140,000	<\$5,000/yr
Public Works Facility	Debt Service	1	1,835,000	~\$20,000/yr Debt service
Total			<u>1,975,000</u>	

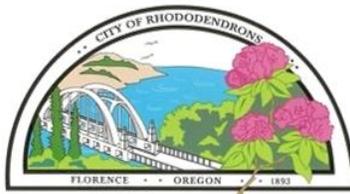
Airport Fund

Description	Source	Funding Priority	Adopted	Impact on operating costs
Upgrade fueling station	Airport	1	12,000	Reduce
Runway/taxiway rehab and lighting	FAA/ODA	1	1,143,800	Sustain
Gateway project	Donations	2	<u>50,000</u>	Limited
Total capital outlay			<u>1,205,800</u>	





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Debt Schedules

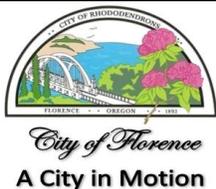
Summary

The debt schedules below reflects total outstanding debt of the City and its urban renewal agency (Florence Urban Renewal Agency) as of June 30, 2017 and projected through June 30, 2023, including proposed debt issues included in the budget for the 2017-19 biennium. There may be additional debt needed that is not reflected in the schedule pending decisions by the City Council related to street funding, and funding capacity for FURA.

The City is well below its statutory debt authority of three percent (3.0%) of real market value, or \$37,281,438 (0.03 * \$1,242,714,606) for net debt, i.e, debt that does not have an identified source of repayment such as general obligation debt, and full faith and credit debt not secured by utility fees or other dedicated sources of funding. The debt subject to the limitation is noted below in bold italics text, and totals less than \$2,000,000 (only the general fund portion of debt noted is subject to the limitation).

Summary of Existing Debt Issued and Balance June 30, 2017

Description	Fund(s)	Original Amount	Payment FY 2018	Interest Rate	Balance June 30, 2017
Existing obligations					
GO Bonds	GO Debt	1,476,848	181,406	2.11%	820,471
OPB 2014	Street/WW	400,000	43,113	2.75%	125,790
Siuslaw Bank 2012	Gen/St/W/WW	595,000	65,407	3.50%	64,258
LOCAP 2011	Gen/St/W/WW	1,245,000	93,006	3.0% - 4.6%	960,000
LID 2010 (Spruce)	LID	1,478,000	92,145	1.9% - 4.5%	1,200,000
FFCO 2010B	Gen/WW/SW	8,750,000	898,350	2.5% - 4.0%	3,990,000
OBDD SPW	WW	657,057	44,409	2.0% - 4.0%	536,090
CWSRF	WW	4,923,260	241,756	0.50%	3,868,088
FFCO 2016 (10 yr) - Banner	Street	1,300,000	150,842	2.92%	1,241,977
FFCO 2016 -(20 yr) Banner	Street/Water/FURA	8,500,000	564,120	2.92%	8,331,698
Total City debt		29,325,165	1,810,434		21,138,372
Population					8,680
Debt per capita					2,435

