



❖ Adopted Budget FY 2015-2016

❖ City of Prineville, Oregon

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Prineville  
Oregon**

For the Fiscal Year Beginning

**July 1, 2014**

Executive Director

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**CITY OF**



**PRINEVILLE**



 **City Manager's Budget Message**

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## City Manager's Budget Message

Mayor Roppe, Prineville City Council Members, citizen members of the Prineville Budget Committee, and Prineville citizens:

On behalf of the city leadership team and staff, I present the proposed 2015-2016 budget for the City of Prineville.

The City of Prineville's budget is an integral part of each business day as the basis for measurement, and management of "best practices" and how we perform financially. The City received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for the ninth consecutive year. The proposed 2015-2016 annual budget is in the total amount of \$30,254,408. The General Fund total for 2015-2016 is \$4,965,198.

Our Prineville City Council's mission, principles, and goals are the foundation for our strategic planning process, in addition to long-range planning and modeling. The updated council goals for 2015-2016 are included below. Our strategic plan is incorporated into our long-term modeling process providing the City with the ability to "connect our actions today with where we want to be in future."



*City Manager Steve Forrester*

## Strategic Planning Process

The City's strategic planning process is based on input and policy from the following committees:

- Finance
- Public Works
- Downtown Planning
- Railroad
- Public Safety
- Transportation
- Sports Complex
- Air Quality
- Economic Development
- Planning

These committees are made up of City Council members, staff, and community members. Each committee reports directly to the City Council. The City Council then sets strategic policy, goals, and projects. The strategic council goals, policies, and projects are then incorporated into our long-range forecasting and planning models to identify available sustainable resources. Our strategic council goals, and capital allocations, are all in alignment with each department's goals and expenditures.

## Mission Statement/Principles

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

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

## Our City Council's Goals

- Continue to be fiscally responsible in all we do.
- Strengthen local, regional, state, federal, and educational intergovernmental networking, relationships, and joint cooperation projects.
- Be “business friendly” – Strengthen business-governmental relationships and cooperation – Fostering an entrepreneurial environment.
- Sustain and efficiently plan for the future development of infrastructure.
- Community safety.
- Maintain “livability” of Prineville, while welcoming diversity.
- Continued council support for professional development of staff.
- Create and sustain city-owned enterprise profitability.
- Protect scenic and historic resources.
- Enhance and maintain council public relations.
- Identify and evaluate city-owned property.
- Evaluate vision and strategic plan.

## State of Local Economy

As the country's economy continues to gain strength, our local area is following the trend at a slower pace. Our county's unemployment rate is now in the 9 percent range. While it is an improvement, it is still higher than Oregon's higher population areas. Family wage jobs remain an ongoing challenge in the community. We report the following economic metrics to indicate the current improvement in the local economy:

1. New homes constructed up 27 percent over 2012-2013.
2. Average new home value up 22 percent over 2014-2015.
3. Value of commercial investment in the past year is at approximately \$130,000,000, up from only \$25,287,594 the previous year.
4. Recent estimate of direct employment from the data center operations is over 200 jobs with compensation averaging \$60,000 per year, approximately 150 percent above the county average.
5. A recent economic impact study estimates for every data center direct job there are two additional jobs created to support the data center. These jobs include, electrical supply, grounds maintenance, backup generator maintenance, fasteners, metal fabrication, etc.

## City Financial Condition

The City of Prineville's financial condition is based in stability and strength. We remain committed to financial responsibility across all funds. We measure, compare, and adjust as needed throughout the year. This new budget year begins with 10 out of 11 funds fully funded to policy levels in working capital, and 9 out of 11 funds meet the 5 percent appropriation reserve.

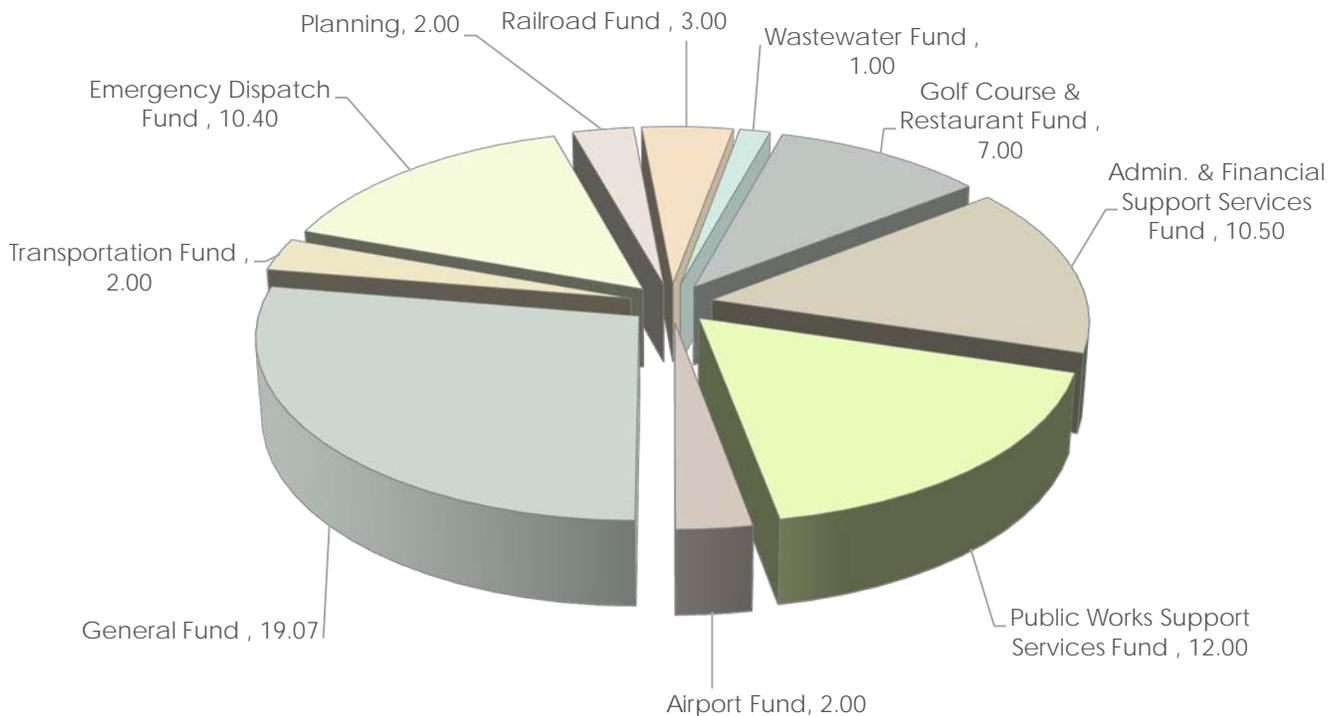
### Policy Analysis - Reserves by Fund for FY 16

Fund	Proposed Budget Reserves Amount	Working Capital Reserve Amount	Proposed Budget/Over (Under) Policy	Meets Working Capital Reserve Requirements	Five Percent Appropriation Reserve Amount	Total Policy Reserve Amount	Proposed Budget/Over (Under) Policy	Meets both Working and Appropriation Reserve
General	761,398	761,042	356	Yes	210,190	971,232	-209,834	No
Transportation	169,799	99,450	70,349	Yes	60,010	159,460	10,339	Yes
Emergency Dispatch	274,035	197,283	76,752	Yes	63,905	261,188	12,847	Yes
Planning	74,372	49,500	24,872	Yes	19,800	69,300	5,072	Yes
LID Debt Service	145,529	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PERS/POB Fund	108,418	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Transportation SDC	238,032	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water SDC	2,188	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wastewater SDC	96,103	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Railroad	618,863	597,500	21,363	Yes	N/A	597,500	21,363	Yes
Airport	20,591	160,467	-139,876	No	49,445	209,912	-189,321	No
Water	1,130,022	416,600	713,422	Yes	190,086	606,686	523,336	Yes
Wastewater	1,128,524	513,000	615,524	Yes	102,685	615,685	512,839	Yes
Golf Course and Restaurant	382,894	263,317	119,578	Yes	80,520	343,837	39,058	Yes
Admin/Financial Support Services	274,867	271,425	3,442	Yes	N/A	271,425	3,442	Yes
Public Works Support Services	293,085	210,645	82,440	Yes	N/A	210,645	82,440	Yes
City Hall	160,744	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plaza Maintenance	8,044	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	6,191,509	3,540,228	1,588,222	10 out of 11	776,641	4,316,869	811,581	9 out of 11

## City Team Members (FTEs)

The City's most valuable asset is our team members. The City continues our heritage of investing in our staff with opportunities for education and certifications. We remain focused on health/wellness and safety for our team members. This year we are adjusting our employment from 67.56 full-time equivalents (FTEs) to 69.97. This increase of 1.41 FTEs is due to strengthening our commitment to public safety in the Police and Emergency Dispatch Departments.

## FTEs by Fund



The 2015-2016 budget reflects the City of Prineville's commitment to all stakeholders in our community depending on us for safety and services. We are ever mindful of respecting the fact taxpayer dollars are an investment entrusted to our stewardship in order to provide effective and valuable services to our customers.

Our strategic planning, modeling, and culture of continuous improvement guides the City for today and prepares us for our future needs.

Our working relationships with local, state, and federal partners continue to develop and strengthen. We look forward to presenting to you the City of Prineville's 2015-2016 proposed budget.

## Changes and Challenges in FY 16

1. Retain and recruit new business investments in our community in order to provide much needed family wage jobs.
2. Maintaining a financial position which allows for capital to maintain city-owned assets and provide city services effectively.
3. Maintain fund balances within policy levels.
4. Strengthen funding for public safety and street maintenance by identifying additional sustainable resources.
5. Develop/identify funding to replace an aging Police Department building.

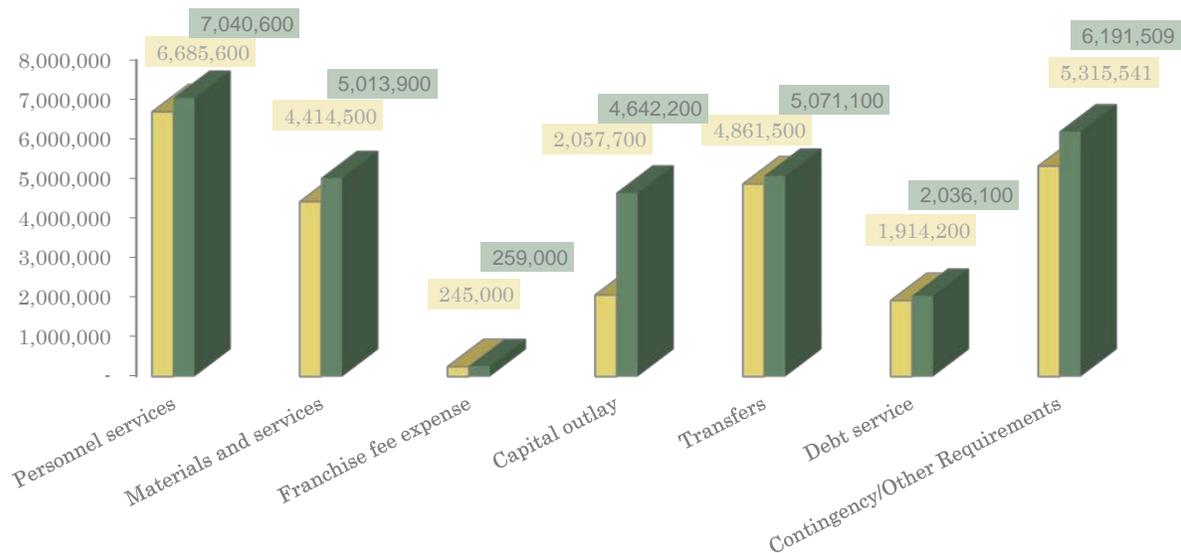
## Significant Accomplishments for FY 15

1. US Congress passed and the President Barack Obama signed the Crooked River Legislation, providing water certainty for the City for decades into the future.
2. Standard and Poor's credit rating of A+.
3. Completed water system upgrades to increase storage capacity by 22 percent and production capacity by 50 percent, providing certainty for years into the future.
4. Upgraded the main wastewater line to connect to the new hospital, adding needed capacity for east end of city limits in the process.
5. Collaborated with developers and Oregon Department of Transportation for improvements on Combs Flat Road and 7th Street, upgrading transportation connections to the new hospital and new elementary school.
6. Facilitated commercial investment in our community of approximately \$130,000,000.
7. Completed design and engineering, agency approval, and funding plan to begin construction of new wastewater wetland project providing wastewater capacity into the future, with environmental, educational, and public access. Construction is expected to begin late 2015.
8. Formed an intergovernmental agreement with Crook County and Ochoco Irrigation District to develop feasibility of hydro-electric project on Bowman Dam.

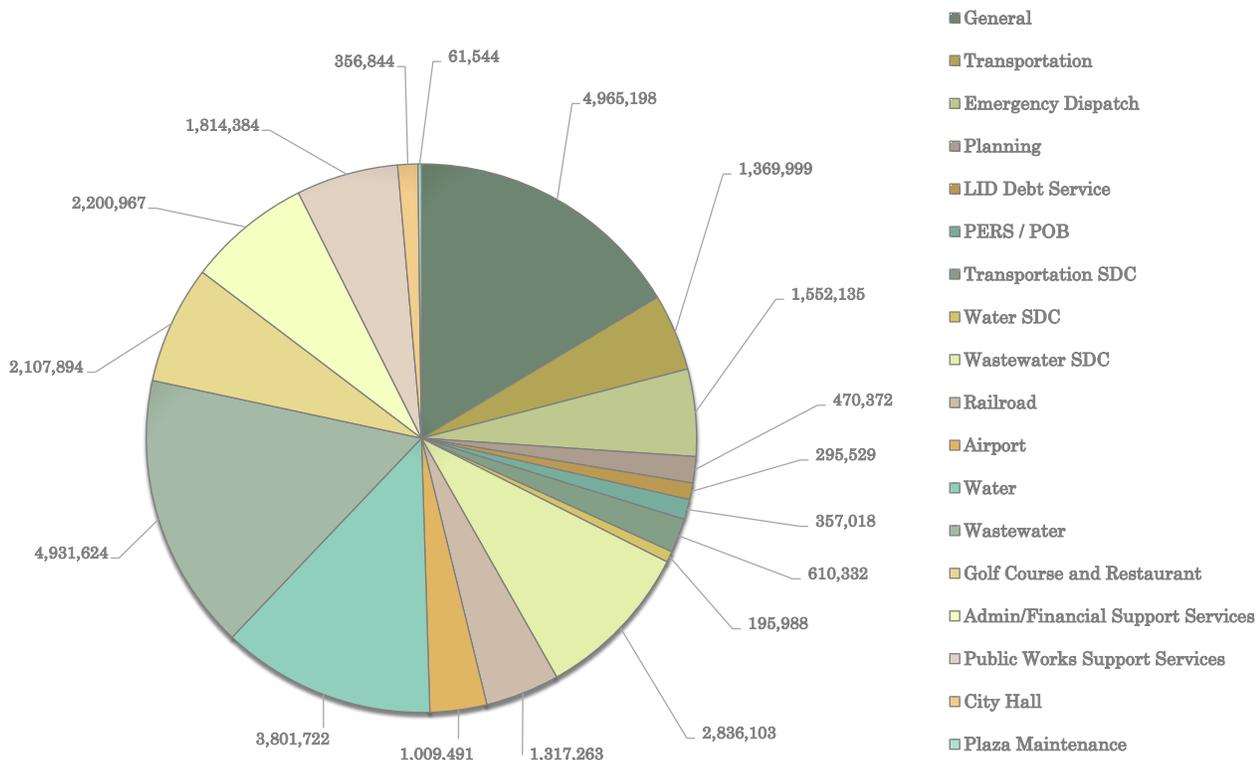
## Financial Policies

The City updated financial policies in FY 15 to meet the fund balance changes to Governmental Accounting Standards Board (GASB).

## Budget Overview Budget by Major Category Comparison FY 15 to FY 16



## Total Requirements by Fund



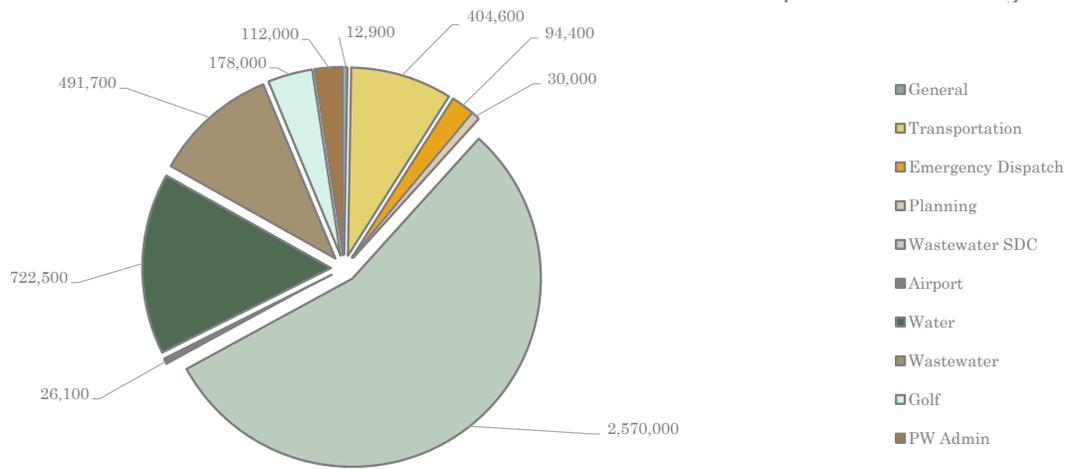
## Revenue Assumptions

Overall, beginning fund balances for FY 16 see a slight increase over the prior year by approximately 12 percent. The Crook County Assessor’s Office is predicting property taxes to increase by approximately 8 percent. However, the City estimates a 5 percent increase, choosing to be on the conservative side, while estimates for franchise fees are an increase of approximately 6 percent due to the additional build out of data centers. Intergovernmental revenue for budgeted projects totals approximately \$2.6 million between grants, revenue sharing, and other agencies. Collection projections for system development charges (SDCs) are based on 25 new equivalent dwelling units. Rate increases in water are 3 percent and wastewater increases by 4.25 percent. The budget provides – upon approval from the Budget Committee and the City Council – for the City to issue sufficient debt to begin construction of a wetland and the purchase of 54 new golf carts.

## Expenditure Assumptions

Personnel services are increasing approximately 4 percent over the prior year, with a modest increase to salaries, increase in costs of health benefits and the new biennial rates for Oregon Public Employees Retirement System (PERS). Materials and services are up approximately 22 percent largely due to budgeted developer reimbursements for capital improvements. Debt service is increasing 6 percent over the prior year with the Crooked River Wetlands Project and the purchase of golf carts. Transfers are increasing 6 percent. Capital outlay is increasing 130 percent over the prior year, again, largely due to wetlands project. Contingency funds for the City are increasing by approximately 16 percent as well.

## Capital Improvements Expenditures by Fund



The proposed budget for FY 16 includes approximately \$4,642,200 in capital improvements to maintain or increase capabilities.

## General Fund

General Fund budget total for 2015-2016 is \$4,965,198. The General Fund includes \$3,460,900 for police services, representing an increase of 10 percent, non-department funding of \$742,900, and a contingency balance of \$761,398. Fund balance decreased over prior year by approximately 3 percent, and is budgeted to decrease another 5 percent in FY 16. This decrease to fund balance is a result of the staff turnover, benefit payouts, additional FTEs, and an increase of transfer costs to fund the Emergency Dispatch Department. Estimates for the next three years are included in the long-range planning model to work toward policy recovery.

## Public Safety and Dispatch

Public safety is fundamental to the quality of life in every community. The Prineville Police Department is dedicated to providing professional and responsive public safety services to our citizenry. During the past year, Interim Chief of Police Les Stiles led our public safety team. Chief Stiles brings years of public safety experience to the department. This past April, Captain Dale Cummins joined our force, formerly of the Gresham Oregon Police Department where he served as the deputy chief. The Police Department initiated the process of becoming “accredited” through the Oregon Accreditation Alliance, and expects completion in December 2015. The accreditation process ensures the Police department’s ability to improve performance, customer support, and reduce liability to better serve the community.

The Emergency Dispatch Department, led by Director Tobie Reynolds, provides emergency and dispatch communications for our community. This department partners with Crook County Sheriff, Crook County Fire and Rescue, the US Forest Service, and Bureau of Land Management. The Emergency Dispatch Department, like the Police Department, is in the accreditation process with the same completion estimate of December 2015. The accreditation process will allow for continuous improvement through “best practices” insuring reliable, professional, and efficient emergency/dispatch service.

We are experiencing an increase in demand for public safety services as our community grows and the demographics change. In order to meet these demands, this year’s budget includes an investment allowing an increase in public safety personnel of 1.4 employees.

## Planning

Planning Director Phil Stenbeck and Senior Planner Josh Smith along with our citizen member Prineville Planning Commission effectively guide our community's planning future. The strengthening economy provided an increase in activity for our Planning Department this past year. During the year, Planning managed the disposition of \$448,689 of non-strategic, city-owned properties. The City will re-deploy the recovered funds for use in funding the wastewater wetland project, and upgrading wastewater lines serving the east side of Prineville. The Planning Department and Planning Commission are proactive in providing direction and policy to manage recent legalization of medical and recreational marijuana.

## Public Works

City Engineer/Public Works Director Eric Klann leads our Public Works Department and team, providing the community with essential services efficiently. We continue our focus on the training and education of our Public Works Department team members, who are developing into a highly-skilled, cross-functional work force.

## Transportation

Street Superintendent Scott Smith and his team completed the restoration of 15 blocks of streets in the southwest quadrant, slurry sealed 30 blocks of city streets, sealed 10,000 feet of street cracks, and updated 12 American Disability Act wheel chair ramps. The City's Transportation Department is well-accustomed to meeting safety upgrade requests by the Crook County School District and citizens. We are proactively focusing on achieving our goal of a pavement condition index PCI of 82. Since 2008, the City's PCI rating improved from 72 to 74.

## Water and Wastewater

The City's water system capabilities and capacity are well-positioned to meet both current and future needs. This past year upgrades to the water system increased storage capacity by 50 percent and production capacity by 22 percent. The City, in partnership with Oregon Water Resources, continues to study the local aquifer to identify future sources as demand continues to grow. The focus is on protecting the water we produce, and through maintenance and system upgrades, the City reduced unaccounted water loss from 25 percent of production to 7.4 percent. Our efforts continue to keep the City of Prineville well-positioned to provide high-quality, dependable water to our customers into the future. A rate increase of 3 percent is scheduled for FY 16.

The Wastewater Department completed the design of the wetland treatment project tentatively scheduled for construction late in 2015. The City expects the new wetland treatment project to provide wastewater capacity for the city at-large for decades into the future, environmental benefits to the Crooked River Watershed, and public access for education, hiking, and nature along the Crooked River. The wetland upgrade to our capacity is planned to be strategically funded through grants and debt service. Forecasts for the FY 16 budget see an increase in wastewater rates of 4.25 percent in the coming year.

## System Development Funds

The City's SDC funds are benefiting from the upward trend in the economy as a result of significant investment in residential and commercial growth this next budget year. The City is forecasting and planning SDC funding to maintain current assets and develop our infrastructure to meet future demands.

## Railroad and Freight Depot

Operations Manager Matt Wiederholt and the City of Prineville Railroad team moved this strategic fund closer to operational break-even this year. Freight activity during the past six months is at the highest level experienced by the City in recent history. This year's budget forecasts an increase in fund balance by approximately \$25,000, which is a tremendous accomplishment for the department. The Railroad provides strategic freight capabilities to key local businesses providing family wage jobs.

## Prineville-Crook County Airport

Airport Manager Kelly Coffelt and his staff continue to guide this important community asset forward with growth and opportunity. In partnership with Crook County, the local general aviation community is utilizing over 98 percent of the airport's hanger capability. Hillsboro Flight Academy continues to increase investment in its site at the airport. This past year we added two additional fixed-base operations to the field. Our updated Airport Master Plan is on track for completion by December 31, 2015. Business interest in the airport is strong, and we anticipate continued growth and development in this next budget year. Currently, the airport is supporting 25 full-time jobs.

## Meadow Lakes Golf Course and Restaurant

Golf Manager Zach Lampert and his team experienced a return to modest growth in the past year. Meadow Lakes Golf Course and the Restaurant is one of Central Oregon's best golf values with its mandate of "golf for everyone." In the past year the team completed upgrades to the golf cart paths, ponds, and course layout to enhance the golfing experience. For next year, Meadow Lakes plans to replace the aging golf cart fleet and improve overall turf quality.

## Administrative Services

Finance Director Liz Schuette and her staff continue to adapt to changes and challenges to the City's financial performance. The team embraced continuous improvement practices, created a multi-functional cross trained staff, and provided the City Council and community with award winning budget presentations. The City, for the ninth consecutive year, received the prestigious Distinguished Budget Presentation Award from the Government Finance Officers Association, and looks forward to receiving and competing for the Certificate of Achievement for Excellence in Financial Reporting for audit ending FY 14 and FY 15. Our commitment to fiscal responsibility, short- and long-term strategic planning, and modeling allows the City of Prineville to maintain an A+ credit rating with Standard and Poor's.

## Human Resources and Safety

Director Mary Puddy provides the human resources and safety leadership for the City. Safety is our highest priority. Citycounty Insurance and the League of Oregon Cities again recognized our safety committee and team members with the Gold Safety Award. Workers compensation claims trended up for calendar year 2014, with claim frequency at 0.11 – slightly below the six-year average of 0.13. Updated Workers Compensation claim frequency for year ending 2015 will be included in the next year's budget. This next budget year the Human Resources Department is focusing on updating job descriptions and policy and procedures.

## Information Technology

The City's Information Technology (IT) Department team continues to provide the City with a stable IT platform to conduct city business with a network availability of 99 percent. In this ever changing technological world, the IT team is continually refining and upgrading our capabilities. This past year the IT Department upgraded sound and video systems in Meadow Lakes Golf Course's community room, and installed new antennas at the public works yard for telemetry of water system and the airport to enhance public safety coverage. In the year ahead, the focus of the IT Department is on public safety via Emergency Dispatch Department upgrades in communication, records and reporting with the installation of a new Executive Information Services system.

COUNCIL GOALS 2015-2016		CONTINUE TO BE FISCALLY RESPONSIBLE IN ALL WE DO	STRENGTHEN LOCAL, REGIONAL, STATE, FEDERAL AND EDUCATIONAL INTERGOVERNMENTAL NETWORKING RELATIONSHIPS & JOINT COOPERATION PROJECTS	BE BUSINESS FRIENDLY - STRENGTHEN BUSINESS - GOVERNMENT RELATIONSHIPS & COOPERATION FOSTERING AN ENTREPRENEURIAL ENVIRONMENT	SUSTAIN & EFFICIENTLY PLAN FOR THE FUTURE DEVELOPMENT OF INFRASTRUCTURE	COMMUNITY SAFETY	MAINTAIN "QUALITY OF PRINEVILLE WHILE WELCOMING DIVERSITY"	CONTINUED COUNCIL SUPPORT FOR PROFESSIONAL DEVELOPMENT OF STAFF	SUSTAIN CITY OWNED ENTERPRISE PROFITABILITY	PROTECT SCENIC & HISTORIC RESOURCES	ENHANCE & MAINTAIN COUNCIL PUBLIC RELATIONS	IDENTIFY & EVALUATE CITY OWNED PROPERTIES	EVALUATE VISION & STRATEGIC PLAN
DEPARTMENT	GOALS												
Community Development	Complete Exploration and Initiation of Downtown Strategic Planning Committee	X	X	X			X	X			X		X
	Update the Planning Website Information		X	X			X				X		
	State Committee Monitoring :			X	X	X							X
	Evaluate Properties in City for Density & Affordable Housing Possibilities	X	X	X	X	X	X			X	X	X	X
	Airport Master Plan, Downtown Revitalization, New School, New Hospital, Public Safety Complex & Sports Complex	X	X	X	X	X	X	X		X	X	X	X
	Study Air Quality	X	X	X	X	X	X			X	X		
	Explore Possibility of Adding a Large Industrial Site to the UGB based on the Regional Large Lot Initiative	X	X	X	X	X	X				X		X
Finance	Continue Developing Long Range Financial Plans (All Funds)	X	X		X		X	X	X		X	X	X
	Continue Updating Financial Policies/Reserve Requirements	X	X	X	X		X	X		X		X	X
	Continue to Review /Update Internal Controls	X			X			X					X
	Continue to Improve Budget Process & Document	X	X		X		X		X		X		X
	Continue to Improve Financial Reporting	X	X	X	X		X		X		X		X
	Continue to Improve Transparency in all Areas of Finance	X	X	X	X		X		X		X		X
	Continue Revenue Sustainability (By Fund)	X	X	X	X		X	X	X		X		X
Freight Depot / Railroad	Achieve & Sustain Railroad Profitability	X	X	X	X	X	X	X		X		X	X
	Achieve & Sustain Freight Depot Profitability	X		X	X	X	X	X		X		X	X
	Identify Sustainable Funding Strategies for Long Term Maintenance of Railroad Infrastructure	X	X	X	X	X	X		X	X	X	X	X
	No Injuries / No Human Factor Accidents	X	X				X	X	X		X		X
Human Resources	Professional Development of Staff		X	X	X	X	X	X	X		X		
	Continue Implementing Cross Training of Staff		X	X	X	X	X	X	X		X		
	Develop Business Continuity Plan (Business as usual in emergency)		X	X	X	X	X	X	X		X		X
Meadow Lakes	Increase Beverage Sales by 5% Over the Next Twelve Months	X			X		X		X		X		X
	Continue to Implement PGA's Tee it Forward Initiative by Adding an Additional Set of Tees on HoleS 4, 9 & 17 to Make the Course More Player Friendly for Golfers of All Ability Levels			X	X		X		X		X		X
	Maintain 100% Score on Health Inspections in the Restaurant and Have 0 Lost-Time Injuries	X	X	X		X	X	X	X		X		X
	Increase Overall Financial Performance in the Restaurant	X		X			X		X		X		X
	Continue the Process of Improving Water Clarity & Overall Condition of the Effluent Ponds	X	X	X	X	X	X	X	X		X		X
	Increase Daily Play Golf Revenue by a Minimum of 1% Each Year for the Next 5 Years	X		X			X		X		X		X
	Continue Planning Cycle that Identifies Future Public Safety Facility Requirements	X	X		X	X	X	X			X	X	X
Police / 911 Department	Complete Accreditation Process Through Oregon Accreditation Alliance	X	X	X		X	X	X		X	X	X	X
	Continue Steps Towards Creating Stability	X	X	X	X	X	X	X		X	X	X	X
	Support County Initiatives for the development of an Adequate Corrections Facility	X	X	X	X	X			X		X		X
Public Works	Secure Grant Funding for Wetland Project	X	X		X		X	X	X	X	X	X	X
	Begin Construction of Wetland Project	X	X		X		X	X	X	X	X	X	X
	Continue Antenna Read Meter Replacement	X			X				X				
	Continue Upgrade of Telemetry Capabilities	X							X				
	Develop Succession Plan for PW Key Positions	X											X
	Finish Airport Aquifer Monitoring Program	X	X		X		X		X				X
	Begin Water Master Planning	X	X	X	X		X		X				X
	Increase Staff Certification in Both Water & Wastewater	X						X					
Administration	Continue to Develop City Vision		X	X	X	X	X	X	X		X	X	X
	Explore a Public Relations Person		X	X		X	X				X		X
	Develop a Strategy for Prineville to be a Renewable Energy Provider	X	X	X	X	X	X		X		X		
	Continue to Develop City Strategic Plan		X	X	X	X	X	X	X		X	X	X
Airport	Continue to Update Equipment & Plans to Achieve Safety & Operational Compliance	X	X		X	X	X		X				X
	Continue to Support the New and Existing Airport Businesses While Identifying and Pursuing New Opportunities	X			X	X	X		X				X
	Secure Grant Funding for 2015 Projects	X	X	X	X	X		X					X
	Complete Airport Master Plan Update	X	X	X	X	X	X	X	X		X		X
	Continue to Provide Excellent Customer Service		X	X			X		X	X	X		X
Continue to Identify New Sources for Project Funding	X	X	X	X	X	X		X				X	

## Budget Summary

The City's commitment to excellence in budgeting, strategic planning, and long-range modeling provided the opportunity to develop this proposed 2015-2016 budget. We continually remind ourselves our community is our customer, and our citizen's tax dollar is entrusted to us to provide city services effectively and responsibly.

During this past year, we witnessed tremendous investment in our community, with new businesses, a new school, and new hospital. We take great pride in managing this city in a responsible way that allows our community to move forward. We look forward to improving the City's position, so we can look forward to continued investments providing more job opportunities and an improved quality of living in this next year.

On behalf of every City employee, I take great pride in presenting the budget committee with the proposed 2015-2016 budget.

The budget committee is holding its first meeting on May 12th at 5:30 p.m., with budget meetings scheduled to resume on May 28, 2015 at 6:00 p.m.

Sincerely,

Steve Forrester  
City Manager



❖ Welcome to Prineville

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## Community Profile

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

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



*Shav steam engine gearing up for rides on the Fourth of July.*

One of the unique features of this unusual town is Prineville's ownership of the oldest continuously operated municipal short-line railroad in the United States. The City established the City of Prineville Railway after the extension of the Union Pacific and Oregon Trunk Railways south from the Columbia River to Bend. Prineville built its own railroad in 1918 to join the Oregon Trunk and the Columbia River Railways just north of Redmond. These railways helped to keep the lumber industry strong in Prineville throughout the 1930s and '40s. Today, the City of Prineville Railway is a customer oriented short-line railroad. It connects with the Burlington Northern Santa Fe and Union Pacific Railroads at the Prineville Junction just north of Redmond.

In the last several years, the City was fortunate enough to receive approximately \$7.5 million in Connect Oregon I, II and III grants, which enabled the City to add buildings to its freight depot operations and a bulk transload facility at the Prineville Junction. The bulk transload facility completed construction in 2013. The Railway received the new locomotive this last year to bolster operations. The Railway continues to attract a variety of businesses looking to locate and/or store materials near the railway. This is due to the convenience of affordable transportation and shipping/storage options offered by the facility. In September of 2011, the City of Prineville Freight Depot received the annual Award for Excellence in the small city category from the League of Oregon Cities.



*Looking out over a former treatment pond at Meadow Lakes Golf Course.*

In addition to managing its own municipal railroad, Prineville also owns a municipal golf course. The City built Meadow Lakes Golf Course in response to issues associated with wastewater management for Prineville. This makes Meadow Lakes an important asset to the community by serving the dual purpose of recreation and wastewater treatment. Because of this, the *USA Golf Journal* featured Meadow Lakes. *Golf Digest* also honored the golf course as one of the first recipients of its National Environmental Leadership Award. The clubhouse offers spectacular, almost panoramic outdoor views which include the surrounding mountains, beautifully manicured greens, the Crooked River, and deer grazing along the river to be enjoyed with a fantastic selection of some of the best cuisine in Central Oregon.

The Prineville-Crook County Airport remains to be managed by the City in collaboration with the County. The airport manager successfully increased business and recreational activities at the airport. Hangars are 98 percent occupied, and aviation fuel sales continue to steadily climb. Hillsboro Aviation and one of its flight schools continue to invest at the airport. The automated weather observation service (AWOS) is now operational, allowing pilots anywhere to get all possible weather conditions in Prineville at any time. With this addition and expanded runways, it allows private commercial planes to fly in, take care of business, and fly back home. The Airport Master Plan is still underway and will help guide this community's valuable infrastructure into the future.

As part of Central Oregon, Prineville offers many recreational activities for the outdoor enthusiast. It's geographically located near several waterways and reservoirs, as well as mountains and many other natural landscapes providing the opportunities for outdoor activity year-round. The beautiful Painted Hills of Mitchell and the magnificent Smith Rock State Park are just a couple of must-see attractions in the area. Some of the activities residents and visitors of Prineville enjoy are: fishing, hunting, boating, rafting, skiing, snowboarding, hiking, camping, rock climbing, horseback riding, and rock hounding. Prineville also borrows from its strong agricultural heritage to lend flair to community events. One popular attraction is a traditional live cattle drive, which occurs right down the main commerce area of town. This kicks off the

“Crooked River Roundup,” a popular annual rodeo event. Additionally, there’s an annual county fair and horse race, as well as several other rodeo events throughout the year.

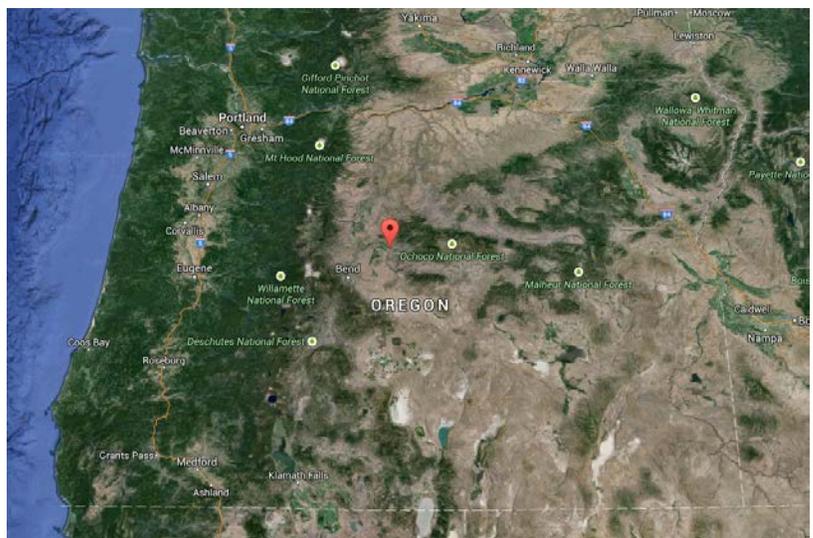
In the last couple of years, Prineville experienced a shrinking inventory of homes for sale, in addition to an increase in property tax revenue. Finding residential rentals is becoming more challenging despite new home construction and renovations increasing citywide.



*Airplanes sitting on the tarmac at the Prineville-Crook County Airport.*

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

Prineville once held the highest unemployment rate in the state at over 20 percent, but now sits at 8.0 percent. The reduction in the unemployment rate materialized even with one of the few remaining lumber mill companies in town laying off over 200 workers right before Christmas in 2014. A significant snow fall event occurred, causing the roof to collapse in one of the biggest manufacturing areas of the plant. Fortunately no injuries occurred and many of the workers found other employment – yet another indicator the economy is showing improvement.



St. Charles Health System’s almost \$30 million dollar investment in the community is on schedule, with a new hospital set to open this fall. The old Pioneer Memorial Hospital (PMH), purchased by St. Charles Health Systems a few of years ago, is now a component in a feasibility study. Part of the study is to consider repurposing PMH as an answer to an aging, inadequate police department, jail, 911 dispatch center, and county sheriff’s office complex. All of the public safety needs of the City of Prineville and Crook County are being assessed 30 years into the future, in order to create a master plan for use in a joint city and county facility or as independent agency facilities.



*Groundbreaking ceremony for new hospital.*

## Government

The City of Prineville uses a council/manager form of government. The council is composed of a mayor and six city councilmen elected from the city at-large. Three councilors are elected at each biennial election, and serve a term of four years. At each biennial general election a mayor is elected for a term of two years.

## Schools in Crook County

The Crook County School district is one of four school districts located in Central Oregon. It currently boasts an enrollment of approximately 3,300 students. The District consists of one high school, one middle school (grades 6 – 8), three in-town elementary schools (grades K – 5), and one rural school in Paulina (grades K – 8). The Crook County School District is served by the High Desert Educational Service District. Additionally, there is a charter school in Powell Butte (grades K – 6), Crook County Christian School in Prineville (grades preschool – 12), and Insight Charter (online) as an alternative educational opportunity.

Crook County Open Campus, a partner of Central Oregon Community College in Prineville, continues to increase enrollment numbers. The campus offers a variety of credit classes and a degree partnership program with Oregon State University. This is yet another increasingly popular addition to the community the City supported to provide higher educational opportunities to citizens.

Voters approved the construction of a new elementary school a year ago, leading to the new school, Barnes Butte Elementary, opening for the upcoming fall term. Barnes Butte Elementary will replace two of the three elementary schools, while upgrades are scheduled for the third. One of the elementary schools closing is located on Madras Highway, an industrial and commercial area, will be put up for sale.



*Barnes Butte Elementary undergoing construction.*

City of Prineville Natural Resources	
Crook County area (in miles)	2,982
Crook County area (in acres)	1,900,000
Elevation at the courthouse	2,864 feet
Climate	Semi-arid, cool nights
Climate zone	Climate division 7
Mean temperature in January – High	41.90
Mean temperature in January – Low	21.00
Mean temperature in July – High	85.80
Mean temperature in July – Low	42.80
Annual precipitation (in inches)	10.60

Prineville Area Top Employers		
Employer	Employees 2014	Employees 2015
Les Schwab Distribution Center/Retail	405	425
Crook County School District	343	334
Contact Industries	215	225
St. Charles Health Systems (formerly Pioneer Memorial)	167	208
Crook County	180	191
Ochoco National Forest	178	178
Brasada Ranch	157	172
Facebook	140	157
Bureau of Land Management	156	156
Western Heavy Haul & SMAF	80	93

*Source: Economic Development of Central Oregon*

Age and Wage Data	
Oregon’s median household income	\$50,229
Prineville’s median household income	\$41,566
Median age	38.7
Percent aged 65 years old and over	24.0%
Percent aged 17 years old and under	20.3%

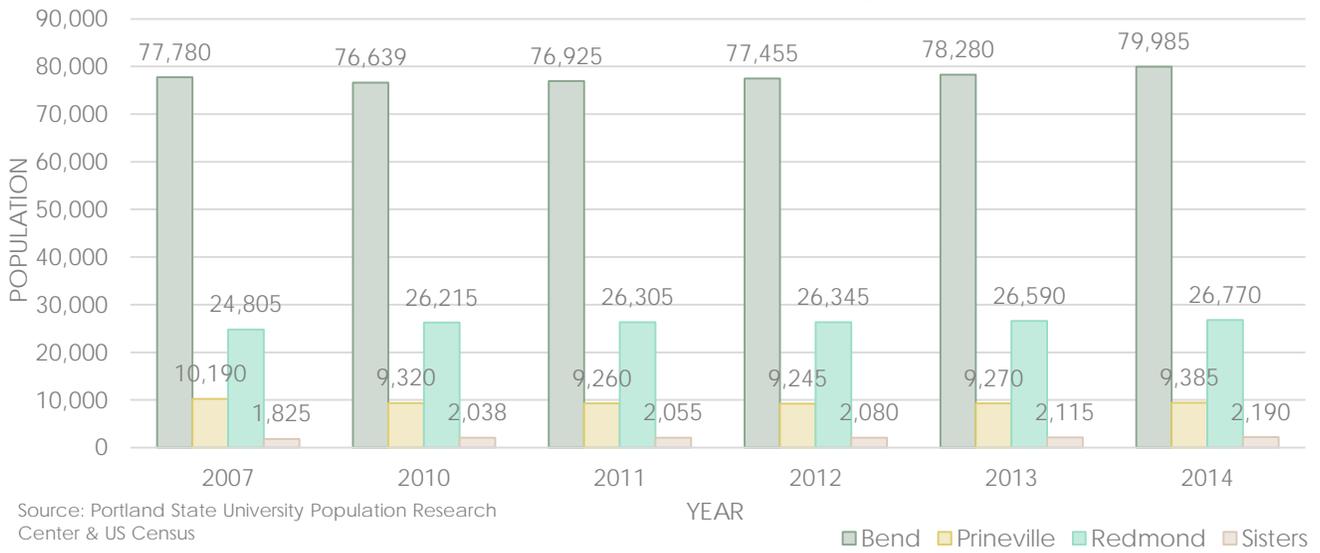
*Source: Portland State University Population Research Center & US Census Bureau*

## Regional Comparisons

The following charts provide a snapshot of how Prineville compares to other cities in the region for population, student enrollment, and unemployment. Crook County held the highest unemployment rate in the region since 2008. Manufacturing jobs, primarily with wood products, declined. Other jobs, such as warehousing, utilities, retail trade, professional and business service, construction due to Facebook and Apple, education, health services, leisure and hospitality, continue to be added. The unemployment chart illustrates a reduction in the unemployment rate spike in 2009, but continues to shrink.

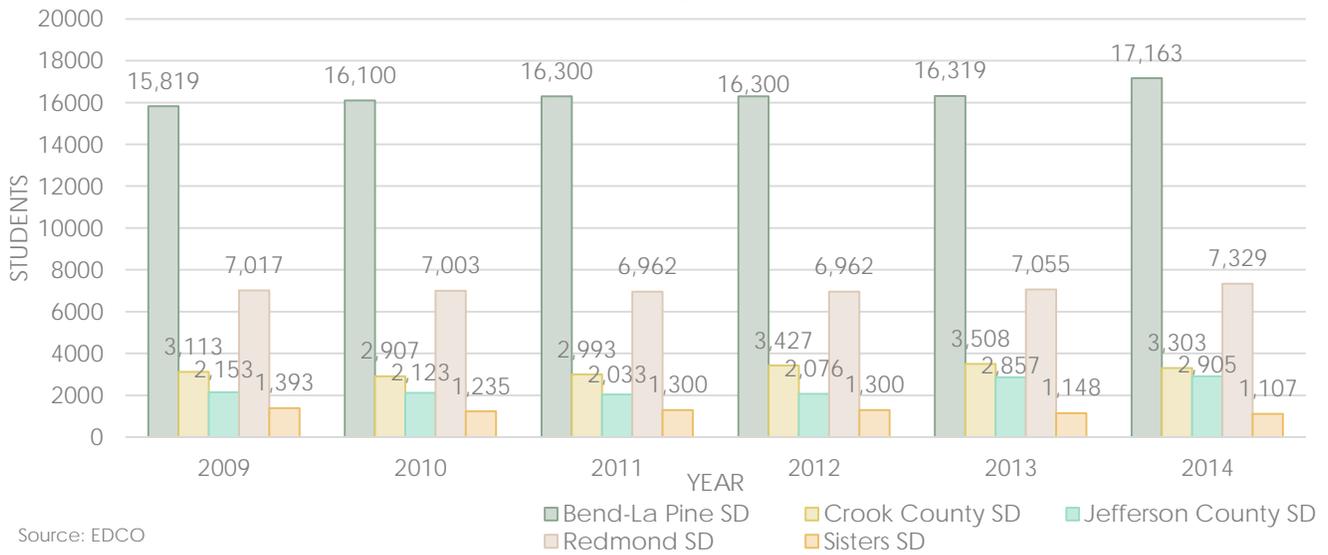
Crook County School District is expected to see an increase in attendance for 2015. School enrollments for other communities in the Central Oregon region also experiencing slight increases.

## Regional Population Comparison Comparison to Largest Local Cities by Year

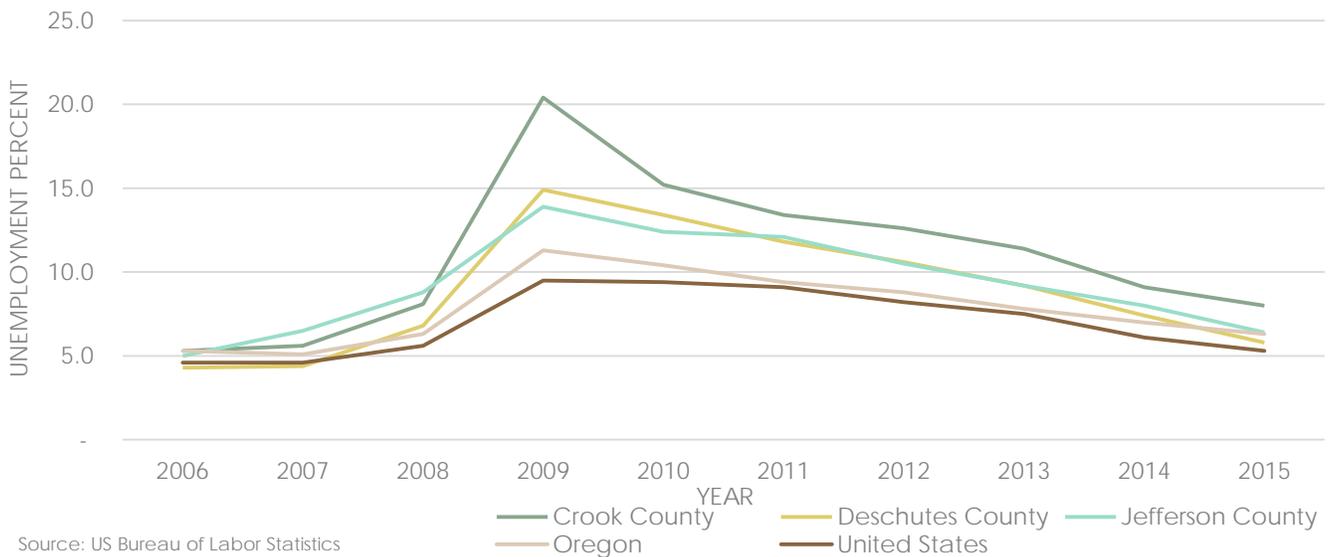


*A group of citizens visiting downtown Prineville.*

## Student Enrollment Students Registered with Area Districts by Year



## Unemployment Trends Regional Unemployed Workforce Comparison





## ❖ Budgeting in the City of Prineville

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# Budget Committee

Budget Committee Members	
Council Members	Citizen Members
Major Betty Roppe	Marty Bailey
Jason Beebe	Casey Daly
Jason Carr	Caroline Ervin
Gail Merritt	Deb Harper
Jeff Papke	Bruce Peet
Jack Seley	Dr. Paul Slater
Steve Uffelman	Michael Wilson

## The 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.

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

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 Prineville prepares and adopts its annual budget in accordance with the city charter and Oregon Local Budget Law (ORS 294.305-294.555, and 294.565). The budget is presented by fund and department categories. The city manager has responsibility for management of the overall City budget and maintaining budgetary control at the approved appropriation level. Finance and the respective operating department directors perform ongoing review and monitoring of revenues and expenditures. The Citizens’ Budget Committee consists of the governing body plus an equal number of legal voters appointed by the Prineville City Council. Accordingly, the City of Prineville has 14 budget committee members, in which the votes of all members are equal. The first review of the budget occurs when the budget is presented to the committee. At that time the budget is made publicly available, and the committee begins their review. The committee may approve the proposed budget intact, or change part or all of it prior to final approval. After notices and publications are filed according to local budget law, the budget is forwarded to the council for formal adoption prior to June 30. Budget amendments may be made during the fiscal year through adoption of a supplemental budget, a similar process used for the regular budget (including the use of public hearings, but excluding the Citizens’ Budget Committee).

## FY 16 Budget Calendar

Date	Action
January 7, 2015	Distribution of the budget worksheet and calendar. Departments begin year-end estimate process for FY 15 budget.
January 21, 2015	Staff preliminary budget goals due.
January 27, 2015	City Council workshop to establish goals for year.
January 30, 2015	Year-end estimates from department managers.
February 10, 2015	Council adopts goals
February 11, 2015	Finalize strategic plan with department managers/council goals.
February 13, 2015	Capital improvement plan's updated by department managers for FY 16 budget
February 12, 2015	Personnel changes from department managers for FY 16 budget.
February 20, 2015	Finance estimates beginning cash balances for FY 16 budget.
February 27, 2015	Department managers update year-end estimates.
February 27, 2015	Department budget proposals for the upcoming budget are provided to Finance Department.
March 18, 2015	Manager and Finance Department estimate personnel budgets for FY 16.
March 20, 2015	First draft of proposed budget narrative including brief description of various services, goals, key performance indicators, trend information (if available), capital outlay, and significant changes to city manager.
March 25, 2015	Department managers update year-end estimates.
April 10, 2015	Finance director distributes proposed department budgets including narrative to city manager and department managers.
April 17, 2015	Department managers review budget numbers and sign off on proposed budget.
April 17, 2015	Department managers update year-end estimates.
May 8, 2015	Finance updates budget reflecting changes made by the city manager or department managers. Budget is printed.
May 12, 2015	First budget committee meeting: Budget message, distribute budget document, management presentation and review of current year to date information, discuss budget process, roles and responsibilities, capital improvement plans (CIP) and department presentation.
May 28, 2015	Second budget meeting.
June 12, 2015	Department managers update year-end estimates.
June 23, 2015	Council budget hearing and resolutions: <ol style="list-style-type: none"> <li>1. Adopting budget and making appropriations.</li> <li>2. Levying taxes.</li> <li>3. Resolution declaring intent to receive state revenue sharing funds.</li> </ol>

# Fiscal Policies

## Basis of Budgeting Policy

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

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

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

- Provide an adequate financial base to sustain the desired level of municipal services to maintain the social wellbeing and physical conditions of the City.
- Deliver cost effective and efficient services to citizens.
- Provide and maintain essential public facilities, utilities, and capital equipment.
- 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.
- 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.
- Adhere to the highest standards of financial management and reporting practices as set by the Government Finance Officers Association (GFOA), the Governmental Accounting Standards Board (GASB), and other professional standards.
- 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 City of Prineville Finance Committee, and the City Council, and amended as necessary, as part of the budget process.

Policies are addressed in 10 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 five-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**, which addresses long-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**, which addresses the short and long-term funding policies of the City’s pension obligations.
- **Reserves**, which 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**, which sets forth the administration of fiscal policies on a continuing basis.



*Snow piles build up as the Public Works Department hurries to clear the streets during a heavy snow fall.*

## 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 (SDC), 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).
- 1.4. The City Council will determine what amount of SDCs to impose.
- 1.5. The City will maximize the use of users' charges in lieu of ad valorem taxes and subsidies from other City funds, for services that can be identified and where costs are directly related to the level of service provided.
- 1.6. Charges for providing utility services shall be sufficient to finance all operating, capital outlay, and debt service expenses of the City's enterprise funds, including operating contingency, reserve requirements, and capital replacement. Consideration will be given to return on investment and existing and or anticipated debt to ensure a debt coverage ratio of no less than 1.25 for debt issued in public markets and 1.1 for debt issued to federal and state agencies.
- 1.7. User charges shall be sufficient to finance all city costs to perform development review and building activities. User charges include, but are not limited to, land use, engineering inspection, building permit, and building inspection fees.
- 1.8. Other reimbursable work performed by the City (labor, meals, contracted services, equipment, and other indirect expenses) shall be billed at total actual or estimated total actual cost.
- 1.9. Charges for services shall accurately reflect the total actual or estimated total cost of providing a specific service. The cost of providing specific services shall be recalculated periodically, and the fee adjusted accordingly. The City shall maintain a current schedule of fees, indicating when the fees were last reviewed and/or recalculated.
- 1.10. The City shall pursue an aggressive policy of collecting delinquent accounts. When necessary, the City may discontinue service, present a case at small claims court, send accounts to collection agencies, foreclose on property, assign liens, and use other methods of collection, such as imposing penalties, collection fees, and late charges.
- 1.11. The city manager shall approve all grant applications before their submission. Additionally, all potential grants that require matching funds, on-going resource requirements, or include new or additional continuing compliance requirements shall be evaluated and considered before submittal of the application. The City Council will be provided the evaluation with the request for their acceptance of the grant.
- 1.12. 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 GFOA.

## 2. Operating Budget Policies

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

- 2.1.1. Determine how much money is available. The budget should be built on expected revenues. This includes base revenues, any new revenue sources, and the potential use of fund balance.
  - 2.1.2. Conduct analysis to determine what strategies, programs, and activities will best achieve desired results.
  - 2.1.3. Budget available dollars to the most significant programs and activities. The objective is to maximize the benefit of the available resources.
  - 2.1.4. The City shall maintain a budget system to monitor expenditures and revenues on a monthly basis, with a thorough analysis and adjustment (if required) at least at mid-year.
- 2.2. All budgetary procedures will conform to existing state regulations. Oregon budget law requires each local government to prepare a balanced budget, and Oregon Administrative Rules state: (1) the budget must be constructed in such a manner that the total resources in a fund equal the total of expenditures and requirements for that fund, and (2) the total of all resources of the entity must equal the total of all expenditures and all requirements for the entity.
  - 2.3. The budget process will be coordinated so that major policy issues and department goals and objectives are identified and incorporated into the budget.
  - 2.4. The cost allocation plan, previously developed, will be reviewed annually and serve as the basis for distributing general government and internal service costs to other funds and capital projects.
  - 2.5. The City Council shall adopt the budget at the fund, departmental, or program level as a total dollar amount for all appropriations except contingency, unappropriated ending fund balance and reserves, which shall be stated separately.
  - 2.6. Long-term debt or bond financing shall only be used for the acquisition of capital improvements or specialized equipment with a cost greater than \$100,000. Long-term debt or bond financing shall not be used to finance current operating expenditures.
  - 2.7. Every City fund, department, program or activity shall start each year's budget cycle with no predetermined appropriation amount. Budget appropriation decisions and the allocation of resources shall be based on direction provided by the City Council and implementation of that direction by the city manager.
  - 2.8. The City will submit the adopted budget document to the 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.

### 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, division manager or director will be responsible for the administration of his/her department/division budget. This includes accomplishing the goals and objectives incorporated into the budget and monitoring each department/division budget for compliance with spending limitations.
- 3.2. The city manager will administer expenditure control at the category level and program or divisional level. Additionally, the city manager may give authorization to mandate this level of control down to any line item level. Expenditures anticipated to be in excess of these levels require

approval of the city manager, or finance director. Any increase in a budget category anticipated to exceed \$50,000 will require council approval.

- 3.3. All purchases of goods and services must comply with the City's purchasing policies, guidelines, and procedures, as well as with state laws and regulations.
- 3.4. All compensation planning and collective bargaining will include analyses of total cost of compensation, which includes analysis of salary increases, health benefits, pension contributions, and other fringe benefits. The City will only propose operating personnel costs that can be supported by continuing operating revenues.
- 3.5. City staff are to make every effort to control expenditures to ensure city services and programs provided to its citizens and taxpayers are cost effective and efficient. Expenditures that will reduce future costs will be encouraged.

#### 4. Capital Improvement Policies

- 4.1. Annually, the City will approve a five-year 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 GFOA and GASB.
- 5.2. Consistent with GASB Statement 54, the City will report fund balance in the following categories:
  - 5.2.1. **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by the City Charter, external resource providers, or through enabling legislation.
  - 5.2.2. **Committed** fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City Council.
  - 5.2.3. **Assigned** fund balance classification is intended to be used by the City for specific purposes, but does not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed.
  - 5.2.4. **Unassigned** fund balance is the residual classification for the City's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification will be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.
  - 5.2.5. The City will disclose information about the processes through which constraints are imposed on amounts in the committed and assigned classifications.
  - 5.2.6. Authority to classify portions of ending fund balance as assigned is hereby granted to the city manager and the finance director.

- 5.2.7. The City Council considers the spending of restricted fund balances on purposes for which such funds can be used to occur first when funds are spent for restricted and unrestricted purposes. When unrestricted classifications of fund balance are spent, the board will consider that committed amounts will be reduced first, followed by assigned amounts and then unassigned amounts.



*Installing main lines for new hospital site.*

- 5.3. 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.
- 5.4. Full disclosure shall be provided in the financial statements and bond representations.
- 5.4.1. 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 United States Securities and Exchange Commission Rule 15c2-12. 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.
- 5.4.2. 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.

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

## 6. Financial Planning Policies

- 6.1. The Finance Department, collaborating with other departments, will prepare a long-term financial plan for each fund, phased in so that all funds are planned by June 30, 2015, to promote responsible planning for the use of resources. The long-term financial plans will include projected revenues, expenditures, and reserve balances for the next five years for all funds, except the Golf Course Fund, which shall include a 10-year financial plan, and the Water and Wastewater Funds, which shall include 20-year financial plans.
- 6.2. The City's financial plan should be strategic, reflecting the City Council and community priorities for service while providing resources that fund desired service levels.
- 6.3. Long-term projections of revenues and expenditures will be based upon disclosed assumptions, and prepared consistent with best practices established by the GFOA.
- 6.4. The long-term financial plans will be integral to the development of the annual budget.

## 7. Debt Policy

- 7.1. The City may use debt proceeds to finance costs associated with capital infrastructure, equipment, vehicles and other purposes that provide long-term benefits to the community, i.e., benefits that extend more than one year.
- 7.2. Capital projects financed through the issuance of bonds shall not be financed for a period which (a) exceeds the expected useful life of the project, and (b) is less than 30 percent of the expected useful life of the improvements.
- 7.3. Financing for non-capital purposes shall not extend beyond the amortization period available for the respective type of obligation, e.g., retirement unfunded liabilities include an amortization period of 25 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 interfund 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. Ensuring that capital projects financed through long-term debt shall be financed for a period not to exceed the useful life of the project,
  - 7.8.3. Determining that the benefits of the project financed exceed the cost of financing including interest costs,
  - 7.8.4. Analyzing the source of repayment, debt coverage ratios, and the impact of debt service on annual fixed costs prior to issuance of long-term debt.
- 7.9. All bond issuances, promissory notes, and capital leases will be authorized by resolution of the City Council.
  - 7.10. The City shall maintain its bond rating at the highest level fiscally prudent, so that future borrowing costs are minimized and access to the credit market is preserved.

## 8. Pension Funding Policies

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

## 9. Reserve Policies

- 9.1. The City shall maintain adequate working capital reserves in all funds.
  - 9.1.1. The General Fund shall maintain sufficient working capital to allow the City to adequately fund operations until property taxes are received in November of each year, without borrowing.
  - 9.1.2. The City's utility funds shall maintain at a minimum working capital balance sufficient for 60 days of 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 minimum, a working capital balance sufficient for 30 days of 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 45 days of operating expenses and any required debt service reserves.
  - 9.1.6. The City shall establish a contingency budget to provide for unanticipated expenditures of a nonrecurring nature. The contingency shall be a minimum of 5 percent of a fund’s operating and capital expenditure estimates for the fiscal year. This policy does not apply to debt service, internal service, trust and agency, capital projects, serial levy, temporary, or certain special purpose funds.
- 9.2. The City may use reserves on a one-time or temporary basis for purposes described above. In the event that reserve funds are presently or decrease to levels below the levels desired by this policy, the City will develop a plan to restore reserves to the desired levels.

Fund	Proposed Budget Reserves Amount	Working Capital Reserve Amount	Proposed Budget/Over (Under) Policy	Meets Working Capital Reserve Requirements	Five Percent Appropriation Reserve Amount	Total Policy Reserve Amount	Proposed Budget/Over (Under) Policy	Meets both Working and Appropriation Reserve
General	761,398	761,042	356	Yes	210,190	971,232	-209,834	No
Transportation	169,799	99,450	70,349	Yes	60,010	159,460	10,339	Yes
Emergency Dispatch	274,035	197,283	76,752	Yes	63,905	261,188	12,847	Yes
Planning	74,372	49,500	24,872	Yes	19,800	69,300	5,072	Yes
LID Debt Service	145,529	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PERS/POB Fund	108,418	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Transportation SDC	238,032	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water SDC	2,188	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wastewater SDC	96,103	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Railroad	618,863	597,500	21,363	Yes	N/A	597,500	21,363	Yes
Airport	20,591	160,467	-139,876	No	49,445	209,912	-189,321	No
Water	1,130,022	416,600	713,422	Yes	190,086	606,686	523,336	Yes
Wastewater	1,128,524	513,000	615,524	Yes	102,685	615,685	512,839	Yes
Golf Course and Restaurant	382,894	263,317	119,578	Yes	80,520	343,837	39,058	Yes
Admin/Financial Support Services	274,867	271,425	3,442	Yes	N/A	271,425	3,442	Yes
Public Works Support Services	293,085	210,645	82,440	Yes	N/A	210,645	82,440	Yes
City Hall	160,744	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plaza Maintenance	8,044	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	6,191,509	3,540,228	1,588,222	10 out of 11	776,641	4,316,869	811,581	9 out of 11

## 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 finance/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.

## Definition of Terms

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

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

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

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

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

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

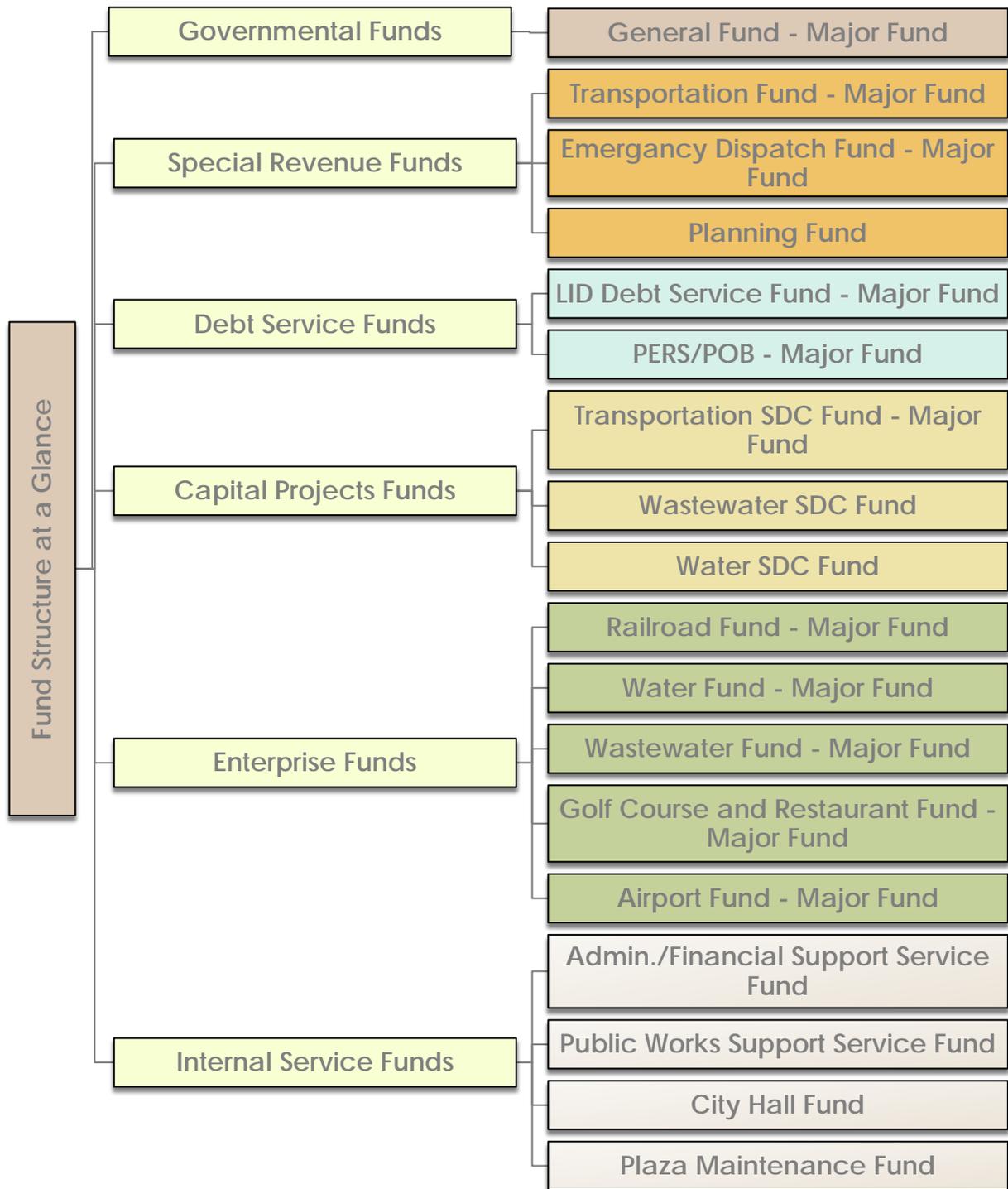
*Debt coverage ratio (DCR)* – represents the ratio of net revenues available to pay scheduled debt service. A ratio of 1.0 reflects “net revenues” equal to scheduled debt service. A ratio greater than 1.0 reflects net revenues in excess of scheduled debt services and a ratio less than 1.0 indicates net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

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



*Davidson Park.*

# Fund Structure



All funds in the fund structure are appropriated funds in the FY 16 Budget.

