



❖ **Adopted Budget FY 2016-2017**  
❖ **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, 2015**

*Jeffrey R. Emswiler*

Executive Director

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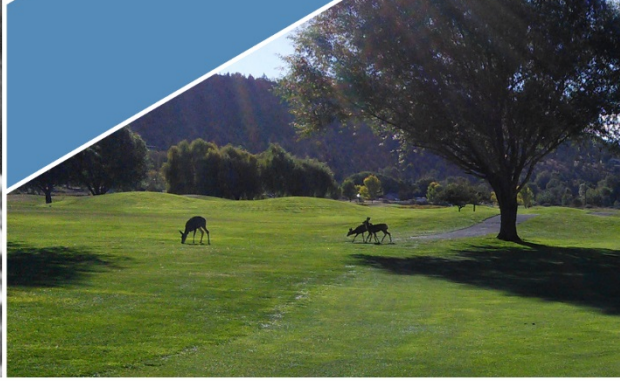


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❖ City Manager's Budget Message

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## City Manager's Budget Message

Mayor Roppe, Prineville City Council members, Citizen Budget Committee members, and Citizens of Prineville,

On behalf of the City of Prineville's Finance team led by Liz Schuette and the senior management team, I present the 2016-2017 fiscal year budget for the City of Prineville.

The City of Prineville's budget serves as a daily working document, providing a plan to optimize each taxpayer dollar to the community's benefit. The budget allows the City to measure financial performance, plan strategically, and keep our focus on "best practices." We also measure the budget itself against other municipal budgets around the country. We are proud to announce our tenth year receiving the Governmental Finance Officers Association (GFOA) Distinguished Budget Presentation Award. The proposed 2016-2017 annual budget totals \$45,060,028. The General Fund Total for 2016-2017 is \$6,350,359.

Each year the City Council and city staff update the City's mission, principles, and council goals, which serve as the foundation for strategic planning, and our long term financial modeling. We review our successes and correct our failures as we continuously improve processes to prepare for our future.



*City Manager Steve Forrester*

## Strategic Planning Process

The City's Strategic Planning Process is developed from input and policies coming from the following committees:

- Finance
- Public Works
- Downtown Planning
- Railroad
- Public Safety
- Transportation
- Air Quality
- Economic Development
- Planning
- Community Fund

Our committees are made up of citizens, city staff, and council members. Each committee reports directly to the City Council with recommendations. The City Council then develops strategic policy, goals and project priorities. Each city department aligns their resources with our City Council's goals.

## Mission Statement

The City of Prineville provides quality municipal services and programs which contribute to our reputation as a desirable place to live, work and play.

We strive to improve our quality of life through transparency, open communication, investment in essential infrastructure, public safety, community programs and business, all while staying within the constraints of a fiscally responsible government.

## Our City Council's Goals

- Continue to be fiscally responsible in all we do.
- Provide quality municipal services and programs which contribute to Prineville's reputation as a desirable place to live, work and play.
- Continue improving on transparency.
- Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.
- Community safety.
- Effective public communication.

## State of Local Economy

Prineville's economy continues to improve along with the Central Oregon region and the United States. Our county continues to struggle with an unemployment rate of approximately 7 percent, which improved from an unemployment rate in the 9 percent range during the previous year. The City remains focused on developing a business climate to cultivate family wage jobs in alignment with our work force. The following metrics outline the economic indicators for our community:

1. New home construction is up 86 percent over 2015-2016, with 26 homes built or currently under construction.
2. Average new home value stayed consistent over last year at \$239,000.
3. Value of commercial/industrial investment in the past year is at approximately \$200,000,000, up from \$130,000,000 the previous year.
4. Recent estimates place direct employment from data center operations at more than 275 jobs with compensation averaging \$60,000 per year, approximately 150 percent above the county average. Currently, there are over 400 active construction jobs tied to data center expansion over and above operational jobs.
5. The City of Prineville Railroad's number of annual freight cars switched is up over 40 percent.
6. The Prineville-Crook County Airport continues to grow with new hangars under construction and the facility supporting 32 full-time jobs.

## City Financial Condition

This new budget year begins with 12 out of 13 funds fully-funded to policy levels in working capital and 11 out of 13 funds meet the 5 percent appropriation reserve. The City of Prineville's financial condition is based in stability and strength. The City retains our Standard and Poor's credit rating of A+. We remain committed to financial responsibility across all funds. We measure, compare and adjust as needed throughout the year.

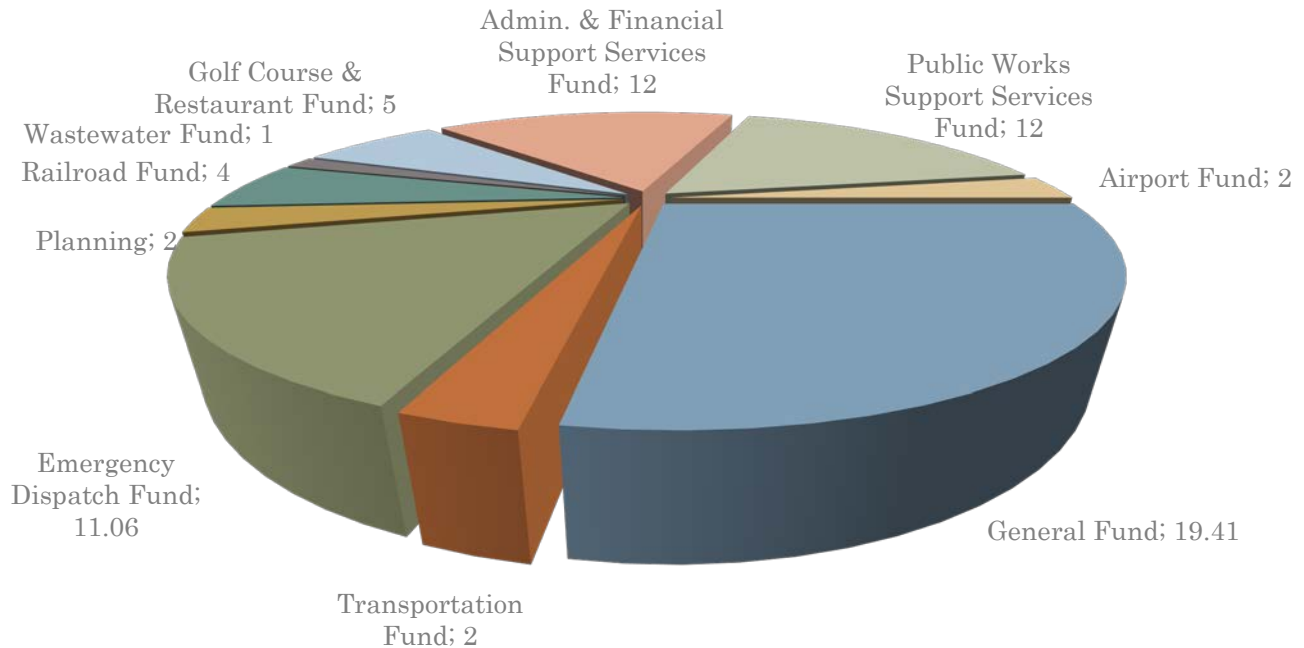
## Policy Analysis - Reserves by Fund for FY 17

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	978,459	755,583	222,875	Yes	268,595	1,024,178	-45,720	No
Transportation	176,281	103,163	73,119	Yes	61,785	164,948	11,334	Yes
Emergency Dispatch	229,497	159,675	69,822	Yes	65,370	225,045	4,452	Yes
Planning	69,680	48,538	21,142	Yes	19,415	67,953	1,727	Yes
LID Debt Service	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PERS/POB Fund	241,142	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Transportation SDC	543,594	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water SDC	87,192	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wastewater SDC	191,707	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Railroad	854,049	851,200	2,849	Yes	N/A	851,200	2,849	Yes
Airport	30,649	172,983	-142,334	No	239,895	412,878	-382,229	No
Water	1,150,441	446,225	704,216	Yes	197,522	643,747	506,694	Yes
Wastewater	1,640,650	540,000	1,100,650	Yes	108,095	648,095	992,555	Yes
Golf Course and Restaurant	373,162	233,400	139,762	Yes	71,545	304,945	68,217	Yes
Admin/Financial Support Services	300,800	297,795	3,005	Yes	N/A	297,795	3,005	Yes
Public Works Support Services	297,434	221,640	75,794	Yes	N/A	221,640	75,794	Yes
Building Facilities Fund	168,399	54,390	114,009	N/A	N/A	54,390	114,009	Yes
Plaza Maintenance	16,416	2,385	14,031	N/A	N/A	2,385	14,031	Yes
<b>Total</b>	<b>7,349,553</b>	<b>3,886,977</b>	<b>2,398,941</b>	<b>12 out of 13</b>	<b>1,032,222</b>	<b>4,919,199</b>	<b>1,366,719</b>	<b>11 out of 13</b>

## 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 68.97 full-time equivalents (FTEs) to 70.47. This increase of 1.50 FTEs is largely due to strengthening our commitment to public safety in the Police and Emergency Dispatch Departments.

### FTEs by Fund



The 2016-2017 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 2016-2017 proposed budget.

## Changes and Challenges in FY 17

1. Develop existing and recruit new business investments in our community to increase the opportunity to provide much-needed family wage jobs.
2. Maintaining a financial position which allows for the 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. Continue to take steps to prevent Prineville from becoming non-compliant with Oregon Department of Environmental Quality (DEQ) regarding particulate matter (PM) 2.5 air quality standards.
6. Develop and structure the golf and restaurant fund to remain financially viable in response to mandated minimum wage and benefit increases.

7. Develop sustainable funding for achieving and maintaining a Pavement Condition Index (PCI) of 82.
8. Develop an environment that promotes opportunities for affordable housing projects for our community.

## Significant Accomplishments for FY 16

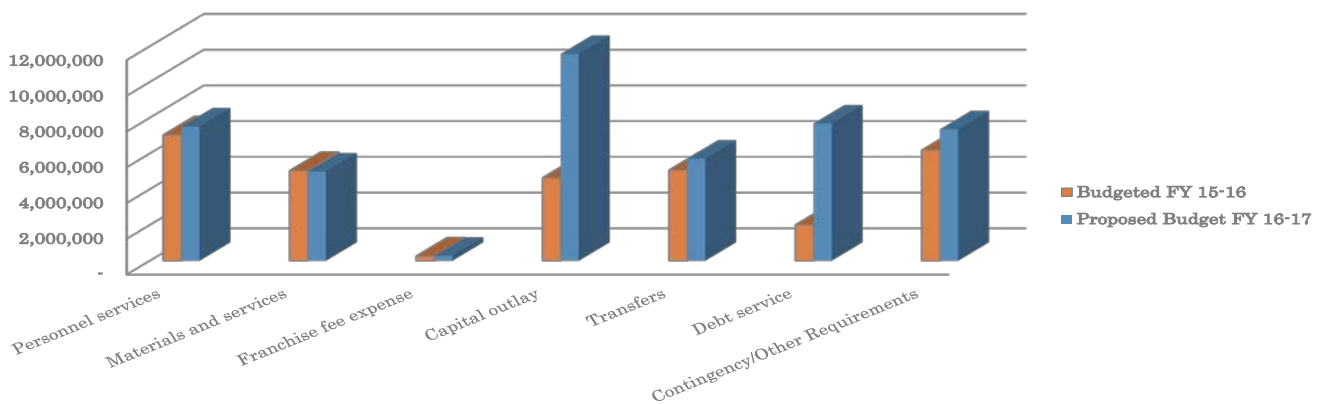
1. Began construction of the City’s Crooked River Wetlands wastewater disposal project increasing capacity for the next 30 years for future growth, opening up 320 city-owned acres to the public for hiking, jogging, educational, and outdoor activities.
2. Standard and Poor’s credit rating of A+.
3. The City of Prineville Railroad estimated revenue for FY 17 is moving towards the \$1,000,000 mark, providing capital for maintenance and a key transportation link for business activity.
4. Positioned the Prineville-Crook County Airport as the highest-ranked Connect Oregon Project for funding to upgrade the airport fuel system, parking area, and infrastructure. Currently, the airport supports 32 full-time jobs.
5. Facilitated commercial investment in our community of approximately \$200,000,000.
6. Formed an Air Quality Committee and deployed an awareness campaign and communication plan that resulted in an improved air quality meeting PM 2.5 DEQ standards for calendar year 2015.
7. The City, Crook County and the Ochoco Irrigation District, collaborating under an intergovernmental agreement (IGA), completed a preliminary application with the Federal Government for development of hydro power at Bowman Dam.
8. Facilitated an agreement resulting in Prineville gaining the 26-unit Iron Horse Senior Affordable Housing complex.
9. Completed preliminary design and engineering for a wastewater to level four water process. Opening the potential for a public private partnership to provide recycled water resource for new economic opportunities.

## Financial Policies

The Prineville Finance Committee reviewed and proposed changes to the financial policies for FY 17. There are proposed changes to the wording of sections 2.8, 4.1, 6.1, and 9. Section 9 changes under “Reserve Policies” include: 9.1.1 increasing the emergency reserve from 5 to 10 percent in general fund; 9.1.2 to add a 20 percent capital reserve to utility funds; 9.1.3 to change internal service funds from 30 days working capital to 15 percent of operating expenses; 9.1.5 adds a railroad reserve policy of one year’s operating budget and 20 percent of total budget for capital reserve. Current policies are on page 27 and directly behind them are the proposed policies with changes highlighted in yellow.

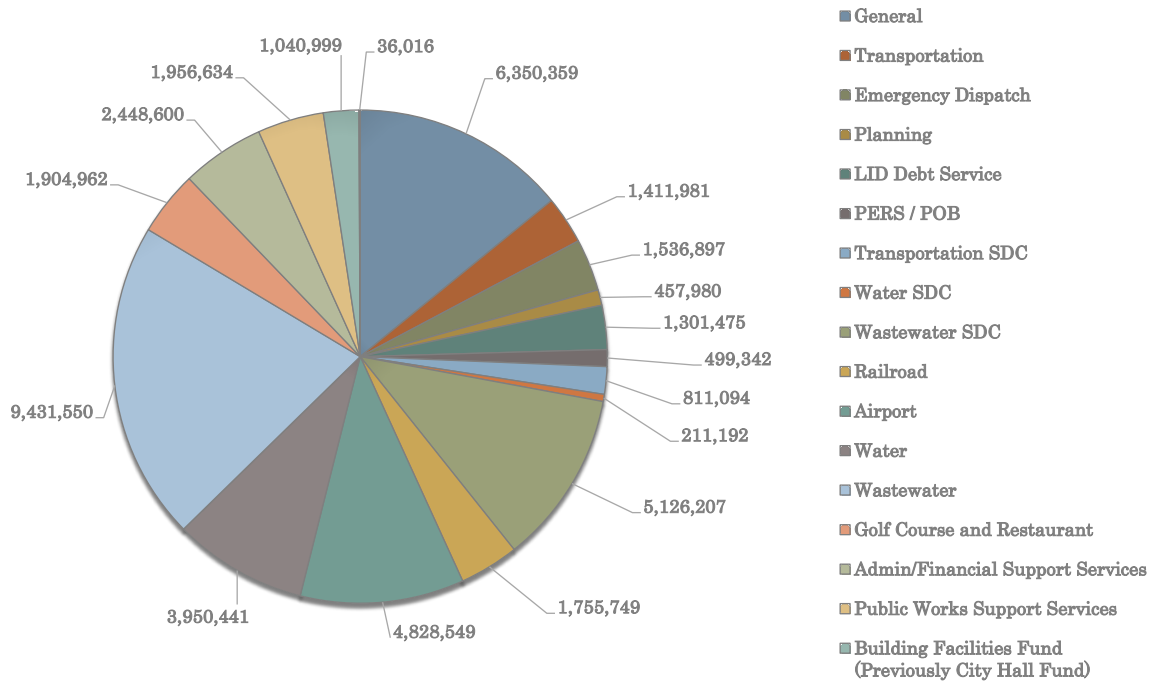
## Budget Overview

### Budget by Major Category Comparison FY 16 to FY 17





## Total Requirements by Fund



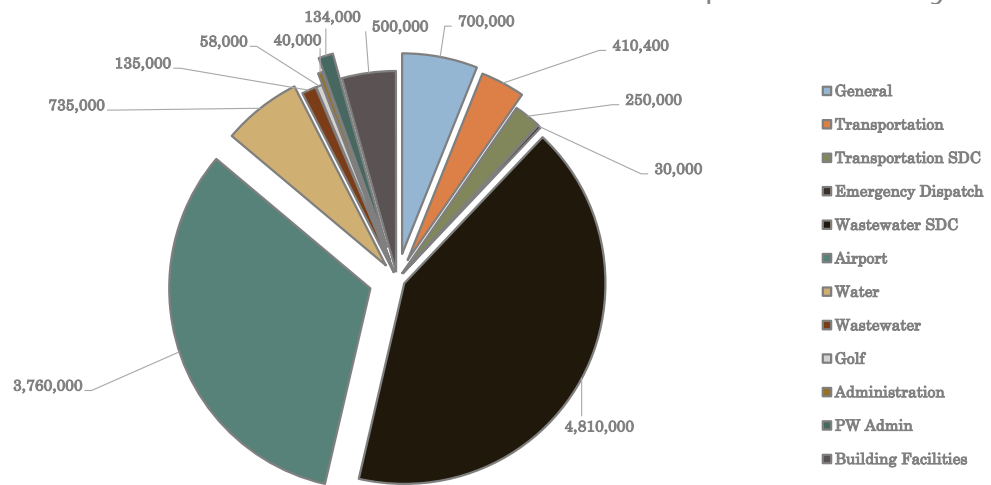
## Revenue Assumptions

Overall, beginning fund balances for FY 17 slightly increased over the prior year by approximately 1 percent. The Crook County Assessor's Office is predicting property taxes to increase by approximately 7 percent. However, the City estimates a 5 percent increase, choosing to be on the conservative side, while franchise fees are budgeted to increase approximately \$200,000 due to the additional build out of data centers. Intergovernmental revenue for budgeted projects totals approximately \$7.9 million between grants, revenue sharing, and other agencies. Collection projections for system development charges (SDCs) are based on 35 residential equivalent dwelling units and additional commercial assumptions. Rate increases for water are 3 percent and wastewater increasing by 3.70 percent. The budget provides – upon approval from the Citizen Budget Committee and the City Council – for the City to issue additional interim and refinancing of interim borrowing for the Crooked River Wetlands project, a borrowing for the acquisition of property, and for upgrades to the police facility. Total debt proceeds are \$7,950,000.

## Expenditure Assumptions

Personnel services are increasing approximately 7 percent over the prior year. This is largely due to the increases in FTE's and changes made within public safety. Also included in the personnel services increase is a modest increase to salaries and a 3 percent increase in the cost of health benefits. Materials and services are up approximately 1 percent over prior year. Debt service is increasing 279 percent over the prior year, this percentage inflated by the refinance of interim borrowing for the wetlands project at \$4,500,000. Additional items budgeted in debt service include \$50,000 for the repayment of the acquisition of property and a debt service of \$50,000 for improvements to the police facility. Transfers are increasing 10 percent, largely due to the consolidation of buildings into one fund and transfers budgeted for improvement or maintenance of facilities. Capital outlay is increasing 112 percent over the prior year, again, largely due to the wetlands project. Contingency funds for the City are increasing by approximately 15 percent as well.

## Capital Improvements Expenditures by Fund



The proposed budget for FY 17 includes approximately \$11,562,400 in capital improvements to maintain or increase capabilities.

## General Fund

General Fund budget total for 2016-2017 is \$6,350,359. The General Fund includes \$3,710,900 for police services, representing an increase of approximately 9 percent, non-department funding of \$1,661,000 including \$700,000 for the acquisition of property, and a contingency balance of \$978,459. Fund balance improved over prior year by approximately 22 percent. This fund is within the City's operating reserve policy and approximately \$45,000 below the City's 5 percent emergency reserve policy.

## Public Safety and Dispatch

Our citizen's safety is foundational to our community. This past year Dale Cummins became our Chief of Police, with Larry Seymour promoted to police captain, and Jimmy O'Daniel, Mark Monroe and James Peterson as rounding out the police sergeants. In April 2016, our Police Department became fully accredited through the Oregon Accreditation Alliance. The accreditation process insures our police department is using "best practices" in law enforcement, furthering our ability to continuously improve customer service to our community. Recently, the Police Department was successful in strengthening the team by recruiting experienced law enforcement personnel into the ranks.

Tobie Reynolds leads our Emergency Dispatch Department providing emergency communications and 911 services to the Police Department, Crook County Sheriff, Crook County Fire and Rescue, and local state and federal agencies. Like the Police Department, the dispatch team is working on the final stages of accreditation, with an expectation of completing the process in the summer of 2016. We continue to work to develop supervisory and staff positions, along with funding, to meet our department goal of insuring two dispatchers are on duty 24/7, 365 days a year.

Our community is experiencing increased demand for calls and service as our community grows and demographics change. To insure our public safety resources meet our citizens customer service needs, this budget includes an increase in public safety personnel of 1.00 employee.

## Planning

Director Phil Stenbeck and Senior Planner Josh Smith – with support and guidance from our citizen member Prineville Planning Commission – continue to prepare our community for the present and the future. This year, like the past, is expected to be busy with industrial, commercial, and residential activity.

Our planning team is working with local and state agencies to insure the City keeps an adequate inventory of zoned land for future needs. The members of our Planning Department led the Downtown Revitalization Committee efforts to develop projects updating the downtown business core. In addition, Phil Stenbeck facilitated the Air Quality Committee in helping Prineville improve air quality this past calendar year as part of a three year goal of fully achieving the national air quality standard established by the Environmental Protection Agency.

## Public Works

City Engineer/Public Works Director Eric Klann leads our Public Works Department and team, efficiently providing the community with water, wastewater, and transportation services. This past year the City hired Mike Kasberger as assistant engineer. Mike Kasberger – under Eric Klann’s supervision – will assist in the City’s engineering requirements, project management, and contract management. 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 17 blocks of streets in the southwest quadrant of the city and 12 American Disability Act (ADA) wheel chair ramps. With Scott Smith’s work with Oregon Department of Transportation’s grant program, the City constructed 1,200 lineal feet of new side walk this past year. 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. Scott Smith took lead on developing and updating the City of Prineville’s ADA Transition Plan. The ADA Transition Plan will provide a strategic plan for ADA requirements, upgrades, and new development for the next 10 years.

## Water and Wastewater

The City’s water system capabilities and capacity are well-positioned to meet both current and future needs. The City, in partnership with Oregon Water Resources, will complete the local aquifer study to identify future sources as demand continues to grow. This year the City will be drilling one test well in preparation for future water demand needs. Our focus is on protecting the water we produce, and through maintenance and system upgrades, the City reduced unaccounted water loss from 27.9 percent of production to 3.9 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 17. The Water Master Plan will be updated this year to serve as our guide for water development the next 20 years.

The Wastewater Department began construction of the wetland treatment project this year with an expected completion in calendar year 2017. The City’s new wetland treatment project will 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 2.5 miles of the Crooked River. The wetland upgrade to our capacity is strategically funded through grants and debt service. Forecasts for the FY 17 budget see an increase in wastewater rates of 3.7 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 to operational profitability this year for the first time in over three decades. Freight activity during the past year is at the highest level experienced by the City in recent history. This year’s budget forecasts an increase in fund balance by approximately \$200,000 – a tremendous accomplishment for the department. New

business partnerships further diversified our customer base. Our customer operation at the Terrebonne junction is providing two new full-time jobs. The railroad provides strategic freight capabilities to key local businesses providing family wage jobs in Prineville and throughout Central Oregon.

## Prineville-Crook County Airport

Airport Manager Kelly Coffelt and his team continue to develop the Prineville-Crook County Airport into a major transportation and economic engine for our community. In partnership with Crook County, activity at the airport continues to increase. Hangar occupancy is near 100 percent, with new hangar space under construction. The Airport applied for and was awarded Federal Aviation Agency grant funding for a \$1,600,000 upgrade, including a new run up area, parking apron, and beacon. In addition, the Airport is ranked very high on a Connect Oregon grant list to potentially receive an additional \$2,000,000 to help fund a new fuel system and infrastructure upgrades to support expansion. The City and County are working with the United State Forest Service to potentially site an airbase expansion that would include an additional 40 full-time jobs. Currently, the Airport hosts eight private aviation-related businesses that provide 32 full-time jobs for our community.

## Meadow Lakes Golf Course and Restaurant

Led by Golf Manager Zach Lampert, the Meadow Lakes team continues to provide Prineville, Crook County, and the region with one of the best golf values in Central Oregon. “Golf for everyone” is our mandate in providing excellent customer service to make the Meadow Lakes experience top notch. This past year Meadow Lakes updated its golf cart fleet, along with replacing aged cart paths. During the next year, we will continue to invest in cart path maintenance and replacement, a new fairway mower, and an expansion of the golf shop merchandise area. Strategically, we are preparing financially to fund upgrades to the club house, restaurant equipment, and irrigation system in the next five years.

## Administrative Services

Finance Director Liz Schuette and her staff continue to adapt to changes and challenges to the City’s financial performance. The team embraces continuous improvement practices, and continues to refine a multi-functional, cross-trained staff, that is providing the City Council and community with award-winning budget presentations. The City, for the tenth 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 15 and FY 16. 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

The Human Resource (HR) team provides our employees with support, development, guidance, and safety as our highest priority. Citycounty Insurance and the League of Oregon Cities again recognized our safety committee and team members with the Silver Safety Award. During the past budget year the Human Resources Department updated all HR policies and procedures, and a new employee handbook, to be implemented July 1, 2016. This next year will be focused on updating job descriptions, hiring and recruiting processes, employee development – and as always – safety.

## Information Technology

The City’s Information Technology (IT) Department led by James Wilson and team continues to provide the City with a stable IT platform to conduct city business. This past year the IT Department implemented a new records management system for public safety that links both Police and Sherriff departments, installed security technology at the railroad and airport, and launched a new City website. In the year ahead, the focus of the IT Department is on updating the city’s financial software program, and increasing local network capacity to accommodate the City’s ability to connect to the citizens through multiple social media outlets, and live streaming opportunities.

COUNCIL GOALS 2016-2017 - Adopted 2-9-16		CONTINUE TO BE FISCALLY RESPONSIBLE IN ALL WE DO	PROVIDE QUALITY MUNICIPAL SERVICES AND PROGRAMS WHICH CONTRIBUTE TO PRINEVILLE'S REPUTATION AS A DESIRABLE PLACE TO LIVE, WORK AND PLAY	CONTINUE IMPROVING ON TRANSPARANCY	CONTINUE STRIVING TO IMPROVE QUALITY OF LIFE THROUGH INVESTMENT IN ESSENTIAL INFRASTRUCTURE TO OUR CITIZENS AND BUSINESSES	COMMUNITY SAFETY	EFFECTIVE PUBLIC COMMUNICATION	
DEPARTMENT	GOALS							
<b>Council Objectives</b>	Economic Development and Family Wage Job Growth	X	X	X	X	X	X	
	Council Involved Committee Updates		X	X	X	X	X	
	Continuing Council Member Education, Training and Community Activity	X	X	X	X	X	X	
	Strategy for Relocation of Jail Facility and 9-1-1 Dispatch	X	X	X	X	X	X	
<b>Community Development</b>	Continue Support to Downtown Strategic Planning Committee	X	X	X	X		X	
	Update the Planning Website Information Under progress	X	X	X	X		X	
	State Committee Monitoring and Participation	X	X	X	X	X		
	Evaluate Properties in City for Density & Affordable Housing Possibilities	X	X	X	X	X	X	
	Adopt Airport Master Plan, Downtown Revitalization, Public Safety Complex & Sports Complex	X	X	X	X	X	X	
	Continue to Support Air Quality	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	
	Identify & Evaluate City Owned Property	X	X	X	X	X	X	
	<b>Finance</b>	Continue Developing and Updating Long Range Financial Plans (All Funds)	X	X	X	X	X	X
		Continue Updating Financial Policies/Reserve Requirements	X	X	X	X	X	X
Continue to Review /Update Internal Controls		X	X	X	X	X	X	
Continue to Improve Budget Process & Document		X	X	X	X		X	
Continue to Improve Financial Reporting		X	X	X	X		X	
Continue to Improve Transparency in all Areas of Finance		X	X	X	X		X	
Continue Revenue Sustainability (By Fund)		X	X	X	X	X	X	
Continue Employee Development and Cross Training		X	X	X	X	X	X	
<b>Freight Depot / Railroad</b>	Implement Capital Asset Tracking Software	X	X	X	X	X	X	
	Achieve & Sustain Railroad Profitability	X		X	X	X		
	Achieve & Sustain Freight Depot Profitability	X		X	X	X	X	
	Identify Sustainable Funding Strategies for Long Term Maintenance of Railroad Infrastructure	X	X	X	X	X	X	
	No Injuries / No Human Factor Accidents	X	X				X	
<b>Human Resources</b>	Professional Development of Staff	X	X	X	X	X	X	

COUNCIL GOALS 2016-2017 - Adopted 2-9-16		CONTINUE TO BE FISCALLY RESPONSIBLE IN ALL WE DO	PROVIDE QUALITY MUNICIPAL SERVICES AND PROGRAMS WHICH CONTRIBUTE TO PRINEVILLE'S REPUTATION AS A DESIRABLE PLACE TO LIVE, WORK AND PLAY	CONTINUE IMPROVING ON TRANSPARANCY	CONTINUE STRIVING TO IMPROVE QUALITY OF LIFE THROUGH INVESTMENT IN ESSENTIAL INFRASTRUCTURE TO OUR CITIZENS AND BUSINESSES	COMMUNITY SAFETY	EFFECTIVE PUBLIC COMMUNICATION
DEPARTMENT	GOALS						
Human Resources	Continue Implementing Cross Training of Staff	X	X	X	X	X	X
	Develop Business Continuity Plan (Business as usual in emergency)	X	X	X	X	X	X
Meadow Lakes	Increase Beverage Sales by 5% Over the Next Twelve Months	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
	Maintain 100% Score on Health Inspections in the Restaurant and Have 0 Lost-Time Injuries	X	X	X	X		X
	Increase Overall Financial Performance in the Restaurant	X	X	X	X		X
	Continue the Process of Improving Water Clarity & Overall Condition of the Effluent Ponds	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
Police / 911 Department	Explore Dispatch Center Location Options That Ensure Continuity for our Community	X	X	X	X	X	X
	Explore Police Department Location Improvements and/or Relocation Options	X	X	X	X	X	X
	Provide Training and Opportunities for Employees that will Improve our Department's Overall Effectiveness	X	X	X	X	X	X
	Seek Opportunities to Collaborate and Support Other Agencies and Businesses to Enhance Public Safety	X	X	X	X	X	X
Public Works	Complete Construction of Wetland Project	X	X		X		
	Continue Antenna Read Meter Replacement	X	X		X		
	Continue Upgrade of Telemetry Capabilities	X	X		X		
	Develop Succession Plan for PW Key Positions	X	X		X		
	Finish Airport Aquifer Monitoring Program	X	X		X		
	Begin Water Master Planning	X	X		X		
	Continue to Develop Plans for hydropower and gray water reuse	X	X		X		
	Increase Staff Certification in Both Water & Wastewater	X	X		X		
Administration	Continue to Develop City Vision	X	X	X	X	X	X
	Maintain Accreditation	X	X	X		X	X
	Maintain a Public Relations Person	X	X	X	X	X	X

COUNCIL GOALS 2016-2017 - Adopted 2-9-16		CONTINUE TO BE FISCALLY RESPONSIBLE IN ALL WE DO	PROVIDE QUALITY MUNICIPAL SERVICES AND PROGRAMS WHICH CONTRIBUTE TO PRINEVILLE'S REPUTATION AS A DESIRABLE PLACE TO LIVE, WORK AND PLAY	CONTINUE IMPROVING ON TRANSPARANCY	CONTINUE STRIVING TO IMPROVE QUALITY OF LIFE THROUGH INVESTMENT IN ESSENTIAL INFRASTRUCTURE TO OUR CITIZENS AND BUSINESSES	COMMUNITY SAFETY	EFFECTIVE PUBLIC COMMUNICATION
DEPARTMENT	GOALS						
Administration	Develop a Strategy for Prineville to be a Renewable Energy Provider	X	X	X	X	X	X
	Continuing to Develop Economic Partnership with the County	X	X	X	X	X	X
	Continue to Develop City Strategic Plan	X	X	X	X	X	X
Airport	Continue to Update Equipment & Plans to Achieve Safety & Operational Compliance	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
	Secure Grant Funding for 2016 Projects	X	X	X	X	X	
	Complete Airport Master Plan Update	X	X	X	X	X	X
	Continue to Provide Excellent Customer Service		X	X	X	X	X
	Continue to Identify New Sources for Project Funding	X	X	X	X	X	X

## Budget Summary

The City's commitment to continuous improvement in budgeting, strategic planning, and long-range modeling provides the foundation to develop this proposed 2016-2017 budget. We remind ourselves each day that every community member is our customer and stakeholder, and our citizen's tax dollars are entrusted to us to provide city services effectively and responsibly.

Over the last year our community benefited through continued investment with new businesses and expansion. We take great pride in managing Prineville in a responsible way, allowing our community to move forward through continued investments that provide additional job opportunities and an improved quality of life all while improving the City's position in the next year.

The budget process takes a team effort, and on behalf of every City of Prineville employee, I am honored to present the budget committee with the proposed 2016-2017 budget.

The budget committee is holding its first meeting on May 24, 2016 at 5 p.m., with budget meetings scheduled to resume on June 7, 2016 at 5:30 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 with a current of population of 9,385 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.



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

City hall administrative facilities are located downtown, right across the street from the historic county courthouse and city police department. The city hall plaza proudly displays full size bronze horses complete with a roping cowboy statue group that was created and donated by a local artist. Many visitors and tourists stop by to snap a picture with these lifelike statues. The plaza underwent some extensive concrete work this last year, and is safe again for the many community events it will host during the summer. The City has established a presence in social media which is used to communicate with our citizens, and has also launched a brand new city website. Two of our downtown corridor main streets are state highways that run north, south, east and west. Regardless of what direction you head, within minutes you are located among some of the most beautiful scenery and wildlife the northwest has to offer. Main Street also known as state highway 27, has been recommended by Oregon State Parks and Recreation to become a scenic bike way to the south, as it meanders along the Crooked River and eventually meets with Bowman Dam. Getting this designation is a lengthy process and we hope to hear more about it this year.

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 of Prineville Railway has reached out nationwide to market the railroad to large rail users. All of these efforts, along with word getting around of excellent customer service, have finally developed into two new long term anchor tenants at the railroad junction. Just five years ago the railroad had a handful of jobs. Today the railroad and all of the users have created almost 100 jobs tied directly to it, and 32 companies utilizing the railroad or railroad owned facilities. There has been a significant growth in car traffic that hasn't been realized in decades. Businesses are taking advantage of the award winning multi-modal freight depot and junction.

In addition to managing its own municipal railroad, Prineville also owns a municipal golf course. The City built Meadow Lakes Golf Course is 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. Last year, the golf course replaced the entire golf cart fleet with modern features to get you from hole to hole in style. 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.



*View of Meadow Lakes Golf Course from the Ochoco viewpoint.*

The Prineville-Crook County Airport is managed by the City in collaboration with the County. The airport manager continues to successfully increased business and recreational activities at the airport. Hangars are completely occupied, and new hangars are being constructed. Aviation fuel sales remain strong. Hillsboro Aviation maintains a strong presence at the airport. The automated weather observation service (AWOS), allows 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 draft is completed and is currently under review with FAA. The airport, much like the railroad has gone from a couple of airport related jobs to over 30 in the last couple of years.



*July 2015 Fly-in at the Prineville-Crook County Airport*

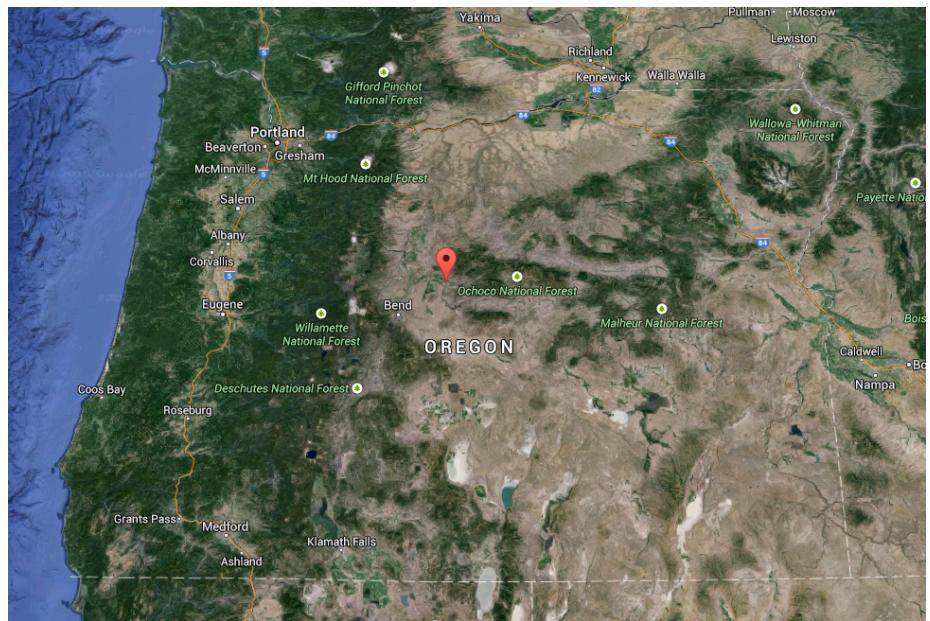
As part of Central Oregon, Prineville offers many recreational activities for the outdoor enthusiast. It's geographically located near several waterways and reservoirs, as well as mountains and many other natural landscapes providing the opportunities for outdoor activity year-round. The beautiful Painted 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. The community continues to add more trails for hiking and biking, and with the construction of the Crooked River wetland project, 5 more miles of trails (3 miles of it paved), will be added to our extensive network of paths. 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 races, as well as several other rodeo events throughout the year.

Affordable residential rentals continue to be challenging, with an under .5% vacancy rate. However, with the construction of residential homes currently underway, this challenge is beginning to balance out. There is also increased interest from developers for multiple family dwelling units.

Prineville also caters to a variety of job markets. Between construction, manufacturing, retail, government and 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 7.1., down .9 from this time last year. A challenge for some employers is in the future, with the passing of state legislation in 2016, the minimum wage will increase in tiers over the next couple of years. In addition to the increase, the minimum wage rate will vary depending on what county the business is located.

St. Charles Health System's \$30 million dollar facility has been completed and is beautiful addition to the community.



*New hospital that opened in September of 2015.*

## Government

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

## 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 over 3,400 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 that the City supported to provide higher educational opportunities to citizens.

With the construction of Barnes Butte Elementary complete, upgrades are underway on Cecil Sly elementary school. The renovated school is expected to be ready to open in the fall of 2016 under a different name. The currently operating Crooked River historical elementary school will be closing its doors as a school.



*Barnes Butte Elementary opened for the 2015-16 school year.*

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 2015	Employees 2016
Les Schwab Distribution Center/Retail	425	421
Crook County School District	334	383
Contact Industries	225	240
Crook County	191	191
Facebook Data Center	157	178
St. Charles Health Systems	208	166
Ochoco National Forest	178	117
Brasada Ranch	172	172

*Source: Economic Development of Central Oregon*

Age and Wage Data	
Oregon’s median household income	\$50,521
Prineville’s median household income	\$42,268
Median age	38.7
Percent aged 65 years old and over	24.8%
Percent aged 17 years old and under	19.9%

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

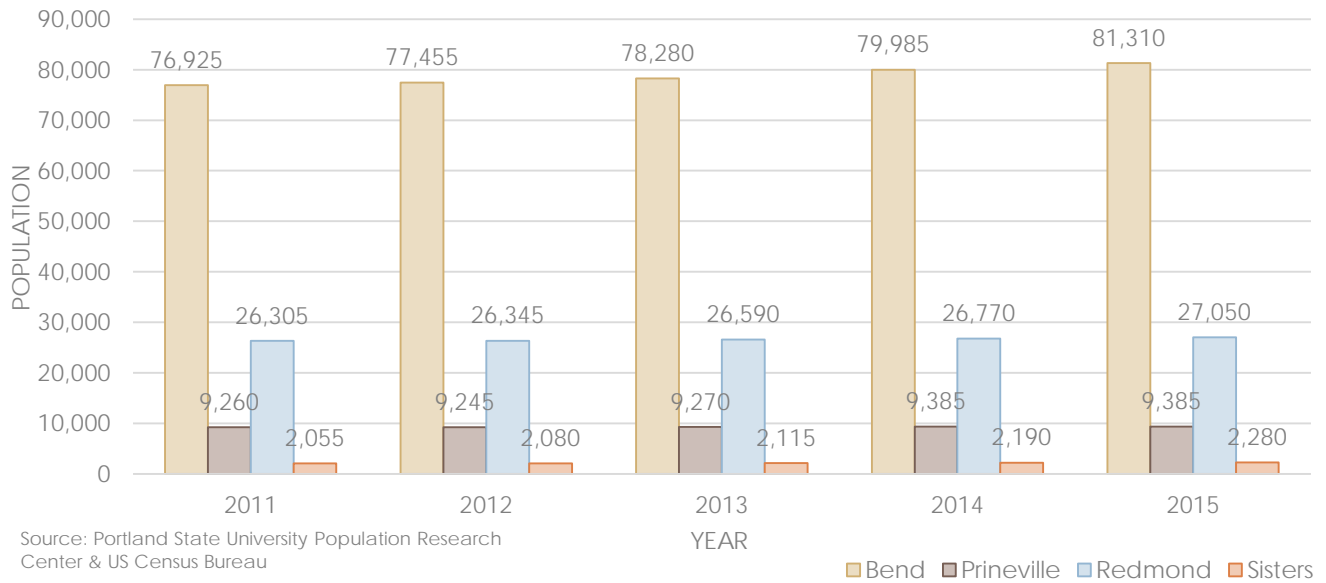
## Regional Comparisons

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 that continues to shrink.

Crook County School District has seen a slight increase in attendance for 2017, and has likely leveled out due to a near zero housing vacancy rate. School enrollments for other communities in the Central Oregon region are also experiencing slight increases.

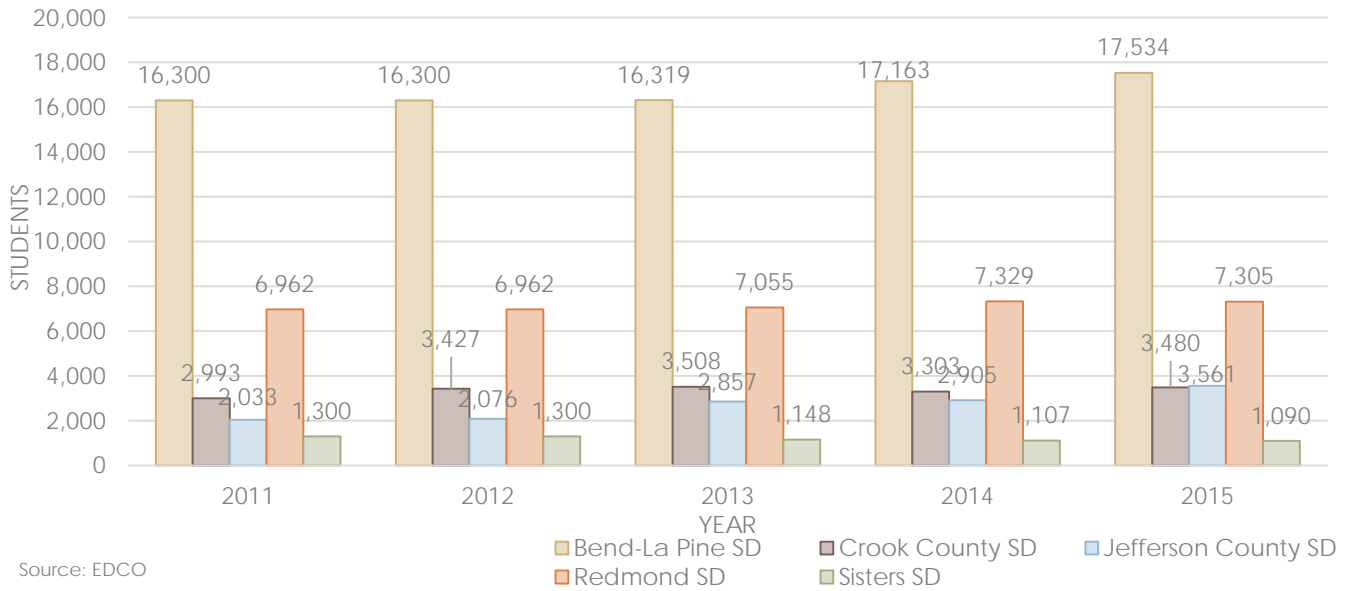


## Regional Population Comparison Comparison Against Largest Local Cities by Year

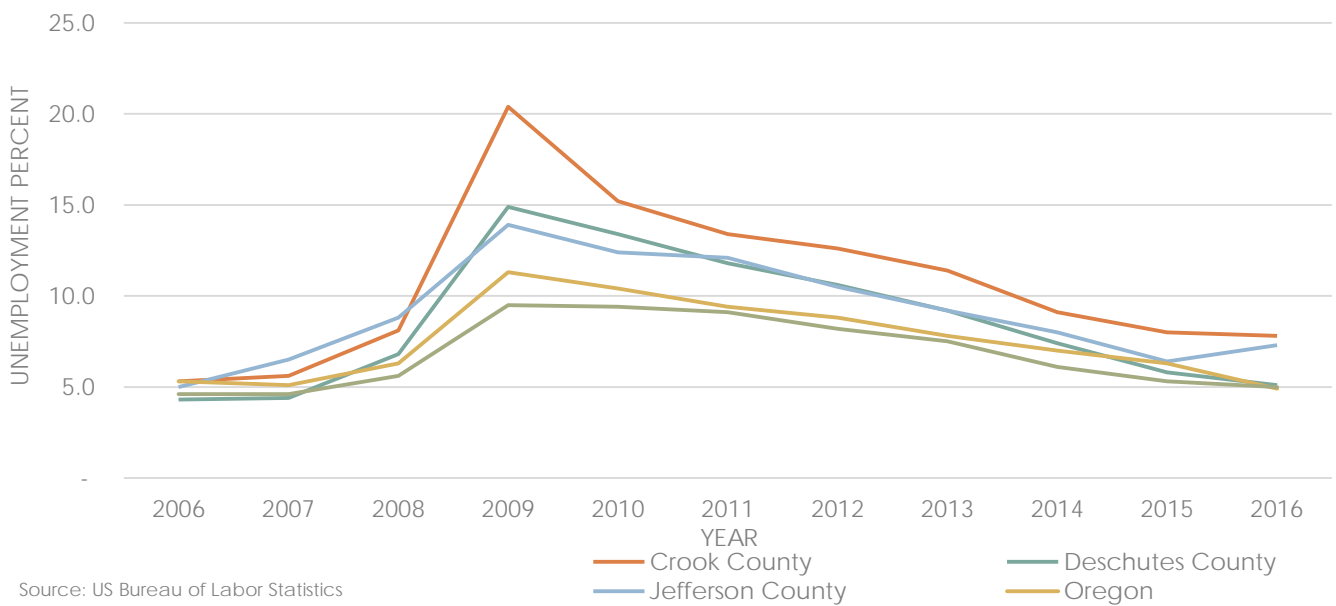


*A group of citizens visiting downtown Prineville.*

## Student Enrollment Students Registered with Local 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. This process is similar to the regular budget including the use of public hearings, but excluding the Citizens’ Budget Committee.

## FY 17 Budget Calendar

Date	Action
January 7, 2016	Distribution of the budget worksheet and calendar. Departments begin year-end estimate process for FY 16 budget.
January 8, 2016	Staff preliminary budget goals due.
January 12, 2016	City Council workshop to establish goals for year.
January 29, 2016	Year-end estimates from department managers.
February 9, 2016	Council adopts goals
February 10, 2016	Capital improvement plan's updated by department managers for FY 17 budget
February 10, 2016	Personnel changes from department managers for FY 17 budget.
February 22, 2016	Department managers update year-end estimates.
February 26, 2016	Finance estimates beginning cash balances for FY 17 budget.
February 29, 2016	Department budget proposals for the upcoming budget are provided to Finance Department.
March 14, 2016	Manager and Finance Department estimate personnel budgets for FY 17.
March 21, 2016	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 30, 2016	Department managers update year-end estimates.
April 20, 2016	Finance director distributes proposed department budgets including narrative to city manager and department managers.
April 27, 2016	Department managers review budget numbers / narrative and sign off on proposed budget.
May 13, 2016	Finance updates budget reflecting changes made by the city manager or department managers.
May 20, 2016	Budget is printed.
May 24, 2016	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.
June 7, 2016	Second budget meeting.
June 17, 2016	Department managers update year-end estimates.
June 28, 2016	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. 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 every 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<sup>1</sup> 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	978,459	755,583	222,875	Yes	268,595	1,024,178	-45,720	No
Transportation	176,281	103,163	73,119	Yes	61,785	164,948	11,334	Yes
Emergency Dispatch	229,497	159,675	69,822	Yes	65,370	225,045	4,452	Yes
Planning	69,680	48,538	21,142	Yes	19,415	67,953	1,727	Yes
LID Debt Service	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PERS/POB Fund	241,142	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Transportation SDC	543,594	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water SDC	87,192	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wastewater SDC	191,707	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Railroad	854,049	851,200	2,849	Yes	N/A	851,200	2,849	Yes
Airport	30,649	172,983	-142,334	No	239,895	412,878	-382,229	No
Water	1,150,441	446,225	704,216	Yes	197,522	643,747	506,694	Yes
Wastewater	1,640,650	540,000	1,100,650	Yes	108,095	648,095	992,555	Yes
Golf Course and Restaurant	373,162	233,400	139,762	Yes	71,545	304,945	68,217	Yes
Admin/Financial Support Services	300,800	297,795	3,005	Yes	N/A	297,795	3,005	Yes
Public Works Support Services	297,434	221,640	75,794	Yes	N/A	221,640	75,794	Yes
Building Facilities Fund	168,399	54,390	114,009	N/A	N/A	54,390	114,009	Yes
Plaza Maintenance	16,416	2,385	14,031	N/A	N/A	2,385	14,031	Yes
Total	7,349,553	3,886,977	2,398,941	12 out of 13	1,032,222	4,919,199	1,366,719	11 out of 13

## 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.*



### 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 the 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 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 establish 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.