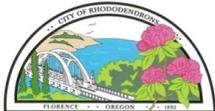


Summary of Existing and Proposed Debt Fiscal Year 2018-2023

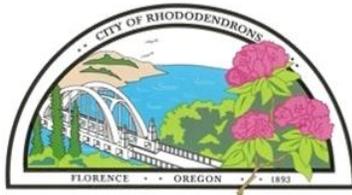
		Outstanding balance June 30,					
Description	Fund(s)	2018	2019	2020	2021	2022	2023
Existing obligations							
GO Bonds	GO Debt	656,377	492,283	328,188	164,094	-	-
OPB 2014	Street/WW	42,491	-	-	-	-	-
LOCAP 2011	Gen/St/W/WW	905,000	850,000	795,000	735,000	675,000	610,000
LID 2010 (Spruce)	LID	1,150,000	1,095,000	1,035,000	970,000	900,000	825,000
FFCO 2010B	Gen/WW/SW	3,220,000	2,435,000	1,625,000	800,000	735,000	665,000
OBDD SPW	WW	512,347	488,511	464,559	440,489	416,276	391,916
CWSRF	WW	3,626,332	3,384,576	3,142,820	2,901,064	2,659,308	2,417,552
FFCO 2016 (10 yr) - Banner	Street	1,126,564	1,007,756	885,454	759,554	629,952	496,578
FFCO 2016 - (20 yr) Banner	Street/Water/FURA	8,008,522	7,675,839	7,333,372	6,980,831	6,617,922	6,244,337
Total City debt		19,247,633	17,428,965	15,609,393	13,751,032	12,633,458	11,650,383
Population	assumes 1% annual increase	8,767	8,854	8,943	9,032	9,123	9,214
Debt per capita		2,196	1,968	1,745	1,522	1,385	1,264
Proposed debt							
City Hall/Justice Center		2,200,000	2,122,200	2,041,700	1,958,400	1,872,100	1,782,800
Street		-	500,000	456,900	412,400	366,400	318,900
FEC		200,000	192,900	185,600	178,000	170,200	162,100
FURA		3,100,000	3,300,000	3,183,300	3,062,500	2,937,500	2,808,100
Total proposed debt		5,500,000	6,115,100	5,867,500	5,611,300	5,346,200	5,071,900
Total debt outstanding		24,747,633	23,544,065	21,476,893	19,362,332	17,979,658	16,722,283
Debt per capita		2,823	2,659	2,402	2,144	1,971	1,815
Excluding FURA debt		6,586,100	6,641,200	6,375,500	6,101,200	5,818,200	5,526,200
Net City debt		18,161,533	16,902,865	15,101,393	13,261,132	12,161,458	11,196,083
Net City Debt per capita		2,072	1,909	1,689	1,468	1,333	1,215

Six-Year Financial Forecasts

All Funds



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General Fund

	2016-17 Budget	2016-17 Estimate	2017-19 Adopted	2019-2021 Forecast	2021-2023 Forecast
Beginning fund balance	1,854,471	1,892,929	1,687,829	1,266,629	826,729
Current year resources					
Property taxes	2,477,600	2,418,000	5,012,300	5,262,000	5,525,900
Intergovernmental	1,128,100	232,400	1,109,900	822,000	834,500
Franchise fees	771,600	836,800	1,627,000	1,701,300	1,914,700
Licenses and permits	318,900	367,500	819,400	851,100	885,200
Charges for services	324,200	310,700	672,800	688,100	715,600
Miscellaneous	253,200	243,700	538,000	563,000	590,300
Transfers	888,900	888,900	2,353,800	2,295,600	2,425,600
Loan proceeds	400,000	-	2,200,000	-	-
Total current year resources	6,562,500	5,298,000	14,333,200	12,183,100	12,891,800
Total resources	8,416,971	7,190,929	16,021,029	13,449,729	13,718,529
Expenditures					
Police	2,195,400	1,987,300	4,421,300	4,598,000	4,782,100
Community Development	672,500	695,000	1,599,300	1,621,100	1,686,100
Parks	126,700	142,400	331,500	344,500	358,100
Municipal Court	279,500	251,800	564,900	587,400	610,600
Administration	1,150,800	1,100,700	2,763,600	2,852,100	2,971,800
City Hall	97,700	99,100	182,800	190,000	197,500
Non-departmental	129,500	133,000	262,000	272,400	283,300
Operating expenditures	4,652,100	4,409,300	10,125,400	10,465,500	10,889,500
Capital outlay	1,042,000	360,700	3,027,900	410,100	416,500
Debt service	67,587	67,100	298,200	410,300	429,800
Transfers	686,000	666,000	1,302,900	1,337,100	1,390,400
Total expenditures	6,447,687	5,503,100	14,754,400	12,623,000	13,126,200
Other requirements					
Contingency	645,000	-	1,266,629	826,729	592,329
Unappropriated ending fund balance	1,014,271	-	-	-	-
Total other requirements	1,659,271	-	1,266,629	826,729	592,329
Total expenditures and other requirements	8,106,958	5,503,100	16,021,029	13,449,729	13,718,529