# 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 of the funds used by a government must be classified into one of seven fund types within:

## Governmental-type (Governmental funds)

- General
- Special revenue
- Debt service
- Capital projects

## Business-type (Proprietary funds)

- Enterprise
- Internal service

## Fiduciary-type

- Fiduciary

## Governmental Funds

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

## General Fund

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

## Special Revenue Fund Type

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

### Transportation Operations Fund

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

### Emergency Dispatch Fund

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

### Planning Fund

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

### Debt Service Fund Type

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

### LID Debt 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.

### PERS/POB Fund

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



*Recently renovated office of Tony Ramos D.M.D.*

## Capital Project Fund Type

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

### **Transportation SDC Fund**

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

### **Water SDC Fund**

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

### **Wastewater SDC Fund**

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

## Proprietary Fund Types

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

## Enterprise Funds

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

### **Railroad Fund**

This fund accounts for the operation of the City's railroad and freight warehousing operation. The principal sources of revenue include rail access fees, rail car fees and customers needing storage, loading, or unloading services for freight shipping. Expenditures are for the operation, administration, maintenance, and improvement of the railroad and freight depot facilities.

### **Airport Fund**

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

### **Water Fund**

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

### **Wastewater Fund**

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

### **Golf Course Fund**

This fund accounts for the operation of the City's municipal golf course, Meadow Lakes Golf Course and Restaurant, and the effluent disposal site of the wastewater treatment plant. The principal sources of revenue are user fees, food and beverage sales, facility rental, and transfers from the Wastewater Fund for disposal site related services. Expenditures are for operation, administration, maintenance, and improvements of the Meadow Lakes Golf Course including the effluent disposal site and operation and administration of the restaurant.

## **Internal Service Funds Types**

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

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

Activity for the City Council, administration and team services, financial services and information technology services are accounted for in this fund. Revenues are generated through user charges for the cost of providing the services. Expenditures are for personnel services, material and services, and transfers.

### **City Hall Fund**

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

### **Plaza Maintenance Fund**

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

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

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

## **Fiduciary Fund Types**

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

## **Park Development Account**

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

## Debt Overview

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

## Types of Borrowing

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

- General obligation bonds, full faith and credit bonds – these bonds are typically issued for finance improvements benefiting the community as a whole. The City, as issuer, pledges to levy the necessary taxes on all assessable property within its jurisdiction to provide timely repayment of the debt. ORS 287.004 provides that the City may not issue or have outstanding at any one-time general obligation bonds in excess of 3 percent of the real market value of all taxable property within its boundaries. This statute makes specific exception to bonds issued for water, sewage disposal plants, and off-street parking facilities, as well as special assessment bonds.
- Pension obligation bonds – the City issued these bonds to fund their unfunded actuarial accrued liability with PERS.
- Revenue bonds – these bonds are issued to finance facilities with a definable user or revenue base. These debt instruments are secured by a specific source of funds, either from the operations of the project being financed or from a dedicated revenue stream, rather than the general taxing powers of the City.
- Federal agency long-term debt – the City has issued several long-term debt obligations with federal agencies to fund wastewater treatment plant improvements.
- Bank notes payable – the City has utilized tax-exempt bank notes payable to fund various local improvement district projects, utility infrastructure improvements, and working capital at its golf course.

## Debt Management Policies

- Capital projects financed through bond proceeds shall be financed for a period not to exceed the useful life of the project.
- Long-term borrowing will be confined to capital improvements too large to be financed from current available resources.
- Issuance of assessment bonds or use of bank notes payable, secured by the benefited property, will be pursued to finance local improvement projects and repay interim financing approved by the City Council.
- The City will use its credit line, as needed, to provide interim funds for the construction of local improvements approved by the City Council and other projects as deemed appropriate.
- Notes payable – the City also has outstanding, agreements with the Oregon Economic and Planning Department. Proceeds from these notes provided financing for water and water reclamation system improvements to expand services to new and existing manufacturing facilities.

ORS 287.004(2) states: “Unless a lesser limitation upon the issuance of bonds has otherwise been provided by law or charter, no city shall issue or have outstanding at any one time bonds in excess of 3 percent of real market value of all taxable property within its boundaries, computed in accordance with ORS 308.297, after deducting from outstanding bonds such cash funds and sinking funds as are applicable to the payment of principal thereof.”

Real market value	\$	651,077,035
Debt limit: 3% of real market value	\$	19,532,311
Less outstanding debt subject to legal limit (net)	\$	2,905,000
Legal debt margin	\$	16,627,311

## Current and Future Debt Planning

The current year budget proposes new debt in the Wastewater SDC Fund and the Golf Course Fund. Standard and Poor's Ratings Services affirmed the City's A+ long-term rating in FY 15. Some of the reasons and assumptions cited for affirming this rating level from the rating company were:

- Very strong management practices and policies.
- Notable management practices with long-term planning models.
- Very strong budgetary flexibility.
- Very strong liquidity.
- Strong budgetary performance.
- Adequate debt and contingent liabilities.
- Strong institutional framework.

The City has \$2,905,000 of debt subject to the legal limit (ORS 287.004 (2)), the general obligation bond matured in FY 11. The City does not currently have plans at this time to seek voter approval of general obligation bonds. The FY 16 budget proposes new debt in the amount of \$1,998,000: \$178,000 full faith and credit for the golf course, and for the wetlands project \$750,000 IFA funds and \$1.070 million in Oregon Department of Environmental Quality interim financing.



*Wildland Firefighters Monument in Ochoco Creek Park.*

## Total Outstanding City Debt June 30, 2015

City of Prineville, Oregon  
Schedule of Outstanding Debt  
6/30/2015

Fiscal Year	Total Principal	Interest	Total	Balance
2015				18,302,815
2016	963,016	717,927	1,680,943	17,339,799
2017	993,912	683,946	1,677,858	16,345,887
2018	1,025,888	648,342	1,674,230	15,319,999
2019	1,086,188	609,930	1,696,118	14,233,811
2020	1,161,966	569,097	1,731,063	13,071,845
2021	1,213,238	525,129	1,738,367	11,858,607
2022	1,275,022	479,059	1,754,081	10,583,585
2023	1,347,332	430,421	1,777,753	9,236,253
2024	1,335,185	378,752	1,713,937	7,901,068
2025	1,403,600	327,770	1,731,370	6,497,468
2026	1,462,592	273,952	1,736,544	5,034,876
2027	1,273,582	217,644	1,491,226	3,761,294
2028	882,158	168,298	1,050,456	2,879,136
2029	750,225	128,538	878,763	2,128,911
2030	798,422	95,641	894,063	1,330,489
2031	866,755	59,246	926,001	463,734
2032	85,230	19,709	104,939	378,504
2033	88,852	16,086	104,938	289,652
2034	92,628	12,310	104,938	197,024
2035	96,565	8,374	104,939	100,459
2036	100,459	4,270	104,729	-
	18,302,815	6,374,441	24,677,256	

Total Outstanding Debt  
June 30, 2015  
Governmental-type Funds

Total Outstanding Debt  
June 30, 2015  
Business-type Funds

Fiscal Year	Governmental Principal	Governmental Interest	Governmental Total	Governmental Balance
2015				4,243,787
2016	153,790	199,715	353,505	4,089,997
2017	170,651	192,420	363,071	3,919,346
2018	192,591	184,305	376,896	3,726,755
2019	209,614	175,120	384,734	3,517,141
2020	231,722	165,107	396,829	3,285,419
2021	253,920	154,017	407,937	3,031,499
2022	276,212	141,845	418,057	2,755,287
2023	303,601	128,588	432,189	2,451,686
2024	326,092	113,995	440,087	2,125,594
2025	353,688	98,307	451,995	1,771,906
2026	386,395	81,274	467,669	1,385,511
2027	419,217	62,645	481,862	966,294
2028	267,158	42,413	309,571	699,136
2029	75,225	29,713	104,938	623,911
2030	78,422	26,516	104,938	545,489
2031	81,755	23,183	104,938	463,734
2032	85,230	19,709	104,939	378,504
2033	88,852	16,086	104,938	289,652
2034	92,628	12,310	104,938	197,024
2035	96,565	8,374	104,939	100,459
2036	100,459	4,270	104,729	-
				4,243,787
		1,879,912	6,123,699	

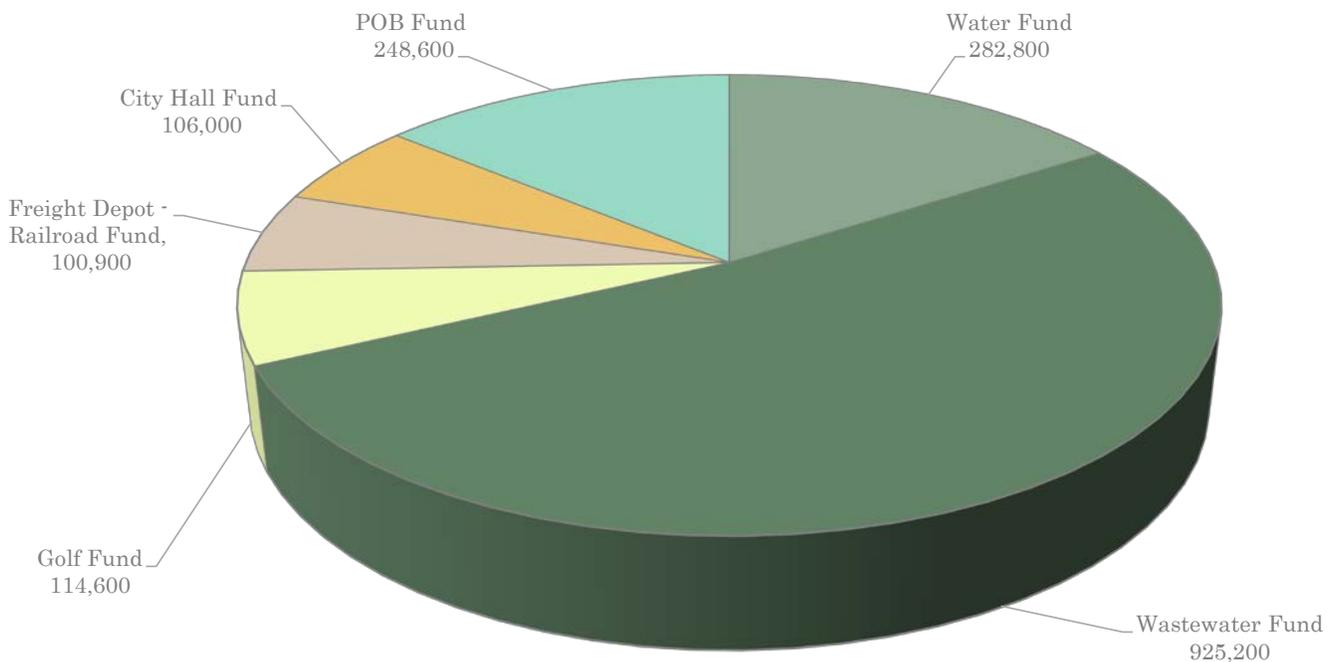
Fiscal Year	Enterprise Principal	Enterprise Interest	Enterprise Total	Enterprise Balance
2015				14,059,028
2016	809,226	518,212	1,327,438	13,249,802
2017	823,261	491,526	1,314,787	12,426,541
2018	833,297	464,037	1,297,334	11,593,244
2019	876,574	434,810	1,311,384	10,716,670
2020	930,244	403,990	1,334,234	9,786,426
2021	959,318	371,112	1,330,430	8,827,108
2022	998,810	337,214	1,336,024	7,828,298
2023	1,043,731	301,833	1,345,564	6,784,567
2024	1,009,093	264,757	1,273,850	5,775,474
2025	1,049,912	229,463	1,279,375	4,725,562
2026	1,076,197	192,678	1,268,875	3,649,365
2027	854,365	154,999	1,009,364	2,795,000
2028	615,000	125,885	740,885	2,180,000
2029	675,000	98,825	773,825	1,505,000
2030	720,000	69,125	789,125	785,000
2031	785,000	36,063	821,063	-
2032	-	-	-	-
2033	-	-	-	-
2034	-	-	-	-
2035	-	-	-	-
2036	-	-	-	-
				14,059,028
		4,494,529	18,553,557	

Total Outstanding City Debt by Fund June 30, 2015

Governmental Type Funds	Principal	Interest	Total
City Hall - Rural Development	\$1,438,787	\$764,707	\$2,203,494
Pension Obligation Bond - 2014	2,805,000	1,115,205	3,920,205
<b>Business Type Funds</b>			
Water - 2011 FFCO	2,490,000	1,009,723	3,499,723
Water - 2003 Revenue Bond	425,000	103,524	528,524
Wastewater - 2011 FFCO	4,780,000	2,190,605	6,970,605
Wastewater - DEQ R74682	5,694,820	1,058,219	6,753,039
Golf - 2011 FFCO	455,000	123,595	578,595
Golf - US Bank Note Payable	69,010	2,855	71,865
Freight Depot - US Bank Note Payable	145,198	6,008	151,206
<hr/>			
	\$18,302,815	\$6,374,441	\$24,677,256

## Summary of Debt Service Payments FY 16

	Principal	Interest	Total
<b>Water Fund</b>			
2011 FFCO	110,000	106,100	216,100
2003 Revenue Bond	45,000	21,700	66,700
<b>Wastewater Fund</b>			
2011 FFCO	100,000	218,900	318,900
DEQ R74682	422,900	164,400	587,300
DEQ Bridge Loan		19,000	19,000
<b>Golf Fund</b>			
2011 FFCO	10,000	18,600	28,600
US Bank Note Payable	43,800	4,200	48,000
BOTC Credit Line	33,600	4,400	38,000
<b>Freight Depot - Railroad Fund</b>			
US Bank Note Payable	92,000	8,900	100,900
<b>City Hall Fund</b>			
Rural Development	44,000	62,000	106,000
<b>POB Fund</b>			
Pension Obligation Bond	110,000	138,600	248,600



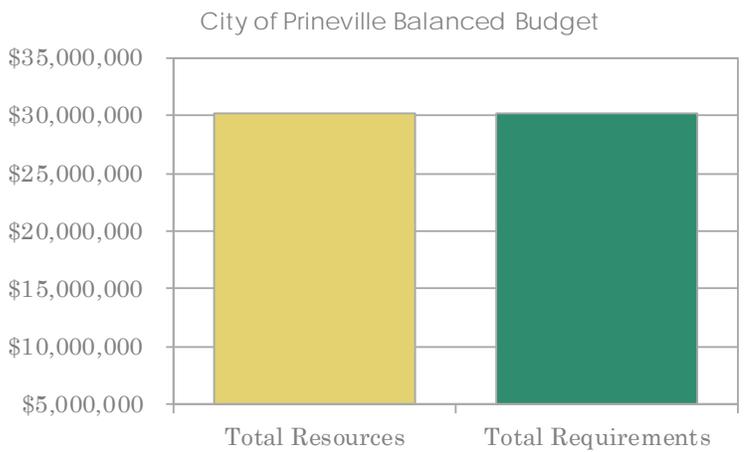


# Consolidated Budgets & Analysis

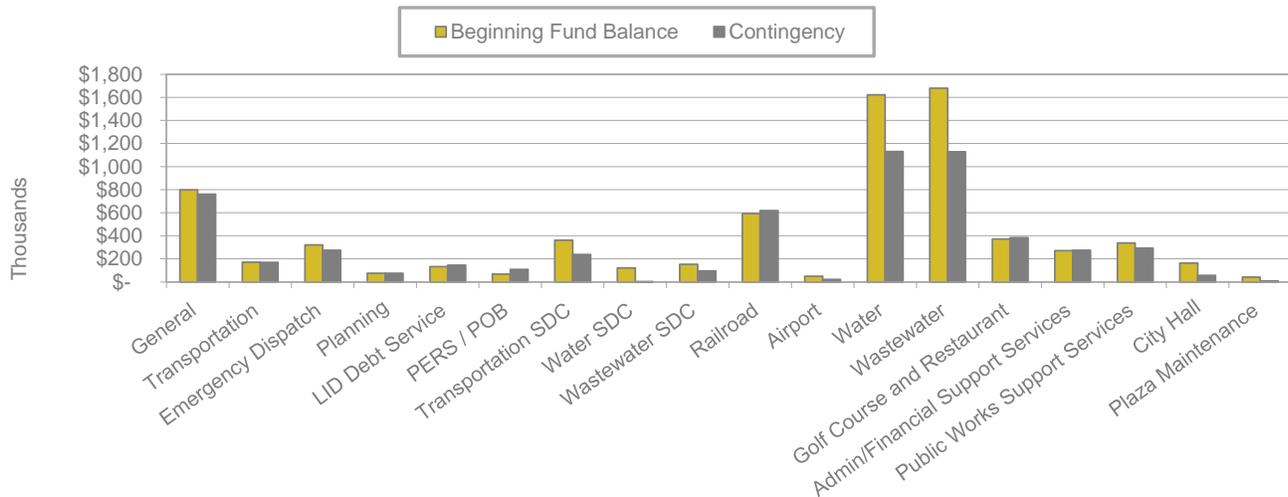
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# Balanced FY 15-16 Budget Summary

Balanced Budget Summary	
Beginning Fund Balance	\$7,328,008
Other Resources	-
Current Year Resources	22,926,400
<b>Total Resources</b>	<b>\$ 30,254,408</b>
Requirements	\$24,062,899
Contingency	5,782,509
Other Requirements	409,000
<b>Total Requirements</b>	<b>\$ 30,254,408</b>
Difference	\$ -



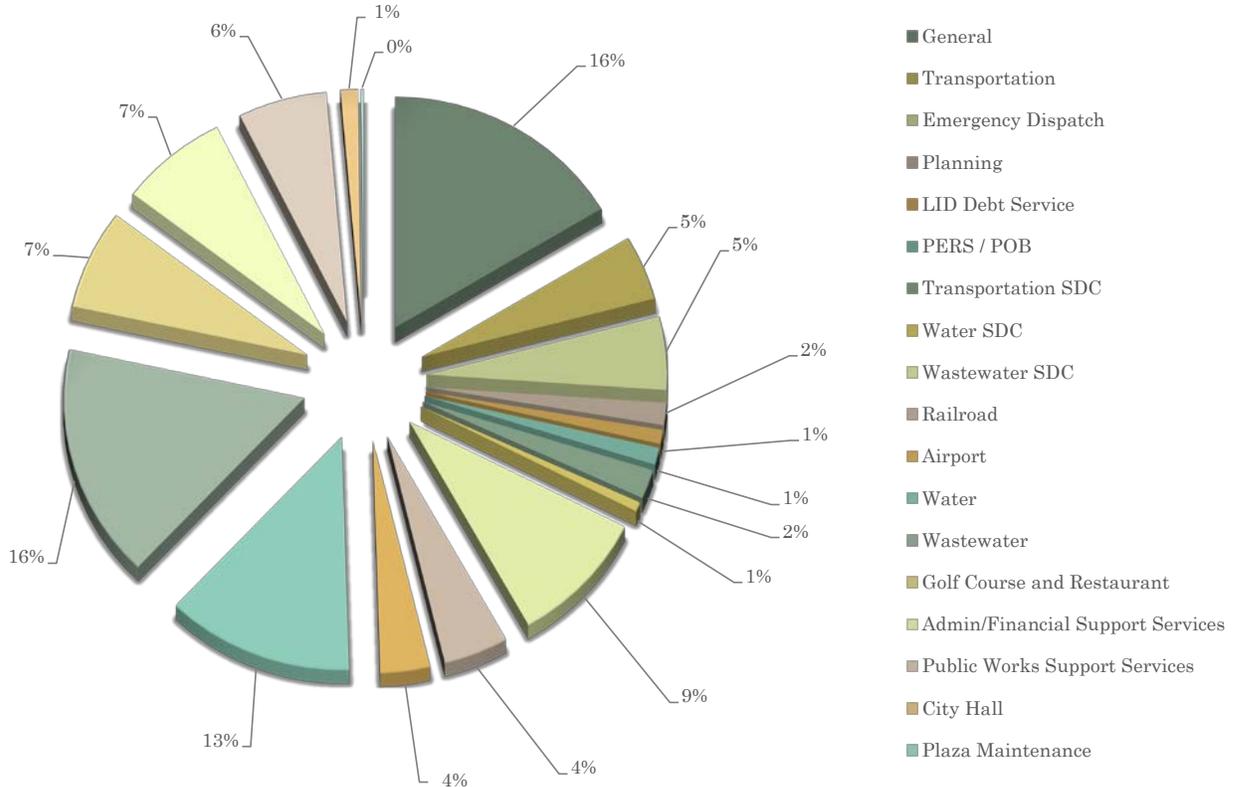
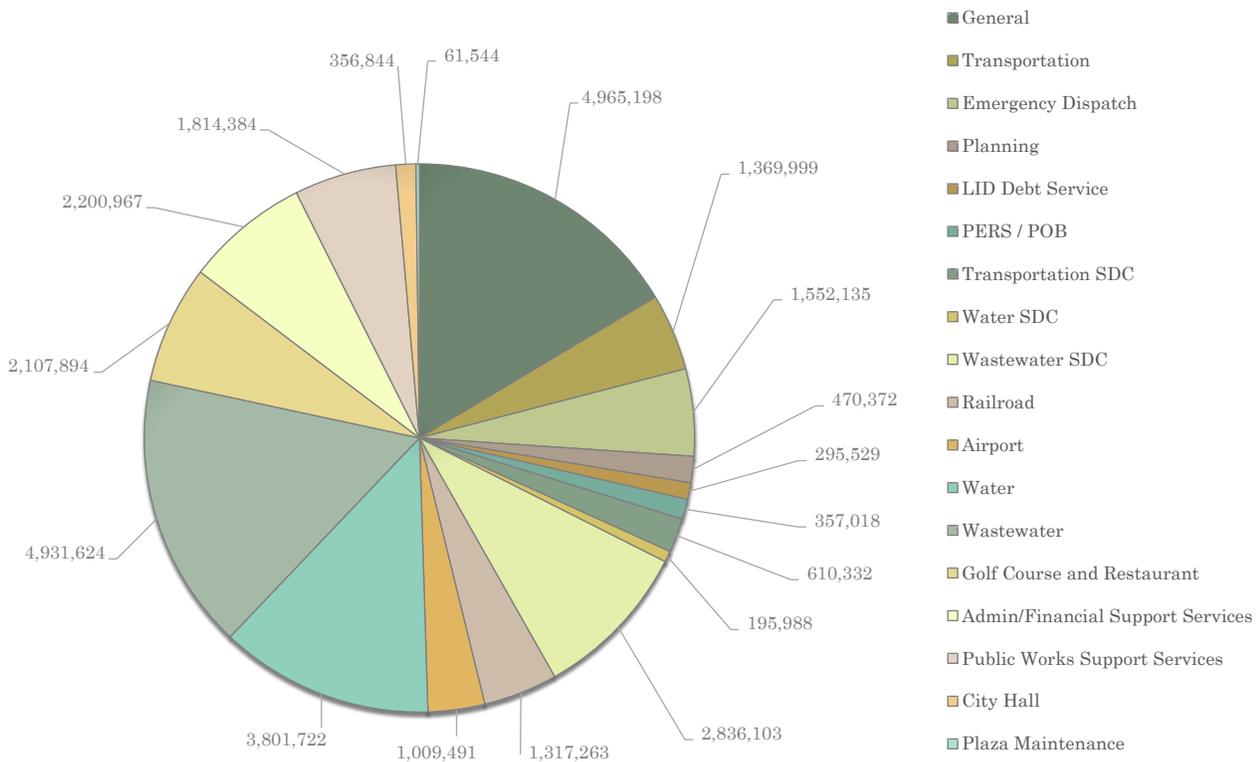
## Charts and Graphs FY 16 Beginning and Ending Fund Balance Comparison



*\*Detailed discussion of changes in beginning and ending fund balance included in specific fund detail pages of the budget document.*

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

# FY 16 Total Requirements by Fund

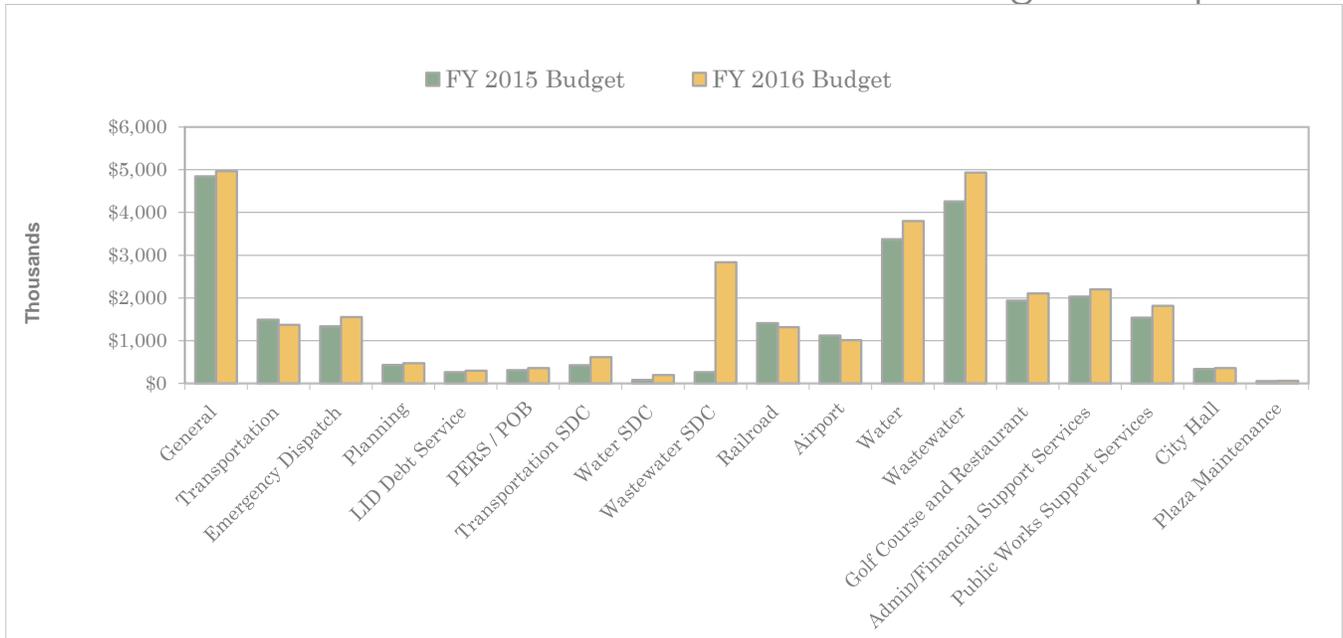


*\*Detailed discussion of specific requirements by fund included in specific fund detail pages of the budget document.*

## FY 15 & 16 Budget Comparison

Fund	FY 2015 Budget	FY 2016 Budget	Percent Change
General	\$4,846,645	\$4,965,198	2%
Transportation	\$1,489,215	\$1,369,999	-8%
Emergency Dispatch	\$1,333,136	\$1,552,135	16%
Planning	\$430,697	\$470,372	9%
LID Debt Service	\$264,120	\$295,529	12%
PERS / POB	\$309,400	\$357,018	15%
Transportation SDC	\$426,371	\$610,332	43%
Water SDC	\$77,158	\$195,988	154%
Wastewater SDC	\$265,652	\$2,836,103	968%
Railroad	\$1,407,185	\$1,317,263	-6%
Airport	\$1,117,755	\$1,009,491	-10%
Water	\$3,372,880	\$3,801,722	13%
Wastewater	\$4,256,624	\$4,931,624	16%
Golf Course and Restaurant	\$1,934,469	\$2,107,894	9%
Admin/Financial Support Services	\$2,033,588	\$2,200,967	8%
Public Works Support Services	\$1,538,112	\$1,814,384	18%
City Hall	\$337,927	\$356,844	6%
Plaza Maintenance	\$53,106	\$61,544	16%
Total	\$25,494,041	\$30,254,408	19%

## FY 15 & FY 16 Budget Comparison



## Fund Use by Department

Department	Fund													
	General Fund	Transportation	Emergency Dispatch	Planning	SDC Funds	Railroad	Airport	Water	Wastewater	Golf	Admin Services	Plaza	City Hall	PW Services
Police	*		*								*			
Police Facility	*										*			
Non-Departmental	*	*		*		*	*							
Emergency Dispatch	*		*								*			
Streets	*	*		*	*						*			*
Planning	*	*		*	*			*	*		*		*	
Railroad/Fright Depot	*					*					*			
Airport	*						*				*			
Water		*			*			*			*			*
Wastewater		*			*				*	*	*			*
Golf									*		*			
Council	*										*		*	
City Manager											*		*	
Finance					*						*		*	
IT											*		*	
Plaza Maintenance												*	*	
City Hall Fund												*	*	
Public Works Admin Services		*						*	*		*			*

## Consolidated Budget FY 16

Fund	Beginning Fund Balance	Other Resources	Current Year Resources	Current Year Requirements	Contingency	Other Requirements	Total Current Year Requirements	Ending Fund Balance
General	\$ 797,898	\$ -	\$ 4,167,300	\$ 4,203,800	\$ 761,398	\$ -	\$ 4,965,198	\$ 761,398
Transportation	170,499	-	1,199,500	1,200,200	169,799	-	1,369,999	169,799
Emergency Dispatch	320,835	-	1,231,300	1,278,100	274,035	-	1,552,135	274,035
Planning	75,472	-	394,900	396,000	74,372	-	470,372	74,372
LID Debt Service	132,729	-	162,800	150,000	145,529	-	295,529	145,529
PERS / POB	66,818	-	290,200	248,600	108,418	-	357,018	108,418
Transportation SDC	362,032	-	248,300	372,300	238,032	-	610,332	238,032
Water SDC	120,388	-	75,600	193,800	2,188	-	195,988	2,188
Wastewater SDC	152,103	-	2,684,000	2,740,000	96,103	-	2,836,103	96,103
Railroad	593,563	-	723,700	698,400	618,863	-	1,317,263	618,863
Airport	48,891	-	960,600	988,900	20,591	-	1,009,491	20,591
Water	1,623,222	-	2,178,500	2,671,700	1,130,022	-	3,801,722	1,130,022
Wastewater	1,679,324	-	3,252,300	3,499,100	1,128,524	304,000	4,931,624	1,432,524
Golf Course and Restaurant	372,094	-	1,735,800	1,725,000	382,894	-	2,107,894	382,894
Admin/Financial Support Services	270,167	-	1,930,800	1,926,100	274,867	-	2,200,967	274,867
Public Works Support Services	336,784	-	1,477,600	1,521,299	293,085	-	1,814,384	293,085
City Hall	163,744	-	193,100	196,100	55,744	105,000	356,844	160,744
Plaza Maintenance	41,444	-	20,100	53,500	8,044	-	61,544	8,044
<b>Total</b>	<b>\$ 7,328,008</b>	<b>\$ -</b>	<b>\$ 22,926,400</b>	<b>\$ 24,062,899</b>	<b>\$ 5,782,509</b>	<b>\$ 409,000</b>	<b>\$ 30,254,408</b>	<b>\$ 6,191,509</b>

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

## Consolidated Budget FY 15

Fund	Beginning Fund Balance	Other Resources	Current Year Resources	Current Year Requirements	Contingency	Other Requirements	Total Current Year Requirements
General	\$ 875,945	\$ -	\$ 3,970,700	\$ 3,934,400	\$ 912,245	\$ -	\$ 4,846,645
Transportation	254,115	-	1,235,100	1,324,000	165,215	-	1,489,215
Emergency Dispatch	249,166	-	1,083,970	1,094,900	238,236	-	1,333,136
Planning	85,997	-	344,700	362,100	68,597	-	430,697
LID Debt Service	90,620	-	173,500	150,400	113,720	-	264,120
PERS / POB Fund	14,400	-	295,000	243,600	65,800	-	309,400
Transportation SDC	324,971	-	101,400	409,300	17,071	-	426,371
Water SDC	1,558	-	75,600	75,800	1,358	-	77,158
Wastewater SDC	152,252	-	113,400	162,000	103,652	-	265,652
Railroad	646,585	-	760,600	744,300	662,885	-	1,407,185
Airport	27,555	-	1,090,200	1,111,800	5,955	-	1,117,755
Water	1,413,380	-	1,959,500	2,372,600	1,000,280	-	3,372,880
Wastewater	1,097,324	-	3,159,300	3,169,500	783,124	304,000	4,256,624
Golf Course and Restaurant	431,969	-	1,502,500	1,525,100	409,369	-	1,934,469
Admin/Financial Support Services	111,688	-	1,921,900	1,932,900	100,688	-	2,033,588
Public Works Support Services	177,412	-	1,360,700	1,350,000	188,112	-	1,538,112
City Hall	150,227	-	187,700	193,300	39,627	105,000	337,927
Plaza Maintenance	33,006	-	20,100	22,500	30,606	-	53,106
<b>Total</b>	<b>\$ 6,138,171</b>	<b>\$ -</b>	<b>\$ 19,355,870</b>	<b>\$ 20,178,500</b>	<b>\$ 4,906,541</b>	<b>\$ 409,000</b>	<b>\$ 25,494,041</b>

## Consolidated Estimated Budget FY 15

Fund	Beginning Fund Balance	Other Resources	Current Year Resources	Current Year Requirements	Other Requirements	Total Current Year Requirements	Ending Fund Balance
General	\$ 820,598	\$ -	\$ 4,088,900	\$ 4,111,600	\$ -	\$ 4,111,600	\$ 797,898
Transportation	263,599	-	1,337,000	1,430,100	-	1,430,100	170,499
Emergency	294,835	-	1,142,700	1,116,700	-	1,116,700	320,835
Planning	87,672	-	331,300	343,500	-	343,500	75,472
LID Debt Service	103,229	-	179,500	150,000	-	150,000	132,729
PERS/POB Fund	15,118	-	295,300	243,600	-	243,600	66,818
Transportation SDC	307,532	-	472,300	417,800	-	417,800	362,032
Water SDC	46,953	-	149,935	76,500	-	76,500	120,388
Wastewater SDC	142,203	-	167,600	157,700	-	157,700	152,103
Railroad	617,963	-	674,100	698,500	-	698,500	593,563
Airport Fund	134,391	-	891,400	976,900	-	976,900	48,891
Water	1,521,622	-	2,226,500	2,124,900	-	2,124,900	1,623,222
Wastewater	1,136,024	-	3,711,400	3,168,100	-	3,168,100	1,679,324
Golf Course and Restaurant	403,694	-	1,471,600	1,503,200	-	1,503,200	372,094
Freight Depot	-	-	-	-	-	-	-
Admin/Financial Support Services	162,567	-	1,946,200	1,838,600	-	1,838,600	270,167
Public Works Support Services	292,384	-	1,361,500	1,317,100	-	1,317,100	336,784
City Hall	163,944	-	187,700	187,900	-	187,900	163,744
Plaza Maintenance	35,444	-	20,100	14,100	-	14,100	41,444
<b>Total</b>	<b>\$ 6,549,773</b>	<b>\$ -</b>	<b>\$ 20,655,035</b>	<b>\$ 19,876,800</b>	<b>\$ -</b>	<b>\$ 19,876,800</b>	<b>\$ 7,328,008</b>

**CITY OF**



**PRINEVILLE**



## Resource & Requirement Analysis

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## Resources and Requirements Overview

### Resources

	Actual FY 12-13	Actual FY 13-14	Budgeted FY 14-15	Estimated FY 14-15	Adopted Budget FY 15-16
Charges for services	9,958,873	12,905,451	11,245,600	11,110,600	11,700,200
Debt proceeds	-	3,208,700	-	-	1,998,000
Franchise fees	1,234,269	1,703,395	1,800,000	1,868,600	1,980,000
Intergovernmental revenue	2,611,653	2,717,349	1,895,170	2,061,300	2,624,700
Miscellaneous	1,079,208	888,940	934,300	1,541,900	927,900
Property taxes	1,615,460	1,676,516	1,730,000	1,760,000	1,790,000
System development charges	386,910	254,850	377,100	781,235	434,800
Transfers	833,487	1,305,374	1,373,700	1,531,400	1,470,800
Beginning Fund Balance	6,978,540	6,579,769	6,138,171	6,549,773	7,328,008
<b>Total</b>	<b>\$ 24,698,400</b>	<b>\$ 31,240,344</b>	<b>\$ 25,494,041</b>	<b>\$ 27,204,808</b>	<b>\$ 30,254,408</b>

### Expenditures

	Actual FY 12-13	Actual FY 13-14	Budgeted FY 14-15	Estimated FY 14-15	Adopted Budget FY 15-16
Personnel services	6,008,460	9,031,228	6,685,600	6,777,400	7,040,600
Materials and services	3,818,008	4,004,731	4,414,500	4,115,400	5,013,900
Franchise fee expense	241,100	241,100	245,000	245,000	259,000
Capital outlay	2,552,626	5,092,456	2,057,700	2,018,600	4,642,200
Transfers	4,286,146	4,587,897	4,861,500	4,806,400	5,071,100
Debt service	1,646,986	1,733,159	1,914,200	1,914,000	2,036,100
Contingency/Other Requirements		-	5,315,541	-	6,191,509
<b>Total</b>	<b>\$ 18,553,326</b>	<b>\$ 24,690,571</b>	<b>\$ 25,494,041</b>	<b>\$ 19,876,800</b>	<b>\$ 30,254,408</b>

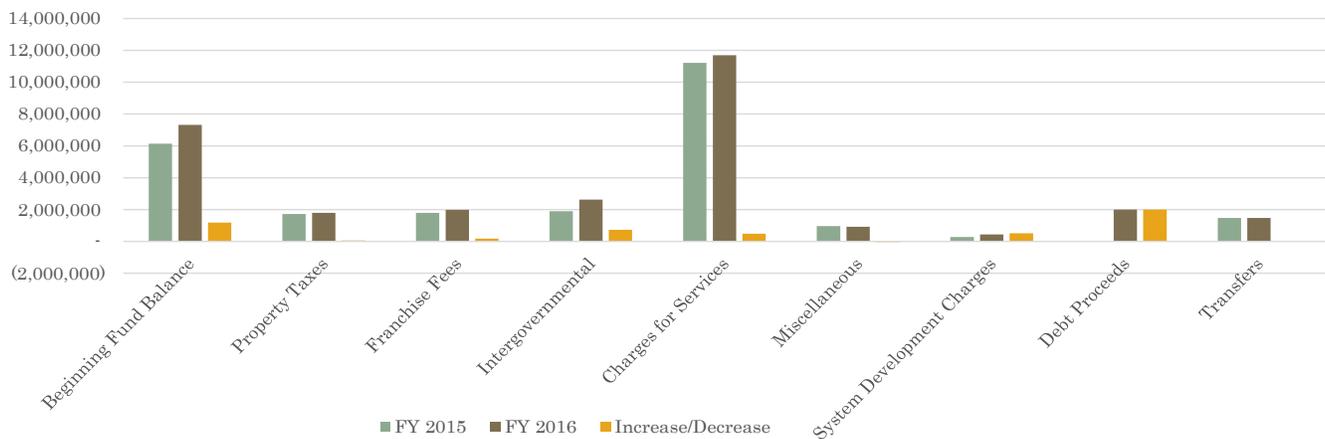
## Types of Resources and Requirements

### All Revenue Sources

Nine main revenue categories comprise the revenue sources for in the fiscal year 2016 budget. Of these nine categories are: charges for service the largest at 39 percent, beginning fund balance at 24 percent, intergovernmental revenue at 9 percent, and two funds each at 7 percent including, franchise fees and debt proceeds. These five sources comprise 86 percent of total revenues. This section will examine these revenue sources, as well as property taxes.

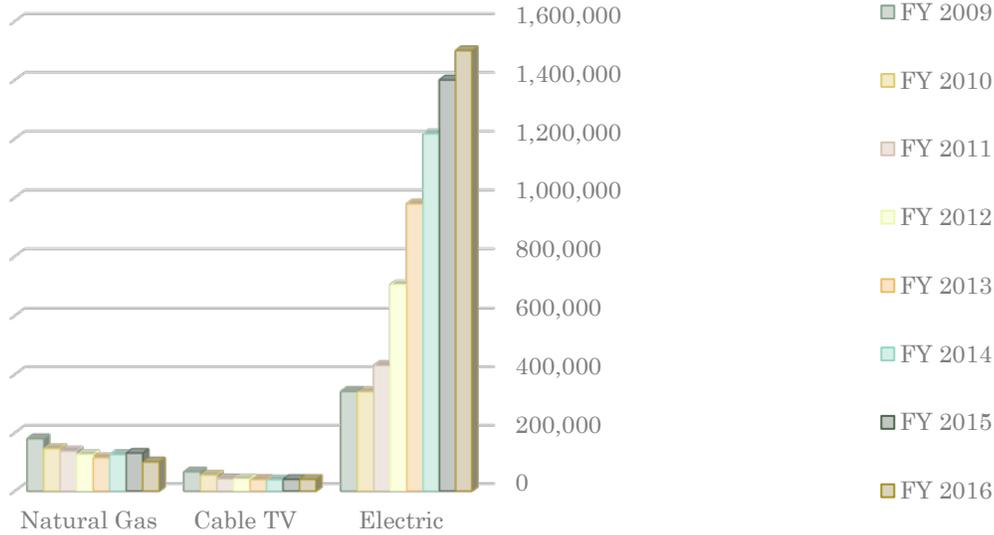
Revenue Summary	
	Percent of Total
Beginning Fund Balance	24%
Property Taxes	6%
Franchise Fees	7%
Intergovernmental	9%
Charges for Services	39%
Miscellaneous	3%
System Development Charges	1%
Debt Proceeds	7%
Transfers	5%

### All Revenue Sources Comparison City of Prineville, FY 15 - FY 16



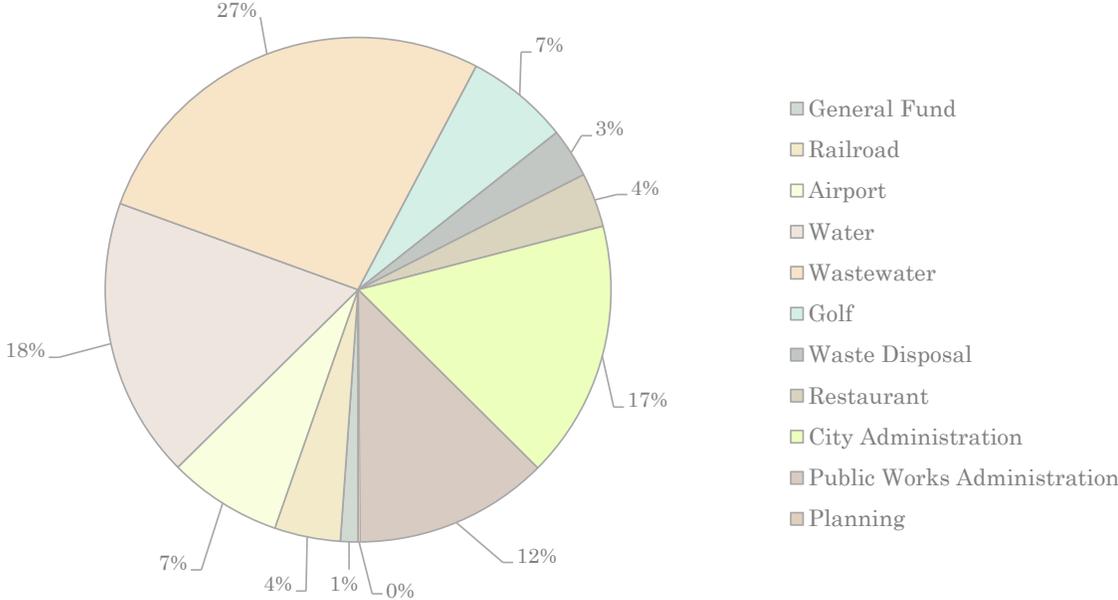
Significant increases to revenue sources include beginning fund balance largely due to the sale of property in the Wastewater Fund, intergovernmental revenue and debt proceeds related to the wetland project, and an increase in charges for services related to enterprise funds.

# Franchise Fee Comparison FY 09 – FY 16



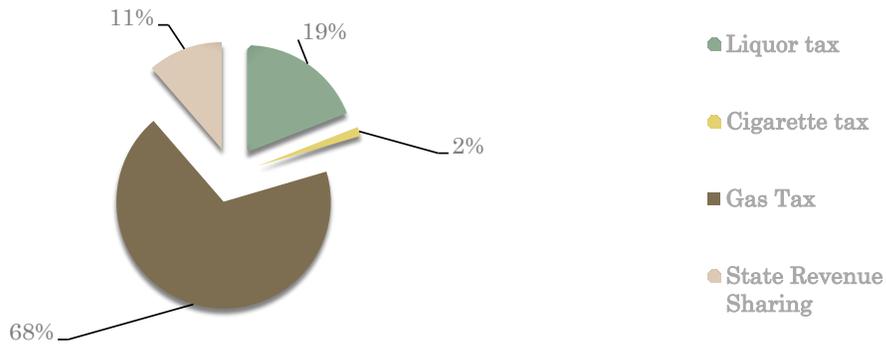
Franchise fees are projected to increase approximately \$100,000 in FY 16.

# Charges for Services City of Prineville, FY 16



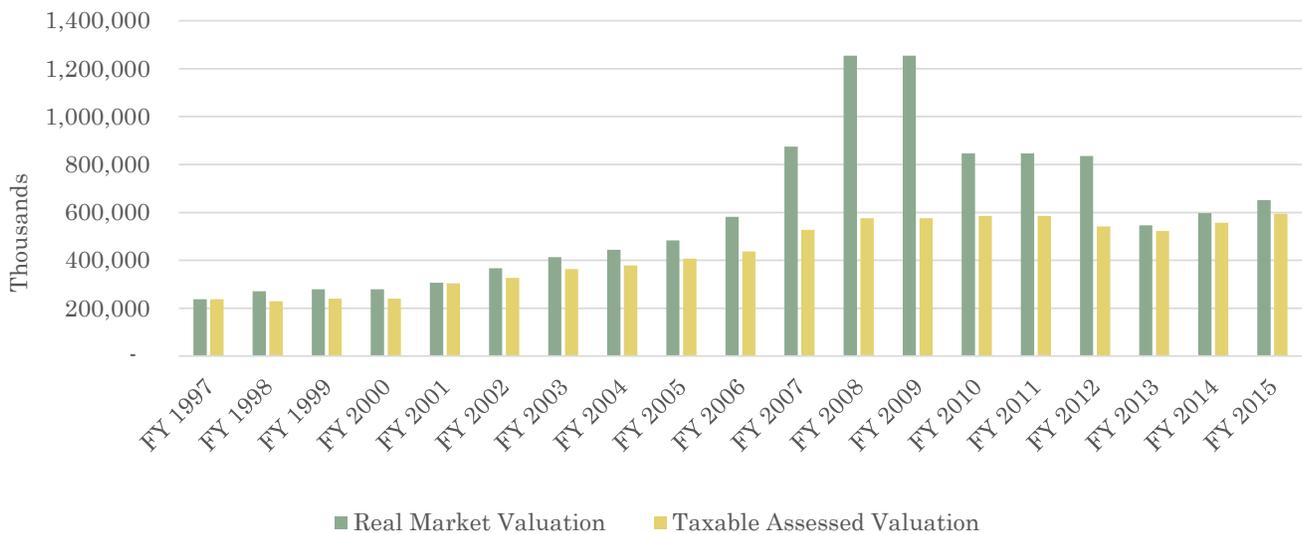
Charges for services total \$11,700,200 for FY 16. Charges for water, wastewater, airport, rail service, engineering, and golf are charged to users in the City of Prineville and with certain services throughout the region. The fees for utility services and governmental funds are established through the city fees and charges resolution, updated yearly. Internal customers are charged for provided services in administration, finance, information technology, and human resources. The fees are based on a percent of personnel, operating, and direct costs. Revenue for wastewater is the largest in this category at 27 percent and water at 18 percent for 2016.

## State Shared Revenue City of Prineville, FY 16



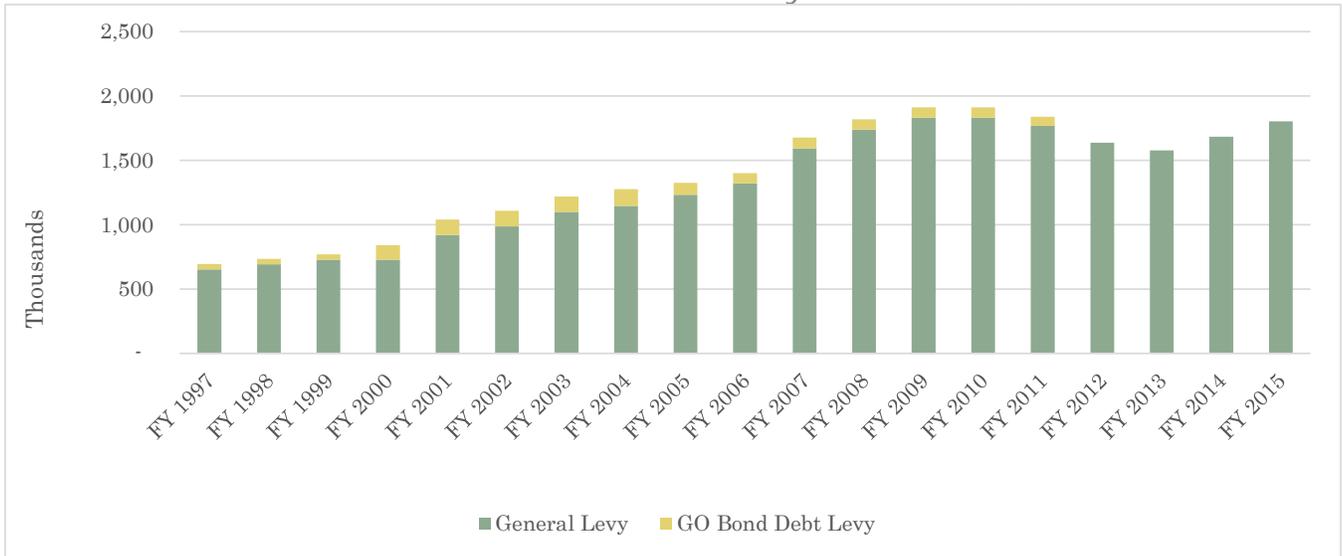
State shared revenues are projected at \$793,400 for FY 16. State revenues are distributed to cities based on state statute, which defines formulas incorporating population and per capita income. The League of Oregon Cities provides the source data for state revenue sharing projections. In Prineville, liquor and cigarette tax revenues are shown in the General Fund. Gas tax and state revenue sharing are shown in the Transportation Operations Fund.

## Real Market Value / Taxable Assessed Value City of Prineville, FY 1997 – FY 2015



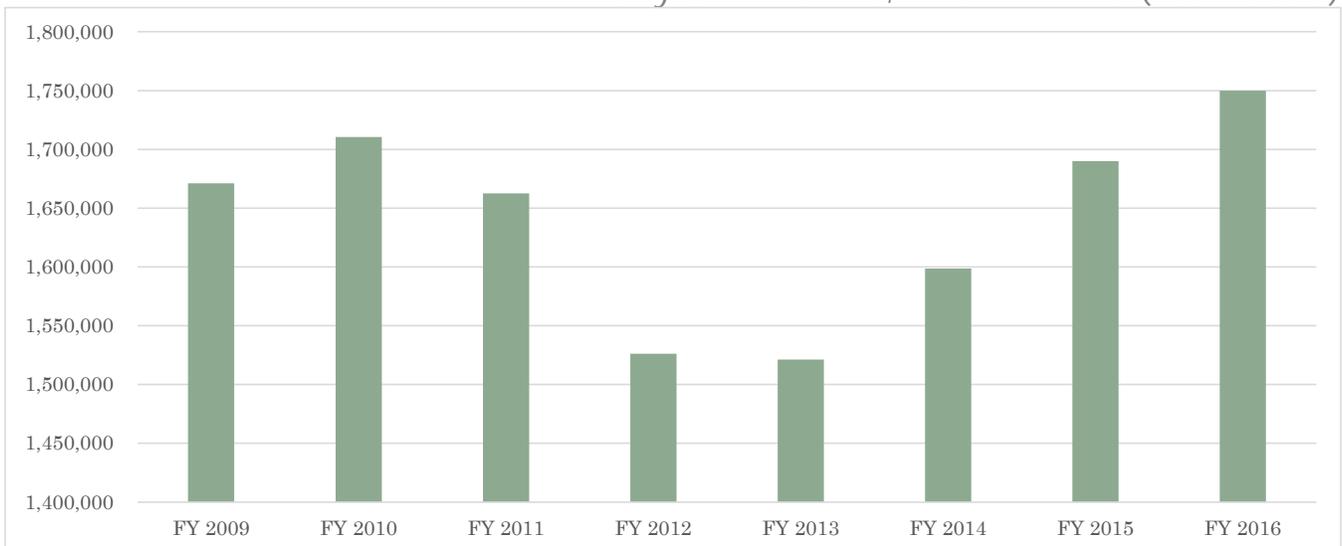
The permanent tax rate of \$3.0225 per thousand is applied to the projected taxable assessed value of property to generate property tax revenues. Property taxes are shown as revenues in the General Fund.

## Property Taxes Levied City of Prineville, FY 1997 – FY 2015

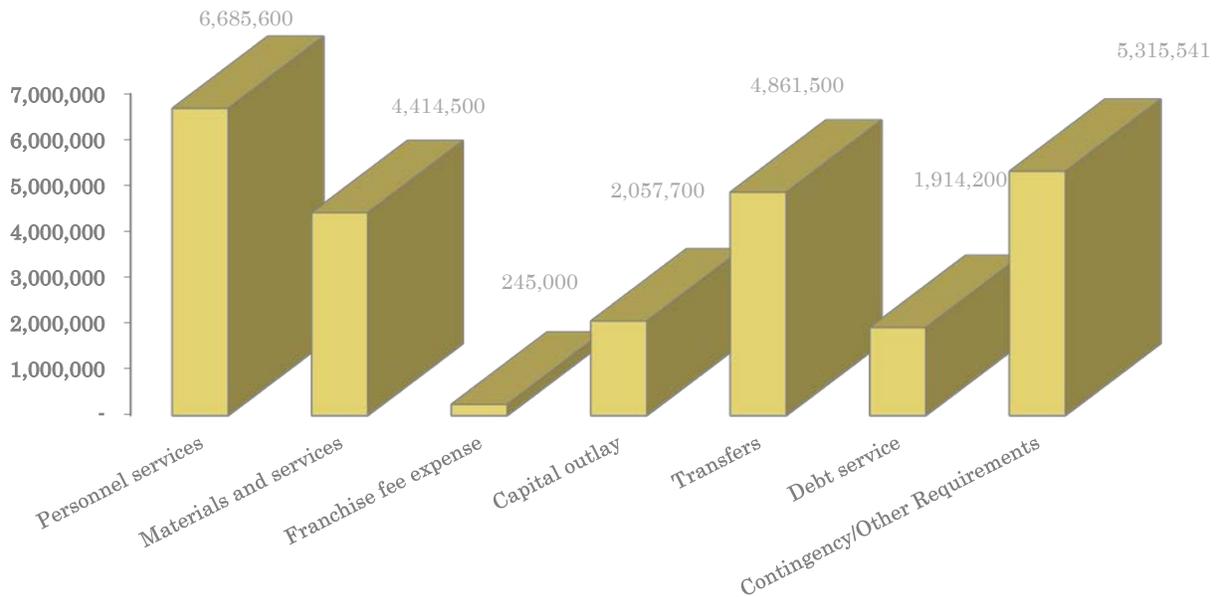


Taxable assessed value of property and the permanent property tax rate are used to calculate property taxes in the City of Prineville. Taxable assessed values of existing property are limited to an increase of 3 percent per year. Value added to a community via new construction increases the assessed value over the 3 percent growth rate limited by Measure 50. For FY 16, taxable assessed value is projected by the county assessor to increase approximately 8 percent over last year's imposed tax. The City is taking a conservative approach and estimated a 5 percent increase over the prior year. The general obligation bond for water improvement matured in FY 11.

## Current Property Tax Collection City of Prineville, FY 09 – FY 16 (Estimated)

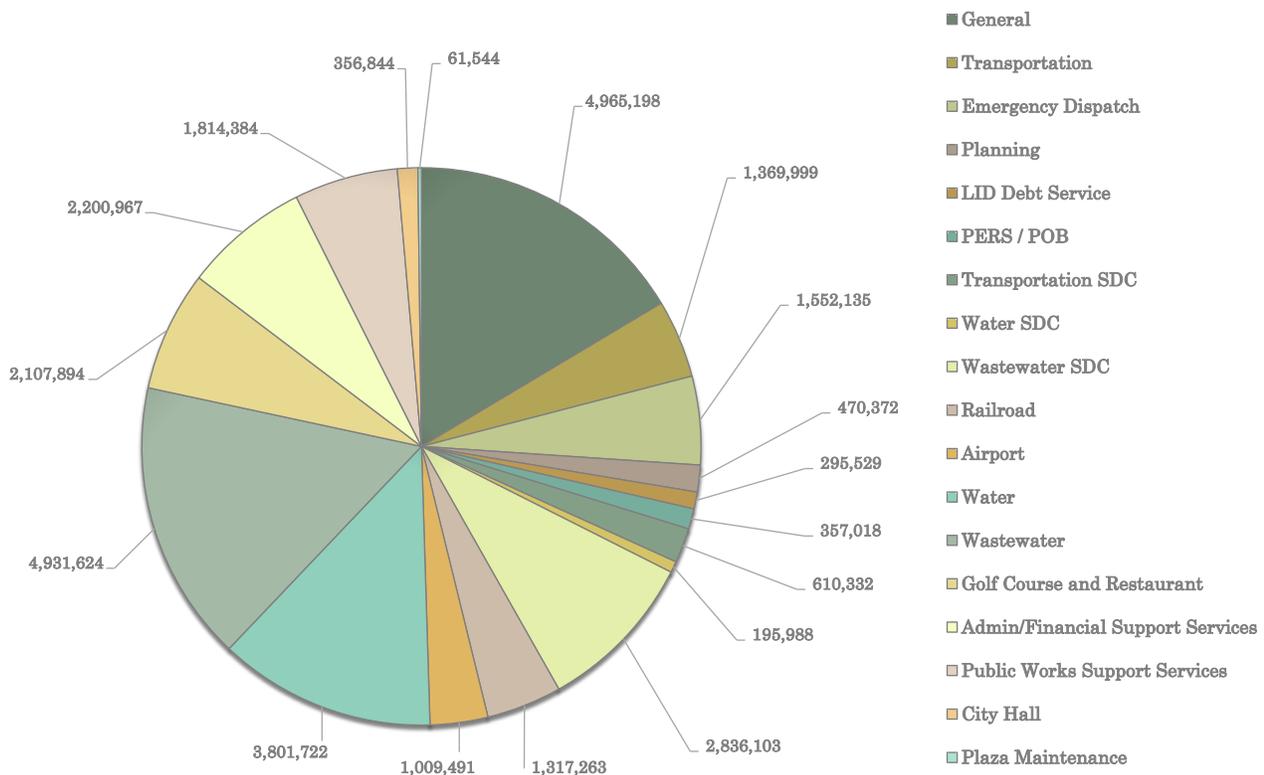


## Requirements Budget by Major Category FY 15 - 16

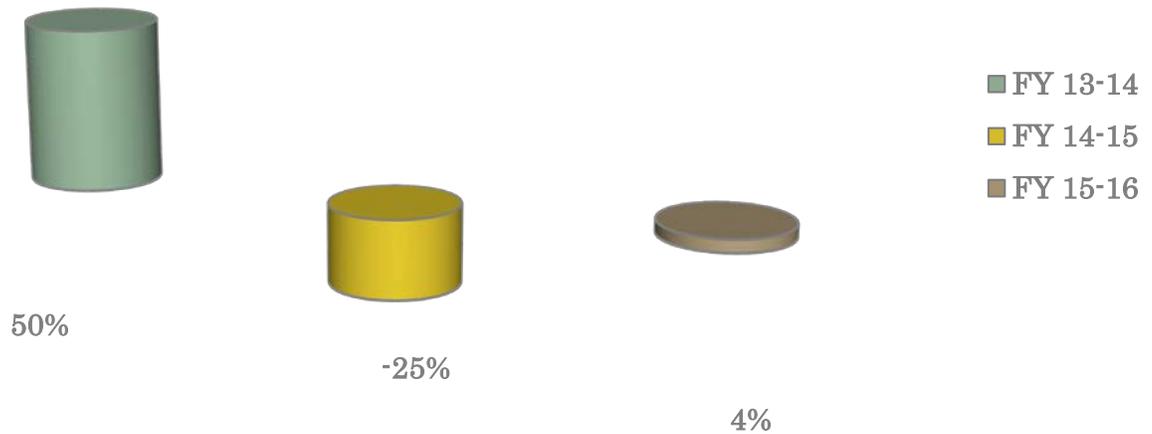


Operational requirements total approximately 54 percent of the budget for FY 16; these categories include personnel services, materials and services, franchise fees, and transfers.

## Total Requirements by Fund FY 14 - 16

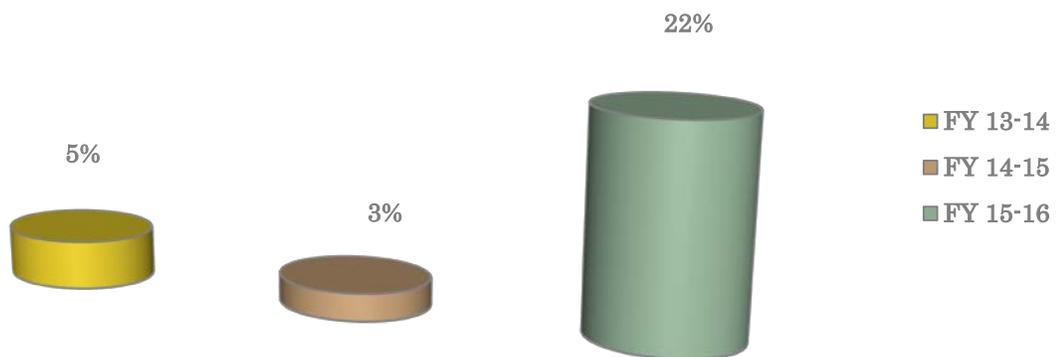


## Personnel Services Requirement Trends FY 14 – 16



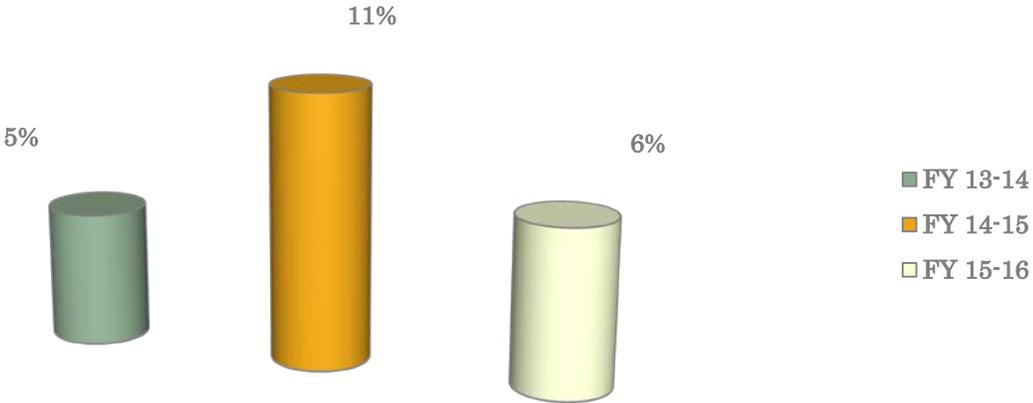
As in past years, personnel services requirements are a major expense category for the organization. For FY 14, the personnel services cost includes the Oregon Public Employee Retirement System (PERS) estimated unfunded liability (UAL) total of \$3.8 million, which played a large role in the 50 percent increase on the chart above. In FY 15, personnel services decreased 25 percent from FY 14. If the UAL is taken out of the equation, the personnel services for FY 15 increased approximately 3 percent over FY 14. For FY 16, personnel services are estimated to increase approximately 4 percent over prior year. The City of Prineville will meet union contract obligations and provide a modest increase for non-represented employees. Increasing costs of health and retirement (PERS), an additional 7 percent estimated rate on subject payroll sufficient to repay debt service on the pension obligation bond (POB), and the slight increase in FTEs by 1.41 make up the majority of this year's cost increase.