## 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 every 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 annually for review.

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, or (c) if no action is taken.

### 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 balances 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 council will consider what committed amounts will be reduced first, followed by assigned amounts and then unassigned amounts.
- 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.

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

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- 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 or 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, and shall maintain a 10 percent emergency reserve through 2021 while the 15 percent covenant is in place for the pension obligation bond.
  - 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 a 5 percent emergency repair reserve, a 20 percent capital reserve and required debt service reserves.
  - 9.1.3. The City's internal service funds shall maintain, at minimum, a working capital balance of 15 percent 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 rail road fund shall maintain one year's operating expense and 20 percent of total budget for capital reserve.
  - 9.1.6. 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.
  - 9.1.7. The City shall establish an emergency appropriation reserve 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, with exception to the general fund which is set at 10 percent of budgeted expenditures. This policy does not apply to the rail road, 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 at or decreased to levels below the levels desired by this policy, the City will develop a plan to restore reserves to the desired levels.

**This is how reserves would look with the new policies**

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 Working, Appropriation and Capital Reserve
General	978,459	755,583	222,875	Yes	537,190*	1,292,773	-314,315	No
Transportation	176,281	103,163	73,119	Yes	61,785	164,948	11,334	Yes
Emergency Dispatch	229,497	159,675	69,822	Yes	65,370	225,045	4,452	Yes
Planning	69,680	48,538	21,142	Yes	19,415	67,953	1,727	Yes
LID Debt Service		N/A	N/A	N/A	N/A	N/A	N/A	N/A
PERS/POB Fund	241,142	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Transportation SDC	543,594	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water SDC	87,192	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wastewater SDC	191,707	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Railroad	854,049	851,200	2,849	Yes	N/A	1,202,350	-348,301	No
Airport	30,649	172,983	-142,334	No	239,895	412,878	-382,229	No
Water	1,150,441	446,225	704,216	Yes	197,522	1,203,947	-53,506	No
Wastewater	1,640,650	540,000	1,100,650	Yes	108,095	1,306,275	334,375	Yes
Golf Course and Restaurant	373,162	233,400	139,762	Yes	71,545	304,945	68,217	Yes
Admin/Financial Support Services	300,800	297,795	3,005	Yes	N/A	297,795	3,005	Yes
Public Works Support Services	297,434	229,455	67,979	Yes	N/A	229,455	67,979	Yes
Building Facilities Fund	168,399	54,390	114,009	N/A	N/A	54,390	114,009	Yes
Plaza Maintenance	16,416	2,385	14,031	N/A	N/A	2,385	14,031	Yes
Total	7,349,552	3,894,792	2,391,126	12 out of 13	1,300,817	6,765,138	-479,222	9 out of 13

**This is how reserves look with the current policies**

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	978,459	755,583	222,875	Yes	268,595	1,024,178	-45,720	No
Transportation	176,281	103,163	73,119	Yes	61,785	164,948	11,334	Yes
Emergency Dispatch	229,497	159,675	69,822	Yes	65,370	225,045	4,452	Yes
Planning	69,680	48,538	21,142	Yes	19,415	67,953	1,727	Yes
LID Debt Service	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PERS/POB Fund	241,142	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Transportation SDC	543,594	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water SDC	87,192	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wastewater SDC	191,707	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Railroad	854,049	851,200	2,849	Yes	N/A	851,200	2,849	Yes
Airport	30,649	172,983	-142,334	No	239,895	412,878	-382,229	No
Water	1,150,441	446,225	704,216	Yes	197,522	643,747	506,694	Yes
Wastewater	1,640,650	540,000	1,100,650	Yes	108,095	648,095	992,555	Yes
Golf Course and Restaurant	373,162	233,400	139,762	Yes	71,545	304,945	68,217	Yes
Admin/Financial Support Services	300,800	297,795	3,005	Yes	N/A	297,795	3,005	Yes
Public Works Support Services	297,434	221,640	75,794	Yes	N/A	221,640	75,794	Yes
Building Facilities Fund	168,399	54,390	114,009	N/A	N/A	54,390	114,009	Yes
Plaza Maintenance	16,416	2,385	14,031	N/A	N/A	2,385	14,031	Yes
Total	7,349,553	3,886,977	2,398,941	12 out of 13	1,032,222	4,919,199	1,366,719	11 out of 13

## 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, and (c) fund's that do not meet reserve requirements and provide the developed plan to restore the reserves to the desired levels.

## 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.

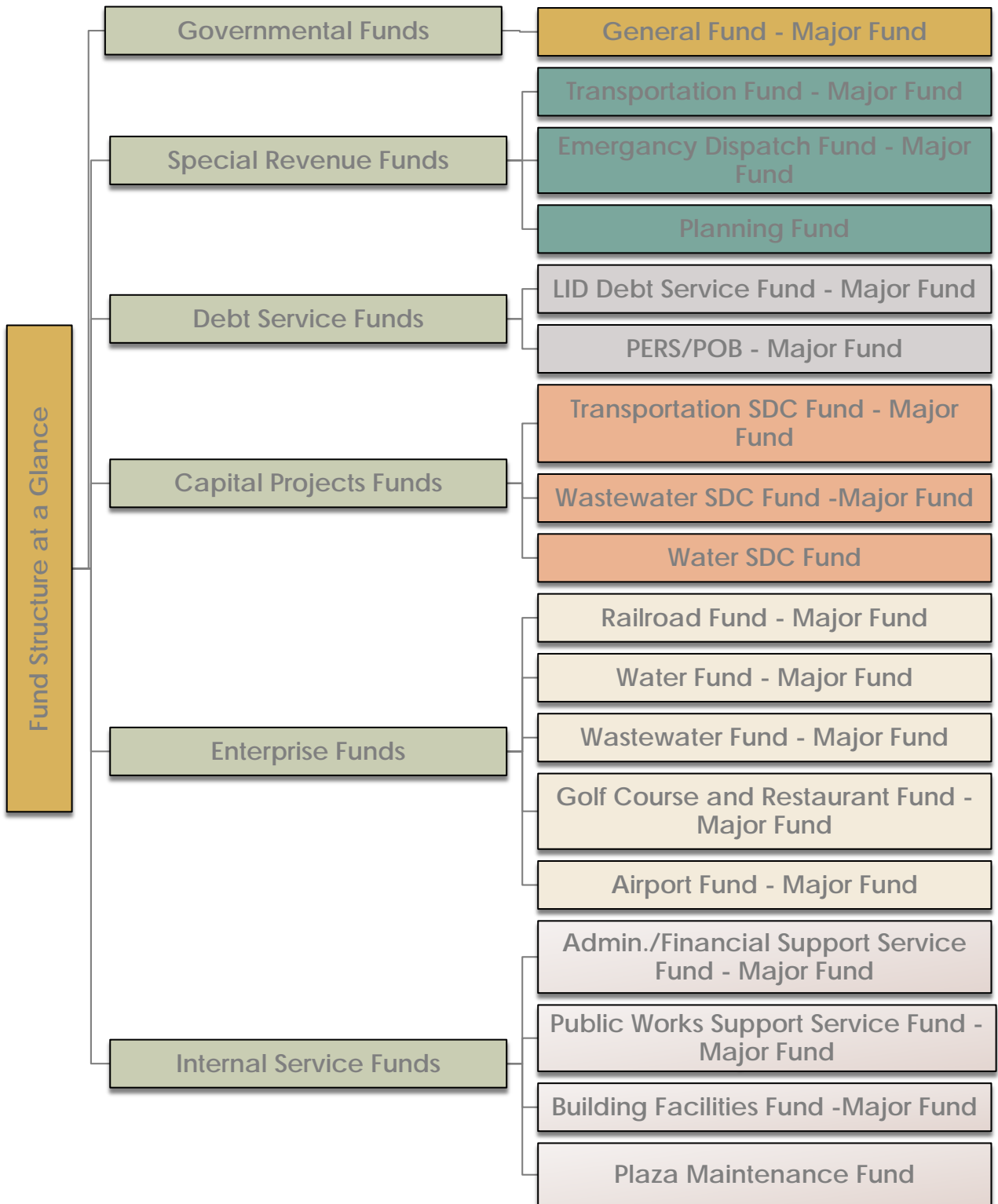
*Divisional level* – for budget control purposes, divisional level would include water, street, storm water, and wastewater divisions within the Public Works Department. Other divisions may include the police field services, police administration, and police support services within the Police Department.

*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, stormwater, wastewater, information technology, city facilities, and vehicles.

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

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

## Fund Structure



All funds in the fund structure are appropriated funds in the FY 17 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 Funds

The special revenue fund is a fund type 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

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. 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

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 charge 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 charge 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 charge 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

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. 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**

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 building facilities.

### **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.

### **Building Facilities Fund**

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

### **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**

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	\$	698,143,446
Debt limit: 3% of real market value	\$	20,944,303
Less outstanding debt subject to legal limit (net)	\$	2,805,000
Legal debt margin	\$	18,139,303

## Current and Future Debt Planning

The current year budget proposes interim financing in the Wastewater SDC Fund, refinancing of the interim borrowing in the Wastewater fund, new debt in the general fund for the acquisition of property, and new debt in the Building Facilities 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 \$2,805,000 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 17 budget proposes new debt in the amount of \$7,950,000: \$700,000 full faith and credit for property acquisition in the general fund, \$2,250,000 interim borrowing in the wastewater SDC fund, \$4,500,000 refinancing of FY 16 and FY 17 interim borrowing in the wastewater fund for the wetland project, and \$500,000 in the building facilities fund for the police facility upgrades.



*Wildland Firefighters Monument in Ochoco Creek Park.*



## Total Outstanding City Debt June 30, 2016

City of Prineville, Oregon  
Schedule of Outstanding Debt  
6/30/2016

Fiscal Year	Total Principal	Interest	Total	Balance
2016				17,625,235
2017	1,048,992	691,201	1,740,192	16,576,243
2018	1,082,416	654,148	1,736,564	15,493,827
2019	1,144,203	614,249	1,758,452	14,349,624
2020	1,221,502	571,895	1,793,397	13,128,122
2021	1,269,515	525,258	1,794,773	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	-
	17,625,235	5,676,821	23,302,056	

Total Outstanding Debt  
June 30, 2016  
Governmental-type Funds

Fiscal Year	Governmental Principal	Interest	Total	Balance
2016				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	-
	4,089,997	1,680,197	5,770,194	

Total Outstanding Debt  
June 30, 2016  
Business-type Funds

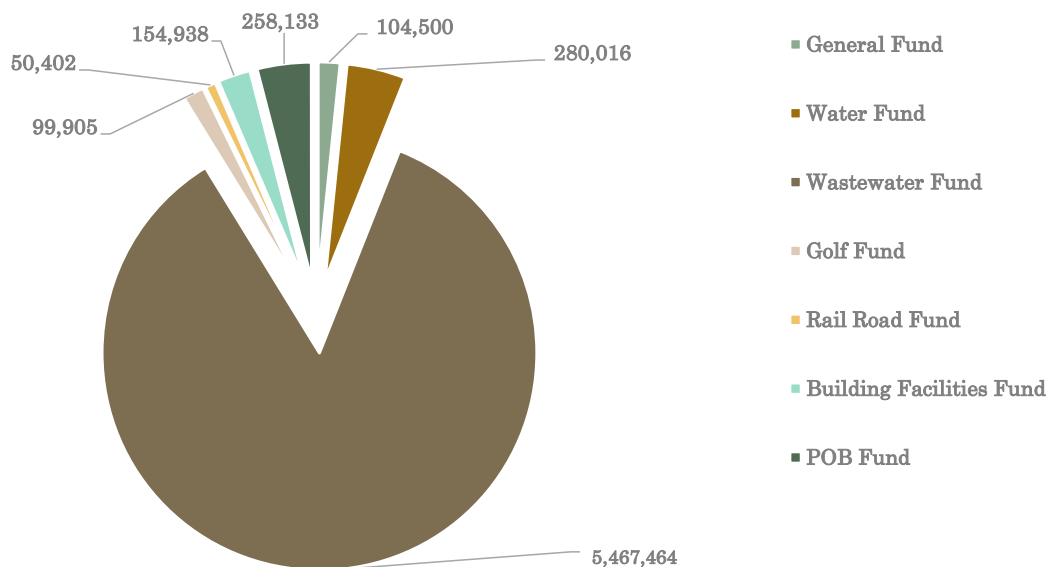
Fiscal Year	Enterprise Principal	Interest	Total	Balance
2016				13,535,238
2017	878,341	498,781	1,377,121	12,656,897
2018	889,825	469,843	1,359,668	11,767,072
2019	934,589	439,129	1,373,718	10,832,483
2020	989,780	406,788	1,396,568	9,842,703
2021	1,015,595	371,241	1,386,836	8,827,108
2022	998,810	337,214	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	-	-	-	-
	13,535,238	3,996,624	17,531,862	

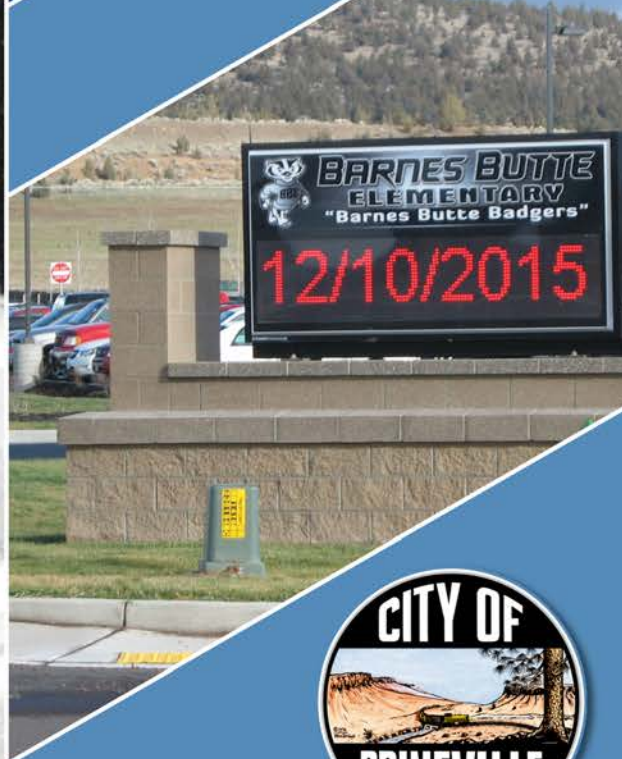
Total Outstanding City Debt by Fund June 30, 2016

Governmental Type Funds	Principal	Interest	Total
City Hall - Rural Development	\$1,394,997	\$703,559	\$2,098,556
Pension Obligation Bond - 2014	2,695,000	976,638	3,671,638
<b>Business Type Funds</b>			
Water - 2011 FFCO	2,385,000	905,937	3,290,937
Water - 2003 Revenue Bond	380,000	81,850	461,850
Wastewater - 2011 FFCO	4,695,000	1,987,811	6,682,811
Wastewater - DEQ R74682	5,271,942	893,877	6,165,819
Golf - 2011 FFCO	445,000	105,345	550,345
Golf - US Bank Note Payable	23,473	482	23,955
Golf - BOTC FFCO	155,612	12,126	167,738
Freight Depot - US Bank Note Payable	49,387	1,015	50,402
Public Works - KS St Bank Note Payable	129,824	8,181	138,005
	\$17,625,235	\$5,676,821	\$23,302,056

## Summary of Debt Service Payments FY 17

	Principal	Interest	Total
<b>General Fund</b>			
Police Vehicles	49,700	4,800	54,500
Property Acquisition	32,000	18,000	50,000
<b>Water Fund</b>			
2011 FFCO	115,000	100,636	215,636
2003 Revenue Bond	45,000	19,380	64,380
<b>Wastewater Fund</b>			
2011 FFCO	125,000	200,244	325,244
DEQ R74682	435,401	151,819	587,220
DEQ Bridge Loan	4,500,000	45,000	4,545,000
State of Oregon IFA		10,000	10,000
<b>Golf Fund</b>			
2011 FFCO	30,000	17,950	47,950
US Bank Note Payable	23,473	482	23,955
BOTC FFCO	23,900	4,100	28,000
<b>Freight Depot - Railroad Fund</b>			
US Bank Note Payable	49,387	1,015	50,402
<b>Building Facilities Fund</b>			
Rural Development	45,651	59,287	104,938
Police Facility	38,000	12,000	50,000
<b>POB Fund</b>			
Pension Obligation Bond	125,000	133,133	258,133



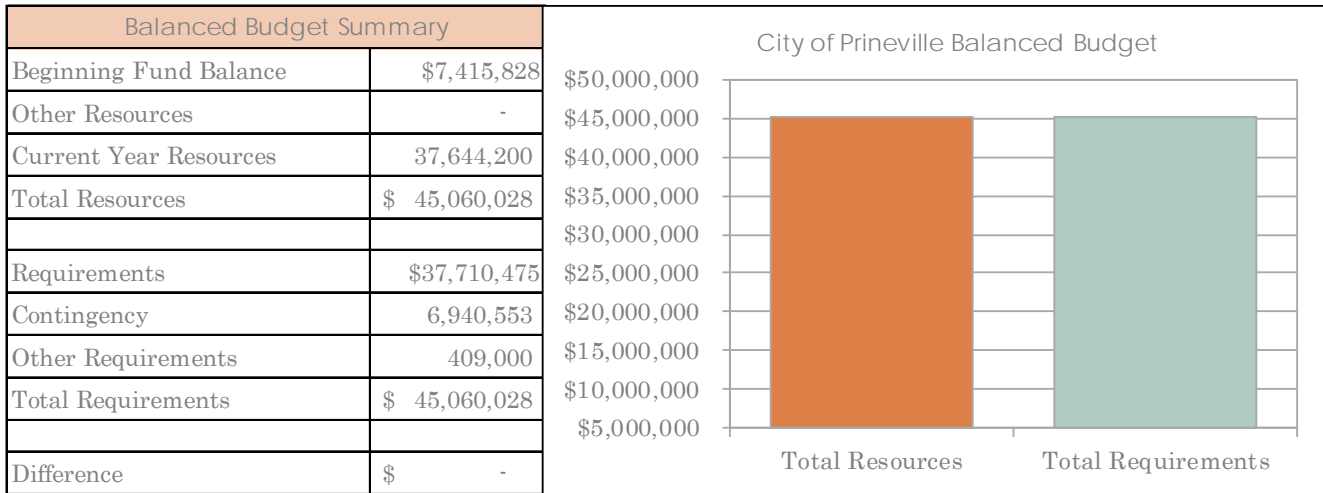




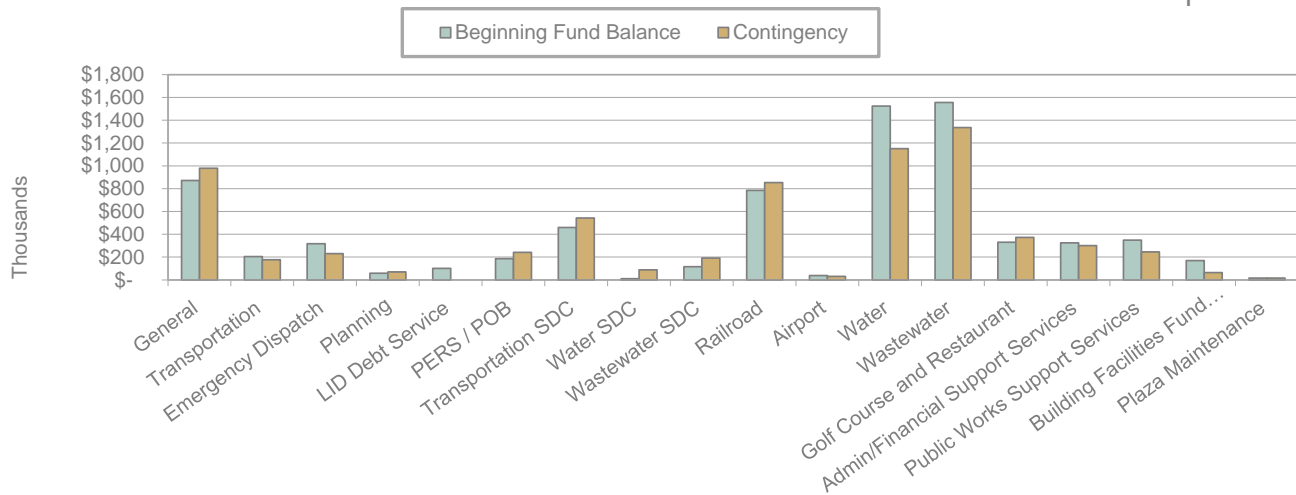
 Consolidated Budgets & Analysis

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# Balanced FY 16-17 Budget Summary



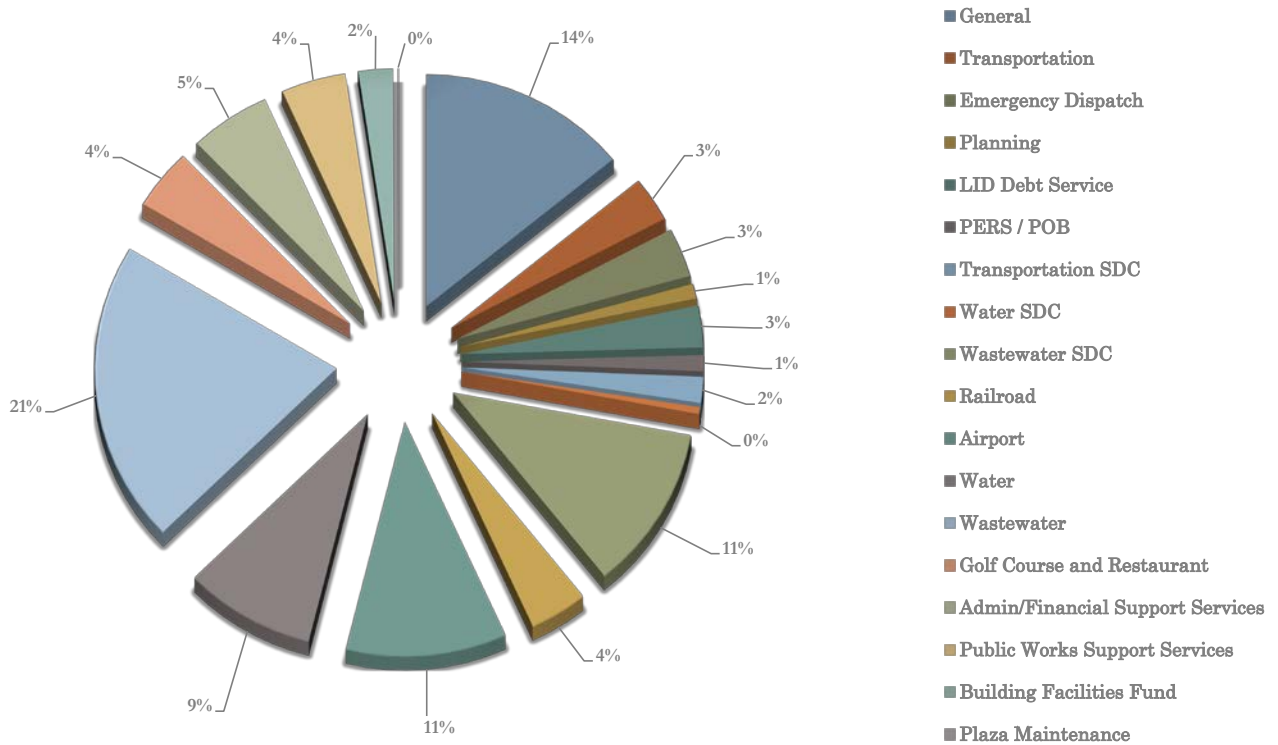
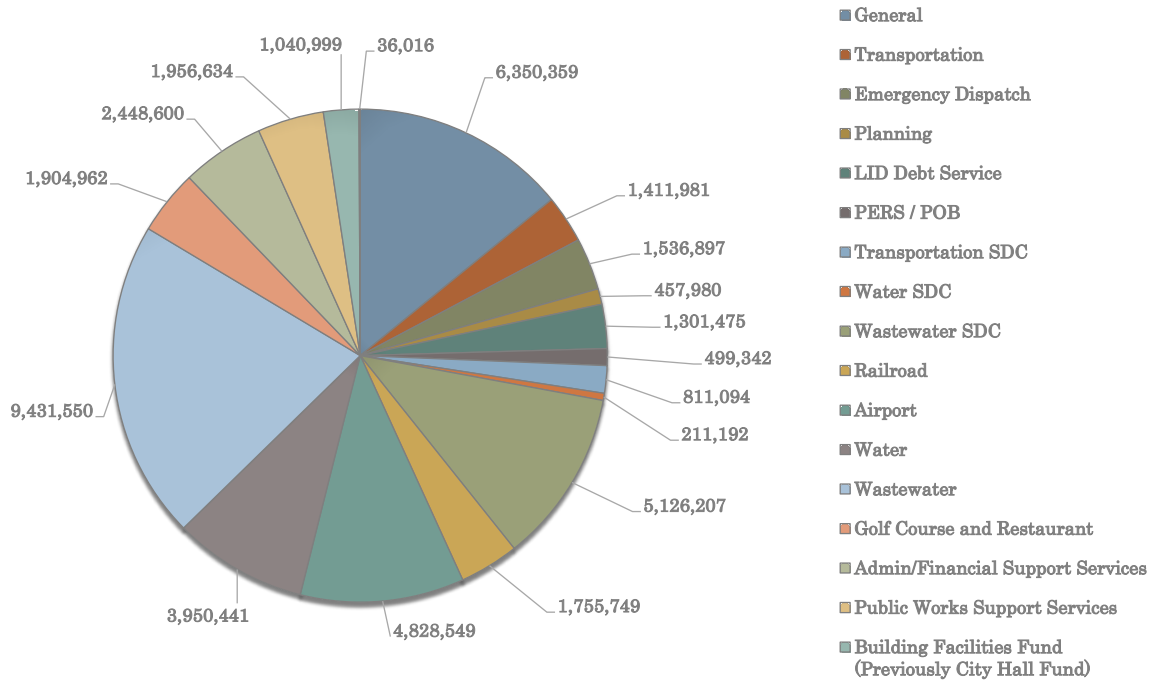
## Charts and Graphs FY 17 Beginning and Ending Fund Balance Comparison



\*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.

# Total Current Year Requirements by Fund



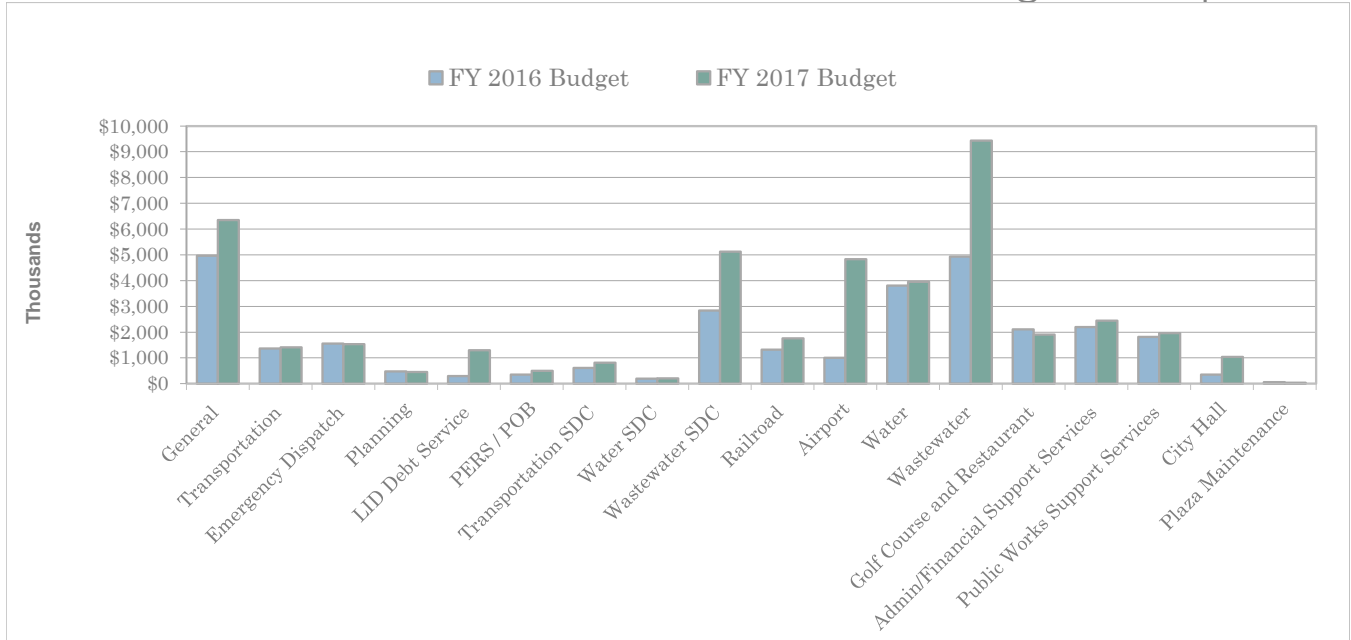
*\*Detailed discussion of specific requirements by fund included in specific fund detail pages of the budget document.*



## FY 16 & 17 Budget Comparison

Fund	FY 2016 Budget	FY 2017 Budget	Percent Change
General	\$4,965,198	\$6,350,359	28%
Transportation	\$1,369,999	\$1,411,981	3%
Emergency Dispatch	\$1,552,135	\$1,536,897	-1%
Planning	\$470,372	\$457,980	-3%
LID Debt Service	\$295,529	\$1,301,475	340%
PERS / POB	\$357,018	\$499,342	40%
Transportation SDC	\$610,332	\$811,094	33%
Water SDC	\$195,988	\$211,192	8%
Wastewater SDC	\$2,836,103	\$5,126,207	81%
Railroad	\$1,317,263	\$1,755,749	33%
Airport	\$1,009,491	\$4,828,549	378%
Water	\$3,801,722	\$3,950,441	4%
Wastewater	\$4,931,624	\$9,431,550	91%
Golf Course and Restaurant	\$2,107,894	\$1,904,962	-10%
Admin/Financial Support Services	\$2,200,967	\$2,448,600	11%
Public Works Support Services	\$1,814,384	\$1,956,634	8%
Building Facilities Fund	\$356,844	\$1,040,999	192%
Plaza Maintenance	\$61,544	\$36,016	-41%
Total	\$30,254,408	\$45,060,028	49%

## FY 2016 & FY 2017 Budget Comparison



## Fund Use by Department

The following table shows which funds each department is a part of:

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

## Department/Fund Relationships Governmental Funds



General Fund  
↓  
Departments  
Police  
Non-Departmental

Special Revenue Funds  
↓  
Emergency Dispatch Fund  
Planning Fund  
Transportation Fund  
Transportation SDC Fund

Debt Service Funds  
↓  
POB/PERS Fund  
LID Fund

## Enterprise Funds/Capital Projects Funds



Water Fund  
Water SDC Fund

Wastewater Fund  
Wastewater SDC Fund

## Enterprise Funds Continued



Meadow Lakes Golf Course

Airport Fund

Railroad Fund

- Departments
  - Restaurant
  - Course Maintenance
  - Golf Operations

## Internal Service Funds



Admin/Financial Support Services Fund

Building Facilities Fund

Public Works Admin Fund

- Departments
  - Council
  - Administration
  - Finance
  - Information Technology

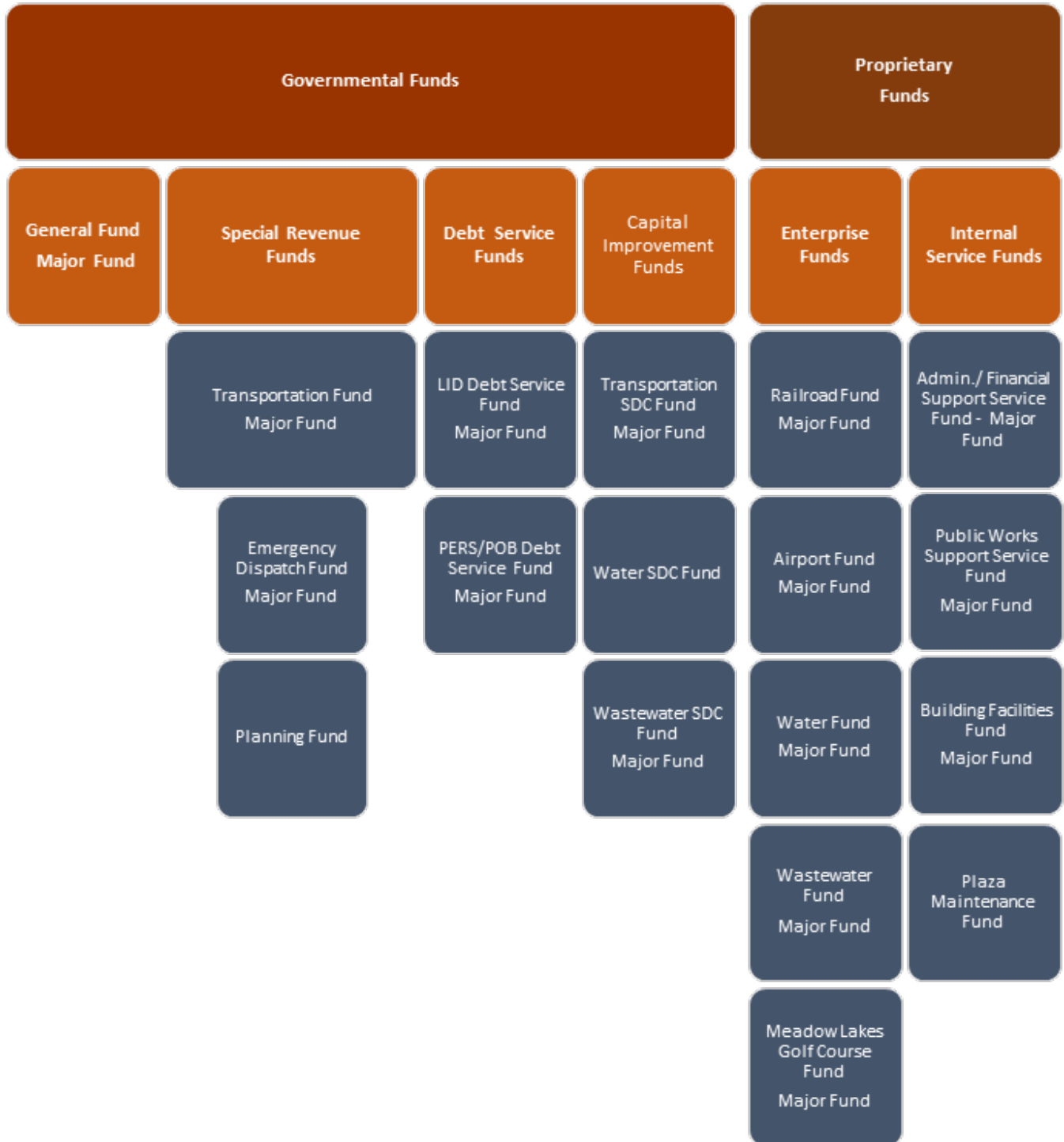
- Departments
  - City Hall Facility
  - Police Facilities
  - Public Works Facilities

Plaza Maintenance Fund

- Departments
  - Support Services
  - Fleet Maintenance and Operations

*(Supports Transportation, Water and Wastewater, Capital Projects Funds)*

## Budget Fund Structure



All funds in the fund structure are appropriated funds in the FY 17 Budget.

## Consolidated Budget FY 17

Fund	Beginning Fund Balance	Other Resources	Current Year Resources	Current Year Requirements	Contingency	Other Requirements	Total Current Year Requirements	Ending Fund Balance
General	\$ 871,859	\$ -	\$ 5,478,500	\$ 5,371,900	\$ 978,459	\$ -	\$ 6,350,359	\$ 978,459
Transportation	205,281	-	1,206,700	1,235,700	176,281	-	1,411,981	176,281
Emergency Dispatch	316,697	-	1,220,200	1,307,400	229,497	-	1,536,897	229,497
Planning	58,380	-	399,600	388,300	69,680	-	457,980	69,680
LID Debt Service	101,475	-	1,200,000	1,301,475	0	-	1,301,475	0
PERS / POB	185,342	-	314,000	258,200	241,142	-	499,342	241,142
Transportation SDC	459,094	-	352,000	267,500	543,594	-	811,094	543,594
Water SDC	10,592	-	200,600	124,000	87,192	-	211,192	87,192
Wastewater SDC	115,207	-	5,011,000	4,934,500	191,707	-	5,126,207	191,707
Railroad	784,649	-	971,100	901,700	854,049	-	1,755,749	854,049
Airport	37,449	-	4,791,100	4,797,900	30,649	-	4,828,549	30,649
Water	1,524,941	-	2,425,500	2,800,000	1,150,441	-	3,950,441	1,150,441
Wastewater	1,554,950	-	7,876,600	7,790,900	1,336,650	304,000	9,431,550	1,640,650
Golf Course and Restaurant	330,462	-	1,574,500	1,531,800	373,162	-	1,904,962	373,162
Admin/Financial Support Services	324,600	-	2,124,000	2,147,800	300,800	-	2,448,600	300,800
Public Works Support Services	348,934	-	1,607,700	1,659,200	297,434	-	1,956,634	297,434
Building Facilities Fund <i>(Previously City Hall Fund)</i>	169,999	-	871,000	872,600	63,399	105,000	1,040,999	168,399
Plaza Maintenance	15,916	-	20,100	19,600	16,416	-	36,016	16,416
<b>Total</b>	<b>\$ 7,415,828</b>	<b>\$ -</b>	<b>\$ 37,644,200</b>	<b>\$ 37,710,475</b>	<b>\$ 6,940,553</b>	<b>\$ 409,000</b>	<b>\$ 45,060,028</b>	<b>\$ 7,349,553</b>

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

## Consolidated Budget FY 16

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

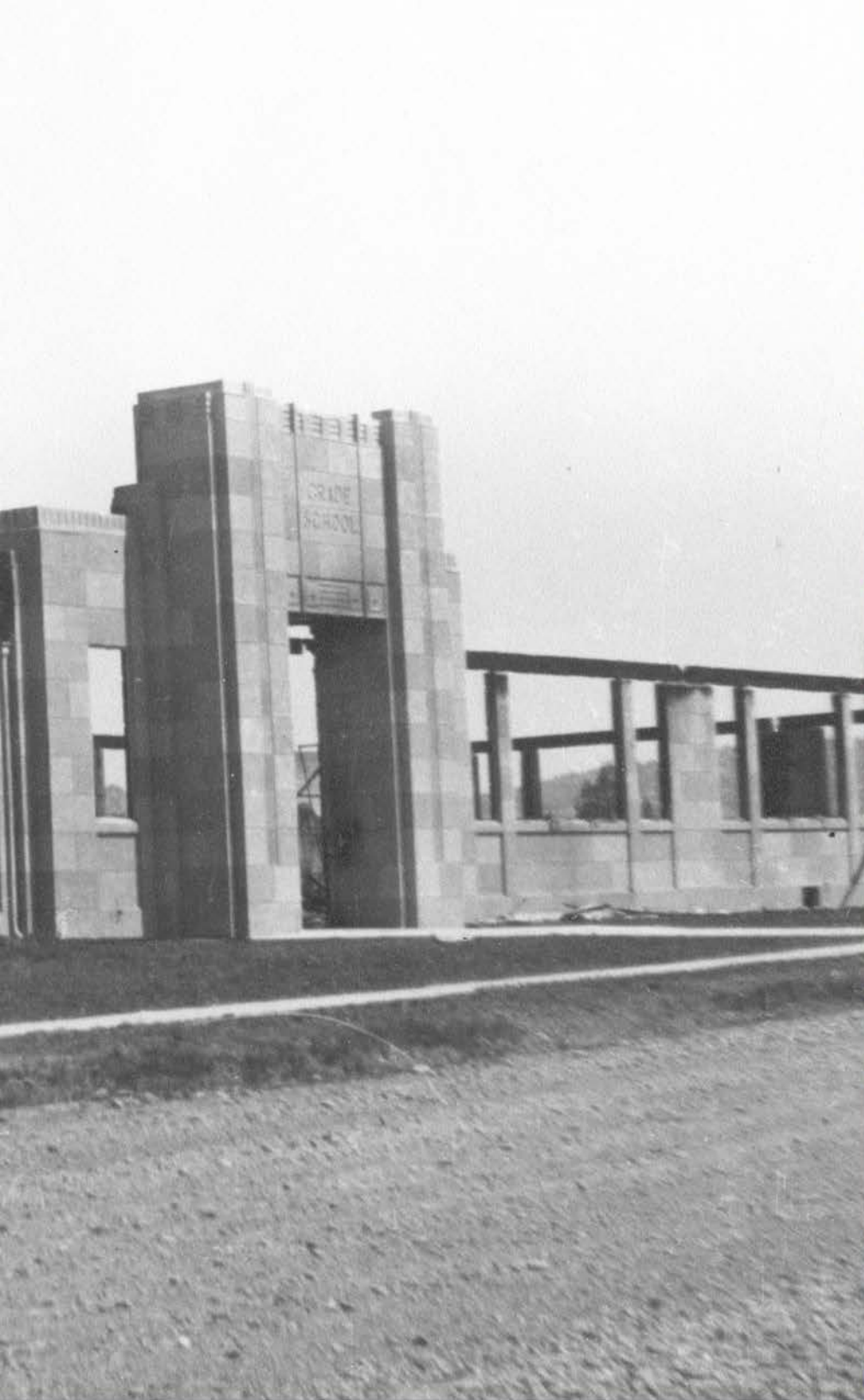
## Consolidated Estimated Budget FY 16

Fund	Beginning Fund Balance	Other Resources	Current Year Resources	Current Year Requirements	Contingency	Other Requirements	Total Current Year Requirements	Ending Fund Balance
General	\$ 797,059	\$ -	\$ 4,331,300	\$ 4,256,500	\$ -	\$ -	\$ 4,256,500	\$ 871,859
Transportation	233,581	-	1,290,500	1,318,800	-	-	1,318,800	205,281
Emergency	327,197	-	1,230,200	1,240,700	-	-	1,240,700	316,697
Planning	78,380	-	355,700	375,700	-	-	375,700	58,380
LID Debt Service	88,675	-	162,800	150,000	-	-	150,000	101,475
PERS/POB Fund	64,142	-	369,800	248,600	-	-	248,600	185,342
Transportation SDC	236,294	-	449,600	226,800	-	-	226,800	459,094
Water SDC	117,092	-	188,600	295,100	-	-	295,100	10,592
Wastewater SDC	109,607	-	3,377,500	3,371,900	-	-	3,371,900	115,207
Railroad	633,849	-	984,100	833,300	-	-	833,300	784,649
Airport Fund	72,949	-	940,400	975,900	-	-	975,900	37,449
Water	1,508,741	-	2,488,100	2,471,900	-	-	2,471,900	1,524,941
Wastewater	1,766,550	-	3,268,200	3,479,800	-	-	3,479,800	1,554,950
Golf Course and Restaurant	542,662	-	1,512,000	1,724,200	-	-	1,724,200	330,462
Admin/Financial Support Services	328,700	-	1,965,500	1,969,600	-	-	1,969,600	324,600
Public Works Support Services	345,609	-	1,712,225	1,708,900	-	-	1,708,900	348,934
City Hall	169,199	-	193,100	192,300	-	-	192,300	169,999
Plaza Maintenance	43,216	-	20,100	47,400	-	-	47,400	15,916
<b>Total</b>	<b>\$ 7,463,503</b>	<b>\$ -</b>	<b>\$ 24,839,725</b>	<b>\$ 24,887,400</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,887,400</b>	<b>\$ 7,415,828</b>



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❖ Resource & Requirement Analysis

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## Resources and Requirements Overview

Resources	Actual FY 13-14	Actual FY 14-15	Budgeted FY 15-16	Estimated FY 15-16	Adopted Budget FY 16-17
Charges for services	12,905,451	11,365,159	11,700,200	12,295,500	13,013,000
Debt proceeds	3,208,700	176,188	1,998,000	2,764,325	7,950,000
Franchise fees	1,703,395	1,864,413	1,980,000	1,992,000	2,196,000
Intergovernmental revenue	2,717,349	1,993,567	2,624,700	2,546,500	7,936,600
Miscellaneous	888,940	1,505,851	927,900	1,219,700	2,111,400
Property taxes	1,676,516	1,793,737	1,790,000	1,830,000	1,920,000
System development charges	254,850	592,466	434,800	793,000	900,000
Transfers	1,305,374	1,162,515	1,470,800	1,398,700	1,617,200
Beginning Fund Balance	6,579,769	6,549,774	7,328,008	7,463,503	7,415,828
<b>Total</b>	<b>31,240,344</b>	<b>27,003,670</b>	<b>30,254,408</b>	<b>32,303,228</b>	<b>45,060,028</b>

Expenditures	Actual FY 13-14	Actual FY 14-15	Budgeted FY 15-16	Estimated FY 15-16	Adopted Budget FY 16-17
Personnel services	9,032,455	6,707,752	7,040,600	7,067,800	7,502,400
Materials and services	4,004,731	3,953,734	5,042,400	4,909,600	4,982,100
Franchise fee expense	241,100	251,000	259,000	259,000	277,000
Capital outlay	5,092,456	1,917,381	4,642,200	5,446,800	11,562,400
Transfers	4,587,897	4,842,897	5,071,100	5,181,100	5,709,275
Debt service	1,731,932	1,867,403	2,007,600	2,023,100	7,677,300
Contingency/Other Requirements		-	6,191,508	-	7,349,553
<b>Total</b>	<b>24,690,571</b>	<b>19,540,167</b>	<b>30,254,408</b>	<b>24,887,400</b>	<b>45,060,028</b>

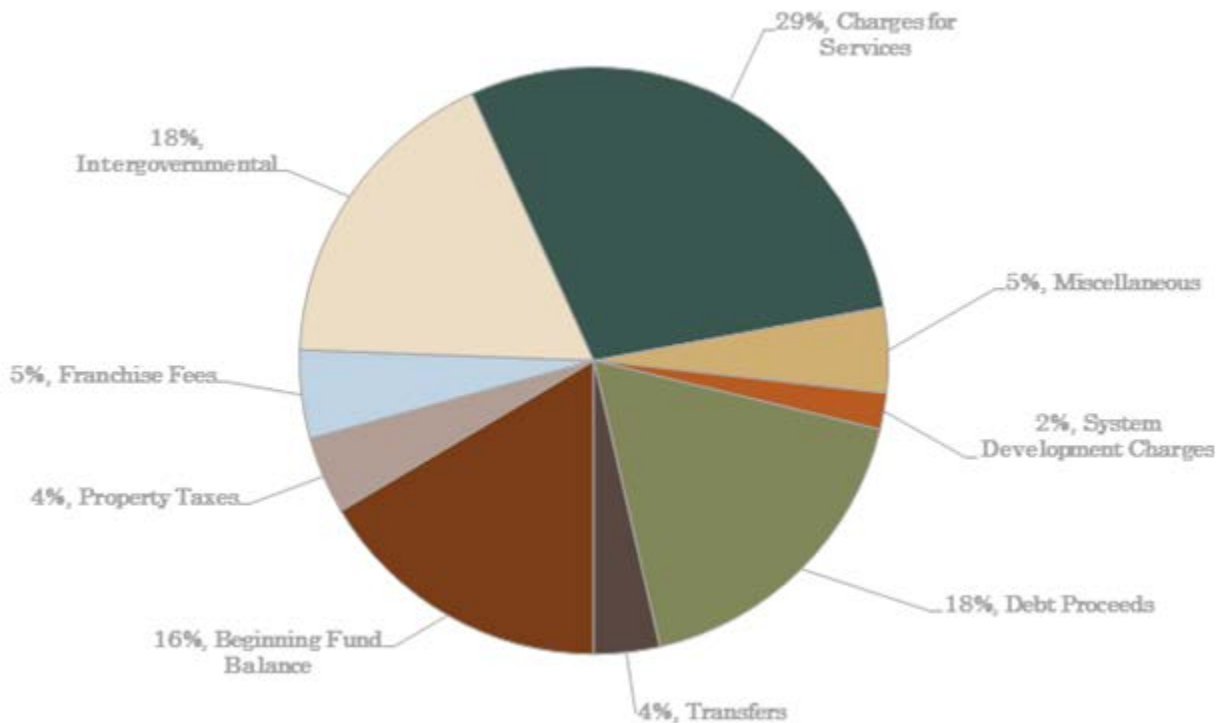
## Types of Resources and Requirements

### All Revenue Sources

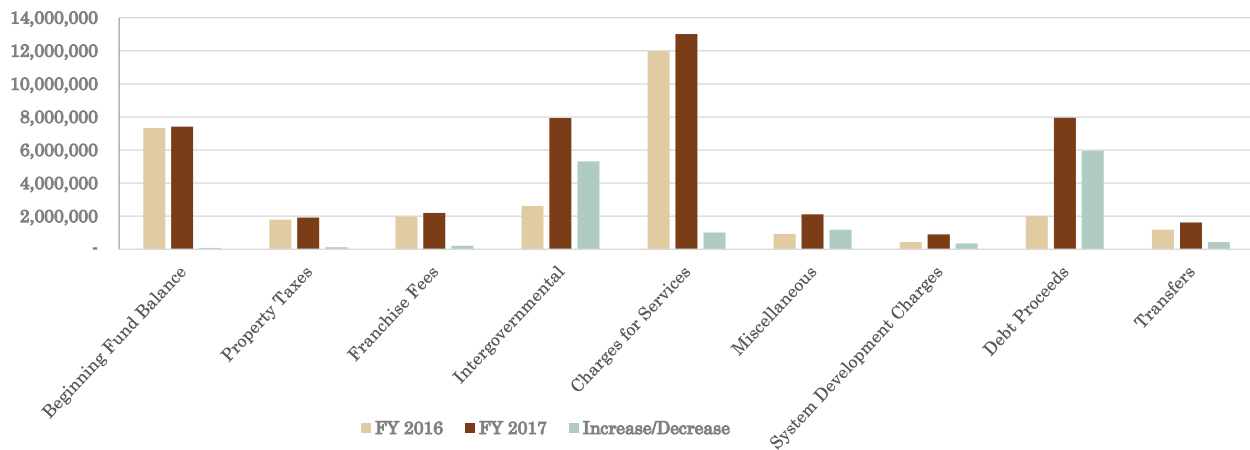
Nine main revenue categories comprise the revenue sources for the fiscal year 2017 budget. Of these nine categories charges for service is the largest at 29 percent, intergovernmental revenue and debt proceeds both at 18 percent, beginning fund balance at 16 percent, and both franchise fees and miscellaneous revenue at 5 percent. The top six sources comprise 91 percent of total revenues. This section will examine these revenue sources, as well as property taxes.