Street Fund

	2016-17 Budget	2016-17 Estimate	2017-19 Adopted	2019-21 Forecast	2021-23 Forecast
Beginning fund balance	512,048	515,492	191,892	373,442	(1,538,958)
Current year resources					
Intergovernmental	1,529,100	1,601,100	1,797,100	1,244,900	1,312,100
Franchise fees	54,000	53,700	141,100	180,800	190,600
Charges for services	351,200	324,000	902,200	971,400	1,040,600
Miscellaneous	2,000	8,500	7,100	(3,700)	15,400
Transfers	550,000	550,000	228,000	-	-
Debt proceeds	500,000	500,000	500,000	-	-
Total current year resources	2,986,300	3,037,300	3,575,500	2,393,400	2,558,700
Total resources	3,498,348	3,552,792	3,767,392	2,766,842	1,019,742
Expenditures					
Personal services	67,700	67,900	143,100	70,200	72,200
Materials and services	263,200	271,300	563,550	285,400	290,900
Capital outlay	2,382,800	2,556,900	1,585,800	2,934,100	2,882,300
Transfers	267,800	267,800	662,000	686,200	711,500
Debt service	176,800	197,000	439,500	329,900	332,300
Total expenditures	3,158,300	3,360,900	3,393,950	4,305,800	4,289,200
Other requirements					
Contingency	340,048	-	373,442	(1,538,958)	(3,269,458)
Total expenditures and other requirements	3,498,348	3,360,900	3,767,392	2,766,842	1,019,742

Summary

The above forecasts assume an increase in the City Street Fee of \$0.50 per equivalent dwelling unit (EDU) per year effective fiscal year 2015-16 and phasing in an increase to this fee for commercial properties to be equitable to the residential rate.

The State of Oregon passed a funding measure in July 2017 that will provide the City an estimated \$2.0 million over the next ten years. This funding has not been included in the forecasts at this time.

The negative miscellaneous revenue above is negative interest earnings due to the negative fund balance.

9-1-1 Tax Fund

	2016-17 Budget	2016-17 Estimate	2017-19 Adopted	2019-21 Forecast	2021-23 Forecast
Beginning fund balance	-	7,552	157,052	142,852	147,752
Current year resources					
Intergovernmental	215,000	218,400	154,200	158,300	162,600
Charges for services	157,800	157,800	329,900	338,800	347,900
Miscellaneous	-	-	-	-	-
Transfers	519,900	519,900	1,087,100	1,152,300	1,221,400
Total current year resources	892,700	896,100	1,571,200	1,649,400	1,731,900
Total resources	892,700	903,652	1,728,252	1,792,252	1,879,652
Expenditures					
Personnel services	531,100	535,300	1,139,200	1,184,800	1,232,300
Materials and services	80,900	67,900	160,900	167,200	173,700
Capital outlay	16,800	16,500	20,000	20,000	20,000
Transfers	126,900	126,900	265,300	272,500	279,900
Total expenditures	755,700	746,600	1,585,400	1,644,500	1,705,900
Other requirements					
Contingency	137,000	-	142,852	147,752	173,752
Total expenditures and other requirements	892,700	746,600	1,728,252	1,792,252	1,879,652

Room Tax Fund

	2016-17 Budget	2016-17 Estimate	2017-19 Adopted	2019-21 Forecast	2021-23 Forecast
Beginning fund balance	60,173	82,502	90,402	80,402	80,402
Current year resources					
Taxes	364,400	377,500	785,300	816,700	849,400
Total current year resources	364,400	377,500	785,300	816,700	849,400
Total resources	424,573	460,002	875,702	897,102	929,802
Expenditures					
Materials and services	145,800	151,000	314,100	326,700	339,800
Transfers	218,600	218,600	481,200	490,000	509,600
Total expenditures	364,400	369,600	795,300	816,700	849,400
Other requirements					
Contingency	60,173	-	80,402	80,402	80,402
Total expenditures and other requirements	424,573	369,600	875,702	897,102	929,802