## Materials & Services Requirement Trends FY 14 – 16



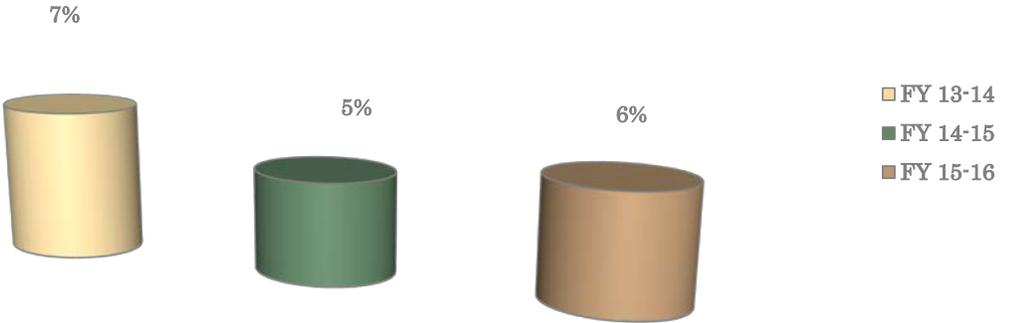
Materials and services requirements increased 22 percent over prior year, largely reflecting maintenance and supplies in the Airport, Wastewater, Golf, and Plaza Maintenance Funds. In 2016, the increase reflects the budgeted replacement of concrete in the plaza area, additional fuel needs at the airport, and an update for wastewater system development charges and developer reimbursement (SDC) fees.

## Debt Service Requirement Trends FY 14 – 16



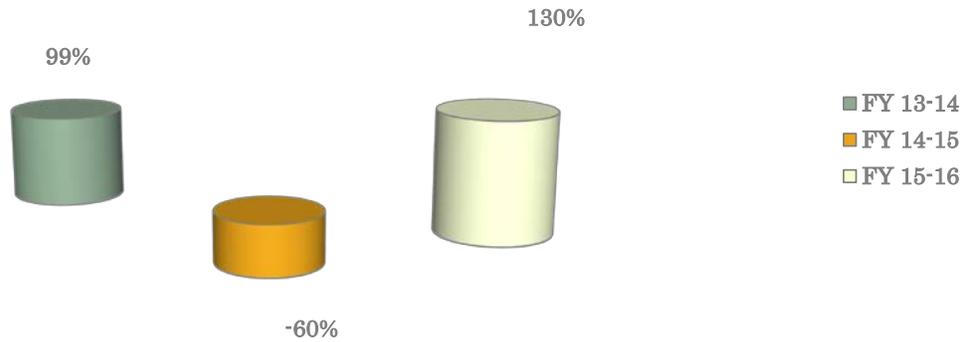
Debt service requirements increased approximately 6 percent over prior year FY 15. Debt proceeds for the wetlands project construction of approximately \$1.8 million and golf cart purchase of \$178,000 are budgeted for FY 16. In FY 15, the City added debt service for the pension obligation bonds, totaling approximately \$2.95 million to be paid over the next 15 years carrying a debt service payment of approximately \$245,000.

## Transfer Requirement Trends FY 14 – 16



Transfers from funds for charges of service are based upon operating budgets. In FY 16, transfers increased by approximately 6 percent. This is largely due to the increase on subject payroll to cover the POB debt service, and the additional dollars transferring from the General Fund to Airport, Transportation, Emergency Dispatch, Planning, and Golf Funds.

## Capital Outlay Requirement Trends FY 14 – 16



Capital outlay for FY 16 totals approximately \$4.6 million. Capital project expenditures increased approximately 130 percent over the prior year. Grant-related projects represent approximately 17 percent of the total projects for FY 16, with 22 percent covered by reserves, 43 percent as debt proceeds, and 2 percent paid for with impact fees. The other 16 percent is paid for with shared revenues, taxes, and user fees. Significant dollars for projects are located in Wastewater SDC Fund with projects totaling approximately \$2,570,000; water projects approximately \$722,500; and wastewater projects totaling approximately \$491,700.

**CITY OF**



**PRINEVILLE**



❖ **Short- & Long-term Strategic Forecasting  
& Capital Improvement Plans**

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## Long-range Strategic Financial Planning Process

The City of Prineville prepared 20-year, long-range planning models for the FY 13 budget process in Water, Wastewater, and Golf and Restaurant Funds. In FY 14, the City completed the General Fund long-range planning model. These models are updated and used by staff to strategically plan, develop, and educate the Prineville City Council and various committees about current and future needs, as well as the resource assumptions to fund these needs. The forecasting models take into account projected increases and decreases in revenues and expenditures.

Budget assumptions include rate adjustments, consumer price index (CPI) adjustments, estimates for population growth, personnel service adjustments, debt service, future financing, and capital improvement plans (CIP). The model analysis examines the effect on debt coverage ratio, available fund balance, reserve policies, and funding gaps. Master plans for water, sewer, and transportation are updated every five years. These master plan documents provide long-range planning (20 years) for necessary capital improvements and investments in the City's infrastructure. Five-year capital improvement plans are updated and reviewed in this process for nonrecurring and recurring projects. The results of these plans are essential in keeping an updated financial forecasting model.

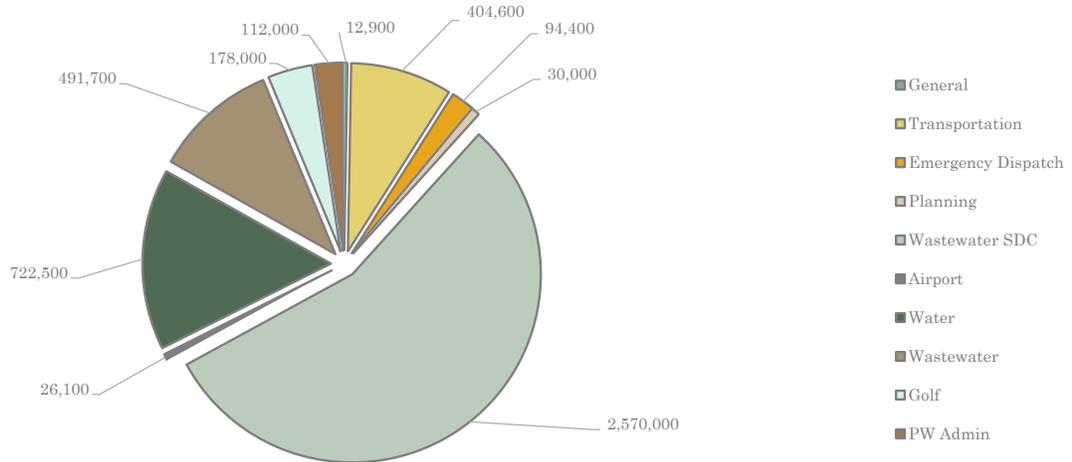
A review of the pavement condition index (PCI), master plans for water and sewer, and the financial forecasts is done by the Prineville Finance Committee and City Council. Findings are then presented to the Prineville Budget Committee during the budget process, prior to the committee's approval of the budget. The long-range planning models are the key to strategizing, studying different financial outcomes, modeling demographic trends, anticipating changes in revenue streams, and forecasting utility rates. They are essential to the decision and development process of the budget document.

The City is working towards establishing a long-range model for each fund. A copy of the latest version of the City's updated projections for Water, Wastewater, Golf and Restaurant, and General Funds (showing only five of the 20-year plans) are placed in the back of this chapter.



*East Valley Sewer Extension.*

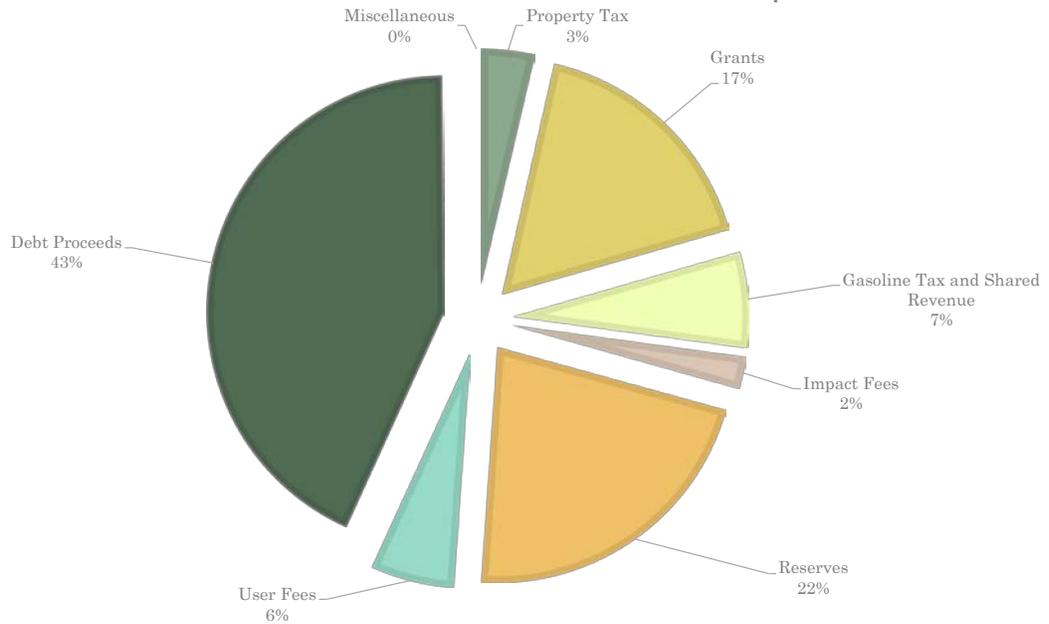
## Capital Outlay Summary



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

The total overall capital outlay budget for FY 16 is \$4,642,200. Ten programs budget capital improvements, the largest being in the Wastewater SDC Fund with approximately \$2.6 million, the Water Fund with approximately \$723,000 budgeted, and approximately \$491,000 budgeted in the Wastewater Fund.

## Capital Resources



The City of Prineville's funding for capital projects comes from a variety of sources for FY 16, but generally falls into one of several categories: Grants, debt service, gasoline taxes, shared revenue, impact fees, or reserves. User fees, property tax, and other miscellaneous revenue will cover approximately 9 percent of the capital projects.

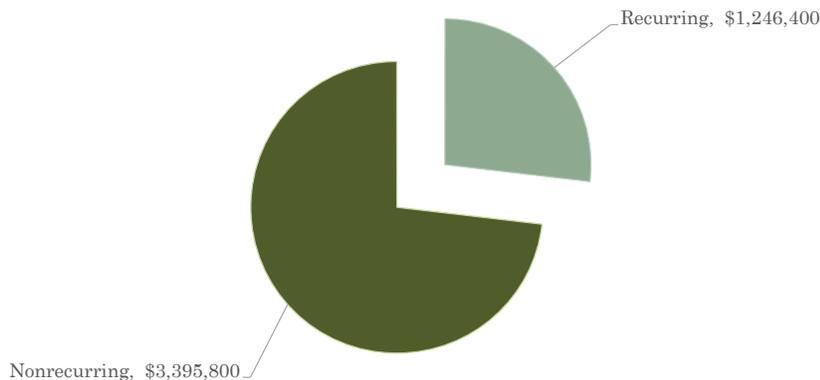
# Summary of Capital Improvement Expenditures and Resources

Capital Improvement Summary City of Prineville Current Year 2016									
Expenditures				Resources					
Department / Project Description	Capital Outlay	Recurring	Nonrecurring	Taxes AD Valorem	Revenue Sharing / Intergovernmental	Debt Proceeds	Grants	Fund Balance	Other
<b>General Fund</b>									
Police Department									
Police Equipment	\$ 12,800	*		\$ 12,800					
Police Facility (Place holder)	100	*		100					
Emergency Dispatch									
RMS 2 EIS Update	62,000		**	44,000					
EMD Cards	32,400		**		50,400				
<b>Transportation Fund</b>									
Overlay / Reconstruction	265,000	*		100,000	165,000				
ODOT Transit Grant	104,600		**		104,600				
Sweeper	35,000	*			35,000				
<b>Planning Fund</b>									
Urban Renewal Project	30,000		**				30,000		
<b>Airport Fund</b>									
Airport Master Plan Update	11,100		**	1,100			10,000		
Airport Improvements	15,000		**	15,000					
<b>Water Fund</b>									
Transmission	295,000	*						295,000	
Repair and Maintenance	75,000	*						75,000	
Bowman Reservoir Mitigation	127,500		**					25,800	101,700
Test Well	125,000		**					125,000	
CRC / HCP	100,000	*						100,000	
<b>Wastewater Fund</b>									
Railroad Sewer Improvement	318,200		**					318,200	
Repair and Maintenance	173,500	*						142,500	31,000
<b>Wastewater SDC Fund</b>									
Construction of Wetland	2,570,000		**			1,820,000	750,000		
<b>Golf Course Fund</b>									
Course Improvements	178,000	*				178,000			
<b>Public Works Administration Services Fund</b>									
Fleet / Equipment Management	112,000	*							112,000
<b>Total Capital Outlay</b>	<b>\$ 4,642,200</b>			<b>\$ 173,000</b>	<b>\$ 355,000</b>	<b>\$ 1,998,000</b>	<b>\$ 790,000</b>	<b>\$ 1,081,500</b>	<b>\$ 244,700</b>

\*\* Major Nonrecurring project

## Capital Expenditures by Category Nonrecurring / Recurring FY 16

### Capital Improvement Plan

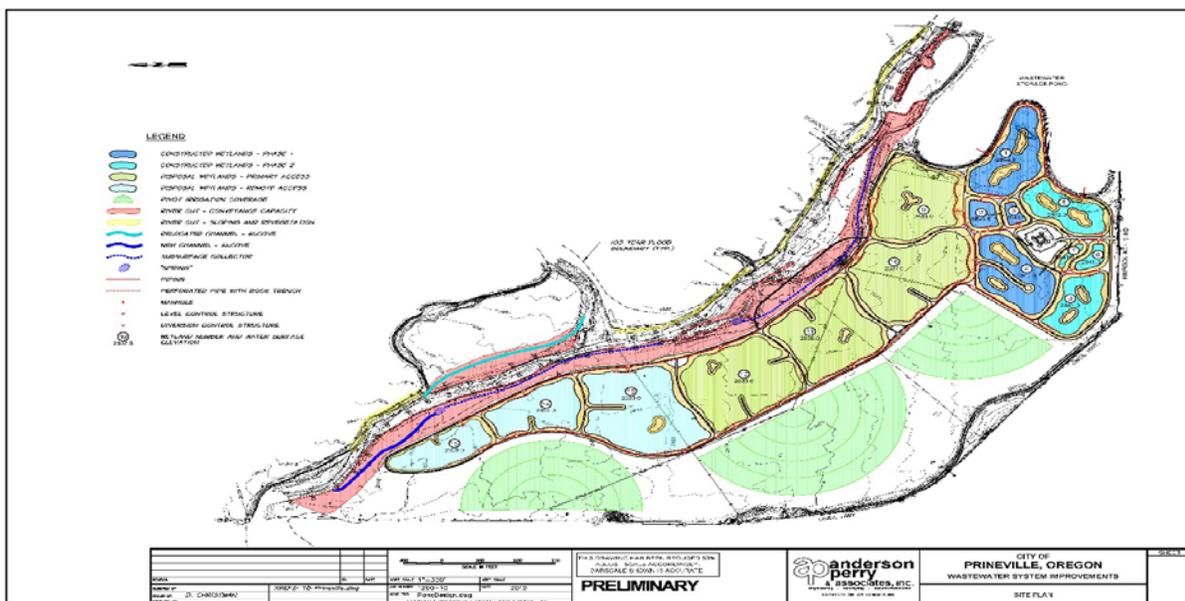


Nonrecurring	
Roads.....	\$ -
Wastewater.....	\$ 2,888,200
Water.....	\$ 252,500
Alternative Transportation.....	\$ 130,700
Buildings.....	\$ -
Other.....	\$ 124,400
<b>Total CIP Expenditures.....</b>	<b>\$ 3,395,800</b>
Recurring	
Vehicles.....	\$ 112,000
Major Maintenance.....	\$ 808,500
Other.....	\$ 325,900
<b>Total Routine.....</b>	<b>\$ 1,246,400</b>
<b>Total Capital.....</b>	<b>\$ 4,642,200</b>



# Wastewater SDC Fund

Project Description: Crooked River Wetland Construction Department: Wastewater System Development Charge								
Project Description	The City of Prineville recently updated the Wastewater Facility Plan to include an alternative effluent disposal process that will extend the useful life of the existing wastewater treatment plant. An effluent disposal wetland was selected to beneficially utilize effluent and improve environmental values at an economic cost. The Crooked River Wetland will be located on approximately 280 acres of city-owned property. The project will include several miles of hiking trails for the citizens of Prineville and visitors alike. Educational opportunities will abound, benefitting local school districts. Related improvements to two miles of riparian habitat along the Crooked River will be completed as well. The adoption of this disposal process reduced future treatment costs from \$62,000,000 to \$6,600,000 which resulted in a reduction of the wastewater system development charge from \$9,147 per equivalent dwelling unit (EDU) to approximately \$4,000 per EDU. This will be an outstanding project for the local community. The City plans to break ground on this project in FY 16 and expects the construction of the project to last through FY 18.							
Analysis of Need	As the project has been identified in our adopted Wastewater Facility Plan, it must be constructed to meet the future demands associated with a growing population.							
Ongoing Operating Costs	As compared to the prior proposed mechanical treatment plant, the cost to operate the proposed wetland disposal cells will be 25 percent. Ongoing operating costs for this project have been analyzed and are expected to remain static as compared to the existing treatment and disposal process. Current costs associated with chemicals, electricity, and maintenance of the many irrigation pumps and equipment will be lowered while costs associated with the maintenance of the disposal wetlands will increase. As this project is required to serve a growing population, increased utility fees associated with our growing population will help to meet required debt service.							
Council Goal	Sustain and efficiently plan for the future development of infrastructure.							
Fiscal Year								
	Estimated Reserves	2016	2017	2018	2019	2020	Beyond	Total
<b>Estimated Cost</b>								
Design / Engineering								
Construction		\$ 2,570,000	\$ 4,245,000	\$ 2,063,400				\$ 8,878,400
Equipment								
<b>Total</b>		<b>\$ 2,570,000</b>	<b>\$ 4,245,000</b>	<b>\$ 2,063,400</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,878,400</b>
<b>Revenue Sources</b>								
Fund Balance								
Intergovernmental								
Grant		\$ 750,000	\$ 1,815,000	\$ 2,063,400				\$ 4,628,400
Bond Proceeds								
Other		\$ 1,820,000	\$ 2,430,000					\$ 4,250,000
<b>Total</b>		<b>\$ 2,570,000</b>	<b>\$ 4,245,000</b>	<b>\$ 2,063,400</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,878,400</b>
<b>Wastewater SDC Fund Operating Impact</b>								
Capital Costs								
Debt Service		\$ 15,000	\$ 65,000	\$ 64,000	\$ 242,000	\$ 242,000	\$ 6,408,000	\$ 7,036,000
Personnel / Operations								
<b>Total</b>		<b>\$ 15,000</b>	<b>\$ 65,000</b>	<b>\$ 64,000</b>	<b>\$ 242,000</b>	<b>\$ 242,000</b>	<b>\$ 6,408,000</b>	<b>\$ 7,036,000</b>



Preliminary site plan for wastewater wetlands.

Project Description: Bowman Mitigation Credits								
Department: Water Fund								
Project Description	Recent studies of the Central Oregon geology have determined that there is a direct connection between groundwater and surface water. It has been shown that if the City of Prineville pumps one gallon of water from one of the deep aquifer wells that serves the City, one gallon of water will potential be removed from surface waters in our region. This becomes an issue, as all of the surface waters have been allocated, so groundwater pumping by the City can be construed as harming a senior water right. To negate this impact, the City must purchase mitigation credits, which are essentially surface water rights that are released in stream to offset the impacts of operating the water wells. The City recently received federal authorization to obtain 5,100 mitigation credits as part of the Bowman Dam Legislative effort. These credits will be sufficient to allow the City to serve the build-out of the Urban Growth Boundary. All of the credits must be purchased in 2016 at an expected rate of \$25 per credit. In future years, only the credits used in the previous year must be paid for.							
Analysis of Need	State water law requires the City to purchase water mitigation credits to offset groundwater pumping impacts.							
Ongoing Operating Costs	With population growth, demand of the water system increases. As the City water system produces and sells more water each year to serve a growing population, more mitigation credits will be required. The cost of mitigation credits is relatively minor when reviewed as a percentage of total operational cost for the water system. As the population grows, this percentage cost is expected to remain static.							
Council Goal	Sustain and efficiently plan for the future development of infrastructure.							
Fiscal Year								
	Estimated Reserves	2016	2017	2018	2019	2020	Beyond	Total
Estimated Cost								
Design / Engineering								
Construction	\$	127,500	\$ 5,000	\$ 5,500	\$ 6,000	\$ 6,500	\$ 7,000	\$ 157,500
Equipment								
<b>Total</b>	<b>\$</b>	<b>127,500</b>	<b>\$ 5,000</b>	<b>\$ 5,500</b>	<b>\$ 6,000</b>	<b>\$ 6,500</b>	<b>\$ 7,000</b>	<b>\$ 157,500</b>
Revenue Sources								
Fund Balance	\$	25,800	\$ 5,000	\$ 5,500	\$ 6,000	\$ 6,500	\$ 7,000	\$ 55,800
Intergovernmental Grant								
Bond Proceeds								
Other	\$	101,700						\$ 101,700
<b>Total</b>	<b>\$</b>	<b>127,500</b>	<b>\$ 5,000</b>	<b>\$ 5,500</b>	<b>\$ 6,000</b>	<b>\$ -</b>		<b>\$ 157,500</b>
Water Fund Operating Impact								
Capital Costs								
Debt Service								
Personnel / Operations	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$</b>	<b>-</b>	<b>\$ -</b>					



*Overhead view of the Crooked River near Bowman Dam.*

Project Description: Test Well														
Department: Water Fund														
Project Description	The City of Prineville has master plans that direct the growth of the water and wastewater systems and transportation network. These plans should be updated every five years to ensure that growth is served efficiently by expanding infrastructure where best needed. The Water Master Plan is scheduled to be updated in FY 17. Prior to this, the Water Department desires to drill a test well east of town to better understand the geology of that area and potential for future water development.													
Analysis of Need	Additional information pertaining to the geology of areas east of town is needed to update the Water Master Plan.													
Ongoing Operating Costs	If the test well preforms sufficiently, the City may convert it to a municipal well at a later date to serve a growing population. The water system operational budget can be broken into three main catagories, production, transmission and storage. As the population grows, improvements to each catagory are required. The future additional rates from this growing population will offset costs to operate this proposed new well.													
Council Goal	Sustain and efficiently plan for the future development of infrastructure.													
Fiscal Year														
	Estimated Reserves	2016	2017	2018	2019	2020	Beyond	Total						
Estimated Cost														
Design / Engineering														
Construction	\$	125,000	\$	-	\$	-	\$	250,000	\$	-	\$	-	\$	375,000
Equipment														
Total	\$	125,000	\$	-	\$	-	\$	250,000	\$	-	\$	-	\$	375,000
Revenue Sources														
Fund Balance	\$	125,000	\$	-	\$	-	\$	250,000	\$	-	\$	-	\$	375,000
Intergovernmental Grant														
Bond Proceeds														
Other														
Total	\$	125,000	\$	-	\$	-	\$	250,000	\$	-	\$	-	\$	375,000
Water Fund Operating Impact														
Capital Costs														
Debt Service														
Personnel / Operations	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-



*Initial drilling on Airport Well #3.*

## Nonrecurring Five-year Capital Improvement Plans by Fund Police Facility Fund

City of Prineville Police Facility Capital Improvement Plan Fiscal Years 2016 - 2020						
Project Description	Current Year Construction Estimate	2016	2017	2018	2019	2020
400 NE 3rd Street - Replace Roof	\$ 100,000			\$ 100,000		
Building Replacement	\$ 13,500,000			\$ 13,500,000		
Placeholder		\$ 100				
<b>Total</b>	<b>\$ 13,600,000</b>	<b>\$ 100</b>	<b>\$ -</b>	<b>\$ 13,600,000</b>	<b>\$ -</b>	<b>\$ -</b>

### Project Description

The current Prineville Police Department building was opened in 1956. It is coming up on its 60th anniversary. A leaking roof is one of the major concerns, but a much larger concern is 100 percent collapse potential from an earthquake. Long-term use of this building for any function, much less a police department, emergency operations center, and county-wide dispatch center is not a prudent move. Placing the structurally sound and waterproofing concerns aside, the issue of current and future space needs make the building inappropriate in its current configuration. The only reasonable and efficient solution is to provide a new police building and combine the Police Department in the same building as the Crook County Sheriff's Office, creating a city-county criminal justice center. Significant taxpayer savings could be generated by sharing space.

The last item in the future years' budgets relates to roof replacement for the current building. The amount estimated for this project is \$100,000. Unfortunately, there is one other consideration with the project. It's a possibility the number and location of existing leaks in the roof could illustrate additional problems with respect to rot the City is not prepared to address with the amount budgeted.

## Emergency Dispatch Fund

City of Prineville Emergency Dispatch Capital Improvement Plan Fiscal Years 2016 - 2020						
Project Description	Current Year Construction Estimate	2016	2017	2018	2019	2020
Recording Equipment Dispatch			\$ 30,000			
RMS2 EIS Update		\$ 62,000				
EMD Cards		\$ 32,400				
Upgrade Radio Consoles / Full Digital and Back-Up					\$ 500,000	
Deployment of Fully Functional - Alt. PSAP				\$ 97,440		
<b>Total</b>	<b>\$ -</b>	<b>\$ 94,400</b>	<b>\$ 30,000</b>	<b>\$ 97,440</b>	<b>\$ 500,000</b>	<b>\$ -</b>

### Project Description

For the 2016 budget year, \$62,000 is placed for the final payment for a long overdue records management system (RMS) upgrade. The new system is necessary, as the current RMS is not working well. It is providing inconsistent data, but also does not meet operational or management information needs. Crook County Sheriff's Office provides an additional benefit from upgrading, as the country department is also making the switch to allow for significant improvements in the sharing of critical information. This update will allow for one master database for names, as well as an increase in efficiency when conducting investigations.

For the upcoming budget year, \$32,400 is assigned to acquire long overdue emergency medical dispatch (EMD) cards for the dispatch center. This upgrade allows a single dispatcher added operational efficiency when working medical calls for service. The current system, in addition to being outdated, is very inefficient in terms of accessibility and integration into the computer software of the dispatch center. This upgrade allows the Emergency Dispatch Department to possess current, best practice medical care instructions while at the same time being much easier to access.

A total of \$97,440 is budgeted for FY 18. This amount is necessary to develop a fully-functional, alternate dispatch location. This amount is also subject to the same concerns addressed above in terms of a signed memo of understanding or intergovernmental agreement.

For FY 19, \$500,000 is set aside to replace the current dispatch consoles. These consoles are at the end of their useful lives and are no longer manufactured. Other options under investigation include an annual replacement of one console at a time, but the process is put on hold until a signed memo of understanding or intergovernmental agreement with the other members served by the dispatch center is completed.

## Planning Fund

City of Prineville Planning Fund CIP Fiscal Years 2016 - 2020						
Project Description	Current Year Construction Estimate	2016	2017	2018	2019	2020
Urban Renewal Project	\$ 30,000	\$ 30,000				
Total	\$ 30,000	\$ 30,000	\$ -	\$ -	\$ -	\$ -

## Project Description

For in early March 2014, the Downtown Strategic Plan Committee already created a mission/vision statement and goals. The committee is currently reviewing and will be selecting projects which encourage and enhance the downtown business area environment. The selection process for projects considers ongoing operating costs as a part of the selection criteria. The expectation is ongoing operating costs will be nominal.

City Council goals this project addresses are: Continue to be fiscally responsible in all we do, maintain “livability” of Prineville, sustain and efficiently plan for the future development of infrastructure, and be “business friendly” and strengthen business to government relationships and cooperation.



*A street full of businesses in the core of downtown Prineville.*

# Transportation SDC Fund

City of Prineville Transportation SDC Capital Improvement Plan Fiscal Years 2016 - 2020						
Project Description (SDC Eligible Projects, Short- and Medium-term)	City's Expected Contribution	2016	2017	2018	2019	2020
Combs Flat Widening \$2,630,000*	\$ 526,000	\$ 526,000				
N 9th St./N 10th St. Street Extension \$2,520,000	\$ 378,000		\$ 378,000			
Combs Flat Extension and Connection to Peters Rd. \$6,850,000	\$ 2,740,000					
Construction of N 2nd St. Street Extension \$660,000	\$ 99,000			\$ 99,000		
SE 5th St. Extension between Main St. and Combs Flat Rd. \$1,680,000	\$ 252,000					
Peters Rd. Connection to Lamonta Rd. \$4,000,000	\$ 600,000					
N 9th St. and N 10th St. Connection \$800,000	\$ 120,000				\$ 120,000	
<b>Total</b>	<b>\$ 4,715,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 120,000</b>	<b>\$ -</b>

\*Indicates capital improvement that is a capacity improving project that will not run through the budget and will be paid for by development and refunded at a later date.

## Project Description

The Combs Flat Road widening work shown in the above chart is an improvement to an arterial street. This improvement is needed to serve the new Pioneer Memorial Hospital. The project is being funded by St. Charles Health Care Systems, and will be refunded as developments served by these improvements come online. This project is in the adopted Transportation System Plan. With recent development in outlying areas, the improvement is now needed.

This project will increase ongoing operating costs. A portion of this project will be done to a state highway, and thereby, some of the maintenance costs will be managed by the State of Oregon. With development of outlying areas, transportation network improvements are necessary. As the City's Transportation Network increases in size, operating cost will increase as well.



*Work on Peters Road.*

## Water SDC Fund

City of Prineville Water SDC Capital Improvement Plan Fiscal Years 2016 - 2020						
Project Description	Current Year Construction Estimate	2016	2017	2018	2019	2020
<b>Source</b>						
Master Plan Update						
<b>Storage</b>						
Barnes Butte Tank #2 (1.0 mg steel)	\$ 1,250,000		\$ 1,250,000			
Fairgrounds Tank #2 (1.0 mg concrete)	\$ 1,250,000					
Hudspeth Tank #1 (2.0 mg concrete)	\$ 2,500,000					
Hudspeth Tank #2 (1.5 mg concrete)	\$ 1,875,000					
Hudspeth Tank #3 (1.0 mg concrete)	\$ 1,250,000					
Melrose Tank #1 (1.0 mg steel)	\$ 1,000,000					
<b>Transmission</b>						
Combs Flat Transmission Main	\$ 102,000					
Barnes Butte Transmission - Distribution Mains	\$ 1,797,300					
Fairgrounds Transmission - Distribution Mains	\$ 1,100,000					
Hudspeth Booster Pump Station #1	\$ 350,000					
Hudspeth Booster Pump Station #2	\$ 350,000					
Hudspeth Booster Pump Station #3	\$ 350,000					
Hudspeth Transmission - Distribution Mains	\$ 1,994,300					
NW Area Transmission - Distribution Mains	\$ 2,781,900					
<b>Total</b>	<b>\$ 17,950,500</b>	<b>\$ -</b>	<b>\$ 1,250,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## Project Description

In FY 16, there are no projects budgeted to come out of the Water SDC Fund. As properties develop in the City of Prineville's east water pressure zone, additional water storage will be required. The proposed Barnes Butte Tank #2 will be a requirement if this growth continues. System development charges generated from new water customers will offset these costs.



*Filling Airport Tank #2 after its completion in 2014.*

Wastewater SDC Fund

City of Prineville Wastewater SDC Capital Improvement Plan Fiscal Years 2016 - 2020							
Project Description	Master Plan Estimated Cost	Current Year Construction Estimate	2016	2017	2018	2019	2020
Colson & Colson	\$ 902,800	\$ 932,000					\$ 932,000
Melrose Bailey Sewer	\$ 3,239,000	\$ 3,344,000					
North Interceptor Sewer	\$ 2,073,100	\$ 2,140,200					
Pinkard Lane Railroad Sewer	\$ 178,900	\$ 184,700				\$ 184,700	
Rimrock Park Interceptor Sewer	\$ 5,938,800	\$ 6,131,200					
Swamp Sewer	\$ 3,930,100	\$ 4,057,500					
Crooked River Wetland Construction	\$ 8,878,400	\$ 8,878,400	\$ 2,570,000	\$ 4,245,000	\$ 2,063,400		
<b>Total</b>	<b>\$ 25,141,100</b>	<b>\$ 25,668,000</b>	<b>\$ 2,570,000</b>	<b>\$ 4,245,000</b>	<b>\$ 2,063,400</b>	<b>\$ 184,700</b>	<b>\$ 932,000</b>

## Project Description

The City of Prineville recently updated its Wastewater Facility Plan to include an alternative effluent disposal process that will enhance the existing wastewater treatment plant. An effluent disposal wetland was selected to beneficially utilize effluent and improve environmental values at an economic cost. The Crooked River Wetland will be located on approximately 280 acres of city-owned property. The project will include several miles of hiking trails for the citizens of Prineville and visitors alike. Educational opportunities will be abound, a benefit to local school districts. Related improvements to three miles of riparian habitat along the Crooked River will be completed as well.

The adoption of this disposal process reduces future treatment costs from \$62,000,000 to \$6,600,000 which resulted in a reduction of the wastewater system development charge from \$9,147 per equivalent dwelling unit (EDU) to approximately \$4,000 per EDU. This will be an outstanding project for the local community. The design of the project was complete in FY 14 and is currently under review by the Oregon Department of Environmental Quality. The funds budgeted in FY 16 will be used for the beginning construction of this project. As shown above, the project is expected to last for three years.

## Railroad Fund

City of Prineville Railroad Capital Improvement Plan Fiscal Years 2016 - 2020							
Project Description	Current Year Construction Estimate	2016	2017	2018	2019	2020	
<b>Plant</b>							
Fix Sinkhole - West of the Crooked River Bridge	\$ 75,000		\$ 75,000				
Lamonta Road Crossing Rehab and Switch Relocation	\$ 450,000		\$ 450,000				
Construct Consolidated Shop & Office at Freight Depot	\$ 750,000		\$ 750,000				
Repair 6,600ft Woodgrain / Contact Lumber Track and Signals	\$ 750,000					\$ 750,000	
Install Welded Rail on Crooked River Bridge and Approaches	\$ 400,000			\$ 400,000			
Rehab Bridge Ties and Install Welded Rails on Hwy 26 Bridge	\$ 300,000			\$ 300,000			
Install Welded Rail on O'Neil Hill, Tie Rehab and Surfacing	\$ 1,200,000				\$ 1,200,000		
O'Neil Hwy Crossing Rehab at MP 1	\$ 300,000						
<b>Rolling Stock</b>							
Hyrrail Pickup with Hydraulic Power Pack and Tools	\$ 100,000						
Rebuilt Locomotive	\$ 450,000				\$ 450,000		
<b>Total</b>	<b>\$ 4,775,000</b>	<b>\$ -</b>	<b>\$ 1,275,000</b>	<b>\$ 700,000</b>	<b>\$ 1,650,000</b>	<b>\$ 750,000</b>	

## Project Description

There are no projects planned for FY 16. There is currently a sinkhole in the sharp curve on the west approach to the Crooked River. While it is not an immediate threat to safe train operations, it will need to be addressed so that it doesn't fail under load during a high water event.

The Lamonta Road crossing is exceptionally rough for the motoring public. In addition, the location of the scale track switch immediately east of the crossing creates a maintenance problem with both the switch and track cross level starting into the crossing. There is a severe low joint at that point that the department is unable to raise due to the proximity to the crossing. Moving the scale track switch about 300 feet to the east, and installing welded rail from the switch through the crossing would eliminate the problem. Additionally, welded rail would be extended west to the end of the track circuit to eliminate bond wires. New ties and ballast would be installed. A new concrete crossing would also be installed.

Construction of a new consolidated shop and office at the Prineville Freight Depot would upgrade facilities, provide more efficient structures and consolidate operations at one location. Former office and shop site could be sold for redevelopment. This project could substitute for Lamonta Road crossing because if the shop was relocated, the rail line east of Lamonta Road could be abandoned and Lamonta Road crossing be eliminated.

There are several welded rail projects planned in the next five years in order to improve safety and reduce maintenance expense. The O'Neil Hill welded rail installation and tie rehabilitation is planned for FY 19. Heavy grade and sharp curvature of line at the location is a prime place for a derailment to occur. As traffic levels increase, more maintenance attention will be required at this location to prevent incidents. Rehabilitation of the grade with new rail and ties will nearly eliminate the risk of derailment and will significantly reduce the required amount of maintenance attention required.



*Mt. Emily Shay giving passengers a ride over a bridge on Madras Highway.*

City of Prineville Airport Maintenance/Improvements Capital Improvement Plan Fiscal Years 2016 - 2020						
Project Description	Current Year Construction Estimate	2016	2017	2018	2019	2020
Asphalt Maintenance - Runways / Taxiways****		\$ 35,000				
Asphalt Maintenance - Hangar Area		\$ 10,000				
Asphalt Run-up Area*			\$ 300,000			
Above Ground Fuel System**, *			\$ 650,000			
AV Gas Fuel Truck***,*			\$ 75,000			
Expanded Parking Apron**,*			\$ 300,000			
Infrastructure North Runway 28			\$ 1,000,000			
Install Lighted Wind Cone - Runway 33/15			\$ 10,000			
FBO Hangar				\$ 750,000		
USFS / BLM Airbase***				\$ 4,000,000		
Asphalt Maintenance - Runways / Taxiways*					\$ 50,000	
Asphalt Maintenance - Hangar Area					\$ 25,000	
Runway 33/15 Reconstruction*						\$ 3,000,000
Airport Entry Landscaping/ Signage				\$ 25,000		
Airport Owned Hangar Improvements		\$ 5,000				
Master Plan Update *		\$ 11,100				
<b>Total</b>	\$ -	\$ 26,100	\$ 2,335,000	\$ 4,775,000	\$ 75,000	\$ 3,000,000

\*FAA Grant funds  
 \*\*Connect Oregon VI funding  
 \*\*\*Partnership - USFS/BLM/County/City  
 \*\*\*\*Indicates capital improvement that is a maintenance project that will not run through the budget.

## Project Description

This year’s project forecast is limited by design as work is being done to align for future grant opportunities. The first project listed is for a fully funded asphalt maintenance program sponsored by the Federal Aviation Administration (FAA) and the Oregon Department of Aviation. The other listed projects include asphalt improvements in the aircraft hangar area, improvements to the airport owned hangars and the completion of the Airport master plan update. These projects provide current, short-term, and long-term needs of the airport and address safety concerns. These projects are also consistent with the council goals: continue to be fiscally responsible in all we do, sustain and efficiently plan for the future development of infrastructure, and community safety.



*An overhead view of the runways at the Prineville-Crook County Airport.*

# Recurring/Routine Five-year Capital Improvement Plans by Fund Police Department Fund

City of Prineville Police Department Capital Improvement Plan Fiscal Years 2016 - 2020						
Project Description	Current Year Construction Estimate	2016	2017	2018	2019	2020
Body Cameras for Each Officer		\$ 12,800				
Update Radios for Police			\$ 20,000			
Two Fully-equipped Patrol Vehicles			\$ 110,000			
<b>Total</b>	\$ -	\$ 12,800	\$ 130,000	\$ -	\$ -	\$ -

The prior year's capital improvement plan budget analysis called for the upgrading of Police Department portable radios. This is a purchase that needs to stay on the list, but is something that can be pushed forward to FY 17. The purchase of body cameras in the amount of \$12,800 is budgeted in FY 16 to allow for each officer working patrol to utilize a functioning camera. Currently, the officers are trading cameras between each other, something that is causing operational problems as well as maintenance concerns. With the growing pressure being exerted at the national, state and to a lesser extent the local level, it appears that body cameras for officers are going to be mandated in the very near future.

## Transportation Fund

City of Prineville Transportation Improvement CIP Fiscal Years 2016-20								
Project Description	Area (sqft.)	Current PCI	Current Year Construction Estimate	2016	2017	2018	2019	2020
<b>Capital Rehabilitation</b>								
NE Gardner Rd. Overlay	95648	57	\$ 77,714		\$ 77,714			
NW 4th St. Grind and Inlay - N Main St. to NW Deer St.	47100	63	\$ 55,578			\$ 55,578		
NW 5th St. Grind and Inlay - N Main St. to NW Dear St.	49995	72	\$ 58,994			\$ 58,994		
NW 9th St. Grind and Inlay - N Main St. to Hwy 26	177820	39	\$ 209,828	\$ 210,000				
NE Elm St. Grind and Inlay - NE 6th St. to NE Loper Ave.	85728	36	\$ 101,159		\$ 101,159			
NW Harwood Ave. Grind and Inlay - NE 3rd St. to NE 6th St.	46057		\$ 54,347	\$ 55,000				
SE 5th St. Grind and Inlay - SE Fairview St. to End	113900	72	\$ 134,402			\$ 134,402		
SE Fairview St. Grind and Inlay - NE 3rd St. to SE Lynn Blvd.	147494	67	\$ 174,043					
SE 2nd St. grind and inlay - Fairview St. to Idlewood Ct.	48388		\$ 57,098					\$ 57,098
SW Cliffside Ln. Full Depth Reclamation - SW Crestview Rd. to SW Park Dr. (\$2.25/sqft.)	29616	34	\$ 66,636					
SW Crestview Rd. Full Depth Reclamation - SW Park Dr. to Dead End	94920	34	\$ 213,570					
SW Park Dr. Full Depth Reclamation - SW Rimrock Rd. to SW Crestview Rd.	21408	52	\$ 48,168					
SW Rimrock Rd. Full Depth Reclamation - Hwy 126 to Dead End	77784	45	\$ 175,014					
NW Lamonta Crack Seal and 2" Overlay	219840		\$ 196,900				\$ 196,900	
NE Laughlin Rd. Crack Seal and 2" Overlay	115284		\$ 107,000				\$ 107,000	
<b>Capital Maintenance</b>								
<b>Crack Seals</b>								
Crack Seal Airport Area			\$ 100,000					
Crack Seal NE Quadrant Remainder			\$ 40,000					
Crack Seal NW Quadrant			\$ 80,000					
Crack Seal SE Quadrant			\$ 80,000			\$ 20,000		
Crack Seal SW Quadrant			\$ 80,000					\$ 100,000
Finish Up All Crack Seal Areas			\$ 100,000					
<b>Slurry Seal Coats</b>								
NE 4th St - Court St. to Elm St.	35,688sqft.		\$ 8,922					\$ 8,922
NE Alabama Way - Mariposa Ave. to Cul-de-sac	16,040sqft.		\$ 4,010					\$ 4,010
NE Bailey Rd. - Mariposa Ave. to Cul-de-sac	15,680sqft.		\$ 3,920					\$ 3,920
NE Clearview Way - Mariposa Ave. to Cul-de-sac	15,880sqft.		\$ 3,970					\$ 3,970
NW Harwood Ave. Crack and Slurry Seal - Entire (\$0.30/sqft.)	131,235sqft.	77	\$ 40,000					\$ 40,000
NW Ochoco Ave - Elm St. to Oregon Ave.	70,448sqft.		\$ 21,135					\$ 21,135
NW Lookout Ave. - Elm St. to Oregon Ave.	71,775sqft.		\$ 21,535					\$ 21,535
NW Oregon Ave. - Ochoco to Loper Ave.	37,070sqft.		\$ 11,121					\$ 11,121
NE Yellowpine Rd. - Sugarpine Rd. to Barnes Butte Rd. (\$0.35/sqft.)	175,102 sqft.		\$ 61,286		\$ 61,286			
NE Sugarpine Rd. - Yellowpine Rd. to Yellowpine Rd.	91,900 sqft.		\$ 32,165		\$ 32,165			
NE Cherry Lp. - Yellowpine Rd. to Yellowpine Rd.	34,200 sqft.		\$ 11,970					
NE Snowberry St. - Sugarpine Rd. to Yellowpine Rd.	17,820 sqft.		\$ 6,240					
N & S Main St. Crack Seal and Seal Coat (\$0.354/sqft.)	401,529 sqft.		\$ 140,535					\$ -
NE 7th St. & NE Laughlin Rd. Crack and Slurry Seal - Entire	32,000 sqyd.	82	\$ 51,000					
NE Peters Rd. Crack and Slurry Seal - N Main St. to NE Yellowpine Rd.	10,500 sqyd.	52	\$ 17,000					
NW Deer St. Crack and Slurry Seal - Entire	20,000 sqyd	75	\$ 31,900					
NW Gardner Rd. Crack and Slurry Seal - Entire	10,650 sqyd.	57	\$ 17,000					
NW Lamonta Ave. Crack and Slurry Seal - Entire	24,500 sqyd.	77	\$ 40,000					
<b>Equipment</b>								
New Sweeper			\$ 175,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
ODOT Transit Grant			\$ 104,600	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>			\$ 2,909,160	\$ 404,600	\$ 307,324	\$ 303,974	\$ 338,900	\$ 306,711

## Project Description

The capital improvement plan expenditures discussed in the above section are primarily related to the rehabilitation of existing transportation facilities to serve the citizens of the City of Prineville. A new street begins to deteriorate as soon as construction is complete. However, this deterioration is not linear. If a street is allowed to deteriorate significantly, maintenance activities become quite expensive. An example of these rehabilitation activities would be overlays and reconstruction. Recently, the City started the investigation of pavement preservation activities such as slurry seals, crack seals, and seal coats. By preserving the pavement asset before a significant decrease in quality, the economic efficiency of the investment can be maximized.

The current year proposed capital improvements are not expected to require additional staffing or increased maintenance dollars.

## Water Fund

City of Prineville Water Improvement Plan - Water Repair and Maintenance (R&P) Capital Improvement Plan Fiscal Years 2016 - 2020						
Project Description	Current Year Construction Estimate	2016	2017	2018	2019	2020
<b>Source</b>						
Pump Controls (Telemetry)		\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Upgrade Chlorination Systems			\$ 10,000			
Upgrade Sampling Stations						
Water Mitigation Credits						
Water Rights (Including administration and mitigation credits)	\$ 10,000	\$ 10,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Water Conservation Plan Update	\$ 35,000	\$ 35,000				
Water Master Plan Update	\$ 175,000		\$ 175,000			
Habitat Conservation Plan	\$ 60,000	\$ 60,000	\$ 60,000	\$ 40,000		
Crooked River Concept	\$ 40,000	\$ 40,000	\$ 20,000			
Bowman Reservoir Mitigation Credits (5,100 acre-ft. at \$25/acre-ft.)	\$ 127,500	\$ 127,500	\$ 5,000	\$ 5,500	\$ 6,000	\$ 6,500
Test Well (East of town)	\$ 125,000	\$ 125,000			\$ 250,000	
<b>Storage</b>						
Recoat Ochoco Tanks (Remove original 1950 lead coatings)	\$ 850,000			\$ 20,000		
Reservoir Maintenance (Cleaning / painting / telemetry)	\$ 20,000					
<b>Transmission</b>						
NW 4th St - N. Main St. to NW Deer St. (960 ft. of 8")	\$ 111,715	\$ 111,715				
NW 5th St - N. Main St. to NW Deer St. (960 ft. of 8")	\$ 111,715					
NW 5th St - NW Deer St. to NW Harwood Ave. (1,350 ft. of 8")	\$ 157,100		\$ 157,100			
SE Fairview St. - SE 5th St. to SE 2nd St. (920 ft. of 8")	\$ 107,060		\$ 107,060	\$ 107,060		
SE 2nd St. - Fairview St. to Idlewood St. (1000 ft. of 8")	\$ 116,370			\$ 116,370		
SE 4th St. - S Belknap St. to SE Fairview St. (1,575 ft. of 8")	\$ 183,283	\$ 183,285				
SE Belknap St. - SE 5th St. to SE 3rd St. (640 ft. of 8")	\$ 89,600			\$ 89,600		
Plus re-plumb 4th Street well (\$140/ft.)						
SE Dunham St. - SE 3rd St. to SE 2nd St. (320 ft. of 8")	\$ 37,238				\$ 37,238	
NW Harwood Ave. - NW 4th St. to NW 5th St. (350 ft. of 8")	\$ 40,730				\$ 40,730	
NW Locust St - NW 5th St. to NW 6th St. (175 ft. of 8")	\$ 20,365				\$ 20,365	
NE 6th St. - Main St. to Fairview St. (1480 ft. of 8")	\$ 172,228					\$ 172,228
NW Ewen St. - NW 7th St. to NW 8th St. (300 ft. of 8")	\$ 34,911				\$ 34,911	
NE Court St. - NE 7th St. to NE 10th St. (850 ft. of 12" at \$130/ft.)	\$ 110,500					\$ 110,500
NE 2nd St. - NE Holly St. to NE Juniper Ct. (650 ft. of 8")	\$ 75,641				\$ 75,641	
NE Holly St. - E 1st St. to NE 3rd St. (650 ft. of 8")	\$ 75,641				\$ 75,641	
NE 1st St. - Main St. to Fairview St. (1550 ft. of 8")	\$ 180,374					
NE 2nd St. - Main St. to Fairview St. (1550 ft. of 8")	\$ 180,374					
NW Beaver St. - NW 7th St. to NW 10th St. (960 ft. of 8")	\$ 111,715					
NW Crest Dr. - NW Allen Ave. to NW Allen Rd. (1970 ft. of 8")	\$ 229,249					
NW McRae Ct. - NW Loper Ave. to NW Sunrise St. (485 ft. of 8")	\$ 56,439					
NW Wilshire Dr. - NW Loper Ave. to NW Sunrise St. (485 ft. of 8")	\$ 56,439					
<b>Maintenance</b>						
Meter replacement (\$200 each)		\$ 20,000		\$ 20,000		
<b>Total</b>	<b>\$ 3,701,185</b>	<b>\$ 722,500</b>	<b>\$ 569,160</b>	<b>\$ 433,530</b>	<b>\$ 575,525</b>	<b>\$ 324,228</b>

## Project Description

Most of the projects in the Water Fund are recurring in nature, and associated with repair and maintenance of the water infrastructure. The exceptions are the Bowman Reservoir Mitigation Credits and the test well east of town. Detailed project sheets are located in the “Major Nonrecurring Capital Improvements by Project” section on page 76.

## Wastewater Fund

City of Prineville Wastewater Repair and Maintenance (R&P) Capital Improvement Plan Fiscal Years 2016 - 2020						
Project Description	Current Year Construction Estimate	2016	2017	2018	2019	2020
<b>Treatment Plant</b>						
ATV with Serviceable Bed	\$ 10,000		\$ 10,000		\$ 10,000	
Golf Course Pump Rebuilds (\$12,500 each)	\$ 12,500	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Irrigation Improvements	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Pump Rebuilds	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500
Distribution Upgrades	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Control System Update	\$ 32,000					
<b>Sanitary Sewer (Materials and Services)</b>						
Railroad Sewer Improvement	\$ 318,200	\$ 318,200				
Manhole Rehabilitation (10 per year)	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Infiltration and Inflow Maintenance	\$ 100,000	\$ 50,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
<b>Total</b>	<b>\$ 586,200</b>	<b>\$ 491,700</b>	<b>\$ 233,500</b>	<b>\$ 223,500</b>	<b>\$ 233,500</b>	<b>\$ 223,500</b>

## Project Description

In FY 15, the City of Prineville extended the railroad interceptor sewer approximately 7,000 lineal feet to serve the new St. Charles Hospital. The large sewer is designed to serve all properties east of Prineville for the next 40 years. The project consisted of connecting to an existing interceptor sewer at SE Juniper Street and extending a new 18-inch sewer line to the southeast along the abandon City of Prineville Railway right-of-way. The new line needed to be extended underneath Oregon State Highway 26, State Highway 380, and Ochoco Creek. Funding for the project was provided by St. Charles Health Systems, who will be reimbursed as new customers utilize this infrastructure.

St. Charles initially requested to install a less expensive to construct sewer pump station, but operational costs would increase compared to a gravity sewer. The cost estimate to construct the sewer pump station was \$1.33 million. The City and St. Charles agreed a gravity sewer system would be more desirable as it would be much less expensive to maintain into the future as compared to the ongoing maintenance and electrical costs of the proposed pump station. The City of Prineville agreed to pay any costs over the proposed \$1.33 million for the pump station. The total approved cost of the gravity sewer project was \$1,648,144. Therefore, the City of Prineville must reimburse St. Charles \$318,200. It is important to note a gravity sewer collection system, while more expensive to construct, will greatly decrease future operating costs.

The other capital improvements shown above are primarily related to maintenance activities needed to support the aging City of Prineville wastewater collection and treatment system. These projects, once complete, will lower costs associated with nonscheduled downtime (breakdowns). Unscheduled downtime can be quite expensive in overtime and “rush” repair costs. This is an example of how the City of Prineville Wastewater Department is doing all it can to meet the City Council goal to “continue to be fiscally responsible in all we do.”

## Golf Course Fund

City of Prineville Meadow Lakes Capital Improvement Plan Fiscal Years 2016 - 2020						
Project Description	Current Year Construction Estimate	2016	2017	2018	2019	2020
Golf Cart Fleet Replacement	\$ 178,000	\$ 178,000				
Cart Path Paving			\$ 20,000		\$ 20,000	
Fairway Mower			\$ 36,000			
Replace Coolers in Restaurant				\$ 10,000		
Bunker Sand				\$ 14,000		
Trim Mower / Gang Rough Mower				\$ 36,000		
Replace Kitchen Floor					\$ 10,000	
New Carpet in Clubhouse					\$ 25,000	
Windows and Seals for Clubhouse						\$ 10,000
Replace Ovens in Restaurant						\$ 10,000
Banquet Room Furniture						\$ 10,000
Replace Restrooms on Course						\$ 30,000
Renovate Irrigation System						
<b>Total</b>	<b>\$ 178,000</b>	<b>\$ 178,000</b>	<b>\$ 56,000</b>	<b>\$ 60,000</b>	<b>\$ 55,000</b>	<b>\$ 60,000</b>

### Project Description

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

In FY 16, new golf carts will be purchased to replace the current, aging golf car fleet. Maintaining the current fleet of golf carts for the past four years cost over \$60,000, compared to just \$2,239 in FY 08, a significant increase. This is due to chargers, batteries, windshields, and other parts in need of replacement. The maintenance cost of the current fleet would continue to be high if new carts are not purchased as the battery life on the current fleet is nearly gone, requiring the installation of new batteries. Trade-in value on the current fleet would continue to decline if the carts are kept beyond this year. Once the new fleet is in place, maintenance costs of the fleet will be less than \$1,000 in FY 16.

In FY 17, the process of replacing low-quality areas of cart paths around the golf course will resume. There are a number of high-traffic areas – along low spots on the golf course where water gathers – developing pot holes and rough pavement. These areas are hard on the golf carts, causing increased maintenance costs on the golf car fleet. Additionally in FY 17, a fairway mower needs to be purchased to replace the oldest of the current fairways machines. The current state of the fairway mowers causes a high amount of maintenance from the mechanic to keep the machines operational. A new mower will help to improve turf quality, while also improving staff efficiency.

In FY 18, the process begins of replacing the coolers in the restaurant. The existing coolers are old, and require a high amount of maintenance annually to keep them operational. Over the past two years, over \$7,700 in parts and labor to repair a variety of issues for the beer cooler, walk-in cooler, and kitchen coolers incurred. In FY 18, sand to the bunkers on the golf course needs to be added. This is a necessary cost every couple of years in order to replace sand blowing away in wind storms, and packed down sand due to irrigation and weather. Finally, the oldest trim mower and gang rough mower require replacement with a slightly used or demo model that should run much more efficiently than current equipment. The purchase of a demo or slightly used mower rather than brand new could save the golf course money in the long run.

In FY 19, the kitchen floor is scheduled for replacement. The existing floor is discolored and showing signs of deterioration. A new floor is needed to maintain the restaurants high health and cleanliness standards. Additionally, the carpet in the clubhouse will also require replacement in FY 19, as the current carpet will be near the end of its lifecycle. The process of replacing low-quality cart paths on the course will continue.

In FY 20, 22 of the windows and seals in the dining room and banquet room will be replaced. The seals on those windows broke in the past, which causes moisture, cobwebs, and dust to get in-between the two panes. These bad seals also cause higher energy, due to cold air entering the building in the winter and warm air getting in during summer months. It is estimated new energy-efficient windows could save the facility upwards of \$500 per year in energy costs. Also in FY 20, the aging ovens in the kitchen that are beginning to become burdensome in maintenance and repair costs will be replaced. Lastly in FY 20, the two outhouse-style restrooms on the golf course will be replaced by one new outhouse near Holes #10, #16 and #17, along with one comfort station accessible on Holes #5, #8 and #13. The comfort station will be a significant upgrade to the current out-building.