Revenue Summary	
	Percent of Total
Beginning Fund Balance	16%
Property Taxes	4%
Franchise Fees	5%
Intergovernmental	18%
Charges for Services	29%
Miscellaneous	5%
System Development Charges	2%
Debt Proceeds	18%
Transfers	4%

### All Revenue Sources

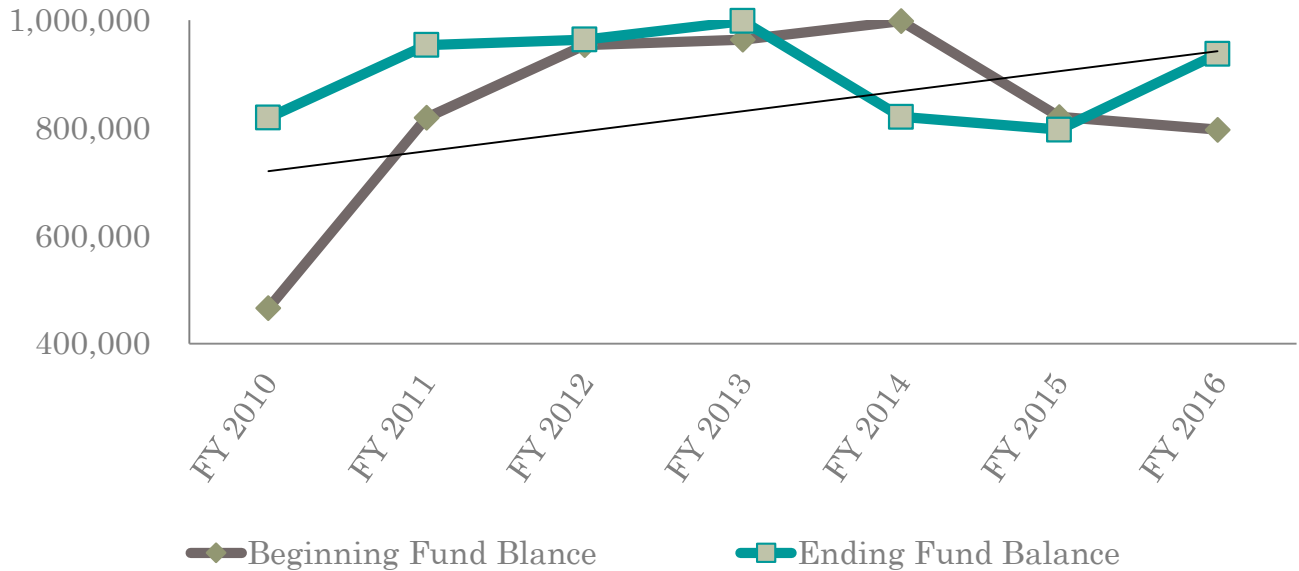


## All Revenue Sources Comparison City of Prineville, FY 16 - FY 17



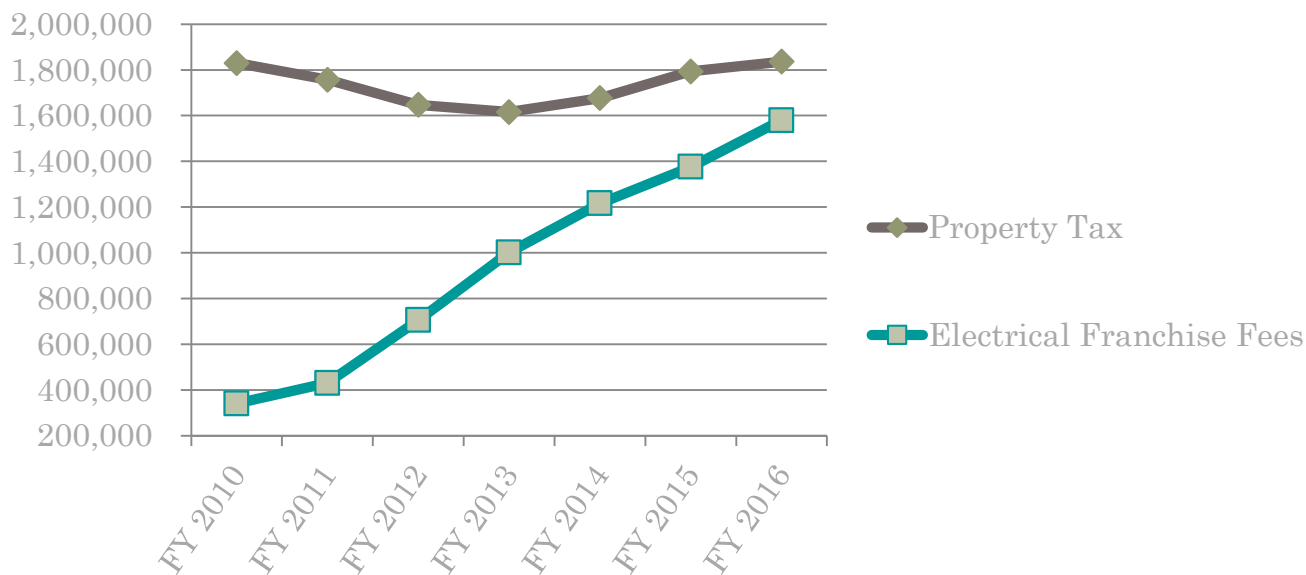
Significant increases to revenue sources include intergovernmental revenue and debt proceeds related to the wetland project and the airport improvements with a combination of grants and loans. Other significant increases in revenue include miscellaneous revenue in the local improvement fund (LID) as the budget includes the payoff of the Iron horse assessment for \$1.2 million.

### Beginning Fund Balance General Fund FY 17



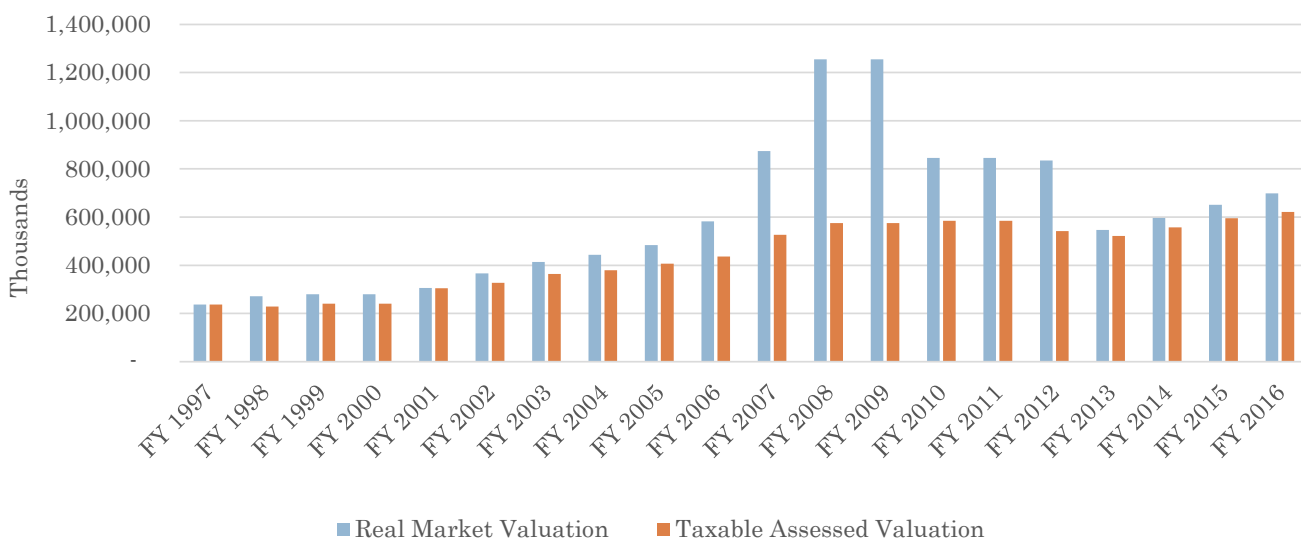
General Fund beginning fund balance in FY 2010 was \$465,841 and at the beginning of FY 17 totaled \$937,434, an improvement over the prior year of \$140,375. Property tax began declining during FY 2010 we began cutting back FTE's and finding ways to become more efficient to maintain fund balance.

## Revenue Collection Trend Property Tax and Electrical Franchise Fees



Property taxes decreased roughly \$214 thousand annually from FY 2010 to FY 2013 and have just now recovered in FY 2016 to previous collections of FY 2010. Prior to data centers the electrical franchise fees were roughly \$350,000 annually, in FY 2011 the collection of fees totaled \$430,000., an increase of \$80,000. Over the last six years we have collected roughly \$6.6 million in electrical franchise fees this filling the gap of lost property tax collection.

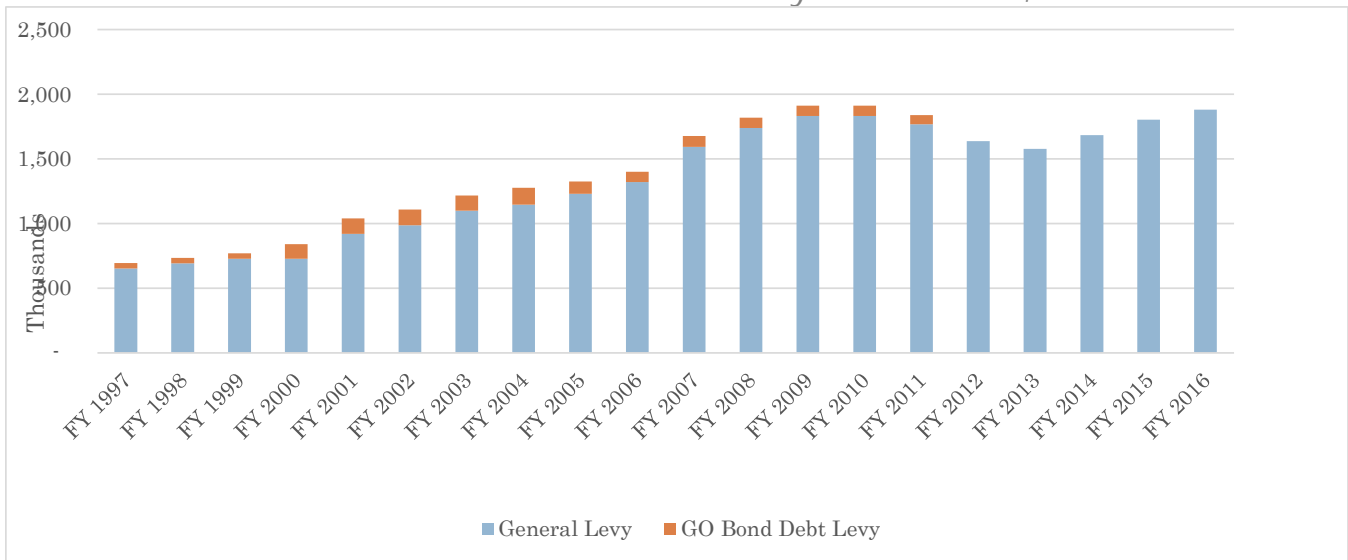
## Real Market Value / Taxable Assessed Value City of Prineville, FY 1997 – FY 2016



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.

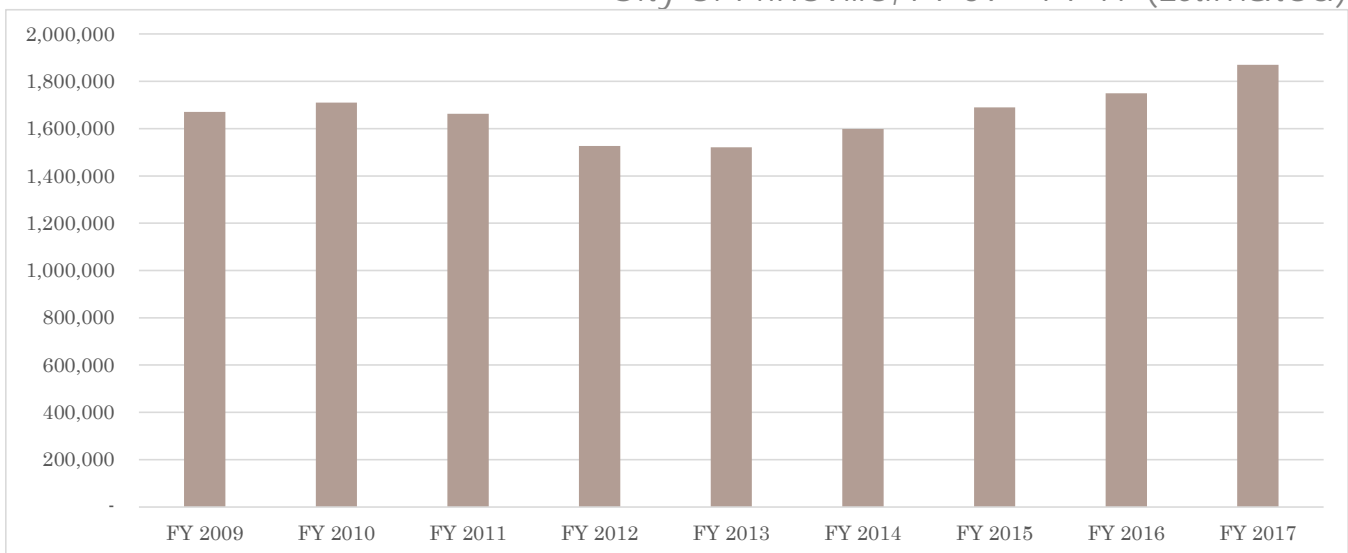


## Property Taxes Levied City of Prineville, FY 1997 – FY 2016



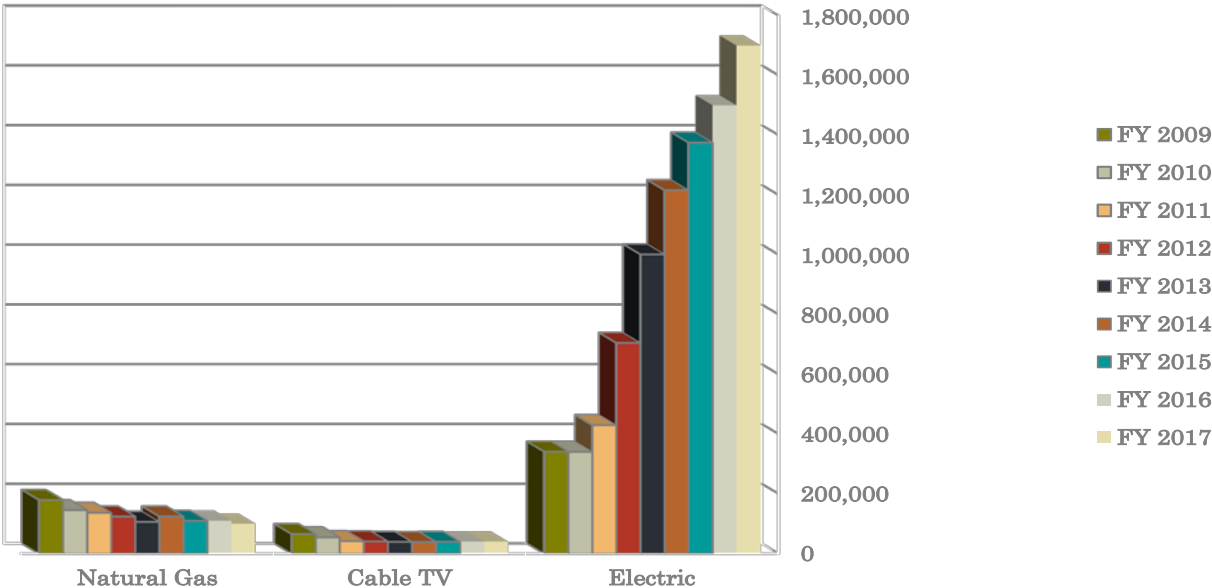
Taxable assessed value of property and the permanent property tax rate are used to calculate property taxes in the City of Prineville. Taxable assessed values of existing property are limited to an increase of 3 percent per year. Value added to a community via new construction increases the assessed value over the 3 percent growth rate limited by Measure 50. For FY 17, taxable assessed value is projected by the county assessor to increase approximately 7 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 17 (Estimated)



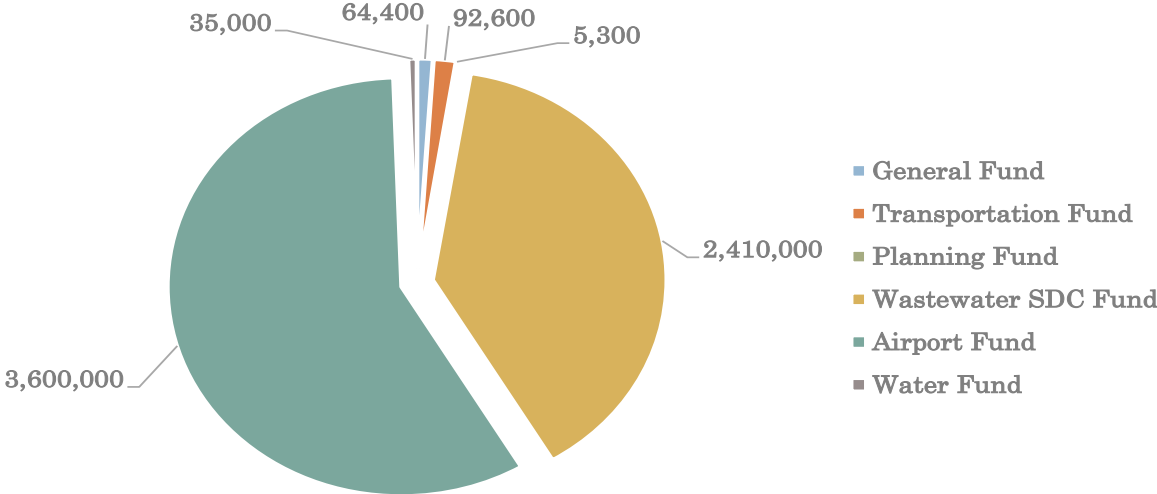
Property tax collection is estimated at \$1.87 million, an increase of roughly \$120,000 over prior year estimate.

# Franchise Fee Comparison FY 09 – FY 17



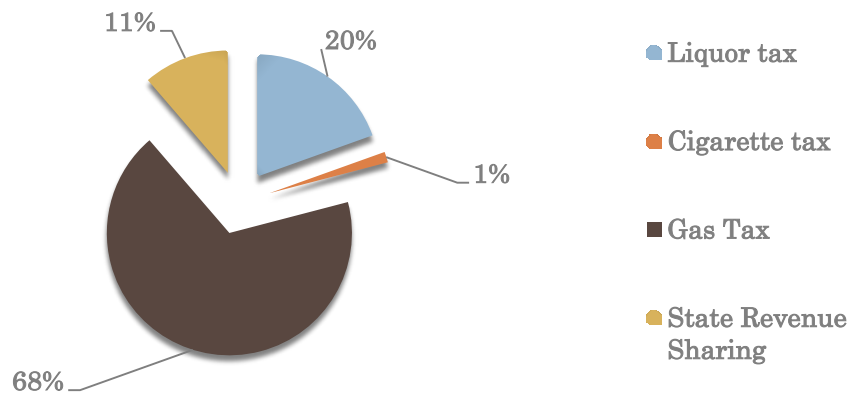
Franchise fees are projected to increase approximately \$200,000 in FY 17.

# Intergovernmental Revenue Grant Revenue FY 17



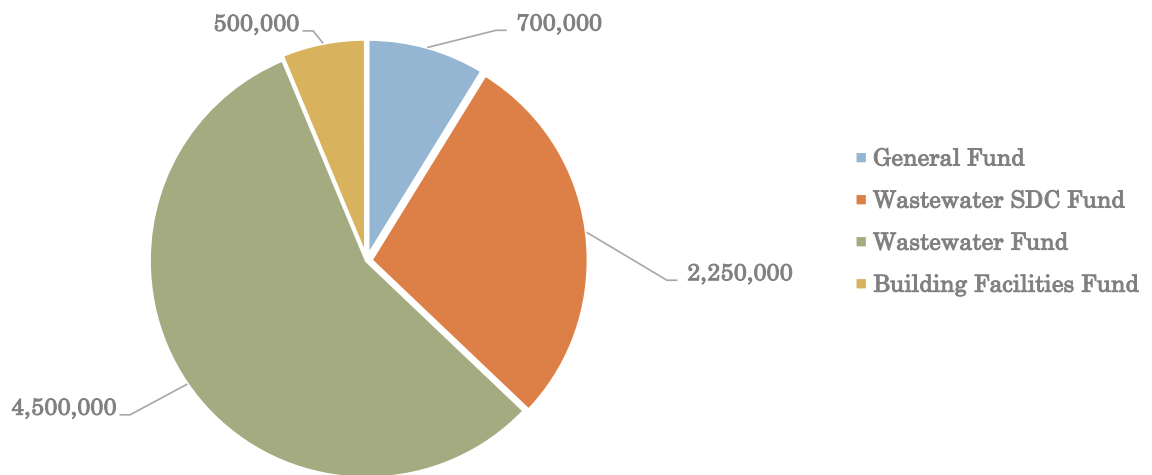
Grant revenue for fiscal year 2017 is \$6,207,300 with the largest grants budgeted in the Airport fund for \$3.6 million, \$2 million coming from Connect Oregon and \$1.6 million from an FAA grant. In the Wastewater SDC fund \$2.41 million is budgeted for the wetland project with dollars coming from the Oregon Watershed Enhancement Board (OWEB), Oregon Business Development Department (OBDD), United States Department of Agriculture (USDA), Open Space Plan – Land and Water Conservation Fund (OSP-LWCF), and Pelton. Other grant dollars include Oregon Department of Transportation (ODOT) Transit grant in the Transportation fund, Department of Environmental Quality (DEQ) air quality grant in Planning, Technical Assistance Grant (TAG) in the Water fund, and police related grants in the General fund.

## State Shared Revenue City of Prineville, FY 17



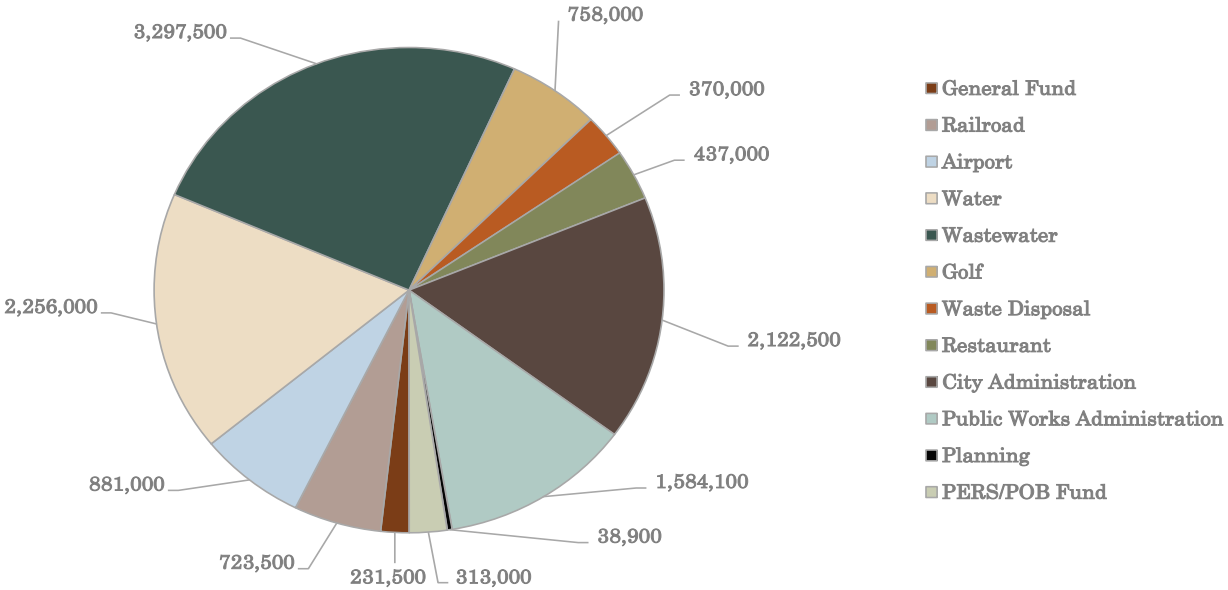
State shared revenues are projected at \$796,000 for FY 17. State revenues are distributed to cities based on state statute, which defines formulas incorporating population and per capita income. The League of Oregon Cities provides the source data for state revenue sharing projections. In Prineville, liquor and cigarette tax revenues are shown in the General Fund. Gas tax and state revenue sharing are shown in the Transportation Operations Fund.

## Debt Proceeds FY 17



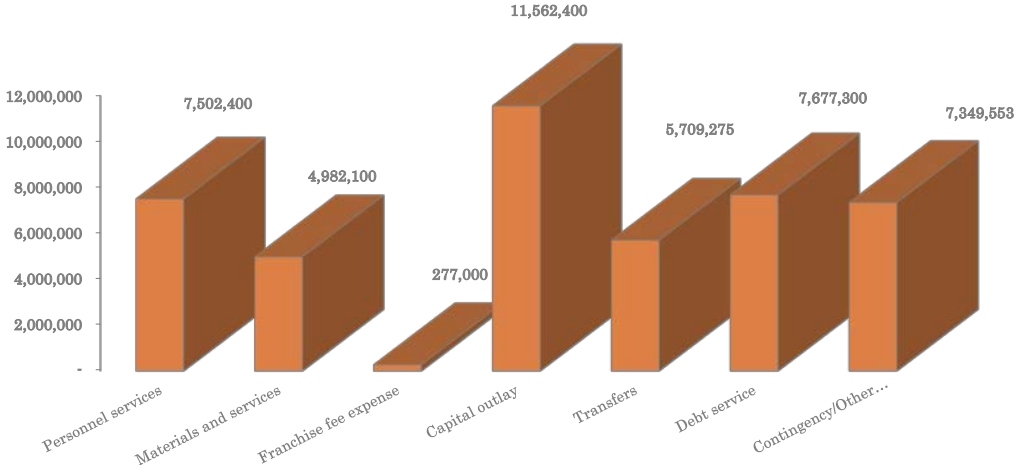
Debt proceeds total \$7,950,000 with \$6.750 million budgeted in Wastewater SDC fund and Wastewater fund for the wetland project. Interim borrowing of \$2.250 in the SDC fund for FY 17 will be paid off along with interim borrowing in FY 16 for a total of \$4.5 million in debt proceeds budgeted in the Wastewater fund. Other borrowing budgeted include \$700,000 for the acquisition of property and \$500,000 for police facility improvements.

# Charges for Services City of Prineville, FY 17



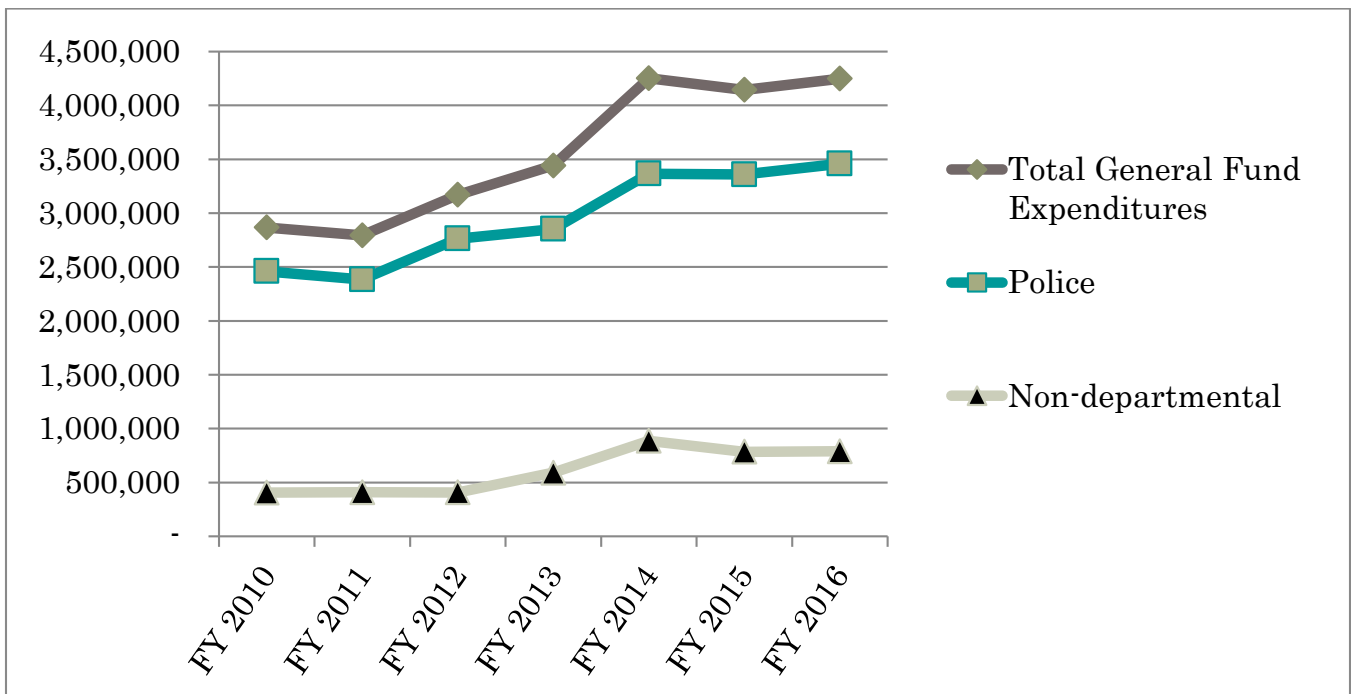
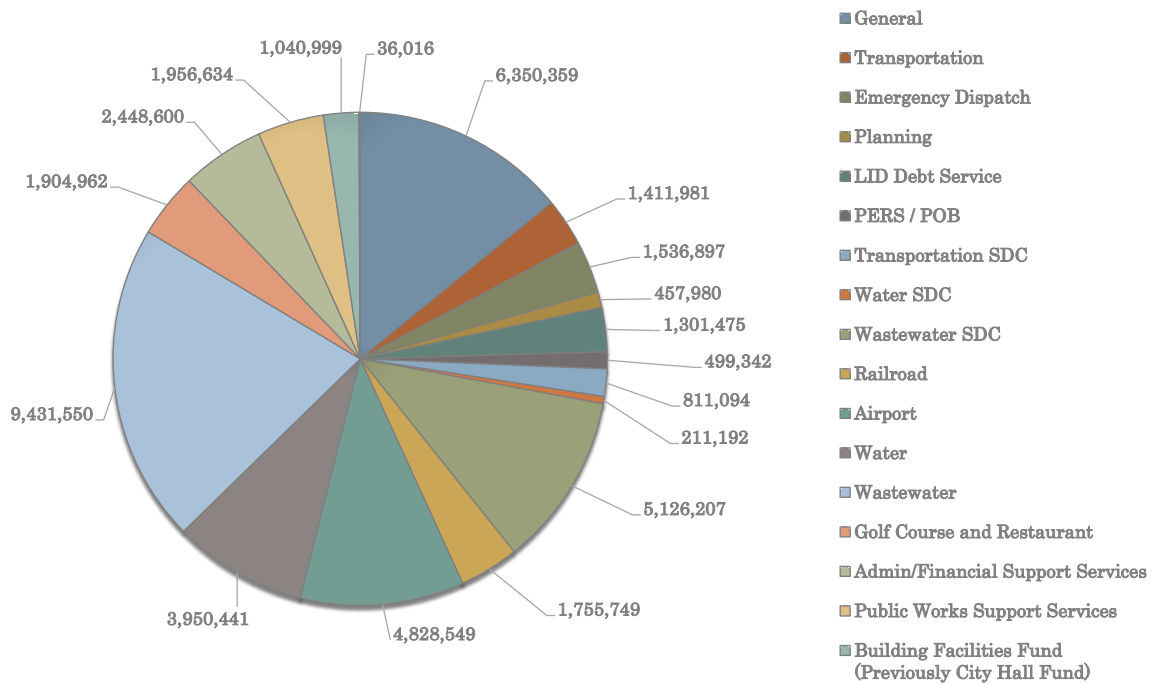
Charges for services total \$13,013,000 for FY 17. Charges for water, wastewater, airport, rail service, engineering, and golf are charged to users in the City of Prineville and with certain services throughout the region. The fees for utility services and governmental funds are established through the 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 \$3,297,500 and water at \$2,256,000 for 2017.

# Requirements Budget by Major Category FY 16 - 17



Operational requirements total approximately 41 percent of the budget for FY 17; these categories include personnel services, materials and services, franchise fees, and transfers.

## Total Requirements by Fund FY 2017



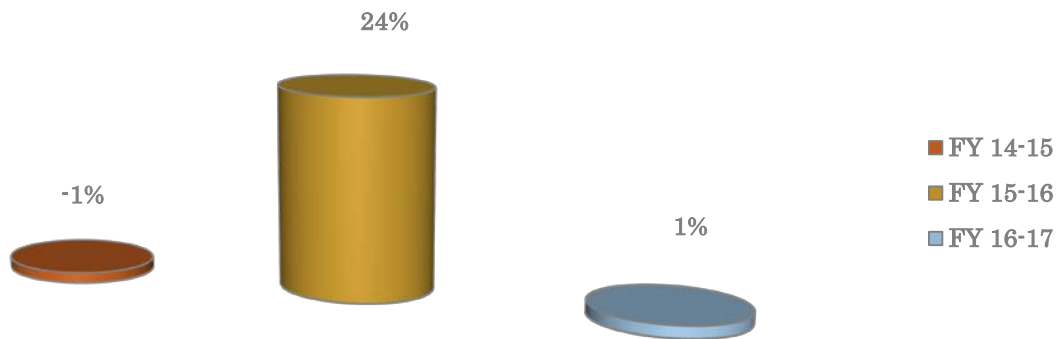
From FY 2010 through FY 2014 Public Safety costs increased approx. \$1 Million annually, our non-departmental costs went from \$406 thousand to \$789 thousand (\$380k increase), funding annually beginning FY 2014 approx. \$100 dollars (currently \$115) for street lighting and \$100,000 for capital improvements for streets, this allowing our community to avoid a street light and improvement fee. In FY 14 we did a pension obligation bond for our unfunded liability to offset PERS rates into the future, we annually support the airport through an intergovernmental agreement with the county and give \$13,000 to the fairgrounds, we have contributed to the feasibility study and community consultant for the jail project, along with the downtown revitalization contribution. We annually contribute \$36,000 to the humane society for dog control and give 37.5% of the transient tax collected to the chamber to benefit tourism.

## Personnel Services Requirement Trends FY 15 – 17



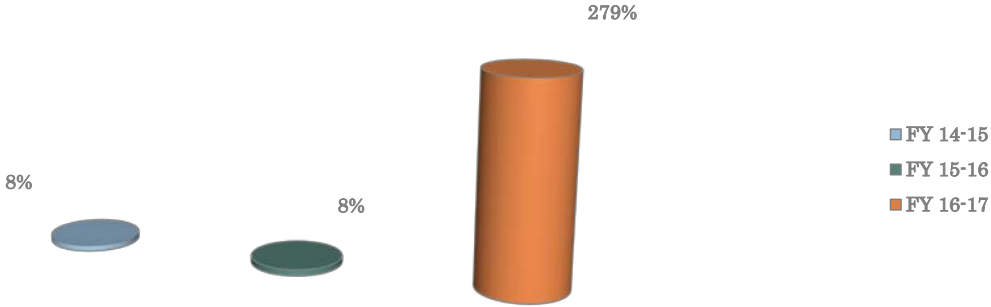
As in past years, personnel services requirements are a major expense category for the organization. For FY 14, the personnel services cost included the Oregon Public Employee Retirement System (PERS) estimated unfunded liability (UAL) total of \$3.8 million, which is why in FY 15 personnel services 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 increased approximately 5 percent over prior year, and in FY 17 personnel services will increase approximately 7 percent the change in FTE shows an increase of 1.5, however the assistant city engineer was only budgeted for 6 months of FY 16, changes from an interim police chief, a new captain and CSO increased salaries in police. The City of Prineville will meet union contract obligations and provide a modest increase for non-represented employees. Health costs increased approximately 3 percent and retirement (PERS) increased with the costs of salaries. An additional 7 percent estimated rate on all subject payroll sufficient to repay debt service on the pension obligation bond (POB), and improve fund balance in the POB fund for future liabilities.

## Materials & Services Requirement Trends FY 15 – 17



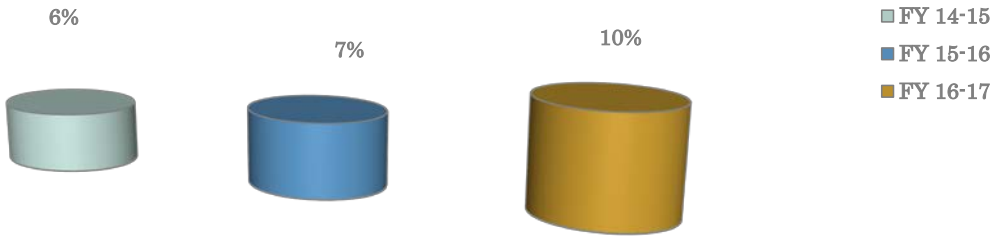
Materials and services requirements increased 1 percent over prior year, this largely due to the decrease in fuel charges during FY 16. Budgeted in 2017 is additional maintenance of concrete in the front area of City Hall and maintenance of the HVAC system, the addition of two leased fuel trucks and facility maintenance at the airport, a strategic downtown enhancement plan, and an increase in chamber fees due to an increase in transient room tax.

## Debt Service Requirement Trends FY 15 – 17



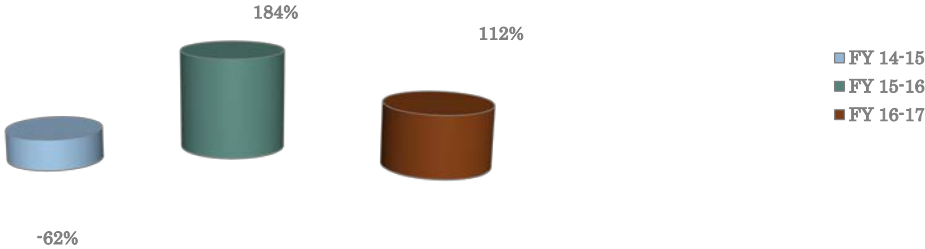
Debt service requirements increased approximately 279 percent over prior year FY 16. Debt proceeds for interim financing for the wetland project construction of approximately \$2.25 million and \$4.5 million to pay off and consolidate interim financing for FY 16 and FY 17 for the wetland project projected to be completed mid-year. \$700,000 in debt proceeds are budgeted for the acquisition of property in General Fund and \$500,000 for upgrades to the Police facility in the Building Facilities fund.

## Transfer Requirement Trends FY 15 – 17



Transfers from funds for charges of service are based upon operating budgets. In FY 17, transfers increased by approximately 10 percent. This is largely due to the consolidation of the Police facility and the Public Works facilities into the Building Facilities fund with a transfer from police and public works for maintenance and improvements. Other increases would include transfers from subject payroll to cover the POB debt service, and the additional dollars transferring from the General Fund to Airport for a grant match, Emergency Dispatch, Planning, and Golf Funds.

# Capital Outlay Requirement Trends FY 15 – 17



Capital outlay for FY 17 totals approximately \$11.6 million. Capital project expenditures increased approximately 112 percent over the prior year. Grant-related projects represent approximately 53 percent of the total projects for FY 17, with 3 percent covered by reserves, 30 percent as debt proceeds, and 2 percent paid for with impact fees. The other 11 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 \$4,810,000; Airport projects approximately \$3,760,000.





❖ 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 approximately 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.

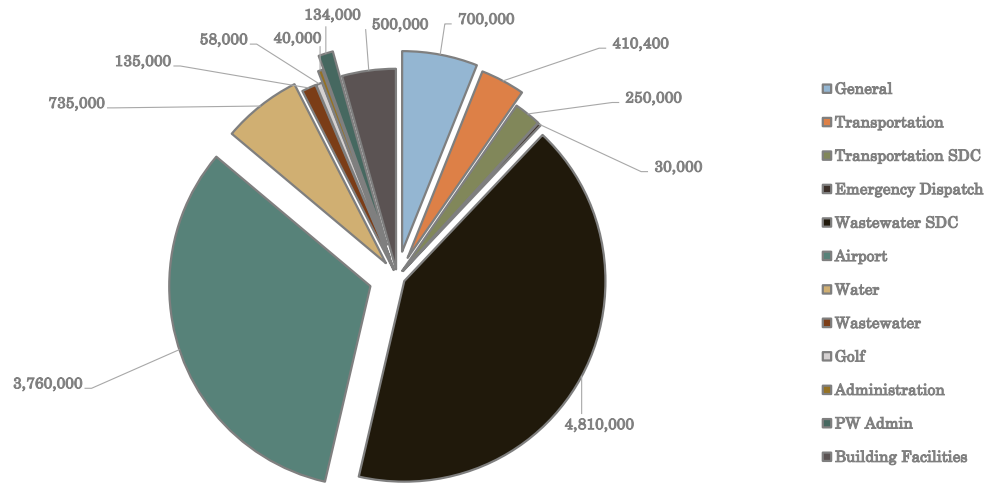
A review of the pavement condition index (PCI), master plans for water and sewer, and the financial forecasts are reviewed annually. Findings are then presented to the Prineville Budget Committee during the budget process prior to the committee's approval of the budget. The long-range planning models 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.*

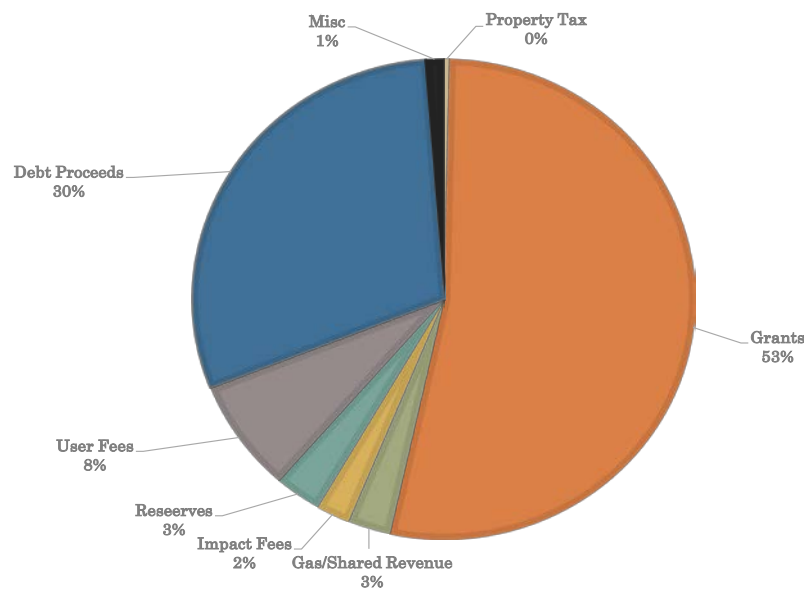
## Capital Outlay Summary Capital Expenditures by Fund, FY 2017



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 17 is \$11,562,400. Eleven programs have budgeted capital improvements, the largest being in the Wastewater SDC fund with approximately \$4.8 million, Airport fund with approximately \$3.76 million budgeted, \$700,000 in General fund, \$735,000 in the Water fund and approximately \$500,000 budgeted in the Building Facilities fund.

## Capital Resources



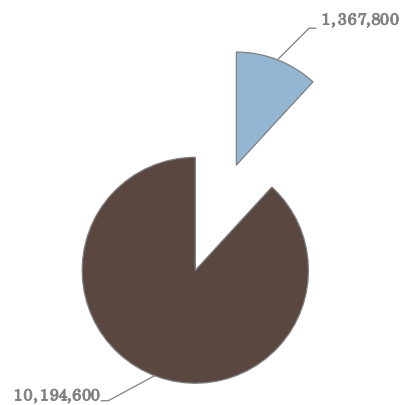
The City of Prineville's funding for capital projects comes from a variety of sources for FY 17, but generally falls into one of several categories: Grants, debt service, gasoline taxes, shared revenue, impact fees, or reserves. User fees, property tax, and other miscellaneous revenue will cover approximately 9 percent of the capital projects.