Florence Events Center Fund

	2016-17 Budget	2016-17 Estimate	2017-19 Adopted	2019-21 Forecast	2021-23 Forecast
Beginning balance	392,880	351,076	390,514	322,414	208,214
Current year resources					
Intergovernmental	123,000	110,400	213,300	210,100	218,500
Charges for services	241,000	222,500	450,400	468,400	487,200
Miscellaneous	139,500	145,000	342,200	284,600	294,400
Transfers	300,900	297,400	596,200	570,000	569,600
Debt proceeds	-	-	200,000	-	-
Current year resources	804,400	775,300	1,802,100	1,533,100	1,569,700
Total resources	1,197,280	1,126,376	2,192,614	1,855,514	1,777,914
Expenditures					
Personnel services	326,000	316,100	677,000	704,100	732,200
Materials and services	388,000	378,200	732,500	751,400	781,300
Capital outlay	102,500	23,700	149,000	40,000	40,000
Transfers	47,900	47,900	297,600	123,600	131,100
Debt service	-	-	14,100	28,200	28,200
Total expenditures	864,400	765,900	1,870,200	1,647,300	1,712,800
Other requirements					
Contingency	253,875	-	243,414	129,214	(13,886)
Reserved fund balance	79,005	79,005	79,000	79,000	79,000
Total other requirements	332,880	79,005	322,414	208,214	65,114
Total expenditures and other requirements	1,197,280	844,905	2,192,614	1,855,514	1,777,914

Water Fund

	2016-17 Budget	2016-17 Estimate	2017-19 Adopted	2019-21 Forecast	2021-23 Forecast
Beginning fund balance	1,119,248	1,332,944	2,214,044	597,844	1,544,144
Current year resources					
Charges for services	2,134,900	2,146,400	4,505,500	4,748,800	4,972,000
Miscellaneous	16,500	18,700	287,400	39,400	41,200
Transfers	300,000	300,000	200,000	200,000	250,000
Debt proceeds	1,400,000	1,400,000	500,000	-	-
Total current year resources	3,851,400	3,865,100	5,492,900	4,988,200	5,263,200
Total resources	4,970,648	5,198,044	7,706,944	5,586,044	6,807,344
Expenditures					
Personnel services	347,000	294,200	664,000	690,500	718,100
Materials and services	417,600	359,400	824,700	857,600	891,500
Capital outlay	2,225,000	1,535,700	3,730,000	560,000	542,000
Debt service	117,431	140,700	315,400	291,100	292,000
Transfers	654,900	654,000	1,575,000	1,642,700	1,713,800
Total expenditures	3,761,931	2,984,000	7,109,100	4,041,900	4,157,400
Other requirements					
Contingency	1,208,717	-	597,844	1,544,144	2,649,944
Total expenditures and other requirements	4,970,648	2,984,000	7,706,944	5,586,044	6,807,344

Wastewater Fund

	2016-17 Budget	2016-17 Estimate	2017-19 Adopted	2019-21 Forecast	2021-23 Forecast
Beginning fund balance	736,687	793,357	563,657	610,457	431,857
Current year resources					
Intergovernmental	200,000	-	200,000	-	-
Charges for services	3,126,000	3,104,700	6,515,400	6,866,800	7,237,200
Miscellaneous	371,000	26,700	723,700	28,300	26,900
Transfers	280,700	83,200	757,500	100,000	-
Total current year resources	3,977,700	3,214,600	8,196,600	6,995,100	7,264,100
Total resources	4,714,387	4,007,957	8,760,257	7,605,557	7,695,957
Expenditures					
Personnel services	320,300	330,300	720,800	749,600	779,700
Materials and services	496,500	500,900	1,002,900	1,043,000	1,084,600
Capital outlay	1,706,000	691,300	2,362,500	1,268,000	426,000
Debt service	1,206,889	1,203,900	2,356,600	2,304,400	696,400
Transfers	719,300	717,900	1,707,000	1,808,700	1,916,100
Total expenditures	3,947,989	3,444,300	8,149,800	7,173,700	4,902,800
Other requirements					
Contingency	265,398	-	610,457	431,857	2,793,157
Total expenditures and other requirements	4,213,387	3,444,300	8,760,257	7,605,557	7,695,957