*Filling in a pond near Hole #10.*

## Public Works Administration Services Fund

City of Prineville Public Works Capital Improvement Plan Fiscal Years 2016 - 2020						
Project Description	Current Year Construction Estimate	2016	2017	2018	2019	2020
Backhoe	\$ 100,000			\$ 100,000		
Dump Truck	\$ 100,000		\$ 100,000			\$ 100,000
Pickup	\$ 32,000	\$ 32,000	\$ 34,000	\$ 34,000	\$ 35,000	\$ 35,000
Vactor	\$ 300,000					
Small Roder Truck	\$ 80,000	\$ 80,000				
Used Grader	\$ 100,000				\$ 100,000	
Equipment Shed	\$ 40,000					
<b>Total</b>	<b>\$ 752,000</b>	<b>\$ 112,000</b>	<b>\$ 134,000</b>	<b>\$ 134,000</b>	<b>\$ 135,000</b>	<b>\$ 135,000</b>

### Project Description

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

# Long-range Planning Models

Water Fund Financial Forecasts FY 2014-2020								
	Actual	Budget	Estimated	Budget	Projection	Projection	Projection	Projection
Resources	2014	2015	2015	2016	2017	2018	2019	2020
Charges for services	\$ 1,915	\$ 1,877	\$ 2,027	\$ 2,098	\$ 2,182	\$ 2,280	\$ 2,383	\$ 2,490
Intergovernmental								
Interest	6	5	5	5	5	5	6	7
Miscellaneous	-	6	5	6	-	-	-	-
SDC Reimbursement Fee	-	-	-	-	-	-	-	-
Water Mitigation	-	-	-	-	-	-	-	-
Debt Proceeds	-	-	-	-	-	-	-	-
Transfers	-	72	99	127	122	125	122	125
<b>Total resources</b>	<b>1,921</b>	<b>1,960</b>	<b>2,136</b>	<b>2,236</b>	<b>2,309</b>	<b>2,410</b>	<b>2,511</b>	<b>2,622</b>
Expenditures								
Personal services	-	-	-	-	-	-	-	-
Materials and services	389	474	464	489	509	532	556	581
Franchise fee	90	94	94	105	109	114	119	125
Capital outlay	485	491	445	548	400	400	300	300
Equipment								
Improvements	485	491	445	548	400	400	300	300
Debt service								
Principal	140	140	140	155	160	170	170	180
Revenue Bond - 2003	40	40	40	45	45	45	45	45
SDC Note Payable (Transfer to SI	-	-	-	-	-	-	-	-
SPWF - 1996 (Transfer to Freight	-	-	-	-	-	-	-	-
Refunding Bonds	100	100	100	110	115	125	125	135
Interest	135	131	131	128	123	118	113	108
Revenue Bond - 2003	25	24	24	22	22	22	22	22
SDC Note Payable (Transfer to SI	-	-	-	-	-	-	-	-
SPWF - 1996 (Transfer to Freight	-	-	-	-	-	-	-	-
Refunding Bonds	110	107	107	106	101	96	91	86
Transfers	813	1,043	1,043	1,102	1,168	1,244	1,325	1,411
<b>Total expenditures</b>	<b>2,052</b>	<b>2,373</b>	<b>2,317</b>	<b>2,527</b>	<b>2,469</b>	<b>2,578</b>	<b>2,583</b>	<b>2,705</b>
Revenue over/(under) expenditures	(131)	(413)	(181)	(291)	(160)	(168)	(72)	(83)
Beginning fund balance	1,652	1,413	1,521	1,341	1,050	890	722	650
<b>Ending fund balance</b>	<b>\$ 1,521</b>	<b>\$ 1,000</b>	<b>\$ 1,341</b>	<b>\$ 1,050</b>	<b>\$ 890</b>	<b>\$ 722</b>	<b>\$ 650</b>	<b>\$ 567</b>
Other requirements								
Debt service reserves	-	-	-	-	-	-	-	-
Fund balance analysis								
Available fund balance	1,521	1,000	1,341	1,050	890	722	650	567
Desired available fund balance	558	637	634	655	677	702	728	756
Difference	963	363	707	395	213	20	(78)	(189)
Assumptions								
Rate - single family home (8 CCF/m	\$ 28.91	\$ 28.91	\$ 29.78	\$ 30.67	\$ 31.59	\$ 32.54	\$ 33.52	\$ 34.53
% increase - rates	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
\$ change - rates - SF home (8 CCF/1	0.84	0.84	0.87	0.89	0.92	0.95	0.98	1.01
CPI %	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Cumulative CPI %	108.2%	108.2%	111.5%	114.8%	118.3%	121.8%	125.5%	129.2%
Personal services adjustment %	5.0%	3.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Population growth rate	0.5%	0.0%	0.0%	0.5%	1.0%	1.5%	1.5%	1.5%
Population increase	46	-	-	47	94	142	144	147
Population	9,345	9,299	9,345	9,392	9,486	9,628	9,772	9,919
Franchise fee	5%	5%	5%	5%	5%	5%	5%	5%
Capital outlay								
Capital outlay - 2011 dollars	300	300	300	300	350	350	350	350
Capital outlay - inflation adjusted \$	485	491	445	548	400	400	300	300
Outstanding debt								
Revenue bond 2003	465	465	425	380	335	290	245	200
Refunding issue	2,668	2,668	2,568	2,458	2,343	2,218	2,093	1,958
	3,133	3,133	2,993	2,838	2,678	2,508	2,338	2,158
DCR Analysis								
Revenue	\$ 1,915	\$ 1,877	\$ 2,027	\$ 2,098	\$ 2,182	\$ 2,280	\$ 2,383	\$ 2,490
Expenditures, excluding bond issuan	1,202	1,517	1,507	1,591	1,677	1,776	1,881	1,992
Net revenue	713	360	520	507	505	504	502	498
Debt service - excluding refunding	275	271	271	283	283	288	283	288
DCR	2.59	1.33	1.92	1.79	1.79	1.75	1.77	1.73
Revenue with SDC reimbursement	1,915	1,949	2,126	2,225	2,304	2,405	2,505	2,615
DCR with SDC reimbursement	2.59	1.60	2.29	2.24	2.22	2.18	2.20	2.16
DCR MADS								
EDU per capita %								
SDC - EDUs	21	-	-	22	43	65	66	68
SDC reimbursement - EDU	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SDC - improvement	\$ 2,786	\$ 2,786	\$ 2,870	\$ 2,956	\$ 3,045	\$ 3,136	\$ 3,230	\$ 3,327

Wastewater Fund Financial Proformas 2014 - 2020 (amounts in thousands)							
	Actual	Projection	Projection	Projection	Projection	Projection	Projection
	2014	2015	2016	2017	2018	2019	2020
Resources							
Charges for services	\$ 2,889	\$ 3,048	\$ 3,178	\$ 3,332	\$ 3,494	\$ 3,663	\$ 3,731
Intergovernmental							
Interest	3	3	3	5	8	9	10
Miscellaneous	89	82	38	39	40	41	42
SDC Reimbursement Fee	74	28	31	33	35	40	43
WWTP Property Sales		550					
Debt Proceeds			-	4,500	-		
Transfers							
<b>Total resources</b>	<b>3,055</b>	<b>3,711</b>	<b>3,250</b>	<b>7,909</b>	<b>3,577</b>	<b>3,753</b>	<b>3,826</b>
Expenditures							
Personal services	200	196	111	118	125	132	140
Materials and services	451	550	520	550	570	591	612
Franchise fee	151	151	159	167	175	183	187
Capital outlay	111	130	174	4,712	219	225	232
Debt service							
Principal	459	491	523	587	644	859	895
DEQ CWSRF R74682/2	399	411	423	435	448	462	475
2011 Refunding issue	60	80	100	125	170	200	220
State of Oregon IFA 2015			-	27	26	27	28
DEQ - term loan FY 2018			-	-	-	170	172
USDA - 2015			-	-	-	-	-
Interest	396	382	399	390	372	359	334
DEQ CWSRF R74682/2	189	177	165	152	139	126	112
2011 Refunding issue	207	205	219	200	195	188	180
State of Oregon IFA 2015			-	-	-	7	6
DEQ bridge loan - 2015			15	38	19	-	-
DEQ - term loan - FY 2018			-	-	19	38	36
USDA - 2015			-	-	-	-	-
Fees	17	15	29	27	25	22	20
DEQ CWSRF R74682/1		-	-	-	-	-	-
DEQ CWSRF R74682/2	17	15	29	27	25	22	20
Transfers	1,249	1,253	1,263	1,307	1,354	1,402	1,422
<b>Total expenditures</b>	<b>3,034</b>	<b>3,168</b>	<b>3,178</b>	<b>7,857</b>	<b>3,483</b>	<b>3,773</b>	<b>3,842</b>
Resources over/(under) expenditures	21	543	72	52	94	(20)	(16)
Beginning fund balance	1,115	1,136	1,679	1,751	1,803	1,896	1,876
Ending fund balance	\$ 1,136	\$ 1,679	\$ 1,751	\$ 1,803	\$ 1,896	\$ 1,876	\$ 1,860
Other requirements							
Debt service reserves	304	304	304	304	507	507	507
Available fund balance	832	1,375	1,447	1,499	1,389	1,369	1,353
Minimum fund balance	730	756	731	751	770	789	801
Difference	102	619	716	748	619	580	552
SDC's Treatment							
SDCs Improvement - Treatment	23	23	28	29	31	32	33
Interest earnings	1	1	2	3	4	5	6
Balance	68	68	98	130	165	202	241
Assumptions							
Rate - single family home	\$ 49.70	\$ 49.70	\$ 51.81	\$ 54.01	\$ 56.31	\$ 58.70	\$ 59.43
% increase - rates (% of CPD)	3.00%	3.00%	4.25%	4.25%	4.25%	4.25%	1.25%
CPI %	1.8%	2.5%	3.0%	3.0%	3.0%	3.0%	3.0%
CPI - U West June	239.365						
Cumulative CPI % - 2015 forward	109.2%	100.0%	103.0%	106.1%	109.3%	112.6%	115.9%
Population growth rate	0.5%	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%
Population increase	47	46	56	56	57	57	57
Population	9,392	9,345	9,401	9,457	9,514	9,571	9,628
Franchise fee	5%	5%	5%	5%	5%	5%	5%
Interest earnings rate		0.5%	0.5%	1.0%	1.0%	1.5%	1.75%
Capital outlay - 2015 dollars	175	175	200	200	200	200	200
EDU per capita %							
SDC - EDUs	22	21	26	26	26	26	26
SDC reimbursement - EDU	\$ 1,397	\$ 1,418	\$ 1,461	\$ 1,505	\$ 1,550	\$ 1,597	\$ 1,645
SDC - improvement - Treatment	\$ 1,058	\$ 1,073	\$ 1,105	\$ 1,138	\$ 1,172	\$ 1,207	\$ 1,243
SDC - improvement - Collection	\$ 1,492	\$ 1,514	\$ 1,559	\$ 1,606	\$ 1,654	\$ 1,704	\$ 1,755
Plant capacity - EDUs	6,423	6,423	6,423	6,423	6,423	6,423	6,423
Plant utilization - EDU's	4,679	4,678	4,704	4,730	4,756	4,782	4,808
Plant utilization % of capacity	72.8%	72.8%	73.2%	73.6%	74.0%	74.5%	74.9%
Outstanding balance							
SRFB 1998	-	-	-	-	-	-	-
SRF 1992	-	-	-	-	-	-	-
SPWF 1992	-	-	-	-	-	-	-
DEQ CWSRF R74682/1	8,247	4,000	4,000	4,000	4,000	4,000	4,000
DEQ CWSRF R74682/2	6,083	5,695	5,272	4,837	4,389	3,927	3,452
Refunding issue - FFCO	4,930	4,850	4,765	4,640	4,470	4,270	4,050
State of Oregon IFA 2015			750	723	697	670	642
DEQ loan - bridge - converted to term FY 2018			(750)	3,750	3,750	3,580	3,408
USDA - 2015			-	-	-	3,703	3,655
	19,260	14,545	14,037	13,477	12,859	12,197	11,502

Golf Course Fund							
	Actual	Estimated	Proposed Budget				
	2014	2015	2016	2017	2018	2019	2020
<b>Resources</b>							
Charges for services	\$ 1,050	\$ 1,110	\$ 1,177	\$ 1,194	\$ 1,248	\$ 1,304	\$ 1,363
Interest	2	2	2	5	5	5	5
Miscellaneous	12	11	9	-	-	-	-
Transfers	350	350	370	370	370	370	370
Debt proceeds	-	-	178	-	-	-	-
<b>Total resources</b>	<b>1,414</b>	<b>1,473</b>	<b>1,736</b>	<b>1,569</b>	<b>1,623</b>	<b>1,679</b>	<b>1,738</b>
<b>Expenditures</b>							
Golf course	415	441	447	450	470	491	513
Waste disposal	446	456	485	495	510	525	541
Restaurant	441	480	500	454	474	495	517
Capital outlay	27	50	178	55	63	58	38
<b>Debt service</b>							
Principal - note payable	-	-	38	38	38	38	38
Interest - note payable	-	-	-	-	-	-	-
Principal - credit facility	42	44	44	23	-	-	-
Interest - credit facility	6	4	3	1	-	-	-
Principal - 2011 bonds	10	10	10	30	40	40	45
Interest - 2011 bonds	19	19	19	18	17	15	14
<b>Total expenditures</b>	<b>1,406</b>	<b>1,504</b>	<b>1,724</b>	<b>1,564</b>	<b>1,612</b>	<b>1,718</b>	<b>1,762</b>
Resources over/ (under) expenditures	8	(31)	12	5	12	(39)	(24)
Beginning fund balance	396	404	373	385	390	402	362
Ending fund balance	\$ 404	\$ 373	\$ 385	\$ 390	\$ 402	\$ 362	\$ 339
Rounds	26,964	27,369	27,779	28,196	28,619	29,048	29,484
<b>Assumptions</b>							
CPI	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Growth - additional rounds	1.0%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Revenue per round	0.04	0.04	0.04	0.04	0.05	0.05	0.05
Change revenue per round	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Interest rate - new bonds	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

City of Prineville Financial Forecasts Fiscal Years 2014-2020 (amounts in thousands)							
General Fund							
	Actual	Budget	Forecast	Forecast	Forecast	Forecast	Forecast
Revenue	2014	2015	2016	2017	2018	2019	2020
Property taxes	1,677	1,760	1,790	1,815	1,906	1,991	2,099
Transient lodging tax	191	230	210	234	242	250	258
Franchise taxes	1,443	1,624	1,721	2,180	2,372	2,580	2,807
Licenses & permits	9	11	11	10	10	10	10
Intergovernmental	270	259	234	190	192	194	195
Charges for Services	139	137	132	61	60	60	60
Miscellaneous	295	67	69	57	57	57	57
Total revenue	4,024	4,088	4,167	4,547	4,839	5,142	5,486
Expenses							
Police	2,146	2,456	2,468	2,525	2,602	2,690	2,780
Police Facility	57	67	69	68	70	72	74
Non Dept. General	200	225	207	236	245	255	265
Total expenditures	2,403	2,748	2,744	2,829	2,917	3,017	3,119
Revenue over/(under) expenditures	1,621	1,340	1,423	1,718	1,922	2,125	2,367
Other non-operating resources and expenditures							
Interest income	4	2	3	10	10	10	10
Sale of assets	5	-	3	2	2	2	2
Interest expense	(5)	(5)	(5)	-	-	-	-
Principal payments	(50)	(50)	(50)	-	-	-	-
Capital outlay	(299)	-	(12)	(112)	(115)	(119)	(122)
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	(1,453)	(1,310)	(1,398)	(1,286)	(1,313)	(1,366)	(1,427)
Debt proceeds	-	-	-	-	-	-	-
Total net other non-operating resource expenditures	(1,798)	(1,363)	(1,459)	(1,386)	(1,416)	(1,473)	(1,537)
Revenue and other non-operating resource over/(under) expenses and other non- operating expenditures	(177)	(23)	(36)	332	506	652	830
Beginning fund balance	998	821	798	762	1,094	1,600	2,252
Prior period adjustment							
Ending fund balance	821	798	762	1,094	1,600	2,252	3,082

**CITY OF**



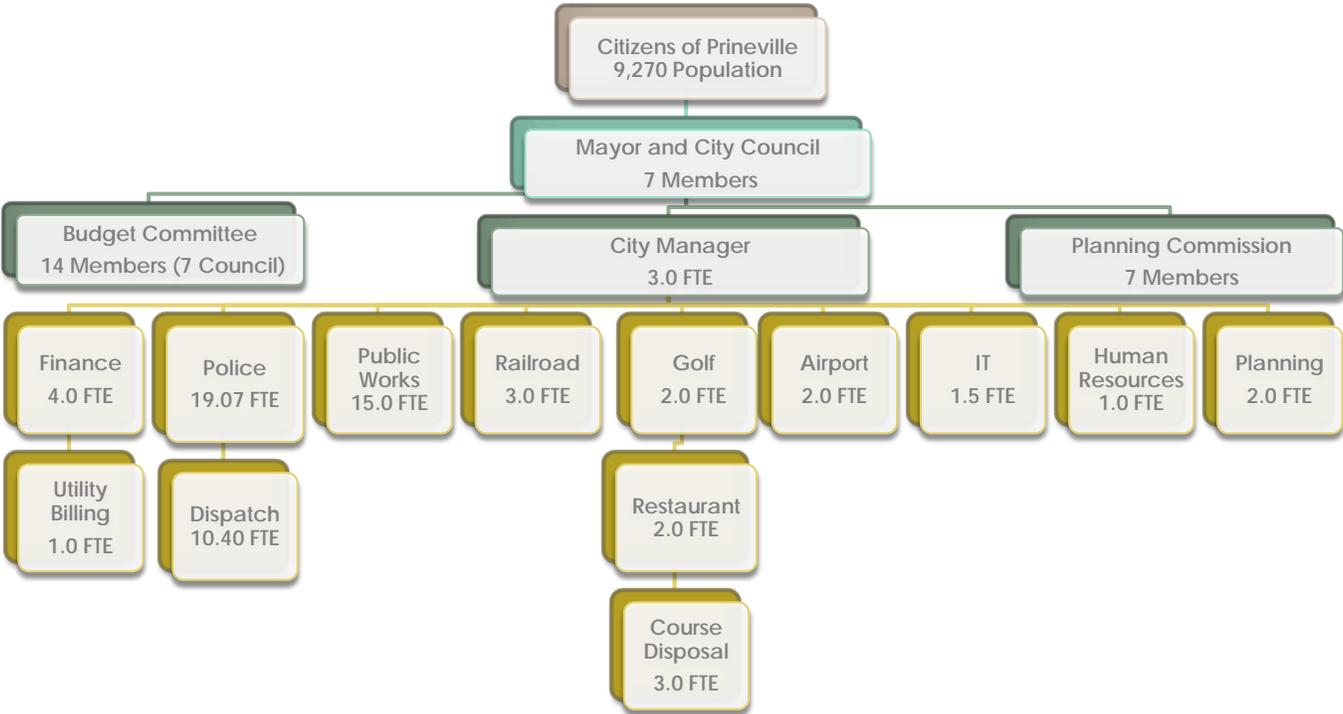
**PRINEVILLE**



 Personnel

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# Organizational Chart



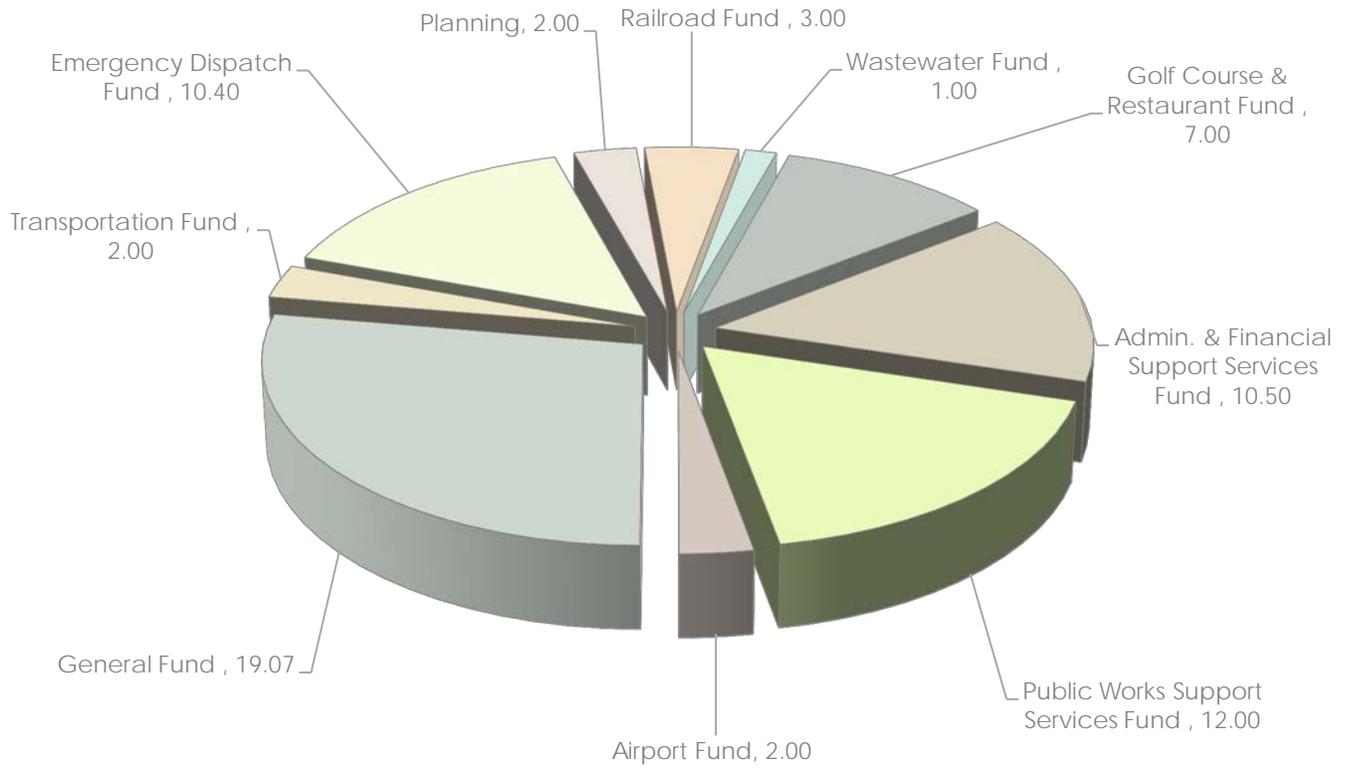
## FTEs by Fund

Department & Position	FY 12	FY 13	FY 14	FY 15	FY 16	Monthly FY 16 Salary Range		Yearly Salary	
						Low	High	Low	High
<b>General Fund</b>									
<b>Police Department</b>									
Chief of Police	1.00	1.00	1.00	1.00	1.00	6,513	10,000	78,156	120,000
Captain	1.00	1.00	1.00	1.00	1.00	5,785	8,000	69,420	96,000
Administrative Assistant	0.66	0.66	0.66	0.66	0.66	3,972	4,966	47,664	59,592
Sergeant	3.00	3.00	3.00	3.00	3.00	5,140	6,681	61,680	80,172
Police Officer	10.00	10.00	10.66	10.66	11.00	4,339	5,084	52,068	61,008
Community Services Officer	1.00	1.00	1.00	1.00	0.66	3,792	4,443	45,504	53,316
Evidence Officer	1.00	0.50	0.50	0.50	0.50	3,224	3,957	38,688	47,478
Office Technician	0.50	0.75	0.66	0.66	1.00		Hourly	35,760	41,880
Janitorial	0.25	0.25	0.25	0.25	0.25		Hourly		
<b>Police Department Total</b>	<b>18.41</b>	<b>18.16</b>	<b>18.73</b>	<b>18.73</b>	<b>19.07</b>				
<i>FY 14 - Changed Patrol Officer to Police Officer (title only).</i>									
<i>FY 16 - Office Technician no longer split between Emergency Dispatch and Police Department.</i>									

Department & Position	FY 12	FY 13	FY 14	FY 15	FY 16	Salary Range		Yearly Salary	
						Low	High	Low	High
<b>Planning Fund</b>									
Planning Director	1.00	1.00	1.00	1.00	1.00	5,785	7,811	69,420	93,732
Senior Planner	1.00	1.00	1.00	1.00	1.00	4,468	5,810	53,616	69,720
<b>Planning Department Total</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>				
<b>Transportation Fund</b>									
Senior Lead Utility Worker	1.00	1.00	1.00	1.00	1.00	3,972	4,966	47,664	59,592
Utility Worker	1.50	1.00	1.00	1.00	1.00	3,940	4,346	47,280	52,152
<b>Transportation Fund Total</b>	<b>2.50</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>				
<b>Emergency Dispatch Fund</b>									
Communications Director	1.00	1.00	1.00	1.00	1.00	5,140	6,681	61,680	80,172
Administrative Assistant	0.33	0.33	0.33	0.33	0.33	3,972	4,966	47,664	59,592
Communications Supervisor	1.00	1.00	1.00	1.00	1.00	3,972	5,157	42,016	61,884
Communications Officer	6.25	6.00	6.00	6.00	7.32	3,792	4,443	45,504	53,316
Office Technician	0.50	0.50	0.50	0.50			Hourly	35,760	41,880
Evidence Officer					0.50	3,224	3,957	38,688	47,478
Janitor	0.25	0.25	0.25	0.25	0.25		Hourly		
<b>Emergency Dispatch Fund Total</b>	<b>9.33</b>	<b>9.08</b>	<b>9.08</b>	<b>9.08</b>	<b>10.40</b>				
<i>FY 16 - Evidence Officer partially funded by Emergency Dispatch. Communications Officers increasing by two part-time officers. Office Technician moved to PD.</i>									
<b>Railroad Fund</b>									
General Manager	1.00	1.00				7,000	7,400	84,000	88,800
Operations Manager			1.00	1.00	1.00	4,468	5,810	53,616	69,720
Superintendent/Engineer	1.00	1.00	1.00	1.00	1.00	5,017	5,375	60,204	64,500
Engineer	1.00	1.00				5,017	5,017	60,204	60,204
Freight Depot/Track Maintenance			1.00	1.00	1.00	3,090	4,035	37,080	48,420
<b>Railroad Fund Total</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>				
<b>Airport Fund</b>									
General Manager	1.00	1.00	1.00	1.00	1.00	4,468	5,810	53,616	69,720
Assistant				1.00	1.00	2,458	3,073	25,000	35,000
<b>Airport Fund Total</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>2.00</b>	<b>2.00</b>				
<i>FY 14 - Assistant to the General Manager position added.</i>									
<b>Water Fund</b>									
Lead Utility Worker	1.00							Moved to PW	
Utility Worker	3.00							Moved to PW	
<b>Water Fund Total</b>	<b>4.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>				
<i>FY 13 - Moved Utility Workers to Public Works Support Services Fund.</i>									
<b>Wastewater Fund</b>									
Wastewater Treatment Plant Supervisor	1.00	1.00	1.00	1.00	1.00	4,322	4,727	51,864	56,724
Utility Worker	2.00	1.00	1.00	1.00		3,940	4,690	47,280	56,280
<b>Wastewater Fund Total</b>	<b>3.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>1.00</b>				
<i>FY 13 - Moved one Utility Worker to Public Works Support Services Fund.</i>									
<i>FY 14 - Changed WWTP Manager to WWTP Supervisor (title only).</i>									
<i>FY 16 - Moved Utility Worker to Public Works Support Services Fund.</i>									

Department & Position	FY 12	FY 13	FY 14	FY 15	FY 16	Salary Range		Yearly Salary		
						Low	High	Low	High	
<b>Golf Course &amp; Restaurant Fund</b>										
Golf Manager/Head Professional	1.00	1.00	1.00	1.00	1.00	4,468	5,810	53,616	69,720	
<b>Golf Course Disposal Site</b>										
Superintendent	1.00	1.00	1.00	1.00	1.00	3,972	5,031	47,664	60,372	
Greenskeeper/Irrigation Technician	1.00	1.00	1.00	1.00	1.00	1,814	3,721	21,768	44,658	
Mechanic	1.00	1.00	1.00	1.00	1.00	2,754	3,729	33,048	44,742	
<b>Golf Course Disposal Site Total</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>					
<b>Golf Operations</b>										
Golf Shop Manager		1.00	1.00	1.00	1.00	2,754	3,442	33,048	41,304	
Assistant Golf Operations Manager	1.00					3,292	3,458	39,504	41,496	
<b>Golf Operations Total</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>					
<b>Restaurant Operations</b>										
Restaurant Manager	1.00					2,754	3,442	33,048	41,304	
Restaurant Supervisor		1.00	1.00	1.00	1.00	2,754	3,442	33,048	41,304	
Kitchen Manager				1.00	1.00	1,667	2,500	20,000	30,000	
<b>Restaurant Operations Total</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>2.00</b>	<b>2.00</b>					
<b>Golf Course &amp; Restaurant Fund Total</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>7.00</b>	<b>7.00</b>					
<i>FY 12 - Combined Golf Professional and Golf Manager positions into Golf Manager/Head Professional for entire department management.</i>										
<i>FY 13 - Moved existing management positions to Restaurant Supervisor and Assistant Golf Operations Manager to reflect department-wide reporting to Golf Manager/Head Professional.</i>										
<i>FY 14 - Kitchen Manager position added.</i>										
<b>Freight Depot Fund</b>										
Supervisor	1.00	1.00				Moved to RR				
<b>Freight Depot Fund Total</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>					
<i>FY 14 - Freight Depot position moved to Railroad Fund.</i>										
<b>Administration &amp; Financial Support Services Fund</b>										
City Manager	1.00	1.00	1.00	1.00	1.00	7,347	11,022	88,164	132,264	
Administrative Assistant/City Recorder	1.00	1.00	1.00	1.00	1.00	3,972	4,966	47,664	59,592	
Finance Director	1.00	1.00	1.00	1.00	1.00	6,513	9,119	78,156	109,428	
Finance Assistant I	0.75					14.10/16.00	Hourly	21,996	24,960	
Finance Assistant II	3.25	4.00	4.00	3.00	3.00	2,754	3,542	33,048	42,504	
Finance Assistant III				1.00		3,750	4,333	45,000	51,996	
Accounting Supervisor					1.00	3,972	4,966	47,664	59,592	
IT Manager	1.00	1.00	1.00	1.00		5,683	7,810	68,196	93,726	
IT Specialist I			0.50	0.50	0.50		Hourly	18,720	26,800	
IT Specialist II	1.00	1.00	1.00	1.00	1.00	3,454	4,317	41,448	51,804	
Human Resources Manager/Risk Manager	1.00	1.00	1.00	1.00	1.00	5,140	6,681	61,680	80,172	
Procurement/Contract Administration	1.00	1.00	1.00	1.00	1.00	3,972	4,966	47,664	59,592	
<b>Administration &amp; Financial Support Services Fund Total</b>	<b>11.00</b>	<b>11.00</b>	<b>11.50</b>	<b>11.50</b>	<b>10.50</b>					
<i>FY 16 - Hiring an IT consulting firm to take the place of the IT Manager.</i>										
<b>Public Works Support Services Fund</b>										
City Engineer/Public Works Director		1.00	1.00	1.00	1.00	6,513	9,119	78,156	109,428	
Public Works Superintendent/Inspector	1.00	1.00	1.00	1.00	1.00	4,468	5,932	53,616	71,184	
City Engineer	1.00					5,042	6,483	60,504	77,796	
Assistant City Engineer	0.25	0.25	0.25	0.25	1.00	5,417	6,250	65,000	75,000	
Administrative Technician	1.00	1.00	1.00	1.00	1.00	4,020	4,426	48,240	53,112	
Mechanic	1.00	1.00	1.00	1.00	1.00	4,167	4,572	50,004	54,864	
Inspector	1.00	1.00				3,679	4,050	44,148	48,600	
Utility Worker		5.00	6.00	6.00	7.00	3,940	4,690	47,280	56,280	
<b>Public Works Support Services Fund Total</b>	<b>5.25</b>	<b>10.25</b>	<b>10.25</b>	<b>10.25</b>	<b>12.00</b>					
<i>FY 13 - Moved Utility Workers to Public Works Support Services Fund (one from Wastewater, four from Water).</i>										
<i>FY 13 - Inspector moved to Public Works Superintendent position, but retained Inspector responsibilities.</i>										
<i>FY 16 - Utility Worker from Wastewater moved to Public Works. Assistant Engineer position made full-time.</i>										
<b>City of Prineville FTE Total</b>	<b>66.49</b>	<b>65.49</b>	<b>65.56</b>	<b>67.56</b>	<b>68.97</b>					

# FTEs by Fund





# ❖ Governmental Funds

❖ General Fund

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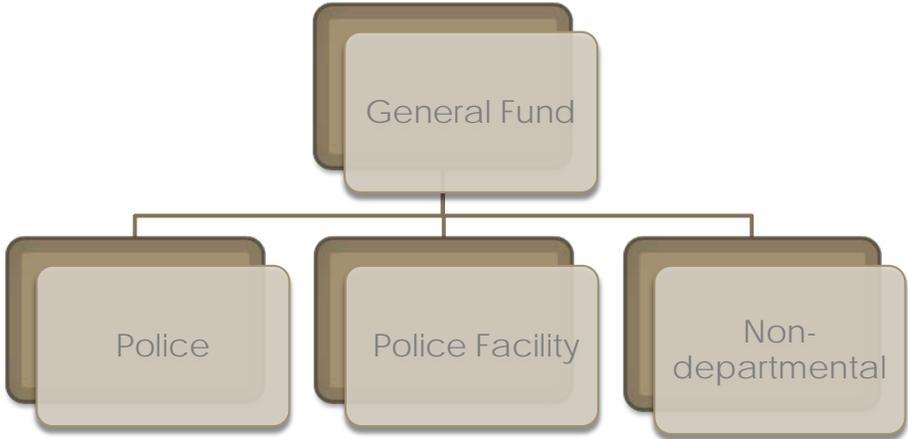
## General Fund



### General Fund Responsibility to the Community

The purpose of the General Fund is to support the Prineville Police Department and the Prineville City Council's directed funding of outside agencies or other activities using the funds revenue sources which are primarily made up of property taxes, franchise fees, transient lodging taxes, and Oregon State liquor tax revenues. Public Safety is the General Fund's primary responsibility to the community. One department (police) and three organizational units (police, police facility and non-departmental) represent the makeup of the General Fund.

# Organization of Fund General Fund



## Executive Summary

The General Fund is supported through primarily property tax, transient lodging taxes, franchise fees, and Oregon State liquor tax revenues. These revenues are used to support public safety and other funds including Planning, Emergency Dispatch, Administration, Transportation and Railroad/Freight Depot. General administrative costs are paid through internal charges to internal service funds for the following services based upon the cost to the department for using these services: administrative and financial services, risk management, computer, and phone services. The costs of these services are at full cost, including replacement cost, thereby providing a more accurate cost of providing services.

## Strategic Planning Updates

- Short-term –In the short term, management will be reviewing both current and potential revenue sources, and ways to become more resourceful in order to decrease expenses in the General Fund.
- Long-term – Develop a plan to replace the current, aging police facility and continue to develop resources through cost controls in order to achieve staffing goals consistent with City Council objectives.



*Community Services Officer out on patrol.*

## General Fund Budget

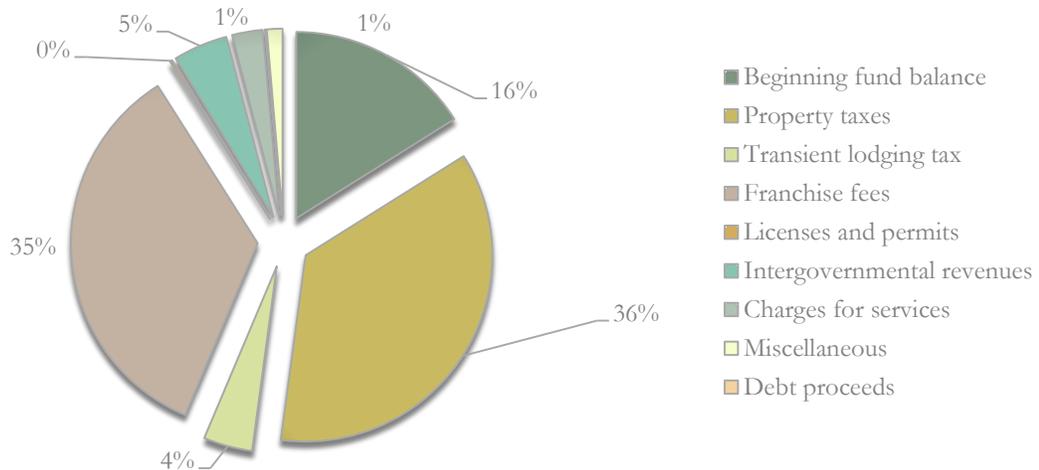
Resources	Actual FY 12-13	Actual FY 13-14	Current Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
Beginning fund balance	\$ 963,998	\$ 998,345	\$ 875,945	\$ 820,598	\$ 797,898	\$ 797,898	\$ 797,898
<b>Current year resources</b>							
Property taxes	1,615,460	1,676,516	1,730,000	1,760,000	1,790,000	1,790,000	1,790,000
Transient lodging tax	206,988	191,015	210,000	230,000	210,000	210,000	210,000
Franchise fees	1,234,269	1,462,296	1,555,000	1,623,600	1,721,000	1,721,000	1,721,000
Licenses and permits	13,462	8,951	10,700	9,100	10,700	10,700	10,700
Intergovernmental revenues	271,100	269,894	258,500	267,900	233,800	233,800	233,800
Charges for services	75,169	138,440	136,500	136,500	131,500	131,500	131,500
Interest	3,713	4,157	3,000	3,000	3,000	3,000	3,000
Miscellaneous	56,533	64,465	67,000	58,800	67,300	67,300	67,300
Transfers	-	-	-	-	-	-	-
Debt proceeds	-	258,700	-	-	-	-	-
<b>Total current year resources</b>	<b>\$ 3,476,694</b>	<b>\$ 4,074,434</b>	<b>\$ 3,970,700</b>	<b>\$ 4,088,900</b>	<b>\$ 4,167,300</b>	<b>\$ 4,167,300</b>	<b>\$ 4,167,300</b>
<b>Total resources</b>	<b>\$ 4,440,692</b>	<b>\$ 5,072,779</b>	<b>\$ 4,846,645</b>	<b>\$ 4,909,498</b>	<b>\$ 4,965,198</b>	<b>\$ 4,965,198</b>	<b>\$ 4,965,198</b>
<b>Expenditures</b>							
	Actual FY 12-13	Actual FY 13-14	Current Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
Police	\$ 2,779,980	\$ 3,309,141	\$ 3,082,900	\$ 3,287,700	\$ 3,391,700	\$ 3,391,700	\$ 3,391,700
Police facility	71,588	56,813	66,600	66,600	69,200	69,200	69,200
Non-departmental	590,779	886,227	784,900	757,300	742,900	742,900	742,900
Transfers	-	-	-	-	-	-	-
Contingency	-	-	912,245	-	761,398	761,398	761,398
<b>Total expenditures</b>	<b>\$ 3,442,347</b>	<b>\$ 4,252,181</b>	<b>\$ 4,846,645</b>	<b>\$ 4,111,600</b>	<b>\$ 4,965,198</b>	<b>\$ 4,965,198</b>	<b>\$ 4,965,198</b>
Ending fund balance	\$ 998,345	\$ 820,598	\$ -	\$ 797,898	\$ -	\$ -	\$ -

## Beginning Fund Balance Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 14-15	Proposed FY 15-16 Beginning Fund Balance	% Change FY 15 to FY 16	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
General	\$820,598	\$797,898	-3%	\$761,398	\$971,232	-22%

The beginning fund balance decreased approximately 3 percent from the previous year, while the proposed ending fund balance will decrease approximately 5 percent from the beginning FY 16 proposed fund balance. This fund meets working capital reserve requirements at \$761,042, but does not meet the 5 percent appropriation reserve policy. The fund is approximately 22 percent or \$209,834 below policy guidelines.

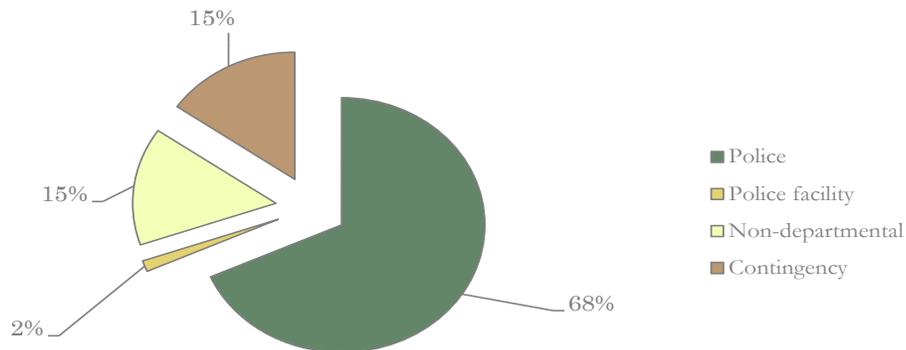
## Resources



## Assumptions

Projections received from the Crook County Assessor's office indicate the collection of taxes to be up approximately 8 percent over prior year. The City took a conservative approach to the collection estimating current tax collection at \$1.750 million (5 percent increase) for the coming year. Franchise fees are estimated to increase approximately \$100,000 over prior year largely due to the electrical fees collected from the data centers.

## Requirements



## Assumptions

In FY 16, the total requirements for General Fund will increase approximately 2 percent overall. Public safety operations and facility are increasing approximately 3 percent over prior year, and non-departmental requirements decreasing approximately 2 percent. Non-departmental expenditures include the Prineville-Crook County Chamber of Commerce, street lighting, and transfers to the Airport, Planning, Transportation, and Railroad/Freight Depot Departments.



## Police Department Fund



### Police Department Responsibility to the Community

Through partnership with the community, the Prineville Police Department is to provide professional, courteous and dedicated service to the citizens of Prineville to create a safe environment for all. The mission of the Prineville Police Department is to better serve the community of Prineville and Crook County by providing the most professional, capable, and responsive police and 911 communications services possible with the resources made available. This is accomplished with a visible presence in the community and holding law violators accountable, so citizens and guests can live and visit a safe environment that enhances economic development and growth.

## Goals and Objectives for FY 16

Department Goals	City Council Goals
Complete accreditation process for the Police Department through the Oregon Accreditation Alliance.	Community safety.
Reconfigure the armory to provide secure storage for unissued firearms and ammunition meeting accreditation standards.	Community safety.
Establish a secure storage area for hazardous substances, such as gasoline, fireworks, or other hazardous chemicals, meeting accreditation standards.	Community safety.
Continue planning cycle to identify future public safety facility requirements.	Sustain and efficiently plan for the future development of infrastructure.
Continue steps towards creating operational stability.	Community safety.
Support Crook County initiatives for the development of an adequate corrections facility.	Strengthen local, regional, state, federal, and educational intergovernmental networking relationships and joint cooperation projects.
Hire permanent chief of police.	Community safety.
Install metal sheeting on interior walls of evidence room and install/repair evidence room alarm system to meet accreditation standards.	Sustain and efficiently plan for the future development of infrastructure.
Complete an upgrade to the records management system in collaboration with the Crook County Sheriff's Office.	Strengthen local, regional, state, federal and educational intergovernmental networking relationships and joint cooperation projects.
Equip all officers with Data911 body cameras.	Community safety.



*Officers training with new vehicles at a winter driving course*

## Executive Summary

Creating stability is an ongoing theme with the Prineville Police Department and the City of Prineville, as the community will not remain static. It will continue to grow, as evidenced by the anticipated build-outs considered by the two primary data centers located in the city limits. In addition to new jobs, there will be a modest but continuous growth in population. Additionally, the demographics of Prineville are subtly changing, but many of the criminal offenders committing serious crimes in our community do not reside within the community. This presents a growing challenge in the current climate, as well as in future years. All these factors increase the need for an effective and professional police department to serve in a proactive manner. In order to achieve continued stability, the Police Department will continue to evolve with the changing community.

This is the time for the city manager and Prineville City Council to address the public safety needs for now and the future for the City of Prineville. The single most important aspect to consider in the Police Department budget and staffing relates to an issue in place for a long time – officer safety. Prineville needs to staff two on-duty officers 24 hours a day, seven days a week to ensure proper coverage for officers on “two-officer” calls. The department is receiving an increasing number of such calls, and it cannot rely on Crook County Sheriff’s Office personnel to be near the city at all times. Coverage concerns are addressed in the long-term by adding only one more full-time officer position. The path Prineville is taking relative to the Police Department is a positive one, and it will have a significant impact on public safety in the near future and for years to come. It’s important the journey started last year be continued.

The Police Department is comprised of several distinct, yet mutually supportive and dependent parts. These include; operations, which is comprised of the traditional uniformed emergency first responders; investigations, the plainclothes and highly trained serious crimes investigators; and administration, the management of the agency charged with ensuring all the parts get the resources, training, support, and the vision needed to most effectively meet the needs of customers. The Prineville Police Department’s core mission is the protection of the citizens, visitors, and the quality of life that makes Prineville such a wonderful community.



*Police Department leading a community clean-up event.*

## Accomplishments for FY 15

- Hired a new police captain.
- Completed an evidence room audit.
- Installed a chain-link cage in the storage room at the Prineville Freight Depot to house large, bulky evidence which met Oregon Accreditation Alliance Standards 3.3.2 and 3.3.6.
- Started the process for the Prineville Police Department to become an accredited agency through the Oregon Accreditation Alliance. This effort improves performance, customer support and reduces liability in order to better service the citizens of Prineville.
- Continued support Crook County initiatives for the development of an adequate corrections facility.

## Strategic Planning Updates

- Short-term – Replenish full-time employee (FTE) staffing levels, complete procedure manual, and obtain accreditation.
- Long-term – Increase FTEs to desired coverage and service levels, implement policies and procedures, and work toward a new police facility.

## Capital Outlay

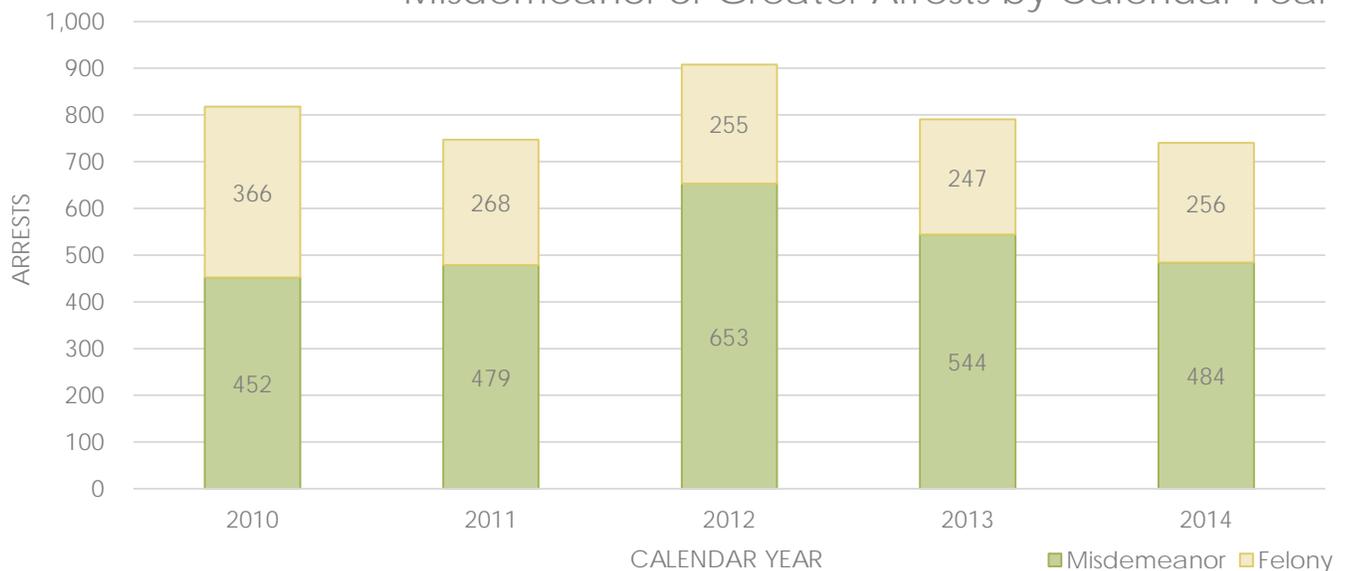
Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Project		
Body Cameras	\$ 12,800	\$ 12,800
Capital Outlay Total	\$ 12,800	\$ 12,800

*A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 71.*

## Performance Measures

### Total Arrests

### Misdemeanor or Greater Arrests by Calendar Year



## Calls for Service Calls for Police Assistance per Calendar Year



*Police officer responding to a call.*

## Traffic/Pedestrian Stops Verbal Warnings/Citations Issued per Calendar Year



## Citations Issued Citations Issued by Type per Calendar Year



## Police Department Budget

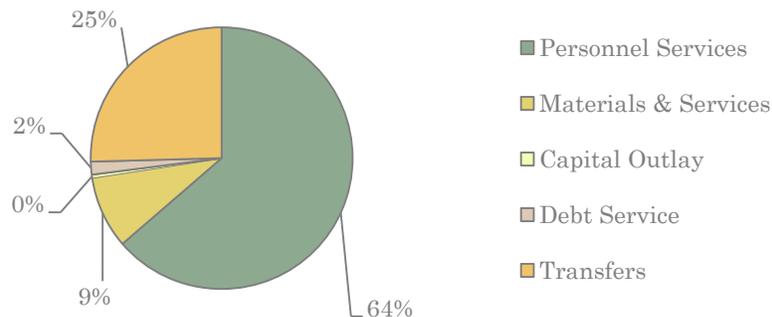
Expenditures	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 12-13	FY 13-14	Budget FY 14-15	FY 14-15	Budget FY 15-16	Budget FY 15-16	Budget FY 15-16
Personnel Services	\$ 1,846,762	\$ 1,931,584	\$ 2,003,300	\$ 2,170,000	\$ 2,159,000	\$ 2,159,000	\$2,159,000
Materials & Services	263,630	257,051	247,300	285,500	303,200	303,200	303,200
Capital Outlay	34,488	299,393	0	0	12,800	12,800	12,800
Debt Service		54,413	54,500	54,400	54,500	54,500	54,500
Transfers	635,100	766,700	777,800	777,800	862,200	862,200	862,200
<b>Total expenditures</b>	<b>\$ 2,779,980</b>	<b>\$ 3,309,142</b>	<b>\$ 3,082,900</b>	<b>\$ 3,287,700</b>	<b>\$ 3,391,700</b>	<b>\$ 3,391,700</b>	<b>\$3,391,700</b>

## Personnel

General Fund – Police Department FTEs by Position FY 13 – 16				
	FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 16 Forecast
Chief of Police	1.00	1.00	1.00	1.00
Captain	1.00	1.00	1.00	1.00
Administrative Assistant	0.66	0.66	0.66	0.66
Sergeant	3.00	3.00	3.00	3.00
Police Officer	10.00	10.66	10.66	11.00
Community Services Officer	1.00	1.00	1.00	0.66
Evidence Officer	0.50	0.50	0.50	0.50
Office Technician	0.75	0.66	0.66	1.00
Janitorial	0.25	0.25	0.25	0.25
<b>Police Department Total</b>	<b>18.16</b>	<b>18.73</b>	<b>18.73</b>	<b>19.07</b>

*FY 16 staffing changes include increasing the number of Police Officers, making the Community Service Officer part-time, and a change in accounting for the Office Technician. The Office Technician position will no longer be split between Emergency Dispatch and the Police Department.*

## Requirements





# Police Facility Fund



## Police Facility Executive Summary

Each year the police facility grows older. The Police Facility Fund is used to keep the 59-year-old facility up and running. It accounts for the utilities and maintenance of the building used by the Prineville Police and Emergency Dispatch Departments. Ultimately, major changes will need to be made in either the current facility or relocation to another location will be necessary. Currently, a public safety facility feasibility preliminary master plan phase is jointly funded by Crook County and the City of Prineville.

## Police Department Facility Budget

Expenditures	Actual FY 12-13	Actual FY 13-14	Current Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
Materials & Services	\$ 62,588	\$ 56,813	\$ 66,500	\$ 66,500	\$ 69,100	\$ 69,100	\$ 69,100
Capital outlay	9,000	-	100	100	100	100	100
<b>Total expenditures</b>	<b>\$ 71,588</b>	<b>\$ 56,813</b>	<b>\$ 66,600</b>	<b>\$ 66,600</b>	<b>\$ 69,200</b>	<b>\$ 69,200</b>	<b>\$ 69,200</b>



*Antennas, microwave radio equipment and newer HVAC system on the exterior of the aging police department building.*



# ❖ Non-departmental Fund



## Non-departmental Executive Summary

Activities not associated directly with public safety operations are accounted for within the Non-departmental Fund. In FY 16, a transfer to the Planning Department is budgeted for \$285,000, at no increase over prior year. Also budgeted for FY 16 is a transfer of \$50,000 to the Prineville-Crook County Airport, a transfer of \$100,000 to the Transportation Department for capital projects, and a transfer to the City of Prineville Railway to cover the debt service for the Freight Depot Department. Other discretionary spending such as street lighting, the Prineville-Crook County Chamber of Commerce, and the Crook County Fairgrounds are budgeted here.

# Non-departmental Budget

Expenditures	Actual FY 12-13	Actual FY 13-14	Current Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
Materials & Services	129,879	200,326	203,000	225,400	207,000	207,000	207,000
Transfers	460,900	685,900	581,900	531,900	535,900	535,900	535,900
<b>Total expenditures</b>	<b>\$ 590,779</b>	<b>\$ 886,226</b>	<b>\$ 784,900</b>	<b>\$ 757,300</b>	<b>\$ 742,900</b>	<b>\$ 742,900</b>	<b>\$ 742,900</b>



*A cloudy Central Oregon sky.*

**CITY OF**



**PRINEVILLE**



## ❖ Special Revenue Funds

- ❖ Transportation Operation Fund
- ❖ Emergency Dispatch Fund
- ❖ Planning Fund

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# ❖ Transportation Operations Fund



## Transportation Operations Fund Responsibilities to the Community

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

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

## Goals and Objectives for FY 16

Department Goals	City Council Goals
Continue the crack sealing/seal coating program to extend the life of area roads without having to repave them.	Continue to be fiscally responsible in all we do.
Continue to research various pavement preservation techniques to lengthen the useful life of Prineville's streets.	Continue to be fiscally responsible in all we do.
Continue traffic counting studies to gather data for future planning.	Sustain and efficiently plan for the future development of infrastructure.
Maintain and protect pavement quality on city streets.	Continue to be fiscally responsible in all we do.
Upgrade seven American with Disabilities Act (ADA) wheel chair ramps.	Maintain "livability" of Prineville, while welcoming diversity.
Improve the transportation network to serve new customers.	Strengthen local, regional, state, federal and educational intergovernmental networking relationships and joint cooperation projects.
Continue to participate in the Central Oregon Area Commission on Transportation.	Strengthen local, regional, state, federal and educational intergovernmental networking relationships and joint cooperation projects.
Continue to support other department's capital construction needs.	Be "business friendly" – Strengthen business-government relationships and cooperation – Fostering an entrepreneurial environment.

## Executive Summary

The purpose of the Transportation Fund is to finance the activities of the City's transportation division of the Public Works Department. Prineville's street infrastructure is a network of roads under the jurisdiction of the City, Crook County, and the Oregon Department of Transportation (ODOT). The Transportation Department holds the primary responsibility of maintaining the City's 56.85 centerline miles of streets, rights-of-way, weed control, street sweeping, paving, street striping, street signs, storm drains, and one traffic control signal. It's the mission of the Transportation Department to provide a safe and serviceable traffic infrastructure for today while planning for the needs of the future.



*FY 14 City Grind and Inlay Project*

## Accomplishments for FY 15

- Completed the 2015 Grind and Inlay Project. This project restored 15 blocks of city streets in the southwest quadrant of town. The project consisted of a two-inch grind followed with a three-inch asphalt inlay. This project followed the council goal of sustaining and efficiently planning for infrastructure.
- Slurry sealed 30 blocks of city streets, and restriped N. Main Street to a three lane section, which greatly increased safety.
- Plowed all city streets and cleared the majority of driveways within 48 hours after a winter snow storm covered Prineville in approximately 15 inches of snow.
- Sealed approximately 10,000 lineal feet of cracks.
- Updated 12 American with Disabilities Act (ADA) wheel chair ramps near the 2015 Grind and Inlay Project, as well as along key pedestrian routes. The Transportation Department continues to utilize public involvement as ADA ramps are replaced, and currently boasts a great relationship with this community.
- Improved the asphalt mix for the 2015 Grind and Inlay Project by improving the quality of the oil binders. This is an example of the Transportation Department answering the question, “What can we do to lengthen the serviceable life of our infrastructure?” This new asphalt design will be used on all future street projects.
- Managed the construction of the Ochoco Creek Trail Path.
- Continually provided support to other departments within the City, including replacing 5,800 feet of cart path at the Meadow Lakes Golf Course.

These accomplishments address the following Prineville City Council goals:

- *“Continue to be fiscally responsible in all we do”* – Continue to research and implement pavement preservation techniques to lengthen the useful life of the City’s streets at the least cost possible.
- *“Strengthen local, regional, state, federal and educational intergovernmental networking relationships and joint cooperation projects”* – Continue to participate in the Central Oregon Area Commission on Transportation
- *“Be ‘business friendly’ – Strengthen business – government relationships and cooperation”* – Continue to improve the transportation network to serve new customers.
- *“Sustain and efficiently plan for the future development of infrastructure”* – Administration of sidewalk and trail grants; collaborative work to plan for the Tom McCall intersection improvements.
- *“Community safety”* and *“Maintain ‘livability’ of Prineville, while welcoming diversity”* – Administration of sidewalk and trail grants; design and development review procedures taking safety and livability into account.

## Grants Received for FY 15

The Transportation Department received \$101,549.00 in Federal Surface Transportation Program (STP) allocation funding via ODOT fund exchange program.

## Strategic Planning Updates

- Short-term – In the short-term, the Transportation Department will maintain a reasonable pavement condition index (PCI) rating with the amount of available funds. Grants will continue to be pursued to add supplemental funds for city streets and infrastructure. Improvements will be made to the transportation network in this fiscal year to support the new Barnes Butte Elementary School and the relocation of Pioneer Memorial Hospital.
- Long-term – The Transportation Department strives to provide a safe, efficient transportation system to support economic opportunity, and creates a livable community for the citizens of Prineville. To manage the condition of the street network at the lowest cost possible, the Transportation Department identified a PCI goal of 82 to 85. The pavement condition index is a high-level indicator for condition of the City’s largest asset from a dollar and utilization standpoint. The lower the PCI, the more expensive the asset is to maintain. The Transportation Department will continue to investigate new revenue sources to improve the PCI index.



*Stormwater treatment improvements.*

## Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Capital Rehabilitation		
NW 9th Grind and Inlay – N. Main St. to Hwy 26	\$ 209,828	\$ 210,000
NW Harwood Grind and Inlay - NE 3rd St. to NE 6th St.	\$ 54,347	\$ 55,000
Equipment		
New Street Sweeper	\$ 175,000	\$ 35,000
Other		
ODOT Transit Grant		\$ 104,600
Capital Outlay Total	\$ 439,175	\$ 404,600

*A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 71.*

## Performance Measures Overall Pavement Condition Index

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



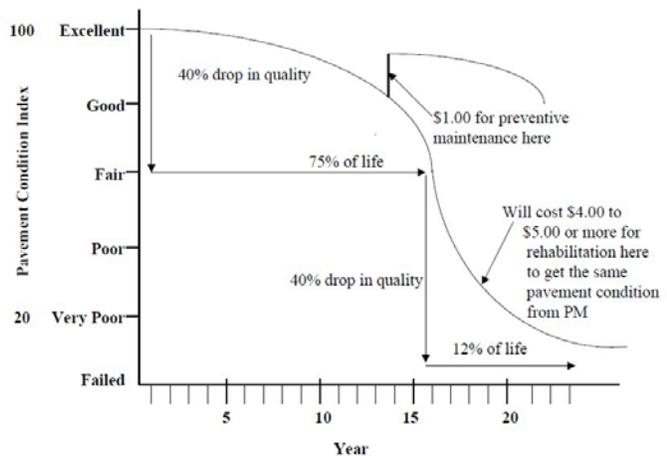
*Seal coat in progress.*

Each score range is assumed to warrant a specific type of treatment. Treatments can be thought of in three general categories; seal, overlay, and reconstruct, with reconstruct being a complete rebuild of the pavement roadway. The pavement management software determines the most efficient and effective use of anticipated funds over multiple years. This program shows the importance of pavement preservation techniques such as crack sealing and seal coating as a way of stretching precious maintenance dollars.

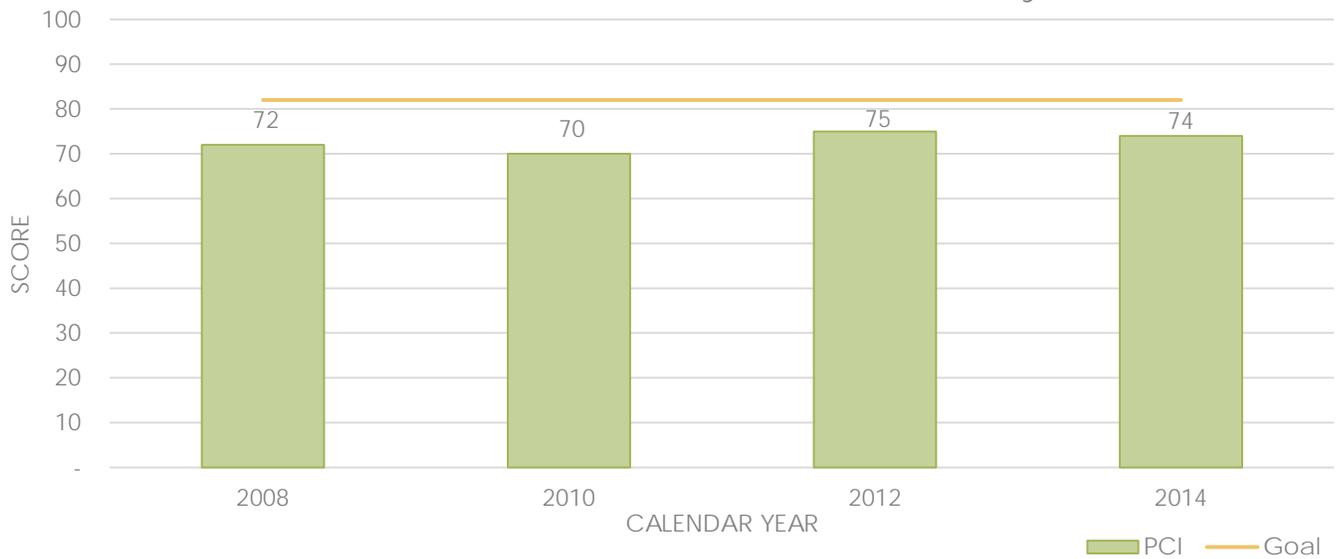
PCI Index Ratings	
Good	70-100
Satisfactory	50-69
Fair	25-49
Poor	0-24

The City of Prineville first inspected and ranked all city streets in the summer of 2008. Further inspections occurred in the summer of 2010, the summer of 2012, and the summer of 2014. The goal of the Transportation Department is to maintain the overall PCI at a calculated average of 82 to 85. This level provides the optimum longevity of the wearing surfaces with the minimum investment level. The program is consistent with council goals for sustaining infrastructure.

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

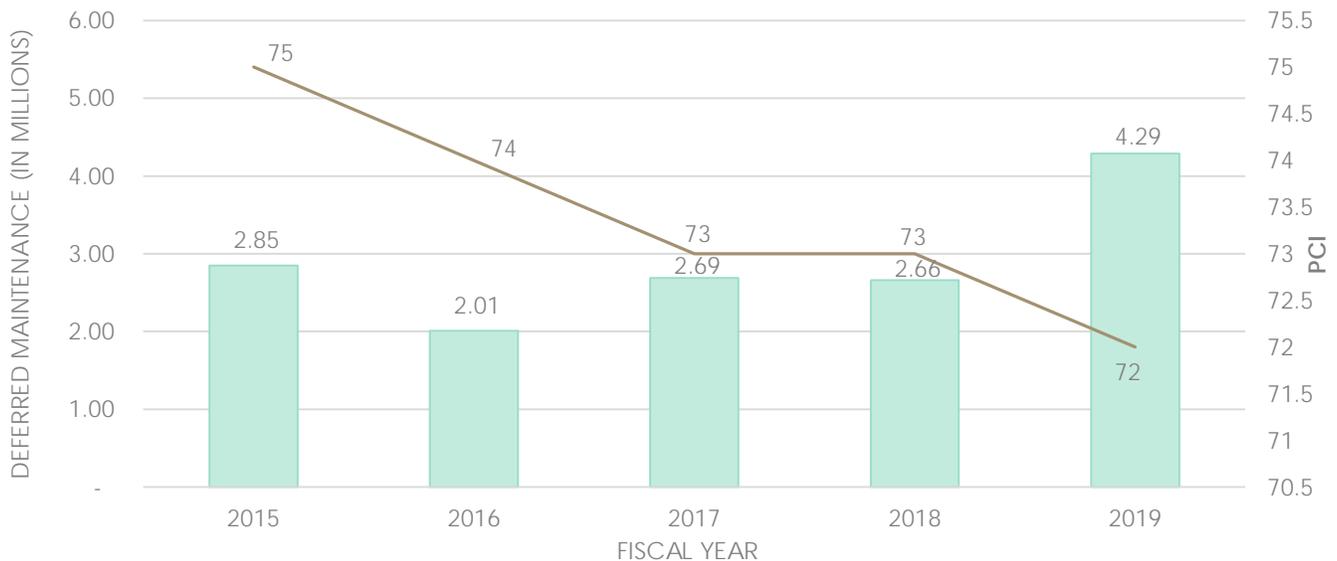


## Pavement Condition Index Score by Calendar Year



The Transportation Department utilizes the *Metropolitan Transportation Commissions Street Saver* software to identify proposed maintenance activities based upon pavement conditions and available budget. This program takes into account the PCI of each street and proposes what streets to treat and how to treat them. To maintain the current PCI of 74, the City needs to invest a minimum of \$550,000 per year in maintenance activities. The current funding level of \$400,000 per year will result in a PCI of 72 after five years and a deferred maintenance cost of \$4,290,000, as shown below.

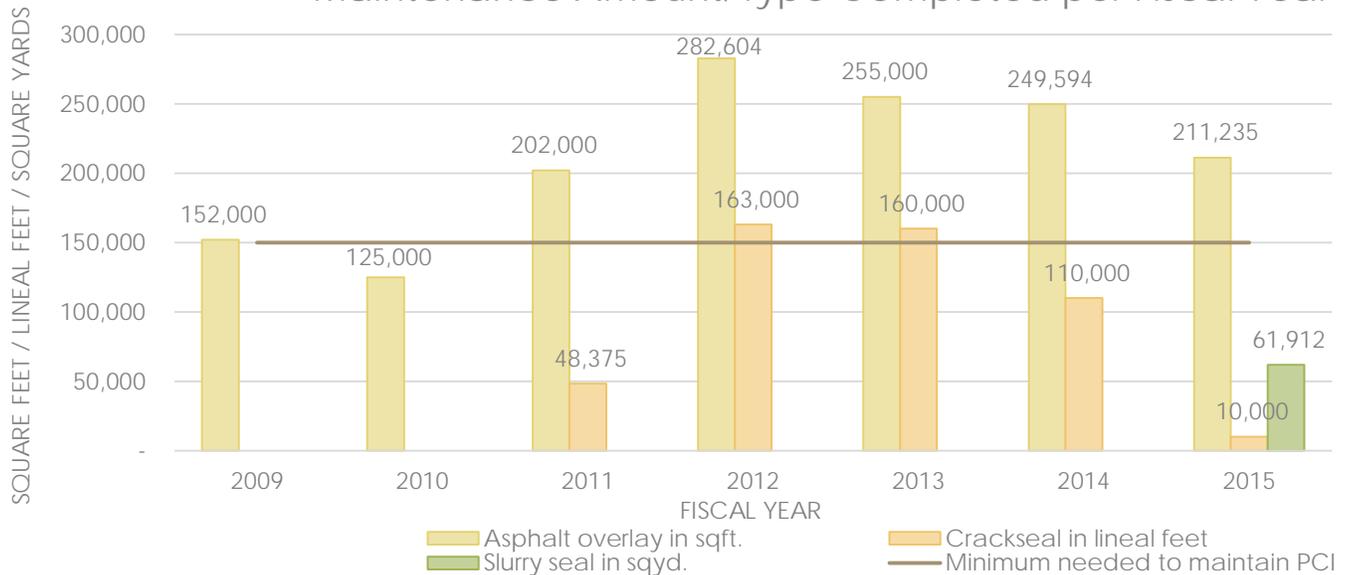
## Scenario Comparison Deferred Maintenance and PCI



## Preventative Maintenance Measures

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

### Street Preventative Maintenance Maintenance Amount/Type Completed per Fiscal Year



*Section of NE Mariposa after a summer asphalt overlay project.*

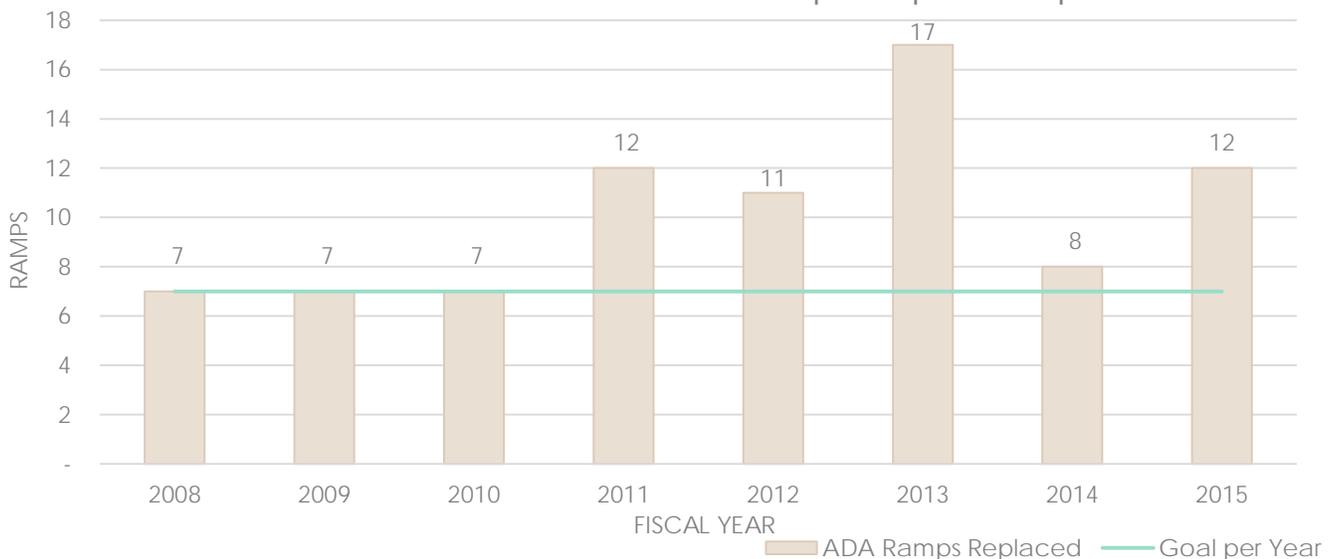


*Replacing an ADA ramp near a local school.*

## American with Disabilities Act Ramps

There are 65 ADA ramps located in downtown Prineville identified as infrastructure needing replacement. As such, the department implemented a plan to replace at least seven ADA ramps per year. In FY 15, the Transportation Department surpassed its yearly goal by replacing 12 ADA ramps. The ramps to be replaced are identified during an annual meeting between the Transportation Department and disabled citizens. By working closely with this community, the Transportation Department can ensure precious resources are put to most use. The goal of ADA ramp replacement continues to be met on a yearly basis and coincides with the Prineville City Council goal of improving community safety.