# Summary of Capital Improvement Expenditures and Resources

Capital Improvement Summary City of Prineville Current Year 2017									
Expenditures				Resources					
Department/Project Description	Capital Outlay	Recurring	Non-recurring	Taxes AD Valorem	Revenue Sharing/ Intergovernmental	Debt proceeds	Grants	Fund Balance	Other
General Fund									
Non-departmental/Property	\$ 700,000		**			\$ 700,000			
Emergency Dispatch									
EMD Cards	30,000		**			30,000			
Transportation Fund									
Overlay/Reconstruction	305,800	*		100,000	205,800				
ODOT Transit Grant	104,600		**		104,600				
Transportation SDC Fund									
Right of Way Acquisition	250,000		**					250,000	
Airport Fund									
Airport Improvements	3,760,000		**		80,000		3,600,000		80,000
Water Fund									
Water Rights	250,000	*						250,000	
Water Improvements	405,000	*						405,000	
CRC/HCP	80,000	*						80,000	
Wastewater Fund									
Repair and Maintenance	135,000	*						135,000	
Wastewater SDC Fund									
Construction of Wetlands	4,660,000		**			2,250,000	2,410,000		
Master Plan Update	150,000		**						150,000
Golf Course Fund									
Course Improvements	58,000	*						58,000	
Administrative Services									
IT/ Software Upgrade	40,000		**					40,000	
Building Facilities Fund									
Police Facility Upgrades	500,000		**			500,000			
Public Works									
Administration Services Fund									
Fleet/Equipment Management	134,000	*							134,000
<b>Total Capital Outlay</b>	<b>\$ 11,562,400</b>			<b>\$ 100,000</b>	<b>\$ 420,400</b>	<b>\$ 3,450,000</b>	<b>\$ 6,010,000</b>	<b>\$ 1,218,000</b>	<b>\$ 364,000</b>

\*\* Major Non-recurring Project

## Capital Expenditures by Category Nonrecurring / Recurring FY 17

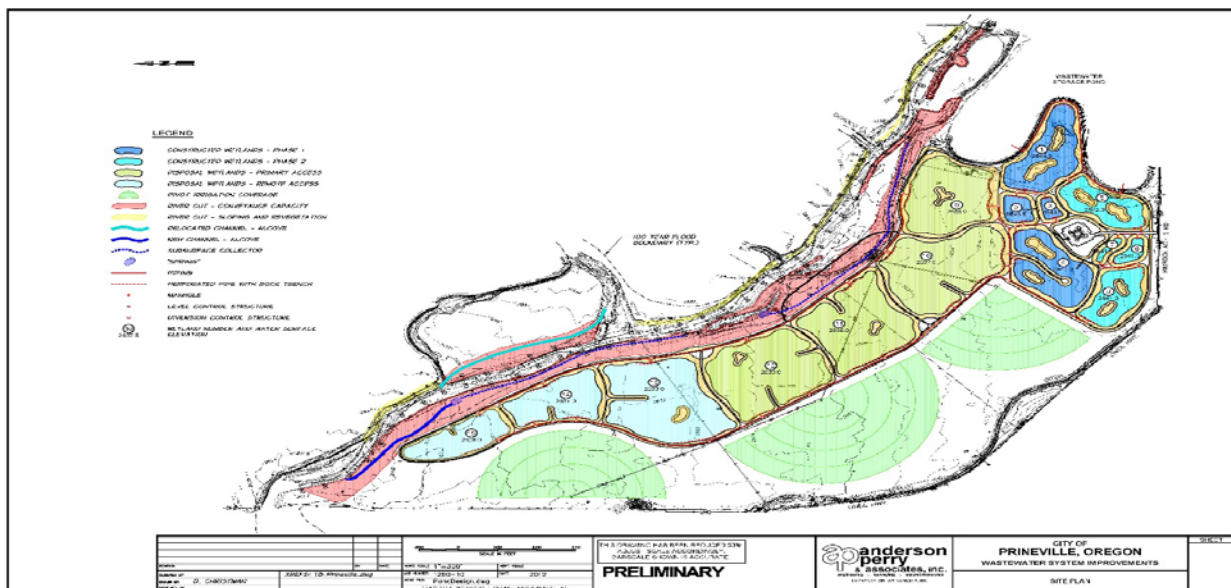


### Capital Improvement Plan

Non-recurring	
Roads .....	\$ 250,000
Wastewater .....	4,810,000
Water .....	-
Alternative Transportation .....	3,864,600
Buildings.....	500,000
Other.....	770,000
<b>Total CIP Expenditures .....</b>	<b>\$ 10,194,600</b>
Recurring	
Vehicles.....	\$ 159,000
Major Maintenance.....	845,800
Other.....	363,000
<b>Total Routine.....</b>	<b>\$ 1,367,800</b>
<b>Total Capital.....</b>	<b>\$ 11,562,400</b>

# Major Nonrecurring Capital Improvements by Project Wastewater SDC Fund

Project Description: Crooked River Wetland Construction								
Department: Wastewater System Development Charge								
<b>Project Description</b>	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 to approximately \$4,000 per Equivalent Dwelling Unit. This will be an outstanding project for the local community. The City broke ground on this project in FY 2016 and expects to finish the project in FY 2017.							
<b>Analysis of Need</b>	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.							
<b>Ongoing Operating Costs</b>	The above improvement to the sewer treatment system are not expected to increase maintenance costs. While costs associated with the electrical use and maintenance of pumps required to run our existing pivots will be reduced with the introduction of the wetland, costs associated with maintenance of the wetland system will negate any savings.							
<b>Council Goal</b>	Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.							
Fiscal Year								
	Estimated Reserves	2016	2017	2018	2019	2020	Beyond	Total
Estimated Cost								
Design / Engineering								
Construction		\$ 3,220,000	\$ 4,660,000					\$ 7,880,000
Equipment								
<b>Total</b>		\$ 3,220,000	\$ 4,660,000	\$ -	\$ -	\$ -		\$ 7,880,000
Revenue Sources								
Fund Balance								
Intergovernmental								
Grant		\$ 620,000	\$ 2,410,000					\$ 3,030,000
Bond Proceeds								
Other		\$ 2,600,000	\$ 2,250,000					\$ 4,850,000
<b>Total</b>		\$ 3,220,000	\$ 4,660,000	\$ -	\$ -	\$ -		\$ 7,880,000
Wastewater SDC Fund Operating Impact								
Capital Costs								
Debt Service			\$ 4,545,010	\$ 64,000	\$ 242,000	\$ 242,000	\$ 2,000,000	\$ 7,093,010
Personnel / Operations								
<b>Total</b>		\$ -	\$ 4,545,010	\$ 64,000	\$ 242,000	\$ 242,000	\$ 2,000,000	\$ 7,093,010



*Preliminary site plan for wastewater wetlands.*

Project Description: Ironhorse Water Right Acquisition								
Department: Water Fund								
Project Description	The City of Prineville has the opportunity to acquire 305 acres of Water Rights from the Ironhorse property. These water rights are currently being offered at a very reasonable price. In the future, the City of Prineville will more than likely use these rights to serve a future surface water treatment plant.							
Analysis of Need	The Water System Master Plan currently requires the City of Prineville to plan to serve 20 years of growth. With the drilling of three non performing wells in 2006, the likelihood of needing to develop surface water treatment in the future has increased.							
Ongoing Operating Costs	No additional future budget impacts are expected as a result of this project.							
Council Goal	Provide Quality Municipal Services and Programs Which Contribute to Prineville's Reputation as a Desirable Place to Live, Work and Play.							
<b>Fiscal Year</b>								
	Estimated Reserves	2017	2018	2019	2020	2021	Beyond	Total
<b>Estimated Cost</b>								
Design / Engineering	\$	250,000						\$ 250,000
Construction								
Equipment								
<b>Total</b>	<b>\$</b>	<b>250,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 250,000</b>
<b>Revenue Sources</b>								
Fund Balance	\$	250,000						\$ 250,000
Intergovernmental								
Grant								
Bond Proceeds								
Other								
<b>Total</b>	<b>\$</b>	<b>250,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 250,000</b>
<b>Water Fund Operating Impact</b>								
Capital Costs								
Debt Service								
Personnel / Operations	\$	-	\$ -	\$ -	\$ -	\$ -	-	\$ -
<b>Total</b>	<b>\$</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>



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

Project Description: Water Master Plan Update								
Department: Water Fund								
<b>Project Description</b>	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 was last updated in 2007. The City of Prineville has delayed updating this plan as the water department has been gathering hydrogeological data on the different aquifers that support the water system. The gathering of this data is complete and it is now time to update the City of Prineville Water System Master Plan.							
<b>Analysis of Need</b>	The Water System Masterplan will direct the growth and maintenance of the City of Prineville's water system for the next 20 years. This is a state required document that will help develop future rate and System Development Charges.							
<b>Ongoing Operating Costs</b>	No additional future budget impacts are expected as a result of this project.							
<b>Council Goal</b>	Provide Quality Municipal Services and Programs Which Contribute to Prineville's Reputation as a Desirable Place to Live, Work and Play.							
Fiscal Year								
	Estimated Reserves	2017	2018	2019	2020	2021	Beyond	Total
<b>Estimated Cost</b>								
Design / Engineering		\$ 155,000						\$ 155,000
Construction								
Equipment								
<b>Total</b>		\$ 155,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 155,000
<b>Revenue Sources</b>								
Fund Balance		\$ 155,000						\$ 155,000
Intergovernmental								
Grant								
Bond Proceeds								
Other								\$ -
<b>Total</b>		\$ 155,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 155,000
<b>Water Fund Operating Impact</b>								
Capital Costs								
Debt Service								
Personnel / Operations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



*Initial drilling on Airport Well #3.*



Project Description: Expanded parking apron and run-up area Department: Airport Fund								
<b>Project Description</b>	The apron expansion project doubles the amount of aircraft parking and provides an area for aircraft to do required engine and control checks before takeoff. Needed aircraft parking will grow from 10 to 20 available spots while the new run-up area increases safety by eliminating existing head to head aircraft taxing conflicts. The program is funded 90% with FAA dollars and requires 10% airport sponsor contribution. Matching funds from Airport budget is supported jointly by the City of Prineville and Crook County.							
<b>Analysis of Need</b>	Provides current, short term and long term aircraft parking needs of the airport while the run-up area increases safety.							
<b>Ongoing Operating Costs</b>	Engineer asphalt condition inspection and maintenance cost estimates will be made every three years. It is estimated that up to \$5000.00 of maintenance will be required in a 3 to 5 year maintenance cycle. This includes crack filling, patching, sealing. FAA and State of Oregon funds are available for airport asphalt maintenance covering 90% with 10% local matching funds. These sources will be utilized in the future for this area.							
<b>Council Goal</b>	Provide Quality Municipal Services and Programs Which Contribute to Prineville's Reputation as a Desirable Place to Live, Work and Play. Community Safety.							
Fiscal Year								
	Estimated Reserves	2017	2018	2019	2020	2021	Beyond	Total
<b>Estimated Cost</b>								
Design / Engineering		\$ 440,000						\$ 440,000
Construction		\$ 1,120,000						\$ 1,120,000
Equipment								
<b>Total</b>		\$ 1,560,000	\$ -	\$ -	\$ -	\$ -		\$ 1,560,000
<b>Revenue Sources</b>								
Fund Balance								
Intergovernmental		\$ 160,000						\$ 160,000
Grant		\$ 1,400,000						\$ 1,400,000
Bond Proceeds								
Other								
<b>Total</b>		\$ 1,560,000	\$ -	\$ -	\$ -	\$ -		\$ 1,560,000
<b>Airport Fund Operating Impact</b>								
Capital Costs		\$ 140,000						\$ 140,000
Debt Service								
Personnel / Operations					\$ 5,000		\$ 5,000	\$ 10,000
<b>Total</b>		\$ 140,000	\$ -	\$ -	\$ 5,000	\$ -	\$ 5,000	\$ 150,000



*Fly-in at the Prineville Airport in July 2015*

Project Description: Airbase - design, engineering, site work								
Department: Airport Fund								
<b>Project Description</b>	The Airbase project is a joint effort between the USFS, City of Prineville and Crook County. The project will be a multi-use facility, housing the USFS rappel base, helicopter, and Oregon Dept. of Forestry single engine tankers. Funding shown below is for phase I. Phase II will be building construction beginning 2017. The project will be funded with a Connect Oregon Grant in conjunction with Crook County. For phase I the required 20% matching funds will be supported through the Crook Count Contribution of the Airbase project.							
<b>Analysis of Need</b>	Provides adequate space for USFS crews and resources to operate efficiently . Separates emergency services from general aviation training operations, thus greatly improving safety.							
<b>Ongoing Operating Costs</b>	Ongoing operating costs included at this time are debt service, utilities, building maintenance, custodial services and landscape services. Cost for future operations, maintenance and the debt service are estimated at this time. More concise operating cost will be determined as the project design is confirmed. USFS will be responsible for most costs while all others will be designed to be offset through revenues from lease agreements.							
<b>Council Goal</b>	Provide Quality Municipal Services and Programs Which Contribute to Prineville's Reputation as a Desirable Place to Live, Work and Play. Community Safety.							
Fiscal Year								
	Estimated Reserves	2017	2018	2019	2020	2021	Beyond	Total
<b>Estimated Cost</b>								
Design / Engineering	\$	400,000						\$ 400,000
Construction	\$	700,000						\$ 700,000
Equipment								
<b>Total</b>	\$	1,100,000	\$ -	\$ -	\$ -	\$ -		\$ 1,100,000
<b>Revenue Sources</b>								
Fund Balance								
Intergovernmental								\$ -
Grant	\$	1,100,000						\$ 1,100,000
Bond Proceeds								
Other								
<b>Total</b>	\$	1,100,000	\$ -	\$ -	\$ -	\$ -		\$ 1,100,000
<b>Airport Fund Operating Impact</b>								
Capital Costs								
Debt Service			\$ 50,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 530,000
Personnel / Operations			\$ 25,000	\$ 50,000	\$ 55,000	\$ 60,000	\$ 65,000	\$ 255,000
<b>Total</b>	\$	-	\$ 75,000	\$ 170,000	\$ 175,000	\$ 180,000	\$ 185,000	\$ 785,000



Single engine air tanker (SEAT) fire suppression demo done in July 2015.

## Nonrecurring Five-year Capital Improvement Plans by Fund General Fund

City of Prineville Police Capital Improvement Plan Fiscal Years 2017 - 2021						
Project Description	Current Year Construction Estimate	2017	2018	2019	2020	2021
Update Radio's for Police			\$ 20,000			
2 fully equipped Patrol Vehicles	\$ 115,000		\$ 115,000			
Upgraded Body Camera's	\$ 12,800			\$ 13,000		
<b>Total</b>	<b>\$ 127,800</b>	<b>\$ -</b>	<b>\$ 135,000</b>	<b>\$ 13,000</b>	<b>\$ -</b>	<b>\$ -</b>

### Project Description

In FY 17 there are not any capital expenditures budgeted for the Police Department. Current needs suggest we budget two vehicles in FY 18 in an effort to keep the fleet rotation on schedule. The current estimated cost of a fully equipped police vehicle is \$57,500.00 per unit. Although we may have to push the purchase out due to budget constraints, we do so with the knowledge that additional vehicles will continue to enter a replacement rotation and extended delays could “stack” the cost necessary to replace an ever growing number of vehicles. Also planned for FY 18 is the replacement of the 20 (twenty) VHF portable radios we are currently using. This update will be unnecessary if we migrate to a 700 megahertz (dual band) system.

Body worn camera updates are expected to be needed by FY 19 in order to keep them up to date. The rapid improvement in technology combined with the wear and tear of daily use, make replacements of the cameras every three years a solid investment.

City of Prineville General Fund - Non Departmental Fiscal Years 2017 - 2021						
Project Description	Current Year Construction Estimate	2017	2018	2019	2020	2021
Property Acquisition		\$ 700,000				
<b>Total</b>	<b>\$ -</b>	<b>\$ 700,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

### Project Description

In FY 17 the city is looking to potentially acquire 460 acres from Brooks Resources with the intent to preserve a good portion of the open space for recreational activities. If the property is acquired, the city will gain approximately 305 acres of water rights and gain necessary right of ways to improve the transportation connections in the Barnes Butte area. With the preservation of the open space for parks, trail systems, wildlife habitat, and wetland development, operating budget impacts associated with the future maintenance of the green space are expected.

## Building Facilities Fund

City of Prineville Police Facility Capital Improvement Plan Fiscal Years 2017 - 2021						
Project Description	Current Year Construction Estimate	2017	2018	2019	2020	2021
400 NE 3rd Street - Replace Roof Building Replacement		\$ 500,000				\$ 13,500,000
<b>Total</b>	<b>\$ -</b>	<b>\$ 500,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,500,000</b>

### Project Description

Initial inspection of the roof in 2015 provided an estimate for replacement. The building itself is viable and the roof replacement is a good option, if we are able to downgrade the building’s critical status by moving the dispatch center. The improvement may be held to the 2017 budget, pending a status update on the dispatch

center. This 2021 capital improvement is a placeholder number that can be alleviated based on several factors that include the disposition of the dispatch center, building structure improvements, etc.

## Emergency Dispatch Fund

City of Prineville Emergency Dispatch Capital Improvement Plan Fiscal Years 2017 - 2021						
Project Description	Current Year Construction Estimate	2017	2018	2019	2020	2021
Recording Equipment Dispatch			\$ 30,000			
RMS2 EIS Update						
EMD Cards		\$ 30,000				
Upgrade Radio Consoles / Full Digital and Back-Up					\$ 500,000	
Deployment of Fully Functional - Alt. PSAP				\$ 100,000		
<b>Total</b>	\$ -	\$ 30,000	\$ 30,000	\$ 100,000	\$ 500,000	\$ -

### Project Description

The FY 17 budget has a \$30,000 need for Emergency Medical Dispatch (EMD) cards for the dispatch center. These cards meet best practice standards for medical dispatch, but more importantly allow a solo dispatcher to quickly pull up the necessary card to provide lifesaving instructions to a caller in need.

The FY 18 budget improvement is replacing our antiquated recording hardware / software for recording 911 and dispatch calls. Our current software is based on the Windows XP platform which is no longer Criminal Justice Information Service (CJIS) compliant. As we move to upgrade consoles we will need to have this update in place.

The FY 19 improvement allows us to set up a temporary Public Service Answering Point (PSAP) if ours was to stop working. This “PSAP in a box” could allow us to bridge the gap of down time if our PSAP went down and took some time to get running again. This improvement would be reduced in priority if we are able to secure a better location for our current dispatch center.

For FY 20, \$500,000 is needed for an upgrade of the current dispatch center consoles. The current consoles are no longer made and are at “end of life” by manufacturer. The updated consoles will be digital and have backup capabilities.

## Transportation SDC Fund

City of Prineville Transportation SDC Capital Improvement Plan Fiscal Years 2017 - 2021						
Project Description (SDC Eligible Projects, Short- and Medium-term)	City's Expected Contribution	2017	2018	2019	2020	2021
Right of Way Acquisition Combs Flat / Peters Extension	\$ 250,000	\$ 250,000				
N9th/N10th Street Extension \$2,520,000	\$ 378,000					
Combs Flat Extension and Connection to Peters Road \$6,850,000	\$ 2,740,000					
Construction of N 2nd Street Extension \$660,000	\$ 99,000		\$ 99,000			
SE 5th St Extension btwn Main and Combs Flat \$1,680,000	\$ 252,000					
Peters Road Connection to Lamonta \$4,000,000	\$ 600,000					
N9th and N10th Street Connection \$800,000	\$ 120,000			\$ 120,000		
<b>Total</b>	\$ 4,439,000	\$ 250,000	\$ 99,000	\$ 120,000	\$ -	\$ -

### Project Description

The City of Prineville has the opportunity to acquire right of way for the future extensions of NE Combs Flat Rd and NE Peters Rd. These future extensions will serve as the backbone of the City of Prineville's transportation networks into the future. By acquiring the right of way now, the City of Prineville avoids the potential need to condemn this property at a future date at a much higher cost. The Transportation System Plan currently shows that the extensions of NE Combs Flat Rd and NE Peters Rd are needed to serve the transportation network in the next 20 years.

City of Prineville Water SDC Capital Improvement Plan Fiscal Years 2017 - 2021						
Project Description	Current Year Construction Estimate	2017	2018	2019	2020	2021
<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 17, there are no projects budgeted for 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.*

City of Prineville Wastewater SDC Capital Improvement Plan Fiscal Years 2017 - 2021							
Project Description	Master Plan Estimated Cost	Current Year Construction Estimate	2017	2018	2019	2020	2021
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	\$ 4,660,000	\$ 2,063,400			
Wastewater Facility Plan Update	\$	\$ 150,000	\$ 150,000				
<b>Total</b>	<b>\$ 25,141,100</b>	<b>\$ 25,818,000</b>	<b>\$ 4,810,000</b>	<b>\$ 2,063,400</b>	<b>\$ 184,700</b>	<b>\$ 932,000</b>	<b>\$ -</b>

## 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. This will be an outstanding project for the local community. The City broke ground on this project in FY 2016 and expects to finish the project in FY 2017. A more extensive description of this project is in the “Major Nonrecurring Capital Improvements by Project” section starting on page 84.

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 Wastewater Facility Plan was last updated in 2010. With completion of the Crooked River Wetland Project, it is now an opportune time to update the Wastewater Facility Plan. The Wastewater Facility Plan will direct the growth and maintenance of the City of Prineville's wastewater system for the next 20 years. This is a state required document that will help develop future user rates and System Development Charges.



*Crooked River taken in March 2016 out at the Wetlands Project*

City of Prineville Airport Maintenance/Improvements Capital Improvement Plan Fiscal Years 2017 - 2021						
Project Description	Current Year Construction Estimate	2017	2018	2019	2020	2021
Update Airport Master Plan*	\$ 152,000					
Expanded parking apron / Run-up area * (Phase 1)	\$	\$ 1,560,000				
Relocation/Replacement Airport Beacon * (Phase 1)	\$	\$ 200,000				
Remove/Replace fuel system** (Phase 1)	\$	\$ 900,000				
Airbase - design,engineering,site work** (Phase 1)	\$	\$ 1,100,000				
Airbase - construction (Phase 2)			\$ 4,000,000			
Airbase - construction (Phase 3)				\$ 4,000,000		
Property Acquisition - North future development				\$ 300,000		
Runway 33/15 reconstruction Phase I environmental/design*						\$ 400,000
<b>Total</b>	<b>\$ 152,000</b>	<b>\$ 3,760,000</b>	<b>\$ 4,000,000</b>	<b>\$ 4,300,000</b>	<b>\$ -</b>	<b>\$ 400,000</b>

### Project Description

The CIP for the Airport is the anticipated construction plan to meet the projected demand. Funding for these projects has not yet been committed and actual cost may vary depending upon construction costs. The date of implementation may also vary due to funding availability.

For 2017 the expanded parking apron and beacon replacement is being funded by the FAA and will be considered as phase one of the Airbase project. The fuel system design and site work labeled as "Airbase" is funded by a Connect Oregon Grant and is also considered as phase one of the airbase project. The beacon relocation/replacement project replaces a required piece of airport equipment that is beyond its designed life. The beacon will be relocated in an appropriate location to enable future development. The fuel system replacement project replaces a required piece of airport equipment that is beyond its designed life. The project includes decommissioning the old system, installing new above ground tanks and purchasing a full service fuel truck.

Continuing into the next two budget periods, funds for the airbase project have been noted but sources are still to be determined. Crook County, USFS, and the FAA are the likely sources for phase 2 and phase 3 of the airbase project. The Airport continues to see increased activity and interest by many in the aviation industry. To enable the Airport to maintain and provide economic opportunities these projects are essential. The completion of the Master plan update this year is a major step in supporting economic opportunities for the Airport



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

City of Prineville Railroad Capital Improvement Plan Fiscal Years 2017 - 2021						
Project Description	Current Year Construction Estimate	2017	2018	2019	2020	2021
<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			
Add two truck docks and pits to building #3	\$ 100,000		\$ 100,000			
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	
crossing signal up grades\ 5 - total	\$ 1,500,000					\$ 1,500,000
O'Neil Hwy Crossing Rehab at MP 1	\$ 300,000					
<b>Rolling Stock</b>						
Hyrail Pickup with Hydraulic Power Pack and Tools	\$ 100,000		\$ 100,000			\$ 100,000
Rebuilt Locomotive	\$ 450,000				\$ 450,000	
<b>Total</b>	<b>\$ 4,125,000</b>	<b>\$ -</b>	<b>\$ 1,400,000</b>	<b>\$ 700,000</b>	<b>\$ 1,725,000</b>	<b>\$ 1,600,000</b>

### Project Description

There are no projects planned for FY 17. 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 the Lamonta Road crossing if the shop was relocated, because the rail line east of Lamonta Road could be abandoned and the Lamonta Road crossing would 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 20. 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 amount of maintenance required.

At grade crossing signals on the COPR are nearing the end of their useful life. The COPR signals were last upgraded in the early 80's and many were used when they arrived on the COPR. Replacement parts are becoming very difficult to find and becoming obsolete. False activation and faulty grounds in the systems are becoming common. The warehouse facility continues to increase its customer base and as more companies use the facility, congestion is becoming a problem. Adding more truck docks is an affordable way to increase usability at the facility without building more buildings.



## Administration Fund

City of Prineville Information Technology Department Capital Improvement Plan Fiscal Years 2017 - 2021						
Project Description	Current Year Construction Estimate	2017	2018	2019	2020	2021
Incode Verson 10 Financial Software Upgrade		\$ 40,000				
<b>Total</b>		\$ - \$ 40,000	\$ -	\$ -	\$ -	\$ -

### Project Description

In the beginning of FY 17 the City will be upgrading its financial software to Incode Version 10. This will be a significant upgrade and will require roughly two weeks of on-site staff training.



*Cameras being installed at the airport by IT.*

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

City of Prineville Transportation Improvement CIP Fiscal Years 2017-21								
Project Description	Area (sqft.)	Current PCI	Current Year Construction Estimate	2017	2018	2019	2020	2021
<b>Capital Rehabilitation</b>								
NE Gardner Rd overlay	95648	51.5	\$ 95,600	\$ 95,600				
NW 4th grind and inlay - N Main to NW Deer	47100	51.5	\$ 55,578					\$ 55,578
NW 5th grind and inlay - N Main to NW Deer	49995	72	\$ 58,994					\$ 58,994
NE Elm grind and inlay - NE 6th to NE Loper	85728	36	\$ 122,175	\$ 122,200				
N Main 10th to Mariposa, grind and inlay travel lanes			\$ 46,000	\$ 46,000				
SE 5th grind and inlay - SE Fairview to SE Knowledge	113900	72	\$ 103,000		\$ 103,000			
SE Fairview grind and inlay - NE 3rd to SE Lynn	147494	67	\$ 180,000		\$ 180,000			
SE 2nd grind and inlay - Fairview to Idlewood	48388		\$ 62,000		\$ 62,000			
SW Cliffside full depth reclamation - SW Crestview to SW Park (\$2.25/sqft)	29616	34	\$ 66,636					
SW Crestview full depth reclamation - SW Park to Dead end	94920	34	\$ 213,570					
SW Park full depth reclamation - SW Rimrock to SW Crestview	21408	52	\$ 48,168					
SW Rimrock 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 Laughline 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					
Crack seal SW Quadrant			\$ 80,000				\$ 100,000	\$ 100,000
Crack seal recent overlays/inlays			\$ 42,000	\$ 42,000				
<b>Slurry Seal Coats</b>								
NE 4th St Court to Elm	35,688sqft.		\$ 8,922				\$ 8,922	
NE Alabama Mariposa to Cul-de-sac	16,040sqft.		\$ 4,010				\$ 4,010	
NE Bailey Mariposa to Cul-de-sac	15,680sqft.		\$ 3,920				\$ 3,920	
NE Clearview Mariposa to Cul-de-sac	15,880sqft.		\$ 3,970				\$ 3,970	
NW Harwood crack and slurry seal - Entire (\$0.30/sqft)	131,235sqft.	77	\$ 40,000				\$ 40,000	
NW Ochoco Ave Elm to Oregon	70,448sqft.		\$ 21,135				\$ 21,135	
NW Lookout Ave Elm to Oregon	71,775sqft.		\$ 21,535				\$ 21,535	
NW Oregon Ave Ochoco to Loper	37,070sqft.		\$ 11,121				\$ 11,121	
NE Yellow Pine - Surgarpine to Barnes Butte (\$0.35/sqft)	175,102 sqft.		\$ 61,286				\$ 61,286	
NE Sugarpine - Yellowpine to Yellowpine	91,900 sqft.		\$ 32,165				\$ 32,165	
NE Cherry lp - Yellowpine to Yellowpine	34,200 sqft.		\$ 11,970					\$ 11,970
NE Snowberry - Sugarpine to Yellowpine	17,820 sqft.		\$ 6,240					\$ 6,240
N & S Main St Crack Seal and Seal Coat (\$0.354/sqft.)	401,529 sqft.		\$ 140,535					
NE 7th & NE Laughlin crack and slurry seal - Entire	32,000 sqyd.	82	\$ 51,000					\$ 51,000
NE Peters crack and slurry seal - N Main to NE Yellowpine	10,500 sqyd.	52	\$ 17,000					\$ 17,000
NW Deer crack and slurry seal - Entire	20,000 sqyd	75	\$ 31,900					
NW Gardner crack and slurry seal - Entire	10,650 sqyd.	57	\$ 17,000					
NW Lamonta crack and slurry seal - Entire	24,500 sqyd.	77	\$ 40,000					
<b>Equipment</b>								
ODOT Transit Grant				\$ 104,600				
<b>Total</b>			\$ 2,476,344	\$ 410,400	\$ 345,000	\$ 303,900	\$ 308,064	\$ 300,782

## Project Description

Most of the CIP's listed above are recurring in nature with the exception of the ODOT transit grant, which is a pass through grant to support the public transit services provided by Cascade East Transit. The rest of 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 investigating 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.

City of Prineville Water Improvement - Water Repair and Maintenance (R&P) Capital Improvement Plan Fiscal Years 2017 - 2021						
Project Description	Current Year Construction Estimate	2017	2018	2019	2020	2021
<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	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Water Conservation Plan Update	\$ 35,000					
Water Master Plan Update	\$ 150,000	\$ 155,000				
Habitat Conservation Plan	\$ 60,000	\$ 40,000	\$ 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					
Test well east of town	\$ 125,000					
Purchase water rights from Ironhorse	\$ 250,000	\$ 250,000				
Combs Flat Bridge water line bypass	\$ 80,000	\$ 80,000				
<b>Storage</b>						
Recoat Ochoco tanks (Remove original 1950 lead coatings)	\$ 850,000					
Reservoir maintenance (Cleaning/painting/telemetry)	\$ 20,000					
<b>Transmission</b>						
NW 4th St - N. Main to NW Deer (960 ft. of 8")	\$ 115,200		\$ 115,200			
NW 5th St - N. Main to NW Deer (960 ft. of 8")	\$ 115,200		\$ 115,200			
NW 5th St - NW Deer to NW Harwood (1,350 ft. of 8")	\$ 162,000					\$ 162,000
SE Fairview - SE 5th to SE 2nd (920 ft. of 8")	\$ 110,400					\$ 110,400
SE 2nd - Fairview to Idelwood (1000 ft. of 8")	\$ 120,000					
SE 4th - S Belknap to SE Fairview (1,575 ft. of 8")	\$ 189,000	\$ 125,000				
SE Belknap - SE 5th to SE 3rd (640 ft. of 8")	\$ 89,600		\$ 89,600			
Plus re-plumb 4th Street well (\$140/ft.)						
SE Dunham - SE 3rd to SE 2nd (320 ft. of 8")	\$ 38,400			\$ 38,400		
NW Harwood - NW 4th to NW 5th (350 ft. of 8")	\$ 42,000			\$ 42,000		
NW Locust St - NW 5th to NW 6th (175 ft. of 8")	\$ 21,000			\$ 21,000		
NE 6th - Main to Fairview (1480 ft. of 8")	\$ 177,600				\$ 177,600	
NW Ewen - NW 7th to NW 8th (300 ft. of 8")	\$ 36,000			\$ 36,000		
NE Court - NE 7th to NE 10th (850 ft. of 12" at \$130/ft.)	\$ 110,500				\$ 110,500	
NE 2nd - NE Holly to NE Juniper (650 ft. of 8")	\$ 78,000			\$ 78,000		
NE Holly - E 1st to NE 3rd (650 ft. of 8")	\$ 78,000			\$ 78,000		
NE 1st - Main to Fairview (1550 ft. of 8")	\$ 186,000					
NE 2nd - Main to Fairview (1550 ft. of 8")	\$ 186,000					
NW Beaver - NW 7th to NW10 (960 ft. of 8") (maybe done?)	\$ 115,200					
NW Crest - NW Allen to NW Allen (1970 ft. of 8")	\$ 236,400					
NW McRae - NW Loper to NW Sunrise (485 ft. of 8")	\$ 58,200					
NW Wilshire - NW Loper to NW Sunrise (485 ft. of 8")	\$ 58,200					
<b>Maintenance</b>						
Meter replacement (\$200 each)			\$ 20,000			
<b>Total</b>	\$ 4,070,400	\$ 735,000	\$ 435,000	\$ 328,400	\$ 323,100	\$ 307,400

### Project Description

Most of the projects in the Water Fund are recurring in nature and are associated with the repair and maintenance of the water infrastructure. The exceptions are the water rights acquisition from Iron Horse and the water master plan update. Detailed project sheets are located in the "Major Nonrecurring Capital Improvements by Project" section starting on page 84.

# Wastewater Fund

City of Prineville Wastewater Repair and Maintenance (R&P) Capital Improvement Plan Fiscal Years 2017 - 2021						
Project Description	Current Year Construction Estimate	2017	2018	2019	2020	2021
<b>Treatment Plant</b>						
ATV with serviceable bed	\$ 10,000	\$ 10,000		\$ 10,000		
Golf course pump rebuilds (\$12.5k 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	\$ 20,000	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500
Distribution Upgrades	\$ 25,000					
Control system update	\$ 25,000					
<b>Sanitary Sewer (Materials and Services)</b>						
Manhole rehabilitation (10 per year)	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Infiltration and Inflow maintenance	\$ 50,000	\$ 50,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
<b>Total</b>	<b>\$ 186,000</b>	<b>\$ 135,000</b>	<b>\$ 173,500</b>	<b>\$ 183,500</b>	<b>\$ 173,500</b>	<b>\$ 173,500</b>

## Project Description

Most of the projects in the Wastewater Fund are recurring in nature, and associated with repair and maintenance of the wastewater infrastructure. The 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.



*May 2016 overlooking the wastewater treatment plant ponds.*

City of Prineville Meadow Lakes Capital Improvement Plan Fiscal Years 2017 - 2021						
Project Description	Current Year Construction Estimate	2017	2018	2019	2020	2021
Replace Ovens in Restaurant	\$ 10,000	\$ 10,000				
Pro Shop Remodel	\$ 10,000	\$ 10,000				
Cart Path Paving	\$ 13,000	\$ 13,000		\$ 20,000		
Fairway Mower	\$ 25,000	\$ 25,000				
Replace Coolers/Beer Taps in Bar			\$ 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	
Banquet Room Furniture					\$ 10,000	
Replace Restrooms on Course					\$ 30,000	
Renovate Irrigation System						\$ 750,000
<b>Total</b>	<b>\$ 58,000</b>	<b>\$ 58,000</b>	<b>\$ 60,000</b>	<b>\$ 55,000</b>	<b>\$ 50,000</b>	<b>\$ 750,000</b>

### Project Description

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

In FY 17, we will continue a process of replacing low-quality areas of cart paths around the golf course. There are a number of high-traffic areas that are in low spots on the golf course where water gathers that have developed pot holes and rough pavement. These areas are hard on the golf carts, and cause increased maintenance costs on the golf car fleet. Additionally in FY 17, a fairway mower will 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 the golf shop, we will undergo a remodel of the current layout of the golf shop to increase merchandise square footage from roughly 500 square feet to 800 square feet. The current layout of the building includes an underutilized space in the men’s locker room. This area is located directly on the opposite side of the west wall of the current golf shop. This will be a fairly unobtrusive remodel that will create the ability for staff to more creatively and effectively display merchandise to optimize sales. It will also allow for a higher volume of inventory to increase revenues for the facility. Merchandise revenues are expected to increase roughly 25% over the next two fiscal years with this remodel. On the restaurant side, new ovens are needed to replace the current aging equipment. The current ovens are over 20 years old, do not perform as efficiently as required by kitchen staff, and parts are no longer available for repairs. The new ovens are more energy-efficient, offer fast-even cooking, and superior performance compared to the current, outdated models. The new models will also be far more cost-effective to maintain. Over \$1,000 has been spent over the past two fiscal years to maintain the current ovens.

In FY 18, we will begin the process 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 three years, we have spent over \$11,000 in parts and labor to repair a variety of issues for the beer cooler, walk-in cooler, and kitchen coolers. In FY 18, we will also add more sand to the bunkers on the golf course. This is something that has to be done every couple of years to replace sand that blows away in wind storms, and packs down due to irrigation and weather. Finally, we will look to replace the oldest trim mower and gang rough mower with a slightly used or demo model that will run much more efficiently than our current equipment. The purchase of a demo or slightly used mower rather than brand new will save the golf course money in the long run.

In FY 19, we will replace the kitchen floor. The existing floor is discolored and beginning to deteriorate. A new floor will need to be put in place to maintain our high health and cleanliness standards. We will also look to replace the carpet in the clubhouse in FY 19, as the current carpet will be nearing the end of its lifecycle. Finally, we will continue the process of replacing low-quality cart paths on the course during this budget year.

In FY 20, twenty-two of the windows and seals in the dining room and banquet room will be replaced. The seals on those windows have broken, which causes moisture, cobwebs, and dust to get in-between the two panes. These bad seals also cause energy bills to be higher, due to cold air that gets into the building in the winter and warm air during summer months. It is estimated that new energy-efficient windows could save the facility upwards of \$500 per year in energy costs. Also in FY 20, we will upgrade furniture in the banquet room. Banquets are a large portion of our restaurant revenue, and the furniture in that portion of the facility is beginning to deteriorate. Lastly, in FY 20 the two outhouse-style restrooms on the golf course will be replaced by 1 new outhouse near holes 10, 16 and 17 and one comfort station that is accessible on holes 5, 8 and 13. The comfort station will be a significant upgrade to the current out-building.

Finally, in FY 21, we will begin to replace the existing irrigation system with a new system that will provide more uniform coverage to help eliminate wet and dry spots on the course by having control over individual sprinkler heads instead of just control over sections of the course. By having more control over individual sprinkler heads, significantly less man hours will be spent on hand-watering dry spots on the course, as well as less man hours repairing wet/mud spots in low areas. Approximately \$2,400 per year will be saved in labor once the new system is in place. Parts for the current system are also becoming obsolete, making it much more difficult for staff to keep the current system functioning at a high level. Eventually, we will reach a point where parts for our system will be nearly impossible to acquire.



*October 2015 out at the Golf Course*

## Public Works Administration Services Fund

City of Prineville Public Works Capital Improvement Plan Fiscal Years 2017 - 2021						
Project Description	Current Year Construction Estimate	2017	2018	2019	2020	2021
Backhoe	\$ 100,000					\$ 100,000
Dump Truck	\$ 70,000	\$ 70,000			\$ 100,000	
Pickup	\$ 32,000	\$ 34,000	\$ 34,000	\$ 35,000	\$ 35,000	\$ 35,000
Used Roller	\$ 30,000	\$ 30,000				
Used Grader	\$ 100,000			\$ 100,000		
Equipment Shed	\$ 100,000		\$ 100,000			
<b>Total</b>	<b>\$ 432,000</b>	<b>\$ 134,000</b>	<b>\$ 134,000</b>	<b>\$ 135,000</b>	<b>\$ 135,000</b>	<b>\$ 135,000</b>

### Project Description

The CIP's 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.



*Public Works hydro-seeding.*

# Long-range Planning Models

Water Fund Financial Forecasts FY 2014-2021									
	Actual	Actual	Budget	Estimated	Proposed	Projection	Projection	Projection	Projection
Resources	2014	2015	2016	2016	2017	2018	2019	2020	2021
Charges for services	\$ 1,915	\$ 2,033	\$ 2,098	\$ 2,190	\$ 2,256	\$ 2,335	\$ 2,417	\$ 2,514	\$ 2,615
Intergovernmental					35				
Interest	6	5	5	5	5	5	6	7	7
Miscellaneous	-	4	6	6	6	-	-	-	-
SDC Reimbursement Fee	-	72	70	287	124	127	124	127	124
Water Mitigation									
Debt Proceeds	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
<b>Total resources</b>	<b>1,921</b>	<b>2,114</b>	<b>2,179</b>	<b>2,488</b>	<b>2,426</b>	<b>2,467</b>	<b>2,547</b>	<b>2,648</b>	<b>2,746</b>
<b>Expenditures</b>									
Personal services	-	-	-	-	-	-	-	-	-
Materials and services	389	380	489	463	500	518	536	557	579
Franchise fee	90	94	100	100	113	117	121	126	131
Capital outlay	485	340	723	548	735	400	300	300	300
Equipment									
Improvements	485	340	723	548	735	400	300	300	300
Debt service									
Principal	140	140	155	155	160	170	170	180	180
Revenue Bond - 2003	40	40	45	45	45	45	45	45	45
Refunding Bonds	100	100	110	110	115	125	125	135	135
Interest	135	131	128	128	121	116	111	106	101
Revenue Bond - 2003	25	24	22	22	20	20	20	20	20
Refunding Bonds	110	107	106	106	101	96	91	86	81
Transfers	813	1,043	1,077	1,077	1,172	1,236	1,304	1,382	1,465
<b>Total expenditures</b>	<b>2,052</b>	<b>2,128</b>	<b>2,672</b>	<b>2,471</b>	<b>2,801</b>	<b>2,557</b>	<b>2,542</b>	<b>2,651</b>	<b>2,756</b>
Revenue over/(under) expenditures	(131)	(14)	(493)	17	(375)	(90)	5	(3)	(10)
Beginning fund balance	1,652	1,521	1,623	1,508	1,525	1,150	1,060	1,065	1,062
<b>Ending fund balance</b>	<b>\$ 1,521</b>	<b>\$ 1,508</b>	<b>\$ 1,130</b>	<b>\$ 1,525</b>	<b>\$ 1,150</b>	<b>\$ 1,060</b>	<b>\$ 1,065</b>	<b>\$ 1,062</b>	<b>\$ 1,052</b>
<b>Fund balance analysis</b>									
Available fund balance	1,521	1,508	1,130	1,525	1,150	1,060	1,065	1,062	1,052
Desired available fund balance	558	613	649	643	676	696	718	742	769
Difference	963	895	481	882	474	364	347	320	283
Assumptions									
Rate - single family home (8 CCF/mo)	\$ 28.91	\$ 29.78	\$ 30.67	\$ 30.67	\$ 31.59	\$ 32.54	\$ 33.52	\$ 34.53	\$ 35.57
% increase - rates	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
\$ change - rates - SF home (8 CCF/mo)	0.84	0.87	0.89	-	0.92	0.95	0.98	1.01	1.04
CPI %	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Cumulative CPI %	108.2%	111.5%	114.8%	118.3%	118.3%	121.8%	125.5%	129.2%	133.1%
Personal services adjustment %	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Population growth rate	0.5%	0.0%	0.0%	0.0%	0.0%	0.5%	0.5%	1.0%	1.0%
Population increase	46	-	-	-	-	47	47	95	96
Population	9,345	9,385	9,385	9,385	9,385	9,432	9,479	9,574	9,670
Franchise fee	5%	5%	5%	5%	5%	5%	5%	5%	5%
Capital outlay									
Capital outlay - 2011 dollars	300	300	300	300	350	350	350	350	350
Capital outlay - inflation adjusted \$	485	340	723	548	735	400	300	300	300
Outstanding debt									
Revenue bond 2003	465	425	380	335	335	290	245	200	155
Refunding issue	2,668	2,568	2,458	2,348	2,343	2,218	2,093	1,958	1,823
	3,133	2,993	2,838	2,683	2,678	2,508	2,338	2,158	1,978
<b>DCR Analysis</b>									
Revenue	\$ 1,915	\$ 2,033	\$ 2,098	\$ 2,190	\$ 2,256	\$ 2,335	\$ 2,417	\$ 2,514	\$ 2,615
Expenditures, excluding bond issuance costs (	1,202	1,423	1,566	1,540	1,672	1,754	1,840	1,939	2,044
Net revenue	713	610	532	650	584	581	577	575	571
Debt service - excluding refunding	275	271	283	283	281	286	281	286	281
DCR	2.59	2.25	1.88	2.30	2.08	2.03	2.05	2.01	2.03
Revenue with SDC reimbursement	1,915	2,105	2,168	2,477	2,380	2,462	2,541	2,641	2,739
DCR with SDC reimbursement	2.59	2.52	2.13	3.31	2.52	2.48	2.49	2.45	2.48
<b>DCR MADS</b>									
EDU per capita %									
SDC - EDUs	21	-	-	-	-	22	22	44	44
SDC reimbursement - EDU	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SDC - improvement	\$ 2,786	\$ 2,870	\$ 2,956	\$ 3,045	\$ 3,045	\$ 3,136	\$ 3,230	\$ 3,327	\$ 3,427

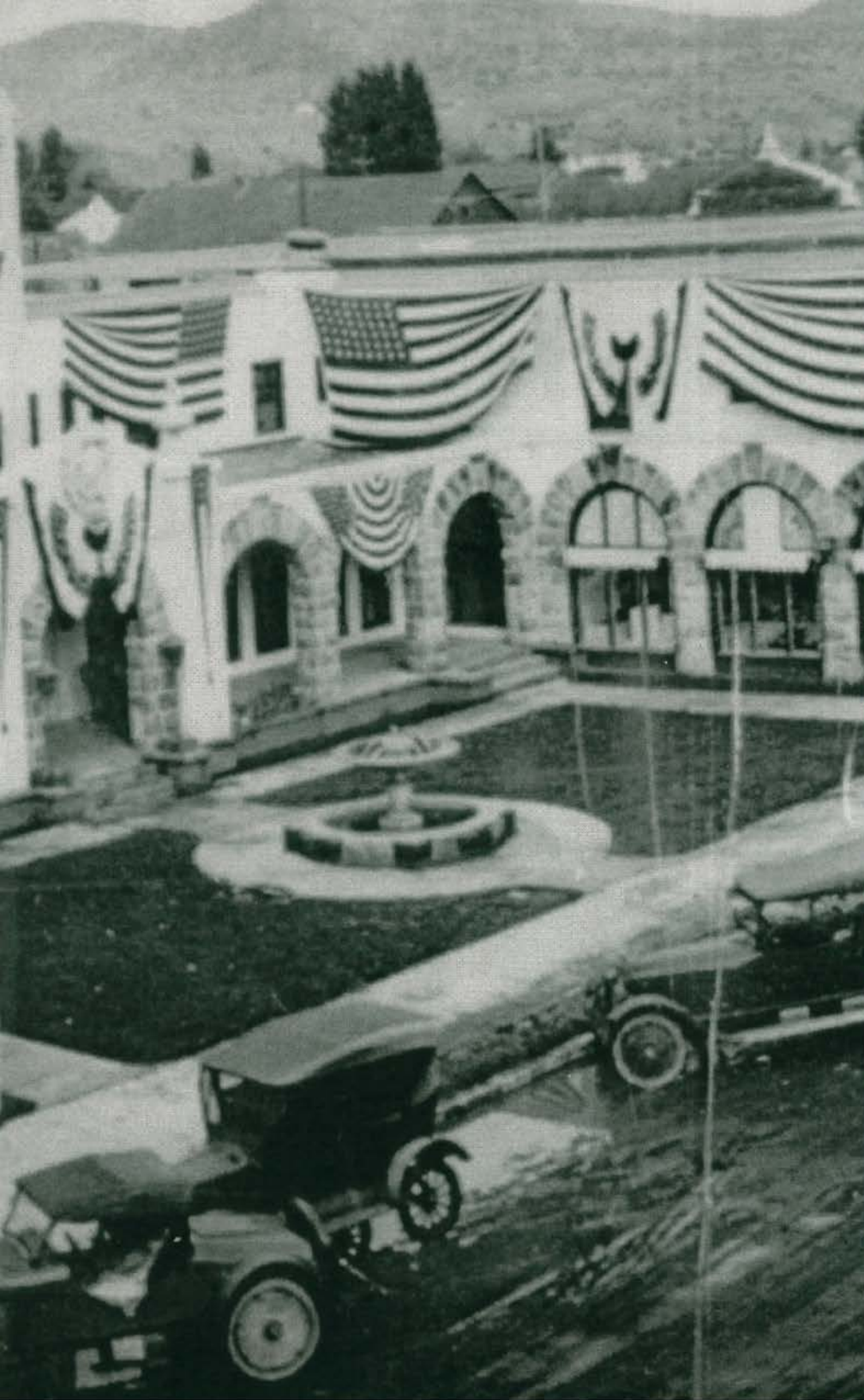


Wastewater Fund								
Financial Proformas								
2014 - 2021								
(amounts in thousands)								
Resources	Actual	Actual	Estimated	Proposed	Projection	Projection	Projection	Projection
	2014	2015	2016	2017	2018	2019	2020	2021
Charges for services	\$ 2,889	\$ 3,018	\$ 3,183	\$ 3,287	\$ 3,409	\$ 3,535	\$ 3,597	\$ 3,660
Intergovernmental								
Interest	3	4	3	4	8	9	10	28
Miscellaneous	89	73	50	36	37	38	39	40
SDC Reimbursement Fee	74	11	32	50	35	40	0	0
WWTP Property Sales		566						
Debt Proceeds			-	4,500	-			
Transfers		22						
<b>Total resources</b>	<b>3,055</b>	<b>3,694</b>	<b>3,268</b>	<b>7,877</b>	<b>3,489</b>	<b>3,622</b>	<b>3,646</b>	<b>3,728</b>
<b>Expenditures</b>								
Personal services	200	117	110	113	120	127	135	143
Materials and services	451	536	520	570	587	605	623	642
Franchise fee	151	151	159	164	170	177	180	183
Capital outlay	111	118	492	135	219	225	232	239
Debt service								
Principal	459	491	523	5,061	644	859	895	925
DEQ CWSRF R74682/2	399	411	423	436	448	462	475	489
2011 Refunding issue	60	80	100	125	170	200	220	235
State of Oregon IFA 2015			-	10	26	27	28	27
DEQ - term loan FY 2018			-	4,500	-	170	172	174
USDA - 2015			-					
Interest	396	382	384	408	372	359	334	311
DEQ CWSRF R74682/2	189	177	165	152	139	126	112	98
2011 Refunding issue	207	205	219	201	195	188	180	172
State of Oregon IFA 2015			-	10	-	7	6	7
DEQ bridge loan - 2015			-	45	19	-	-	-
DEQ - term loan - FY 2018			-		19	38	36	34
USDA - 2015			-		-	-	-	-
Fees	17	15	29	27	25	22	20	17
DEQ CWSRF R74682/1			-		-	-	-	-
DEQ CWSRF R74682/2	17	15	29	27	25	22	20	17
Transfers	1,249	1,253	1,264	1,315	1,329	1,365	1,383	1,401
<b>Total expenditures</b>	<b>3,034</b>	<b>3,063</b>	<b>3,481</b>	<b>7,793</b>	<b>3,466</b>	<b>3,739</b>	<b>3,802</b>	<b>3,861</b>
<b>Resources over/(under) expenditures</b>	<b>21</b>	<b>631</b>	<b>(213)</b>	<b>84</b>	<b>23</b>	<b>(117)</b>	<b>(156)</b>	<b>(133)</b>
<b>Beginning fund balance</b>	<b>1,115</b>	<b>1,136</b>	<b>1,767</b>	<b>1,554</b>	<b>1,638</b>	<b>1,661</b>	<b>1,545</b>	<b>1,389</b>
<b>Ending fund balance</b>	<b>\$ 1,136</b>	<b>\$ 1,767</b>	<b>\$ 1,554</b>	<b>\$ 1,638</b>	<b>\$ 1,661</b>	<b>\$ 1,545</b>	<b>\$ 1,389</b>	<b>\$ 1,256</b>
<b>Other requirements</b>								
Debt service reserves	304	304	304	304	507	507	507	507
<b>Available fund balance</b>	<b>832</b>	<b>1,463</b>	<b>1,250</b>	<b>1,334</b>	<b>1,154</b>	<b>1,038</b>	<b>882</b>	<b>749</b>
Minimum fund balance	730	733	731	757	766	782	793	804
Difference	102	730	519	577	388	256	89	(55)
<b>SDC's Treatment</b>								
SDCs Improvement - Treatment	23	23	-	-	-	-	-	-
Interest earnings	1	1	2	2	2	2	2	2
Balance	68	68	70	72	74	76	78	80
<b>Assumptions</b>								
Rate - single family home	\$ 48.25	\$ 49.70	\$ 51.81	\$ 53.73	\$ 55.72	\$ 57.78	\$ 58.79	\$ 59.82
% increase - rates (% of CPI)	3.00%	3.00%	4.25%	3.70%	3.70%	3.70%	1.75%	1.75%
CPI %	1.8%	2.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Cumulative CPI % - 2015 forward	109.2%	100.0%	103.0%	106.1%	109.3%	112.6%	115.9%	119.4%
Population growth rate	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Population increase	47	46	-	-	-	-	-	-
Population	9,392	9,345	9,345	9,345	9,345	9,345	9,345	9,345
Franchise fee	5%	5%	5%	5%	5%	5%	5%	5%
Interest earnings rate		0.5%	0.5%	1.0%	1.0%	1.5%	1.75%	2.00%
Capital outlay - 2015 dollars	175	175	200	200	200	200	200	200
<b>FTEs</b>								
EDU per capita %								
SDC - EDUs	22	21	-	-	-	-	-	-
SDC reimbursement - EDU	\$ 1,397	\$ 1,418	\$ 1,461	\$ 1,505	\$ 1,550	\$ 1,597	\$ 1,645	\$ 1,694
SDC - improvement - Treatment	\$ 1,058	\$ 1,073	\$ 1,105	\$ 1,138	\$ 1,172	\$ 1,207	\$ 1,243	\$ 1,280
SDC - improvement - Collection	\$ 1,492	\$ 1,514	\$ 1,559	\$ 1,606	\$ 1,654	\$ 1,704	\$ 1,755	\$ 1,808