Stormwater Fund

	2016-17 Budget	2016-17 Estimate	2017-19 Adopted	2019-21 Forecast	2021-23 Forecast
Beginning fund balance	906,758	945,410	698,510	495,060	145,060
Current year resources					
Charges for services	527,300	526,100	1,101,500	1,161,000	1,224,000
Miscellaneous	1,500	9,500	15,500	10,000	3,000
Transfers	-	30,000	110,000	100,000	150,000
Total current resources	528,800	565,600	1,227,000	1,271,000	1,377,000
Total resources	1,435,558	1,511,010	1,925,510	1,766,060	1,522,060
Expenditures					
Personnel services	67,300	62,000	239,700	249,300	258,200
Materials and services	66,900	57,100	114,850	119,400	123,600
Capital outlay	645,000	555,600	500,000	915,000	620,000
Debt service	17,000	17,000	33,500	32,300	38,300
Transfers	120,800	120,800	542,400	305,000	318,200
Total expenditures	917,000	812,500	1,430,450	1,621,000	1,358,300
Other requirements					
Contingency	163,700	-	495,060	145,060	163,760
Unappropriated ending fund balance	354,858	-	-	-	-
Total other requirements	518,558	-	495,060	145,060	163,760
Total expenditures and other requirements	1,435,558	812,500	1,925,510	1,766,060	1,522,060

Public Works Administration Fund

	2016-17 Budget	2016-17 Estimate	2017-19 Adopted	2019-21 Forecast	2021-23 Forecast
Beginning fund balance	79,987	81,662	1,781,562	96,639	89,944
Current year resources					
Charges for services	18,400	18,400	36,900	38,400	39,900
Miscellaneous	-	-	-	-	-
Transfers	849,300	849,300	2,053,800	2,095,000	2,136,800
Debt proceeds	3,300,000	3,300,000	-	-	-
Total current year resources	4,167,700	4,167,700	2,090,700	2,133,400	2,176,700
Total resources	4,247,687	4,249,362	3,872,262	2,230,039	2,266,644
Expenditures					
Personnel services	531,700	438,800	1,136,900	1,182,400	1,229,700
Materials and services	102,400	107,200	225,523	234,500	244,000
Capital outlay	3,324,800	1,812,300	1,975,000	265,000	265,000
Debt service	76,900	109,500	438,200	438,100	438,000
Total expenditures	4,035,800	2,467,800	3,775,623	2,120,000	2,176,700
Other requirements					
Contingency	211,887	-	96,639	89,944	89,944
Total expenditures and other requirements	4,247,687	2,467,800	3,872,262	2,209,944	2,266,644

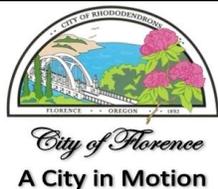
SDC FUNDS

Wastewater SDC Fund

	2016-17 Budget	2016-17 Estimate	2017-19 Adopted	2019-21 Forecast	2021-23 Forecast
Beginning fund balance	549,272	568,320	684,220	790,620	906,520
Current year resources					
Charges for services	100,000	111,400	211,000	106,100	108,200
Miscellaneous	2,000	5,700	14,600	11,900	13,600
Total current year resources	102,000	117,100	225,600	118,000	121,800
Total resources	651,272	685,420	909,820	908,620	1,028,320
Expenditures					
Materials and services	5,000	1,200	19,200	2,100	2,200
Transfers	280,700	-	100,000	-	-
Total expenditures	285,700	1,200	119,200	2,100	2,200
Other requirements					
Contingency	365,572	-	790,620	906,520	1,026,120
Total expenditures and other requirements	651,272	1,200	909,820	908,620	1,028,320