## ADA Ramps Replaced Ramps Replaced per Fiscal Year



## Transportation Budget

Resources	Actual FY 12-13	Actual FY 13-14	Current Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
Beginning fund balance	\$ 362,832	\$ 157,915	\$ 254,115	\$ 263,599	\$ 170,499	\$ 170,499	\$ 170,499
<b>Current year resources</b>							
Intergovernmental	\$ 692,314	\$ 811,128	\$ 829,900	\$ 919,800	\$ 828,800	\$ 828,800	\$ 828,800
Franchise fees	\$ 221,100	\$ 241,099	\$ 245,000	\$ 245,000	259,000	259,000	259,000
Interest	1,144	1,576	1,200	1,200	1,200	1,200	1,200
Miscellaneous	14,100	9,269	13,000	25,000	10,500	10,500	10,500
Transfers from other funds		100,000	146,000	146,000	100,000	100,000	100,000
<b>Total current year resources</b>	<b>\$ 928,658</b>	<b>\$ 1,163,072</b>	<b>\$ 1,235,100</b>	<b>\$ 1,337,000</b>	<b>\$ 1,199,500</b>	<b>\$ 1,199,500</b>	<b>\$ 1,199,500</b>
<b>Total resources</b>	<b>\$ 1,291,490</b>	<b>\$ 1,320,987</b>	<b>\$ 1,489,215</b>	<b>\$ 1,600,599</b>	<b>\$ 1,369,999</b>	<b>\$ 1,369,999</b>	<b>\$ 1,369,999</b>
<b>Expenditures</b>							
Personnel Services	\$ 175,713	\$ 191,100	\$ 201,100	\$ 200,100	\$ 214,000	\$ 214,000	\$ 214,000
Material & services	347,028	173,732	198,800	194,100	203,500	203,500	203,500
Capital outlay							
Improvements	254,334	432,156	544,600	666,400	404,600	404,600	404,600
Transfers	356,500	260,400	379,500	369,500	378,100	378,100	378,100
Contingency			165,215		169,799	169,799	169,799
<b>Total expenditures</b>	<b>\$ 1,133,575</b>	<b>\$ 1,057,388</b>	<b>\$ 1,489,215</b>	<b>\$ 1,430,100</b>	<b>\$ 1,369,999</b>	<b>\$ 1,369,999</b>	<b>\$ 1,369,999</b>
Ending fund balance	\$ 157,915	\$ 263,599	\$ -	\$ 170,499	\$ -	\$ -	\$ -

## Personnel

Transportation Fund FTEs by Position FY 13 – 16				
	FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 16 Forecast
Utility	2.00	2.00	2.00	2.00
<b>Transportation Fund Total</b>	2.00	2.00	2.00	2.00

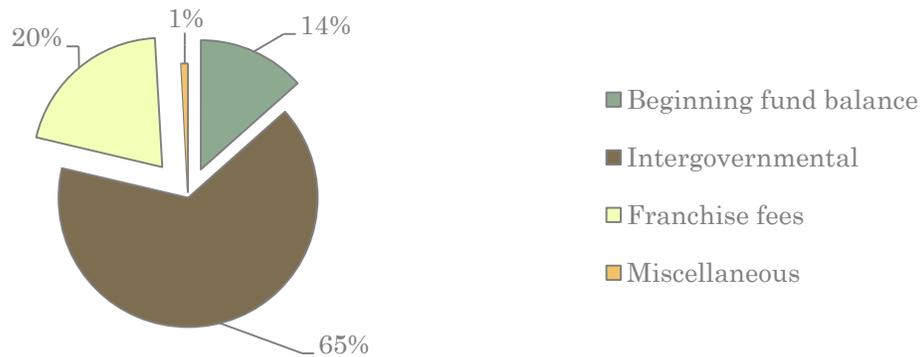
*No changes to staffing levels in FY 16.*

## Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 14-15	Proposed FY 15-16 Beginning Fund Balance	% Change FY 15 to FY 16	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Transportation	\$263,599	\$170,499	-35%	\$169,799	\$159,460	6%

The 35 percent decrease to fund balance is largely due to capital projects completed in the prior year. Projects budgeted for FY 16 total \$404,600. Fund balance remains flat by year-end in FY 16. Ending fund balance/contingency meets the City’s financial policy objectives by 6 percent. Management continues to look for new revenue opportunities and efficiency within the department.

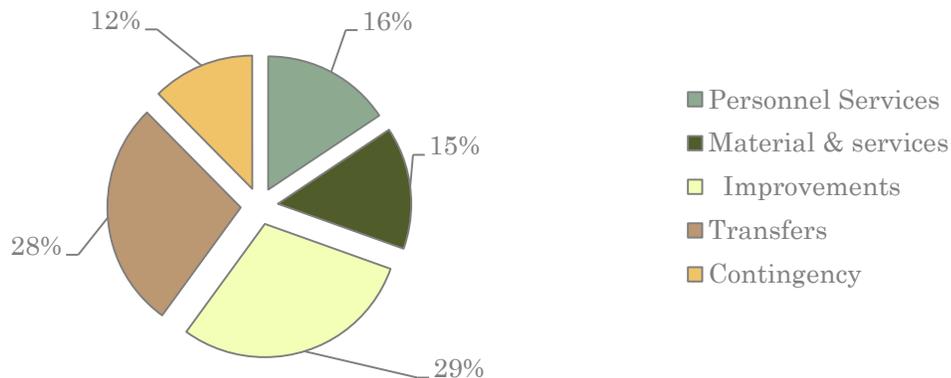
### Resources



### Assumptions

Intergovernmental revenues for FY 16 show a slight decrease over the prior year by approximately 11 percent. Revenues include a grant for approximately \$92,600 for the transit project, system transportation planning dollars from ODOT total approximately \$105,000. Franchise fees from the Wastewater and Water Funds totaling \$259,000 for FY 16 are instrumental in replacing the lost revenue stream from the County, along with the transfer from the General Fund of \$100,000 for capital improvements. Projections place the State of Oregon gas tax at approximately \$541,000.

### Requirements

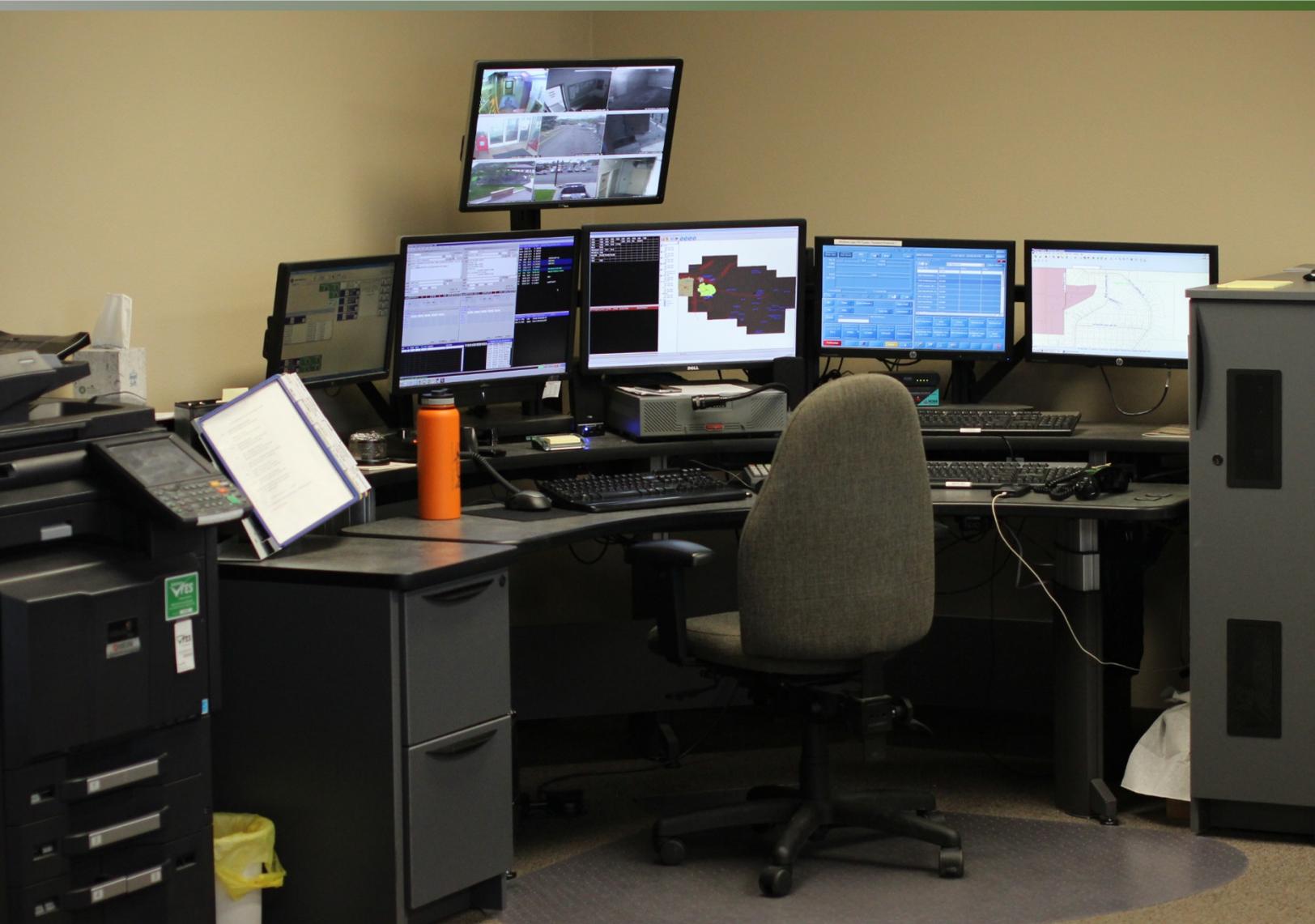


### Assumptions

Requirements budgeted overall in FY 16 illustrate a decrease of approximately 8 percent from the previous year’s budget. This is largely due to the decrease in capital projects by approximately 39 percent, personnel services increasing approximately 7 percent, materials and services increasing approximately 5 percent, and transfers increasing by approximately 2.5 percent.



# Emergency Dispatch Fund



## Emergency Dispatch Fund Responsibilities to the Community

The Emergency Dispatch Department is dedicated to the protection of life and property through effective coordination, communications, and the support of user agencies. It is the responsibility of the department to create efficient operations to use tax dollars and user fees in a transparent manner to ensure citizens receive the best service available at the maximum value to the department. This includes maintaining the critical systems in the communication infrastructure.

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

## Goals and Objectives for FY 16

Department Goals	City Council Goals
Complete accreditation process for the Communications Division through the Oregon Accreditation Alliance.	Community safety.
Complete installation and training on computer-aided Emergency Medical Dispatch program.	Community safety.
Codify existing policies and procedures into a policy manual.	Evaluate vision and strategic plan.
Continue steps towards creating operational stability.	Community safety.
Create private work areas for supervisors to meet with employees or work on projects.	Sustain and efficiently plan for the future development of infrastructure.

## Executive Summary

The Emergency Dispatch Department, a division of the Prineville Police Department, supports public safety by providing interoperable communications throughout Prineville and Crook County, as well as the Central Oregon area. The dispatch center, or 911 center, is also the Public Safety Answering Point (PSAP) for Crook County, providing 911 services for all citizens and visitors. In addition to supporting the Police Department, the dispatch center provides emergency dispatch services for funding partners including the Crook County Sheriff's Office, Crook County Fire and Rescue, Oregon State Police (when assisting in Crook County), and the US Forest Service.

During the past year the department experienced more simultaneous emergencies, thereby, compromising the ability to manage calls as effectively as needed. Currently, the dispatch center operates without enough staffing to provide two dispatchers for 24 hours a day, 365 days a year. Emergency Dispatch is quickly reaching a point where the model will no longer work for the agencies and people served. This budget continues to move the department closer to the goal of double coverage at all times.

Emergency Dispatch is undergoing the same accreditation process as the Police Department. The processes is expected to conclude by December 31, 2015. Once completed, the department will possess better data for the divisions to make substantive recommendations for next year's budget in terms of staffing.



*Interior of dispatch center after 2014 improvements.*

## Accomplishments for FY 15

- Redistributed employee workload and cross trained skill sets where appropriate.
- Successfully recruited and trained two employee vacancies.
- Started the process for the Emergency Dispatch Department to become an accredited agency through the Oregon Accreditation Alliance. This effort improves performance, customer support and reduces liability to better service the citizens of Prineville.

## Strategic Planning Updates

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

## Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Facility		
RMS2 EIS update	\$ 62,000	\$ 62,000
EMD cards	\$ 32,400	\$ 32,400
<b>Capital Outlay Total</b>	<b>\$ 94,400</b>	<b>\$ 94,400</b>

*A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 71.*

## Performance Measures

### Telephone Calls to Dispatch Center Calls per Calendar Year



The reason total call numbers are dropping while number of dispatch events increased approximately 15.5 percent in the last five years relates to number of phone calls being answered at the front desk and not in the dispatch center.

## Dispatched 911 Calls Total 911 Calls Dispatched per Calendar Year



The number of dispatched calls since 2010 increased approximately 15.5 percent. The largest growth occurred from 2013 to 2014, with a nearly 8.2 percent increase in dispatched calls year over year

## Telephone Calls for Service to 911 Lines Priority Respective to Calls Received in Calendar Year



## Emergency Dispatch Budget

Resources	Actual FY 12-13	Actual FY 13-14	Current Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
Beginning fund balance	\$ 263,687	\$ 218,866	\$ 249,166	\$ 294,835	\$ 320,835	\$ 320,835	\$ 320,835
<b>Current year resources</b>							
Intergovernmental	\$ 645,333	\$ 598,721	\$ 601,170	\$ 661,400	\$ 692,100	\$ 692,100	\$ 692,100
Interest	941	1,534	3,000	1,500	3,000	3,000	3,000
Miscellaneous	22,335	24,223	3,000	3,000	2,500	2,500	2,500
Transfers from other funds	371,600	466,100	476,800	476,800	533,700	533,700	533,700
<b>Total current year resources</b>	<b>\$ 1,040,209</b>	<b>\$ 1,090,578</b>	<b>\$ 1,083,970</b>	<b>\$ 1,142,700</b>	<b>\$ 1,231,300</b>	<b>\$ 1,231,300</b>	<b>\$ 1,231,300</b>
<b>Total resources</b>	<b>\$ 1,303,896</b>	<b>\$ 1,309,444</b>	<b>\$ 1,333,136</b>	<b>\$ 1,437,535</b>	<b>\$ 1,552,135</b>	<b>\$ 1,552,135</b>	<b>\$ 1,552,135</b>
<b>Expenditures</b>							
Personnel Services	\$ 686,808	\$ 726,392	\$ 826,900	\$ 843,400	\$ 899,100	\$ 899,100	\$ 899,100
Material & services	104,744	85,536	95,800	96,400	101,600	101,600	101,600
Capital outlay							94,400
Buildings					32,400	32,400	
Equipment	133,878	34,881	100	4,800	62,000	62,000	
Transfers	159,600	167,800	172,100	172,100	183,000	183,000	183,000
Contingency			238,236		274,035	274,035	274,035
<b>Total expenditures</b>	<b>\$ 1,085,030</b>	<b>\$ 1,014,609</b>	<b>\$ 1,333,136</b>	<b>\$ 1,116,700</b>	<b>\$ 1,552,135</b>	<b>\$ 1,552,135</b>	<b>\$ 1,552,135</b>
Ending fund balance	\$ 218,866	\$ 294,835	\$ -	\$ 320,835	\$ -	\$ -	\$ -

## Personnel

Emergency Dispatch Fund FTEs by Position FY 13 – 16				
	FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 16 Forecast
Communications Director	1.00	1.00	1.00	1.00
Administrative Assistant	0.33	0.33	0.33	0.33
Communications Supervisor	1.00	1.00	1.00	1.00
Communications Officer	6.00	6.00	6.00	7.32
Office Technician	0.50	0.50	0.50	
Evidence Officer				0.50
Janitor	0.25	0.25	0.25	0.25
<b>Emergency Dispatch Fund Total</b>	<b>9.08</b>	<b>9.08</b>	<b>9.08</b>	<b>10.40</b>

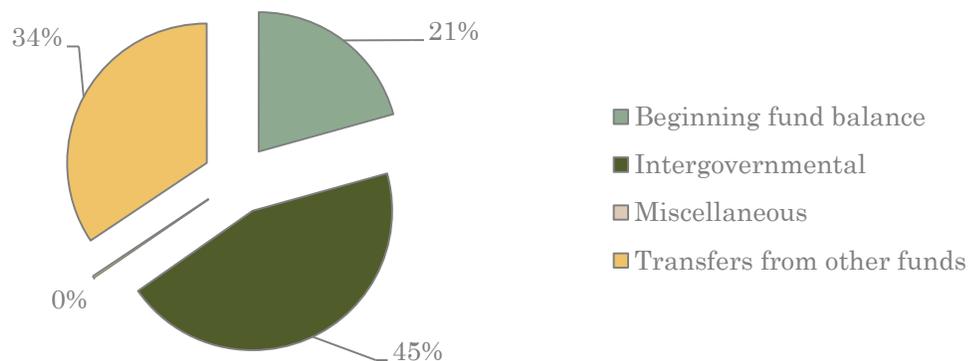
*Change in FTE of 1.32 for FY 16, adding additional Communications Officers.*

## Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 14-15	Proposed FY 15-16 Beginning Fund Balance	% Change FY 15 to FY 16	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Emergency Dispatch	\$294,835	\$320,835	9%	\$274,035	\$261,188	5%

The 9 percent increase in fund balance from FY 15 to FY 16 is due, for the most part, to additional intergovernmental revenue received for part-time dispatchers and the inability to fill the positions as quickly as anticipated. Estimates for the FY 16 budget see a 17 percent decrease to the ending fund balance. This fund meets the reserve policy criteria for the City.

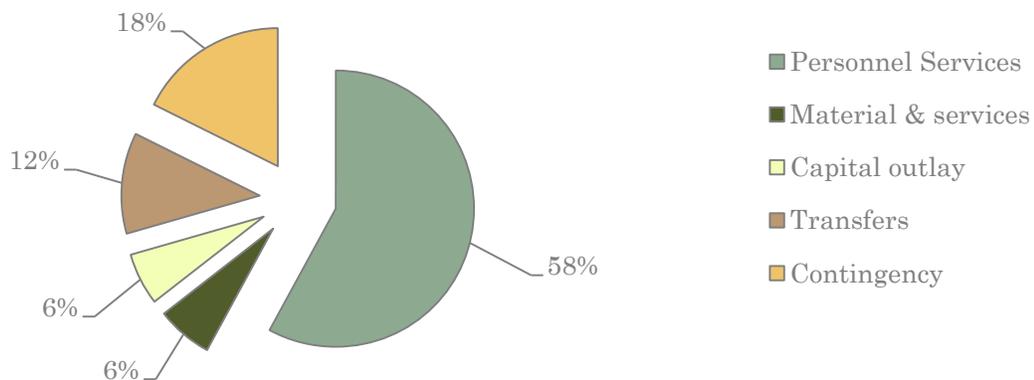
### Resources



### Assumptions

Receipts of 911 dollars are expected to remain approximately the same as the prior year at \$270,000. Fees for users are increasing approximately 12 percent from prior year, and in turn, increasing the fee from the General Fund to \$533,700. Crook County Fire and Rescue is increasing their user fees an additional 58 percent to cover two additional part-time dispatchers.

### Requirements



### Assumptions

Overall requirements are increasing approximately 16 percent over prior year. The biggest factors contributing the increase is capital outlay at approximately \$94,000, personnel services increasing 9 percent, materials and services increasing 3 percent, and transfers increasing 6 percent.



## Planning Fund Responsibilities to the Community

The primary objective of the Prineville Planning Department is to contribute to economic development and sustainable growth of Prineville while maintaining the small-town character and overall livability of the community. The Planning Department continues to achieve this by assisting existing and prospective businesses, developers, and residents through a consistent, personal, and mutually understood land use and development process. The department also continues to pursue long-range planning efforts, such as the City's Transportation System Plan and the Downtown Strategic Plan Committee, to ensure these objectives can be met well into the future.

The Planning Fund accounts for the planning activities of the City of Prineville. A transfer of funds from the General Fund to the Planning Fund helps support the short-term planning needs of the City. General administrative costs are paid through internal charges to internal service funds for the following services based upon the cost to the department for using these services; administrative and financial services, risk

management, computer, and phone services. The costs of these services are at full cost, including replacement cost, thereby providing a more accurate cost of providing services.

## Goals and Objectives for FY 16

Department Goals	City Council Goals
Seek funding from ODOT and the Oregon Department of Land Conservation and Development (DLCD) for updating the Prineville Transportation System Plan in the area of (and including) the Y-intersection on the west end of 3rd Street.	Continue to be fiscally responsible in all we do.
Develop and implement an advanced air quality action plan, including a mission statement, goals, and projects list.	Maintain "livability" of Prineville, while welcoming diversity.
Coordinate with Crook County on the long term transportation vision for Combs Flat Road from 3rd Street south into the urban growth boundary (UGB) and outside the city limits into Juniper Canyon.	Sustain and efficiently plan for the future development of infrastructure.
Continue to increase public involvement in the planning process utilizing the Prineville Planning Commission, Public Input Committee, various project specific committees, and other opportunities to interact with the public such as participation in Economic Development for Central Oregon (EDCO) and Prineville-Crook Chamber of Commerce events.	Maintain "livability" of Prineville, while welcoming diversity.
Continue to provide exceptional, personal customer service by ensuring staff is available daily from 8:00 a.m. to 5:00 p.m. or is able to respond to messages left within four business hours.	Enhance and maintain council public relations.
Continue to seek grant funding for economic and community development projects.	Continue to be fiscally responsible in all we do.
Continue to build intergovernmental relationships locally, regionally, and statewide through collaboration and participation on committees and other joint efforts.	Strength local, regional, state, federal and educational intergovernmental networking relationships and joint cooperation projects.
Continue to work with community partners to identify and address gaps and needed amenities in the bike and pedestrian system.	Maintain "livability" of Prineville, while welcoming diversity.
Participate in the update of the Airport Master Plan.	Sustain and efficiently plan for the future development of infrastructure.
Work with Crook County to identify a site to add to the UGB through the Central Oregon Large Lot Industrial Program.	Sustain and efficiently plan for the future development of infrastructure.
Evaluate land-use code enforcement procedures, and explore ways to improve code enforcement activities, including the possibility of hiring or contracting for a code enforcement officer.	Maintain "livability" of Prineville, while welcoming diversity.
Continue to increase the level and quality of training provided to the Planning Commission.	Continued council support for professional development of staff.

Continue to seek grant funding for projects such as the Rails-to-Trails Project, Downtown Revitalization Committee projects and the Tom McCall Intersection Improvement Project.	Continue to be fiscally responsible in all we do.
Continued provision of planning expertise and information for existing and prospective businesses; identification of industrial site for large lot industrial program.	Be "business friendly" – Strengthen business-government relationships and cooperation – Fostering an entrepreneurial environment.
Consistently update infrastructure plans for water, wastewater, and transportation.	Sustain and efficiently plan for the future development of infrastructure.
The Ochoco Creek Trail, Rails-to-Trails, and other bike and pedestrian projects; Downtown Strategic Plan Committee projects; Urban Renewal Project; evaluation and improvement of code enforcement procedures including regulations pertaining to air quality.	Maintain "livability" of Prineville, while welcoming diversity.

## Executive Summary

The City of Prineville’s Planning Department assists residents and customers with current and future planning needs. The Planning Department is often the first point of contact for the general public, whether an individual is planning to build a storage shed or a major corporation is looking to build a large facility. Planning staff facilitates all development review, pulling together input from other departments both within the City of Prineville as well as from outside organizations. The department is responsible for managing and staffing the Prineville Planning Commission, a seven-member citizen body which reviews and makes decisions on subdivisions and conditional use proposals, and provides policy recommendations to the Prineville City Council.

The Planning Department also manages and develops current and long-range planning documents for the City at-large, such as the City’s Comprehensive Plan, the Land Use Code, the Transportation System Plan, the Downtown Enhancement Plan, the Sign Ordinance and the Flood Code. The Planning Department is required to comply with all federal, state, and local government ordinance requirements in regards to community growth and land-use permit regulations.

## Accomplishments for FY 15

- Continued working with Crook County and ODOT on the Tom McCall intersection identified as a project for potential funding through the State of Oregon’s “Enhance It” transportation improvement plan.
- Continued to provide exceptional training opportunities to the Prineville Planning Commission, including a customized workshop on medical marijuana and Oregon Senate Bill 1531.
- Following direction from the Prineville City Council – in concert with the Planning Commission – developed medical marijuana land-use regulations tailored specifically to the City of Prineville.
- Completed an update to the Prineville Transportation System Plan from the Ochoco Lumber Site Master Plan.
- Made significant progress in the implementation of a \$524,000 Flex Funds Grant from ODOT to repave the Ochoco Creek Trail. After the selection of a contractor, reconstruction of the trail started as planned in March 2015.
- Actively worked to build relationships through collaboration and communication with partner agencies such as DLCD, ODOT, Crook County, Oregon Association of City Planning Directors, 1000 Friends of Oregon, the Prineville-Crook County Chamber of Commerce, Economic Development for Central Oregon, and local service groups.
- Facilitated design review, and land use and development processes for several commercial, industrial, and residential projects, including the IronHorse Lodge and the Secure Storage site on NE Peters Road.

- Coordinated a 96-acre annexation of prime industrial land owned by Crook County into the city limits.
- Facilitated a comprehensive plan amendment, zone change, and annexation adding 114 acres of prime industrial land owned by Crook County into the City's UGB and city limits.
- Provided planning expertise and specific land use information to businesses considering expansion of operations or Prineville as a future location. Planning staff met and worked with over 25 businesses.
- Participated in obtaining land-use approval from Crook County for the City wetlands/park project.
- Coordinated with the Prineville chapter of the Central Oregon Trails Alliance (COTA) which is planning for future development of multi-use trails in Crook County and a bike park in city limits.

These accomplishments address the following Prineville City Council goals:

- *“Continue to be fiscally responsible in all we do”* – Identify, seek, and implement grant funding in the planning and construction of multi-modal, sidewalk and trail projects such as Ochoco Creek Trail and the Rails-to-Trails projects; and identify and seek funding for transportation projects such as the 9th and 10th Street project and the Tom McCall intersection.
- *“Strengthen local, regional, state, federal and educational intergovernmental networking relationships and joint cooperation projects”* – Participation on local, regional, and state committees; collaboration and communication with partner agencies; participation in Central Oregon Large Lot Industrial Program; technical assistance provided to COTA.
- *“Be ‘business friendly’ – Strengthen business – government relationships and cooperation”* – Provision of planning expertise and information for existing and prospective businesses; provision of planning guidance on development of the Ochoco Lumber/Prineville Memorial Hospital site; research, mapping and other technical assistance provided to the Downtown Strategic Plan Committee, Sports Complex Committee, System Development Charge (SDC) Policy Committee; expansion of the city limits to include an additional 210 acres of prime industrial land.
- *“Sustain and efficiently plan for the future development of infrastructure”* – Administration of sidewalk and trail grants; collaborative work to plan for the Tom McCall intersection improvements; development of Downtown Strategic Plan Committee goals, which can help guide development of the downtown commercial area and help to address infrastructure needs.
- *“Community safety”* – Consider safety in all land use designs and development review processes and procedures.
- *“Maintain ‘livability’ of Prineville, while welcoming diversity”* – Administer sidewalk and trail grants; and implement land use design and development which take livability into account.

## Strategic Planning Updates Short-term Goals

- Maintain a high level of customer service.
- Support economic development efforts by participating on committees, and providing staff time and technical support for both public and private economic development initiatives.
- Develop and implement an advanced air quality action plan which addresses air quality concerns raised by the Oregon Department of Environmental Quality.
- Update the Prineville Transportation System Plan for the Y-intersection on 3rd Street.
- Complete the Ochoco Creek Trail Restoration Project.
- Continue to work with the Crook County Parks District, COTA, and other local bike and pedestrian advocates to expand, add amenities to, and identify and address gaps in the bike and pedestrian network.
- Continue to work with ODOT, Crook County, and private businesses on funding to make capacity improvements to the Tom McCall intersection.
- Amend Urban Growth Management Agreement (UGMA) with Crook County.
- Create a street map for use with the updated UGMA for areas within the UGB outside of city limits.
- Participate in updating the Airport Master Plan and actively coordinate planning efforts in industrial areas around the airport to ensure consistency with the plan.
- Work with Crook County to identify a site to add to the UGB through the Central Oregon Large Lot Industrial program.

- Continue to increase the level and quality of training provided to the Prineville Planning Commission.

## Long-term Goals

- Work toward the development of an associate or assistant planner position as funding and development activity increases.
- Evaluate and plan for UGB expansion and explore the potential for urban reserve planning.
- Staff the Downtown Strategic Plan Committee and assist in implementing the goals of the committee.

## Capital Outlay

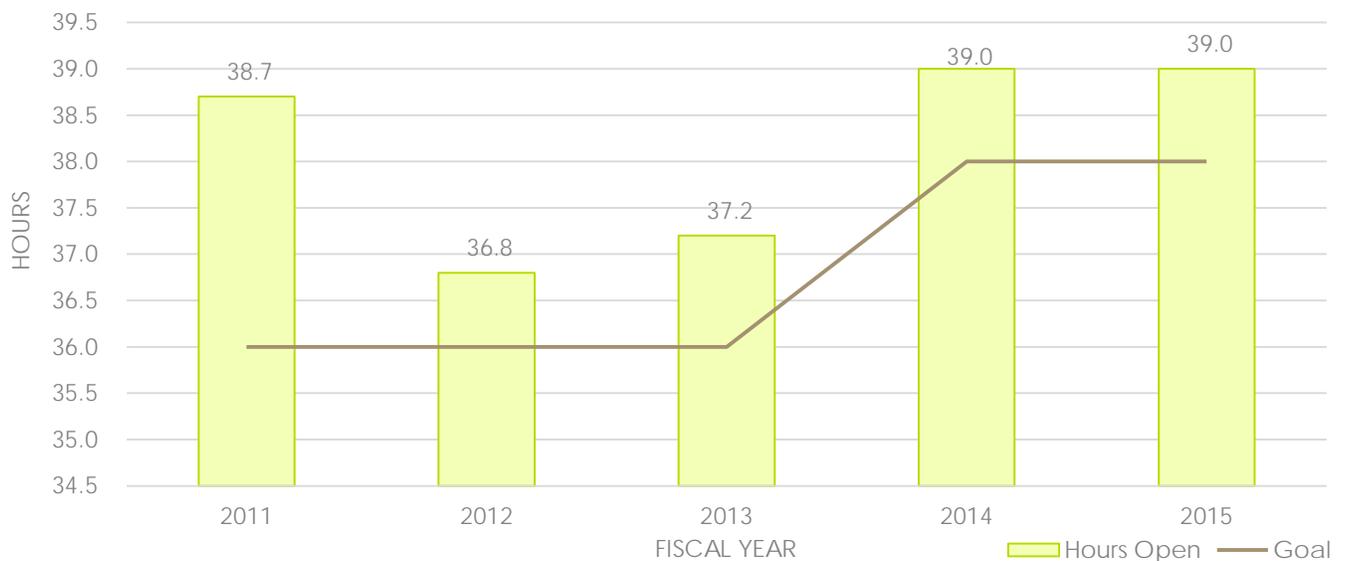
Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Project		
Urban Renewal Project	\$ 30,000	\$ 30,000
Capital Outlay Total	\$ 30,000	\$ 30,000

*A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 71.*

## Performance Measures

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

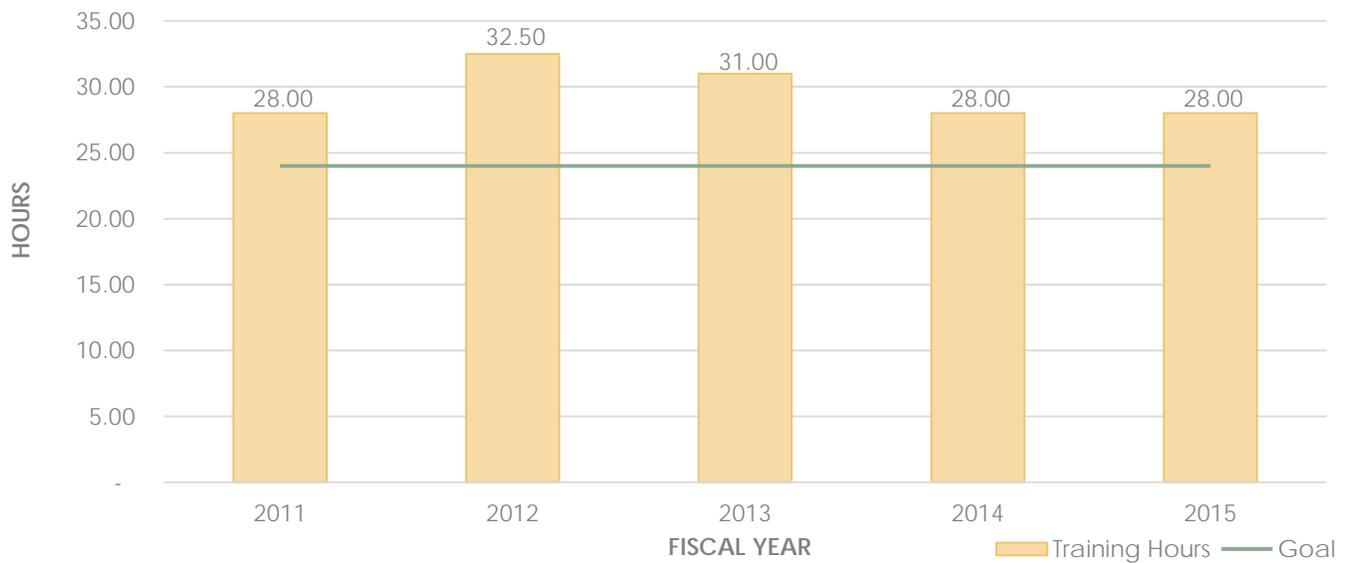
### Average Hours Planning Counter Open Hours Open per Week



Currently, there are only two members of the staff available to provide service at the planning counter. As a result, it's not possible to keep the counter open during all business hours while balancing meetings, training, lunch breaks, vacations, and sick leave. However, the department makes its best effort to keep the counter open as often as possible by staggering lunch breaks and attempting to be available to answer questions. The Planning Department considers front counter service to the public, Monday through Friday 8:00 a.m. to 5:00 p.m., a top priority. Staff continues to track front counter accessibility after five fiscal years.

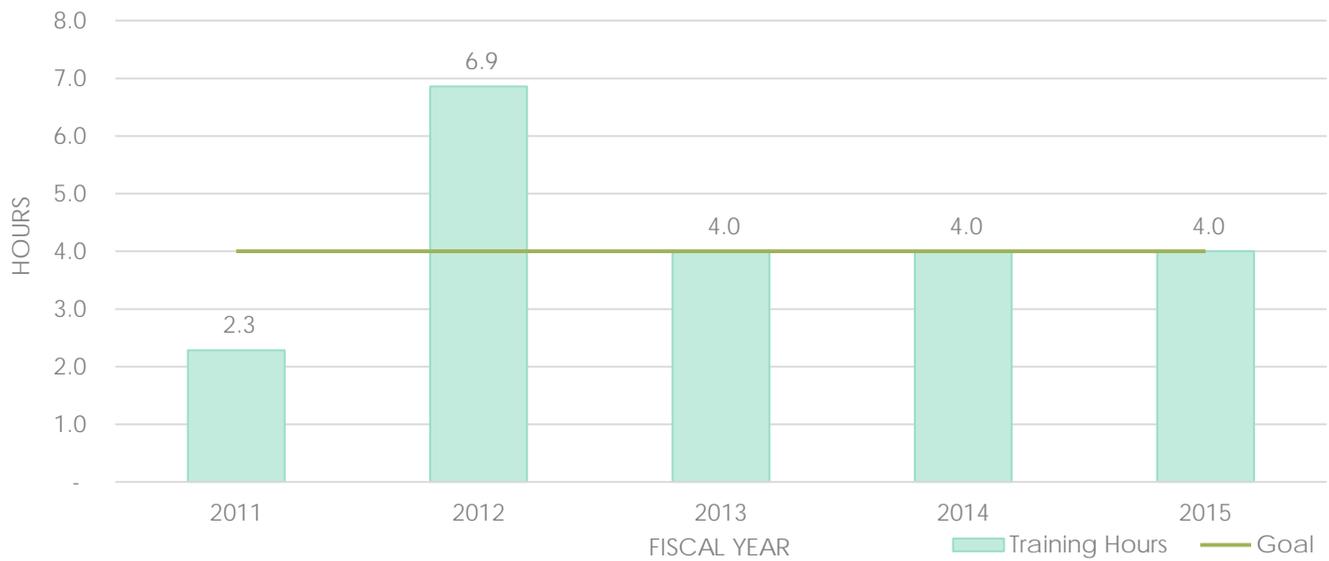
The recent change in staffing added a new opportunity to successfully fulfill this high priority. In FY 15, the Planning Department increased the goal of keeping the counter open at least 36 hours per week on average to 38 hours per week. Planning achieved the goal of 38 hours per week, with a planner available to the public at the front counter an average of 39 hours per week. Achieving this goal translates into adding 104 hours of counter staff time for citizens without adding staff. This continues to be the goal for FY 16.

### Average Training Hours per Staff Member Hours per Fiscal Year



In order to provide accurate, informed and professional guidance and information to the public, it is critical the Planning Department is up-to-date on current planning issues, laws, and tools. The goal is to achieve an average of at least 24 hours of training per planning staff member. Each staff member is attending a three-day training (American Planning Association) to meet this staff training goal. In addition, staff is granted opportunity to participate in additional trainings offered by the City of Prineville and Crook County related to job-specific issues.

## Average Training Hours per Commissioner Hours per Fiscal Year



As the Prineville Planning Commission makes important decisions for the long-term character and health of the community, it is critical planning commissioners are adequately trained to evaluate the proposals and issues before them. The goal is at least four hours of training per commissioner on average. The Planning Commission met this goal by participating in two medical marijuana workshops. The City conducted these workshops to help create a medical marijuana land-use regulation recommendation to the Prineville City Council.

## Planning Budget

Resources	Actual FY 12-13	Actual FY 13-14	Current Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
Beginning fund balance	\$ 80,497	\$ 68,997	\$ 85,997	\$ 87,672	\$ 75,472	\$ 75,472	\$ 75,472
<b>Current year resources</b>							
Licenses and permits	\$ 34,797	\$ 34,901	\$ 46,000	\$ 25,000	\$ 46,000	\$ 46,000	\$ 46,000
Interest	257	359	200	300	200	200	200
Intergovernmental	-	-	-	-	50,000	50,000	50,000
Charges for services	20,141	36,510	13,500	21,000	13,700	13,700	13,700
Transfers from other funds	250,987	250,000	285,000	285,000	285,000	285,000	285,000
<b>Total current year resources</b>	<b>\$ 306,182</b>	<b>\$ 321,770</b>	<b>\$ 344,700</b>	<b>\$ 331,300</b>	<b>\$ 394,900</b>	<b>\$ 394,900</b>	<b>\$ 394,900</b>
<b>Total resources</b>	<b>\$ 386,679</b>	<b>\$ 390,767</b>	<b>\$ 430,697</b>	<b>\$ 418,972</b>	<b>\$ 470,372</b>	<b>\$ 470,372</b>	<b>\$ 470,372</b>
<b>Expenditures</b>							
Expenditures	Actual FY 12-13	Actual FY 13-14	Current Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
Personnel Services	\$ 197,535	\$ 182,178	\$ 218,000	\$ 214,200	\$ 231,100	\$ 231,100	\$ 231,100
Material & services	29,247	14,217	20,600	20,800	21,900	21,900	21,900
Capital outlay			15,000	-	30,000	30,000	30,000
Transfers	90,900	106,700	108,500	108,500	113,000	113,000	113,000
Contingency			68,597		74,372	74,372	74,372
<b>Total expenditures</b>	<b>\$ 317,682</b>	<b>\$ 303,095</b>	<b>\$ 430,697</b>	<b>\$ 343,500</b>	<b>\$ 470,372</b>	<b>\$ 470,372</b>	<b>\$ 470,372</b>
Ending fund balance	\$ 68,997	\$ 87,672	\$ -	\$ 75,472	\$ -	\$ -	\$ -

## Personnel

Planning Fund FTEs by Position FY 13 – 16				
	FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 16 Forecast
Planning Director	1.00	1.00	1.00	1.00
Senior Planner	1.00	1.00	1.00	1.00
<b>Planning Fund Total</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>

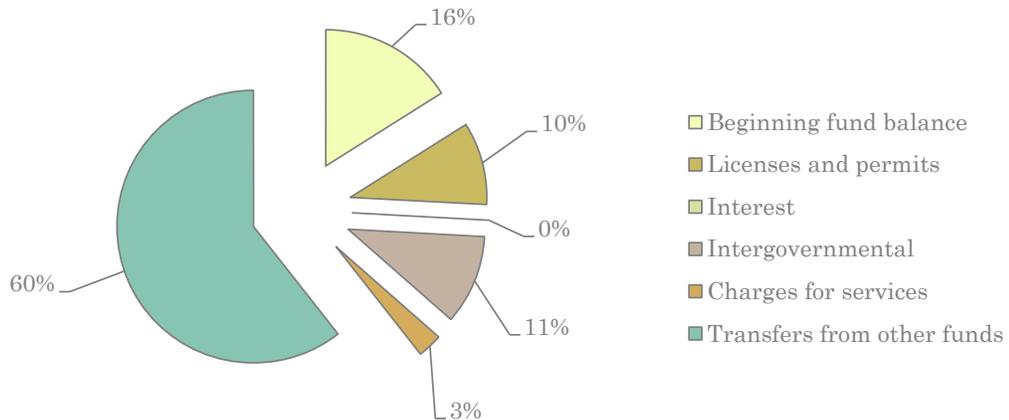
*No changes to staffing levels in FY 16.*

## Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 14-15	Proposed FY 15-16 Beginning Fund Balance	% Change FY 15 to FY 16	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Planning	\$87,672	\$75,472	-14%	\$74,372	\$69,300	7%

The Planning Department continues to maintain fund balance within the City's policy requirements. Planning activity is supported from fees and a transfer from the General Fund.

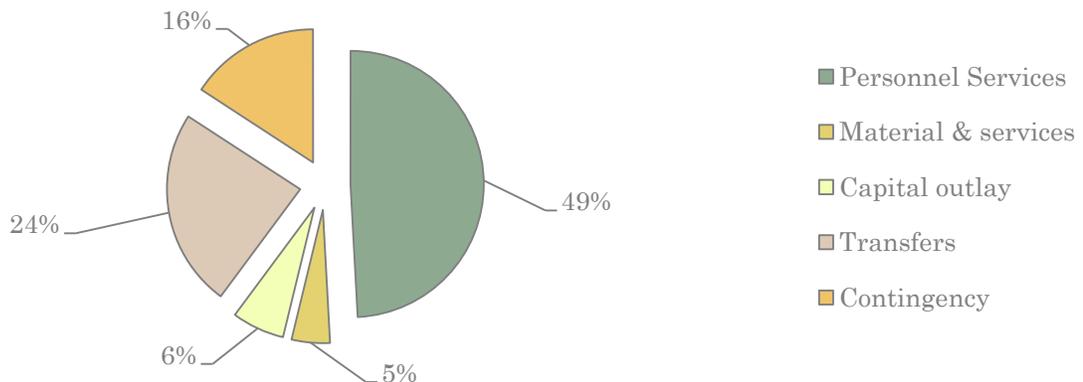
### Resources



### Assumptions

Revenue from charges for service is decreasing over prior year as in-house projects completed. Planning permits remain flat over prior year budget as the economy is still in slow recovery. SDC administrative fee estimates are based off of 25 new equivalent dwelling units. A transfer from the General Fund this year of \$285,000, which remains unchanged over prior year, and a grant of \$50,000 for downtown enhancement are budgeted, of which \$15,000 is City Council directed for a portion of an urban renewal study.

### Requirements



### Assumptions

The Planning Department operational requirements see an increase over prior year by 6 percent due to an increase in personnel services and materials and services, an increase of 4 percent for transfers.

**CITY OF**



**PRINEVILLE**



## ❖ Debt Service Funds

❖ LID Debt Service Fund

❖ PERS/POB Fund

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## ❖ LID Debt Service Fund



### LID Debt Service Fund Responsibilities to the Community

The Local Improvement District (LID) Debt Service 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. Local improvement projects increase property values benefiting property owners.

## Executive Summary

The LID Debt Service Fund is tracking as expected with only one account remaining open in FY 16. FY 15 saw the final payments on the Ochoco Highway and Northridge LIDs, but the IronHorse LID doesn't reach maturity until FY 27.

### LID Debt Service Budget

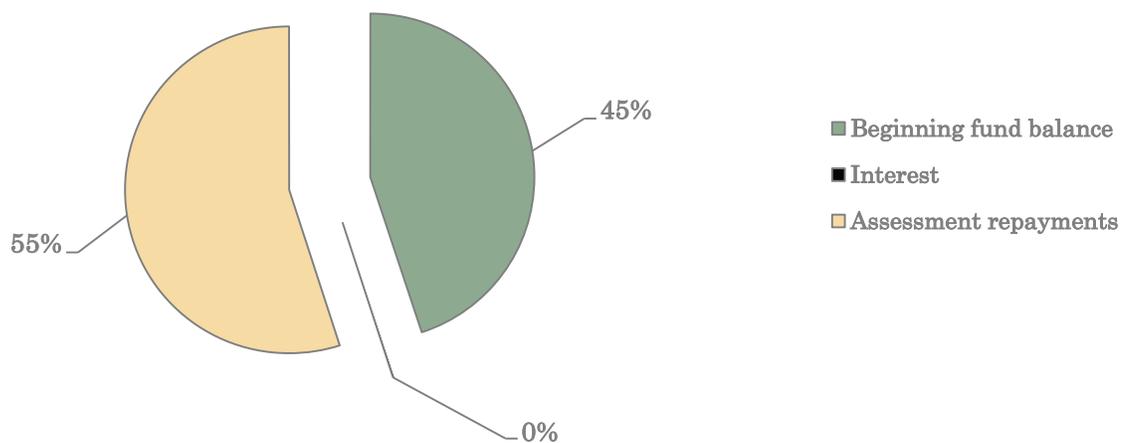
Resources	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 12-13	FY 13-14	Budget FY 14-15	FY 14-15	Budget FY 15-16	Budget FY 15-16	Budget FY 15-16
Beginning fund balance	\$ 107,675	\$ 70,220	\$ 90,620	\$ 103,229	\$ 132,729	\$ 132,729	\$ 132,729
Current year resources							
Interest	358	257	500	300	300	300	300
Assessment repayments	180,733	192,329	173,000	179,200	162,500	162,500	162,500
Transfers	25,000	-	-	-	-	-	-
Total current year resources	\$ 206,091	\$ 192,586	\$ 173,500	\$ 179,500	\$ 162,800	\$ 162,800	\$ 162,800
Total resources	\$ 313,766	\$ 262,806	\$ 264,120	\$ 282,729	\$ 295,529	\$ 295,529	\$ 295,529
Expenditures							
Materials and services	\$ 400	\$ -	\$ 400	\$ -	\$ -	\$ -	\$ -
Debt service							
Principal							
10th St/Madras Hwy LID - 2003	9,013	9,372	-	-	-	-	-
Northridge LID - 2003	80,000	-	-	-	-	-	-
Ironhorse LID - 2006	66,647	70,589	76,200	73,800	79,200	79,200	79,200
Interest							
10th Street/Madras Hwy LID - 2003	819	293	-	-	-	-	-
Northridge LID - 2003	3,400	-	-	-	-	-	-
Ironhorse LID - 2006	83,267	79,323	73,800	76,200	70,800	70,800	70,800
Transfers							
Contingency			113,720		145,529	145,529	145,529
Total expenditures	\$ 243,546	\$ 159,577	\$ 264,120	\$ 150,000	\$ 295,529	\$ 295,529	\$ 295,529
Ending fund balance	\$ 70,220	\$ 103,229	\$ -	\$ 132,729	\$ -	\$ -	\$ -

## Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 14-15	Proposed FY 15-16 Beginning Fund Balance	% Change FY 15 to FY 16	Proposed Ending Fund Balance / Contingency
LID Debt Service	\$103,229	\$132,729	29%	\$145,529

The 29 percent increase from beginning fund balance FY 15 to beginning fund balance FY 16 is the result of assessment debt contracts paying off, as well as assessment collections coming in higher than budgeted. Overall, the fund performance is as expected.

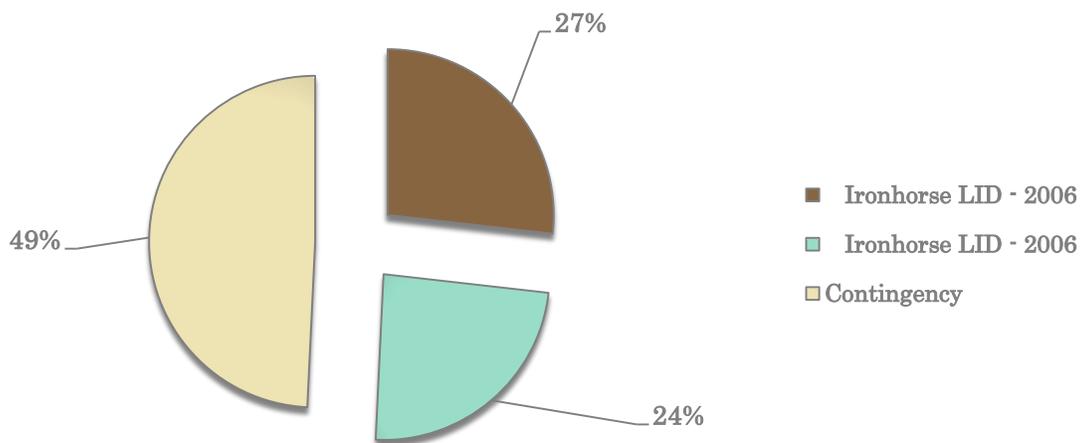
### Resources



### Assumptions

In FY 16, there is only one remaining assessment belonging to IronHorse LLC.

### Requirements



### Assumptions

A developer agreement with IronHorse LLC principal and interest payment totals approximately \$150,000.



## POB/PERS Fund



### PERS/POB Fund Responsibilities to the Community

This fund accounts for the issuance of pension obligation bonds (POB) to fund the City of Prineville's existing unfunded actuarial liability (UAL) and associated debt repayment. The principal source of revenue is charges to other funds with salaries subject to the Oregon Public Employee Retirement System (PERS) via a surcharge. Expenditures are for payments to PERS for the UAL and for debt service requirements.

## Executive Summary

In 2008, the valuation of the City’s pension assets invested in PERS declined approximately 27 percent, resulting in the funded status at PERS, i.e., the ratio of the value of the City’s pension assets invested in PERS to the City’s accrued PERS retirement liabilities, declining well below 100 percent. As of December 31, 2008, the ratio fell to 80 percent. Subsequently, the City’s pension contribution rate to PERS increases every two years beginning July 1, 2011, and is projected to increase July 1, 2015, July 1, 2017, and so on until the rate is sufficient to pay the full cost of PERS.

Incremental increases to the PERS rate are less than otherwise expected due to rate collars smoothing out significant increases. However, as a result of the rate collars, the City’s contributions to PERS are not sufficient to stabilize the amount of the UAL. The City fully funded it’s UAL in FY 14 in the amount of \$2,846,700 in order to stabilize the City’s pension contribution rates. The City chooses to move forward without a rate credit for FY 16 and FY 17 to PERS in order to allow the impact of the rate collars to smooth out.

Estimates place the full PERS UAL rate at nearly 7 percent. However, as previously noted, PERS rate collars do not allow the City to pay the full rate, thereby deferring payments for the UAL to the future and likely requiring a greater UAL rate in the process. The estimated rate on subject payroll sufficient to repay debt service on the POB’s is approximately 7 percent.

The proposed budget includes the POB surcharge to current subject salaries in all funds, in which the City moves forward with a strategy under the expectation the combined PERS rate FY 16 increases approximately 3.4 percent. Management instigates evaluation bi-annually, adjusting the rate on subject payroll accordingly.

The City is subject to a reserve or ending fund balance requirement within the General Fund and the internal service funds for the fiscal year of not less than 15 percent of the sum of the General Fund expenditures and internal service funds expenditures (including debt service paid out of such funds) for that fiscal year. The table below is a budget analysis of the reserve covenants put in place with the funding of the UAL. The City’s budgeted reserves exceed this requirement of 15 percent in total funds \$506,000.

## Policy Analysis

### Pension Obligation Requirements by Fund FY 16

Fund	Budgeted Reserve Amount	Operating Expenditures Including Debt By Fund	Fifteen % Appropriation Reserve Amount	Budgeted Reserves Over(Under)
General	761,398	2,805,700	420,855	340,543
Admin/Financial Support Services	274,867	1,809,500	271,425	3,442
Public Works Support Services	293,084	1,404,300	210,645	82,439
City Hall	160,744	186,100	27,915	132,829
Plaza Maintenance	8,044	49,800	7,470	574
<b>Total</b>	<b>1,498,138</b>	<b>6,255,400</b>	<b>938,310</b>	<b>559,828</b>

## PERS/POB Budget

Resources	Actual FY 12-13	Actual FY 13-14	Current Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
Beginning fund balance	\$ -	\$ -	\$ 14,400	\$ 15,118	\$ 66,818	\$ 66,818	\$ 66,818
<b>Current year resources</b>							
Interest		\$ 244	\$ -	\$ 300	\$ 300	\$ 300	\$ 300
Transfer from other funds	-	100,000	295,000	295,000	289,900	289,900	289,900
Debt Proceeds	-	2,950,000	-	-	-	-	-
<b>Total current year resources</b>	<b>\$ -</b>	<b>\$ 3,050,244</b>	<b>\$ 295,000</b>	<b>\$ 295,300</b>	<b>\$ 290,200</b>	<b>\$ 290,200</b>	<b>\$ 290,200</b>
<b>Total resources</b>	<b>\$ -</b>	<b>\$ 3,050,244</b>	<b>\$ 309,400</b>	<b>\$ 310,418</b>	<b>\$ 357,018</b>	<b>\$ 357,018</b>	<b>\$ 357,018</b>

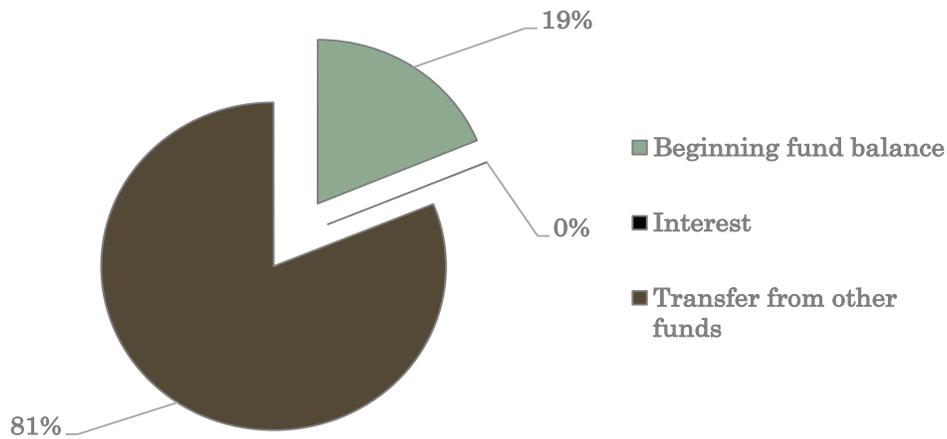
Expenditures	Actual FY 12-13	Actual FY 13-14	Current Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
Personnel Services	\$ -	\$ 2,846,700	\$ -	\$ -	\$ -	\$ -	\$ -
Materials & Services	-	91,611	-	-			
Debt service							
Principal							
Principal - POB 2013	\$ -	\$ 45,000	\$ 100,000	\$ 100,000	\$ 110,000	\$ 110,000	\$ 110,000
Interest							
Interest - POB 2013	-	51,815	143,600	143,600	138,600	138,600	138,600
Contingency	-	-	65,800	-	108,418	108,418	108,418
<b>Total expenditures</b>	<b>\$ -</b>	<b>\$ 3,035,126</b>	<b>\$ 309,400</b>	<b>\$ 243,600</b>	<b>\$ 357,018</b>	<b>\$ 357,018</b>	<b>\$ 357,018</b>
Ending fund balance	\$ -	\$ 15,118		\$ 66,818	\$ -	\$ -	\$ -

## Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 14-15	Proposed FY 15-16 Beginning Fund Balance	% Change FY 15 to FY 16	Proposed Ending Fund Balance / Contingency
PERS/POB	\$15,118	\$66,818	342%	\$108,418

The increase in fund balance is due to the 7 percent charge to funds with personnel to cover debt service and future lump sum payments for any unfunded liability (UAL).

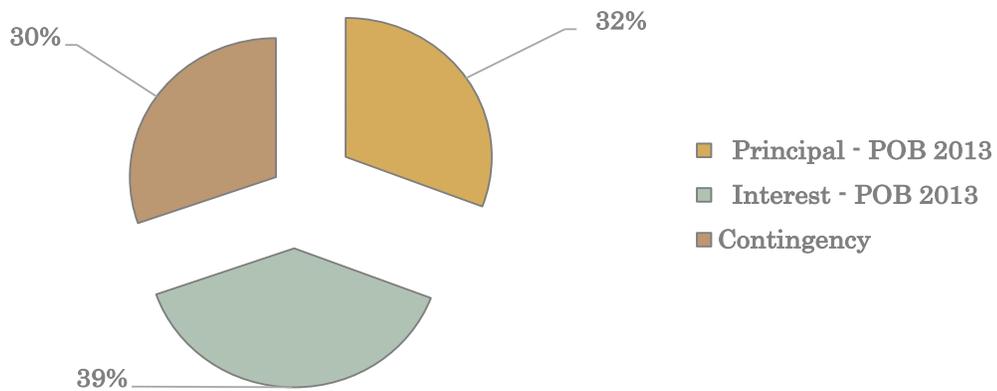
## Resources



## Assumptions

The City budgets an additional 7 percent to its personnel services throughout the budget based on the PERS percentages for FY 16. Those dollars transfer to this fund to cover debt service for the pension bonds. The City maintains dollars exceeding the debt service in this fund for future lump sum payments to PERS.

## Requirements



## Assumptions

The City fully funded its estimated UAL in FY 14. Resulting debt service for the City consists of one annual payment of principal and interest, funded by transfers from all funds with personnel services.

**CITY OF**



**PRINEVILLE**



## ❖ Capital Projects Funds

❖ Streets SDC Fund

❖ Water SDC Fund

❖ Wastewater SDC Fund

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## Transportation SDC Fund Responsibilities to the Community

The purpose of the Transportation SDC Fund is to manage the expansion of the transportation network to best serve the economic growth of the community. This fund accounts for the receipt and expenditures of transportation system development charges (SDC) improvement fees. SDCs are charged to builders to provide a source of income to pay for the expansion of the City of Prineville's transportation system.

## Goals and Objectives for FY 16

Department Goals	City Council Goals
Participate in the design process of the proposed intersection improvements at Highway 126 and Tom McCall Road. Potential improvements to this intersection will support new economic growth in the airport industrial area.	Sustain and efficiently plan for the future development of infrastructure.
Finalize construction of the improvements to Combs Flat Road to support the opening of a new hospital.	Sustain and efficiently plan for the future development of infrastructure
Investigate potential funding opportunities which would support planning efforts for improvements to the intersection of Highway 26 and Highway 126.	Continue to be fiscally responsible in all we do.

## Executive Summary

This fund accounts for the receipt and expenditures of transportation system development charge improvement fees. Reasoning behind the creation of the fund is to improve accountability, planning, and investment of SDCs in transportation capital improvements. The current SDC is 100 percent of the maximum allowed amount as determined in an analysis of the City's transportation requirements. The amount of the SDCs included in the budget reflects a 2.45 percent increase for FY 16, based upon increases in the *Engineering News Record's* Seattle construction cost index (CCI).

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



*Road work starts to support the new school, Barnes Butte Elementary.*

## Accomplishments for FY 15

- Completed an update to the Transportation System Development Charge Methodology based upon the November 2013 Transportation System Plan.
- Constructed an extension of Combs Flat Road, a future major collector street, to serve a new 700 student elementary school.
- Added bike lanes and sidewalks along NE Laughlin Road to support the new elementary school.
- Constructed improvements to the intersection of Combs Flat Road and Highway 26 to support the construction of a new hospital.
- Widened Combs Flat Road and added pedestrian facilities to support the new hospital.

These accomplishments address the following City Council goals:

- *“Sustain and efficiently plan for the future development of infrastructure”* – Development of a new hospital and elementary school made possible by the construction of the previously mentioned improvements.



*Combs Flat Road intersection.*

# Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Facility		
No capital expenditures planned for FY 16	\$	\$
Capital Outlay Total	\$	\$

*A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 71.*

## Transportation SDC Budget

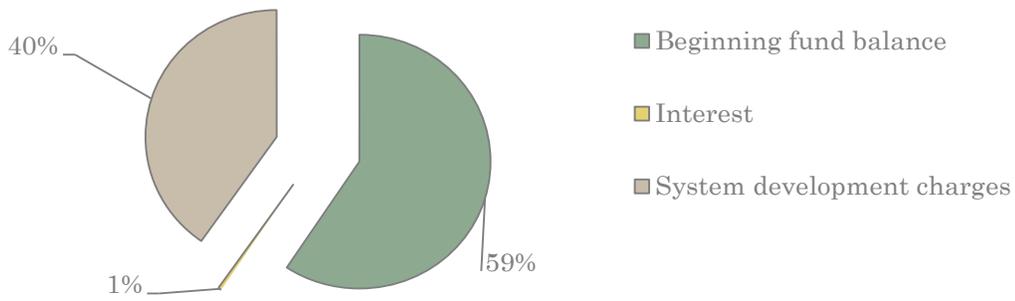
Resources	Actual FY 12-13	Actual FY 13-14	Current Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
Beginning fund balance	\$ 187,542	\$ 280,271	\$ 324,971	\$ 307,532	\$ 362,032	\$ 362,032	\$ 362,032
Current year resources							
Intergovernmental	\$ 375	\$ 5,712	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -
Interest	1,082	1,789	1,000	2,400	2,500	2,500	2,500
System development charges	172,494	75,298	85,400	464,900	245,800	245,800	245,800
Transfers			10,000		-	-	-
Total current year resources	\$ 173,951	\$ 82,799	\$ 101,400	\$ 472,300	\$ 248,300	\$ 248,300	\$ 248,300
Total resources	\$ 361,493	\$ 363,070	\$ 426,371	\$ 779,832	\$ 610,332	\$ 610,332	\$ 610,332
Expenditures							
Material & services	\$ 2,500	\$ 4,838	\$ 10,000	\$ 10,000	\$ 360,000	\$ 360,000	\$ 360,000
Capital outlay							
Improvements	70,097	25,000	395,000	395,000	-	-	-
Debt service - interest note payable							
Transfers	8,625	25,700	4,300	12,800	12,300	12,300	12,300
Contingency			17,071		238,032	238,032	238,032
Total expenditures	\$ 81,222	\$ 55,538	\$ 426,371	\$ 417,800	\$ 610,332	\$ 610,332	\$ 610,332
Ending fund balance	\$ 280,271	\$ 307,532	\$ -	\$ 362,032	\$ -	\$ -	\$ -

## Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 14-15	Proposed FY 15-16 Beginning Fund Balance	% Change FY 15 to FY 16	Proposed Ending Fund Balance / Contingency
Transportation SDC	\$307,532	\$362,032	18%	\$238,032

The 18 percent increase from beginning fund balance FY 15 to beginning fund balance FY 16 is largely due to the system development fees paid in FY 15 totaling approximately \$465,000. A total of \$360,000 from these fees are reimbursable to developers in the coming year for improvements made. The proposed ending fund balance \$238,032 is an estimate based on revenue of 25 equivalent dwelling units (EDU), with no budgeted capital projects in FY 16.

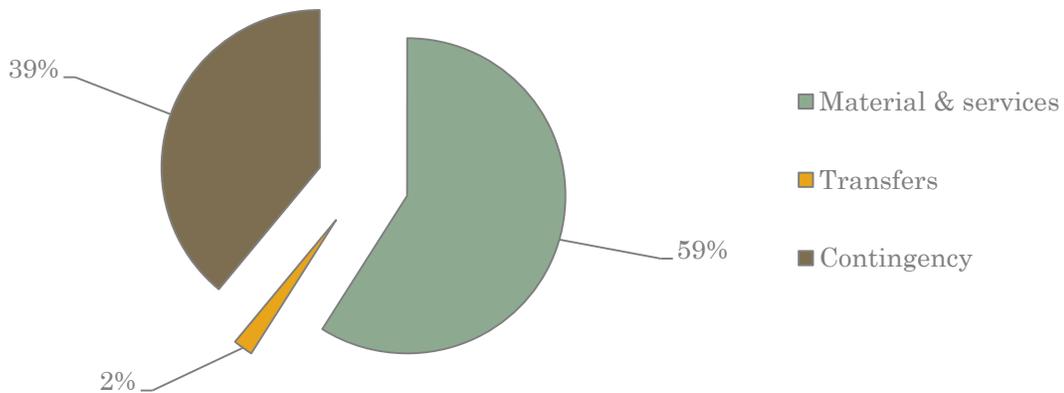
### Resources



### Assumptions

Revenue assumptions are based on receiving the estimated 25 EDUs, along with \$150,000 in reimbursable fees to developers.

### Requirements



### Assumptions

There are no capital improvements budgeted in FY 16. The 59 percent in materials and services is developer reimbursements totaling \$360,000 for improvements made at the east end of town for the new hospital.