Golf Course Fund							
	Actual	Estimated	Proposed	Forecast	Forecast	Forecast	Forecast
	2015	2016	2017	2018	2019	2020	2021
<b>Resources</b>							
Charges for services	\$ 1,113	\$ 1,133	\$ 1,191	\$ 1,249	\$ 1,307	\$ 1,365	\$ 1,423
Interest	2	2	2	3	3	4	4
Miscellaneous	14	7	7	7	7	7	7
Transfers	350	370	370	370	370	370	370
Debt proceeds	176	-	-	-	-	-	750
<b>Total resources</b>	<b>1,655</b>	<b>1,512</b>	<b>1,570</b>	<b>1,629</b>	<b>1,687</b>	<b>1,746</b>	<b>2,554</b>
<b>Expenditures</b>							
Golf course	442	451	408	420	433	446	459
Waste disposal	460	469	442	459	464	468	473
Restaurant	487	511	528	554	571	588	605
Capital outlay	51	179	58	60	55	50	750
<b>Debt service</b>							
Principal - FFC		38	24	24	24	24	24
Interest - FFC			4	4	4	4	4
Principal - credit facility	44	44	23	-	-	-	-
Interest - credit facility	4	4	2	-	-	-	-
Principal - 2011 bonds	10	10	30	40	40	45	45
Interest - 2011 bonds	19	19	18	17	15	14	12
Principal - 2017 bonds	-	-	-	-	-	-	-
Interest - 2017 bonds	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>1,517</b>	<b>1,725</b>	<b>1,537</b>	<b>1,578</b>	<b>1,605</b>	<b>1,639</b>	<b>2,372</b>
<b>Resources over/(under) expenditures</b>	<b>138</b>	<b>(213)</b>	<b>33</b>	<b>51</b>	<b>82</b>	<b>107</b>	<b>182</b>
Beginning fund balance	404	542	330	363	413	495	602
Ending fund balance	\$ 542	\$ 330	\$ 363	\$ 413	\$ 495	\$ 602	\$ 784
Rounds	26,831	28,821	28,879	28,936	28,994	29,052	29,110
CPI	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Growth - additional rounds	0.0%	0.0%	0.2%	0.2%	0.2%	0.2%	0.2%
Revenue per round	40.69	42.72	44.86	47.10	49.46	51.93	54.53
Growth 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%

General Fund							
Fiscal Years 2015 - 2021	Actual	Estimated	Proposed	Forecast	Forecast	Forecast	Forecast
Revenue	2015	2016	2017	2018	2019	2020	2021
Property taxes	1,794	1,830	1,920	2,013	2,113	2,218	2,328
Transient lodging tax	253	310	300	300	275	250	258
Franchise taxes	1,620	1,733	1,919	2,180	2,200	2,250	2,300
Licenses & permits	7	10	11	10	10	10	10
Intergovernmental	255	236	233	190	192	194	195
Charges for Services	130	145	232	250	250	250	250
Miscellaneous	58	65	61	57	57	57	57
<b>Total revenue</b>	<b>4,117</b>	<b>4,329</b>	<b>4,676</b>	<b>5,000</b>	<b>5,097</b>	<b>5,229</b>	<b>5,398</b>
Expenses							
Police	2,468	2,471	2,618	2,748	2,800	2,940	2,780
Police Facility	60	69	-	68	70	72	74
Non Dept. General	203	251	265	236	245	255	265
<b>Total expenditures</b>	<b>2,731</b>	<b>2,791</b>	<b>2,883</b>	<b>3,052</b>	<b>3,115</b>	<b>3,267</b>	<b>3,119</b>
Revenue over/(under) expenditures	1,386	1,538	1,793	1,948	1,982	1,962	2,279
Other non-operating resources and expenditures							
Interest income	4	3	4	10	10	10	10
Sale of assets	-	-	-	2	2	2	2
Interest expense	(5)	(5)	(5)	(10)	(10)	(10)	(10)
Principal payments	(50)	(50)	(100)	(100)	(100)	(100)	(100)
Capital outlay	-	(13)	(700)	(50)	(115)	(119)	(122)
Transfers from other funds	-	-	100	-	-	-	-
Transfers to other funds	(1,360)	(1,398)	(1,684)	(1,550)	(1,600)	(1,650)	(1,700)
Debt proceeds	-	-	700	-	-	-	-
<b>Total net other non-operating resources and expenditures</b>	<b>(1,411)</b>	<b>(1,463)</b>	<b>(1,685)</b>	<b>(1,698)</b>	<b>(1,813)</b>	<b>(1,867)</b>	<b>(1,920)</b>
Revenue and other non-operating resources over/(under) expenses and other non-operating expenditures	(25)	75	108	250	169	95	359
Beginning fund balance	821	797	872	978	1,228	1,397	1,492
Prior period adjustment							
<b>Ending fund balance</b>	<b>797</b>	<b>872</b>	<b>978</b>	<b>1,228</b>	<b>1,397</b>	<b>1,492</b>	<b>1,851</b>

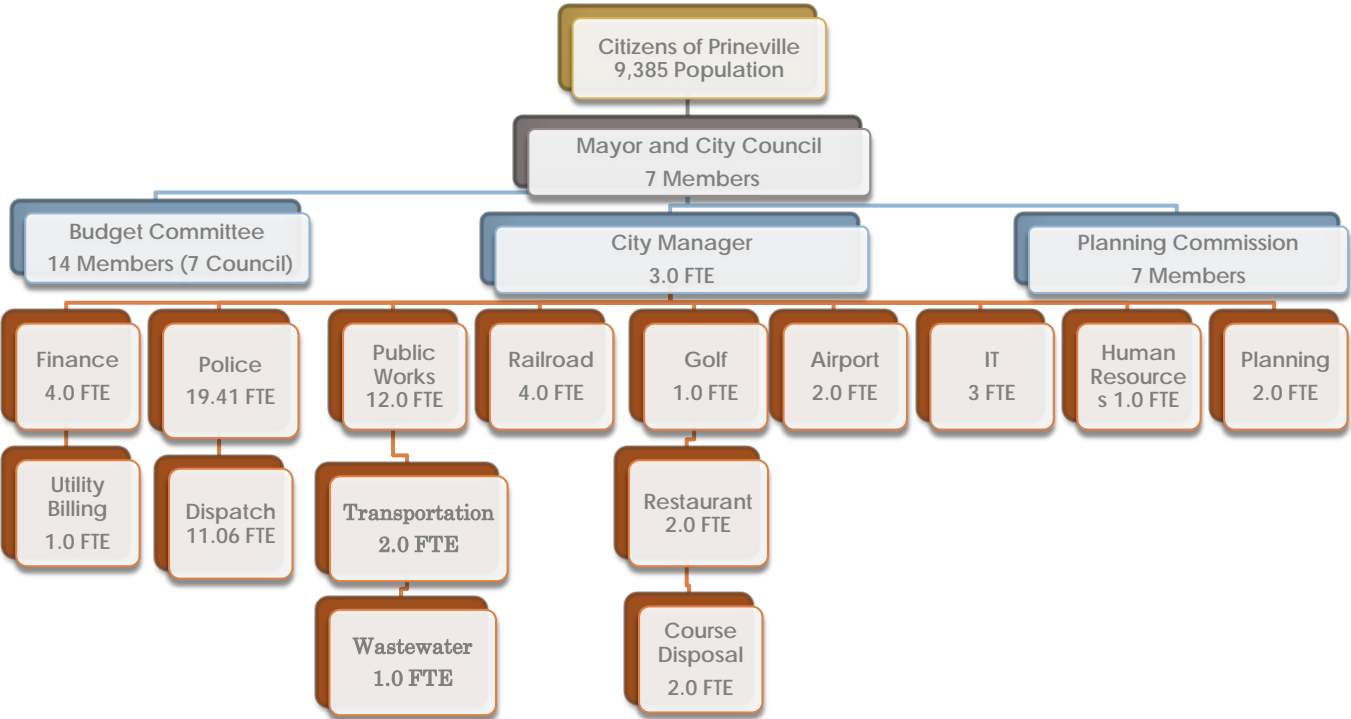




 Personnel

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# Organizational Chart



## FTEs Budgeted Positions and Salary Ranges by Fund

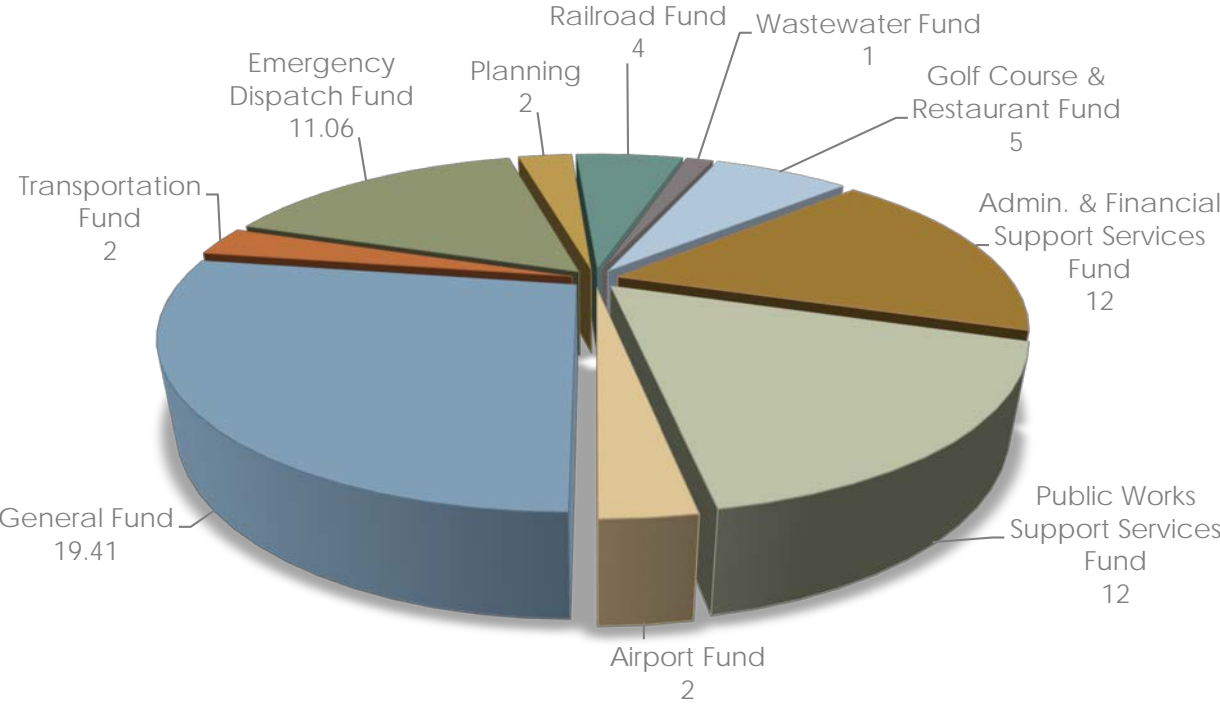
Department & Position	FY 13	FY 14	FY 15	FY 16	FY 17	Monthly FY 17 Salary Range		Yearly Salary	
						Low	High	Low	High
General Fund									
Police Department									
Chief of Police	1.00	1.00	1.00	1.00	1.00	6,594	9,233	79,128	110,796
Captain	1.00	1.00	1.00	1.00	1.00	5,857	7,909	70,284	94,908
Administrative Assistant	0.66	0.66	0.66	0.66	0.66	4,022	5,028	48,264	60,336
Sergeant	3.00	3.00	3.00	3.00	3.00	5,204	6,765	62,448	81,180
Police Officer	10.00	10.66	10.66	11.00	11.00	4,426	5,185	53,112	62,220
Community Services Officer	1.00	1.00	1.00	0.66	1.00	3,867	4,532	46,404	54,384
Evidence Officer	0.50	0.50	0.50	0.50	0.50	3,289	3,852	39,468	46,224
Office Technician	0.75	0.66	0.66	1.00	1.00	2,980	3,490	35,760	41,880
Janitorial	0.25	0.25	0.25	0.25	0.25	Hourly			
<b>Police Department Total</b>	<b>18.16</b>	<b>18.73</b>	<b>18.73</b>	<b>19.07</b>	<b>19.41</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 the Police Department.</i>									
<i>FY 17 - Part-time Community Service Officer became a full time position.</i>									
<b>General Fund Total</b>	<b>18.16</b>	<b>18.73</b>	<b>18.73</b>	<b>19.07</b>	<b>19.41</b>				

Department & Position	FY 13	FY 14	FY 15	FY 16	FY 17	Salary Range		Yearly Salary	
						Low	High	Low	High
<b>Planning Fund</b>									
Planning Director	1.00	1.00	1.00	1.00	1.00	5,204	6,765	62,448	81,180
Senior Planner	1.00	1.00	1.00	1.00	1.00	4,524	5,883	54,288	70,596
<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	4,413	4,831	52,956	57,972
Utility Worker	1.00	1.00	1.00	1.00	1.00	4,059	4,476	48,708	53,712
<b>Transportation Fund Total</b>	<b>2.00</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	5,204	6,765	62,448	81,180
Administrative Assistant	0.33	0.33	0.33	0.33	0.33	4,022	5,028	48,264	60,336
Communications Supervisor	1.00	1.00	1.00	1.00	2.00	4,022	5,028	48,264	60,336
Communications Officer	6.00	6.00	6.00	7.32	6.98	3,867	4,532	46,404	54,384
Office Technician	0.50	0.50	0.50				Hourly	35,760	41,880
Evidence Officer				0.50	0.50	3,289	3,852	39,468	46,224
Janitor	0.25	0.25	0.25	0.25	0.25		Hourly		
<b>Emergency Dispatch Fund Total</b>	<b>9.08</b>	<b>9.08</b>	<b>9.08</b>	<b>10.40</b>	<b>11.06</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>									
<i>FY 17 - Communications Officer moved to supervisor and one part time position increased to full time.</i>									
<b>Railroad Fund</b>									
General Manager	1.00					7,000	7,400	84,000	88,800
Operations Manager		1.00	1.00	1.00	1.00	4,524	5,883	54,288	70,596
Superintendent/Engineer	1.00	1.00	1.00	1.00	1.00	5,168	5,536	62,016	66,432
Conductor					1.00	5,018	5,018	60,216	60,216
Engineer	1.00					5,168	5,168	62,016	62,016
Freight Depot/Track Maintenance		1.00	1.00	1.00	1.00	3,183	4,156	38,196	49,872
<b>Railroad Fund Total</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>4.00</b>				
<i>FY 17 - Conductor position added.</i>									
Department & Position	FY 13	FY 14	FY 15	FY 16	FY 17	Salary Range		Yearly Salary	
						Low	High	Low	High
<b>Airport Fund</b>									
General Manager	1.00	1.00	1.00	1.00	1.00	4,524	5,883	54,288	70,596
Assistant			1.00	1.00	1.00	2,788	3,485	33,456	41,820
<b>Airport Fund Total</b>	<b>1.00</b>	<b>1.00</b>	<b>2.00</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								Moved to PW	
Utility Worker								Moved to PW	
<b>Water Fund Total</b>	<b>0.00</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	4,452	4,869	53,424	58,428
Utility Worker	1.00	1.00	1.00			4,059	4,476	48,708	53,712
<b>Wastewater Fund Total</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>1.00</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 13	FY 14	FY 15	FY 16	FY 17	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	5,204	6,765	62,448	81,180
<b>Golf Course Disposal Site</b>									
Superintendent	1.00	1.00	1.00	1.00	1.00	4,524	5,883	54,288	70,596
Greenskeeper/Irrigation Technician	1.00	1.00	1.00	1.00	1.00	2,489	3,111	29,868	37,332
Mechanic	1.00	1.00	1.00	1.00		2,788	3,485	33,456	41,820
<b>Golf Course Disposal Site Total</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>2.00</b>				
<b>Golf Operations</b>									
Golf Shop Manager	1.00	1.00	1.00	1.00		3,497	4,371	41,964	52,452
Assistant Golf Operations Manager						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>0.00</b>				
<b>Restaurant Operations</b>									
Restaurant Manager						2,754	3,442	33,048	41,304
Restaurant Supervisor	1.00	1.00	1.00	1.00	1.00	4,022	5,028	48,264	60,336
Kitchen Manager			1.00	1.00	1.00	2,475	2,575	29,705	30,900
<b>Restaurant Operations Total</b>	<b>1.00</b>	<b>1.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>				
<b>Golf Course &amp; Restaurant Fund Total</b>									
<b>Golf Course &amp; Restaurant Fund Total</b>	<b>6.00</b>	<b>6.00</b>	<b>7.00</b>	<b>7.00</b>	<b>5.00</b>				
<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>									
<i>FY 17 - Golf Shop Manager and Mechanic positions changed to seasonal part time.</i>									
<b>Freight Depot Fund</b>									
Supervisor	1.00					Moved to RR			
<b>Freight Depot Fund Total</b>	<b>1.00</b>	<b>0.00</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	7,439	11,160	89,268	133,920
Administrative Assistant/City Recorder	1.00	1.00	1.00	1.00	1.00	3,497	4,371	41,964	52,452
Finance Director	1.00	1.00	1.00	1.00	1.00	6,594	9,233	79,128	110,796
Finance Assistant I						13.50/16.00	Hourly	14,040	16,640
Finance Assistant II	4.00	4.00	3.00	3.00	2.00	3,123	3,904	37,476	46,848
Finance Assistant III			1.00		1.00	3,497	4,371	41,964	52,452
Accounting Supervisor				1.00	1.00	4,022	5,028	48,264	60,336
IT Manager	1.00	1.00	1.00		1.00	5,204	6,765	62,448	81,180
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	2.00	3,123	3,904	37,476	46,848
Human Resources Manager/Risk Manager	1.00	1.00	1.00	1.00	1.00	4,524	5,883	54,288	70,596
Procurement/Contract Administration	1.00	1.00	1.00	1.00	1.00	3,497	4,371	41,964	52,452
<b>Administration &amp; Financial Support Services Fund Total</b>	<b>11.00</b>	<b>11.50</b>	<b>11.50</b>	<b>10.50</b>	<b>12.00</b>				
<i>FY 16 - Hiring an IT consulting firm to take the place of the IT Manager.</i>									
<i>FY 17 - Reinstated the IT manager position and moved part time IT specialist to full time IT specialist II</i>									
<b>Public Works Support Services Fund</b>									
City Engineer/Public Works Director	1.00	1.00	1.00	1.00	1.00	6,594	9,233	79,128	110,796
Public Works Superintendent/Inspector	1.00	1.00	1.00	1.00	1.00	5,204	6,765	62,448	81,180
City Engineer						5,042	6,483	60,504	77,796
Assistant City Engineer	0.25	0.25	0.25	1.00	1.00	4,524	5,883	54,288	70,596
Administrative Technician	1.00	1.00	1.00	1.00	1.00	4,141	4,558	49,692	54,696
Mechanic	1.00	1.00	1.00	1.00	1.00	4,292	4,709	51,504	56,508
Inspector	1.00					3,679	4,050	44,148	48,600
Utility Worker	5.00	6.00	6.00	7.00	7.00	4,059	4,476	48,708	53,712
<b>Public Works Support Services Fund Total</b>	<b>10.25</b>	<b>10.25</b>	<b>10.25</b>	<b>12.00</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>65.49</b>	<b>65.56</b>	<b>67.56</b>	<b>68.97</b>	<b>70.47</b>				

# FTEs by Fund



*City and County Employee Health Fair held in June 2015.*



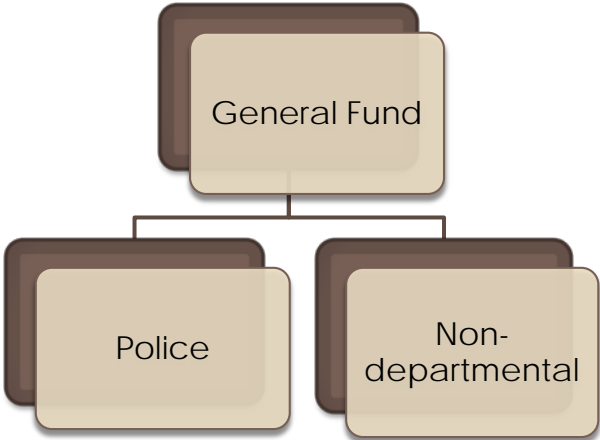
❖ Governmental Funds  
❖ General Fund

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## 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 two organizational units (police, and non-departmental) represent the makeup of the General Fund.



### Executive Summary

The General Fund is supported through primarily property tax, transient lodging taxes, franchise fees, and Oregon State liquor tax revenues. Approximately seventy-nine percent of general revenues are used to support public safety. Other revenue helps support Planning, Administration, Transportation, Railroad/Freight Depot, and other Council directed requests. 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.



*Police Captain visiting the local elementary school.*

## 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.

## General Fund Budget

Resources	Actual FY 13-14	Actual FY 14-15	Current Budget FY 15-16	Estimates FY 15-16	Proposed Budget FY 16-17	Approved Budget FY 16-17	Adopted Budget FY 16-17
Beginning fund balance	\$ 998,345	\$ 820,598	\$ 797,898	\$ 797,059	\$ 871,859	\$ 871,859	\$ 871,859
Current year resources							
Property taxes	1,676,516	1,793,737	1,790,000	1,830,000	1,920,000	1,920,000	1,920,000
Transient lodging tax	191,015	253,174	210,000	310,000	300,000	300,000	300,000
Franchise fees	1,462,296	1,619,413	1,721,000	1,733,000	1,919,000	1,919,000	1,919,000
Licenses and permits	8,951	7,188	10,700	9,600	10,700	10,700	10,700
Intergovernmental revenues	269,894	255,480	233,800	235,500	233,000	233,000	233,000
Charges for services	138,440	129,508	131,500	145,400	231,500	231,500	231,500
Interest	4,157	4,158	3,000	3,000	4,000	4,000	4,000
Miscellaneous	64,465	58,273	67,300	64,800	60,300	60,300	60,300
Transfers				-	100,000	100,000	100,000
Debt proceeds	258,700	-			700,000	700,000	700,000
Total current year resources	\$ 4,074,434	\$ 4,120,931	\$ 4,167,300	\$ 4,331,300	\$ 5,478,500	\$ 5,478,500	\$ 5,478,500
Total resources	\$ 5,072,779	\$ 4,941,529	\$ 4,965,198	\$ 5,128,359	\$ 6,350,359	\$ 6,350,359	\$ 6,350,359
Expenditures							
Police	3,309,142	3,299,693	3,391,700	3,400,700	3,710,900	3,710,900	3,710,900
Police facility	56,813	59,698	69,200	69,200	-	-	-
Non-departmental	886,226	785,080	742,900	786,600	1,661,000	1,661,000	1,661,000
Contingency			761,398		978,459	978,459	978,459
Total expenditures	\$ 4,252,181	\$ 4,144,471	\$ 4,965,198	\$ 4,256,500	\$ 6,350,359	\$ 6,350,359	\$ 6,350,359
Ending fund balance	\$ 820,598	\$ 797,059	\$ -	\$ 871,859	\$ -	\$ -	\$ -

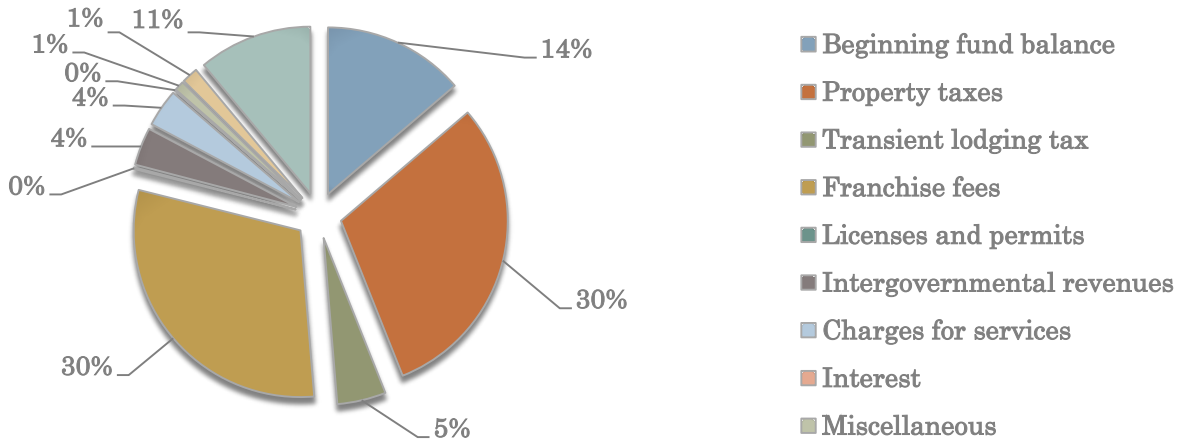
*Police facility moving to the Building Facility Fund FY 2017*

## Beginning Fund Balance Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 15-16	Proposed FY 16-17 Beginning Fund Balance	% Change FY 16 to FY 17	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
General	\$797,059	\$871,859	9%	\$978,459	\$1,024,178	-4%

The beginning fund balance increased approximately 9 percent from the previous year; the proposed ending fund balance will increase approximately 11 percent from the beginning FY 17 proposed fund balance. This fund meets working capital reserve requirements at \$755,583, but does not meet the 5 percent appropriation reserve policy. The fund is approximately 4 percent or \$45,720 below policy guidelines.

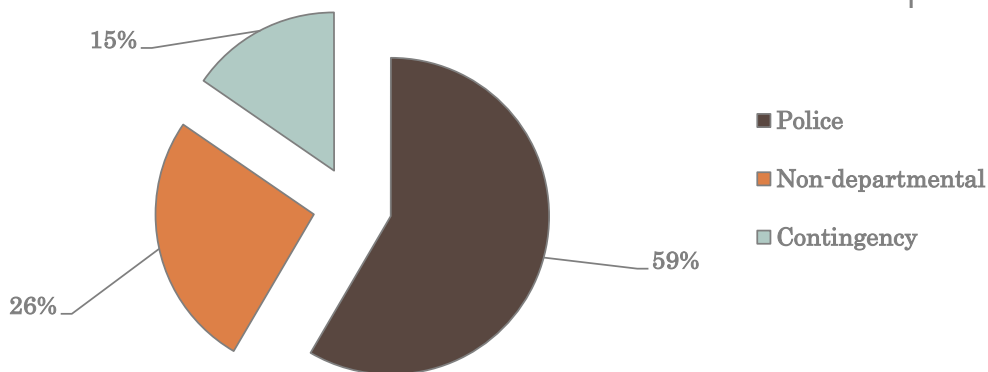
### Resources



### Assumptions

Projections received from the Crook County Assessor's office indicate the collection of taxes to be up approximately 7 percent over prior year. The City took a conservative approach to the collection estimating current tax collection at \$1.870 million (5 percent increase) for the coming year. Franchise fees are estimated to increase approximately \$200,000 over prior year largely due to the electrical fees collected from the data centers.

### Requirements



### Assumptions

In FY 17, the total requirements for General Fund will increase approximately 28 percent overall. Public safety operations are increasing approximately 9 percent over prior year, and non-departmental requirements increasing approximately 55 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 Funds. In FY 17 Non-departmental also includes the acquisition of property.





## Police Department Responsibility to the Community

The vision of the Prineville Police Department is a city free of crime, and the fear of criminal activity, through collaboration, persistence and innovation. The Mission of our Department is to protect and serve all citizens, while holding steadfast to our core values and the criminal justice code of ethics. We strive to achieve these in order to provide an environment for all that is safe, create a relationship with our citizens based on trust and respect, and enhance economic development and growth.

## Goals and Objectives for FY 17

Department Goals	City Council Goals
Maintain Accreditation	Community safety.
Identify and manage the facility needs.	Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.
Fill and maintain the department's full time employee count.	Community safety.
Continue to provide adequate training.	Community safety.
Maintain body cameras.	Continue improving on transparency.
Create a park exclusion program.	Provide quality municipal service and programs which contribute to Prineville's reputation as a desirable place to live, work and play.

## Executive Summary

The Prineville Police Department completed a transitional process during FY 16 that included finding a permanent Chief, hiring a consultant to assist with the implementation of Lexipol, and completing nationally recognized accreditation. All of these were very positive steps forward in creating stability and professional advancement as a department. To build on this momentum we will focus on training the personnel we have, and evaluate the staffing we need to provide the service our citizens expect.

In FY 17, the position of Community Service Officer (CSO) will return to a full time position from the cut that occurred in 2015 to half time. Bringing the CSO back to full time status will allow the department to handle the large volume of "quality of life" calls that are responded to regularly in a more efficient manner. The police department will be doubling its training budget over last year's. This large increase in training directly corresponds with the large transitional process during FY 16. Several sworn personnel are in new positions and must meet certain training requirements in order to comply with accreditation.



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

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 is working towards a vision which is a city free of crime, and the fear of criminal activity, through collaboration, persistence and innovation.

## Accomplishments for FY 16

- Implemented Lexipol Manual
- Completed Accreditation through Oregon Accreditation Alliance
- Hired permanent Police Chief
- Implemented new Records Management System (RMS)
- RMS integrated with CCSO providing shared information system
- Implemented on line training program (PoliceOne)

## Strategic Planning Updates

- Short Term – Ensure staffing levels remain optimized, and train recently promoted (and newly hired) personnel to meet their new position standards.
- Long Term – Continue to build a cohesive team of employees ready to meet the ever changing needs of the community through culture, training and innovation.

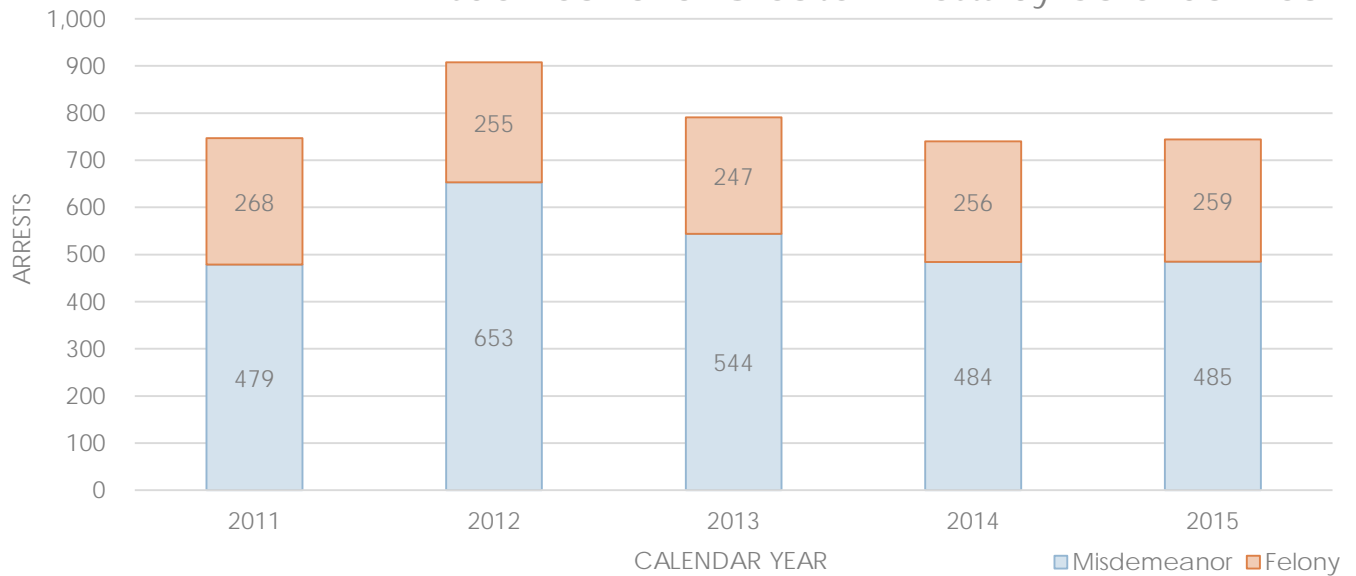


*Swearing-in of Chief of Police Dale Cummins.*

## Performance Measures

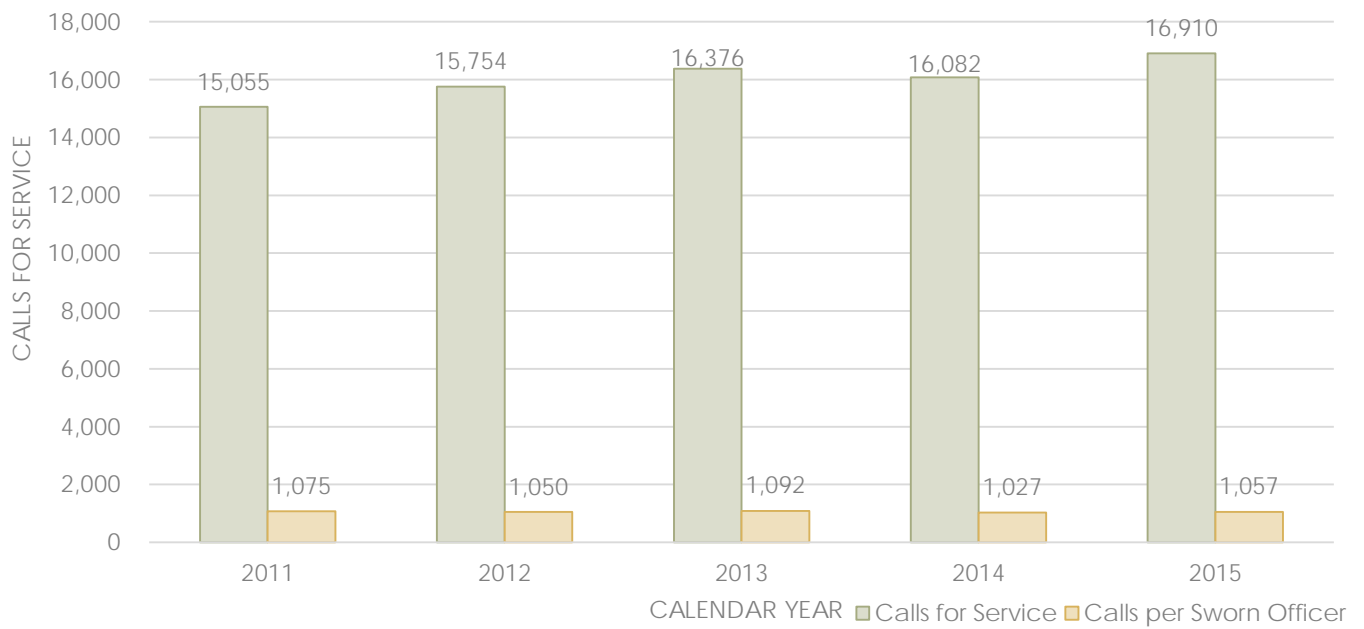
### Total Arrests

#### Misdemeanor or Greater Arrests by Calendar Year



### Calls for Service

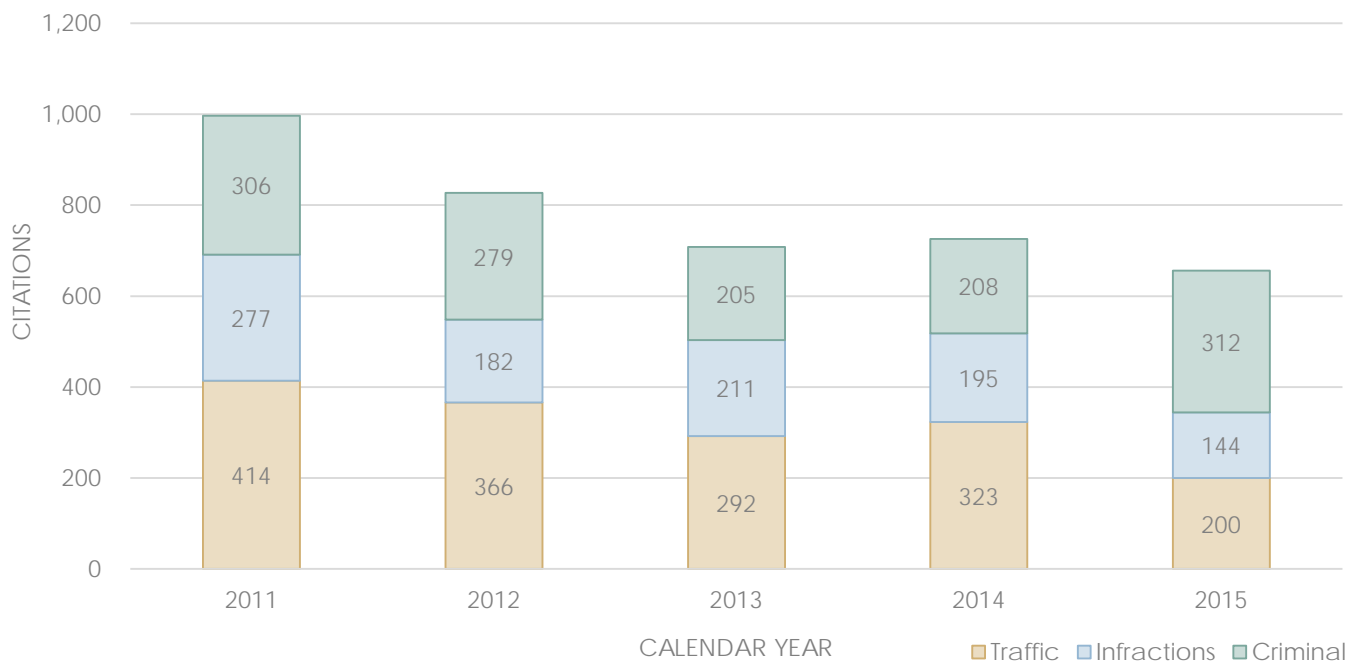
#### Calls for Police Assistance per Calendar Year





*Police officer responding to a call.*

## Citations Issued Citations Issued by Type per Calendar Year



## Police Department Budget

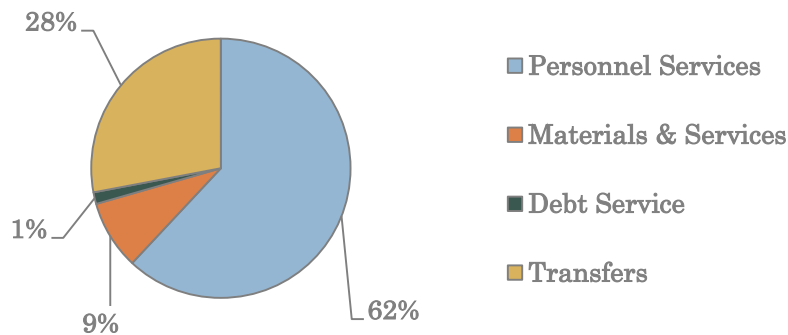
Expenditures	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 13-14	FY 14-15	Budget FY 15-16	FY 15-16	Budget FY 16-17	Budget FY 16-17	Budget FY 16-17
Personnel Services	\$ 1,931,584	\$ 2,174,518	\$ 2,159,000	\$ 2,168,000	\$ 2,299,400	\$ 2,299,400	\$ 2,299,400
Materials & Services	257,051	292,961	303,200	303,200	318,800	318,800	318,800
Capital Outlay	299,393	0	12,800	12,800	-	-	-
Debt Service	54,413	54,413	54,500	54,500	54,500	54,500	54,500
Transfers	766,700	777,800	862,200	862,200	1,038,200	1,038,200	1,038,200
<b>Total expenditures</b>	<b>\$ 3,309,142</b>	<b>\$ 3,299,693</b>	<b>\$ 3,391,700</b>	<b>\$ 3,400,700</b>	<b>\$ 3,710,900</b>	<b>\$ 3,710,900</b>	<b>\$ 3,710,900</b>

## Personnel

General Fund – Police Department FTEs by Position FY 14 – 17				
	FY 14 Actual	FY 15 Actual	FY 16 Actual	FY 17 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	10.66	10.66	11.00	11.00
Community Services Officer	1.00	1.00	0.66	1.00
Evidence Officer	0.50	0.50	0.50	0.50
Office Technician	0.66	0.66	1.00	1.00
Janitorial	0.25	0.25	0.25	0.25
<b>Police Department Total</b>	<b>18.73</b>	<b>18.73</b>	<b>19.07</b>	<b>19.41</b>

*FY 17 staffing changes include increasing the Community Service Officer part-time FTE to a full-time FTE.*

## Requirements



Personnel services increased 7 percent over prior year, materials and services increasing 5 percent, and transfers increasing 17 percent. The 17 percent increase to transfers is related to moving the police facility out of General fund to the Building facilities fund.

## Police Department Facility Budget

Expenditures	Actual FY 13-14	Actual FY 13-14	Current Budget FY 15-16	Estimates FY 15-16	Proposed Budget FY 16-17	Approved Budget FY 16-17	Adopted Budget FY 16-17
Materials & Services	\$ 56,813	\$ 59,698	\$ 69,100	\$ 69,100	\$ -	\$ -	\$ -
Capital outlay	-	-	100	100	-	-	-
<b>Total expenditures</b>	<b>\$ 56,813</b>	<b>\$ 59,698</b>	<b>\$ 69,200</b>	<b>\$ 69,200</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

*Facility budget moved to Building Facilities Fund FY 2017*



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

# Non-departmental



## Non-departmental Executive Summary

Activities not associated directly with public safety operations are accounted for within the Non-departmental Fund. In FY 17, a transfer to the Planning department is budgeted for \$315,000; this is an increase over prior year of approximately 10 percent. Also budgeted for FY 17 is a transfer of \$180,000 to the Prineville-Crook County Airport for operational and grant match support, 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, this debt will pay off in FY 17. Other discretionary spending such as street lighting, the Prineville-Crook County Chamber of Commerce, and the Crook County Fairgrounds are budgeted here. This year there is also debt proceeds and expense of \$700,000 for acquisition of property, debt service for \$50,000, and \$30,000 for downtown enhancement.



## Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Facility		
Property Acquisition		\$ 700,000
<b>Capital Outlay Total</b>		<b>\$ 700,000</b>

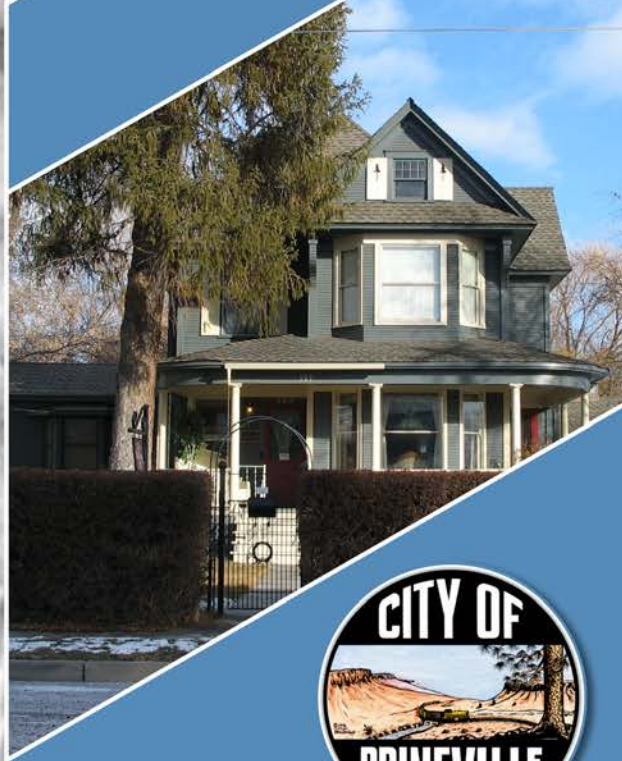
*A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 81.*

## Non-departmental Budget

	Actual FY 13-14	Actual FY 13-14	Current Budget FY 15-16	Estimates FY 15-16	Proposed Budget FY 16-17	Approved Budget FY 16-17	Adopted Budget FY 16-17
Expenditures							
Non-departmental							
Materials & Services	200,326	203,180	207,000	250,700	265,500	265,500	265,500
Capital Outlay					700,000	700,000	700,000
Transfers	685,900	581,900	535,900	535,900	645,500	645,500	645,500
Debt service							
Ironhorse Property					50,000	50,000	50,000
<b>Total expenditures</b>	<b>\$ 886,226</b>	<b>\$ 785,080</b>	<b>\$ 742,900</b>	<b>\$ 786,600</b>	<b>\$ 1,661,000</b>	<b>\$ 1,661,000</b>	<b>\$ 1,661,000</b>



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





## ❖ 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 transportation related services. Under this division of the City of Prineville's Public Works Department, it's the duty of the transportation department to assure and preserve the present and future health, safety, and welfare of the public utilizing the city street network. By using cost effective maintenance practices, planning, permitting, inspection, and responsible operations, this goal can be achieved. The key to 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 17

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.	Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.
Maintain and protect pavement quality on city streets.	Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.
Upgrade seven American with Disabilities Act (ADA) wheel chair ramps.	Provide quality municipal services and programs, which contribute to Prineville's reputation as a desirable place to live, work and play.
Improve the transportation network to serve new customers.	Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.
Continue to participate in the Central Oregon Area Commission on Transportation.	Continue to be fiscally responsible in all we do.
Continue to support other department's capital construction needs.	Continue to be fiscally responsible in all we do.

## 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 16 Sidewalk infill project*

## Accomplishments for FY 16

- The City acquired 0.93 miles of new streets from development.
- Completed the reconstruction of the Ochoco Creek Trail, funded with grant dollars.
- Ground and Inlayed 17 blocks in the NW quadrant of town including the 9th St Truck bypass.
- Upgraded asphalt binders were used, which will increase the serviceable life of our infrastructure at the least cost possible.
- Upgraded 12 American with Disabilities Act (ADA) wheel chair ramps. The Transportation Department continues to utilize public involvement as ADA ramps are replaced and currently boasts a great relationship with this community.
- A grant from ODOT was secured to extend sidewalks 1200 feet east of town.
- Constructed bike lanes and sidewalks along Laughlin Rd to support the new elementary school.
- Improvements to the transportation network were constructed to allow access to our new community hospital.
- Swept up 435 tons of material from our City Streets.

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 16

The Transportation Department received \$103,884 in Federal Surface Transportation Program (STP) allocation funding, via the ODOT fund exchange program. The Transportation Department also received a transit grant from ODOT totaling \$92,600. These funds are used to support Cascades East Transit, the local public transportation service.

## Strategic Planning Updates

- Short-term – In the short-term, the Transportation Department will maintain a reasonable pavement condition index (PCI)



*Street Department widening dikes at the Wastewater Treatment Plant*



*Paving at Meadow Lakes*

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 new businesses.

- Long-term – The Transportation Department strives to provide a safe, efficient transportation system to support economic opportunity, and create 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.



Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
<b>Capital Rehabilitation</b>		
NE Gardner Rd Overlay	\$ 95,600	\$ 95,600
NE Elm St Grind and Inlay	\$ 122,175	\$ 122,200
N. Main St Grind and Inlay	\$ 46,000	\$ 46,000
<b>Equipment</b>		
Crack Seal Recent Overlays	\$ 42,000	\$ 42,000
<b>Other</b>		
ODOT Transit Grant		\$ 104,600
<b>Capital Outlay Total</b>	<b>\$ 305,775</b>	<b>\$ 410,400</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 81.

## Performance Measures Overall Pavement Condition Index

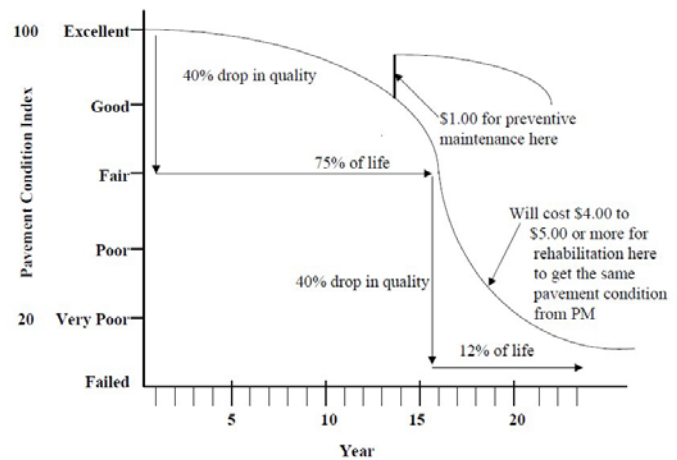
The pavement condition index is a numerical index between 0 and 100 used to indicate the condition of a roadway. This rating is given to streets through a process of visual observations and calculations performed through the use of the *Metropolitan Transportation Commission Pavement Management* software. 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.”