Street SDC Fund

	2016-17 Budget	2016-17 Estimate	2017-19 Adopted	2019-21 Forecast	2021-23 Forecast
Beginning fund balance	930,642	1,032,096	571,596	353,296	415,596
Current year resources					
Charges for services	36,000	84,300	120,000	60,000	61,700
Miscellaneous	6,500	6,900	12,100	3,500	4,200
Total current year resources	42,500	91,200	132,100	63,500	65,900
Total resources	973,142	1,123,296	703,696	416,796	481,496
Expenditures					
Materials and services	6,000	1,700	122,400	1,200	1,200
Transfers	550,000	550,000	228,000	-	-
Total expenditures	556,000	551,700	350,400	1,200	1,200
Other requirements					
Contingency	417,142	571,596	353,296	415,596	480,296
Total expenditures and other requirements	973,142	1,123,296	703,696	416,796	481,496



Water SDC Fund

	2016-17 Budget	2016-17 Estimate	2017-19 Adopted	2019-21 Forecast	2021-23 Forecast
Beginning fund balance	288,857	306,710	126,410	124,710	137,610
Current year resources					
Charges for services	99,000	117,000	215,800	224,400	233,400
Miscellaneous	2,000	4,700	2,500	1,200	1,400
Total current year resources	101,000	121,700	218,300	225,600	234,800
Total resources	389,857	428,410	344,710	350,310	372,410
Expenditures					
Materials and services	2,500	2,000	20,000	5,200	5,400
Transfers	300,000	300,000	200,000	200,000	250,000
Total expenditures	302,500	302,000	220,000	205,200	255,400
Other requirements					
Contingency	87,357	-	241,920	-	-
Total expenditures and other requirements	389,857	302,000	461,920	205,200	255,400

Stormwater SDC Fund

	2016-17 Budget	2016-17 Estimate	2017-19 Adopted	2019-21 Forecast	2021-23 Forecast
Beginning fund balance	86,587	102,616	131,916	118,516	166,316
Current year resources					
Charges for services	107,400	78,300	162,600	169,100	175,900
Miscellaneous	1,500	1,000	1,000	1,200	1,700
Total current year resources	108,900	79,300	163,600	170,300	177,600
Total resources	195,487	181,916	295,516	288,816	343,916
Expenditures					
Materials and services	41,000	20,000	67,000	-	-
Transfers	-	30,000	110,000	100,000	150,000
Total expenditures	41,000	50,000	177,000	100,000	150,000
Other requirements					
Contingency	106,327	-	118,516	188,816	193,916
Total expenditures and other requirements	147,327	50,000	295,516	288,816	343,916

Airport Fund

	2016-17 Budget	2016-17 Estimate	2017-19 Adopted	2019-21 Forecast	2021-23 Forecast
Beginning fund balance	427	8,438	38,338	19,506	39,006
Current year resources					
Intergovernmental	19,000	-	1,143,800	444,100	317,300
Charges for services	116,200	94,900	215,068	223,700	232,600
Miscellaneous	1,600	70,800	54,600	54,200	54,400
Transfers	45,000	25,000	-	-	-
Total current year resources	181,800	190,700	1,413,468	722,000	604,300
Total resources	182,227	199,138	1,451,806	741,506	643,306
Expenditures					
Materials and services	85,000	84,900	171,700	178,600	185,800
Capital outlay	20,000	2,200	1,205,800	467,500	334,000
Debt service	51,200	51,200	-	-	-
Transfers	22,500	22,500	54,800	56,400	58,000
Total expenditures	178,700	160,800	1,432,300	702,500	577,800
Other requirements					
Contingency	3,527	-	19,506	-	-
Total expenditures and other requirements	182,227	160,800	1,451,806	702,500	577,800

GO Bond Debt Service Fund

	2016-17 Budget	2016-17 Estimate	2017-19 Adopted	2019-21 Forecast	2021-23 Forecast
Beginning fund balance	170,583	172,811	137,311	78,411	32,411
Current year resources					
Property taxes	151,000	148,600	299,000	299,000	135,000
Miscellaneous	500	700	1,500	500	189
Total current year resources	151,500	149,300	300,500	299,500	135,189
Total resources	322,083	322,111	437,811	377,911	167,600
Expenditures					
Debt service	184,869	184,800	359,400	345,500	167,600
Total expenditures	184,869	184,800	359,400	345,500	167,600
Other requirements					
Unappropriated ending fund balance	137,214	137,311	78,411	32,411	-
Total expenditures and other requirements	322,083	322,111	437,811	377,911	167,600