# Water SDC Fund



## Water SDC Fund Responsibilities to the Community

The purpose of the Water SDC Fund is to manage the expansion of the water system to best serve the economic growth of the community. This fund accounts for the receipt and expenditures of water SDC improvement fees. SDCs are charged to builders to provide a source of income to pay for the expansion of the City of Prineville's water system.

# Goals and Objectives for FY 16

Department Goals	City Council Goals
Finalize the hydrogeological assessment of the airport aquifer. This study is done under the guidance of the Oregon Water Resources Department to better understand the potential capacity of the airport aquifer.	Sustain and efficiently plan for the future development of infrastructure.

## Executive Summary

This fund accounts for the receipt and expenditures of water system development charge improvement fees Reasoning behind the creation of the fund is to improve accountability, planning, and investment of SDCs in water capital improvements. The current SDC is 100 percent of the maximum allowed amount as determined in an analysis of the City’s water improvement requirements. The amount of the SDCs included in the budget reflects a 2.45 percent increase for FY 16, based upon increases in the *Engineering News Record’s* Seattle CCI.

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



*Construction progress of Airport Tank #2.*

## Accomplishments for FY 15

- Constructed two new wells, a 1,000,000 gallon water storage tank, and water mainline extensions to support existing and future data center activities near the airport industrial area.
- Extended water mainlines to support a new 700 student elementary school and new hospital.

These accomplishments address the following City Council goals:

- *“Sustain and efficiently plan for the future development of infrastructure”* – By constructing the previously mentioned projects, future economic development of the airport industrial area becomes possible.

## Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Facility		
No capital expenditures planned for FY 16	\$	\$
Capital Outlay Total	\$	\$

## Water SDC Budget

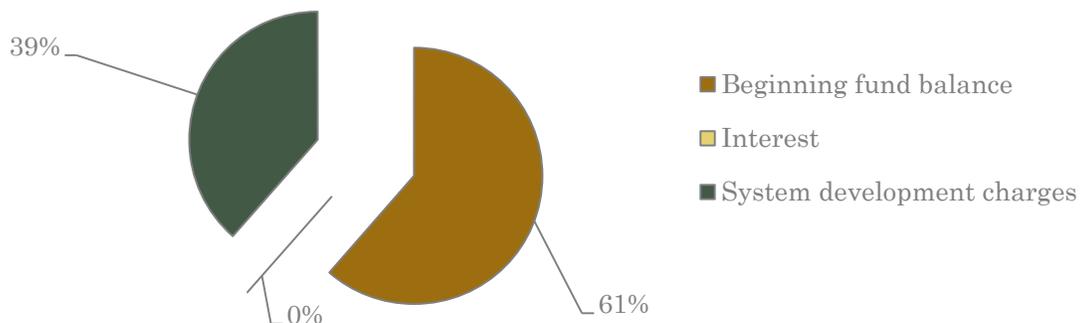
Resources	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 12-13	FY 13-14	Budget FY 14-15	FY 14-15	Budget FY 15-16	Budget FY 15-16	Budget FY 15-16
Beginning fund balance	\$ 86,038	\$ 11,458	\$ 1,558	\$ 46,953	\$ 120,388	\$ 120,388	\$ 120,388
Current year resources							
Intergovernmental	\$ 5,000	\$ 24,317	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	26,996	2,437,244	-	-	-	-	-
Interest	578	15	100	500	100	100	100
System development charges	135,759	61,990	75,500	149,435	75,500	75,500	75,500
Total current year resources	\$ 168,333	\$ 2,523,566	\$ 75,600	\$ 149,935	\$ 75,600	\$ 75,600	\$ 75,600
Total resources	\$ 254,371	\$ 2,535,024	\$ 77,158	\$ 196,888	\$ 195,988	\$ 195,988	\$ 195,988
Expenditures							
Material & services	\$ 3,809	\$ 46	\$ -	\$ -	\$ -	\$ -	\$ -
Capital outlay							
Improvements	105,316	2,481,925	-	-	-	-	-
Transfers	133,788	6,100	75,800	76,500	193,800	193,800	193,800
Contingency			1,358		2,188	2,188	2,188
Total expenditures	\$ 242,913	\$ 2,488,071	\$ 77,158	\$ 76,500	\$ 195,988	\$ 195,988	\$ 195,988
Ending fund balance	\$ 11,458	\$ 46,953	\$ -	\$ 120,388	\$ -	\$ -	\$ -

## Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 14-15	Proposed FY 15-16 Beginning Fund Balance	% Change FY 15 to FY 16	Proposed Ending Fund Balance / Contingency
Water SDC	\$46,953	\$120,388	156%	\$2,188

The 156 percent increase from beginning fund balance FY 15 to beginning fund balance FY 16 is due to fees collected from improvements. In FY 16, the proposed ending fund balance of approximately \$2,188 is based on an estimate of 25 EDUs, and the transfer for debt service to the Water Fund. Budgeted is \$193,800, which will pay current the FY 14 and a portion of the FY 15 debt service payment. Reimbursement to developers is subject to debt service payments first. There are no projects budgeted for FY 16.

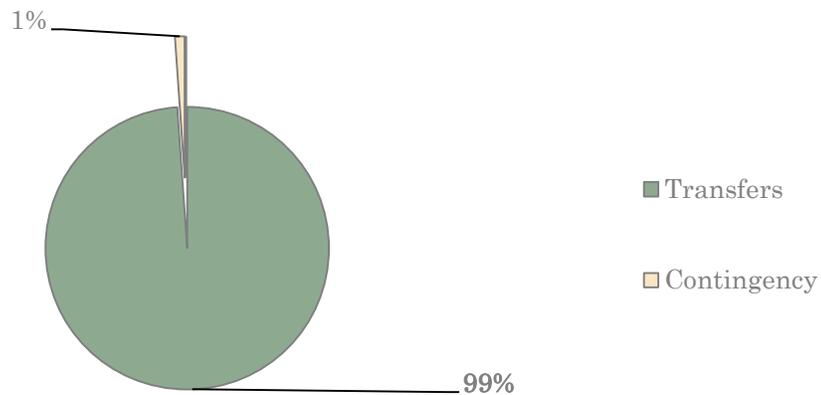
### Resources



### Assumptions

Resources are estimated based on the collection of 25 EDUs.

### Requirements



### Assumptions

Expenditures are a transfer of funds for debt service to the Water Fund.



# Wastewater SDC Fund



## Wastewater SDC Fund Responsibilities to the Community

The purpose of the Wastewater SDC Fund is to manage the expansion of the wastewater treatment system to best serve the economic growth of the community. This fund accounts for the receipt and expenditures of wastewater SDC improvement fees. SDCs are charged to builders to provide a source of income to pay for the expansion of the City of Prineville's wastewater system.

## Goals and Objectives for FY 16

Department Goals	City Council Goals
Complete permitting activities associated with construction of the Crooked River Wetland facility.	Maintain "livability" of Prineville, while welcoming diversity.
Begin construction of the Crooked River Wetland facility.	Continue to be fiscally responsible in all we do.



*Design of Crooked River Wetland project.*

## Executive Summary

This fund accounts for the receipt and expenditures of wastewater system development charge improvement fees. Reasoning behind the creation of the fund is to improve accountability, planning, and investment of SDCs in wastewater capital improvements. The current SDC is 100 percent of the maximum allowed amount as determined in an analysis of the City's wastewater capital requirements. The amount of the SDCs included in the budget reflects a 2.45 percent increase for FY 16, based upon increases in the *Engineering News Record's* Seattle CCI.

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

## Accomplishments for FY 15

- Completed design of a future expansion of the City's wastewater treatment plant. This project, titled the Crooked River Wetland, will include the construction of a wetland to be used for effluent disposal, the key component that allowed the City to reduce the wastewater SDCs by approximately 50 percent in FY 12. By utilizing the existing treatment infrastructure, future treatment costs

witnessed a reduction from \$62,000,000 to \$6,600,000. The Oregon Department of Environmental Quality approved the design of the wetland facility. The City plans to begin construction of this project in the fall of 2015.

- Obtained the majority of the funding for the Crooked River Wetland Project including more than \$3,000,000 in grants.

These accomplishments address the following City Council goals:

- *“Sustain and efficiently plan for the future development of infrastructure”* – By making improvements to the Wastewater Treatment Plant, the City will be able to serve new economic growth in our community.



*Current view of the site for the Crooked River Wetland.*

## Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Facility		
Crooked River Wetland Construction	\$ 8,878,400	\$ 2,570,000
Capital Outlay Total	\$ 8,878,400	\$ 2,570,000

*A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 71.*

## Wastewater SDC Budget

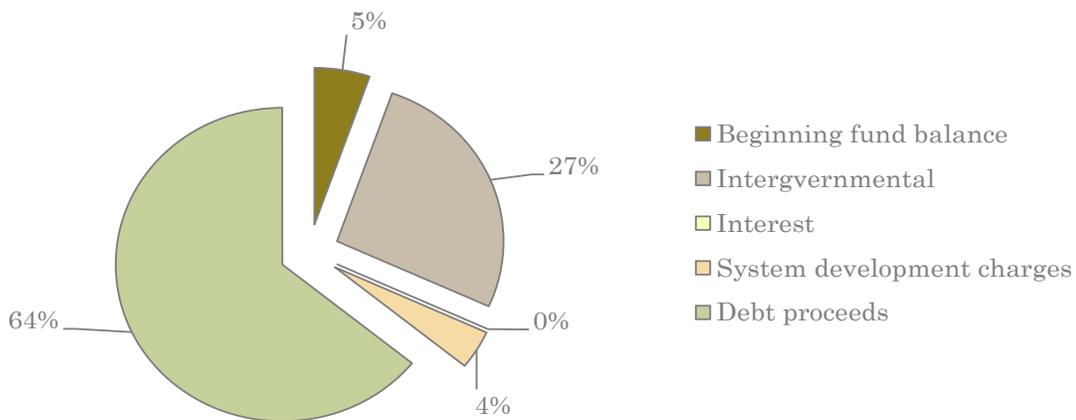
Resources	Actual FY 12-13	Actual FY 13-14	Current Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
Beginning fund balance	\$ 135,888	\$ 167,152	\$ 152,252	\$ 142,203	\$ 152,103	\$ 152,103	\$ 152,103
Current year resources							
Intergovernmental	\$ 280,000	\$ -	\$ -	\$ -	\$ 750,000	\$ 750,000	\$ 750,000
Interest	522	489	500	700	500	500	500
System development charges	51,789	117,562	112,900	166,900	113,500	113,500	113,500
Debt proceeds					1,820,000	1,820,000	1,820,000
Total current year resources	\$ 332,311	\$ 118,051	\$ 113,400	\$ 167,600	\$ 2,684,000	\$ 2,684,000	\$ 2,684,000
Total resources	\$ 468,199	\$ 285,203	\$ 265,652	\$ 309,803	\$ 2,836,103	\$ 2,836,103	\$ 2,836,103
Expenditures							
Material & services	\$ -	\$ -	\$ -	\$ -	\$ 133,000	\$ 133,000	\$ 133,000
Capital outlay							
Improvements	297,114	130,000	125,000	125,000	2,570,000	2,570,000	2,570,000
Transfers	3,933	13,000	37,000	32,700	37,000	37,000	37,000
Contingency			103,652		96,103	96,103	96,103
Total expenditures	\$ 301,047	\$ 143,000	\$ 265,652	\$ 157,700	\$ 2,836,103	\$ 2,836,103	\$ 2,836,103
Ending fund balance	\$ 167,152	\$ 142,203	\$ -	\$ 152,103	\$ -	\$ -	\$ -

## Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 14-15	Proposed FY 15-16 Beginning Fund Balance	% Change FY 15 to FY 16	Proposed Ending Fund Balance / Contingency
Wastewater SDC	\$142,203	\$152,103	7%	\$96,103

The 7 percent increase from beginning fund balance FY 15 to the beginning fund balance FY 16 is a result of fees collected for improvements in FY 15. In FY 16, ending fund balance is based on an estimate of 25 EDUs, debt proceeds and grant funds for the Crooked River Wetland Project, and developer reimbursements for improvements made to the railroad sewer line total approximately \$41,000.

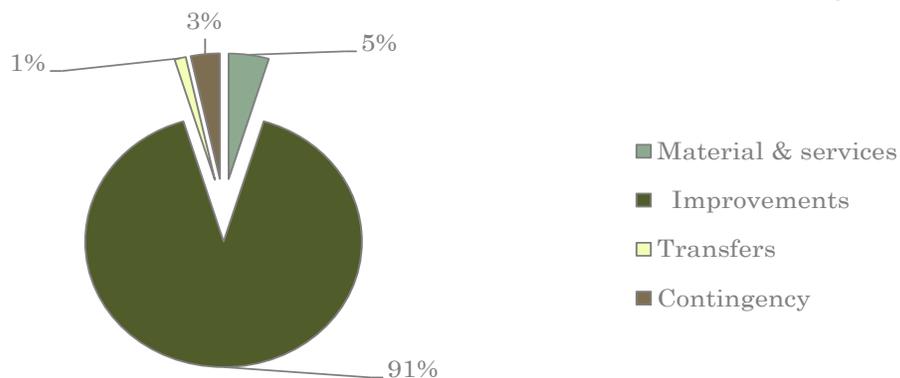
### Resources



### Assumptions

Sixty-four percent of budgeted revenue for FY 16 is interim financing for the construction of the Crooked River Wetland, whereas 27 percent is grant funds. System development fees are based on the projection of 25 EDUs.

### Requirements



### Assumptions

Expenditures for the construction of the Crooked River Wetland Project total 91 percent of the budget, which is approximately one-half of the cost for the project. Construction is anticipated to take place over two budget years. Materials and services at 5 percent of budget includes \$25,000 for updating the SDC fees and \$108,000 for developer reimbursement for improvements.



## ❖ Enterprise Funds

❖ Railway/Freight Depot Fund

❖ Airport Fund

❖ Wastewater Fund ❖ Water Fund

❖ Golf Course Fund

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# ❖ Railway/Freight Depot Fund



## Railroad / Freight Depot Fund Responsibilities to the Community

The objective of the City of Prineville Railway and the Prineville Freight Depot is to provide an operating partnership strengthening the City of Prineville's ability to offer a full-service transportation package for Prineville/Crook County-based industries, as well as opening up transportation options for the region. This joint venture offers a multitude of services essential to building a transportation hub, allowing industry the opportunity to compete in the national and international marketplaces.

These assets help attract new industries to Prineville and create jobs. All of the Railway's assets are managed together in order to support the Prineville City Council goals, as well as to provide a safe working environment to protect employees and benefit the community. The Railroad/Freight Depot Fund accounts for the operation of the City's railroad, transload, and bulk transload facilities. The principal sources of revenue include rail access fees, car haulage, switching fees, charges for service, and lease revenue on rail cars and

warehouse space. Expenditures are for the general operations, administration, maintenance and improvement of the Railway and its facilities.

## Goals and Objectives for FY 16

Department Goals	City Council Goals
Transition City of Prineville employees to the General Code of Operation Rules (GCOR) Seventh Edition including hazardous material handling and remote locomotive operations.	Continued council support for professional development of staff.
Identify sustainable funding strategies for long-term maintenance of railroad infrastructure.	Sustain and efficiently plan for the future development of infrastructure.
No injuries or no human factor accidents.	Community safety.
Continue to work with the local and regional industries to make rail an integral part of their transportation plans.	Be "business friendly" – Strengthen business-government relationships and cooperation – Fostering an entrepreneurial environment.
To secure a minimum of five new shippers utilizing the Railway.	Sustain city-owned enterprise profitability.
Continue to look for cost cutting measures.	Sustain city-owned enterprise profitability.
Increase track maintenance by looking for funding resources including grants.	Sustain and efficiently plan for the future development of infrastructure.
To increase carloads and reduce expenses resulting in the Railway being profitable for the budget year.	Sustain city-owned enterprise profitability.

## Executive Summary

The purpose of the Railroad/Freight Depot Fund is to account for the operation of the City’s railroad, transload facility, and bulk transload facility. The Prineville Freight Depot and Bulk Facility allows the City of Prineville Railway to offer a complete package of freight services. This operation is designed to complement the Class I railroads new operating model, and the City of Prineville Railway and Freight Depot received both support and recognition from the Union Pacific and Burlington Northern Santa Fe (BNSF) railroads for its ability to provide a regional point of transfer for rail freight. In the long run, this creates a niche in the freight movement industry which will provide a competitive advantage for Prineville and Central Oregon.

The City’s goal is to increase carloads for the City of Prineville Railway, and at the same time, cut operational expenses by becoming more streamlined and operationally sustainable. The Railway continues to use the Freight Depot as an incubator for new startup business, giving small businesses a “turnkey” opportunity to grow ideas, industry, rail traffic, and personnel. The City of Prineville Railway will continue an aggressive track maintenance plan to preserve the city-owned asset at a Class II level to maintain infrastructure longevity insuring the City owns an economic tool to utilize for new business development, and transportation and logistical support for existing customers.

## Accomplishments for FY 15

- No injuries or human factor accidents.
- Updated the City of Prineville Railway time table and transitioned employees into the GCOR Sixth Edition.
- Secured five new customers utilizing rail facilities.
- Kept expenses at a minimum by streamlining operations. Staff conducted frequent checks and adjustments as part of normal operations.
- Increased educational opportunities through the schools to provide learning programs for local students. Approximately 300 students visited the Railway in FY 15.
- With the new partnership involving the Oregon Historical Society, 1,003 rail fans visited the Mt. Emily Shay locomotive on the Fourth of July. Estimates suggest 40 percent of riders traveled from out of the area.
- The City of Prineville hosted several site visits with representatives from both the BNSF and Union Pacific in an effort to create a stronger relationship with the Class I partners.

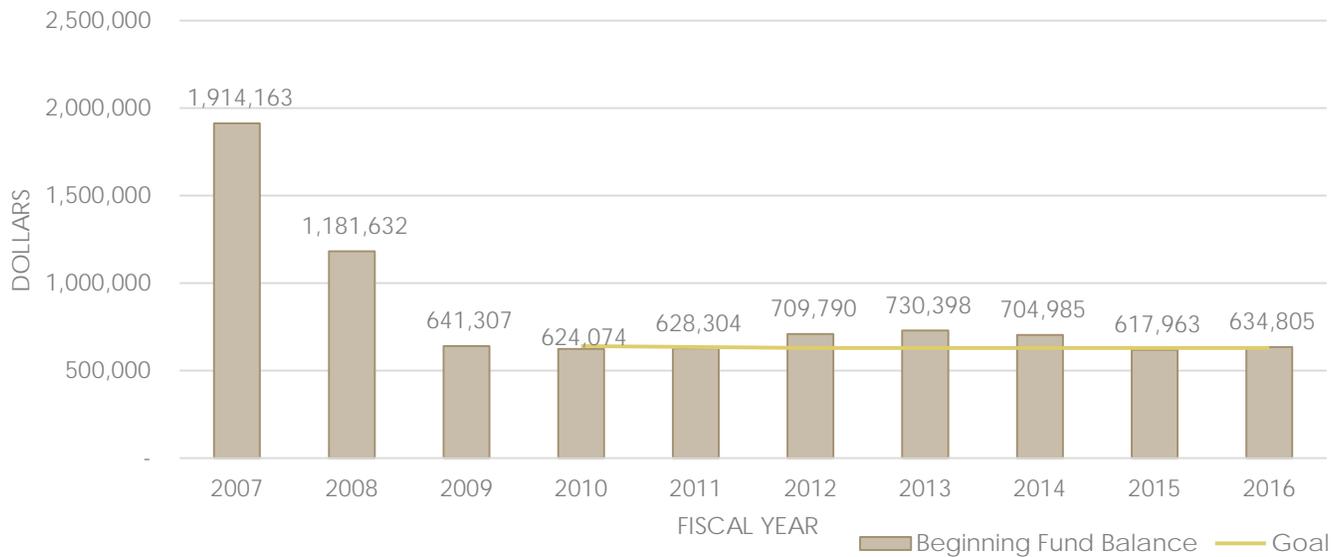


*New locomotive purchased in 2014.*

## Strategic Planning Updates

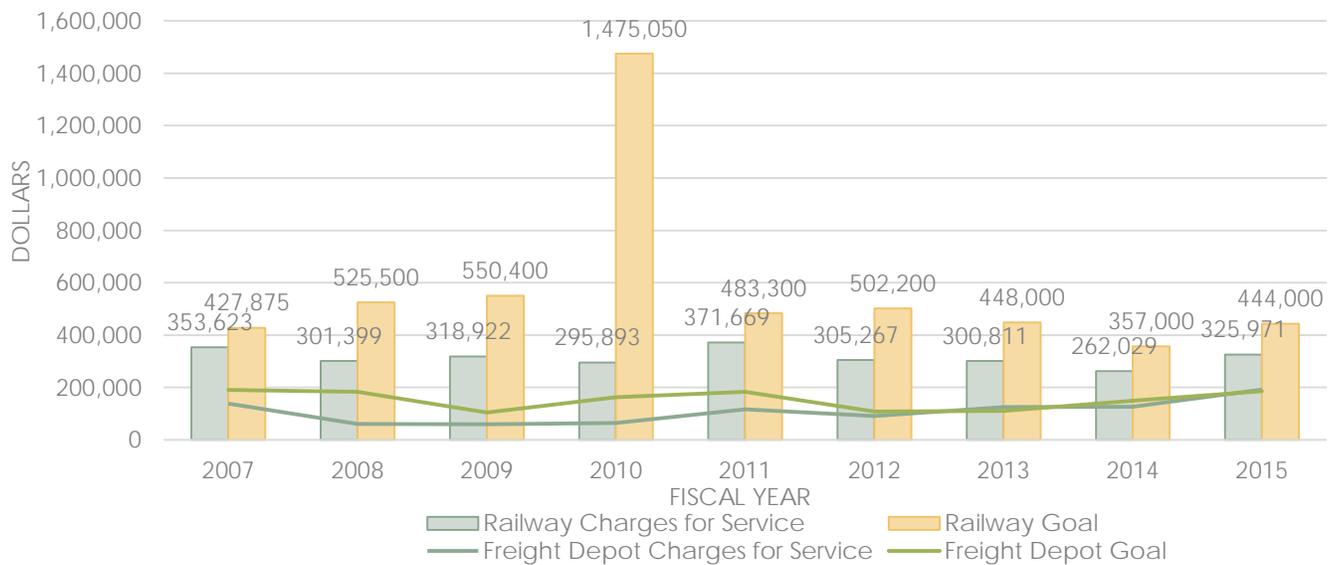
- Short-term – Staff priorities will focus on new funding sources, as well as increasing spending for track maintenance to insure track preservation.
- Long-term – Build the rail freight business model into a viable stable revenue source to offset the City's operational costs.

## Performance Measures Beginning Fund Balance Balance by Fiscal Year

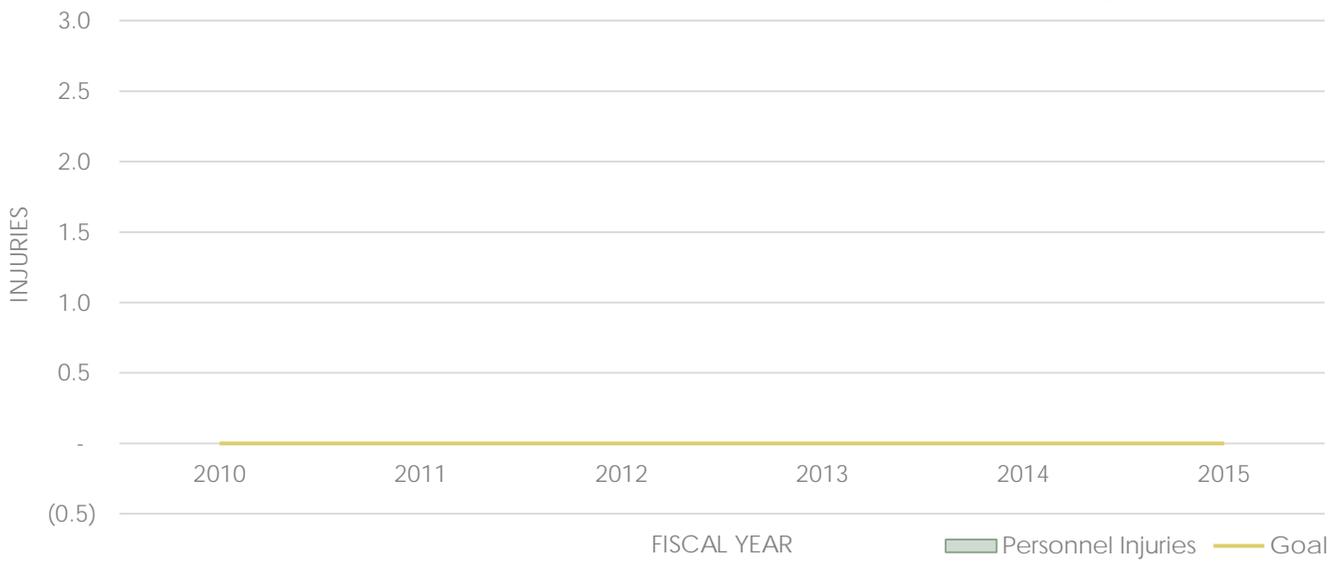


In 2007 through 2009, the Railroad Fund witnessed a decrease in fund balance of approximately \$400,000 per year. Management's goal is to maintain the fund balance through the recovery of the economy.

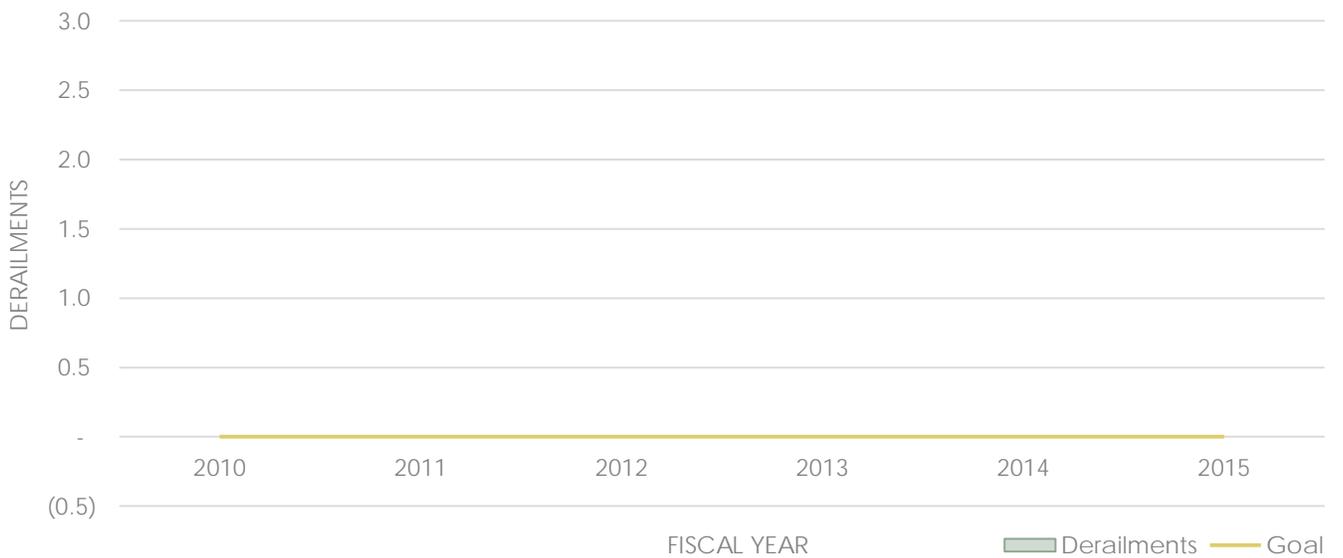
## Charges for Service Railway/Freight Depot Revenues by Fiscal Year



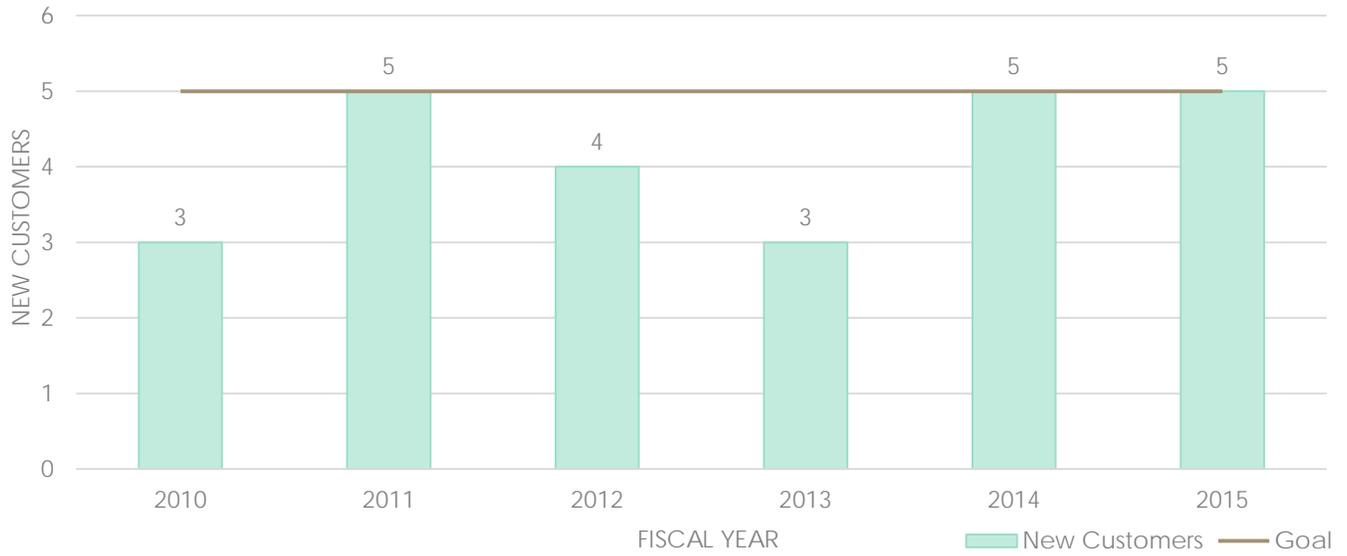
## Personal Injuries Rail-related Injuries During Fiscal Year



## Derailments Number of Derailments per Fiscal Year



## New Customers Utilizing Freight Depot New Customers Utilizing Services per Fiscal Year



*Nightfall as seen from one of the City of Prineville Railway engines.*

## Railroad / Freight Depot Budget

Resources	Actual FY 12-13	Actual FY 13-14	Current Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
Beginning fund balance	\$ 730,398	\$ 704,985	\$ 646,585	\$ 617,963	\$ 593,563	\$ 593,563	\$ 593,563
<b>Current year resources</b>							
Charges for services	\$ 300,811	\$ 387,973	\$ 564,000	\$ 450,200	\$ 493,500	\$ 493,500	\$ 493,500
Intergovernmental	722,531	617,546		10,500			
Use of money & property	1,508	1,982	50,700	94,500	99,300	99,300	99,300
Transfer from other funds	-	170,297	100,900	100,900	100,900	100,900	100,900
Miscellaneous	144,491	67,876	45,000	18,000	30,000	30,000	30,000
<b>Total current year resources</b>	<b>\$ 1,169,341</b>	<b>\$ 1,245,674</b>	<b>\$ 760,600</b>	<b>\$ 674,100</b>	<b>\$ 723,700</b>	<b>\$ 723,700</b>	<b>\$ 723,700</b>
<b>Total resources</b>	<b>\$ 1,899,739</b>	<b>\$ 1,950,659</b>	<b>\$ 1,407,185</b>	<b>\$ 1,292,063</b>	<b>\$ 1,317,263</b>	<b>\$ 1,317,263</b>	<b>\$ 1,317,263</b>
<b>Expenditures</b>							
Expenditures	Actual FY 12-13	Actual FY 13-14	Current Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
Personnel Services	\$ 291,490	\$ 259,194	\$ 265,300	\$ 263,500	\$ 287,600	\$ 287,600	\$ 287,600
Material and services	196,519	236,496	305,000	261,000	254,700	254,700	254,700
Capital outlay							
Improvements	636,145	640,979	-	-	-	-	-
Debt Service							
Principal - Freight Depot		88,380	92,000	92,000	92,000	92,000	92,000
Interest - Freight Depot		11,747	8,900	8,900	8,900	8,900	8,900
Transfers	70,600	95,900	73,100	73,100	55,200	55,200	55,200
Contingency			662,885		618,863	618,863	618,863
<b>Total expenditures</b>	<b>\$ 1,194,754</b>	<b>\$ 1,332,696</b>	<b>\$ 1,407,185</b>	<b>\$ 698,500</b>	<b>\$ 1,317,263</b>	<b>\$ 1,317,263</b>	<b>\$ 1,317,263</b>
Ending fund balance	\$ 704,985	\$ 617,963	\$ -	\$ 593,563	\$ -	\$ -	\$ -

## Personnel

Railroad / Freight Depot Fund				
FTEs by Position				
FY 13 – 16				
	FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 16 Forecast
General Manager	1.00			
Operations Manager		1.00	1.00	1.00
Superintendent/Engineer	1.00	1.00	1.00	1.00
Engineer	1.00			
Freight Depot/Track Maintenance		1.00	1.00	1.00
<b>Railroad / Freight Depot Department Total</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>

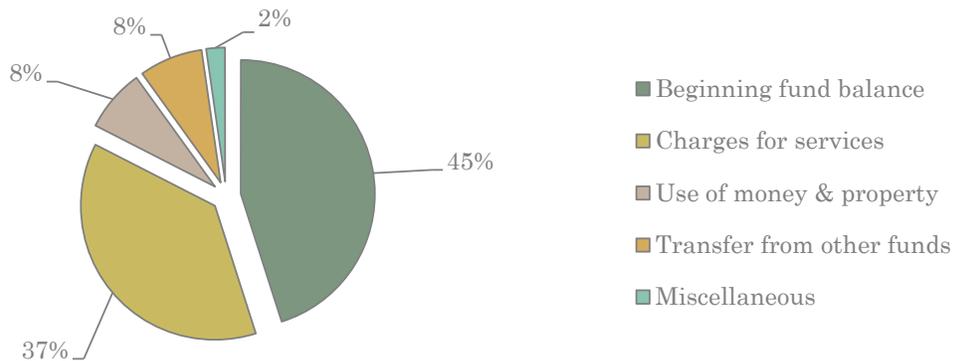
*No changes to FTE in FY 16.*

## Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 14-15	Proposed FY 15-16 Beginning Fund Balance	% Change FY 15 to FY 16	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Railroad	\$617,963	\$593,563	-4%	\$618,863	\$597,500	4%

The beginning fund balance from FY 15 to FY 16 shows a 4 percent decrease in the Railroad/Freight Depot Fund. The proposed budget for FY 16 shows a 4 percent increase to fund balance at year-end. Policy requirements for the Railroad/Freight Depot are equal to one year of an operating budget. This fund meets policy requirements.

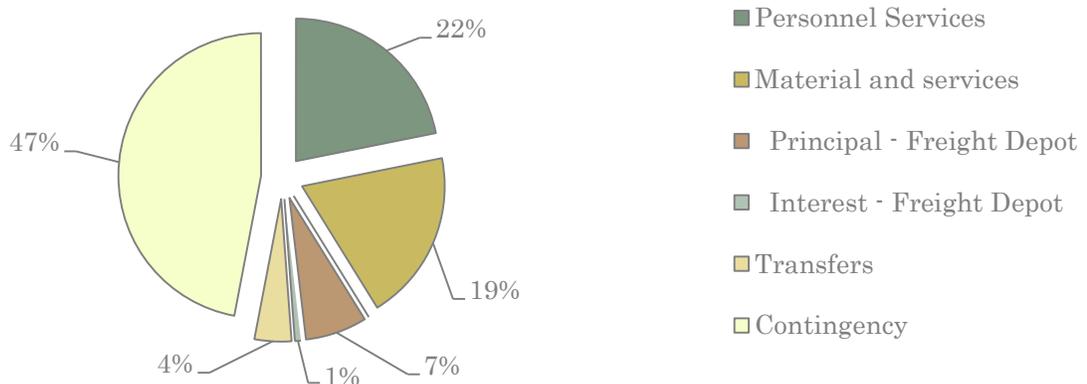
### Resources



### Assumptions

In FY 16, operational revenue will increase to \$530,100. Total department revenue increases are driven by an increase of existing customer base activity and new customer development.

### Requirements



### Assumptions

Requirements for FY 16 decreased approximately 6 percent over the prior year's budget. This is largely due to a decrease in materials and services, which in turn, decreases transfers. Transfers also decreased due to no capital projects being budgeted in FY 16.



## Airport Fund Responsibilities to the Community

The Prineville-Crook County Airport provides a friendly and responsive source of aviation information and coordinated services. It is the job of the department to assure and maintain the present safety, service, and growth of the Airport. This is accomplished through cost effective maintenance, planning, inspections, and operations of the airport system. The department seeks to maintain the Airport's success with efficient and motivated efforts through a committed staff.

The Airport Fund provides the accounting of the jointly owned, City-managed airport. Funding sources include, aircraft fuel sales (jet A and 100LL), hanger rents, and leasing agreements for private hangers on county-owned land and the US Forest Service and Bureau of Land Management. The City and County contributions supplement portions of operational costs. Large maintenance, engineering, and improvement projects are largely funded through the Federal Aviation Administration (FAA) and other grant opportunities.

## Goals and Objectives for FY 16

Department Goals	City Council Goals
Obtain FAA approval on the Airport Master Plan.	Sustain and efficiently plan for the future development of infrastructure.
Present a request for proposals and select a commodity fuel supplier.	Continue to be fiscally responsible in all we do.
Aggressively pursue new grant opportunities.	Continue to be fiscally responsible in all we do.
Install and complete a new security camera system.	Community safety.
Continue minimal operating costs by utilizing in-house resources for most maintenance and operational needs.	Sustain city-owned enterprise profitability.
Continue to upgrade equipment and facilities as the budget allows. Thus far completed improvements include computers for flight planning, fuel systems, and the weather reporting system.	Sustain city-owned enterprise profitability.
Increase fuel market share with competitive pricing and promotion.	Sustain city-owned enterprise profitability.
Attract the personal market and business development with better communication and advertising.	Be "business friendly" – Strengthen business-government relationships and cooperation – Fostering an entrepreneurial environment.
Enhance visual aspect of the Airport by conducting weed control, updating signage, and maintaining a professional appearance of the entry landscaping.	Be "business friendly" – Strengthen business-government relationships and cooperation – Fostering an entrepreneurial environment.

## Executive Summary

The Prineville-Crook County Airport is becoming one of the fastest growing airports in the region. By setting a high standard for quality and customer service, the Prineville-Crook County Airport managed to create an increasingly loyal customer base throughout Central Oregon and the Pacific Northwest. The Airport underwent some major transformations over the past four years, including lengthening of the runway to accommodate larger business aircraft, installation of an automated weather observation system (AWOS) to accept instrument flight rules traffic, and expansion of corporate hangar space. The interest in Prineville as a viable place of business is increasingly being recognized in the aviation community.

Since the recent improvements to the airfield, there is a substantial investment from training facilities beyond the local area. These facilities recognized the Airport's assets: Weather, open airspace, surrounding topography, ample ground space as an integral part of their operation, and continued consideration of Prineville as a worthwhile opportunity for expansion.

The Prineville-Crook County Airport is completing its master plan with the FAA, which will set the standard for future investment capabilities on the airfield. It is a strategic document used as a guide for the:

- Development of airport facilities for both aviation and non-aviation uses;
- Assessment of the environmental effects of airport activities, including construction and operation of airport facilities;
- Development of land-use control for areas surrounding the airport;
- Establishment of airport access requirements.

The vision of the Prineville-Crook County Airport is to position its services as a major economic generator for the communities of Crook County. The Airport defines this idea as that which:

- Continues to provide safe, secure and efficient airport operation;
- Enhances the range of facilities and services offered to meet customer expectations;
- Works in partnership with those who have a vested interest in the successful development of the airport;
- Fulfills environmental and social responsibilities;
- Engages proactively with the local community.

By maintaining a first-class facility, offering executive fueling services and incentives, utilizing the Airport's ample space as an asset, and the addition of county-owned hangars, the Prineville-Crook County Airport is continuing to recognize potential opportunities and use it to its advantage as the department moves toward the future.



*Airport terminal after a heavy snowfall.*

## Accomplishments for FY 15

- Completed AWOS Project with Connect Oregon IV and FAA grant funding.
- Closeout of the Connect Oregon grant complete, on time, and on budget.
- Substantial progress on the Airport Master Plan.
- "Request for qualification" and selection for engineering, planning, and environmental consultant.
- Created new lines of communication with airport users and members of the community by holding meetings and special events.
- Improved overall user/tenant experience by expanding the communication with all parties involved. Offering more transparency to the billing process, listening to needs, and working with tenants during unique circumstances helped build stronger relationships.

## Strategic Planning Updates

- Short-term – Streamline procedures and processes by better utilization of existing technologies. Continue to seek and support diverse business partners. Maintain properties at sustainable levels, performing essential repairs for improved customer service and increased business opportunities.
- Long-term – Maximize utilization and continued development of airport assets to grow aviation and non-aviation business. Efficiently manage the Prineville-Crook County Airport’s property, facilities, finances, staff, and reputation for maximum effectiveness and growth. Development of updated master plan, structured around the City’s and County’s goals.

## Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Project		
Asphalt Maintenance – Runways/Taxiways	\$ 35,000	\$ 0
Asphalt Maintenance – Hangar Area	\$ 10,000	\$ 10,000
Airport-owned Hangar Improvements	\$ 5,000	\$ 5,000
Master Plan Update	\$ 11,100	\$ 11,100
Capital Outlay Total	\$ 61,100	\$ 26,100

*A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 71.*

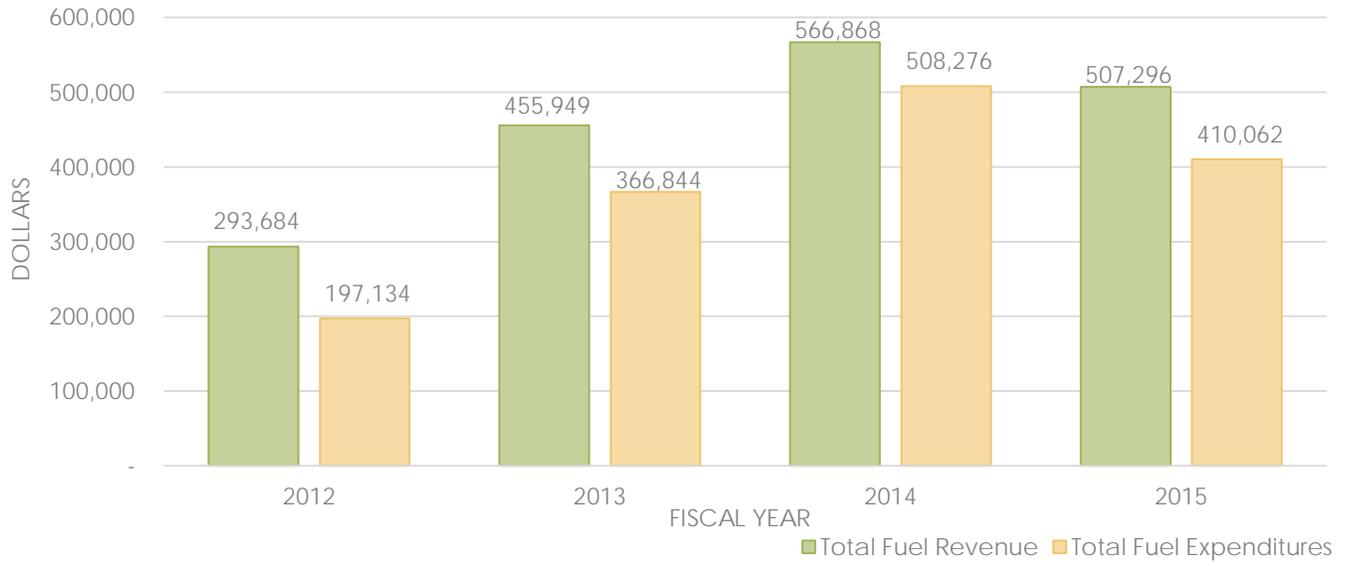


*Local Reserve Officer’s Training Corps performs during an event at the airport.*

## Performance Measures

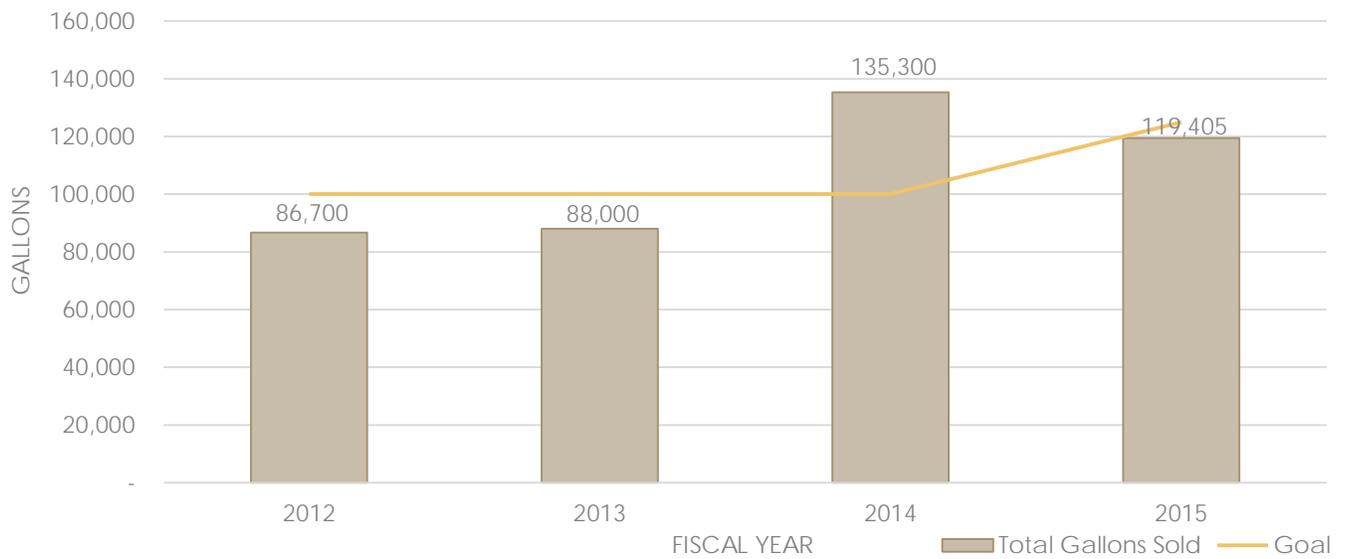
### Fuel Sales Revenue/Expenditures

#### Revenues Generated by Fuel Sales per Fiscal Year

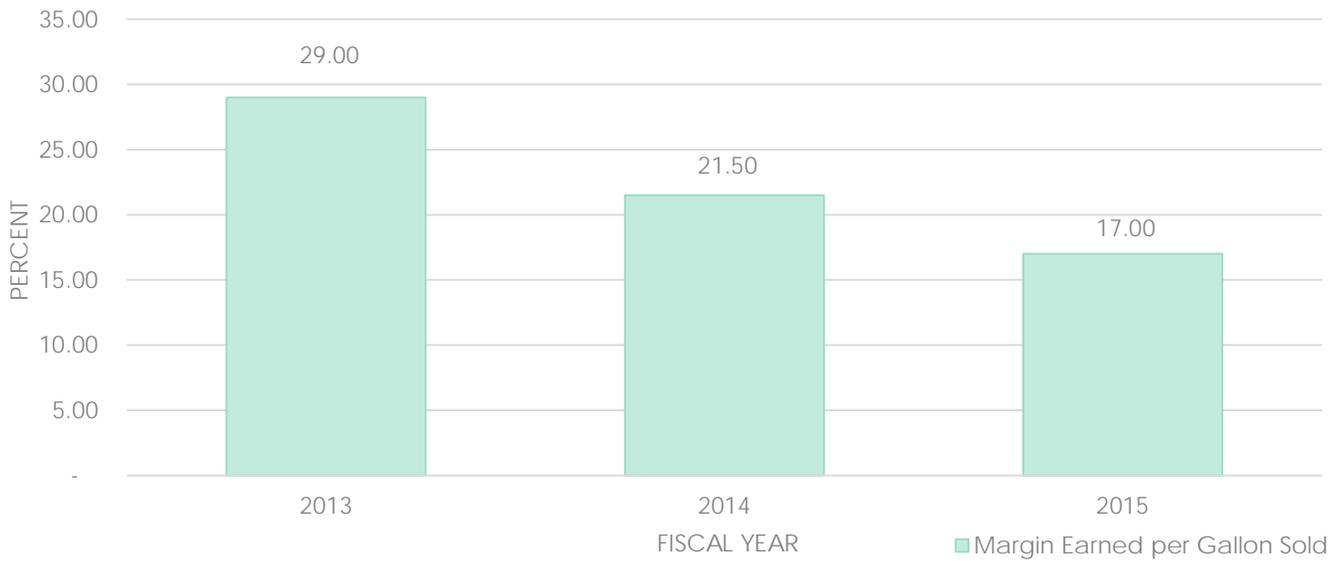


### Volume of Fuel Sales

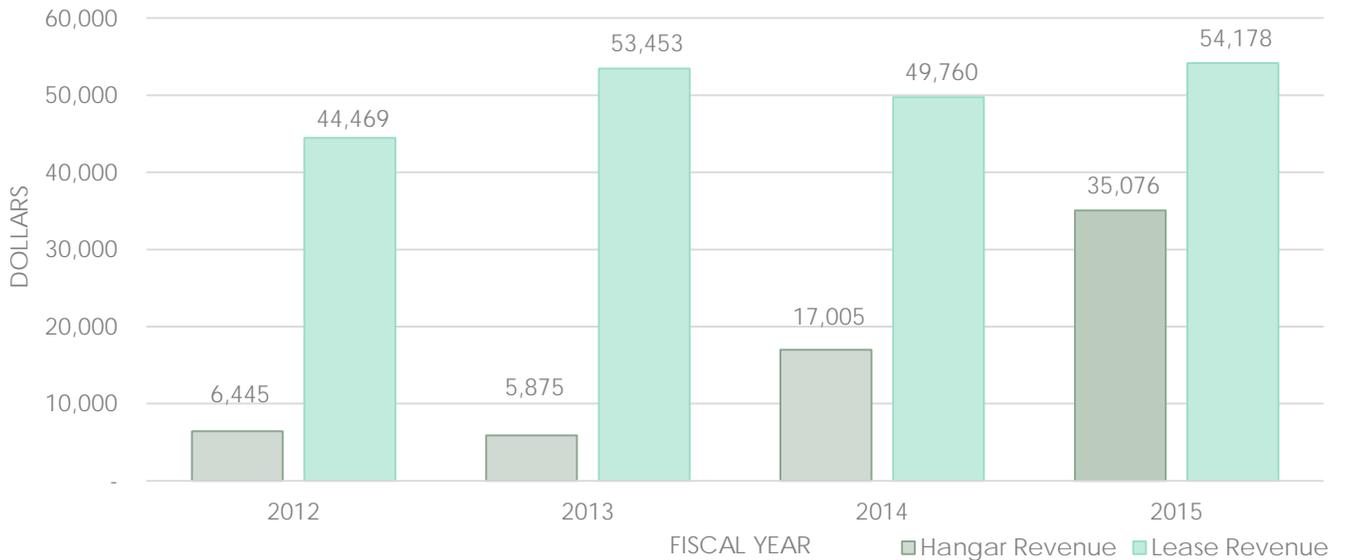
#### Total Fuel Volume Sold by Fiscal Year



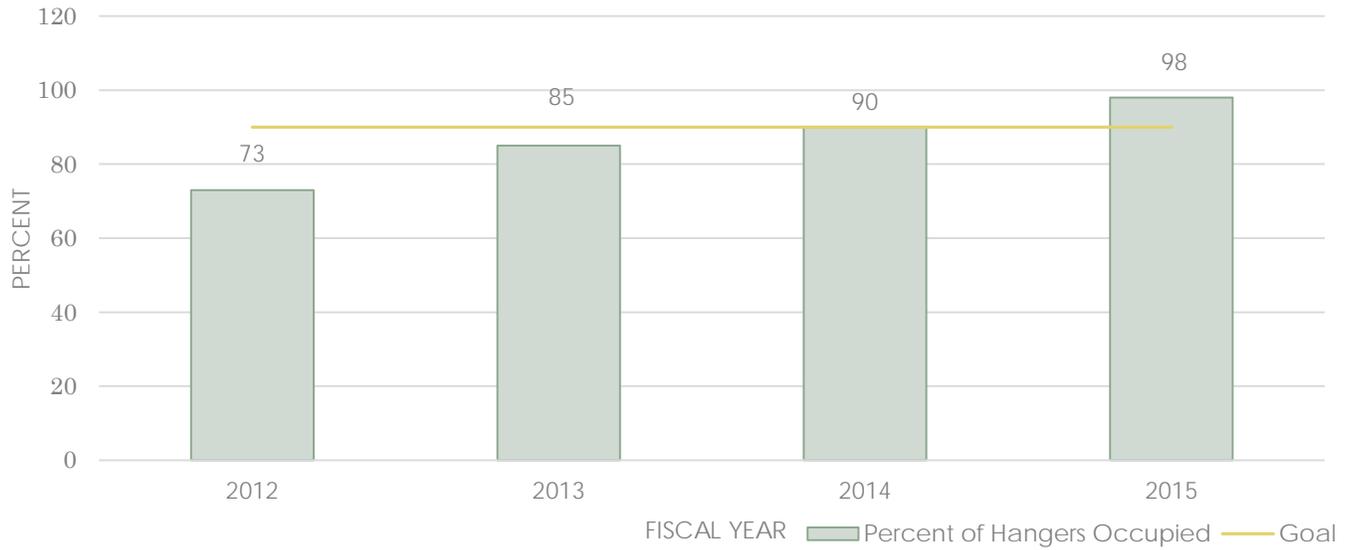
## Average Gross Fuel Sale Margin Margin per Gallon Sold During Fiscal Year



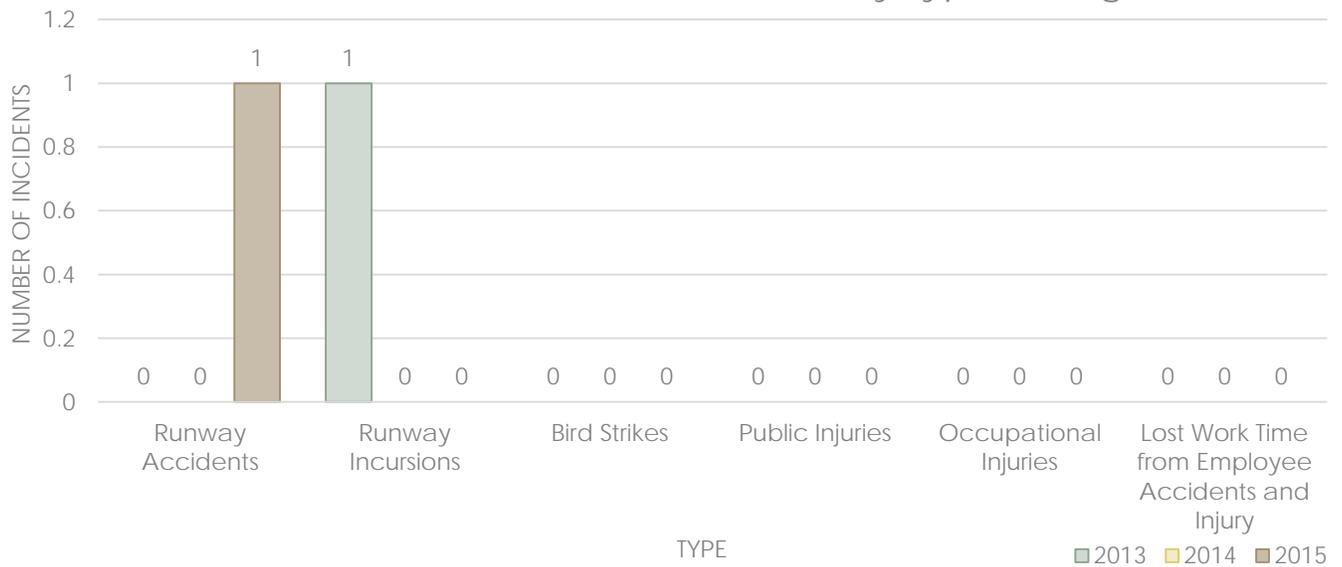
## Hangar/Lease Revenue Revenue by Fiscal Year



## Hangar Occupancy Rate Percent of Hangars Occupied per Fiscal Year



## Safety Incidents Incidents by Type During Fiscal Year



## Airport Budget

Resources	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 12-13	FY 12-13	Budget FY 14-15	FY 14-15	Budget FY 15-16	Budget FY 15-16	Budget FY 15-16
Beginning fund balance	\$ 83,435	\$ 88,555	\$ 27,555	\$ 134,391	\$ 48,891	\$ 48,891	\$ 48,891
<b>Current year resources</b>							
Intergovernmental	\$ 65,929	\$ 380,031	\$ 190,600	\$ 186,700	\$ 60,000	\$ 60,000	\$ 60,000
Charges for services	521,923	645,943	849,500	704,500	850,500	850,500	850,500
Interest	45	63	100	200	100	100	100
Transfer from other funds	50,000	125,000	50,000	-	50,000	50,000	50,000
<b>Total current year resources</b>	<b>\$ 637,897</b>	<b>\$ 1,151,037</b>	<b>\$ 1,090,200</b>	<b>\$ 891,400</b>	<b>\$ 960,600</b>	<b>\$ 960,600</b>	<b>\$ 960,600</b>
<b>Total resources</b>	<b>\$ 721,332</b>	<b>\$ 1,239,592</b>	<b>\$ 1,117,755</b>	<b>\$ 1,025,791</b>	<b>\$ 1,009,491</b>	<b>\$ 1,009,491</b>	<b>\$ 1,009,491</b>
<b>Expenditures</b>							
	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 12-13	FY 12-13	Budget FY 14-15	FY 14-15	Budget FY 15-16	Budget FY 15-16	Budget FY 15-16
Personnel Services	\$ 76,932	\$ 93,606	\$ 134,900	\$ 138,100	\$ 149,400	\$ 149,400	\$ 149,400
Materials and services	448,469	601,293	698,000	561,500	703,500	703,500	703,500
County lease payment			25,000	25,000	25,000	25,000	25,000
Capital outlay							
Improvements	56,576	328,202	165,000	163,400	26,100	26,100	26,100
Transfers	50,800	82,100	88,900	88,900	84,900	84,900	84,900
Contingency			5,955		20,591	20,591	20,591
<b>Total expenditures</b>	<b>\$ 632,777</b>	<b>\$ 1,105,201</b>	<b>\$ 1,117,755</b>	<b>\$ 976,900</b>	<b>\$ 1,009,491</b>	<b>\$ 1,009,491</b>	<b>\$ 1,009,491</b>
Ending fund balance	\$ 88,555	\$ 134,391	\$ -	\$ 48,891	\$ -	\$ -	\$ -

## Personnel

Airport Fund FTEs by Position FY 13 – 16				
	FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 16 Forecast
Airport Manager	1.00	1.00	1.00	1.00
Assistant			1.00	1.00
<b>Airport Department Total</b>	<b>1.00</b>	<b>1.00</b>	<b>2.00</b>	<b>2.00</b>

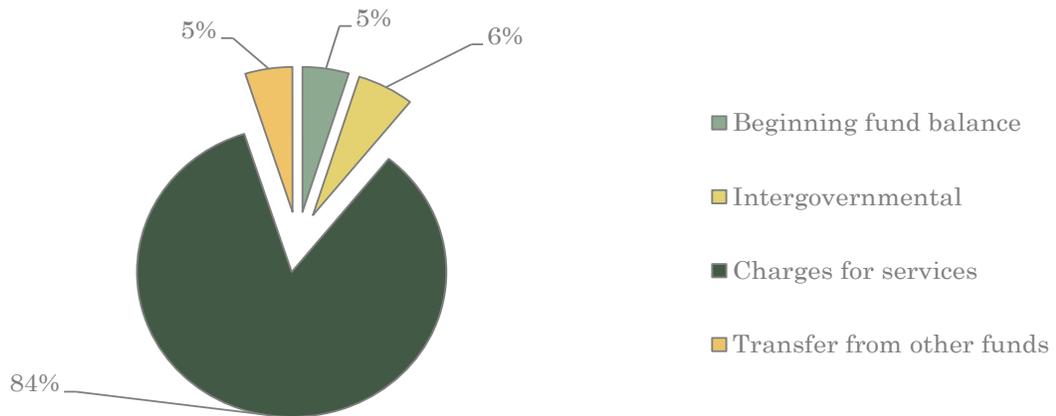
*No changes to FTE in FY 16.*

## Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 14-15	Proposed FY 15-16 Beginning Fund Balance	% Change FY 15 to FY 16	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Airport	\$134,391	\$48,891	-64%	\$20,591	\$209,912	-90%

As mentioned previously, the Prineville-Crook County Airport Fund provides the accounting of the jointly owned, City-managed airport. The intergovernmental agreement states the partners will transfer funds as needed to cover costs that revenue collections do not, with the objective for the fund to be self-sustainable. This explains the fluctuation in fund balance and the deficiency in fund balance to policy.

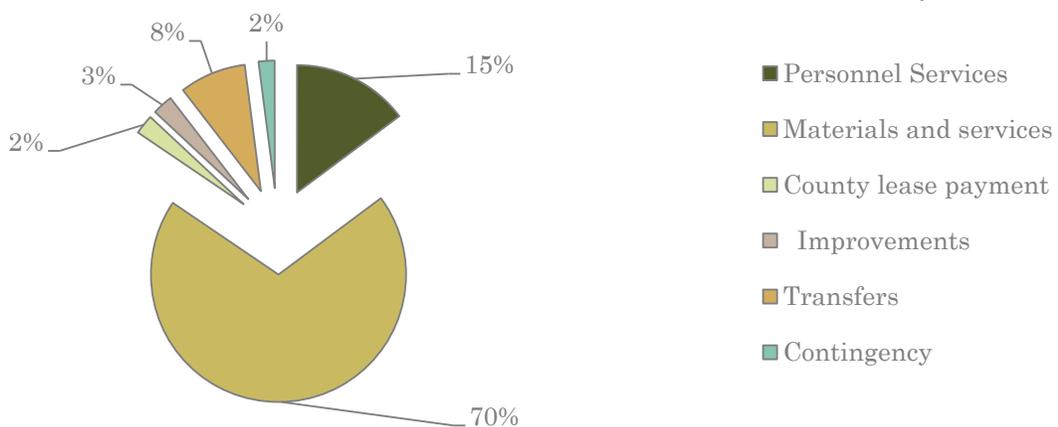
### Resources



### Assumptions

Intergovernmental revenues for FY 16 include approximately \$50,000 from Crook County, FAA grant funds for the remainder of the Airport Master Plan of \$10,000 and a transfer of \$50,000 from the City of Prineville.

### Requirements



### Assumptions

In FY 16, the total requirements are decreasing due to the completion of grant funded capital projects. Materials and services, and personnel will increase by approximately 11 percent largely due to increased business activity.



# Water Fund



## Water Fund Responsibilities to the Community

The goal of the City of Prineville Water Department is to provide a friendly and responsive source of information and coordinated services. It's the job of the department to assure and maintain the present and future health, safety, and welfare of the public through cost effective maintenance, planning, permitting, inspections, and operations of the water system. Supporting the capital outlay activities of the Water SDC Fund is also a major focus. The key to the success of the Water Department is in maintaining success with efficient and motivated efforts of quality through a committed staff.

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

## Goals and Objectives for FY 16

Department Goals	City Council Goals
Complete the hydro-geologic assessment of the airport aquifer.	Sustain and efficiently plan for the future development of infrastructure.
Replace an additional 500 water meters with remote read water meters.	Sustain city-owned enterprise profitability.
Continue replacement of aging, undersized water mains.	Sustain city-owned enterprise profitability.
Upgrade telemetry throughout the water system.	Sustain and efficiently plan for the future development of infrastructure.
Increase water resource availability to support urban growth boundary build out.	Sustain and efficiently plan for the future development of infrastructure.
Implement the federal legislation to provide for groundwater mitigation from Bowman Dam.	Sustain city-owned enterprise profitability.

## Executive Summary

The Water Fund supports the City of Prineville’s Water Department, which provides for the delivery of safe, high-quality water to domestic and commercial/industrial water users. The Water Department performs the operations and maintenance of the City’s water system and ensures adequate water is supplied for fire protection. The City’s water system currently provides water to 3,600 residential accounts and 500 commercial/industrial accounts. Annual well production totals approximately 540 million gallons of water. The water system includes a total of 48 miles of distribution mains, 12 wells, and six storage tanks. Total well capacity is six million gallons per day (MGD), with an actual peak demand of five MGD.

The Water Department continues to replace and upsize water delivery mains. Many of the City’s water mains are undersized, rapidly deteriorating, or do not meet current requirements for pressures or flow. The City strives to replace approximately 5,000 lineal feet of water main per year to meet current and future requirements. City wells require maintenance on a regular basis to ensure high water quality and efficient production. During FY 16, the Water Department’s first priority is to retain the resources for needed maintenance programs to ensure high quality service to customers.