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.

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.

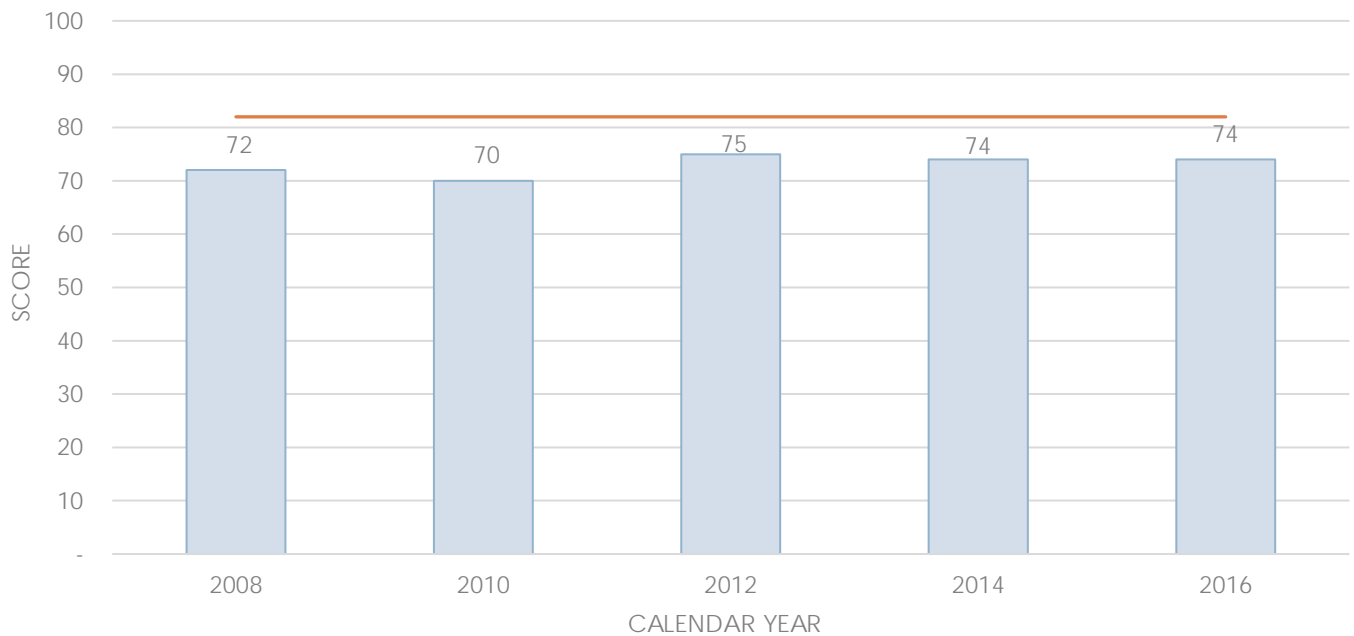
PCI Index Ratings	
Good	70-100
Satisfactory	50-69
Fair	25-49
Poor	0-24





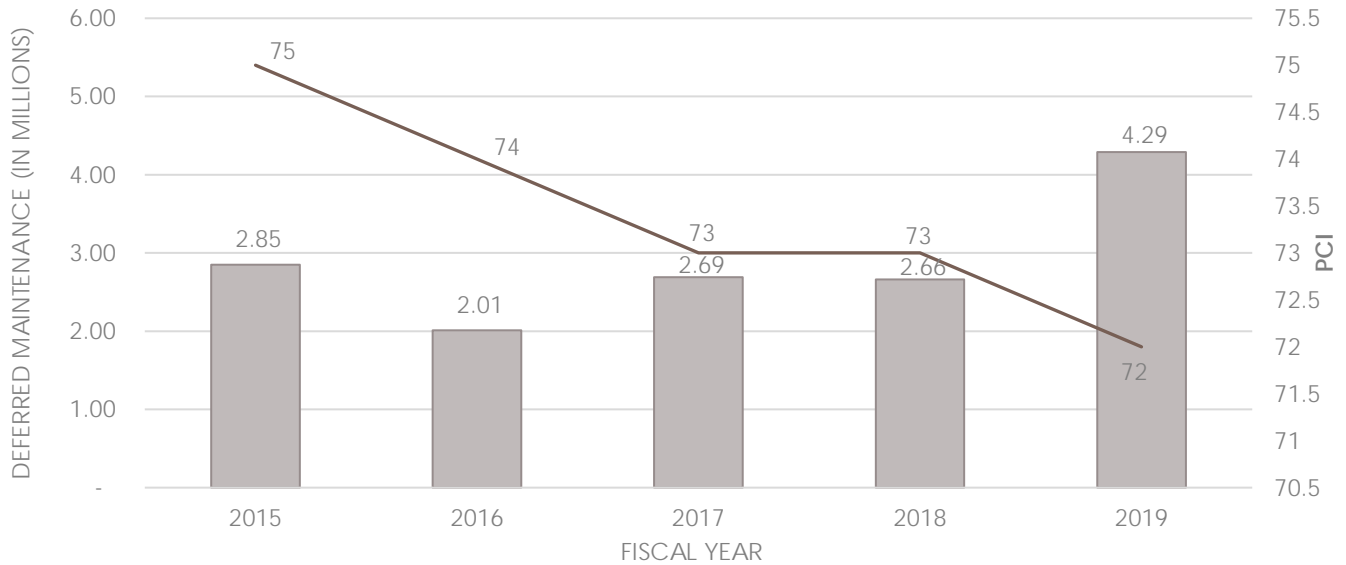
*Seal coat in progress.*

### 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

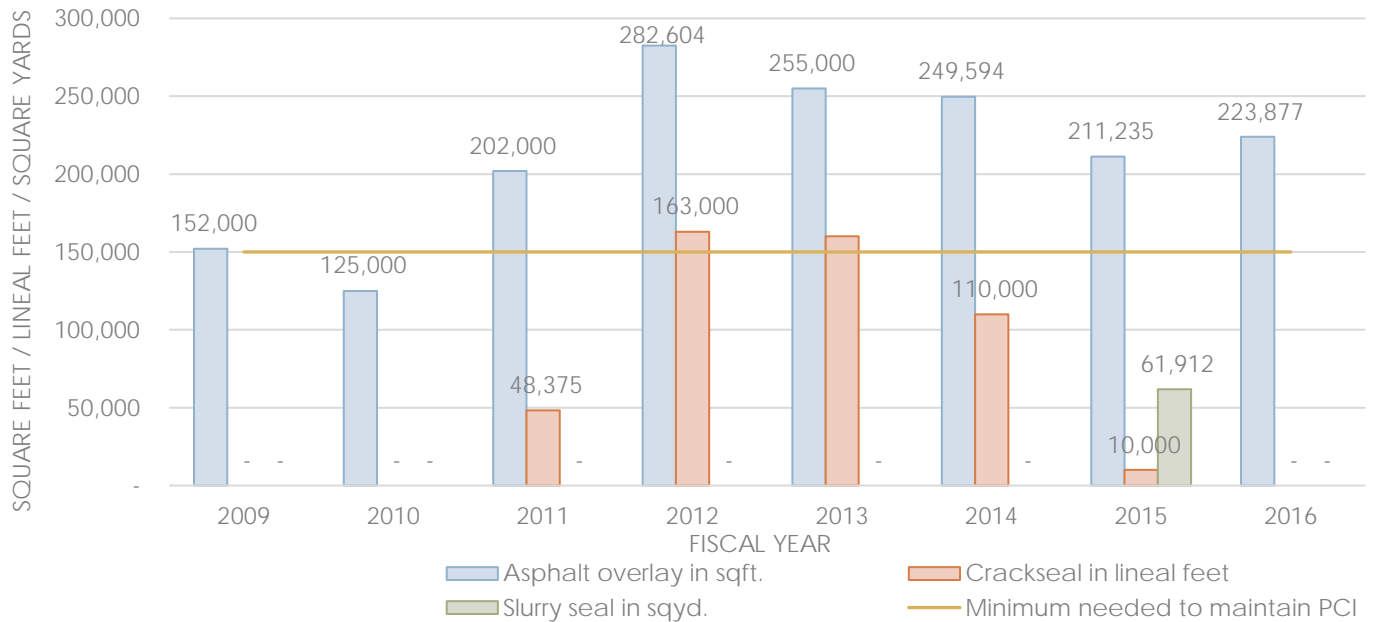


*Paving for a new development*

## 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



*Bike lane infill project on NE Combs Flat*

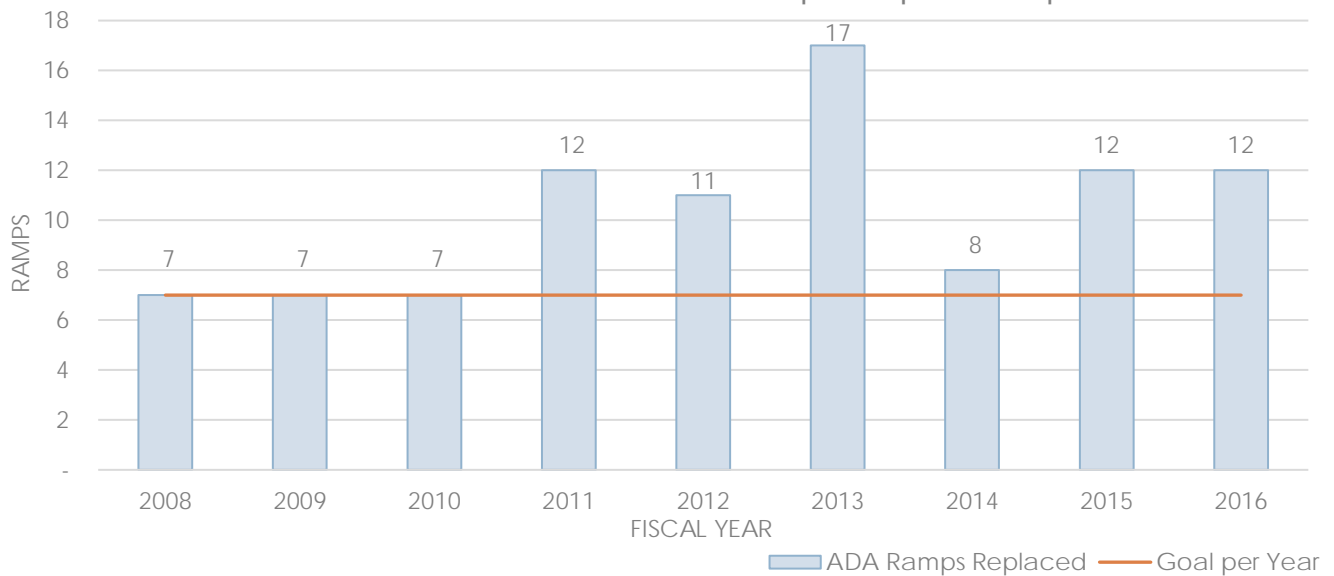


*Replacing an ADA ramp near a local school*

## 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 16, the Transportation Department surpassed its yearly goal by replacing 12 ADA ramps and a full ADA assessment of all city facilities was also completed. 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 13-14	Actual FY 13-14	Current Budget FY 15-16	Estimates FY 15-16	Proposed Budget FY 16-17	Approved Budget FY 16-17	Adopted Budget FY 16-17
Beginning fund balance	\$ 157,915	\$ 263,599	\$ 170,499	\$ 233,581	\$ 205,281	\$ 205,281	\$ 205,281
<b>Current year resources</b>							
Intergovernmental	\$ 811,128	\$ 868,629	\$ 828,800	\$ 921,800	\$ 820,000	\$ 820,000	\$ 820,000
Franchise fee	241,099	245,000	259,000	259,000	277,000	277,000	277,000
Interest	1,576	1,256	1,200	1,200	1,200	1,200	1,200
Miscellaneous	9,269	37,038	10,500	8,500	8,500	8,500	8,500
Transfers from other funds	100,000	146,000	100,000	100,000	100,000	100,000	100,000
<b>Total current year resources</b>	<b>\$ 1,163,072</b>	<b>\$ 1,297,923</b>	<b>\$ 1,199,500</b>	<b>\$ 1,290,500</b>	<b>\$ 1,206,700</b>	<b>\$ 1,206,700</b>	<b>\$ 1,206,700</b>
<b>Total resources</b>	<b>\$ 1,320,987</b>	<b>\$ 1,561,522</b>	<b>\$ 1,369,999</b>	<b>\$ 1,524,081</b>	<b>\$ 1,411,981</b>	<b>\$ 1,411,981</b>	<b>\$ 1,411,981</b>
<b>Expenditures</b>							
Personnel Services	\$ 191,100	\$ 200,282	\$ 214,000	\$ 214,000	\$ 217,400	\$ 217,400	\$ 217,400
Material & services	173,732	187,015	203,500	196,000	206,400	206,400	206,400
Capital outlay							
Improvements	432,156	571,144	404,600	530,700	410,400	410,400	410,400
Transfers	260,400	369,500	378,100	378,100	401,500	401,500	401,500
Contingency			169,799		176,281	176,281	176,281
<b>Total expenditures</b>	<b>\$ 1,057,388</b>	<b>\$ 1,327,941</b>	<b>\$ 1,369,999</b>	<b>\$ 1,318,800</b>	<b>\$ 1,411,981</b>	<b>\$ 1,411,981</b>	<b>\$ 1,411,981</b>
Ending fund balance	\$ 263,599	\$ 233,581	\$ -	\$ 205,281	\$ -	\$ -	\$ -

## Personnel

Transportation Fund FTEs by Position FY 14 – 17				
	FY 14 Actual	FY 15 Actual	FY 16 Actual	FY 17 Forecast
Utility	2.00	2.00	2.00	2.00
<b>Transportation Fund Total</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>

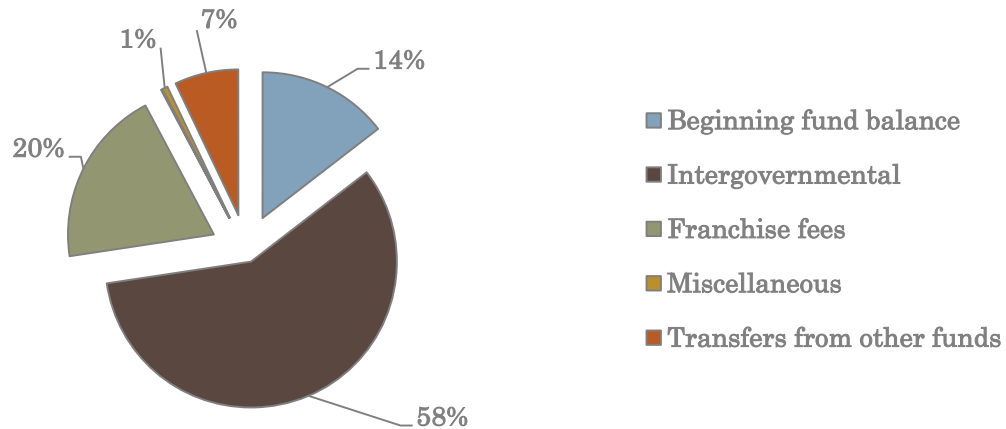
*No changes to staffing levels in FY 17.*

## Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 15-16	Proposed FY 16-17 Beginning Fund Balance	% Change FY 16 to FY 17	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Transportation	\$233,581	\$205,281	-12%	\$176,281	\$164,948	7%

The 12 percent decrease to fund balance is largely due to capital projects completed in the prior year. Projects budgeted for FY 17 total \$410,400. Fund balance will decrease 14 percent by year-end. Ending fund balance/contingency meets the City's financial policy objectives by 7 percent. Management continues to look for new revenue opportunities and efficiencies within the department.

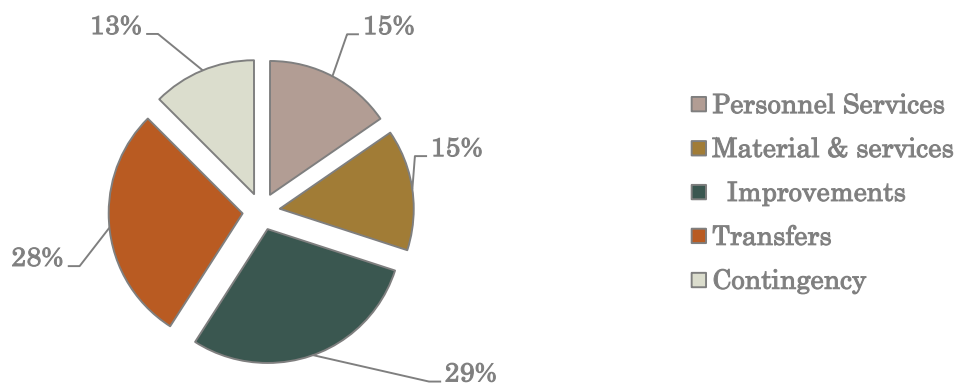
### Resources



### Assumptions

Intergovernmental revenues for FY 17 show a slight decrease over the prior year. Revenues include a grant for approximately \$92,600 for the transit project and system transportation planning dollars from ODOT totaling approximately \$98,000. Franchise fees from the Wastewater and Water Funds totaling \$277,000 for FY 17 were 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 \$539,400.

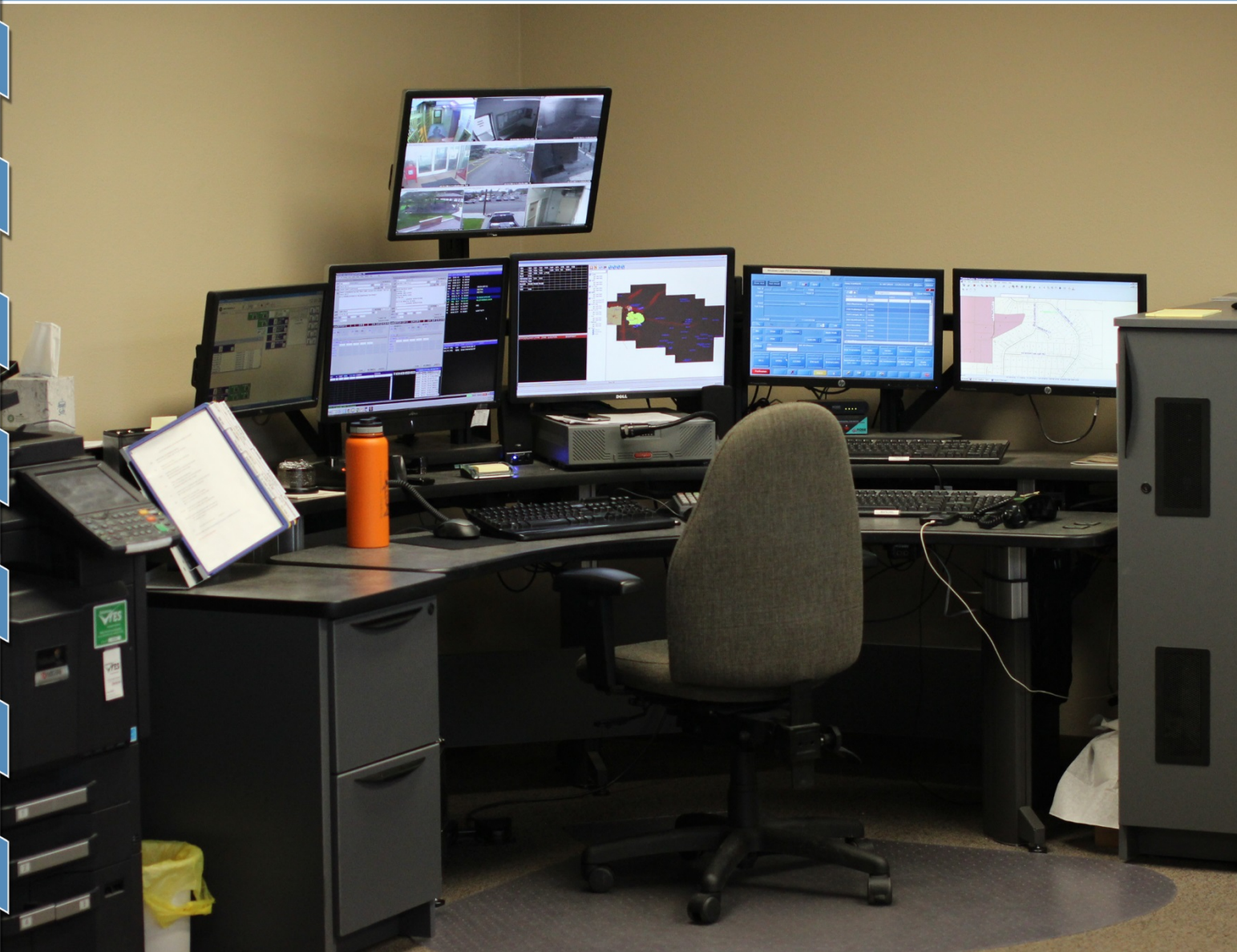
### Requirements



### Assumptions

Requirements budgeted overall in FY 17 have increased over prior year budget approximately 3 percent. Personnel services are increasing approximately 2 percent, materials and services are increasing approximately 1 percent and transfers are increasing by approximately 6 percent. The increase in transfers is related to the debt service of the new street sweeper acquired in FY 16 and the increase in FTE of the Assistant City Engineer.

# Emergency Dispatch Fund



## Emergency Dispatch Fund Responsibilities to the Community

The role and responsibility of the Emergency Dispatch Center is to provide the vital communication link between the public and all emergency services. The 911 dispatcher is often the unsung professional of the emergency response team. These professionals, who gather essential information from callers and dispatch the appropriate first responders to the scene, must be able to take control of situations that may be chaotic, heart-wrenching, stressful, confusing, and frenzied.

The emergency dispatch fund is managed by the Prineville Chief of Police. The funds are provided by 911 telephone taxes as well as payments made by the Crook County Sheriff's Office, Crook County Rural Fire District, the Bureau of Land Management, the US Forest Service, and the Prineville Police Department. In turn, those entities are provided with this vital communication service.



## Goals and Objectives for FY 17

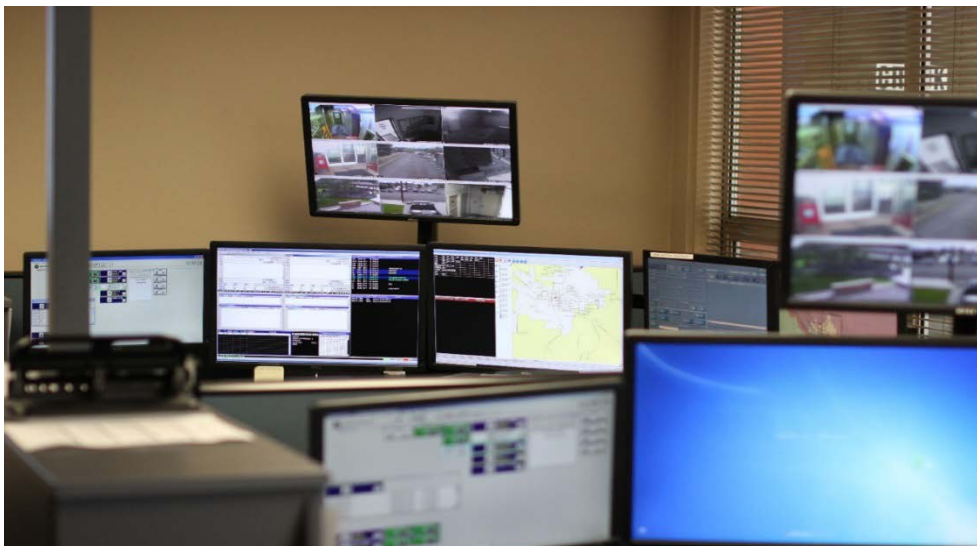
Department Goals	City Council Goals
Explore Dispatch Center location options.	Community safety.
Complete hiring Objectives.	Provide quality municipal service and programs which contribute to Prineville's reputation as a desirable place to live, work and play.
Provide training opportunities that improve effectiveness.	Community safety.
Complete Dispatch Accreditation.	Provide quality municipal service and programs which contribute to Prineville's reputation as a desirable place to live, work and play.
Complete installation and training on Emergency Medical Dispatch program.	Provide quality municipal service and programs which contribute to Prineville's reputation as a desirable place to live, work and play.

## Executive Summary

The Emergency Dispatch Center supports public safety by providing interoperable communications throughout Prineville and Crook County, as well as providing the vital communication link between our county and the rest of the state. The Center is also the Public Safety Answering Point (PSAP) for Crook County, providing 911 services for all citizens and visitors.

The Center provides communication service to The Prineville Police Department, the Crook County Sheriff's Office, Crook County Fire and Rescue, and the US Forestry Service. If other public safety agencies enter Crook County to assist in providing service, like Oregon State Police, they also are served by the Center. The Emergency Dispatch Center experienced a large turnover in personnel during FY 16. As we enter FY 17 we do so with two new supervisors, and several new hires. Additionally, we are looking to add one additional part-time employee to enhance staff coverage.

Completion of our new Records Management System (RMS) took place in FY16, allowing information sharing between the Prineville Police Department and the Crook County Sheriff's Department. In FY 17, the Emergency Dispatch Center anticipates the completion of the accreditation process through the Oregon Accreditation Alliance. These efforts improve performance, customer support and reduce liability to better serve the citizens of Prineville.



*Interior of dispatch center after 2014*

## Accomplishments for FY 16

- RMS merged with County Sheriff increasing Dispatch information sharing
- Upgraded the Computer Aided Dispatch software
- Implemented electronic “dispatch specific” software as part of the hiring process
- Signed Interagency Agreement assigning all communication infrastructure maintenance under dispatch funding
- Added 1 FTE dispatch supervisor

## 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.

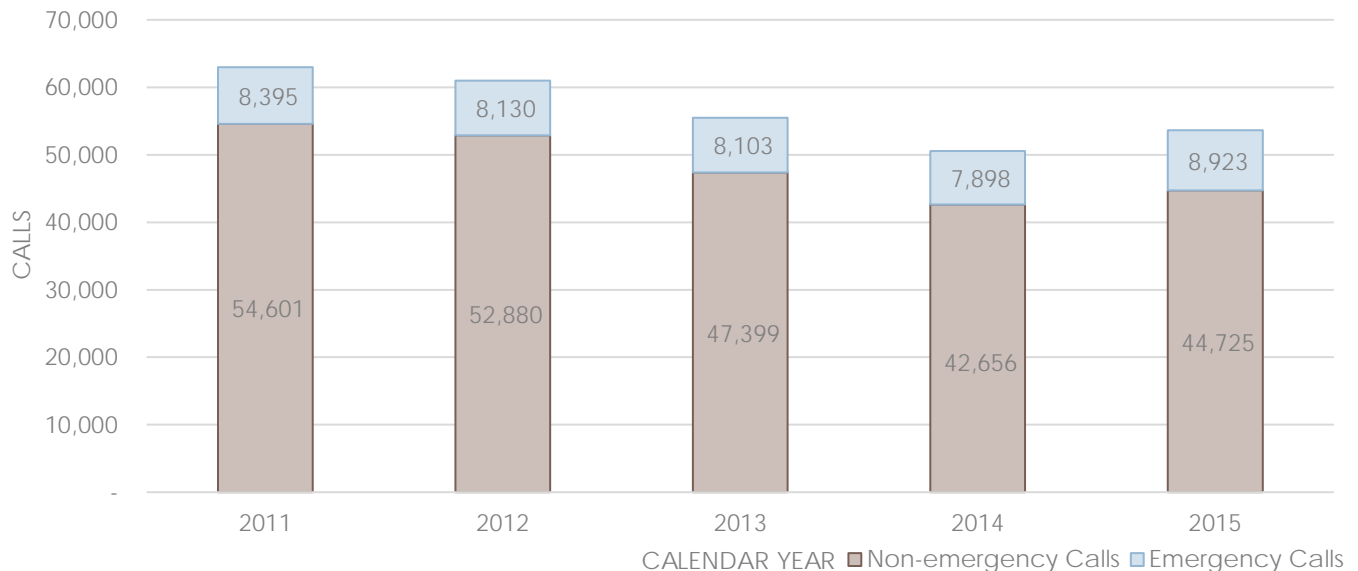
## Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Facility		
EMD cards	\$ 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 81.*

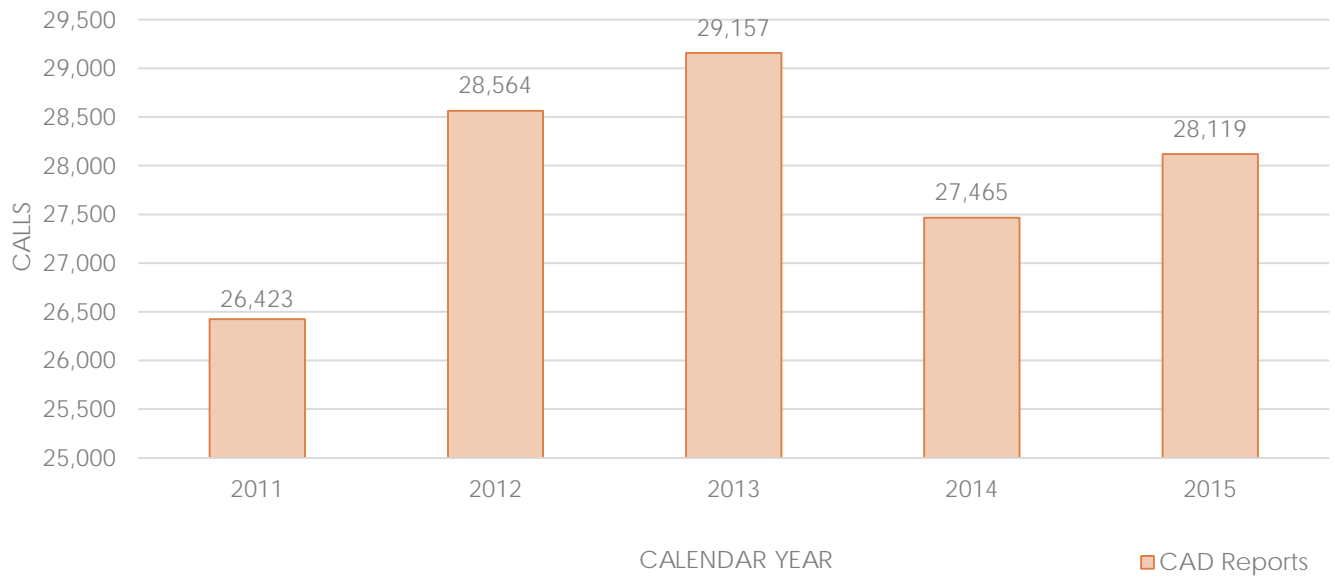
## Performance Measures

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



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

## Calls Creating Computer Aided Dispatch Reports CAD Reports per Calendar Year



*Dispatch Center*

## Emergency Dispatch Budget

Resources	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 13-14	FY 14-15	Budget FY 15-16	FY 15-16	Budget FY 16-17	Budget FY 16-17	Budget FY 16-17
Beginning fund balance	\$ 218,866	\$ 294,835	\$ 320,835	\$ 327,197	\$ 316,697	\$ 316,697	\$ 316,697
<b>Current year resources</b>							
Intergovernmental	\$ 598,721	\$ 660,895	\$ 692,100	\$ 692,100	\$ 693,300	\$ 693,300	\$ 693,300
Interest	1,534	1,632	3,000	1,900	2,000	2,000	2,000
Miscellaneous	24,223	3,547	2,500	2,500	3,500	3,500	3,500
Transfers from other funds	466,100	476,800	533,700	533,700	521,400	521,400	521,400
<b>Total current year resources</b>	<b>\$ 1,090,578</b>	<b>\$ 1,142,874</b>	<b>\$ 1,231,300</b>	<b>\$ 1,230,200</b>	<b>\$ 1,220,200</b>	<b>\$ 1,220,200</b>	<b>\$ 1,220,200</b>
<b>Total resources</b>	<b>\$ 1,309,444</b>	<b>\$ 1,437,709</b>	<b>\$ 1,552,135</b>	<b>\$ 1,557,397</b>	<b>\$ 1,536,897</b>	<b>\$ 1,536,897</b>	<b>\$ 1,536,897</b>
<b>Expenditures</b>							
Personnel Services	\$ 726,392	\$ 846,783	\$ 899,100	\$ 850,000	\$ 926,000	\$ 926,000	\$ 926,000
Material & services	85,536	87,492	101,600	133,700	182,500	182,500	182,500
Capital outlay							
Buildings			32,400	34,000			
Equipment	34,881	4,137	62,000	40,000	30,000	30,000	30,000
Transfers	167,800	172,100	183,000	183,000	168,900	168,900	168,900
Contingency			274,035		229,497	229,497	229,497
<b>Total expenditures</b>	<b>\$ 1,014,609</b>	<b>\$ 1,110,512</b>	<b>\$ 1,552,135</b>	<b>\$ 1,240,700</b>	<b>\$ 1,536,897</b>	<b>\$ 1,536,897</b>	<b>\$ 1,536,897</b>
Ending fund balance	\$ 294,835	\$ 327,197	\$ -	\$ 316,697	\$ -	\$ -	\$ -

## Personnel

Emergency Dispatch Fund FTEs by Position FY 14 – 17				
	FY 14	FY 15	FY 16	FY 17
	Actual	Actual	Actual	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	2.00
Communications Officer	6.00	6.00	7.32	6.98
Office Technician	0.50	0.50		
Evidence Officer			0.50	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>10.40</b>	<b>11.06</b>

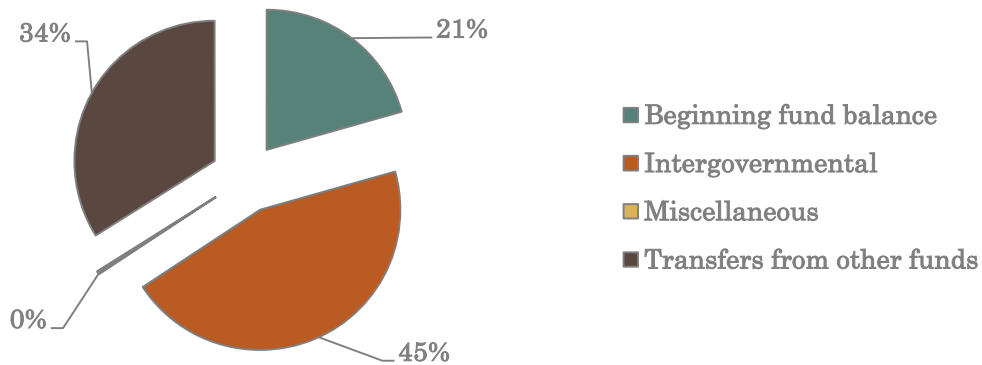
*Change in FTEs of 0.66 for FY 17, with an increase in Communication Supervisors.*

## Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 15-16	Proposed FY 16-17 Beginning Fund Balance	% Change FY 16 to FY 17	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Emergency Dispatch	\$327,197	\$316,697	-3%	\$229,497	\$225,045	2%

Fund balance from FY 16 to FY 17 has decreased approximately 3 percent. Estimates for the FY 17 budget see an 18 percent decrease to the ending fund balance. This fund meets the reserve policy criteria for the City.

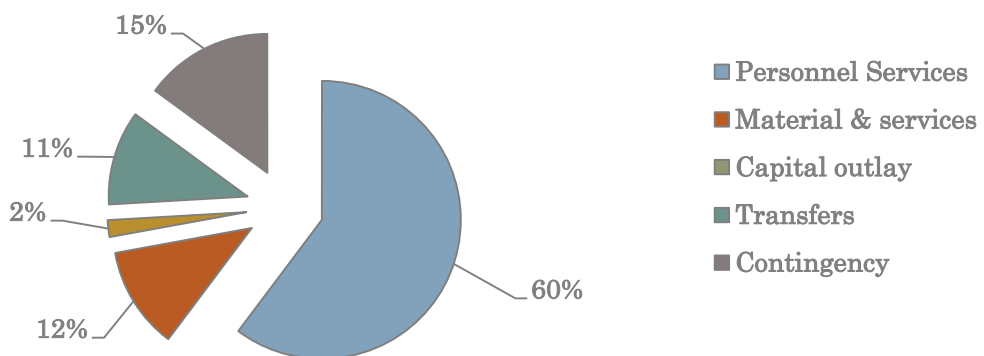
### Resources



### Assumptions

Receipts of 911 dollars are expected to remain approximately the same as the prior year at \$270,000. Fees for users are decreasing in FY 17, this is due to the decrease in capital improvements budgeted. The General fund transfer totals \$521,400. Crook County Fire and Rescue is increasing their user fees an additional \$62,000 to cover two additional part-time dispatchers.

### Requirements



### Assumptions

Overall requirements are down over prior year because of less budgeted capital improvements. Personnel services are increasing 3 percent, materials and services are increasing 42 percent due to building and infrastructure maintenance and transfers are decreasing 8 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 expansion of the City's Urban Growth Boundary for needed Industrial Lands and updates to the City Comprehensive Plan, Zoning Code and Transportation System Plan in a manner which supports job growth and maintains Prineville's small-town character. The department also continues to staff the Downtown Strategic Plan Committee, the Air Quality Committee, and Planning Commission helping to ensure the City's 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 17

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.
Continue to implement advanced Air Quality Action (AQA) Plan activities aimed at reducing PM <sub>2.5</sub> particulate as found in the AQA Plan.	Provide quality municipal services and programs which contribute to Prineville's reputation as a desirable place to live, work and play.
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.	Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.
Continue to increase public involvement in the planning process utilizing the Prineville Planning Commission, Public Input Committees, 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.	Continue improving on transparency.
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.	Provide quality municipal services and programs which contribute to Prineville's reputation as a desirable place to live, work and play.
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.	Continue improving on transparency. and Effective Public communication.
Continue to work with community partners to identify and address gaps and needed amenities in the bike and pedestrian system.	Provide quality municipal services and programs which contribute to Prineville's reputation as a desirable place to live, work and play.
Participate in the update of the Airport Master Plan.	Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.
Work with Crook County to identify a site to add to the UGB through the Central Oregon Large Lot Industrial Program.	Provide quality municipal services and programs which contribute to Prineville's reputation as a desirable place to live,

	work and play.
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.	Provide quality municipal services and programs which contribute to Prineville's reputation as a desirable place to live, work and play.
Continue to increase the level and quality of training provided to the Planning Commission.	Provide quality municipal services and programs which contribute to Prineville's reputation as a desirable place to live, work and play.
Continue to seek grant funding for projects such as the Rails-to-Trails Project, Downtown Revitalization Committee projects and the Third Street Y-Intersection 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.	Provide quality municipal services and programs which contribute to Prineville's reputation as a desirable place to live, work and play.
Consistently update infrastructure plans for water, wastewater, and transportation.	Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.
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.	Provide quality municipal services and programs which contribute to Prineville's reputation as a desirable place to live, work and play.

## 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, Land Use Code, Transportation System Plan, Downtown Enhancement Plan, Sign Ordinance and 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 approval regulations.

## Accomplishments for FY 16

- Continued working with Crook County, the Prineville/Crook County Airport and ODOT on the Tom McCall intersection improvement project.
- Continued to provide exceptional training opportunities to the Prineville Planning Commission, such as the Planning Commissioner Workshop at the League of Oregon Cities (LOC) Conference that was sponsored by the Oregon City Planning Directors Association (OCPDA) in September 2015
- Following direction from the Prineville City Council – in concert with the Planning Commission – developed recreational marijuana land-use regulations tailored specifically to the City of Prineville and a nuisance code update requiring recreational marijuana be grown indoors under lock and key.



- Completed land use approvals for two Data Center buildings:
  - 1) Facebooks largest building so far at approximately 467,000 square feet; and
  - 2) The second building approval at Project Pillar at approximately 330,000 square feet.
- Completed implementation of a \$524,000 Flex Funds Grant from ODOT to repave the Ochoco Creek Trail.
- 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 (EDCO), and local service groups such as the Elks and Kiwanis Club.
- Facilitated design review, and land use and development processes for several commercial, industrial, and residential projects. In addition to two data center buildings, this year’s list includes a new Taco Bell, Blackbear Subdivision Phase 1 and Phase 2 and the major expansion of the Fab-Tech business building at the intersection of High Desert Drive and Baldwin Road.
- Facilitated a comprehensive plan amendment, zone change, and annexation to the City which added 160 acres of industrial land owned by Legacy Ranches, LLC into the City’s UGB and City Limits.
- Provided planning expertise and specific land use information to businesses considering expansion of operations or looking at Prineville as a future location, including staging of significant development activity at the Ochoco Lumber site.
- Coordinated with the Prineville Chapter of the Central Oregon Trails Alliance (COTA) which is planning for future development of multi-use trails in the City above the rimrock and a bike park within 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.
- *“Continue improving on transparency and Effective Public communication.”* – Participation on local, regional, and state committees; collaboration and communication with partner agencies including creation of an Air Quality MOU with the DEQ, the County, and the USFS; technical assistance provided to land use planners at the Planners Network Training.
- *“Provide quality municipal services and programs which contribute to Prineville’s reputation as a desirable place to live, work and play.”* – Provision of planning expertise and information for existing and prospective businesses; provision of planning guidance on development of the Ochoco Lumber site; research, mapping and other technical assistance provided to the Downtown Strategic Plan Committee, Air Quality Committee, System Development Charge (SDC) Policy Committee; expansion of the city limits to include an additional 160 acres of industrially zoned land.
- *“Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.”* – Administration of trail grants; collaborative work in planning for the Tom McCall intersection improvements; development of Downtown Strategic Plan Committee goals and project needs.
- *“Community safety”* – Consider safety in all land use designs and development review processes and procedures.
- *“Provide quality municipal services and programs which contribute to Prineville’s reputation as a desirable place to live, work and play.”* – Administer 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.
- Providing staff time and technical support for both public and private economic development initiatives.
- Continue implementing the 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.
- Continue to seek funding for the Rails-to-Trails 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.

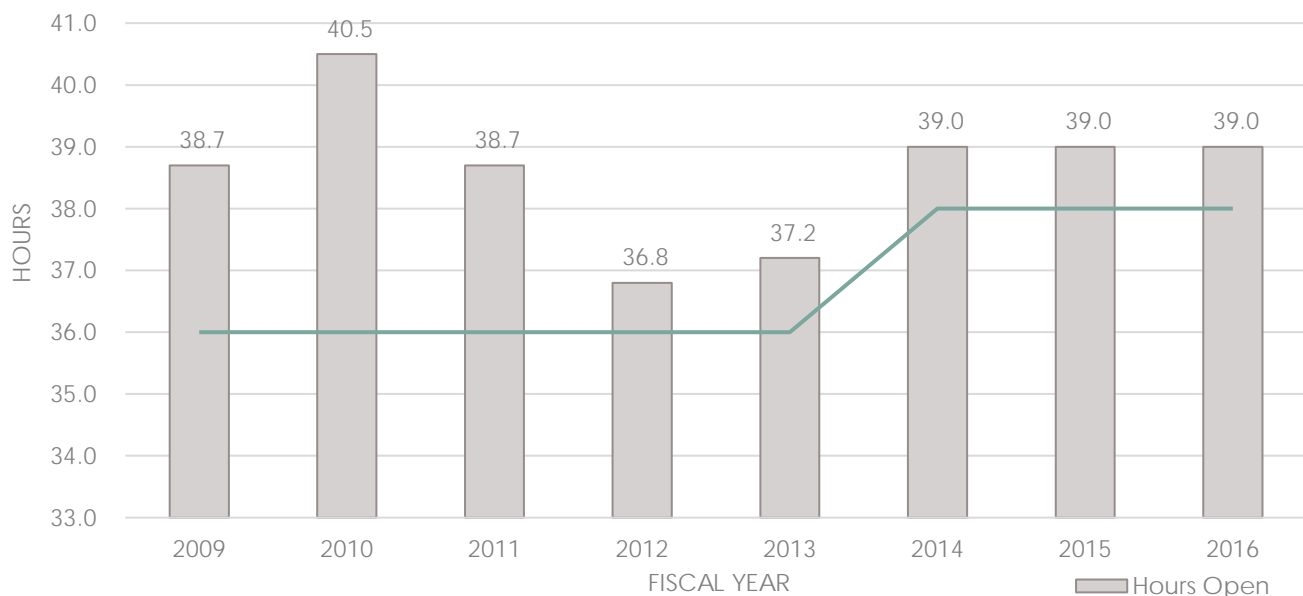
### Long-term Goals

- Work toward the development of an associate or assistant planner position as funding and development activity increases.
- Evaluate and plan for a 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.
- Staff / Lead the Air Quality Committee and assist in implementing the goals of the committee.

### 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.

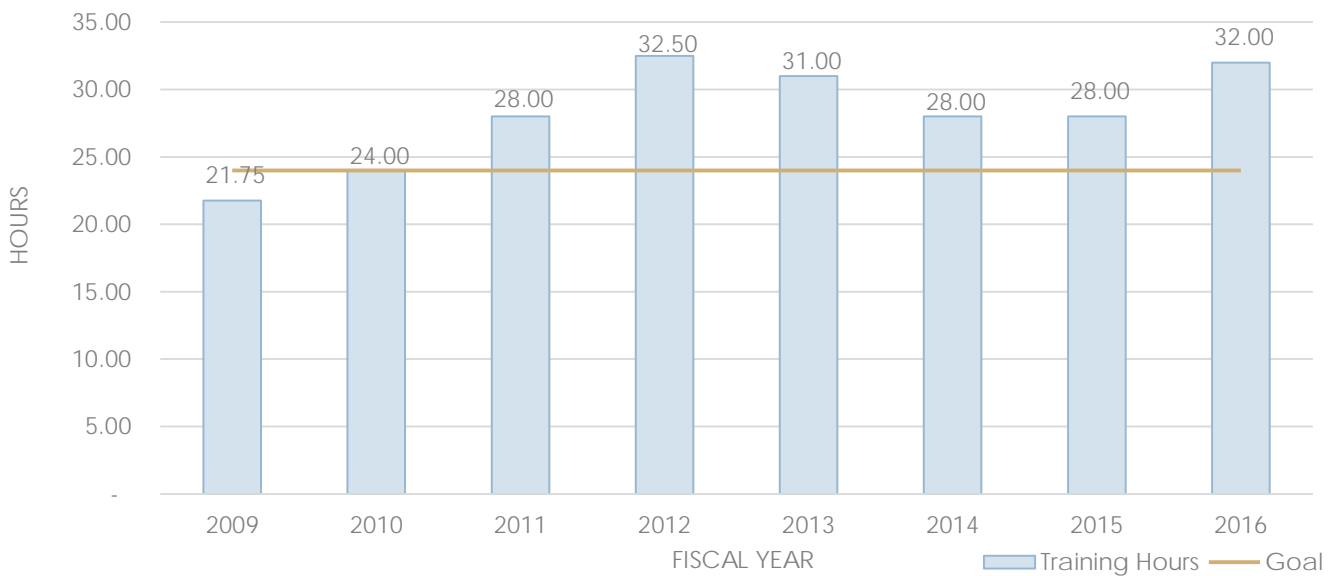
#### Average Hours Planning Counter Open Hours Open per Week



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.

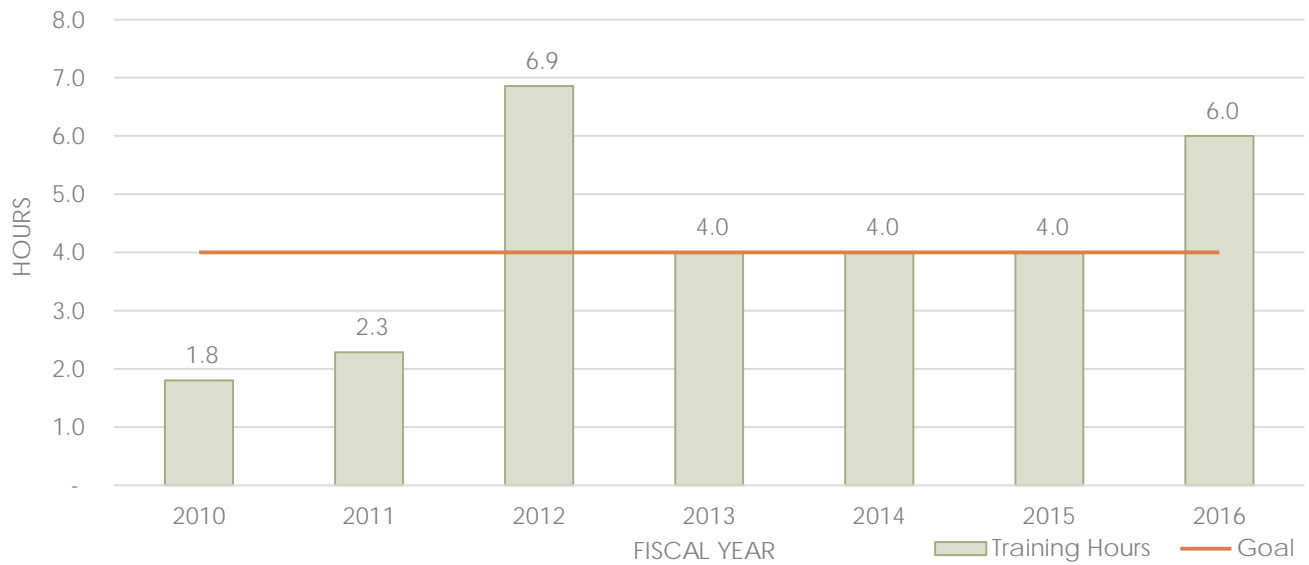
In January 2014, a staff change added a new opportunity to successfully fulfill this high priority. In FY 15, the Planning Department increased the goal of keeping the counter open at least 36 hours per week on average to 38 hours per week. Planning achieved the goal of 38 hours per week, with a planner 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 17.