LID Debt Service Fund

	2016-17 Budget	2016-17 Estimate	2017-19 Adopted	2019-21 Forecast	2021-23 Forecast
Beginning fund balance	466,642	427,942	350,742	271,425	192,755
Current year resources					
Miscellaneous	35,000	19,000	115,000	129,000	127,500
Total current year resources	35,000	19,000	115,000	129,000	127,500
Total resources	501,642	446,942	465,742	400,425	320,255
Expenditures					
Materials and services	400	400	800	800	800
Debt service	96,200	95,800	193,517	206,870	218,021
Total expenditures	96,600	96,200	194,317	207,670	218,821
Other requirements					
Contingency	405,042	-	271,425	192,755	101,434
Total expenditures and other requirements	501,642	96,200	465,742	400,425	320,255

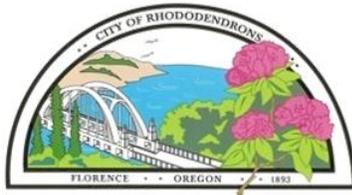
City FURA Debt Service Fund

	2016-17 Budget	2016-17 Estimate	2017-19 Adopted	2019-21 Forecast	2021-23 Forecast
Beginning fund balance	-	-	-	-	-
Current year resources					
Intergovernmental	127,800	148,000	703,200	723,400	723,400
Debt proceeds	1,725,351	2,125,400	3,300,000	-	-
Total current year resources	1,853,151	2,273,400	4,003,200	723,400	723,400
Total resources	1,853,151	2,273,400	4,003,200	723,400	723,400
Expenditures					
Materials and services	1,725,351	2,125,400	3,300,000	-	-
Debt service	127,800	148,000	703,200	723,400	723,400
Total expenditures	1,853,151	2,273,400	4,003,200	723,400	723,400
Other requirements					
Contingency	-	-	-	-	-
Total expenditures and other requirements	1,853,151	2,273,400	4,003,200	723,400	723,400

Appendix



City of Florence
A City in Motion



City of Florence
A City in Motion

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Glossary

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 *adopted* by City Council. The adopted budget becomes effective July 1. Subsequent to adoption; the City 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 maximum annual growth rate in the TAV (taxable assessed value), 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 Fund 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

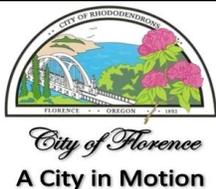
Written explanation of the budget and the City's financial priorities for the next fiscal year; prepared by the city manager.

Budgetary Basis

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP), with the exception that neither depreciation nor amortization are 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 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 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 \$5,000 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 city council upon the approval of a resolution. The City separates contingencies into those that are designated for specific purposes and undesignated.

Cost Allocation

Various administrative services including city management, finance, human resources, public works staffing and their related costs are allocated to the various funds that receive the benefit of these services via a cost allocation methodology.

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

Led 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 Fund 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

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

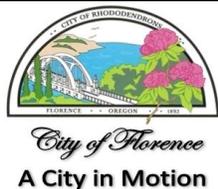
A 12-month period designated as the operating year for accounting and budgeting purposes in an organization. The City of Florence's fiscal year is July 1 through June 30.

Five-Year Financial Plan

An estimation of revenues and expenses of the City's operations 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's 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 fulltime 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 debt payable that is not classified as a liability of a given fund or secured by a specific revenue source other than the general revenues or property taxes of the issuer. General Obligation (GO) bonds are secured by the full faith and credit of the issuer. GO 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.

Intergovernmental Revenues

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



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 5 years, and up to 10 years, if the levy is for capital purposes. A local option levy must be approved by a majority of voters at a general election or an election with a 50 percent 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 law sets a maximum \$10 tax rate on individual properties for the aggregate of all non-education taxing jurisdictions. The maximum tax rate for education jurisdictions is limited to \$5.

Measure 50

A 1997 voter approved initiative which rolled back assessed values to 90 percent of their levels in fiscal year 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 (1) a general election in an even numbered year; or (2) 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: 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, capital outlay, and debt service.