*Members of the Water Department repairing a water main leak.*

## Accomplishments for FY 15

- Passage of the Crooked River Concept Federal Legislation secured the water mitigation credits needed for the next 50 years of growth for the City of Prineville.
- Water conservation activities continued, allowing the Water Department to serve more customers with existing infrastructure.
- Staff continued to refine the hydro-geological assessment of the airport aquifer.
  - This assessment provides the City a better understanding of the airport aquifer.
  - The City now understands how the aquifer recharges and what the expected sustainable production level is.
  - Work completed under the guidance of Oregon Water Resource Department (OWRD), as this agency also holds an interest in future capacities of local aquifers.
- The Water Department replaced and/or upgraded approximately 500 water meters.
- Installed approximately 4,500 feet of new water line to support growth.
- The Water Department supported the Water SDC Fund with the construction of two new wells, a new one million gallon water storage tank, and line extensions needed to support the Apple's data center and future development near the Prineville-Crook County Airport and industrial area.

These accomplishments address the following Prineville City Council goals:

- *“Continue to be fiscally responsible in all we do”* – Continue to research and implement water conservation activities which will allow the Water Department to serve more customers with existing infrastructure.
- *“Strengthen local, regional, state, federal and educational intergovernmental networking relationships and joint cooperation projects”* – Continue to investigate the airport aquifer with OWRD.
- *“Be ‘business friendly’ – Strengthen business – government relationships and cooperation”* – Continue to improve the water system to allow the department to serve future customers.
- *“Sustain and efficiently plan for the future development of infrastructure”* – By studying the airport aquifer in depth, the Water Department gains a better understanding of its future production capacity. This will allow the City of Prineville to know with high confidence where future water sources are located.
- *“Community safety”* and *“Maintain ‘livability’ of Prineville, while welcoming diversity”* – A strong water distribution system increases the available fire hydrants flows and greatly decreases maintenance related outages.



*Installation of a new water service.*

## Strategic Planning Updates

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

## Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Source		
Pump Controls (Telemetry)	\$ 10,000	\$ 10,000
Water Rights (Including administration and mitigation credits)	\$ 10,000	\$ 10,000
Water Conservation Plan Update	\$ 35,000	\$ 35,000
Habitat Conservation Plan	\$ 60,000	\$ 60,000
Crooked River Concept	\$ 40,000	\$ 40,000
Bowman Reservoir Mitigation Credits (5,100 acre-ft. at \$25/acre-ft.)	\$ 127,500	\$ 127,500
Test Well (East of town)	\$ 125,000	\$ 125,000
Transmission		
NW 4th St. – N. Main St. to NW Deer St. (960 ft. of 8-inch pipe)	\$ 111,715	\$ 111,715
SE Belknap St. – SE 5th St. to SE 2nd St. (640 ft. of 8-inch pipe)	\$ 183,283	\$ 183,285
Maintenance		
Meter Replacement (\$200 each)	\$ 20,000	\$ 20,000
<b>Capital Outlay Total</b>	<b>\$ 722,498</b>	<b>\$ 722,500</b>

*A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 71.*

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

## Performance Measures

### Meters Replaced Annually

#### Meters Updated to Radio or Touch Reads per Fiscal Year



The existing water distribution system includes approximately 3,800 water meters. The City of Prineville Public Works Department is striving to update all of these meters with new, more efficient remote read meters. The department’s goal is to replace 350 meters per year. This is one of several action items to achieve water rate stability, under fiscal responsibility, by reducing labor costs associated with meter reading.

## Pipe Replaced Annually

### Lineal Feet of Pipe Replaced per Fiscal Year



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



*Replacing an old, wooden water main with larger plastic lines*

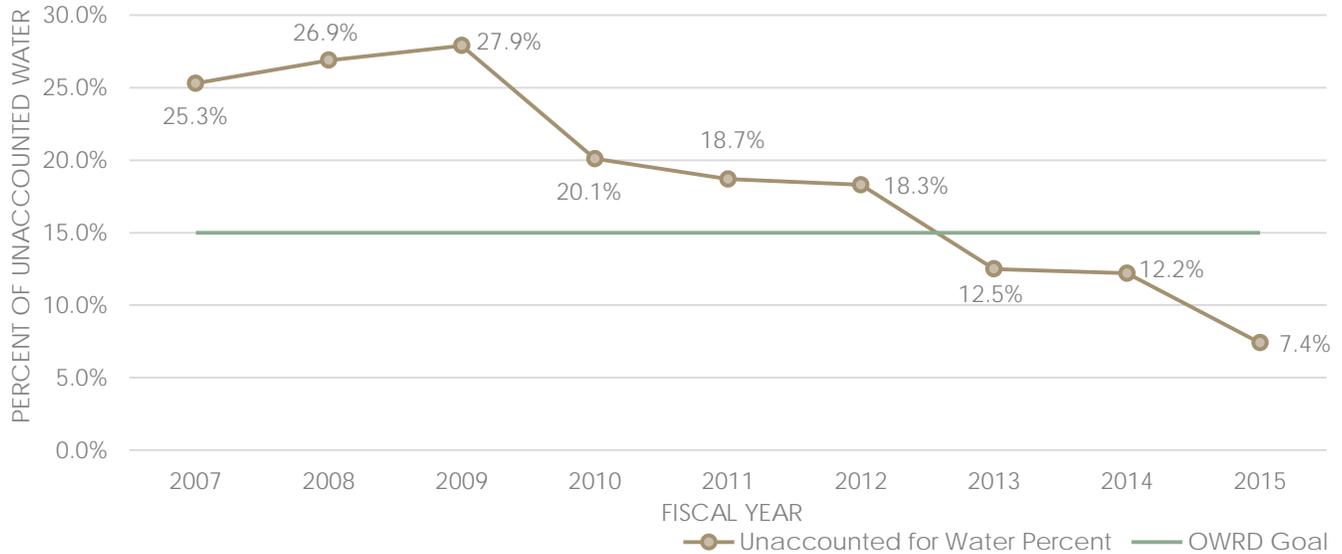
## Water Conservation Activities

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

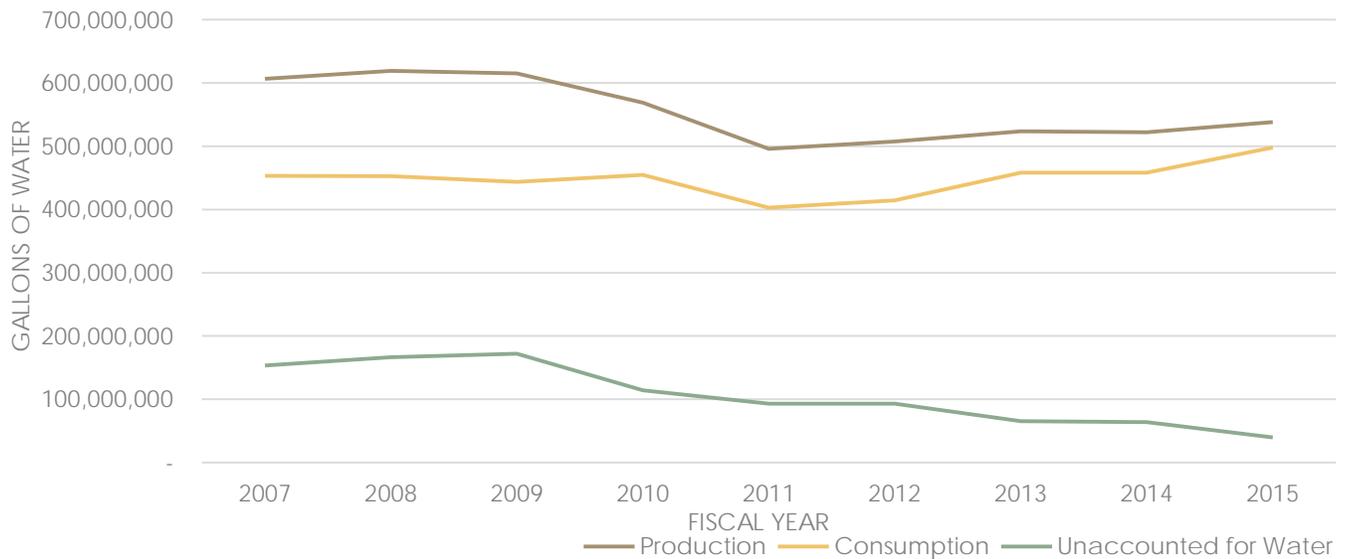
- The Meadow Lakes Golf Course Water Conservation Project – removed the irrigation of 7.5 acres of land from the domestic water system. This project saved approximately 51,000 gallons of water per day or enough water to provide for 63 new homes – usage not previously metered or billed.
- The Prineville Police Department Heating, Ventilating, and Air Conditioning (HVAC) Reconstruction Project – removed the HVAC system from the domestic water system. This project saved approximately 36,000 gallons of water per day or enough water to provide for 45 new homes – usage previously metered, but not billed.
- Aggressive leak detection.
- Strategic water main replacements.
- Upgrades to telemetry control system.

As shown in the below graph, in FY 07 unaccounted for water totaled approximately 26 percent of all water produced by the City. In FY 15, the City reduced the rate of unaccounted for water to approximately 7.4 percent.

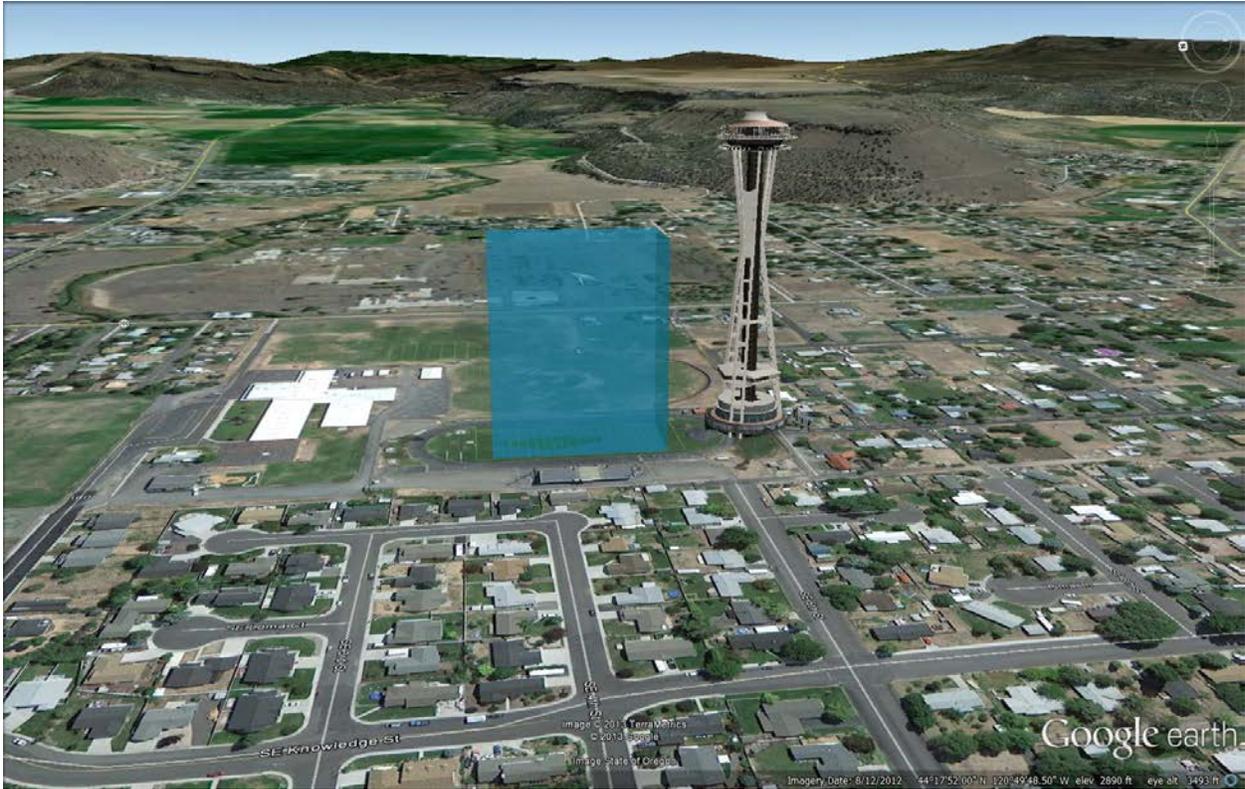
### Unaccounted for Water Percent Water Unaccounted for After Production by Fiscal Year



### Water Production and Use Yearly Production/Use Versus Unaccounted Water Trend

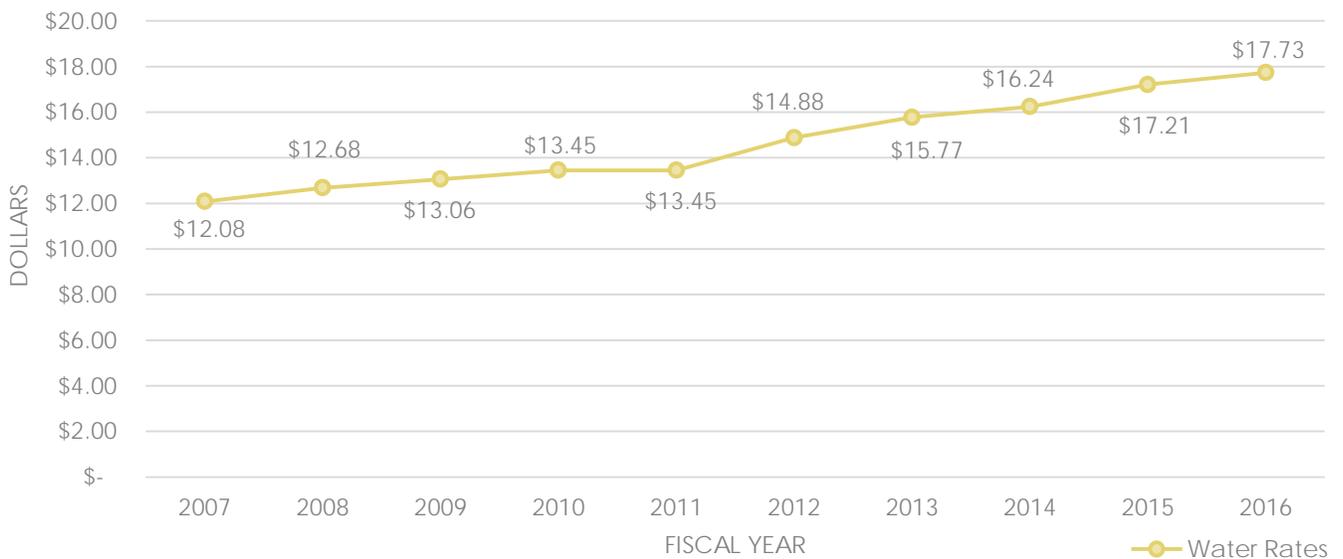


The reduction of unaccounted for water from 26 percent to approximately 7.4 percent represents approximately 131 million gallons of water per year no longer categorized as produced and lost. It is quite expensive to pump 131 million gallons of water out of the ground, pressurize, and chlorinate it. By conserving this water and only pumping what is necessary (or slightly more), the City greatly reduces costs and lost revenue associated with the unaccounted for water.



When looking at the total conservation of 131 million gallons of water, it is a huge amount of water the City is now conserving on an annual basis. If this volume of water is placed on a 300-by-160-foot high school football field, it would create a tower over 367 feet tall. The Space Needle is placed next to the water tower to give a scale of reference. The City is now saving this volume of water each and every year.

## Water Rates Trending Rates by Fiscal Year



# Lost Revenue

## Revenue Lost Due to Unaccounted for Water by Fiscal Year



*Water tanks near Pioneer Memorial Hospital.*

## Water Budget

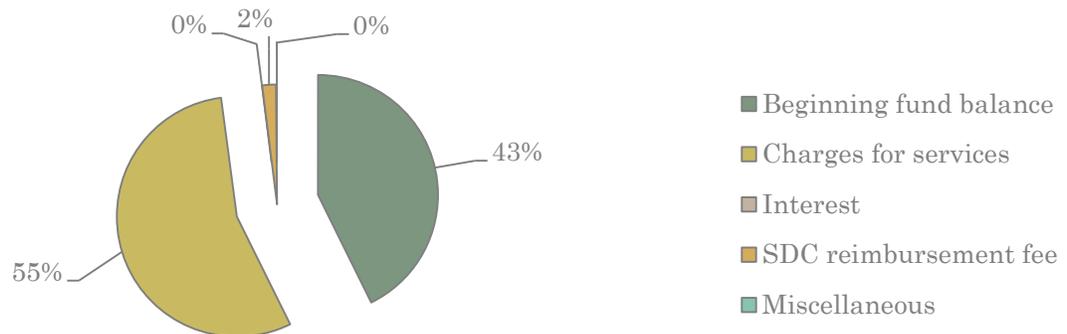
Resources	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 12-13	FY 12-13	Budget FY 14-15	FY 14-15	Budget FY 15-16	Budget FY 15-16	Budget FY 15-16
Beginning fund balance	\$ 1,601,509	\$ 1,651,980	\$ 1,413,380	\$ 1,521,622	\$ 1,623,222	\$ 1,623,222	\$1,623,222
Current year resources							
Charges for services	\$ 1,779,410	\$ 1,914,834	\$ 1,877,000	\$ 2,026,500	\$ 2,098,000	\$ 2,098,000	\$2,098,000
Intergovernmental	-	-	-	-	-	-	-
Interest	5,032	5,999	5,000	5,000	5,000	5,000	5,000
SDC reimbursement fee	127,000	-	72,000	190,000	70,000	70,000	70,000
Miscellaneous	53,859	407	5,500	5,000	5,500	5,500	5,500
Total current year resources	\$ 1,965,301	\$ 1,921,240	\$ 1,959,500	\$ 2,226,500	\$ 2,178,500	\$ 2,178,500	\$2,178,500
Total resources	\$ 3,566,810	\$ 3,573,220	\$ 3,372,880	\$ 3,748,122	\$ 3,801,722	\$ 3,801,722	\$3,801,722
Expenditures							
	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 12-13	FY 12-13	Budget FY 14-15	FY 14-15	Budget FY 15-16	Budget FY 15-16	Budget FY 15-16
Materials and services	\$ 425,691	\$ 388,872	\$ 474,400	\$ 387,600	\$ 488,900	488,900	488,900
Franchise fee expense	90,100	90,100	94,000	94,000	100,000	100,000	100,000
Capital outlay							
Improvements	296,473	484,985	490,900	330,000	722,500	722,500	722,500
Debt service							
Principal - refunding bond 2011	100,000	100,000	100,000	100,000	110,000	110,000	110,000
Principal - revenue bond 2003	40,000	40,000	40,000	40,000	45,000	45,000	45,000
Interest - refunding bond 2011	110,911	108,686	106,800	106,800	106,100	106,100	106,100
Interest - revenue bond 2003	27,455	25,755	23,800	23,800	21,700	21,700	21,700
Transfers	824,200	813,200	1,042,700	1,042,700	1,077,500	1,077,500	1,077,500
Contingency			1,000,280		1,130,022	1,130,022	1,130,022
Total expenditures	\$ 1,914,830	\$ 2,051,598	\$ 3,372,880	\$ 2,124,900	\$ 3,801,722	\$ 3,801,722	\$3,801,722
Ending fund balance	\$ 1,651,980	\$ 1,521,622	\$ -	\$ 1,623,222	\$ -	\$ -	\$ -

## Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 14-15	Proposed FY 15-16 Beginning Fund Balance	% Change FY 15 to FY 16	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Water	\$1,521,622	\$1,623,222	7%	\$1,130,022	\$606,686	86%

The 7 percent increase in the beginning fund balance compared to prior year is a result of budgeted capital projects in FY 15 not completed at year-end. Completion of these projects and capital projects budgeted in FY 16 will decrease the fund balance approximately 44 percent. The fund remains well above reserve requirements at 86 percent.

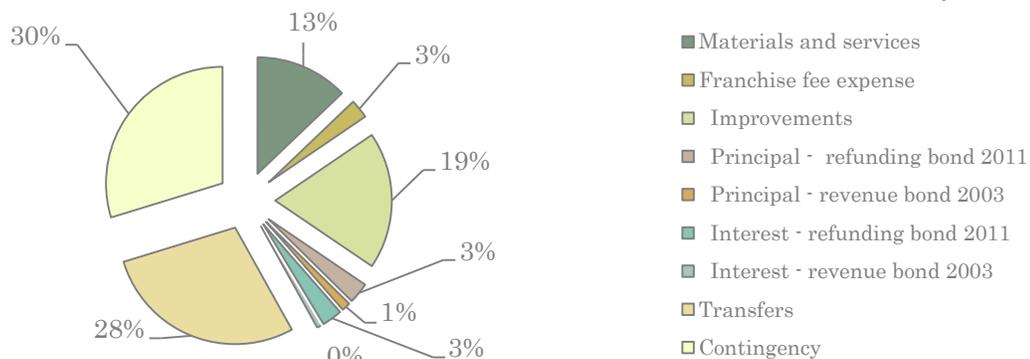
### Resources



### Assumptions

Charges for services in the FY 16 budget is proposed to increase approximately 4 percent over the year-end estimate. This increase includes a rate increase of 3 percent with slight growth. SDC reimbursement fees are budgeted at \$70,000, which is approximately \$50,000 less than the water debt transfer schedule. This is due to the estimated SDC revenue based on 25 equivalent dwelling units (EDU) for FY 16.

### Requirements



### Assumptions

Materials and services are increasing approximately 3 percent over prior year or 13 percent of the budget in FY 16. Improvements see a decrease from 33 percent of budget to 31 percent of the budget. Transfers increase approximately 6 percent over the prior year largely due to an increase of capital expenditures in the Public Works Support Services Fund. Also contributing to the increase in transfers is the 7 percent increase in personnel services, which is due to the Pension Obligation Bond Fund and the allocation adjustment for utility workers in the Public Works Support Services Fund.



# Wastewater Fund



## Wastewater Fund Responsibilities to the Community

The goal of the City of Prineville Wastewater Department is to provide a friendly and responsive source of information and coordinated services. It's the job of the department to assure and maintain the present and future health, safety, and welfare of the public through cost effective maintenance, planning, permitting, inspections, and operations of the wastewater system. Supporting the capital outlay activities of the Wastewater SDC Fund is also a major focus. The key to the success of the Wastewater Department is in maintaining success with efficient and motivated efforts of quality through a committed staff.

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

## Goals and Objectives for FY 16

Department Goals	City Council Goals
Obtain permits necessary to construct the Crooked River Wetland project.	Sustain and efficiently plan for the future development of infrastructure.
Identify potential funding for the Crooked River Wetland Project.	Continue to be fiscally responsible in all we do.
Begin construction of the Crooked River Wetland Project.	Sustain and efficiently plan for the future development of infrastructure.
Identify areas of infiltration and inflow (I&I).	Sustain and efficiently plan for the future development of infrastructure.
Update the sewer model with the newest information.	Sustain and efficiently plan for the future development of infrastructure.
Continue to serve the public, protect the environment, and minimize the cost to the community.	Be "business friendly" – Strengthen business-government relationships and cooperation – Fostering an entrepreneurial environment.

## Executive Summary

The Wastewater Fund supports the City's Wastewater Department, whose primary responsibility is to ensure the City's wastewater system meets or exceeds all regulatory standards and requirements. The department provides for the safe conveyance and treatment of residential, commercial, and industrial wastewater for the community. The wastewater collection system includes approximately 44 miles of collection lines ranging in size from 3 inches to 48 inches. The existing wastewater treatment plant consists of two parallel, partially aerated facultative lagoon systems capable of processing 1.67 million gallons of influent per day. Current average inflows to the plant are approximately 1.1 MGD. The existing plant produces a Class C effluent. This effluent is discharged into the Crooked River during the winter under an approved Oregon Department of Environmental Quality (DEQ) permit. At other times, effluent is stored and discharged via irrigation systems onto the city-owned golf course and approximately 350 acres of city-owned pasture lands.



*Looking over the wastewater treatment ponds from Ochoco Viewpoint.*

## Accomplishments for FY 15

- The City completed the design of the effluent disposal wetland at the wastewater treatment plant and received DEQ's approval to move forward with construction.
- Installed 7,017 feet of 8-inch to 18-inch sewer as part of the Railroad Interceptor Sewer Project. This project allowed for the construction of the new Pioneer Memorial Hospital development.
- Installed over 1,000 feet of 8-inch sewer to support other growth.
- Installed 1,821 feet of 8-inch to 10-inch sewer main to support the new 700 student elementary school.
- Continued to monitor influent flows and identified areas of infiltration and inflow.

These accomplishments address the following Prineville City Council goals:

- *“Continue to be fiscally responsible in all we do”* – With design of the new effluent disposal wetland complete, the Wastewater Fund moves one step closer to implementing this alternative wastewater treatment process. This already allowed the City to reduce the wastewater system development charges by 50 percent and with implementation, will stabilize rates into the future.
- *“Strengthen local, regional, state, federal and educational intergovernmental networking relationships and joint cooperation projects”* – The Wastewater Department worked closely with the Oregon Department of Environmental Quality on the design of the new effluent disposal wetland.
- *“Be ‘business friendly’ – Strengthen business – government relationships and cooperation”* – Improvements to the wastewater collection system will allow for the construction of the new Pioneer Memorial Hospital and the new 700 student elementary school.
- *“Sustain and efficiently plan for the future development of infrastructure”* – By implementing the new treatment process at the wastewater treatment plant, future rates will be stabilized while increasing capacity to serve future customers.
- *“Community safety”* and *“Maintain ‘livability’ of Prineville, while welcoming diversity”* – The planned community park at the Crooked River Wetland will greatly increase recreational opportunities for the community.

## Grants Received for FY 15

- Oregon State Parks Land and Water Conservation Grant - \$260,000. This grant is related to the proposed recreational improvements at the yet-to-be constructed wastewater treatment plant.
- Business Oregon Grant - \$750,000. This grant will fund improvements to the wastewater treatment plant

## Strategic Planning Updates

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

## Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Treatment Plant		
Golf Course Pump Rebuilds (\$12,500 each)	\$ 12,500	\$ 10,000
Irrigation Improvements	\$ 10,000	\$ 10,000
Pump Rebuilds	\$ 18,500	\$ 18,500
Distribution Upgrades	\$ 50,000	\$ 50,000
Sanitary Sewer (Materials and Services)		
Manhole Rehabilitation (10 per year)	\$ 35,000	\$ 35,000
Railroad Intercept	\$ 318,200	\$ 318,200
Infiltration and Inflow Maintenance	\$ 100,000	\$ 50,000
<b>Capital Outlay Total</b>	<b>\$ 544,200</b>	<b>\$ 491,700</b>

*A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 71.*

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

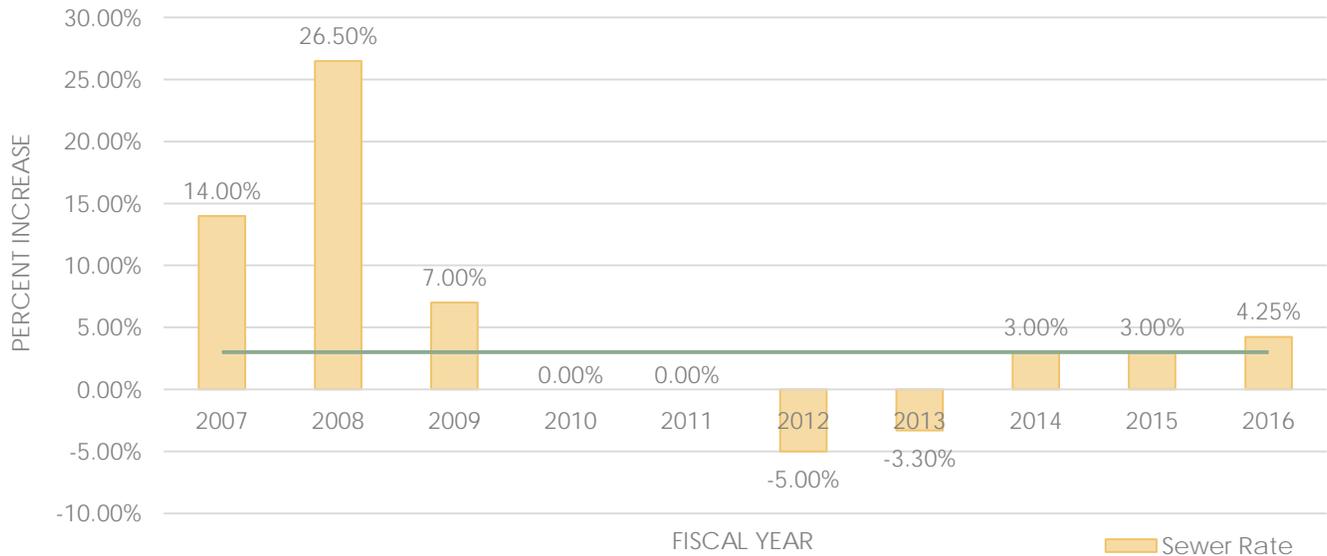


*Mayor Betty Roppe helping out on a sewer installation project.*

## Performance Measures

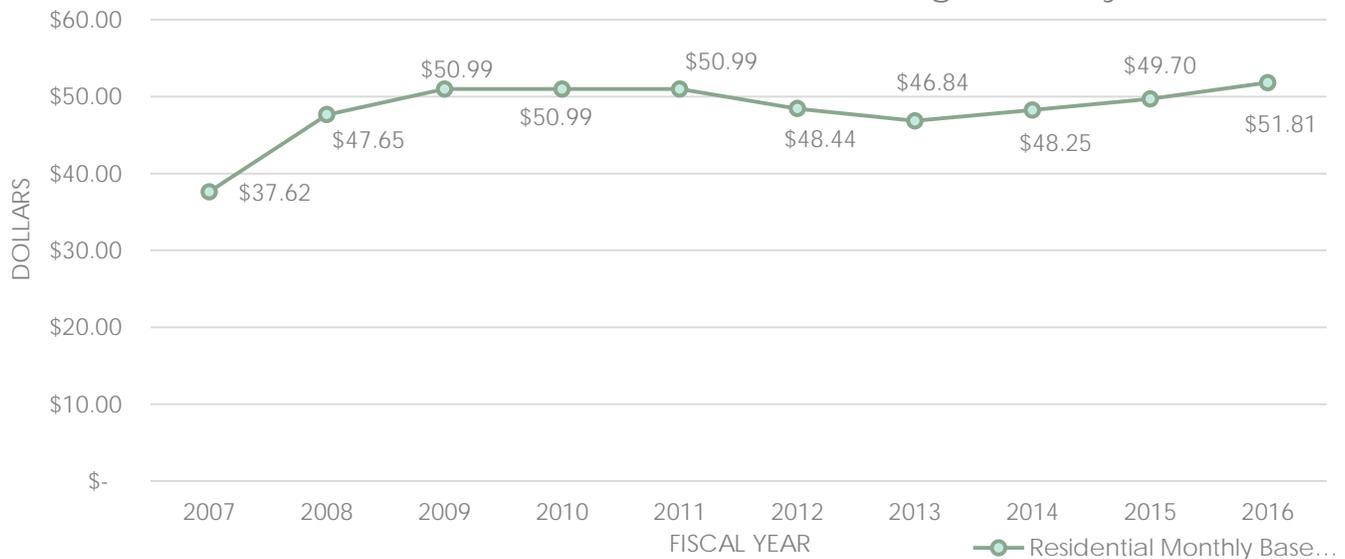
### Residential Sewer Rate Increases

#### Rate Increase/Decrease Percent by Fiscal Year



In previous years, the City of Prineville experienced double-digit rate increases to meet debt to income ratio requirements. Within the last five years, with the economic climate and up to 21 percent unemployment, the City maintained a 0 percent increase for two consecutive years. Rates then decreased for two consecutive years by 8.30 percent to help offset increasing water rates and stabilized total monthly utility costs. The City’s goal is to achieve a modest consumer price index (CPI) increase of 3 percent annually. With the additional debt service budgeted for the wetlands project, it is necessary to increase rates above CPI to maintain the debt coverage ratio needed to support additional debt.

### Residential Sewer Rate Trending Rates by Fiscal Year



The performance goal is to introduce a modest CPI yearly increase. In FY 16, the City is slightly above CPI at 4.25 percent.

## Wastewater Budget

Resources	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 12-13	FY 13-14	Budget FY 14-15	FY 14-15	Budget FY 15-16	Budget FY 15-16	Budget FY 15-16
Beginning fund balance	\$ 1,350,830	\$ 1,115,324	\$ 1,097,324	\$ 1,136,024	\$ 1,679,324	\$ 1,679,324	\$ 1,679,324
Current year resources							
Charges for services	\$ 2,854,198	\$ 2,903,621	\$ 3,012,000	\$ 3,037,000	\$ 3,180,500	\$ 3,180,500	\$ 3,180,500
Interest	4,029	3,466	3,000	3,000	3,000	3,000	3,000
Miscellaneous	56,200	69,326	113,000	643,700	37,500	37,500	37,500
SDC Reimbursement Fee	26,868	73,977	31,300	27,700	31,300	31,300	31,300
<b>Total current year resources</b>	<b>\$ 2,941,295</b>	<b>\$ 3,050,390</b>	<b>\$ 3,159,300</b>	<b>\$ 3,711,400</b>	<b>\$ 3,252,300</b>	<b>\$ 3,252,300</b>	<b>\$ 3,252,300</b>
<b>Total resources</b>	<b>\$ 4,292,125</b>	<b>\$ 4,165,714</b>	<b>\$ 4,256,624</b>	<b>\$ 4,847,424</b>	<b>\$ 4,931,624</b>	<b>\$ 4,931,624</b>	<b>\$ 4,931,624</b>
Expenditures	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 12-13	FY 13-14	Budget FY 14-15	FY 14-15	Budget FY 15-16	Budget FY 15-16	Budget FY 15-16
Personnel Services	\$ 170,135	\$ 200,250	\$ 196,000	\$ 196,000	\$ 110,300	\$ 110,300	\$ 110,300
Materials and services	459,279	451,773	551,600	550,200	520,300	520,300	520,300
Franchise fee expense	151,000	151,000	151,000	151,000	159,000	159,000	159,000
Capital outlay							
Improvements	301,911	111,535	130,000	130,000	491,700	491,700	491,700
Debt service							
Principal							
DEQ CWSRF R74682/2	387,426	398,900	410,800	410,800	422,900	422,900	422,900
Refunding 2011	20,000	60,000	80,000	80,000	100,000	100,000	100,000
Interest							
DEQ CWSRF R74682/2	199,794	188,320	176,600	176,600	164,400	164,400	164,400
Refunding 2011	203,597	203,051	205,200	205,200	218,900	218,900	218,900
DEQ Bridge Loan					19,000		
Fees							
DEQ CWSRF R74682/2	34,459	16,261	15,300	15,300	28,500	28,500	28,500
Transfers	1,249,200	1,248,600	1,253,000	1,253,000	1,264,100	1,264,100	1,264,100
Contingency			783,124		1,128,524	1,128,524	1,128,524
<b>Total expenditures</b>	<b>\$ 3,176,801</b>	<b>\$ 3,029,690</b>	<b>\$ 3,952,624</b>	<b>\$ 3,168,100</b>	<b>\$ 4,627,624</b>	<b>\$ 4,627,624</b>	<b>\$ 4,627,624</b>
Other requirements							
Debt service reserves	\$ -	\$ -	\$ 304,000	\$ -	\$ 304,000	\$ 304,000	\$ 304,000
<b>Ending fund balance</b>	<b>\$ 1,115,324</b>	<b>\$ 1,136,024</b>	<b>\$ -</b>	<b>\$ 1,679,324</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## Personnel

Wastewater Fund FTEs by Position FY 13 – 16				
	FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 16 Forecast
Wastewater Treatment Plant Supervisor	1.00	1.00	1.00	1.00
Utility Worker	1.00	1.00	1.00	
<b>Wastewater Department Total</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>1.00</b>

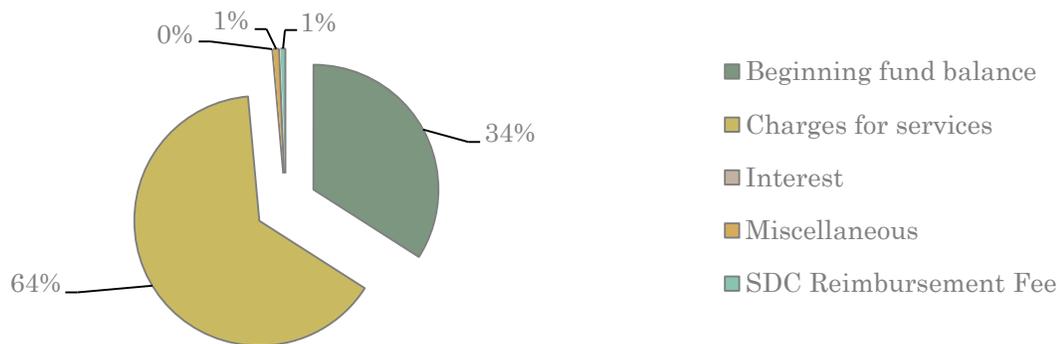
*Moved remaining Utility Worker in the Wastewater Fund to Public Works Support Services in FY 16.*

## Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 14-15	Proposed FY 15-16 Beginning Fund Balance	% Change FY 15 to FY 16	Proposed Ending Fund Balance / Contingency	Debt Service Reserve	Reserve Requirements by Policy	Over (Under) Requirements
Wastewater	\$1,136,024	\$1,679,324	48%	\$1,128,524	\$304,000	\$615,685	83%

The beginning fund balance increased approximately 48 percent from the prior year and is budgeted to decrease 49 percent in FY 16. The sale of property at the treatment site improved the fund balance, while budgeted capital improvements will decrease the fund balance. This fund exceeds the City's policy requirements by 83 percent.

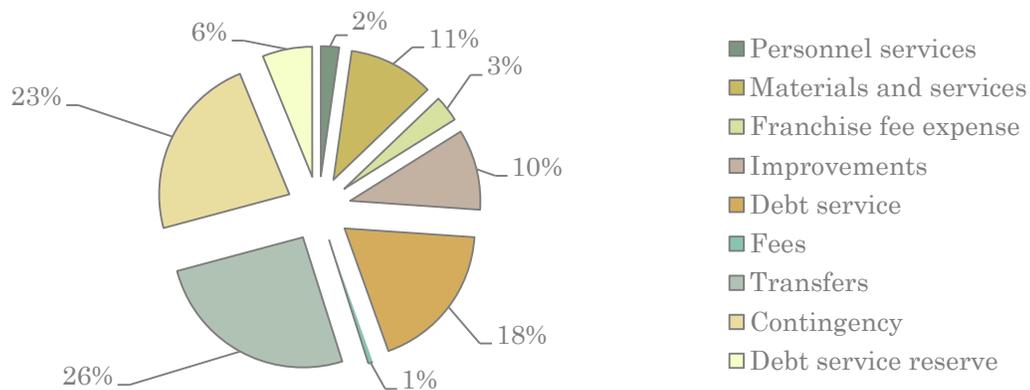
### Resources



### Assumptions

Charges for services are budgeted to increase over the year-end estimates in FY 16 by approximately 4.25 percent. The increase in charges for services is reflective of the proposed rate increase of 4.25 percent.

### Requirements



### Assumptions

Personnel services decreased 78 percent over the prior year budget due to the decrease in full-time employees by moving them to the Public Works Support Services Fund. Materials and services for FY 16 decreased approximately 6 percent, while capital improvements increased from \$130,000 to approximately \$492,000 over prior year.



## Golf Course Fund Responsibilities to the Community

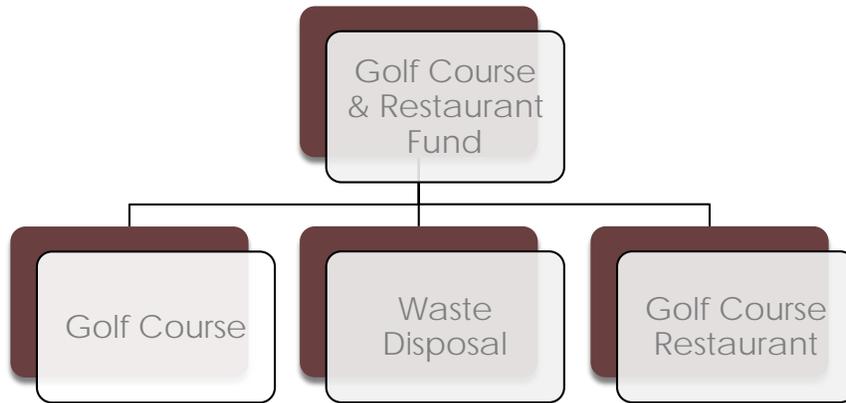
Meadow Lakes Golf Course is charged with the unique task of efficiently disposing wastewater in an environmentally responsible way, while also efficiently running and operating an enterprise fund. While the restaurant and golf course operations are charged with the primary goal of providing outstanding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

This fund accounts for the operation of the City's municipal golf course and restaurant (Meadow Lakes) and the effluent disposal site of the wastewater treatment plant. The principal sources of revenue are user fees, food and beverage sales, facility rental, and transfers from the Wastewater Fund for disposal site related services. Expenditures are for operation, administration, maintenance and improvements to the course

including the effluent disposal site, and operation/administration of the restaurant. Operating costs are paid from golf revenues and a contribution from the Wastewater Fund from rates. In 2013, the City of Prineville revised its 2006 business plan to reflect the facility’s needs in the current economic market along with industry trends. The current budget is developed to maintain the financial direction outlined in the plan.

## Organization of Fund Golf Course Fund

The City of Prineville created Meadow Lakes Golf Course to be a wastewater disposal site, with the bonus of creating an enterprise avenue to enrich the surrounding community. There are three units (golf course, waste disposal, and golf course restaurant) in the Golf Course Fund. This section will provide expenditure detail, executive summary information, goals and objectives of each unit, and performance measure data for these units of the Golf Course Fund when available.



*An example of the scenery at Meadow Lakes Golf Course.*

## Goals and Objectives for FY 16

Department Goals	City Council Goals
Continue to advertise and promote the restaurant and golf course together and individually with carefully selected media and added value offers.	Sustain city-owned enterprise profitability.
Continue the process of replacing dying, coniferous trees (due to their incompatibilities with the soil and water levels), with deciduous trees compatible to the area.	Sustain and efficiently plan for the future development of infrastructure.
Review, and if necessary, adjust the new lunch menu and make necessary improvements in the restaurant to increase profitability and maintain high food standards.	Sustain city-owned enterprise profitability.
Increase restaurant business with late day specials, improved/updated menu, and themed specials during specific times of the week identified as “slow.”	Sustain and efficiently plan for the future development of infrastructure.
Increase revenue from daily play golf by 5 percent over FY 15.	Sustain city-owned enterprise profitability.
Take a proactive approach to improving the health and clarity of the nine remaining effluent ponds on the course.	Sustain city-owned enterprise profitability.
Increase annual golf pass revenue by 5 percent over FY 15.	Sustain city-owned enterprise profitability.
Increase merchandise sales in the golf shop by 10 percent over FY 15.	Sustain city-owned enterprise profitability.
Continue to utilize the newly updated website as a marketing tool for customers of both the restaurant and golf course. The website will highlight the golf course and the banquet facility and help promote the wide variety of events accommodated at Meadow Lakes.	Be "business friendly" – Strengthen business-government relationships and cooperation – Fostering an entrepreneurial environment.
Replace the current fleet of 50 electric golf carts with a new fleet of 54 electric golf carts. The new fleet of carts will both increase revenue for the golf course and reduce expenses on the current aging fleet.	Sustain city-owned enterprise profitability.

## Executive Summary

Meadow Lakes serves as both a municipal golf course and a wastewater disposal site to Prineville. After more than 20 years of operation, the course continues to receive great reviews from the golfing community. For travelers and citizens alike, the course serves as a beautiful entry way for those coming into Prineville via Highway 126. Meadow Lakes receives great local and regional support including players who travel from all over the Northwest to play at the course recognized as an “environmental leader” by *Golf Digest*, as well as “one of Central Oregon’s best golf values” by the *Bend Bulletin*. Meadow Lakes houses a full-service restaurant and lounge with facilities for hosting weddings, auctions, fundraisers, or other large events. The restaurant staff strives to keep both its customer service and food quality at exceptional levels. All of the departments under the banner of Meadow Lakes operations selected dedicated and experienced staff members that take pride in offering the highest quality of service to its patrons.



*Current landscaping of the previously filled-in pond on Hole #10.*

## Accomplishments for FY 15

- Continued the process of promoting the restaurant and banquet facility, and the implementation of new and creative daily specials, “happy hour” during peak season, new menus for banquets, breakfast and lunch, while also improving customer service and food quality resulting in an overall increase of 3 percent or \$9,500 in restaurant revenue over the previous year.
- Enhanced the visual aspect of the facility by upgrading the landscaping features including additional flowers, shrubs, and new bark around the clubhouse and cart barn.
- Continued the process of implementing the Professional Golfers’ Association’s Tee it Forward initiative by adding and renovating tees to make a more player-friendly course for golfers of all ability levels.
- Continued to enhance the visual aspect of the facility by painting the exterior of the clubhouse and cart barn.
- Repaved the stretch of cart path from the gate on Hole #13 to the filled-in pond on #10.
- Increased and improved maintenance practices on the nine effluent ponds to drastically reduce the amount of algae/weed growth on the ponds during the growing season.
- Used the updated website as a tool to drive additional revenue to the golf course and restaurant. Management’s ability to update and edit the site allowed for a more specific and aggressive utilization of the website. Customers will be referred to the website for information, whereas in the past the website referred customers to staff for additional information.
- Increased merchandise sales in the golf shop by \$13,500 or 15 percent over FY 14.
- Increased annual passes by approximately \$14,000 or 18 percent over FY 14.
- Improved the gross margin on golf shop sales to 31.59 percent and lowered the cost of goods sold in the golf shop to 68.41 percent. Both metrics are better than industry standards for public golf courses.
- Continued the process of landscaping the now filled-in pond on Hole #10 with a split-rail fence to match the other hazards on the course surrounding the Crooked River, grasses, rock, sand, bushes, and trees.

## Strategic Planning Updates

- Short-term – Meadow Lakes is to maintain the highest possible golf and restaurant experience using the most efficient measures possible to curb expenditures. The Golf Course Fund will continue to be fiscally responsible by monitoring and adjusting expenses to match revenues on a monthly basis, therefore protecting the ending fund balance. The department hopes to capitalize on the improving local economic conditions by adding to the existing customer base and improving the overall fund balance to a point where the business can self-fund the majority of the upcoming capital projects.
- Long-term – Meadow Lakes Golf Course aims to return to a growth model for customer base through expansions in marketing and programming for golf and the restaurant. The main goal is to target families specifically and build up a bigger place in the community as a go to place for food and entertainment. Through business growth, the intention is to further nurture the fund to eventually be able to provide a revenue source that helps offset city-wide operational expenses.

## Capital Outlay

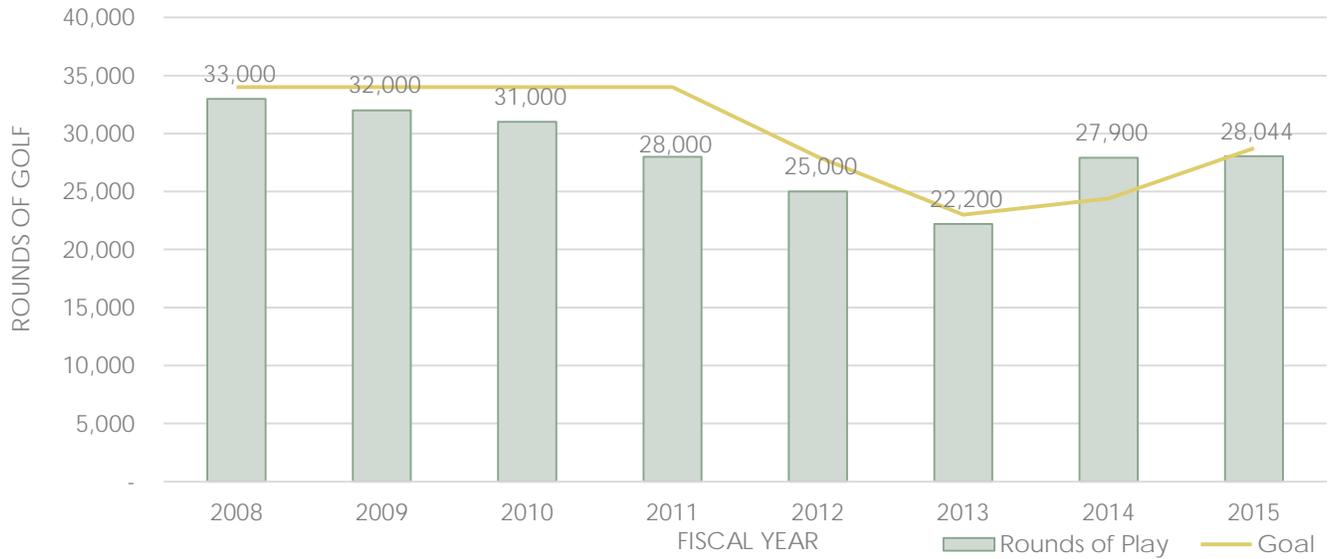
Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Project		
Golf Cart Fleet Replacement	\$ 178,000	\$ 178,000
Capital Outlay Total	\$ 178,000	\$ 178,000

*A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 71.*



*Updated landscaping around the club house.*

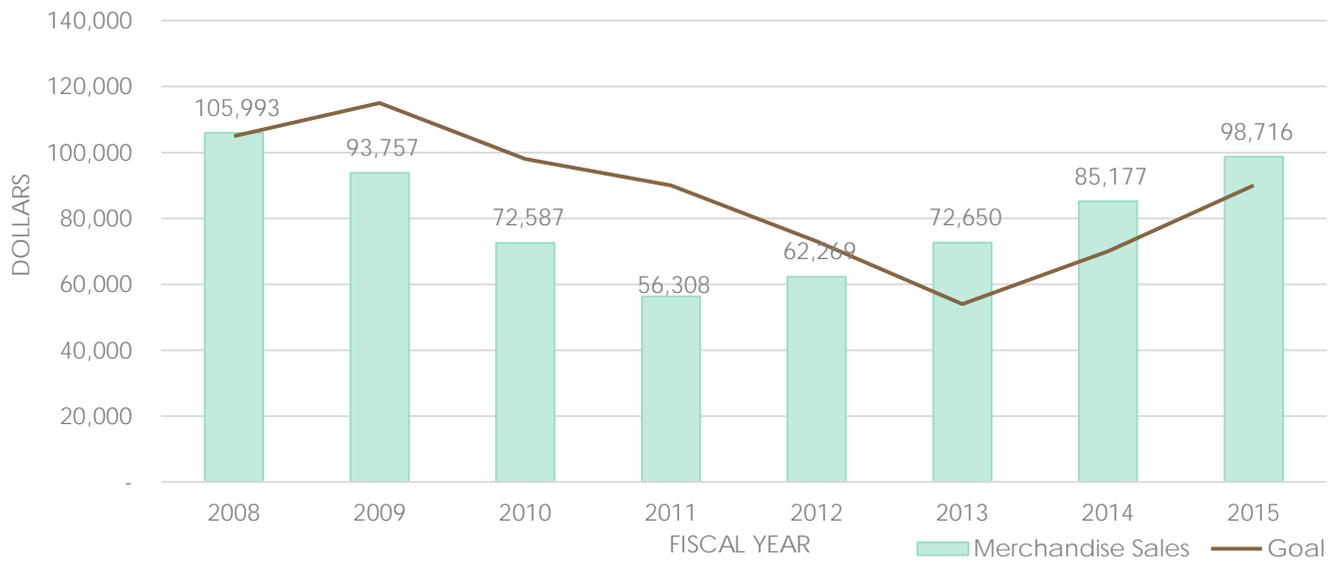
## Performance Measures Rounds of Play Rounds of Golf Sold During Fiscal Year



## Golf Daily Play Revenue Revenue Generated by Golf Rounds per Fiscal Year



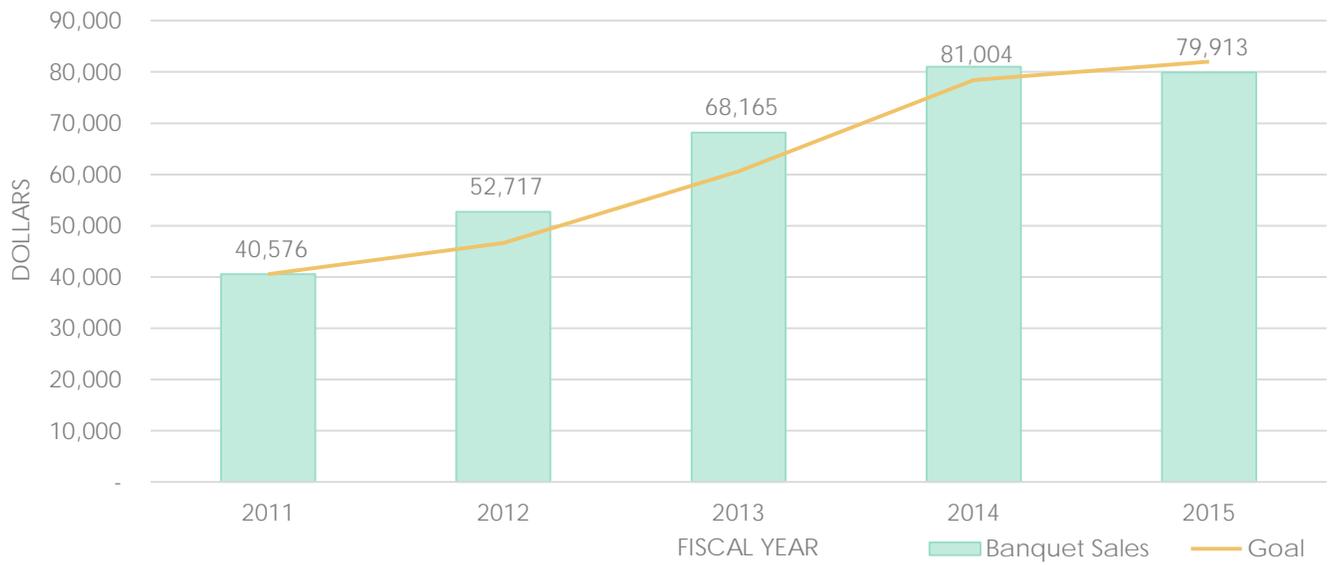
## Proshop Merchandise Sales Merchandise Revenue by Fiscal Year



## Merchandise Expenditures Merchandise Purchases for Proshop Sales by Fiscal Year



## Banquet Sales Customer Banquet Sales by Fiscal Year



*The rain dies down, revealing a rainbow over the cart barn.*

## Golf Course Budget

Resources	Actual FY 12-13	Actual FY 13-14	Current Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
Beginning fund balance	\$ 557,060	\$ 395,569	\$ 431,969	\$ 403,694	\$ 372,094	\$ 372,094	\$ 372,094
Current year resources							
Charges for services							
Golf Course	\$ 675,998	\$ 687,545	\$ 747,000	\$ 728,000	\$ 771,800	\$ 771,800	\$ 771,800
Waste disposal	350,000	350,000	350,000	350,000	370,000	370,000	370,000
Restaurant	334,194	366,686	395,000	376,000	407,000	407,000	407,000
Other							
Interest	2,109	2,521	2,000	2,000	2,000	2,000	2,000
Miscellaneous	8,222	6,550	8,500	15,600	7,000	7,000	7,000
Debt proceeds	-	-	-	-	178,000	178,000	178,000
Net equity transfer							
Total current year resources	\$ 1,370,523	\$ 1,413,302	\$ 1,502,500	\$ 1,471,600	\$ 1,735,800	\$ 1,735,800	\$ 1,735,800
Total resources	\$ 1,927,583	\$ 1,808,871	\$ 1,934,469	\$ 1,875,294	\$ 2,107,894	\$ 2,107,894	\$ 2,107,894
Expenditures							
Golf Course	\$ 623,323	\$ 440,936	\$ 491,700	\$ 490,600	\$ 625,400	\$ 625,400	\$ 625,400
Waste disposal	450,956	445,984	474,000	456,200	485,100	485,100	485,100
Restaurant	381,288	441,016	482,800	479,800	499,900	499,900	499,900
Debt service							
Principal - note payable	-	-			38,000	38,000	38,000
Interest - note payable	-	-					
Principal - credit facility	40,310	41,980	43,800	43,800	43,800	43,800	43,800
Interest - credit facility	7,606	6,413	4,200	4,200	4,200	4,200	4,200
Principal - 2011 bonds	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Interest - 2011 bonds	18,531	18,850	18,600	18,600	18,600	18,600	18,600
Contingency			409,369		382,894	382,894	382,894
Total expenditures	\$ 1,532,014	\$ 1,405,177	\$ 1,934,469	\$ 1,503,200	\$ 2,107,894	\$ 2,107,894	\$ 2,107,894
Ending fund balance	\$ 395,569	\$ 403,694	\$ -	\$ 372,094	\$ -	\$ -	\$ -



*Golfers enjoying a section of newly refurbished cart path.*

## Personnel

Golf Course Fund FTEs by Position FY 13 – 16				
	FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 16 Forecast
<b>Golf Course &amp; Restaurant</b>				
Golf Manager/Head Professional	1.00	1.00	1.00	1.00
<b>Golf Course Disposal Site</b>				
Superintendent	1.00	1.00	1.00	1.00
Greenskeeper/Irrigation Tech	1.00	1.00	1.00	1.00
Mechanic	1.00	1.00	1.00	1.00
<b>Golf Course Operations</b>				
Assistant Golf Operations Manager	1.00	1.00	1.00	1.00
<b>Restaurant Operations</b>				
Restaurant Supervisor	1.00	1.00	1.00	1.00
Kitchen Manager			1.00	1.00
<b>Golf Course Department Total</b>	<b>6.00</b>	<b>6.00</b>	<b>7.00</b>	<b>7.00</b>

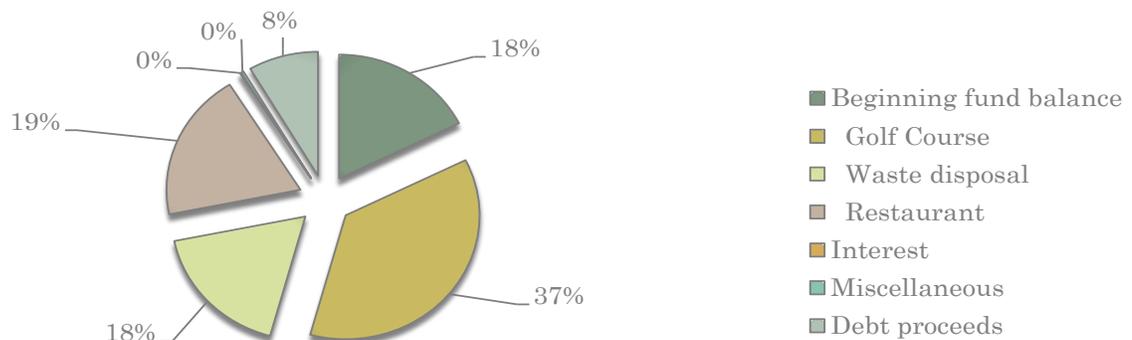
*No changes to FTE in FY 16.*

## Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 14-15	Proposed FY 15-16 Beginning Fund Balance	% Change FY 15 to FY 16	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Golf Course and Restaurant	\$403,694	\$372,094	-8%	\$382,894	\$343,837	11%

In FY 16, the beginning fund balance decreased approximately 8 percent over the prior year. Estimates for the ending fund balance for FY 16 show a slight increase. This fund exceeds the City's policy requirements by 11 percent.

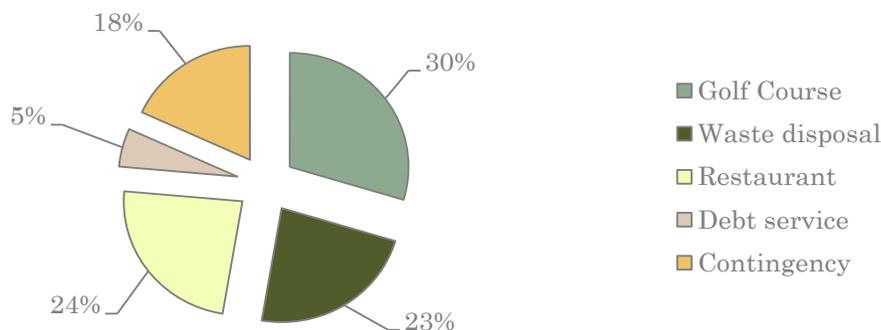
### Resources



### Assumptions

Golf revenue projections for operations in FY 16 propose a 6 percent increase in golf and an 8 percent increase in the restaurant. The transfer from the Wastewater Fund increased 5 percent for pond repairs.

### Requirements



### Assumptions

Personnel services will increase approximately 4 percent in FY 16 if minimum wage stays around \$10.00 dollars per hour. If it rises to \$15.00 dollars per hour the City will need to make necessary adjustments with rates and positions. Materials and services will increase 4 percent. The budget for capital expenditures is \$178,000 with a debt service payment offsetting this expense. Debt service will increase approximately \$38,000.



# ❖ Golf Course Operations



## Golf Course Operations Executive Summary

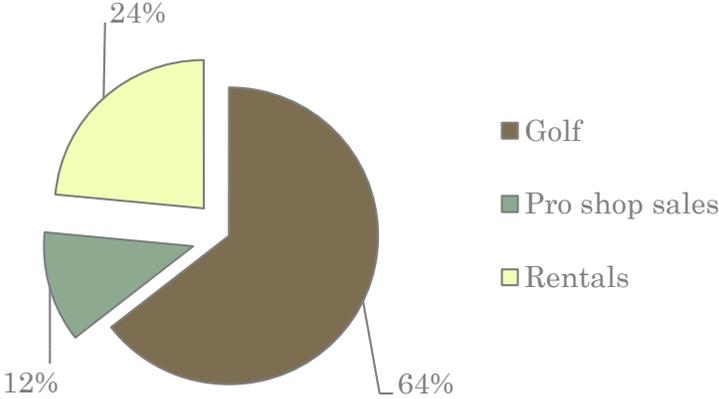
Meadow Lakes features a championship course, a beautiful clubhouse, and a friendly staff eager to make a round of golf an extraordinary experience. *USA Golf Journal* previously featured Meadow Lakes, and the course is one of the first-ever recipients of *Golf Digest's* National Environmental Leaders Award. Recently, the *Bend Bulletin* called Meadow Lakes “one of Central Oregon’s best golf values.”

In the upcoming budget year, the aim of Meadow Lakes is to continue to strategically improve the condition of the golf course using the allotted resources with creativity and purpose. Projects to extend the life of the course and reduce maintenance costs are the primary focus. An aggressive top dressing program to improve the overall quality of turf, restoration of specified carts paths, and better irrigation practices will be some of the greater steps taken in FY 16 to achieve this goal. These improvement projects are to run in tandem with increasing restaurant and course patrons through specials, advertising, and enticements to help drive revenues.

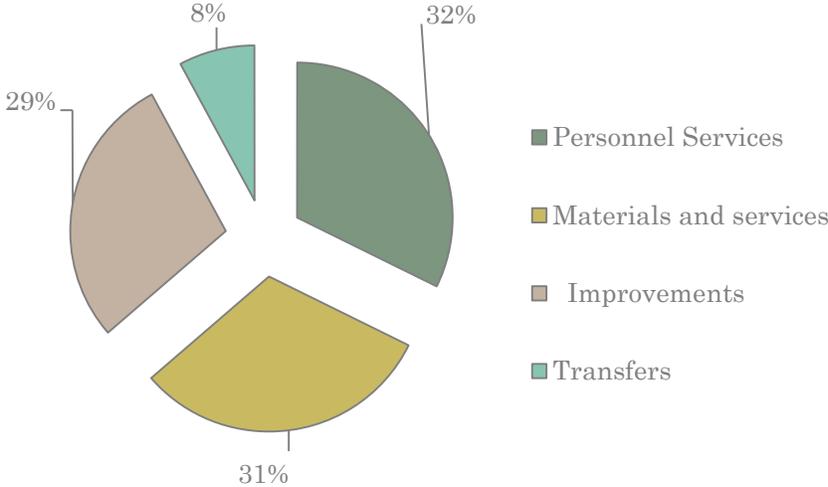
# Golf Course Operations Budget

	Actual FY 12-13	Actual FY 13-14	Current Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
<b>Revenue</b>							
Golf	\$ 436,911	\$ 436,096	\$ 481,500	\$ 459,000	\$ 486,000	\$ 486,000	\$ 486,000
Pro shop sales	72,650	85,177	90,000	93,000	99,800	99,800	99,800
Rentals	166,437	166,272	175,500	176,000	186,000	186,000	186,000
<b>Total revenue</b>	<b>\$ 675,998</b>	<b>\$ 687,545</b>	<b>\$ 747,000</b>	<b>\$ 728,000</b>	<b>\$ 771,800</b>	<b>\$ 771,800</b>	<b>\$ 771,800</b>
<b>Expenditures</b>							
Personnel Services	\$ 163,496	\$ 172,047	\$ 192,200	\$ 195,400	\$ 202,000	\$ 202,000	\$ 202,000
Materials and services	186,825	199,979	200,800	196,500	196,100	196,100	196,100
Capital outlay							
Improvements	242,003	26,710	50,000	50,000	178,000	178,000	178,000
Transfers	31,000	42,200	48,700	48,700	49,300	49,300	49,300
<b>Total expenditures</b>	<b>\$ 623,324</b>	<b>\$ 440,936</b>	<b>\$ 491,700</b>	<b>\$ 490,600</b>	<b>\$ 625,400</b>	<b>\$ 625,400</b>	<b>\$ 625,400</b>

## Resources



## Requirements





# Wastewater Disposal



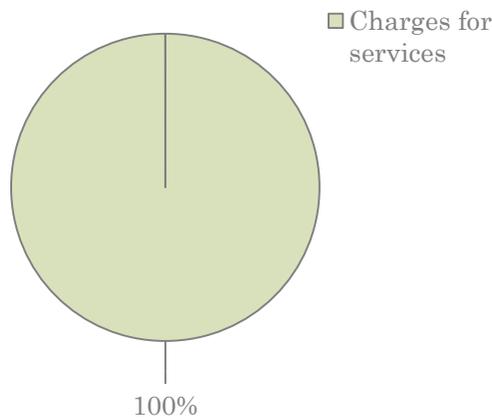
## Wastewater Disposal Executive Summary

In 1988, the City of Prineville faced fines of up to \$25,000 per day if it did not find a way to dispose of the wastewater being dumped into the Crooked River. Since the City did not possess enough money to build a new water treatment center, the US Environmental Protection Agency suggested spraying the wastewater over a 400-acre alfalfa field. The mayor, city manager, and city council decided to build a golf course to aid in the disposal of the wastewater. The water is now disposed of through irrigation and the 10 evaporation ponds conveniently doubling as water hazards for local golfers.