### 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 Planning Commissioner training at the LOC conference in Bend, which was sponsored by the Oregon Association of City Planning Directors (OACPD).



*Barnes Butte Elementary*

## Planning Budget

Resources	Actual FY 13-14	Actual FY 14-15	Current Budget FY 15-16	Estimates FY 15-16	Proposed Budget FY 16-17	Approved Budget FY 16-17	Adopted Budget FY 16-17
Beginning fund balance	\$ 68,997	\$ 87,672	\$ 75,472	\$ 78,380	\$ 58,380	\$ 58,380	\$ 58,380
Current year resources							
Licenses and permits	\$ 34,901	\$ 28,332	\$ 46,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Interest	359	414	200	400	400	400	400
Intergovernmental	-	-	50,000	5,300	5,300	5,300	5,300
Charges for services	36,510	14,552	13,700	25,000	38,900	38,900	38,900
Transfers from other funds	250,000	285,000	285,000	285,000	315,000	315,000	315,000
<b>Total current year resources</b>	<b>\$ 321,770</b>	<b>\$ 328,298</b>	<b>\$ 394,900</b>	<b>\$ 355,700</b>	<b>\$ 399,600</b>	<b>\$ 399,600</b>	<b>\$ 399,600</b>
<b>Total resources</b>	<b>\$ 390,767</b>	<b>\$ 415,970</b>	<b>\$ 470,372</b>	<b>\$ 434,080</b>	<b>\$ 457,980</b>	<b>\$ 457,980</b>	<b>\$ 457,980</b>

Expenditures	Actual FY 13-14	Actual FY 14-15	Current Budget FY 15-16	Estimates FY 15-16	Proposed Budget FY 16-17	Approved Budget FY 16-17	Adopted Budget FY 16-17
Personnel Services	\$ 182,178	\$ 215,350	\$ 231,100	\$ 229,100	\$ 242,000	\$ 242,000	\$ 242,000
Materials & Services	14,217	13,740	21,900	26,400	27,800	27,800	27,800
Capital Improvements			30,000	7,200	-	-	-
Transfers	106,700	108,500	113,000	113,000	118,500	118,500	118,500
Contingency			74,372		69,680	69,680	69,680
<b>Total expenditures</b>	<b>\$ 303,095</b>	<b>\$ 337,590</b>	<b>\$ 470,372</b>	<b>\$ 375,700</b>	<b>\$ 457,980</b>	<b>\$ 457,980</b>	<b>\$ 457,980</b>
Ending fund balance	\$ 87,672	\$ 78,380	\$ -	\$ 58,380	\$ -	\$ -	\$ -

## Personnel

Planning Fund FTEs by Position FY 14 – 17				
	FY 14 Actual	FY 15 Actual	FY 16 Actual	FY 17 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>

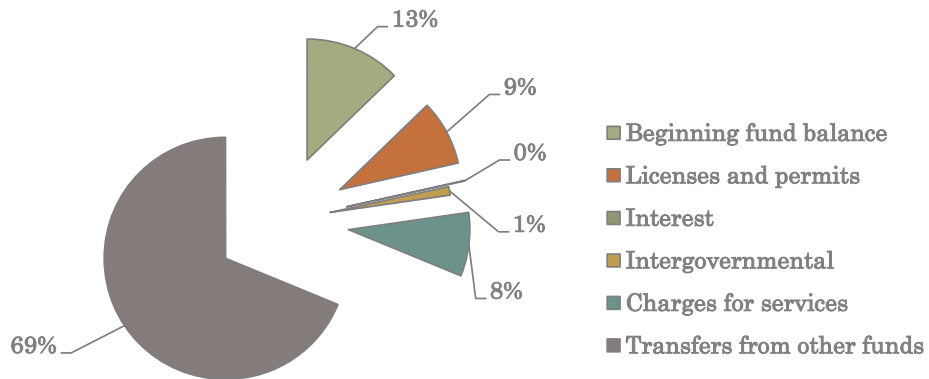
*No changes to staffing levels in FY 17.*

## Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 15-16	Proposed FY 16-17 Beginning Fund Balance	% Change FY 16 to FY 17	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Planning	\$78,380	\$58,380	-26%	\$69,680	\$67,953	3%

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.

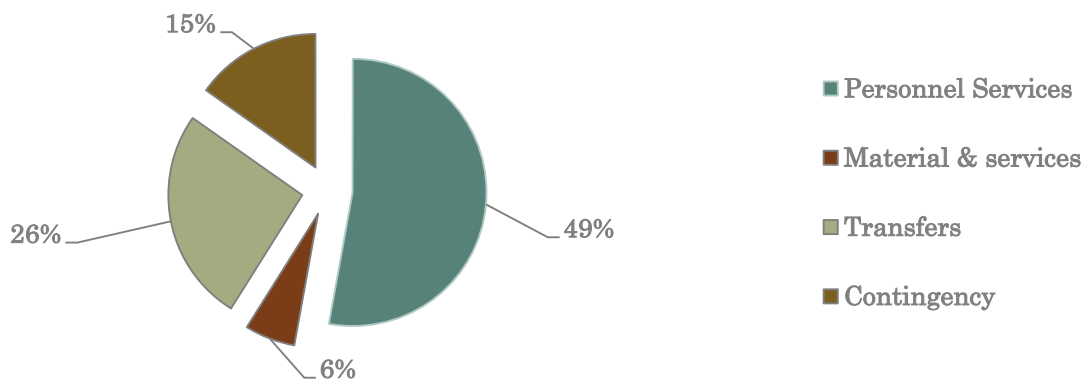
### Resources



### Assumptions

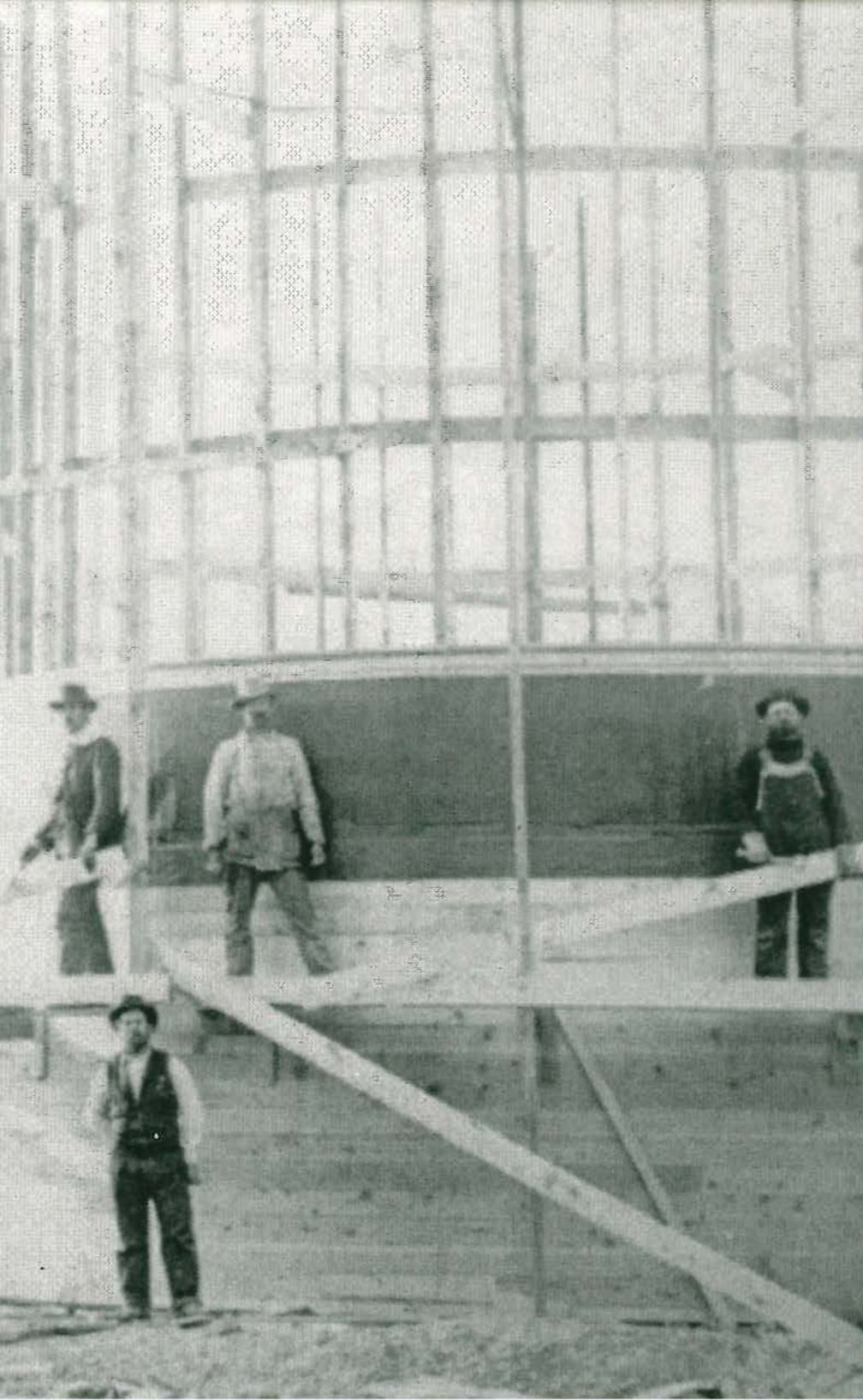
Revenue from charges for service shows a 35 percent increase over prior year as residential and commercial projects starts show a promising recovery. SDC administrative fee estimates are based off of 35 new equivalent dwelling units along with revenue for some commercial fees. A transfer from the General Fund is budgeted this year of \$315,000, which is approximately 10 percent over prior year and \$5,300 DEQ grant for air quality is expected.

### Requirements



### Assumptions

The Planning Department operational requirements increased over prior year by 7 percent largely due to the additional costs of the DEQ air quality program which is offset by grant dollars, and an increase in the cost of GIS.



## ❖ 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 17. This assessment is budgeted to pay off during FY 17 and the remaining dollars will transfer to the general fund.

### LID Debt Service Budget

Resources	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 13-14	FY 14-15	Budget FY 15-16	FY 15-16	Budget FY 16-17	Budget FY 16-17	Budget FY 16-17
Beginning fund balance	\$ 70,220	\$ 103,229	\$ 132,729	\$ 88,675	\$ 101,475	\$ 101,475	\$ 101,475
Current year resources							
Interest	257	326	300	300	-	-	-
Assessment repayments	192,329	135,034	162,500	162,500	1,200,000	1,200,000	1,200,000
Total current year resources	\$ 192,586	\$ 135,360	\$ 162,800	\$ 162,800	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Total resources	\$ 262,806	\$ 238,589	\$ 295,529	\$ 251,475	\$ 1,301,475	\$ 1,301,475	\$ 1,301,475
Expenditures							
Debt service							
Principal							
10th St/Madras Hwy LID - 2003	\$ 9,372	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ironhorse LID - 2006	70,589	73,721	79,200	79,200	1,200,000	1,200,000	1,200,000
Interest							
Spruce Lane LID - 2001							
10th Street/Madras Hwy LID - 2006	293	-	-	-	-	-	-
Ironhorse LID - 2006	79,323	76,193	70,800	70,800	-	-	-
Transfers					101,475	101,475	101,475
Contingency			145,529		-	-	-
Total expenditures	\$ 159,577	\$ 149,914	\$ 295,529	\$ 150,000	\$ 1,301,475	\$ 1,301,475	\$ 1,301,475
Ending fund balance	\$ 103,229	\$ 88,675	\$ -	\$ 101,475	\$ -	\$ -	\$ -



## 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 its UAL in FY 14 in the amount of \$2,846,700 in order to stabilize the City's pension contribution rates. The City is receiving a rate credit of 6 percent beginning December FY 16 which will be used to smooth out the impact of rate collars in the future.

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 that the combined PERS rate for FY 17 increases approximately 3.4 percent. Management instigates evaluation bi-annually, adjusting the rate on subject payroll accordingly. Our next rate adjustment will be 7-1-17 thru 6-30-19.

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 operating 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 of \$572,153.

## Policy Analysis Pension Obligation Requirements by Fund FY 17

Fund	Budgeted Reserve Amount	Operating Expenditures Including Debt By Fund	Fifteen % Appropriation Reserve Amount	Budgeted Reserves Over(Under)
General	978,459	3,688,200	553,230	425,229
Admin/Financial Support Services	300,800	1,985,300	297,795	3,005
Public Works Support Services	245,334	1,529,700	229,455	15,879
Building Facilities Fund	168,399	362,600	54,390	114,009
Plaza Maintenance	16,416	15,900	2,385	14,031
Total	1,709,408	7,581,700	1,137,255	572,153

## PERS/POB Budget

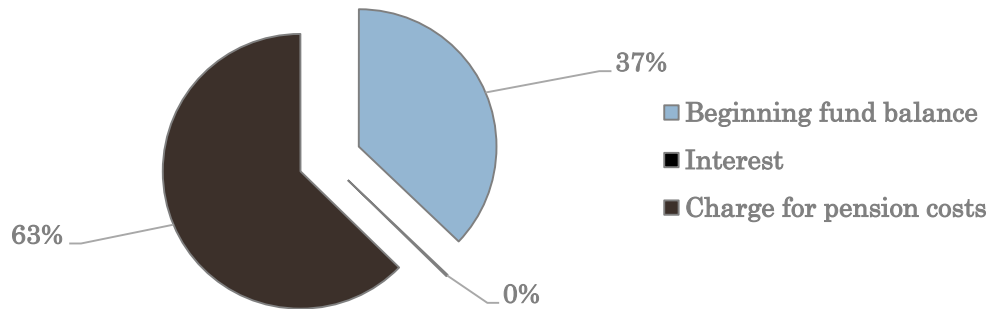
Resources	Actual FY 13-14	Actual FY 14-15	Current Budget FY 15-16	Estimates FY 15-16	Proposed Budget FY 16-17	Approved Budget FY 16-17	Adopted Budget FY 16-17
Beginning fund balance	\$ -	\$ 15,118	\$ 66,818	\$ 64,142	\$ 185,342	\$ 185,342	\$ 185,342
Interest	244	531	300	600	1,000	1,000	1,000
Transfer from other funds	100,000	292,000	289,900	289,900	313,000	313,000	313,000
Miscellaneous revenue				79,300			
Debt Proceeds	2,950,000	-	-	-	-	-	-
<b>Total current year resources</b>	<b>\$ 3,050,244</b>	<b>\$ 292,531</b>	<b>\$ 290,200</b>	<b>\$ 369,800</b>	<b>\$ 314,000</b>	<b>\$ 314,000</b>	<b>\$ 314,000</b>
<b>Total resources</b>	<b>\$ 3,050,244</b>	<b>\$ 307,649</b>	<b>\$ 357,018</b>	<b>\$ 433,942</b>	<b>\$ 499,342</b>	<b>\$ 499,342</b>	<b>\$ 499,342</b>
Expenditures	Actual FY 13-14	Actual FY 14-15	Current Budget FY 15-16	Estimates FY 15-16	Proposed Budget FY 16-17	Approved Budget FY 16-17	Adopted Budget FY 16-17
Personnel Services	\$ 2,846,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Materials & Services	91,611	-	-	-			
Debt service							
Principal - POB 2013	45,000	100,000	110,000	110,000	125,000	125,000	125,000
Interest - POB 2013	51,815	143,507	138,600	138,600	133,200	133,200	133,200
Contingency	-	-	108,418	-	241,142	241,142	241,142
<b>Total expenditures</b>	<b>\$ 3,035,126</b>	<b>\$ 243,507</b>	<b>\$ 357,018</b>	<b>\$ 248,600</b>	<b>\$ 499,342</b>	<b>\$ 499,342</b>	<b>\$ 499,342</b>
Ending fund balance	\$ 15,118	\$ 64,142		\$ 185,342	\$ -	\$ -	\$ -

## Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 15-16	Proposed FY 16-17 Beginning Fund Balance	% Change FY 16 to FY 17	Proposed Ending Fund Balance / Contingency
PERS/POB	\$64,142	\$185,342	189%	\$241,142

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). Also the City received a 6 percent rate credit from PERS effective Dec. 1, 2015 for the side account.

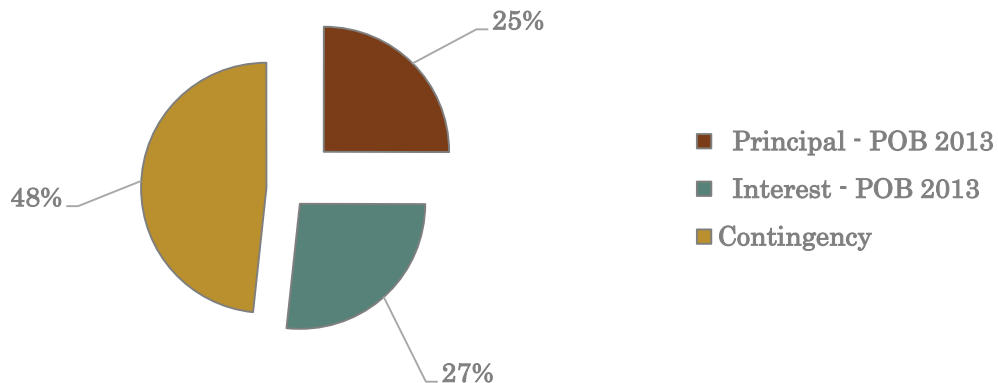
### Resources



### Assumptions

The City budgets an additional 7 percent to its personnel services throughout the budget based on the PERS percentages for FY 17. Those dollars transferred to this fund 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. Also, the city has received a rate credit of 6 percent for the side account.

### 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.



## ❖ 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 17

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.	Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.
Finalize construction of the improvements to Combs Flat Road (Ochoco Creek Bridge) to support the opening of the new hospital.	Provide quality municipal services and programs which contribute to Prineville's reputation as a desirable place to live, work and play.
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 1.81 percent increase for FY 17, 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 16

- 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:

- *“Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.”* – 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		
Right of Way Acquisition Combs Flat / Peters Extension	\$ 250,000	\$ 250,000
Capital Outlay Total	\$ 250,000	\$ 250,000

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

## Transportation SDC Budget

Resources	Actual FY 13-14	Actual FY 14-15	Current Budget FY 15-16	Estimates FY 15-16	Proposed Budget FY 16-17	Approved Budget FY 16-17	Adopted Budget FY 16-17
Beginning fund balance	\$ 280,271	\$ 307,533	\$ 362,032	\$ 236,294	\$ 459,094	\$ 459,094	\$ 459,094
Current year resources							
Intergovernmental	\$ 5,712	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	1,789	2,950	2,500	1,600	2,000	2,000	2,000
System development charges	75,298	328,922	245,800	448,000	350,000	350,000	350,000
Total current year resources	\$ 82,799	\$ 331,872	\$ 248,300	\$ 449,600	\$ 352,000	\$ 352,000	\$ 352,000
Total resources	\$ 363,070	\$ 639,405	\$ 610,332	\$ 685,894	\$ 811,094	\$ 811,094	\$ 811,094
Expenditures							
Material & services	\$ 4,837	\$ 5,215	\$ 360,000	\$ 208,000	\$ -	\$ -	\$ -
Capital outlay							
Improvements	25,000	391,852	-	-	250,000	250,000	250,000
Transfers	25,700	6,044	12,300	18,800	17,500	17,500	17,500
Contingency			238,032		543,594	543,594	543,594
Total expenditures	\$ 55,537	\$ 403,111	\$ 610,332	\$ 226,800	\$ 811,094	\$ 811,094	\$ 811,094
Ending fund balance	\$ 307,533	\$ 236,294	\$ -	\$ 459,094	\$ -	\$ -	\$ -



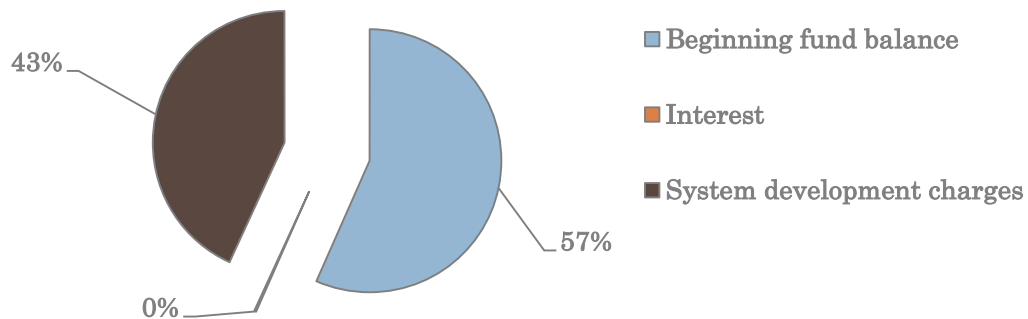
*Bike Lane Restoration*

## Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 15-16	Proposed FY 16-17 Beginning Fund Balance	% Change FY 16 to FY 17	Proposed Ending Fund Balance / Contingency
Transportation SDC	\$236,294	\$459,094	94%	\$543,594

The 94 percent increase from beginning fund balance FY 16 to beginning fund balance FY 17 is largely due to the system development fees paid in FY 16 totaling approximately \$448,000. The proposed ending fund balance of \$543,594 is an estimate based on revenue of 35 residential equivalent dwelling units (EDU's) and anticipated commercial fees, with \$250,000 budgeted in capital projects in FY 17.

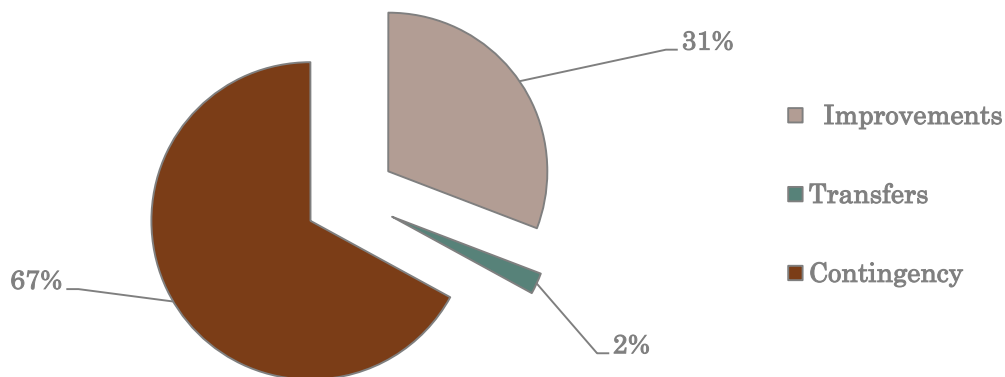
### Resources



### Assumptions

Revenue assumptions are based on receiving the estimated 35 residential EDU's along with estimated commercial fees.

### Requirements



### Assumptions

The 31 percent of budget for improvements includes capital improvements for the acquisition of right of way for the Combs Flat / Peters Road Extension. The 5 percent administrative fee for the collection of estimated SDC fees totals 2 percent of the budget.

# 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 17

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.	Provide quality municipal services and programs which contribute to Prineville’s reputation as a desirable place to live, work and play.

## Executive Summary

This fund accounts for the receipt and expenditures of water system development charge improvement fees. The 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 1.81 percent increase for FY 17, 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.

## Accomplishments for FY 16

- Extended the water mainlines to support new data center developments.

This accomplishment address the following City Council goals:

- *“Provide quality municipal services and programs which contribute to Prineville’s reputation as a desirable place to live, work and play.”* – By constructing the previously mentioned projects, future economic development of the airport industrial area becomes possible.



*Construction progress of Airport Tank #2.*

# Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Facility		
No capital expenditures planned for FY 17	\$	\$
Capital Outlay Total	\$	\$

## Water SDC Budget

Resources	Actual FY 13-14	Actual FY 14-15	Current Budget FY 15-16	Estimates FY 15-16	Proposed Budget FY 16-17	Approved Budget FY 16-17	Adopted Budget FY 16-17
Beginning fund balance	\$ 11,458	\$ 46,953	\$ 120,388	\$ 117,092	\$ 10,592	\$ 10,592	\$ 10,592
Current year resources							
Intergovernmental	\$ 24,317	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	2,437,244	-	-	-	-	-	-
Interest	15	590	100	600	600	600	600
System development charges	61,990	145,349	75,500	188,000	200,000	200,000	200,000
Other	-	-	-	-	-	-	-
Transfers							
Total current year resources	\$ 2,523,566	\$ 145,939	\$ 75,600	\$ 188,600	\$ 200,600	\$ 200,600	\$ 200,600
Total resources	\$ 2,535,024	\$ 192,892	\$ 195,988	\$ 305,692	\$ 211,192	\$ 211,192	\$ 211,192
Expenditures							
Material & services	\$ 46	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital outlay							
Improvements	2,481,925	-	-	-	-	-	-
Debt service							
Principal - short-term borrowing							
Interest - short-term borrowing							
Transfers	6,100	75,800	193,800	295,100	124,000	124,000	124,000
Contingency			2,188		87,192	87,192	87,192
Total expenditures	\$ 2,488,071	\$ 75,800	\$ 195,988	\$ 295,100	\$ 211,192	\$ 211,192	\$ 211,192
Ending fund balance	\$ 46,953	\$ 117,092	\$ -	\$ 10,592	\$ -	\$ -	\$ -

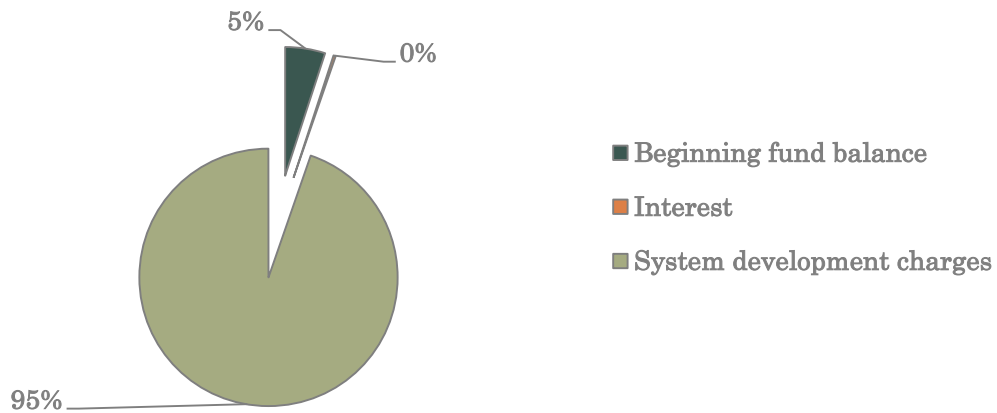


## Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 15-16	Proposed FY 16-17 Beginning Fund Balance	% Change FY 16 to FY 17	Proposed Ending Fund Balance / Contingency
Water SDC	\$117,092	\$10,592	-91%	\$87,192

The beginning fund balance FY 16 to beginning fund balance FY 17 decreased approximately 91 percent. This decrease is related to the reimbursement for water debt in the Water Fund related to capital projects. For calendar year 2015 the Water SDC fund reimbursed \$308,235 prior to developer reimbursements as laid out in Developer reimbursement agreements. In FY 17, the proposed ending fund balance of approximately \$87,192 is based on revenue estimate of 35 EDUs, and the transfer for debt service to the Water Fund. Reimbursement to developers is subject to debt service payments first. There are no projects budgeted for FY 17.

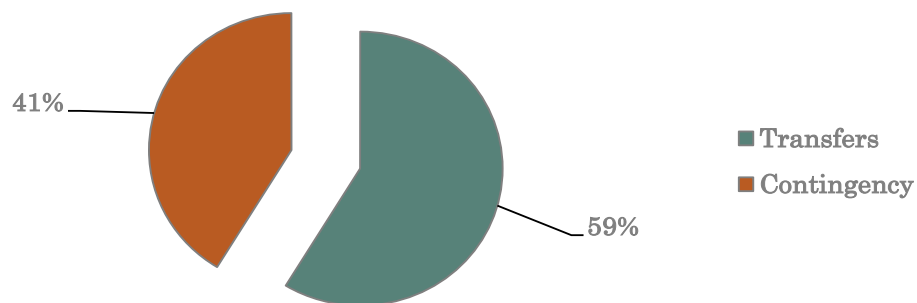
### Resources



### Assumptions

Resources are estimated based on the collection of 35 residential EDUs and estimated commercial fees.

### Requirements



### Assumptions

Expenditures are a transfer of funds for debt service to the Water fund, and a transfer to administration for 5 percent of SDC fee collection.

# 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 17

Department Goals	City Council Goals
Continue construction of the Crooked River Wetland facility.	Provide quality municipal services and programs which contribute to Prineville's reputation as a desirable place to live, work and play.



*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 1.81 percent increase for FY 17, based upon increases in the *Engineering News Record's* Seattle CCI.

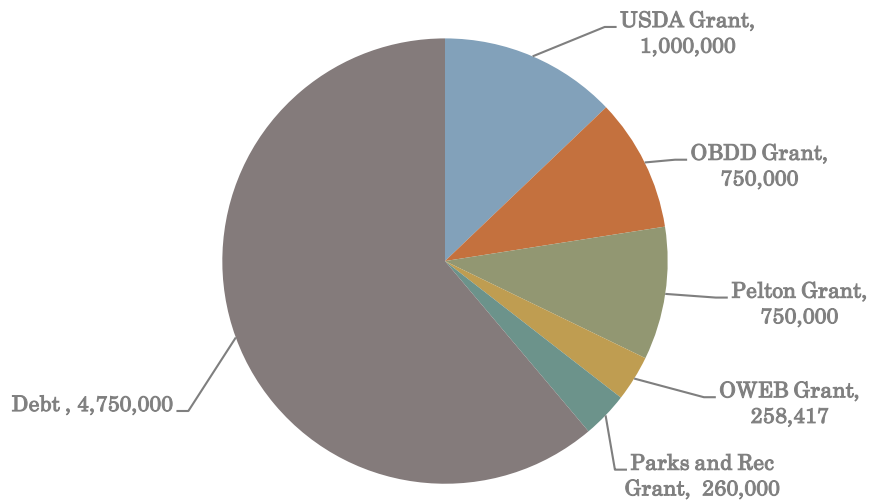
Transfer for administrative fee costs associated with collecting, accounting, and disbursing these funds are consistent with council adopted methodology – which by definition is consistent with state law. Transfers in Wastewater SDC Fund are 5 percent, with the Planning Fund getting 2 percent, while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

## Accomplishments for FY 16

- Begin construction of an expansion to the City of Prineville'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.

- 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:

- *“Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses”* – 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	\$ 4,660,000
Wastewater Facility Plan Update	\$ 150,000	\$ 150,000
<b>Capital Outlay Total</b>	<b>\$ 9,028,400</b>	<b>\$ 4,575,000</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 81.*

## Wastewater SDC Budget

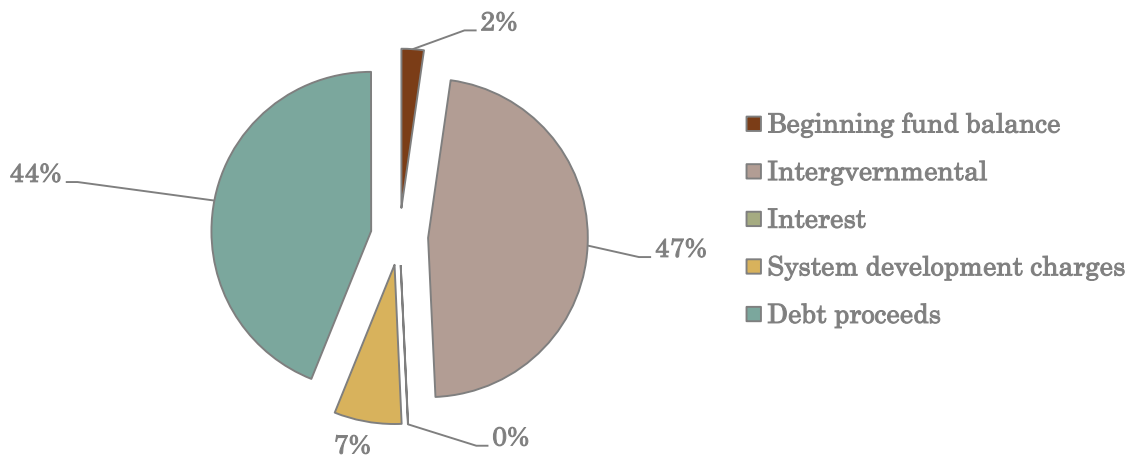
Resources	Actual FY 13-14	Actual FY 14-15	Current Budget FY 15-16	Estimates FY 15-16	Proposed Budget FY 16-17	Approved Budget FY 16-17	Adopted Budget FY 16-17
Beginning fund balance	\$ 167,152	\$ 142,203	\$ 152,103	\$ 109,607	\$ 115,207	\$ 115,207	\$ 115,207
Current year resources							
Intergovernmental	\$ -	\$ -	\$ 750,000	\$ 620,000	\$ 2,410,000	\$ 2,410,000	\$ 2,410,000
Interest	489	823	500	500	1,000	1,000	1,000
Misc. revenue	-	-	-	-	-	-	-
System development charges	117,562	118,195	113,500	157,000	350,000	350,000	350,000
Debt proceeds			1,820,000	2,600,000	2,250,000	2,250,000	2,250,000
Transfer from other funds							
<b>Total current year resources</b>	<b>\$ 118,051</b>	<b>\$ 119,018</b>	<b>\$ 2,684,000</b>	<b>\$ 3,377,500</b>	<b>\$ 5,011,000</b>	<b>\$ 5,011,000</b>	<b>\$ 5,011,000</b>
<b>Total resources</b>	<b>\$ 285,203</b>	<b>\$ 261,221</b>	<b>\$ 2,836,103</b>	<b>\$ 3,487,107</b>	<b>\$ 5,126,207</b>	<b>\$ 5,126,207</b>	<b>\$ 5,126,207</b>
Expenditures							
Material & services	\$ -	\$ -	\$ 133,000	\$ 112,700	\$ 10,000	\$ 10,000	\$ 10,000
Capital outlay							
Improvements	130,000	124,961	2,570,000	3,220,000	4,810,000	4,810,000	4,810,000
Debt service							
Principal - short-term borrowing							
Interest - short-term borrowing							
Transfers	13,000	26,653	37,000	39,200	114,500	114,500	114,500
Contingency			96,103		191,707	191,707	191,707
<b>Total expenditures</b>	<b>\$ 143,000</b>	<b>\$ 151,614</b>	<b>\$ 2,836,103</b>	<b>\$ 3,371,900</b>	<b>\$ 5,126,207</b>	<b>\$ 5,126,207</b>	<b>\$ 5,126,207</b>
Ending fund balance	\$ 142,203	\$ 109,607	\$ -	\$ 115,207	\$ -	\$ -	\$ -

## Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 15-16	Proposed FY 16-17 Beginning Fund Balance	% Change FY 16 to FY 17	Proposed Ending Fund Balance / Contingency
Wastewater SDC	\$109,607	\$115,207	5%	\$191,707

The 5 percent increase from beginning fund balance FY 16 to the beginning fund balance FY 17 is a result of SDC fees collected for improvements in FY 17. In FY 17, ending fund balance is based on an estimate of 35 EDUs, debt proceeds and grant funds for the Crooked River Wetland Project.

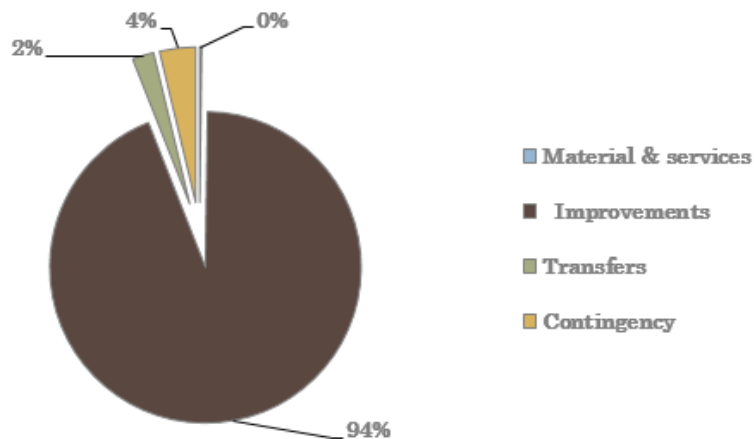
### Resources



### Assumptions

44 percent of budgeted revenue for FY 17 is interim financing for the construction of the Crooked River Wetland, forty-seven percent is grant funds. System development fees are based on the projection of 35 EDUs and estimated commercial fees.

### Requirements



### Assumptions

Expenditures for the construction of the Crooked River Wetland Project total 94 percent of the budget, materials and services is less than 1 percent of budget. Construction is anticipated to be complete mid-year and interim financing is budgeted to pay off in FY 17.



## ❖ 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 17

Department Goals	City Council Goals
Continue education for rail employees that includes track inspection, GCOR, and HazMat handling.	Continue improving on transparency.
Identify sustainable funding strategies for long-term maintenance of railroad infrastructure with a goal of 25% of revenues used for infrastructure preservation.	Continue Striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.
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.	Continue Striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.
Continue service that allows the current customer base to grow and create jobs.	Continue Striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.
Continue to look for cost cutting measures.	Continue to be fiscally responsible in all we do.
Increase track maintenance funding and update a 5 year track plan that includes bridges.	Continue Striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.
Continue to increase carloads and car storage to maintain railway profitability for the budget year.	Continue to be fiscally responsible in all we do.

## 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.



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

## Accomplishments for FY 16

- No human factor accidents.
- City of Prineville railway became certified in Hazardous Material handling that included extensive staff training.
- Secured four customers utilizing rail facilities, two customers became anchor tenants at Prineville Junction.
- Due to unexpected increase in rail traffic, Staff was able to increase spending on smaller deferred maintenance projects during the second part of the fiscal year.
- COPR increased revenue from car loading by 298 car loads or 66% over previous fiscal year.

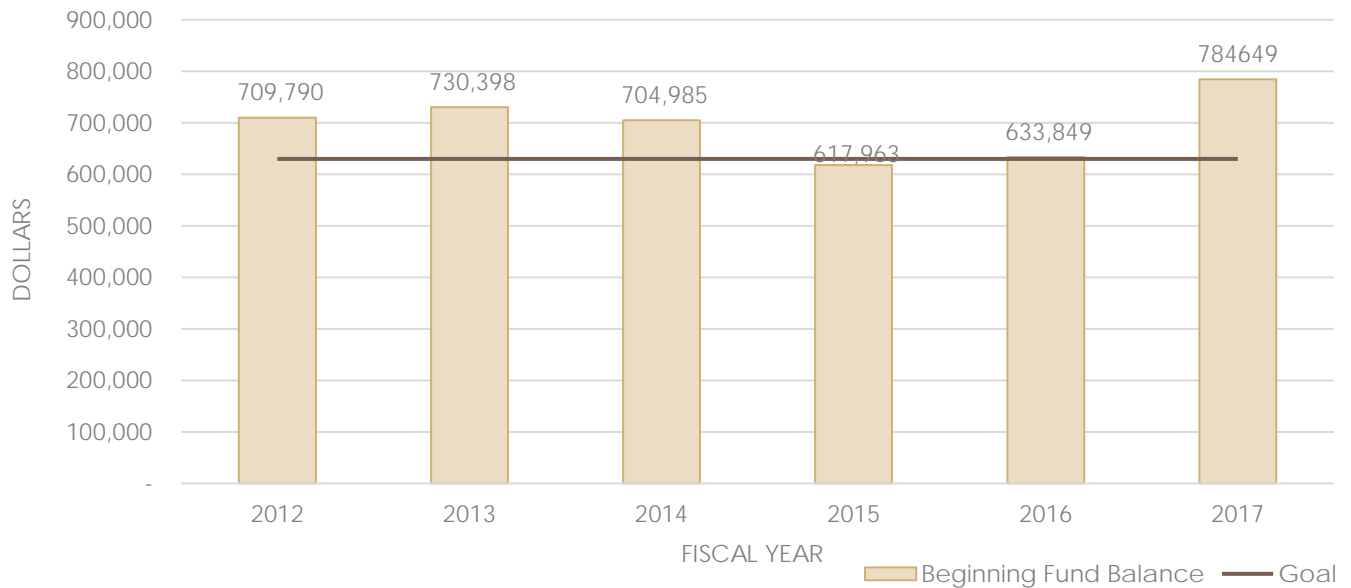
## Strategic Planning Updates

- Short-term – Staff priorities will focus on new funding sources, as well as sustainable spending for track maintenance with a goal of 25% of revenue spent on track preservation.
- Long-term – Build the rail freight business model into a viable stable revenue source to offset the City's operational costs and create additional family wage jobs. Staff will continue to explore all opportunities for railroad operations to continue profitability and efficient operation.



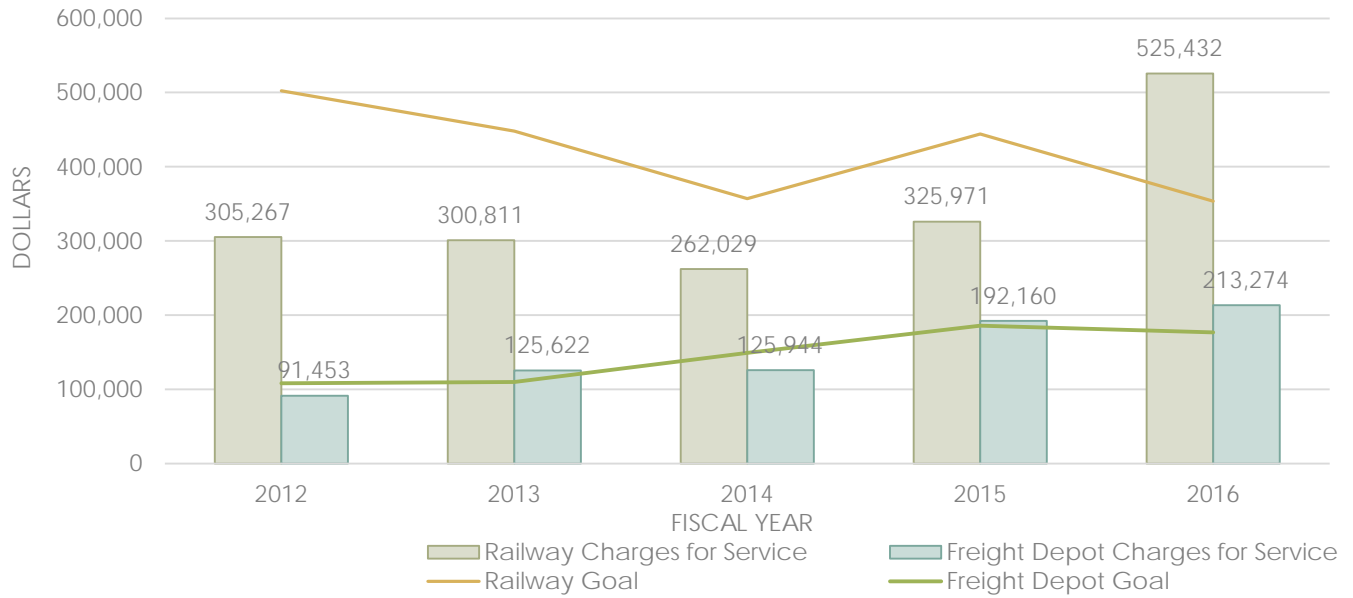
*New locomotive purchased in 2014.*

## Performance Measures Beginning Fund Balance Balance by Fiscal Year

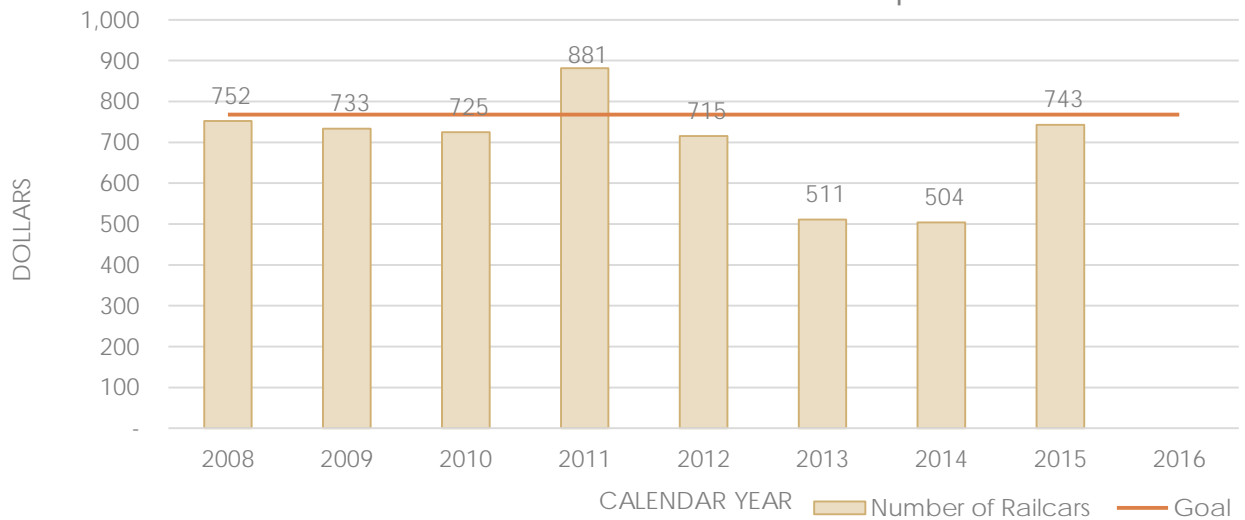


In 2007 through 2009, the Railroad Fund witnessed a decrease in fund balance of approximately \$400,000 per year. Management's goal was to maintain the fund balance through the recovery of the economy. As business continues to increase throughout the rail facilities, management will focus on sustainable profit and a steady increase in fund balance while balancing the need for increase spending on deferred track and facility maintenance.

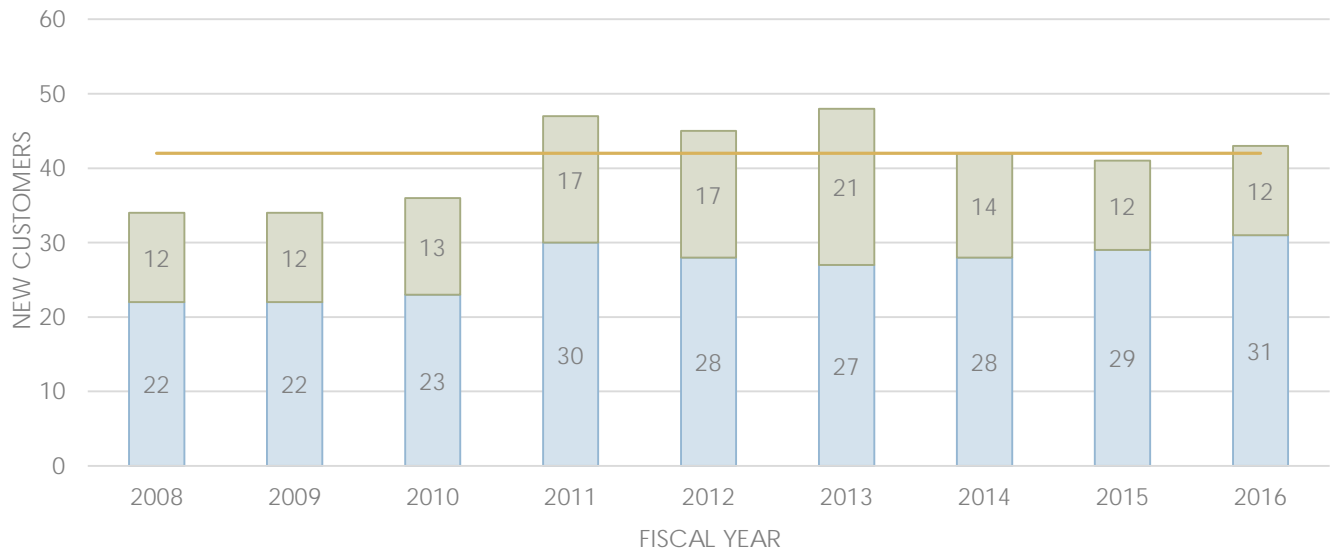
## Charges for Service Railway/Freight Depot Revenues by Fiscal Year



## Number of Freight Cars Interchanged Railcars per Calendar Year



## Customers Utilizing Rail Services Customers Utilizing Services per Fiscal Year



*Aerial view of the freight depot facility*

## Railroad / Freight Depot Budget

Resources	Actual FY 13-14	Actual FY 14-15	Current Budget FY 15-16	Estimates FY 15-16	Proposed Budget FY 16-17	Approved Budget FY 16-17	Adopted Budget FY 16-17
Beginning fund balance	\$ 704,985	\$ 617,963	\$ 593,563	\$ 633,849	\$ 784,649	\$ 784,649	\$ 784,649
<b>Current year resources</b>							
Charges for services	\$ 387,973	\$ 518,132	\$ 493,500	\$ 682,700	\$ 723,500	\$ 723,500	\$ 723,500
Intergovernmental	617,546	11,845		1,800			
Use of money & property	1,982	56,125	99,300	84,300	81,100	81,100	81,100
Transfers fr other funds	170,297	100,900	100,900	100,900	50,500	50,500	50,500
Miscellaneous	67,876	14,218	30,000	114,400	116,000	116,000	116,000
<b>Total current year resources</b>	<b>\$ 1,245,674</b>	<b>\$ 701,220</b>	<b>\$ 723,700</b>	<b>\$ 984,100</b>	<b>\$ 971,100</b>	<b>\$ 971,100</b>	<b>\$ 971,100</b>
<b>Total resources</b>	<b>\$ 1,950,659</b>	<b>\$ 1,319,183</b>	<b>\$ 1,317,263</b>	<b>\$ 1,617,949</b>	<b>\$ 1,755,749</b>	<b>\$ 1,755,749</b>	<b>\$ 1,755,749</b>
<b>Expenditures</b>							
Personnel Services	\$ 259,194	\$ 262,082	\$ 287,600	\$ 291,400	\$ 373,900	\$ 373,900	\$ 373,900
Material and services	236,496	248,988	254,700	385,800	386,100	386,100	386,100
Capital outlay							
Improvements	640,979	-	-	-	-	-	-
Debt Service							
Principal - Freight Depot	88,380	91,991	92,000	95,900	49,400	49,400	49,400
Interest - Freight Depot	11,747	5,026	8,900	5,000	1,100	1,100	1,100
Transfers	95,900	73,100	55,200	55,200	91,200	91,200	91,200
Contingency			618,863		854,049	854,049	854,049
<b>Total expenditures</b>	<b>\$ 1,332,696</b>	<b>\$ 681,187</b>	<b>\$ 1,317,263</b>	<b>\$ 833,300</b>	<b>\$ 1,755,749</b>	<b>\$ 1,755,749</b>	<b>\$ 1,755,749</b>
Ending fund balance	\$ 617,963	\$ 637,996	\$ -	\$ 784,649	\$ -	\$ -	\$ -

## Personnel

Railroad / Freight Depot Fund FTEs by Position FY 14 – 17				
	FY 14 Actual	FY 15 Actual	FY 16 Actual	FY 17 Forecast
Operations Manager	1.00	1.00	1.00	1.00
Superintendent/Engineer	1.00	1.00	1.00	1.00
Conductor				1.00
Freight Depot/Track Maintenance	1.00	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>4.00</b>

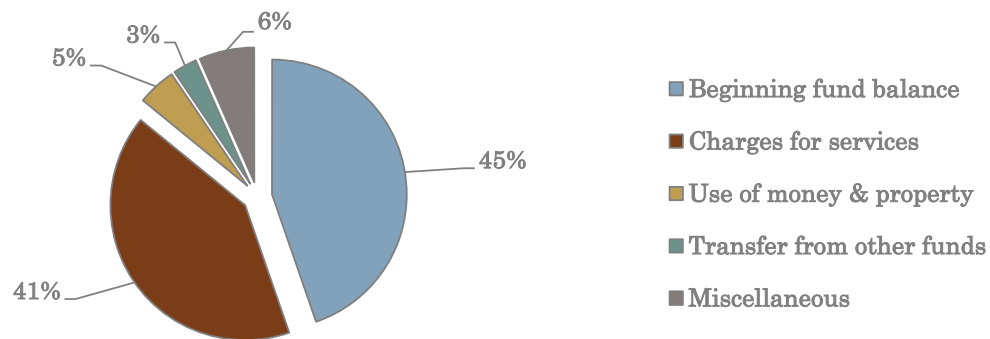
*Conductor position added in FY 17.*

## Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 15-16	Proposed FY 16-17 Beginning Fund Balance	% Change FY 16 to FY 17	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Railroad	\$633,849	\$784,649	24%	\$854,049	\$851,200	0%

The beginning fund balance from FY 16 to FY 17 shows a 24 percent increase in the Railroad/Freight Depot Fund. The proposed budget for FY 17 shows a 9 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.