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.

Personnel Services

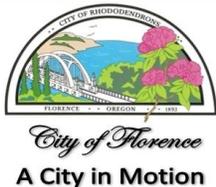
The salaries and wages paid to employees, in addition to the City's contribution for fringe benefits such as retirement, social security, and health and workers' compensation insurance.

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 services provided by the City.

Project Manager

An individual that is responsible for budgeting and managing projects to their completion.



Proposed Budget

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

Resolution

A special or temporary order of a legislative body requiring city council action.

Resources

Includes revenue, inter-fund transfers, borrowing proceeds 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 defrayal 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

Appropriation category used in the City's budget, which includes amounts distributed from one fund to pay for services provided by another fund. The general fund may also transfer funds to any other fund if desired by the City Council.

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.

User Fees

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



Fiscal Policies

Purpose

The City of Florence 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 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).

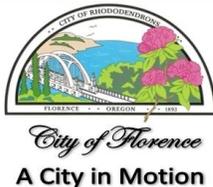
1.3.1. The Council will determine what amount of SDCs to impose.

1.4. The City will promote the use of users' charges in lieu of property taxes and subsidies from other non-obligated (i.e., generally available) 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 utility 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 debt coverage ratios are sufficient to meet or exceed requirements of lenders and rating agencies to maintain desired credit rating.

1.4.2. It is the City's intent to recover a greater percentage of costs associated with performing building permit and inspection activities. As of fiscal year 2016, fees and charges for these services are insufficient to fully fund costs for these activities. City staff will evaluate the delivery of these services to identify cost savings. Results of these efforts will be presented to the City Council prior to consideration of potential fee and charge increases.

It is the City's intent to recover a greater percentage of costs associated with performing planning related activities. As of fiscal year 2016, the estimated cost recovery for planning related activities is approximately 19%. City staff will evaluate and implement changes to land use processes to gain efficiencies, measure results



and report findings to the City Council prior to consideration of potential increases to fees and charges for planning related activities.

1.4.3. Other reimbursable work performed by the City (full labor costs, overhead, 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. City staff shall create and maintain a schedule of current fees, indicating when the fees were last reviewed and/or recalculated.

1.5. The City shall diligently pursue collection of delinquent accounts. When necessary, discontinuing service, small claims court, collection agencies, foreclosure, liens and other methods of collection, such as imposing interest, penalties, collection and late charges, may be used.

1.6. 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. Grant applications will be approved as follows prior to their submittal: a. By the City Manager for grants that require matching funds up to the amount of the City Manager's spending authority, and b. By the City Council for grants with matching requirements above the City Manager's spending authority. 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 guided by City Council goals and work plan to accomplish goals. Budget development will be coordinated with all departments and will incorporate Government Finance Officers Association (GFOA) recommendations relative to budgeting for results and outcomes..

2.1.1 The amount of funding available will be determined for each fund. The budget will be built on expected revenues. This includes base revenues, any new revenue sources, and the potential use of existing resources.

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 an automated accounting system to monitor expenditures and revenues, relative to budget, on a monthly basis, with a thorough analysis and adjustment (if required) no less than quarterly.
- 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 and updated 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 may be used for the acquisition of land, capital improvements, vehicles, and equipment with a cost greater than \$100,000, if current and or existing resources are insufficient. 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 Officer's 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/program 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 is to administer budgetary expenditure control at the appropriation level. Any increase in a budget appropriation requires 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. City management will only propose operating personnel costs that can be supported by continuing operating revenues.
- 3.5 City staff shall 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 5-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 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 water, wastewater and stormwater funds, which shall include twenty-year financial plans.

6.2 The City's financial plans 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 or (b) is less than five years.

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

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 sixty 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 five percent (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, City management will develop a plan to restore reserves to the desired levels.

10 Management of Fiscal Policy

- 10.1 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).
- 10.1.1 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.
 - 10.1.2 The Audit Committee shall review the City's fiscal policies annually.
- 10.2 The City Manager shall implement fiscal policies and monitor compliance.
- 10.2.1 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.

10.2.2 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.



City of Florence
A City in Motion

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