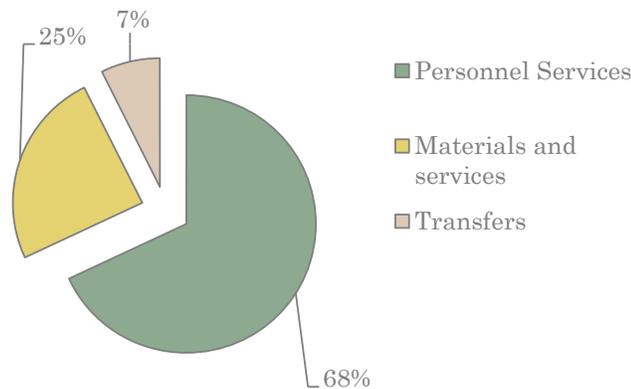
## Wastewater Disposal Budget

	Actual FY 12-13	Actual FY 13-14	Current Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
Revenue							
Charges for services	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 370,000	\$ 370,000	\$ 370,000
<b>Total revenue</b>	<b>\$ 350,000</b>	<b>\$ 350,000</b>	<b>\$ 350,000</b>	<b>\$ 350,000</b>	<b>\$ 370,000</b>	<b>\$ 370,000</b>	<b>\$ 370,000</b>
Expenditures	Actual FY 12-13	Actual FY 13-14	Current Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
Personnel Services	\$ 330,686	\$ 304,039	\$ 315,300	\$ 313,900	\$ 330,000	\$ 330,000	\$ 330,000
Materials and services	98,470	108,345	123,600	107,200	119,200	119,200	119,200
Transfers	21,800	33,600	35,100	35,100	35,900	35,900	35,900
<b>Total expenditures</b>	<b>\$ 450,956</b>	<b>\$ 445,984</b>	<b>\$ 474,000</b>	<b>\$ 456,200</b>	<b>\$ 485,100</b>	<b>\$ 485,100</b>	<b>\$ 485,100</b>

## Resources



## Requirements





# ❖ Golf Course Restaurant



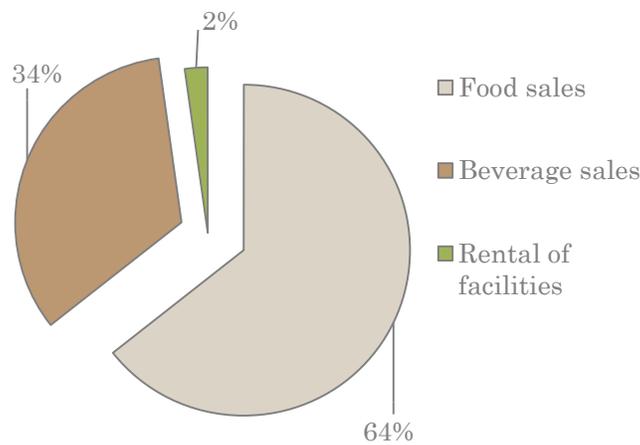
## Golf Course Restaurant Executive Summary

Meadow Lakes Restaurant is a full-service restaurant and lounge with facilities for hosting weddings, auctions, fundraisers, or other large events. Meadow Lakes strives to keep both its customer service and food quality at exceptional levels. Spectacular views of the rimrocks and golf course can be taken in from practically every window in the restaurant. Meadow Lakes Restaurant is proud of its claim as being Central Oregon's best golf restaurant.

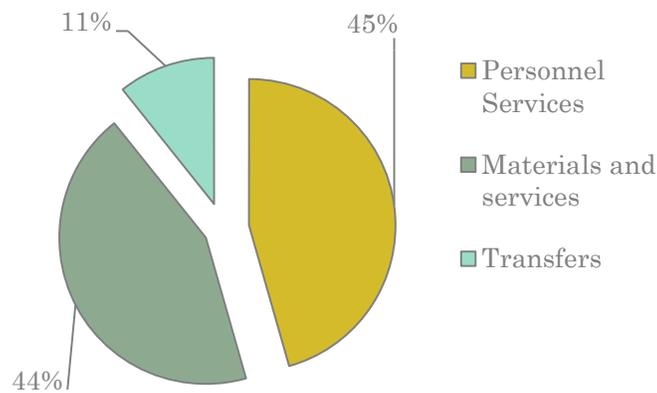
## Restaurant Operations Budget

	Actual FY 12-13	Actual FY 13-14	Current Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
<b>Revenue</b>							
Food sales	\$ 221,481	\$ 240,289	\$ 255,000	\$ 245,000	\$ 262,000	\$ 262,000	\$ 262,000
Beverage sales	104,934	117,161	130,000	122,000	136,000	136,000	136,000
Rental of facilities	7,779	9,236	10,000	9,000	9,000	9,000	9,000
<b>Total revenue</b>	<b>\$ 334,194</b>	<b>\$ 366,686</b>	<b>\$ 395,000</b>	<b>\$ 376,000</b>	<b>\$ 407,000</b>	<b>\$ 407,000</b>	<b>\$ 407,000</b>
	Actual FY 12-13	Actual FY 13-14	Current Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
<b>Expenditures</b>							
Personnel Services	\$ 173,294	\$ 194,730	\$ 222,500	\$ 218,900	\$ 227,900	\$ 227,900	\$ 227,900
Materials and services	177,693	203,686	208,600	209,200	218,400	218,400	218,400
Transfers	30,300	42,600	51,700	51,700	53,600	53,600	53,600
<b>Total expenditures</b>	<b>\$ 381,287</b>	<b>\$ 441,016</b>	<b>\$ 482,800</b>	<b>\$ 479,800</b>	<b>\$ 499,900</b>	<b>\$ 499,900</b>	<b>\$ 499,900</b>

## Resources



## Requirements





## ❖ Internal Service Funds

- ❖ Administration/Support Services Fund
- ❖ Public Works Support Services Fund
- ❖ City Hall Fund
- ❖ Plaza Maintenance Fund

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## Administration/Financial Support Services Fund Responsibilities to the Community

The purpose of the Administration/Financial Support Services Fund is to account for the activities of the Prineville City Council and administrative services. This internal service fund accounts for the staff and council volunteers which keep the community in mind with every decision. The services provided are recovered through charges for services to other funds.

## Admin/Financial Support Services Budget

Resources	Actual FY 12-13	Actual FY 13-14	Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
Beginning fund balance	\$ 289,704	\$ 109,288	\$ 111,688	\$ 162,567	\$ 270,167	\$ 270,167	\$ 270,167
Current year resources							
Charges for services	\$ 1,575,268	\$ 1,878,445	\$ 1,920,900	\$ 1,945,200	\$ 1,929,600	\$ 1,929,600	\$ 1,929,600
Interest	1,102	1,240	1,000	1,000	1,200	1,200	1,200
Total current year resources	\$ 1,576,370	\$ 1,879,685	\$ 1,921,900	\$ 1,946,200	\$ 1,930,800	\$ 1,930,800	\$ 1,930,800
Total resources	\$ 1,866,074	\$ 1,988,973	\$ 2,033,588	\$ 2,108,767	\$ 2,200,967	\$ 2,200,967	\$ 2,200,967
Expenditures	Actual FY 12-13	Actual FY 13-14	Current Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
City Council	\$ 65,349	\$ 67,393	\$ 81,900	\$ 76,900	\$ 85,000	\$ 85,000	\$ 85,000
Administration/team services	673,167	707,544	713,400	696,800	756,100	756,100	756,100
Financial services	568,268	603,984	664,300	657,100	700,900	700,900	700,900
Non-departmental	-	-	-	-	-	-	-
Information technology	450,002	447,485	473,300	407,800	384,100	384,100	384,100
Contingency			100,688	-	274,867	274,867	274,867
Total expenditures	\$ 1,756,786	\$ 1,826,406	\$ 2,033,588	\$ 1,838,600	\$ 2,200,967	\$ 2,200,967	\$ 2,200,967
Ending fund balance	\$ 109,288	\$ 162,567	\$ -	\$ 270,167	\$ -	\$ -	\$ -

## Personnel

Administration/Financial Support Services Fund FTEs by Position FY 13 – 16				
	FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 16 Forecast
City Manager	1.00	1.00	1.00	1.00
Administrative Assistant/City Recorder	1.00	1.00	1.00	1.00
Finance Director	1.00	1.00	1.00	1.00
Finance Assistant II	4.00	4.00	3.00	3.00
Finance Assistant III			1.00	
Accounting Supervisor				1.00
IT Manager	1.00	1.00	1.00	
IT Specialist I		0.50	0.50	0.50
IT Specialist II	1.00	1.00	1.00	1.00
Human Resource Manager/Risk Manager	1.00	1.00	1.00	1.00
Procurement/Contract Administration	1.00	1.00	1.00	1.00
<b>Administration/Financial Support Services Fund Total</b>	<b>11.00</b>	<b>11.50</b>	<b>11.50</b>	<b>10.50</b>

*In FY 15, the City lost its IT Director, a position now temporarily filled with a consulting firm.*



## City Council Responsibilities to the Community

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

## City Council Budget

	Actual FY 12-13	Actual FY 13-14	Current Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
Expenditures							
Materials and services	\$ 30,049	\$ 30,993	\$ 44,400	\$ 39,400	\$ 46,400	\$ 46,400	\$ 46,400
Transfers	35,300	36,400	37,500	37,500	38,600	38,600	38,600
Total expenditures	\$ 65,349	\$ 67,393	\$ 81,900	\$ 76,900	\$ 85,000	\$ 85,000	\$ 85,000

## Our City Council's Goals

- Continue to be fiscally responsible in all we do.
- Strengthen local, regional, state, federal, and educational intergovernmental networking, relationships, and joint cooperation projects.
- Be “business friendly” – Strengthen business-governmental relationships and cooperation – Fostering an entrepreneurial environment.
- Sustain and efficiently plan for the future development of infrastructure.
- Community safety.
- Maintain “livability” of Prineville, while welcoming diversity.
- Continued council support for professional development of staff.
- Create and sustain city-owned enterprise profitability.
- Protect scenic and historic resources.
- Enhance and maintain council public relations.
- Identify and evaluate city-owned property.
- Evaluate vision and strategic plan.



*Prineville City Council (from left to right): Steve Uffelman, Jason Carr, Jason Beebe, Mayor Betty Roppe, Jack Seley, Gail Merritt, and Jeff Papke.*



## Finance Responsibilities to the Community

The purpose of the Finance Department is to provide the taxpayers of the City of Prineville, its council, and all employees, with accurate and timely data, while maximizing returns on investments, and minimizing loss and risk. The department strives to achieve its mission in a professional and friendly manner reflecting the integrity and overall mission of the City.

## Goals and Objectives for FY 16

Department Goals	City Council Goals
Continue to focus on in depth software training and cross training in all areas of finance.	Continued council support for professional development of staff.
Continue efforts with software expansion beyond finance to departments to increase utilization and efficiency of the City's financial software.	Continued council support for professional development of staff.
Continue to enhance demand reporting for business-type funds.	Continue to be fiscally responsible in all we do.
Continue efforts to update long-range models and create five-year financial plans for all city activities.	Sustain and efficiently plan for the future development of infrastructure.
Develop and submit budget document for FY 16 to Government Finance Officers Association (GFOA) for budget award.	Continue to be fiscally responsible in all we do.
Develop and submit Comprehensive Annual Financial Report (CAFR) document for FY 15 to GFOA for reporting award.	Continue to be fiscally responsible in all we do.
Continue to maintain quality service at the front counter and phones, while creating more efficiency throughout the department.	Maintain "livability" of Prineville, while welcoming diversity.
Review and update water and sewer ordinances.	Sustain city-owned enterprise profitability.
Continue to improve reserves to meet city policy requirements.	Continue to be fiscally responsible in all we do.
Identify revenue to fund governmental fund accrual.	Continue to be fiscally responsible in all we do.
Create business plan for all enterprise funds.	Continue to be fiscally responsible in all we do.

## Executive Summary

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

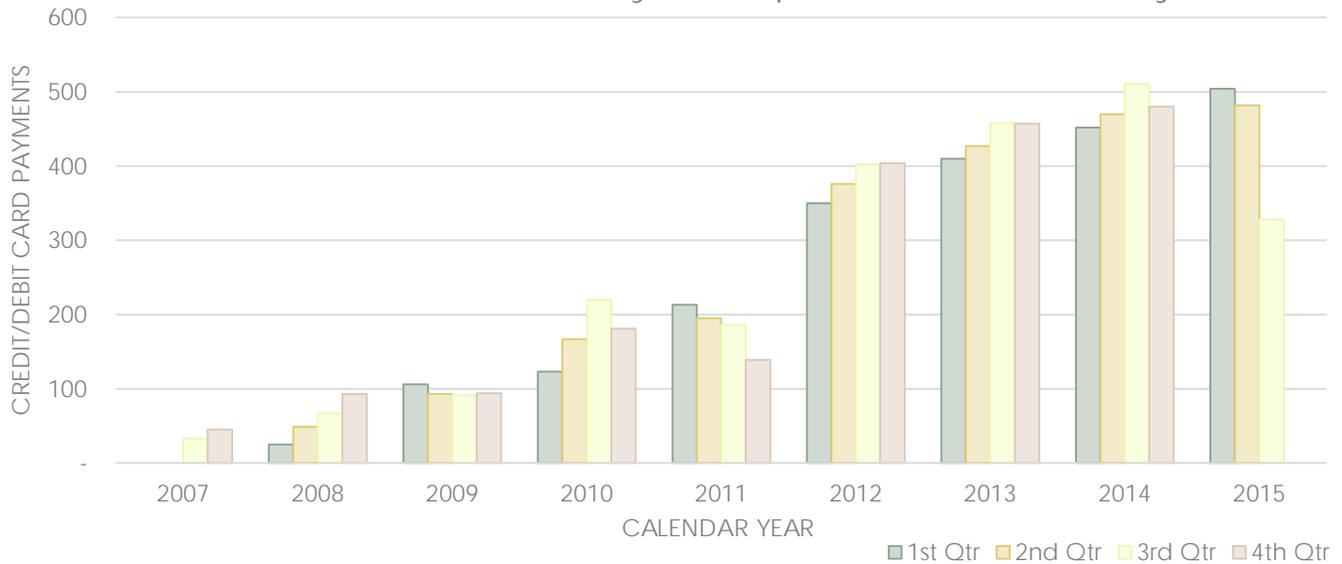
## Accomplishments for FY 15

- Provided timely and accurate quarterly financial reports to City Council.
- Cross training continued in all areas of finance, reporting, accounts payable/receivable, utilities, and payroll.
- Maintained quality service at front counter and phones.
- Delivered consistent and accurate billing.
- Updated and maintained strategic long-range planning for water and wastewater.
- Improvement towards department communication/processes.
- Prepared financial statements and related supporting documentation in-house.
- Received Distinguished Budget Presentation Award from GFOA.
- Submitted CAFR for the Certificate of Achievement for Excellence in Financial Reporting Award from the GFOA.
- Maintained City credit rating of A+ through Standard and Poor's

## Performance Measures

### Credit/Debit Card Phone Payments

#### Card Payments per Calendar Year by Quarter



## Online Payments

### Trend in Payments Made Monthly Through Web Portal



## Finance Budget

	Actual FY 12-13	Actual FY 13-14	Current Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
Expenditures							
Personnel Services	\$ 362,980	\$ 376,768	\$ 417,900	\$ 409,500	\$ 441,600	\$ 441,600	\$ 441,600
Materials and services	174,988	196,016	214,200	215,400	226,100	226,100	226,100
Transfers	30,300	31,200	32,200	32,200	33,200	33,200	33,200
<b>Total expenditures</b>	<b>\$ 568,268</b>	<b>\$ 603,984</b>	<b>\$ 664,300</b>	<b>\$ 657,100</b>	<b>\$ 700,900</b>	<b>\$ 700,900</b>	<b>\$ 700,900</b>



# Information Technology



## Information Technology Responsibilities to the Community

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

# Goals and Objectives for FY 16

Department Goals	City Council Goals
Work with Prineville Police Department to develop and improve body-worn camera systems.	Strength local, regional, state, federal and educational intergovernmental networking relationships and joint cooperation projects.
Complete migration of city hall and Prineville Police Department to new phone system compatible with Emergency Dispatch Department's new VIPER 911 system.	Sustain and efficiently plan for the future development of infrastructure.
Expand network management and monitoring systems to better improve overall reliability.	Sustain and efficiently plan for the future development of infrastructure.

## Executive Summary

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

## Accomplishments for FY 15

- Installed radio tower at wastewater treatment plant to improve telemetry.
- Developed new a City of Prineville website.
- Complete virtualization of servers to enhance redundancy.
- Connect Prineville Police Department's computer-aided dispatch system to the regional data share network.
- Installed new tower and equipment at airport to enhance redundancy and reliability of public safety radio systems.
- Responded to over 450 trouble tickets.

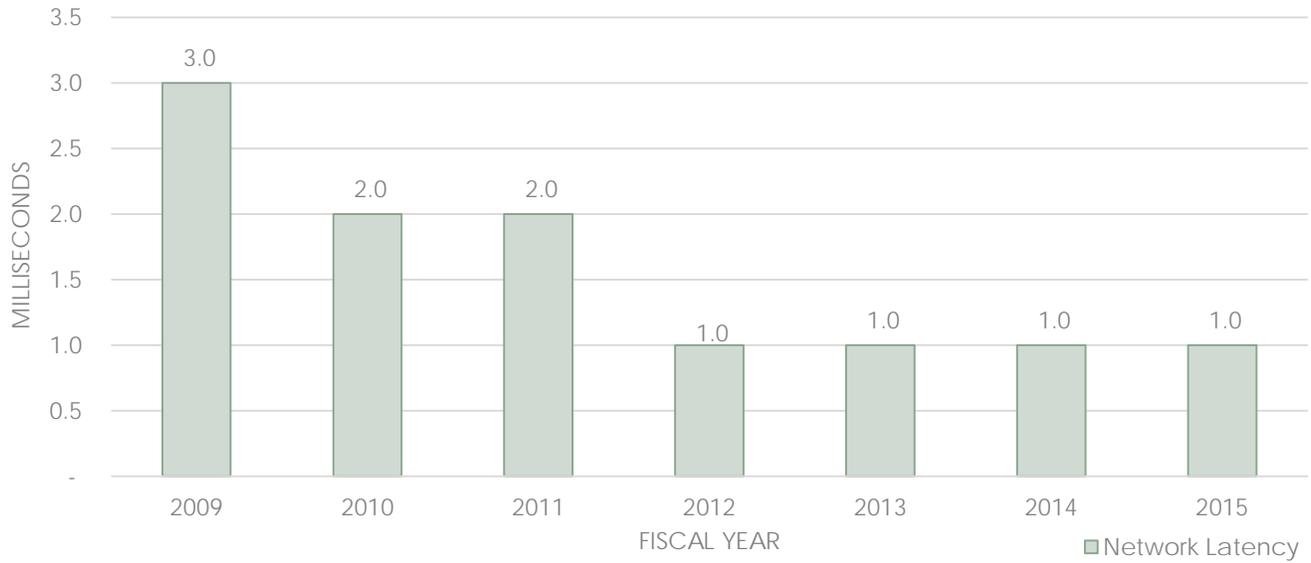


*New radio tower installed at airport.*

## Performance Measurements

### Network Latency

Average Time per Network Request During Fiscal Year

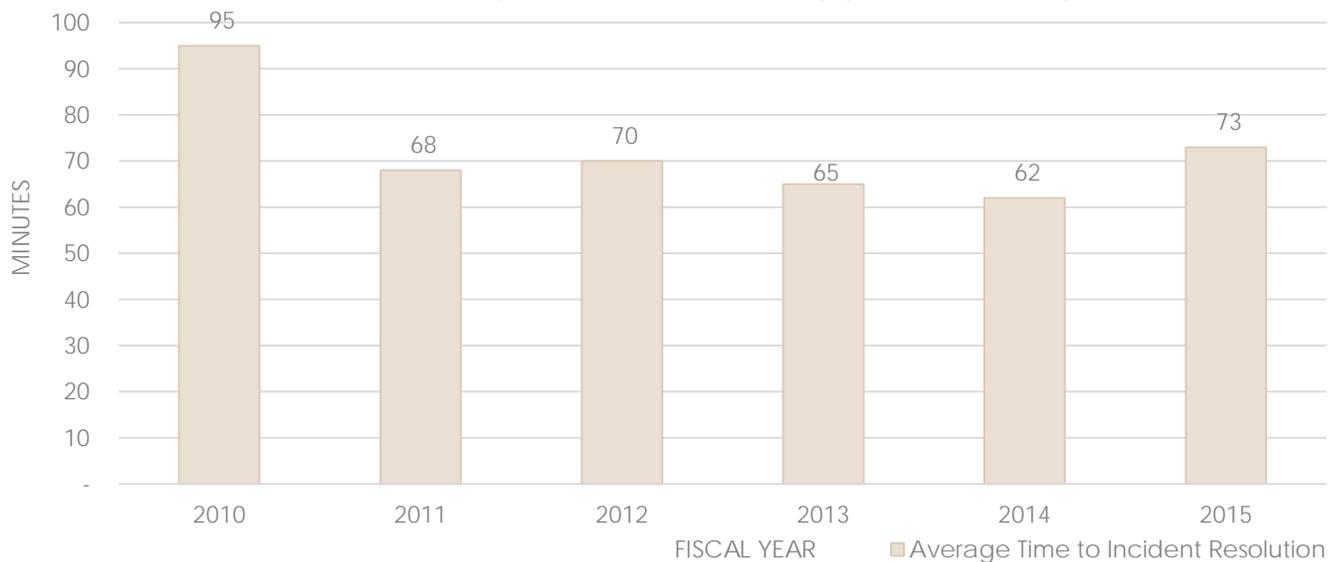


*Mountain top radio tower maintenance requires snowmobile trips in the winter for the department.*

## Network Availability Percentage Average Network Up Time During Fiscal Year



## Average Time to Incident Resolution Completion Time of Support Tickets per Fiscal Year



## Information Technology Budget

	Actual FY 12-13	Actual FY 13-14	Current Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
Expenditures							
Personnel Services	\$ 177,292	\$ 228,052	\$ 237,700	\$ 193,200	\$ 105,500	\$ 105,500	\$ 105,500
Materials and services	215,810	207,133	207,900	187,400	265,500	265,500	265,500
Capital outlay							
Equipment	20,000		15,000	14,500			
Transfers	36,900	12,300	12,700	12,700	13,100	13,100	13,100
<b>Total expenditures</b>	<b>\$ 450,002</b>	<b>\$ 447,485</b>	<b>\$ 473,300</b>	<b>\$ 407,800</b>	<b>\$ 384,100</b>	<b>\$ 384,100</b>	<b>\$ 384,100</b>



## ❖ Administration/Team Services



### Administration / Team Services Responsibilities to the Community

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

Duties of Human Resources Department include ensuring compliance with employment related laws and regulations, administering the benefit plans, overseeing the employee performance evaluation process, managing recruitment activities, developing and interpreting personnel policies and procedures, and advising management regarding employment related issues. Initial handling of workers' compensation claims and/or insurance claims is routed through human resources. Human resources coordinates labor negotiations with our labor attorney, management team, and the collective bargaining units.

## Goals and Objectives for FY 16

Department Goals	City Council Goals
Continue to hire highly qualified employees with appropriate knowledge, skills, and abilities.	Continued council support for professional development of staff.
Encourage continued professional development of valued team members.	Continued council support for professional development of staff.
Provide employees with an annual compensation statement clearly showing all of the benefits associated with working for the citizens of Prineville	Continued council support for professional development of staff.
Continue to work on safety and wellness awareness. Administer a wellness program.	Continued council support for professional development of staff.
Continue to carefully watch state unemployment insurance claims and workers' compensation claims. Strive to reduce the claims and costs associated with them.	Continue to be fiscally responsible in all we do.
Be vigilant about retention and succession planning as the economy rallies and employees may seek other employment opportunities or retirement.	Maintain "livability" of Prineville, while welcoming diversity.
Follow the ever changing world of employment laws and how we need to adapt our policies and procedures to comply with them.	Maintain "livability" of Prineville, while welcoming diversity.

## Executive Summary

The city manager and human resources manager guide City departments with personnel needs, oversee risk management, and the implementation of long-range plans, goals, and objectives of the City Council.

The City continues to offer employees the option of purchasing air and ground ambulance services as a payroll deduction. This program helps to fill the gap between what the expenses are for these services and what insurance will pay. A few city employees are currently seeking college degrees to further their professional development on their own time. Cross-training is being completed as time allows, a challenging area at best.

State unemployment insurance rate will decrease again on July 1, 2015. The rate is staying at 0.1 percent, down from 1.7 percent in 2013. Even with the decrease, the City continues to keep a watchful eye on claims and every attempt will be made to keep costs down.

The workers' compensation premium will decrease slightly for FY 16. The modification (MOD) rate is expected to decrease to 0.61 – the lowest rate ever for the City. The City needs to continue working with team members to be safety conscious as it is working to keep costs down. "Safety first!" is still the City's motto. The City forged a strong partnership with State Accident Insurance Fund (SAIF) in the past, and the company continues to assist with some safety training. SAIF also attends the annual city/county health fair, providing some unique and interesting material.

The City's property, casualty, and liability claims count are down, however, as CIS stated the total costs for the pooled coverage are still high. Employment claims should continue to decrease as the H2R (Hire to Retire) program assists pool members with additional training. Employment claims remain the highest percentage of the liability claims. All claims are followed up on, and handled in a timely fashion.

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

In June 2014, the City and Crook County held the third annual joint health fair. It is exciting to network with the City's partner across the street and local health professionals of Prineville. Another is being planned for this summer.

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

## Accomplishments for FY 15

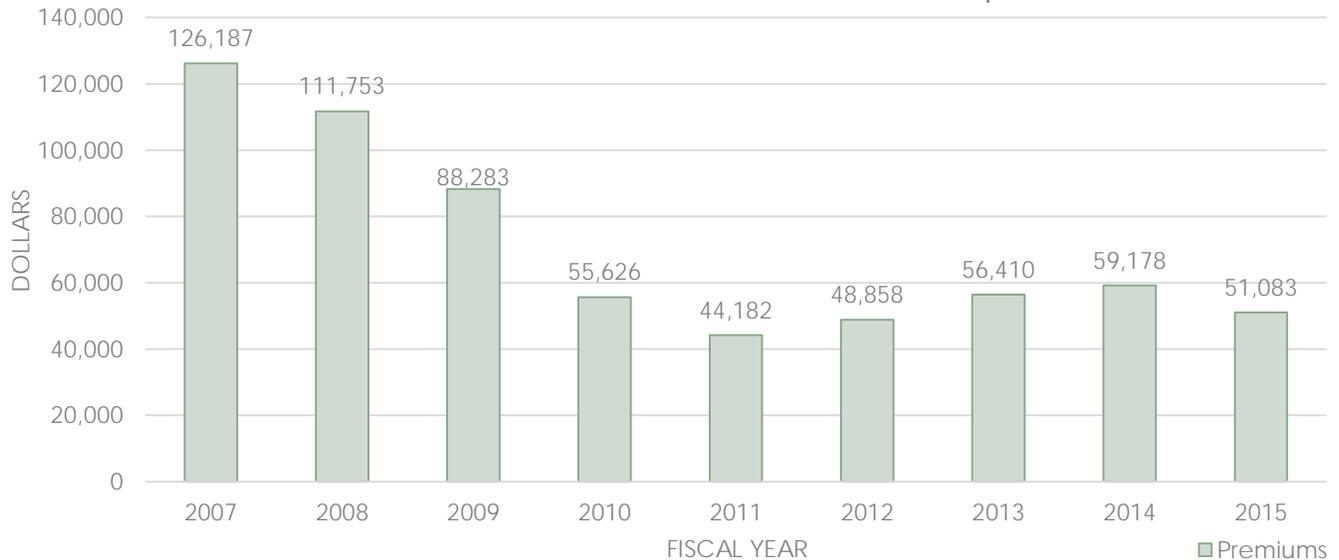
- Continued to hire highly-qualified employees with appropriate knowledge, skills, and abilities.
- Encouraged continued professional development of valued team members.
- Provided employees with annual compensation statements to clearly show all of the benefits associated with working for the citizens of Prineville.
- Continued to work on safety and wellness awareness.
- Helped team members understand the effects of Patient Protection and Affordable Care Act on insurance plans. On January 1, 2015, naturopathic services became covered as "other physician services."
- Continued to carefully watch the state unemployment insurance and workers' compensation claims. Strived to reduce those claims, as well as the costs associated with them.

## Strategic Planning Updates

- Short-term – Watch the effects of recreational marijuana which becomes law effective July 1, 2015. At this time the City still maintains a "zero-tolerance" policy on any marijuana usage as it could affect how team members function on the job.
- Long-term – Retention of our team members. Several team members are at or close to retirement age. As the job market becomes more fluid, the City will strive to retain its knowledge base and continue with cross-training procedures.

## Performance Measures

### Workers' Compensation Premiums Premiums per Calendar Year



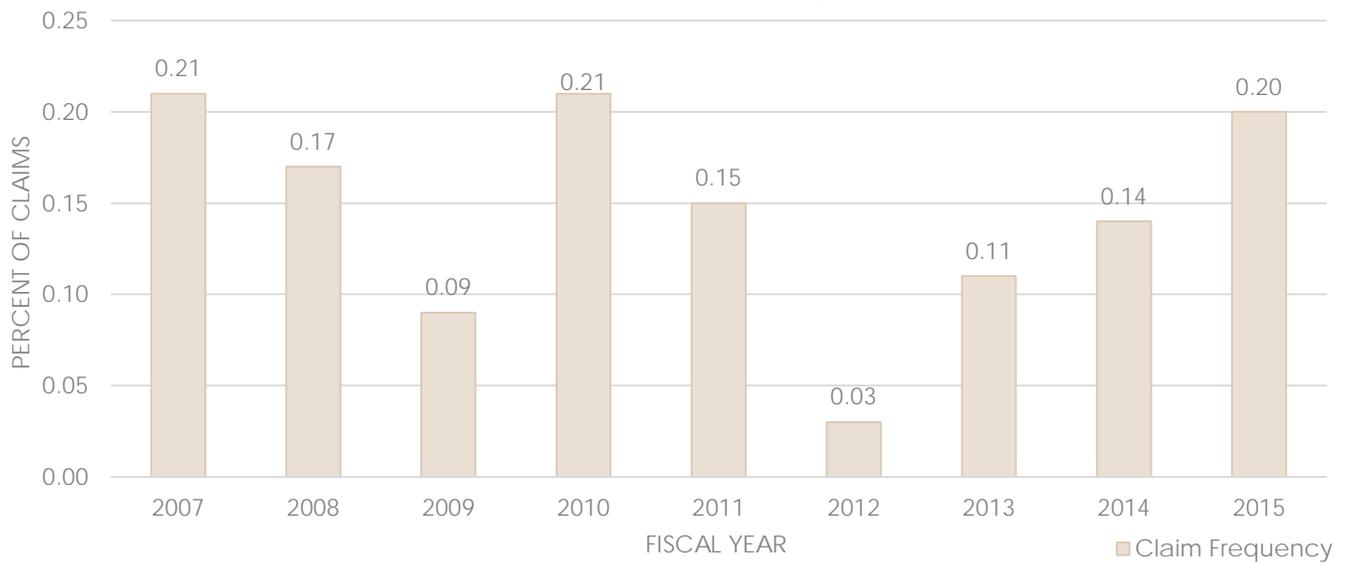
The City is working diligently to promote and maintain a culture of safety. The goal is for all city employees able to return home safely at the end of the day to their loved ones and friends. The City began working with State Accident Insurance Fund (SAIF) in 2004, and continues to strive for the improvement of claims frequency and premium decreases for workers' compensation. Above is a chart showing the activity over the last nine years.

The safety committee and city team members will continue to be safety aware and safety conscious. The City established a safety culture and will continue to nurture it.



*A group of dancers during an event in front of the Crook County Courthouse.*

## Workers' Compensation Claim Frequency Yearly Claim Percentage by Number of Employees

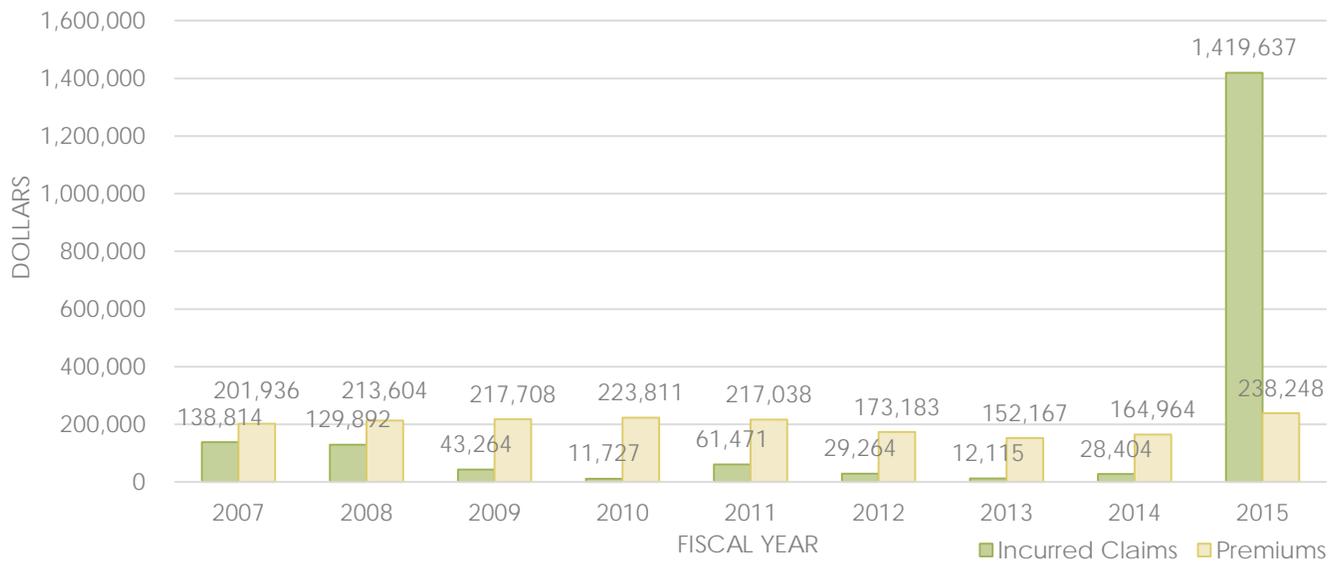


## Experience Modification Rate Modification Rate per Calendar Year



Due to higher incurred costs the MOD rate increased slightly in 2012 and 2013. The good news is the City experienced slight declines in the MOD for FY 15 and FY 16. Hopefully, the rate will continue on a downward trend for future years to come.

## Property, Casualty & General Liability Yearly Cost Incurred by Claims/Insurance Premiums



The City’s property, casualty, and general liability claims costs increased significantly over the last year. It is known Citycounty Insurance Service (CIS) as a whole (city/county pool) saw increased employment related liability claims since 2009. The good news is for FY 15 the number of claims decreased. The bad news is the cost of these claims increased. CIS stated at the annual conference the company won 9 out of the 11 employment claims brought against cities and counties.

General liability claims costs went up due to employment claims. The City expects to be at or under the “not to exceed” increases given by CIS at its annual conference, an increase of 7.6 percent. Comparitively, last year’s “not to exceed” rate sat at 26 percent, so there is definatue improvement. CIS uses a five-year look back period when determining premiums.

CIS also offers free training through their online learning center. This training not only offers over 500 subjects to learn about, but it also allows for tracking of other training attended. All of these trainings are offered to team members for their use in their spare time. There are no travel or lodging costs associated with these trainings.

## Administration / Team Services Budget

Expenditures	Actual	Actual	Current	Proposed	Approved	Adopted
	FY 12-13	FY 13-14	Budget FY 14-15	Estimates FY 14-15	Budget FY 15-16	Budget FY 15-16
Personnel Services	\$ 470,164	\$ 435,380	\$ 466,000	\$ 460,100	\$ 490,100	\$ 490,100
Materials and services	174,103	242,364	216,700	206,000	234,300	234,300
Transfers	28,900	29,800	30,700	30,700	31,700	31,700
<b>Total expenditures</b>	<b>\$ 673,167</b>	<b>\$ 707,544</b>	<b>\$ 713,400</b>	<b>\$ 696,800</b>	<b>\$ 756,100</b>	<b>\$ 756,100</b>



# Public Works Support Services Fund



## Public Works Support Services Fund Responsibilities to the Community

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

The Public Works Support Services Fund is an internal service fund supporting and accounting for the activities, fleet maintenance operations, and public works building maintenance. All costs associated with these activities are accounted for within this fund and costs are recovered through charges to funds receiving the services.

# Goals and Objectives for FY 16

Department Goals	City Council Goals
Complete the update to the City’s water and wastewater models.	Evaluate vision and strategic plan.
Continue to provide technical support to the Water Fund by developing a long-term water right management plan.	Sustain and efficiently plan for the future development of infrastructure.
Continue to provide technical support to the Transportation Fund via the development of future pavement maintenance activities as well as traffic management plans.	Sustain and efficiently plan for the future development of infrastructure.
Support the expansion of the wastewater treatment plant.	Sustain and efficiently plan for the future development of infrastructure.

## Executive Summary

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



*Heavy machines become snow clearing tools when a large storm call for all hands on deck.*

## Accomplishments for FY 15

- Experienced significant growth of the City’s infrastructure in FY 15, supported by the Public Works Support Services Fund. Improvements made to support the new 700 student elementary school, new hospital, and the ever increasing data center activities led to a very busy year for this department.
- Completed a survey and uploaded of all city infrastructure systems into the geographic information system (GIS) in 2015. This project will enable new maps of all city infrastructure systems to be developed and the information will be made available to Public Works Department crews electronically in the field.
- Information provided by the recent survey of all city infrastructures allowed for the update of the water and wastewater modeling systems. These systems enable the Public Works Department to determine potential impacts of new developments on the existing infrastructure. The accuracy of these models is important to ensure required improvements by future customers are fair and just.
- Continued efforts to increase water and wastewater certifications of existing employees. The City presented opportunities to Public Works staff to attend continuing education courses associated with preparation of certification exams in FY 15.

These accomplishments address the following City Council goals:

- *“Continue to be fiscally responsible in all we do”* – By updating the infrastructure models, infrastructure improvements are constructed correctly the first time.
- *“Strengthen local, regional, state, federal and educational intergovernmental networking relationships and joint cooperation projects”* – Continue investigate the airport aquifer with Oregon Water Resource Department.
- *“Be ‘business friendly’ – Strengthen business – government relationships and cooperation – Fostering an entrepreneurial environment”* – Continue to improve the water and wastewater systems to allow this department to serve future customers.
- *“Sustain and efficiently plan for the future development of infrastructure”* – Studies currently underway in both the Water and Wastewater Funds will enable the City to grow sustainably into the future.
- *“Community safety”* and *“Maintain ‘livability’ of Prineville, while welcoming diversity”* – Improvements to the water, wastewater, and transportation systems help to improve the safety and livability of Prineville.



*Public Works Department lending a hand to the Meadow Lakes Golf Course to refurbish a section of cart path.*

## Strategic Planning Updates

- Short-term – In the short term, the goal is to manage the Public Works Support Services Fund resources to keep costs as low as possible during challenging economic conditions for city customers.
- Long-term – Strategies for the long term are to develop and implement secure funding for the City’s public works infrastructure needs to support the build out of the urban growth boundary. A constant eye is to be kept on the Public Works Support Services Fund to deliver services at a value, keeping rate increases within reasonable levels.

## Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Facility		
Pickup	\$ 32,000	\$ 32,000
Small Roder Truck	\$ 80,000	\$ 80,000
<b>Capital Outlay Total</b>	<b>\$ 112,000</b>	<b>\$ 112,000</b>

*A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 71.*

## Performance Measures

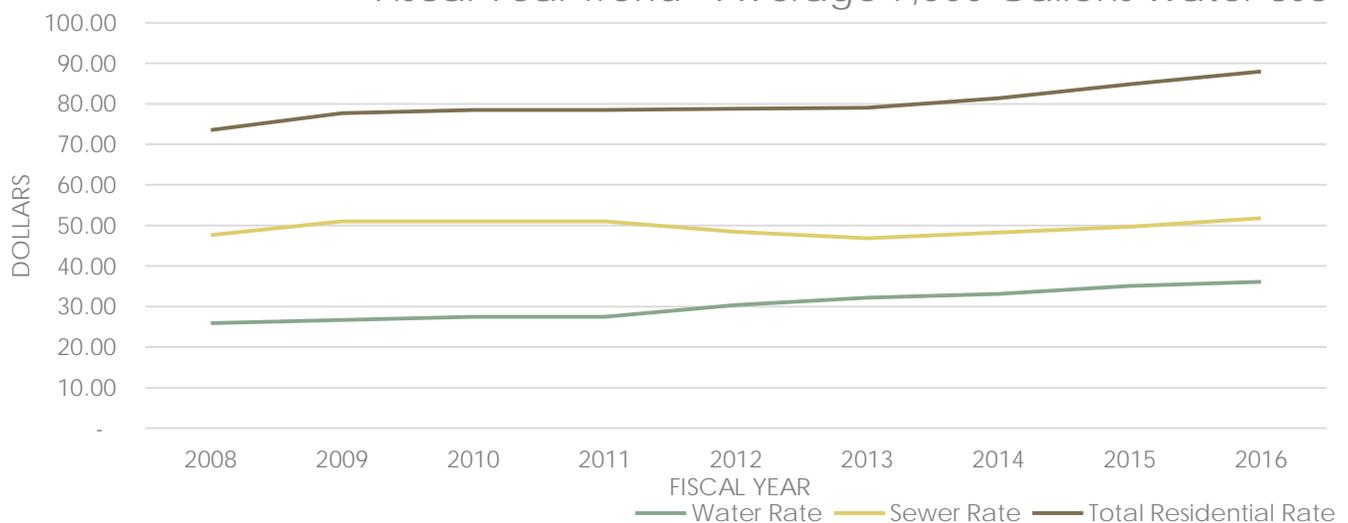
### Utility Rates

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

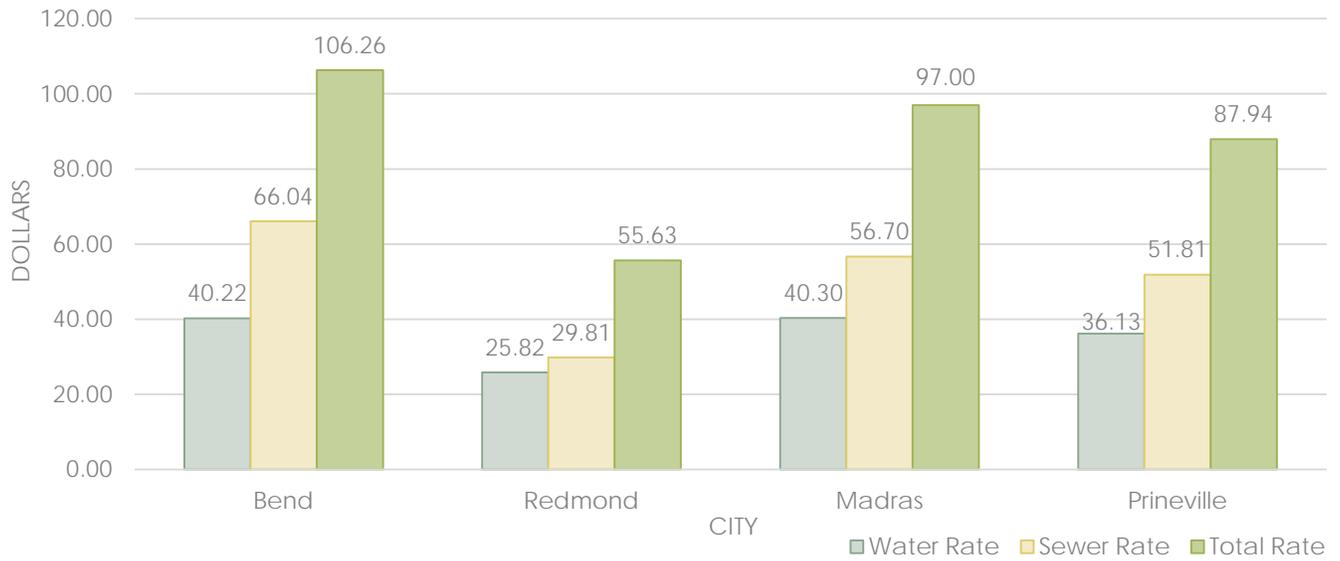
This year, minimal rate increases associated with increases in the consumer price index are made to keep pace with inflation. The graph below compares the City's residential rate (7,500 gallons per month) with other communities in the Central Oregon region.

### Utility Rate Trends

#### Fiscal Year Trend - Average 7,500 Gallons Water Use



## Regional Utility Rate Comparison Rates by Fiscal Year - Average 7,500 Gallons Water Use



*Public Works Superintendent Pat Goehring, Public Works Director Eric Klann, and Streets Supervisor Scott Smith discussing projects.*

## Public Work Support Services Budget

Resources	Actual FY 12-13	Actual FY 13-14	Current Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
Beginning fund balance	\$ 79,239	\$ 299,312	\$ 177,412	\$ 292,384	\$ 336,784	\$ 336,784	\$ 336,784
<b>Current year resources</b>							
Charges for services	1,306,720	1,158,210	1,347,700	1,335,700	1,454,100	1,454,100	1,454,100
Interest	757	1,611	1,000	1,300	1,500	1,500	1,500
Miscellaneous	16,919	10,558	12,000	24,500	22,000	22,000	22,000
<b>Total current year resources</b>	<b>\$ 1,324,396</b>	<b>\$ 1,170,379</b>	<b>\$ 1,360,700</b>	<b>\$ 1,361,500</b>	<b>\$ 1,477,600</b>	<b>\$ 1,477,600</b>	<b>\$ 1,477,600</b>
<b>Total resources</b>	<b>\$ 1,403,635</b>	<b>\$ 1,469,691</b>	<b>\$ 1,538,112</b>	<b>\$ 1,653,884</b>	<b>\$ 1,814,384</b>	<b>\$ 1,814,384</b>	<b>\$ 1,814,384</b>
<b>Expenditures</b>							
Public Works Support Services	\$ 860,265	\$ 929,172	\$ 1,037,500	\$ 1,007,700	\$ 1,241,300	\$ 1,241,300	\$ 1,241,300
Public Works Fleet & Vehicles	197,854	217,862	276,000	277,400	245,000	244,999	244,999
Public Works Facilities	46,204	30,273	36,500	32,000	35,000	35,000	35,000
Contingency			188,112		293,085	293,085	293,085
<b>Total expenditures</b>	<b>\$ 1,104,323</b>	<b>\$ 1,177,307</b>	<b>\$ 1,538,112</b>	<b>\$ 1,317,100</b>	<b>\$ 1,814,384</b>	<b>\$ 1,814,384</b>	<b>\$ 1,814,384</b>
Ending fund balance	\$ 299,312	\$ 292,384	\$ -	\$ 336,784	\$ -	\$ -	\$ -

## Personnel

Public Works Support Services Fund FTEs by Position FY 13 – 16				
	FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 16 Forecast
City Engineer/Public Works Director	1.00	1.00	1.00	1.00
Public Works Superintendent/Inspector	1.00	1.00	1.00	1.00
Assistant City Engineer	0.25	0.25	0.25	1.00
Administrative Technician	1.00	1.00	1.00	1.00
Mechanic	1.00	1.00	1.00	1.00
Inspector	1.00			
Utility Worker	5.00	6.00	6.00	7.00
<b>Public Works Support Services Fund Total</b>	<b>10.25</b>	<b>10.25</b>	<b>10.25</b>	<b>12.00</b>

*For FY 16, moved Utility Worker from Wastewater and added a full-time Assistant City Engineer.*

## Public Work Support Services

Expenditures	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 12-13	FY 13-14	Budget FY 14-15	FY 14-15	Budget FY 15-16	Budget FY 15-16	Budget FY 15-16
Personnel Services	\$ 835,778	\$ 889,208	\$ 988,500	\$ 961,100	\$ 1,193,000	\$ 1,193,000	\$ 1,193,000
Materials and services	24,487	35,364	44,400	42,000	43,300	43,300	43,300
Transfer	-	4,600	4,600	4,600	5,000	5,000	5,000
<b>Total expenditures</b>	<b>\$ 860,265</b>	<b>\$ 929,172</b>	<b>\$ 1,015,000</b>	<b>\$ 1,007,700</b>	<b>\$ 1,241,300</b>	<b>\$ 1,241,300</b>	<b>\$ 1,241,300</b>

## Fleet Maintenance and Operations

Expenditures	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 12-13	FY 13-14	Budget FY 14-15	FY 14-15	Budget FY 15-16	Budget FY 15-16	Budget FY 15-16
Material and services	\$ 102,564	\$ 122,572	\$ 149,000	\$ 138,000	\$ 133,000	\$ 133,000	\$ 133,000
Capital outlay	95,290	95,290	127,000	139,400	112,000	112,000	112,000
<b>Total expenditures</b>	<b>\$ 197,854</b>	<b>\$ 217,862</b>	<b>\$ 276,000</b>	<b>\$ 277,400</b>	<b>\$ 245,000</b>	<b>\$ 245,000</b>	<b>\$ 245,000</b>

## Public Works Building

Expenditures	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 12-13	FY 13-14	Budget FY 14-15	FY 14-15	Budget FY 15-16	Budget FY 15-16	Budget FY 15-16
Material and services	\$ 46,204	\$ 28,873	\$ 36,500	\$ 32,000	\$ 35,000	\$ 35,000	\$ 35,000
Capital outlay	-	1,400	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 46,204</b>	<b>\$ 30,273</b>	<b>\$ 36,500</b>	<b>\$ 32,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>



*Snow piles at public works maintenance yard from the November 2014 storm.*



# City Hall Fund



## City Hall Fund Responsibilities to the Community

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

## City Hall Budget

Resources	Actual FY 12-13	Actual FY 13-14	Current Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
Beginning fund balance	\$ 77,623	\$ 138,827	\$ 150,227	\$ 163,944	\$ 163,744	\$ 163,744	\$ 163,744
Current year resources							
Rent	\$ 221,400	\$ 172,900	\$ 178,200	\$ 178,200	\$ 183,600	\$ 183,600	\$ 183,600
Misc income	4,767	7,897	8,700	8,700	8,700	8,700	8,700
Interest	671	811	800	800	800	800	800
Transfers		10,000			-	-	-
Total current year resources	\$ 226,838	\$ 191,608	\$ 187,700	\$ 187,700	\$ 193,100	\$ 193,100	\$ 193,100
Total resources	\$ 304,461	\$ 330,435	\$ 337,927	\$ 351,644	\$ 356,844	\$ 356,844	\$ 356,844
Expenditures							
Materials and services	51,586	52,480	78,200	72,900	80,100	80,100	80,100
Debt service							
Principal							
USDA - 2005	38,650	40,292	42,100	42,000	44,000	44,000	44,000
Interest							
USDA - 2005	65,398	63,719	63,000	63,000	62,000	62,000	62,000
Transfers	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Contingency			39,627		55,744	55,744	55,744
Total expenditures	\$ 165,634	\$ 166,491	\$ 232,927	\$ 187,900	\$ 251,844	\$ 251,844	\$ 251,844
Other requirements							
Debt service reserve	\$ -	\$ -	\$ 105,000		\$ 105,000	\$ 105,000	\$ 105,000
Ending fund balance	\$ 138,827	\$ 163,944	\$ -	\$ 163,744	\$ -	\$ -	\$ -



*Stryker Park behind Prineville City Hall.*



# Plaza Maintenance Fund



## Plaza Maintenance Responsibilities to the Community

The purpose of the Plaza Maintenance Fund is to account for the maintenance of the plaza joining the Prineville City Hall and the Crook County Annex building. Crook County and the City maintain the plaza in a joint effort. Starting in 2005, the County held the responsibility for accounting for the maintenance of the plaza per a City and County agreement. After a revision occurred in the agreement, the City assumed the accounting responsibility for the plaza maintenance starting in FY 13. Revenues are generated through a transfer from the City with matching monies from the County. Expenditures are for maintaining the landscaping, sidewalks, and lighting.

## Plaza Maintenance Budget

Resources	Actual FY 12-13	Actual FY 12-13	Current Budget FY 14-15	Estimates FY 14-15	Proposed Budget FY 15-16	Approved Budget FY 15-16	Adopted Budget FY 15-16
	\$ -	\$ 33,306	\$ 33,006	\$ 35,444	\$ 41,444	\$ 41,444	\$ 41,444
<b>Current year resources</b>							
Intergovernmental	\$ 35,805	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Charges for services							
Other revenue	93	160	100	100	100	100	100
Transfers	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>Total current year resources</b>	<b>\$ 45,898</b>	<b>\$ 20,160</b>	<b>\$ 20,100</b>	<b>\$ 20,100</b>	<b>\$ 20,100</b>	<b>\$ 20,100</b>	<b>\$ 20,100</b>
<b>Total resources</b>	<b>\$ 45,898</b>	<b>\$ 53,466</b>	<b>\$ 53,106</b>	<b>\$ 55,544</b>	<b>\$ 61,544</b>	<b>\$ 61,544</b>	<b>\$ 61,544</b>
<b>Expenditures</b>							
Materials and services	8,892	14,322	18,800	10,400	49,800	49,800	49,800
Transfers	3,700	3,700	3,700	3,700	3,700	3,700	3,700
Contingency			30,606	-	8,044	8,044	8,044
<b>Total expenditures</b>	<b>\$ 12,592</b>	<b>\$ 18,022</b>	<b>\$ 53,106</b>	<b>\$ 14,100</b>	<b>\$ 61,544</b>	<b>\$ 61,544</b>	<b>\$ 61,544</b>
<b>Ending fund balance</b>	<b>\$ 33,306</b>	<b>\$ 35,444</b>		<b>\$ 41,444</b>			



*Sunny day in the plaza next to Prineville City Hall.*



 Closed Funds

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## Closed Funds Freight Depot Fund

Resources	Actual	Actual	Budget	Estimates	Proposed	Approved	Adopted
	FY 12-13	FY 13-14	FY 14-15	FY 14-15	Budget FY 15-16	Budget FY 15-16	Budget FY 15-16
Beginning fund balance	\$ 20,584	\$ 69,397	\$ -	\$ -	\$ -	\$ -	\$ -
Current year resources							
Intergovernmental							
Charges for services	138,045	-	-	-	-	-	-
Interest	321	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Transfers	125,900	-	-	-	-	-	-
Debt proceeds	-	-	-	-	-	-	-
Total current year resources	\$ 264,266	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total resources	\$ 284,850	\$ 69,397	\$ -	\$ -	\$ -	\$ -	\$ -
			Current		Proposed	Approved	Adopted
	Actual	Estimates	Budget	Estimates	Budget	Budget	Budget
	FY 12-13	FY 13-14	FY 14-15	FY 14-15	FY 15-16	FY 15-16	FY 15-16
Expenditures							
Personnel Services	\$ 49,395	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Materials and services	52,554	-	-	-	-	-	-
Capital outlay							
Debt service							
Principal Hwy 126	-	-	-	-	-	-	-
Interest Hwy 126	-	-	-	-	-	-	-
Principal Credit facility	84,798	-	-	-	-	-	-
Interest Credit facility	14,906	-	-	-	-	-	-
Transfers	13,800	69,397	-	-	-	-	-
Contingency							
Total expenditures	\$ 215,453	\$ 69,397	\$ -	\$ -	\$ -	\$ -	\$ -
Ending fund balance	\$ 69,397	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF**



**PRINEVILLE**



## Glossary of Terms

### Actual

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

### Ad Valorem Tax

A tax based on the assessed value of a property.

### Adopted Budget

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

### Approved Budget

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

### Appropriations

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

### Assessed Valuation

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

### Assets

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

### Audit

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

### Base Budget

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

### Beginning Balance

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

### Bond or Bond Issue

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

### Bond Funds

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

### Budget

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

### Budget Calendar

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

### Budget Committee

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

### Budget Document

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

## Budget Message

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

## Budgetary Basis

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP), with the exception that neither depreciation nor amortization 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 Expenditures

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

## Capital Improvement

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

## Capital Improvement Project

Any project having assets of significant value and having a useful life of five years or more. Capital projects include the purchase of land, design, engineering and construction of buildings, and infrastructure items such as parks, streets, bridges, drainage, street lighting, water and sewer systems and master planning.

## Capital Outlay

Includes the purchase of land, the purchase and/or construction of buildings, structures and facilities of all types, in addition to machinery and equipment. It includes expenditures that result in the acquisition or addition of a fixed asset or increase the capacity, efficiency, span of life, or economy of operating as an existing fixed asset. For an item to qualify as a capital outlay expenditure it must meet all of the following requirements: (1) have an estimated useful life of more than one year; (2) typically have a unit cost of \$10,000 or more; and (3) be a betterment or

improvement. Replacement of a capital item is classified as capital outlay under the same code as the original purchase. Replacement or repair parts are classified under materials and services.

## Capital Projects

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

## Cash Management

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

## Charges for Service

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

## Comprehensive Annual Financial Report

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

## Comprehensive Plan

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

## Consumer Price Index

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

## Contingency

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

### Cost Center

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

### Debt Service

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

### Debt Service Fund

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

### Department

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 Balance

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

### Enterprise Funds

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

### Estimated Actual

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

### Expenditures

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

### Fees

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

### Fiscal Management

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

### Fiscal Year

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

### Five-year Financial Plan

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

### Fixed Assets

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

### Franchise Fee

Charged to all utilities operating within the City and is a reimbursement to the general fund for the utility's use of City streets and right of ways.

### Full-time Equivalent

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

### Fund

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

### Fund Balance

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

### General Fund

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

### General Long-term Debt

Represents any un-matured debt not considered to be a fund liability. 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.

### Indirect Charges

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

### Indirect Cost Allocation

Funding transferred to the General Fund and Planning Fund from other funds for specific administrative functions, which benefit those funds.

### Interfund Transfers

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

### Intergovernmental Revenues

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

### Job Access/Reverse Commute

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

### Levy

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

### Line Item Budget

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

## Local Budget Law

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

## Local Improvement District

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

## Local Option Levy

Under Measure 50, local governments and special districts were given the ability to ask voters for temporary authority to increase taxes through approval of a local option levy. The maximum length of time for a local option levy is 10 years, depending on the purpose of the levy. A local option levy must be approved by a majority of voters at a general election or an election with a 50 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 new law sets a maximum \$10 tax rate on individual properties for the aggregate of all non-school taxing jurisdictions. Schools' maximum rate is limited to \$15 in FY 1991-92 with a phased in reduction to \$5 in FY 1995-96.

## Measure 50

A 1997 voter approved initiative which rolled back assessed values to 90 percent of their levels in fiscal year FY 1995-96 and limits future annual increases to three percent, except for major improvements. Tax rates are now fixed and not subject to change. Voters may approve local initiatives above the fixed rates provided a majority approves at either (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: Interfund transfers, reserves, contingencies, capital projects, and debt service payments.

## Objective

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

## Operating Budget

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

## Operating Revenue

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

## Ordinance

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

## Outstanding Debt

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

## Performance Measure

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

### Permanent Tax Rate

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

### 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 General Fund.

### Project Manager

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

### Proposed Budget

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

### Resolution

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

### Resources

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

### Retained Earnings

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

### Revenue

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

### Revenue Bonds

Bonds payable from a specific source of revenue, which does not pledge the taxing authority of the issuer. Pledged revenues may be derived from operation of the financed project, grants, excise, or other specified non-property tax.

### Special Assessment

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

### Special Assessment Bond

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

### Special Revenue Funds

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

### Supplemental Budget

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

### System Development Charges

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

### Taxes

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

### Tax Levy

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

### Tax Rate

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

### Tax Revenue

Includes property taxes, hotel and motel room tax.

## Tax Roll

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

## Transfers

An authorized exchange of cash or other resources between funds.

## Trust Funds

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

## Unappropriated Ending Fund Balance

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

## Unreserved Fund Balance

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

## Unrestricted General Capital Fund

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

## User Fees

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

## Acronyms

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ACMP Advisory Community for Master Planning  
ADA Americans with Disabilities Act  
ARRA American Recovery and Reinvestment Act  
ATV All-Terrain Vehicle  
AV Assessed Value  
AWOS Automated Weather Observation System  
BLM Bureau of Land Management  
CAD Computer-Aided Dispatch  
CAFR Comprehensive Annual Financial Report  
CCF&R Crook County Fire and Rescue  
CCI Construction Cost Index  
CD Community Development  
CD Compact Disk  
CIP Capital Improvement Projects  
CIS Citycounty Insurance Service  
CMFR Comprehensive Monthly Financial Reports

COLA Cost of Living Adjustment  
COP Certificates of Participation  
COTA Central Oregon Trail Alliance  
CPA Certified Public Accountant  
CPI Consumer Price Index  
CSO Community Service Officer  
DEQ Department of Environmental Quality  
DLCD Department of Land Conservation and Development  
DMR Digital Mobile Radio  
DO Dissolved Oxygen  
DOT Department of Transportation  
DRB Development Review Board  
DUI Driving Under the Influence  
DVD Digital Video Disk  
E&D Elderly and Disabled  
EDCO Economic Development for Central Oregon  
EDU Equivalent Dwelling Units  
EPA Environmental Protection Agency  
FAA Federal Aviation Administration  
FASB Financial Accounting Standards Board  
FDP Final Development Plan  
FICA Federal Income Contributions Act  
FTE Full-Time Equivalent  
FY Fiscal Year  
GAAP Generally Accepted Accounting Principles  
GAC Granulated Activated Carbon  
GASB Governmental Accounting Standards Board  
GFOA Government Finance Officers Association  
GIS Geographic Information Systems  
HR Human Resources  
HSGP Homeland Security Grant Program  
HVAC Heating, Ventilation, and Air Conditioning  
I&I Infiltration and Inflow  
IECGP Interoperable Emergency Communications Grant Program  
IFR Instrument Flight Rules  
IS Information Systems  
IT Information Technology  
ISP Internet Service Provider  
ITS Intelligent Transportation System  
JARC Job Access / Reverse Commute  
LAN Local Area Network  
LCDC Land Conservation and Development Board of Commissioners  
LED Light Emitting Diodes  
LID Local Improvement District  
LSTA Library Services and Technology Act  
MAV Maximum Assessed Value  
MGD Million Gallons per Day  
MOD Modification  
NPDES National Pollutant Discharge Eliminating System  
OAA Older Americans Act  
ODOT Oregon Department of Transportation

OECD Oregon Economic and Community  
Development Department  
OR Oregon  
OAR Oregon Administrative Rules  
ORS Oregon Revised Statutes  
OSHA Occupational Safety and Health  
Administration  
OWRD Oregon Water Resource Department  
PC Personal Computer  
PCI Pavement Condition Index  
PDA Personal Digital Assistant  
PDP Preliminary Development Plan  
PEG Public Educational Government  
PERS Public Employees Retirement System  
PGA Professional Golfers Association  
PIO Public Information Officer  
PMH Pioneer Memorial Hospital  
POB Pension Obligation Bond  
PPACA Patient Protection and Affordable Care  
Act  
PSAP Public Safety Answering Point  
PSNET Public Safety Network

PTP Peer-To-Peer  
RMV Real Market Value  
SAIF State Accident Insurance Fund  
SAP Specific Area Plan  
SCADA Supervisory Control and Data Acquisition  
SDC System Development Charges  
SEIU Service Employees International Union  
SRO School Resource Officer  
STP Surface Transportation Program  
TDM Transportation Demand Management  
TMP Transit Master Plan  
TOC Total Organic Carbon  
TSP Transportation System Plan  
UAL Unfunded Accrued Liability  
UGB Urban Growth Boundary  
UIC's Underground Injection Control Devices  
UMGA Urban Growth Management Agreement  
VoIP Voice-over Internet Protocol  
VPN Virtual Private Network  
WAN Wide Area Network  
WWTP Waste Water Treatment Plant

**CITY OF**



**PRINEVILLE**