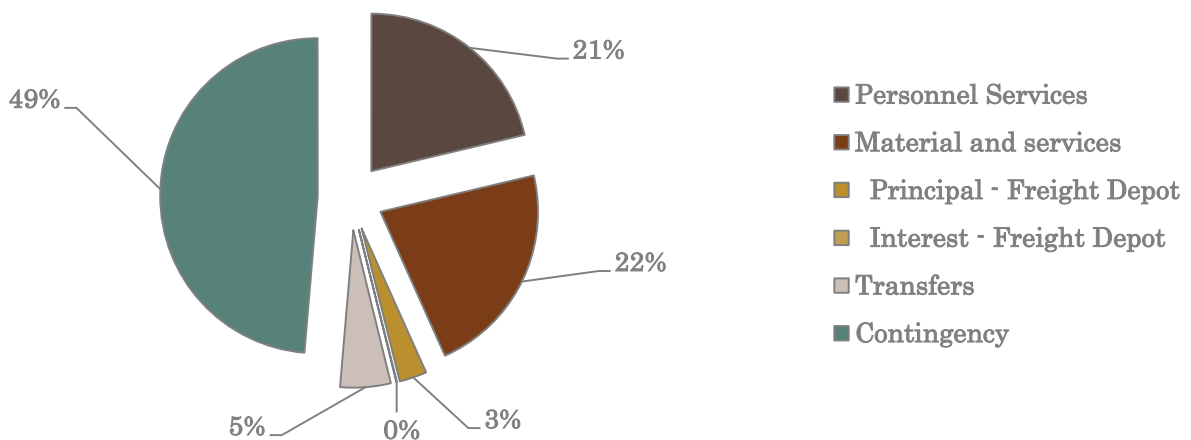
### Resources



### Assumptions

In FY 17 charges for service is 41 percent of total revenue, this is an increase of 4 percent the over prior year. Overall current year resources are up 25 percent over the prior year. Total department revenue increases are driven by an increase of existing customer base activity and new customer development.

### Requirements



### Assumptions

Requirements for FY 17 increased approximately 23 percent over the prior year's budget. This is largely due to an increase in personnel services, and an increase in material and services for maintenance projects. Transfers also increased and are calculated on a percentage of the operating budget.





## Airport Fund Responsibilities to the Community

The Prineville-Crook County Airport provides a welcoming and responsive port facility in support of the community. Aviation related services and support are provided for private users and aviation related business.

The Prineville-Crook County Airport has developed an environment that has secured a number of new businesses to the area and is working with local stakeholders to help facilitate the USFS to move forward with investing in a new multi-use Airbase facility including infrastructure for future opportunities. 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.

## Goals and Objectives for FY 17

Department Goals	City Council Goals
Attract the personal market and business development with better communication and advertising.	Provide quality municipal services and programs which contribute to Prineville's reputation as a desirable place to live, work and play.
Develop secure reliable revenue stream to support future development opportunities.	Continue to be fiscally responsible in all we do.
Aggressively pursue new grant opportunities.	Continue to be fiscally responsible in all we do.
Increase fuel market share with competitive pricing and promotion.	Continue to be fiscally responsible in all we do.
Continue minimal operating costs by utilizing in-house resources for most maintenance and operational needs.	Continue to be fiscally responsible in all we do.
Continue to upgrade equipment and facilities as revenue allows.	Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.
Continue to build and support a safe operating environment	Community safety

## Executive Summary

The Prineville-Crook County Airport Fund provides the accounting of the jointly owned, City-managed airport. Funding sources include, aircraft fuel sales (jet A and 100LL), hanger rents, user fees and land leasing agreements for private hangers and business. 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.

The interest in Prineville as a viable place of business is increasingly being recognized in the aviation community. The airport currently hosts eight private businesses when only 4 short years ago there was one. The USFS and BLM also operate on the airport and have plans for expanding their role in wild land fire suppression for the region.

Based on high demand for flight training the airport is receiving high level interest from operations providing or needing this service. The airport has seen substantial investment from 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 continuing vision of the Prineville-Crook County Airport is to position its facility and services as a major economic generator for the communities of Crook County.

## Accomplishments for FY 16

- Completed Airport master plan update.
- Secured funding for apron expansion project.
- Secured stakeholder support for USFS airbase project.
- Apply for Connect Oregon grant funds and represent the community as a top ranked project in the state.
- 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.

## Strategic Planning Updates

- Short-term - 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 and continue development of airport assets to grow aviation and non-aviation business. Efficiently manage the airport’s property, facilities, finances, staff, and reputation for maximum effectiveness and growth. Continue to grow the airport in order to support to the community.



*Airport terminal after a heavy snowfall.*

# Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Project		
Apron expansion project		\$ 1,560,000
Relocation of Airport Beacon		\$ 200,000
Airbase project/new fuel system		\$ 1,400,000
Capital Outlay Total		\$ 3,760,000

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

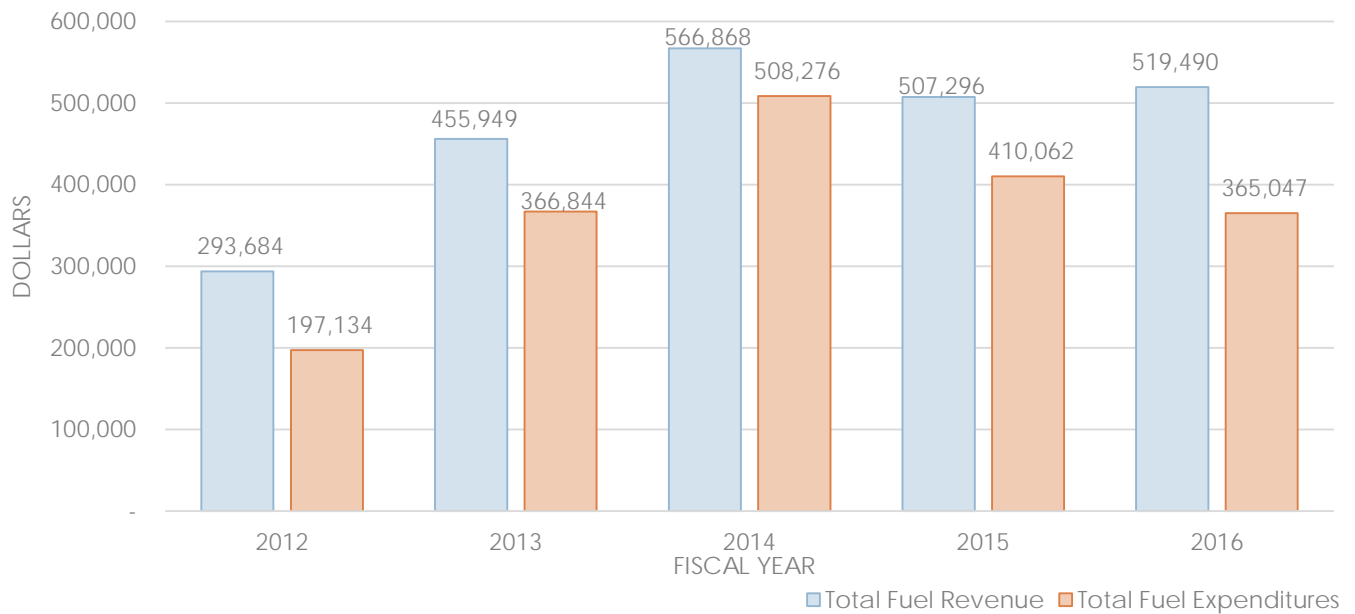


*Local Reserve Officer's Training Corps performs during an event at the airport.*

## Performance Measures

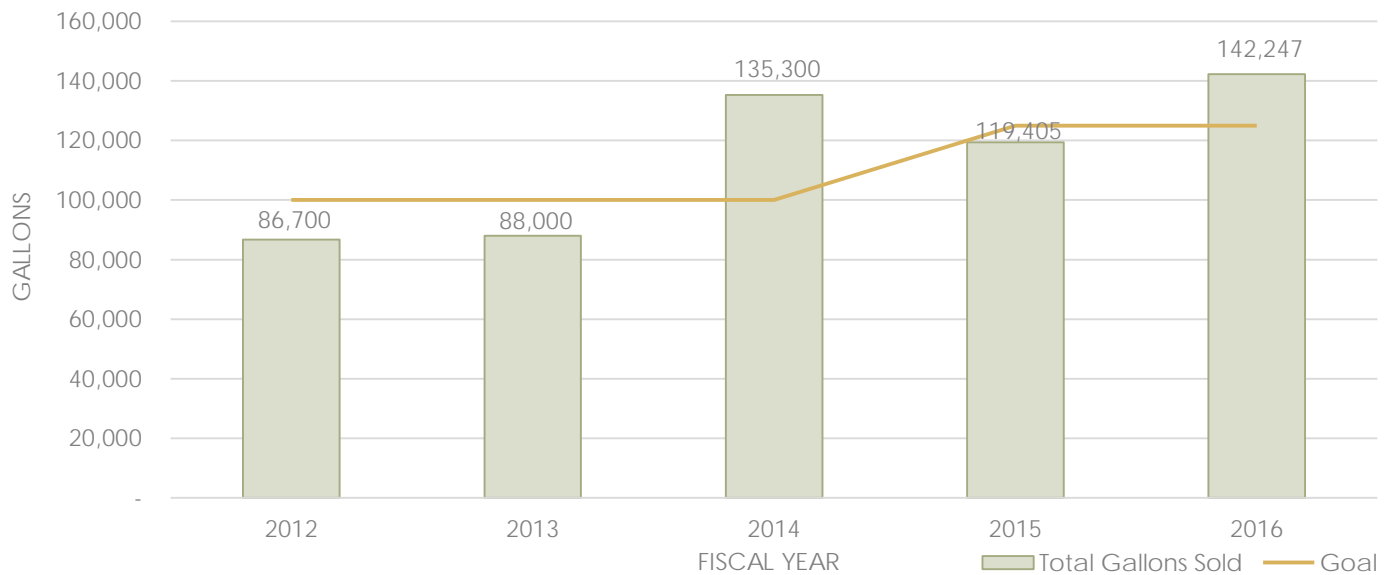
### Fuel Sales Revenue/Expenditures

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

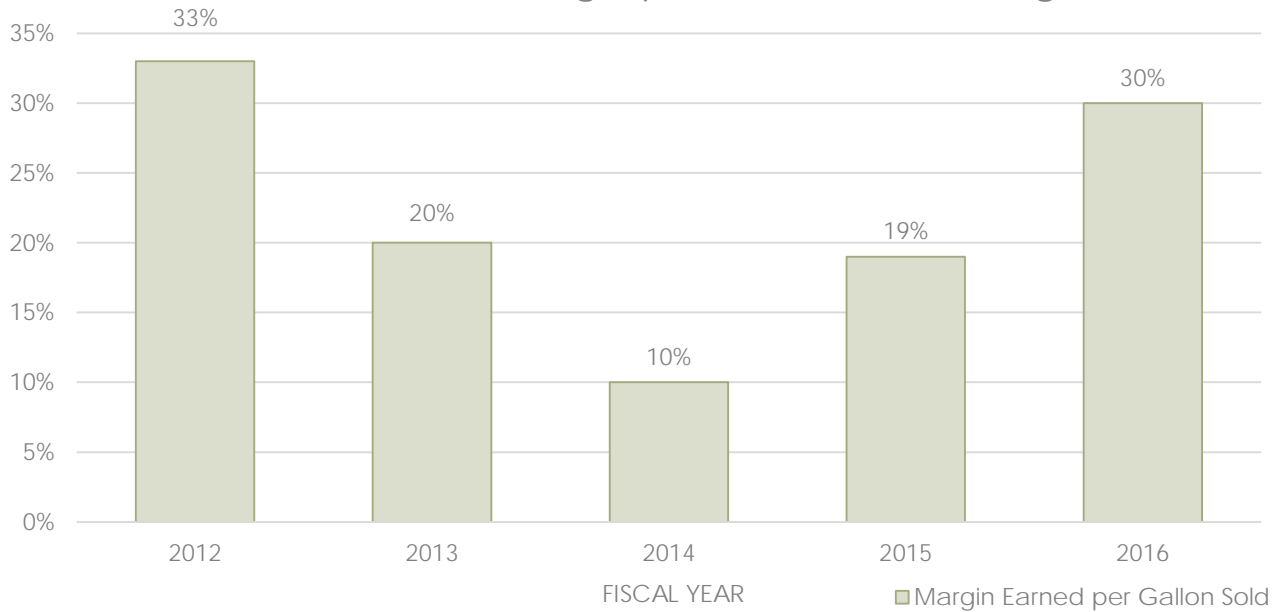


## Volume of Fuel Sales

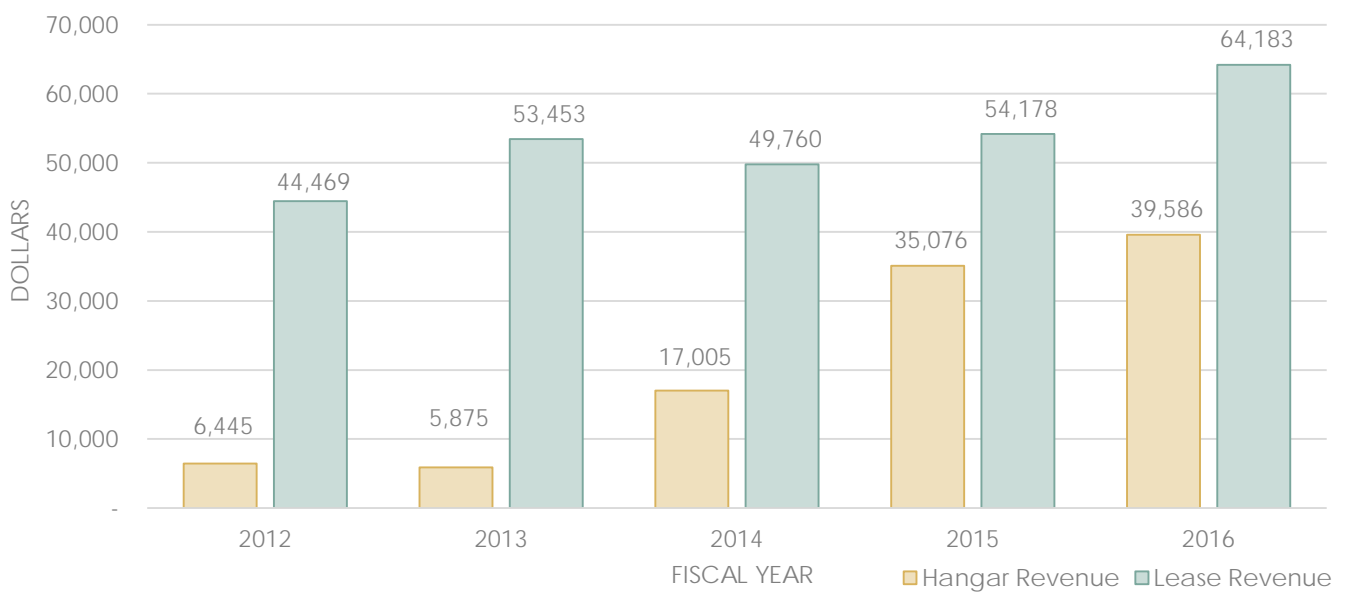
### Total Fuel Volume Sold by Fiscal Year



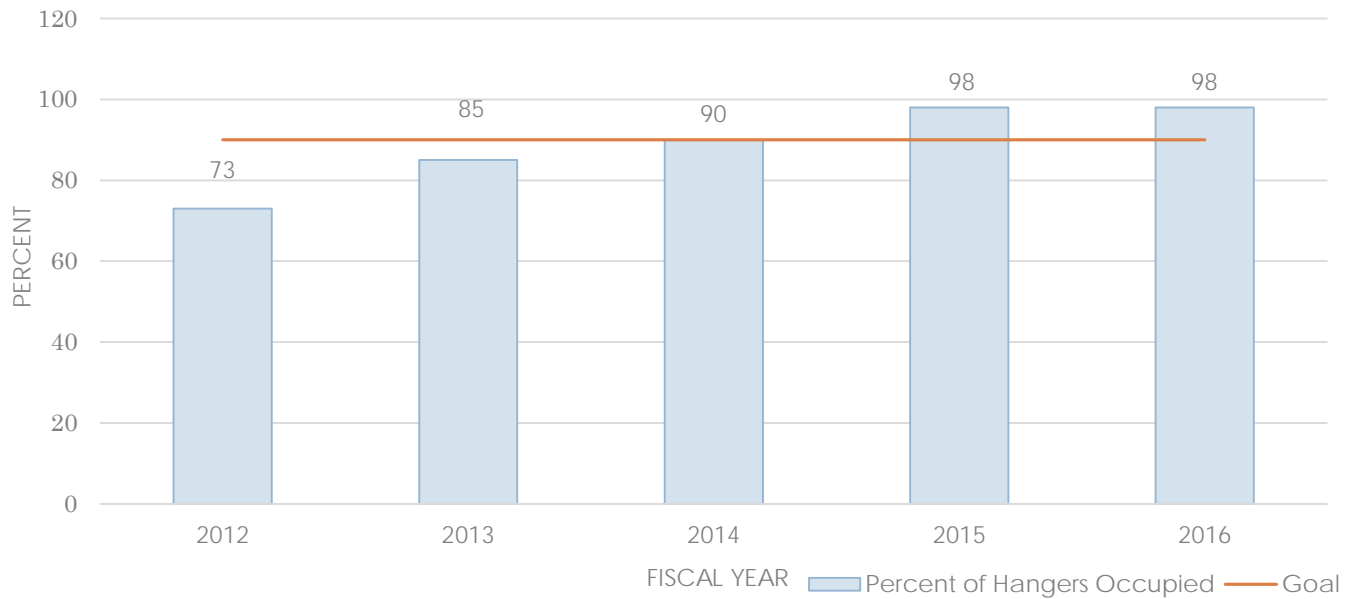
## Average Gross Fuel Sale Margin Margin per Gallon Sold During Fiscal Year



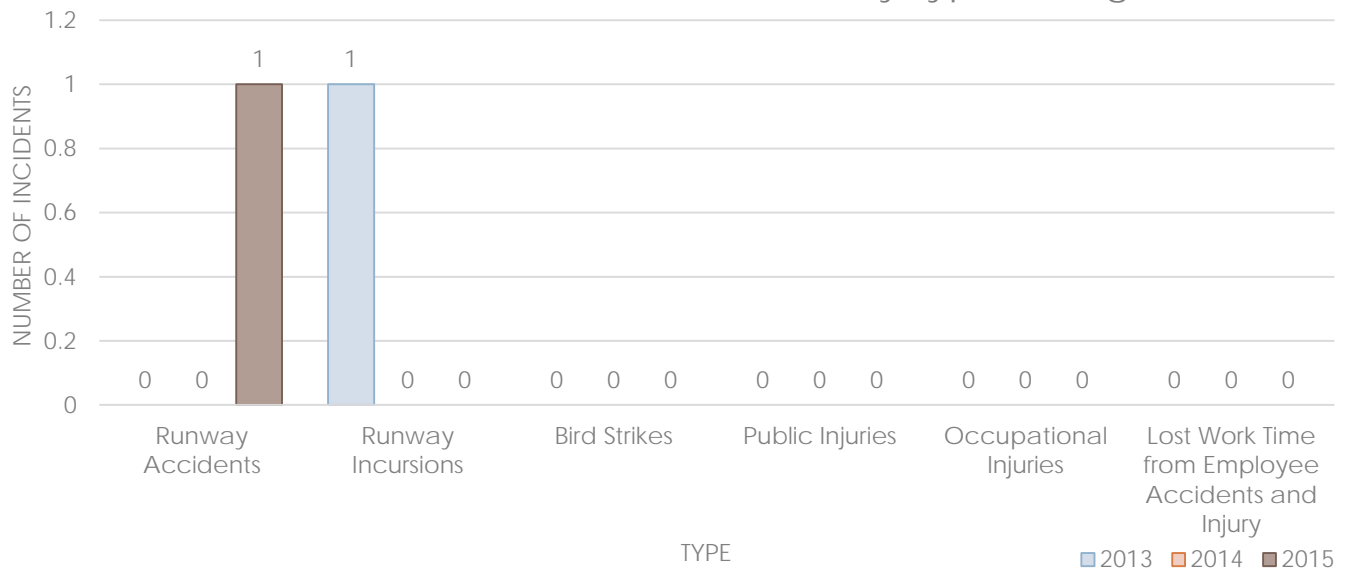
## Hangar/Lease Revenue Revenue by Fiscal Year



## 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 13-14	FY 14-15	Budget FY 15-16	FY 15-16	Budget FY 16-17	Budget FY 16-17	Budget FY 16-17
Beginning fund balance	\$ 88,555	\$ 134,391	\$ 48,891	\$ 72,949	\$ 37,449	\$ 37,449	\$ 37,449
Current year resources							
Intergovernmental	\$ 380,031	\$ 186,718	\$ 60,000	\$ 60,000	\$ 3,730,000	\$ 3,730,000	\$ 3,730,000
Charges for services	645,943	617,260	850,500	830,300	881,000	881,000	881,000
Interest	63	123	100	100	100	100	100
Transfer from other funds	125,000	50,000	50,000	50,000	180,000	180,000	180,000
Total current year resources	\$ 1,151,037	\$ 854,101	\$ 960,600	\$ 940,400	\$ 4,791,100	\$ 4,791,100	\$ 4,791,100
Total resources	\$ 1,239,592	\$ 988,492	\$ 1,009,491	\$ 1,013,349	\$ 4,828,549	\$ 4,828,549	\$ 4,828,549
Expenditures							
Personnel Services	\$ 93,606	\$ 138,253	\$ 149,400	\$ 149,900	\$ 159,100	\$ 159,100	\$ 159,100
Materials and services	601,293	526,779	703,500	695,000	764,000	764,000	764,000
County Lease Payment			25,000	25,000	25,000	25,000	25,000
Capital outlay							
Improvements	328,202	161,611	26,100	21,100	3,760,000	3,760,000	3,760,000
Transfers	82,100	88,900	84,900	84,900	89,800	89,800	89,800
Contingency			20,591		30,649	30,649	30,649
Total expenditures	\$ 1,105,201	\$ 915,543	\$ 1,009,491	\$ 975,900	\$ 4,828,549	\$ 4,828,549	\$ 4,828,549
Ending working capital	\$ 134,391	\$ 72,949	\$ -	\$ 37,449	\$ -	\$ -	\$ -

## Personnel

Airport Fund FTEs by Position FY 14 – 17				
	FY 14 Actual	FY 15 Actual	FY 16 Actual	FY 17 Forecast
Airport Manager	1.00	1.00	1.00	1.00
Assistant		1.00	1.00	1.00
<b>Airport Department Total</b>	<b>1.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>

*No changes to FTEs in FY 17.*

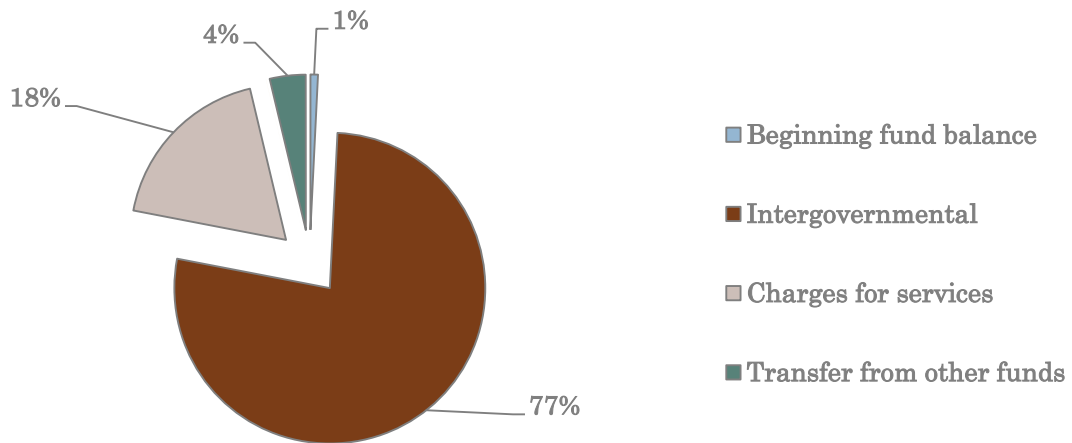


## Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 15-16	Proposed FY 16-17 Beginning Fund Balance	% Change FY 16 to FY 17	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Airport	\$72,949	\$37,449	-49%	\$30,649	\$412,878	-93%

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.

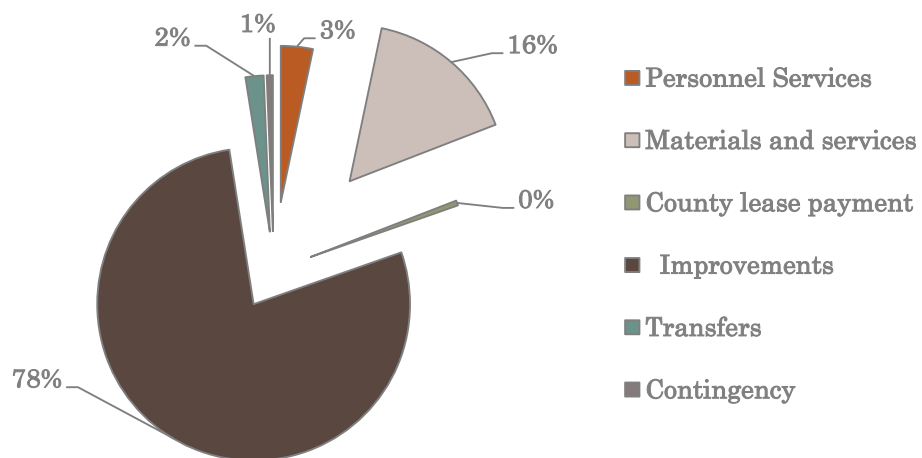
### Resources



### Assumptions

Intergovernmental revenues for FY 17 include approximately \$130,000 from Crook County, FAA grant funds totaling \$1,600,000, Connect Oregon grant funds totaling \$2,000,000, and a transfer of \$180,000 from the City of Prineville.

### Requirements



### Assumptions

In FY 17, the total requirements increased significantly due to the budgeted capital projects totaling approximately \$3.8 million. Total operating budget will increase by approximately 7 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 is 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 17

Department Goals	City Council Goals
Complete the hydro-geologic assessment of the airport aquifer.	Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.
Replace an additional 500 water meters with remote read water meters.	Provide quality municipal services and programs which contribute to Prineville's reputation as a desirable place to live, work and play.
Continue replacement of aging, undersized water mains.	Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.
Upgrade telemetry throughout the water system.	Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.
Increase water resource availability to support urban growth boundary build out.	Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.
Implement the federal legislation to provide for groundwater mitigation from Bowman Dam.	Continue to be fiscally responsible in all we do.

## 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 17, 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 installing a new service to the middle school*

## Accomplishments for FY 16

- Implementation 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.

These accomplishments address the following Prineville City Council goals:

- *“Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.”* – Continue to research and implement water conservation activities which will allow the Water Department to serve more customers with existing infrastructure.
- *“Provide quality municipal services and programs which contribute to Prineville’s reputation as a desirable place to live, work and play.”* – Continue to investigate the airport aquifer with OWRD.
- *“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.

## 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
Upgrade Chlorination Systems	\$	\$ 10,000
Water Rights (Including administration and mitigation credits)	\$ 10,000	\$ 25,000
Water Master Plan Update	\$ 150,000	\$ 155,000
Habitat Conservation Plan	\$ 60,000	\$ 40,000
Crooked River Concept	\$ 40,000	\$ 40,000
Water Rights from Iron Horse	\$ 250,000	\$ 250,000
Combs Flat Bridge Water line Bypass	\$ 80,000	\$ 80,000
Transmission		
NW 4th St. – S. Belknap to SE Fairview (1,575 ft. of 8-inch pipe)	\$ 189,000	\$ 125,000
Maintenance		
Capital Outlay Total		
	\$ 779,000	\$ 735,000

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

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

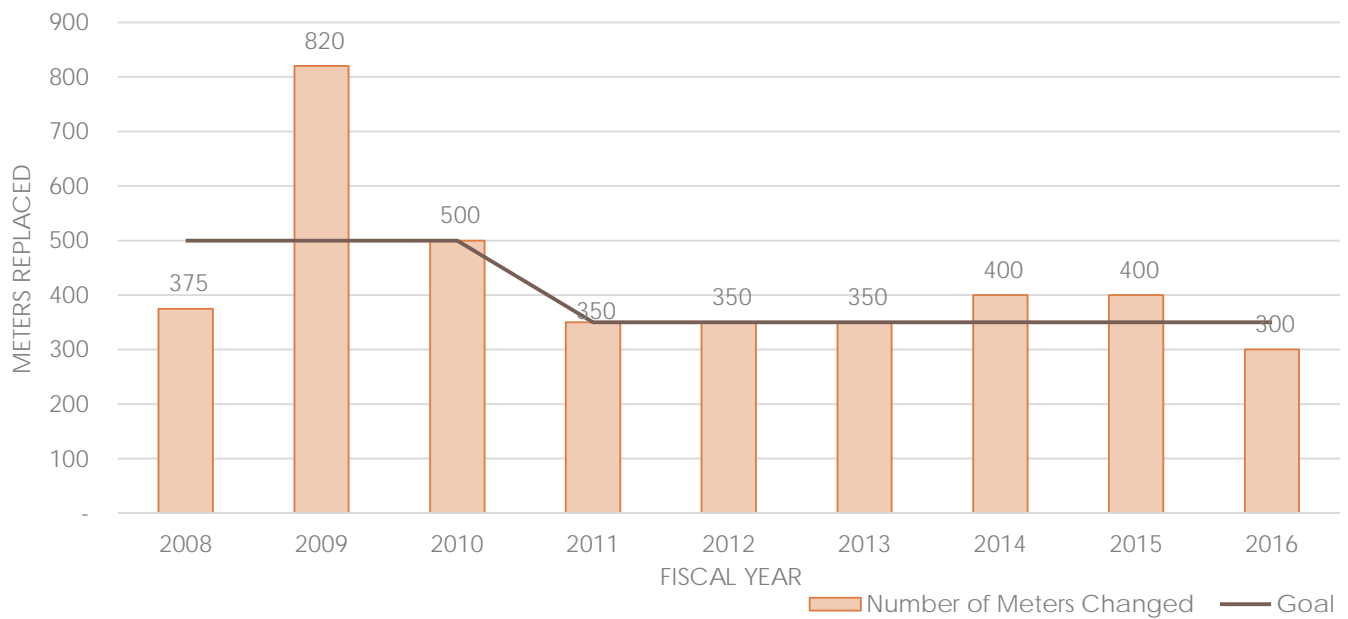


*Installation of a new water service.*

## Performance Measures

### Meters Replaced Annually

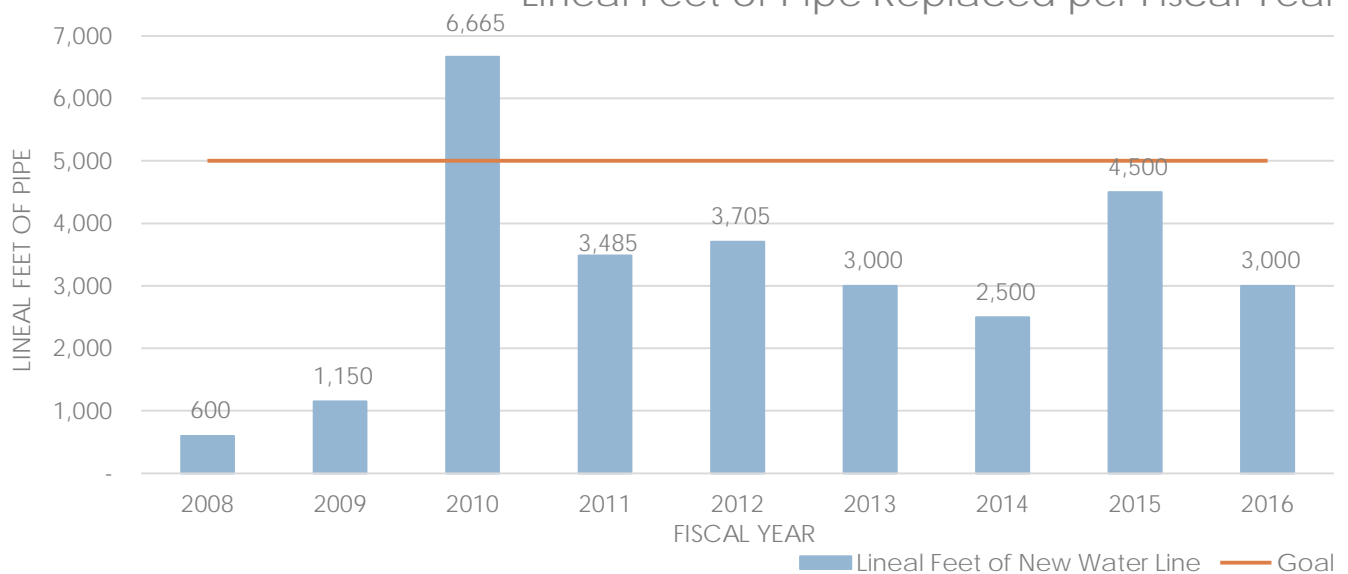
#### Meters Updated to Radio or Touch Reads per Fiscal Year



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 and 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*

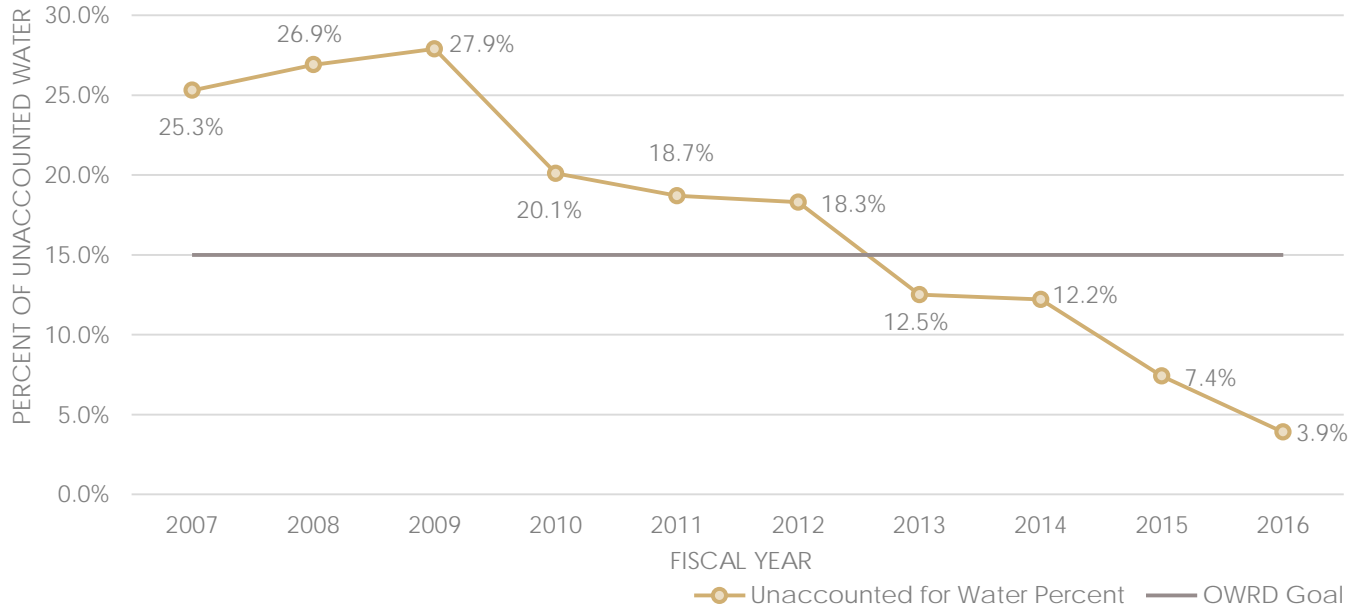
## Water Conservation Activities

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:

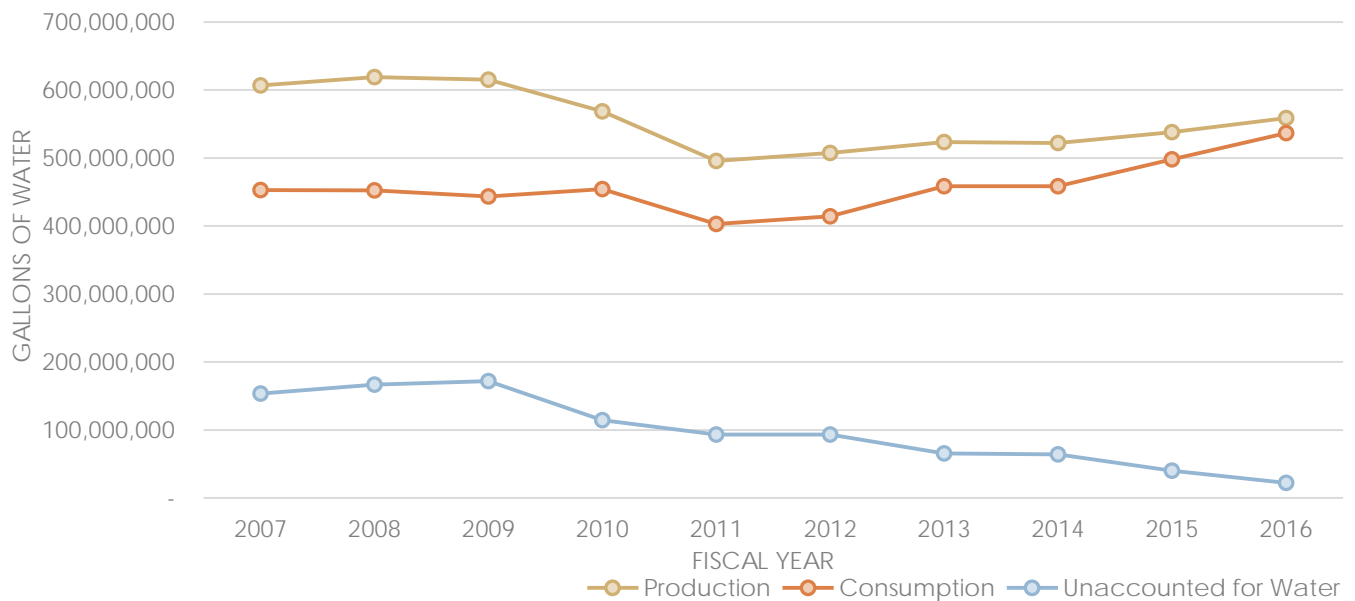
- The Meadow Lakes Golf Course Water Conservation Project – removed the irrigation of 7.5 acres of land from the domestic water system. This project saved approximately 51,000 gallons of water per day or enough water to provide for 63 new homes – usage not previously metered or billed.
- The Prineville 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 09 unaccounted for water totaled approximately 27.9 percent of all water produced by the City. In FY 16, the City reduced the rate of unaccounted for water to approximately 3.9 percent.

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

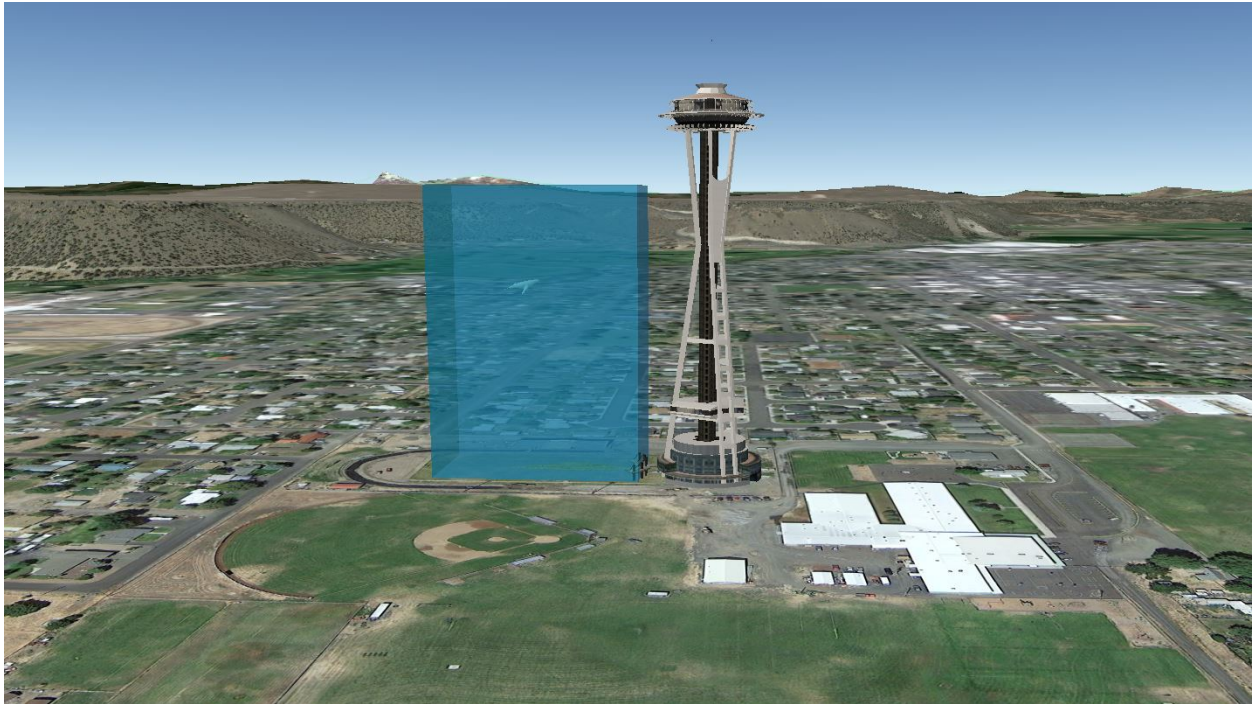


### Water Production and Use Yearly Trend - Production/Use/Unaccounted Water



The reduction of unaccounted for water from 27.9 percent to approximately 3.9 percent represents approximately 150 million gallons of water per year no longer categorized as produced and lost. It is quite expensive to pump 150 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 150 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 Fiscal Year Revenue Lost Due to Unaccounted for Water



*Water tanks near Pioneer Memorial Hospital.*

# Water Budget

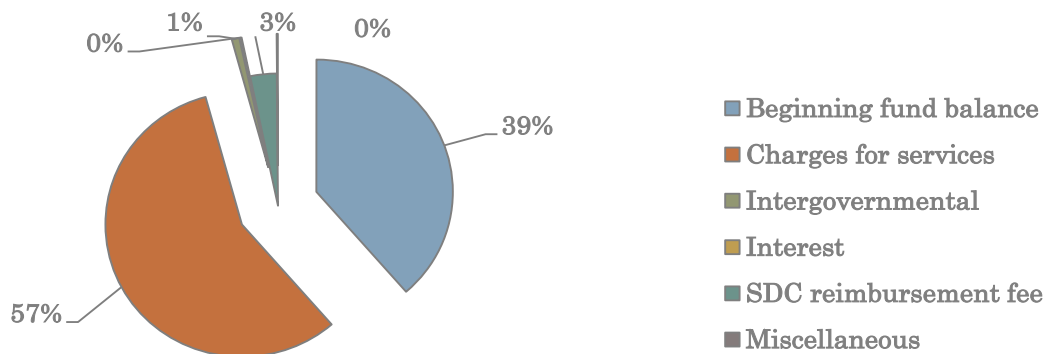
Resources	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 13-14	FY 14-15	Budget FY 15-16	FY 15-16	Budget FY 16-17	Budget FY 16-17	Budget FY 16-17
Beginning fund balance	\$ 1,651,980	\$ 1,521,622	\$ 1,623,222	\$ 1,508,741	\$ 1,524,941	\$ 1,524,941	\$ 1,524,941
Current year resources							
Charges for services	\$ 1,914,834	\$ 2,033,214	\$ 2,098,000	\$ 2,190,500	\$ 2,256,000	\$ 2,256,000	\$ 2,256,000
Intergovernmental	-	-	-	-	35,000	35,000	35,000
Interest	5,999	4,349	5,000	5,000	5,000	5,000	5,000
SDC Reimbursement Fee	-	72,000	70,000	287,100	124,000	124,000	124,000
Miscellaneous	407	4,598	5,500	5,500	5,500	5,500	5,500
Total current year resources	\$ 1,921,240	\$ 2,114,161	\$ 2,178,500	\$ 2,488,100	\$ 2,425,500	\$ 2,425,500	\$ 2,425,500
Total resources	\$ 3,573,220	\$ 3,635,783	\$ 3,801,722	\$ 3,996,841	\$ 3,950,441	\$ 3,950,441	\$ 3,950,441
Expenditures							
Materials and services	\$ 388,872	\$ 374,708	\$ 488,900	\$ 463,600	\$ 500,100	\$ 500,100	\$ 500,100
Franchise fee expense	90,100	100,000	100,000	100,000	113,000	113,000	113,000
Capital outlay							
Improvements	484,985	340,232	722,500	548,000	735,000	735,000	735,000
Debt service							
Principal - refunding bond 2011	100,000	100,000	110,000	110,000	115,000	115,000	115,000
Principal - revenue bond 2003	40,000	40,000	45,000	45,000	45,000	45,000	45,000
Interest - refunding bond 2011	108,686	105,687	106,100	106,100	100,700	100,700	100,700
Interest - revenue bond 2003	25,755	23,715	21,700	21,700	19,400	19,400	19,400
Transfers	813,200	1,042,700	1,077,500	1,077,500	1,171,800	1,171,800	1,171,800
Contingency			1,130,022		1,150,441	1,150,441	1,150,441
Total expenditures	\$ 2,051,598	\$ 2,127,042	\$ 3,801,722	\$ 2,471,900	\$ 3,950,441	\$ 3,950,441	\$ 3,950,441
Ending fund balance	\$ 1,521,622	\$ 1,508,741	\$ -	\$ 1,524,941	\$ -	\$ -	\$ -

## Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 15-16	Proposed FY 16-17 Beginning Fund Balance	% Change FY 16 to FY 17	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Water	\$1,508,741	\$1,524,941	1%	\$1,150,441	\$643,747	79%

The 1 percent increase in the beginning fund balance compared to prior year is a result of current revenue coming in higher than anticipated and budgeted capital projects in FY 16 not completed at year-end. Completion of these projects and capital projects budgeted in FY 17 will decrease the fund balance approximately 25 percent. The fund remains well above reserve requirements at 79 percent.

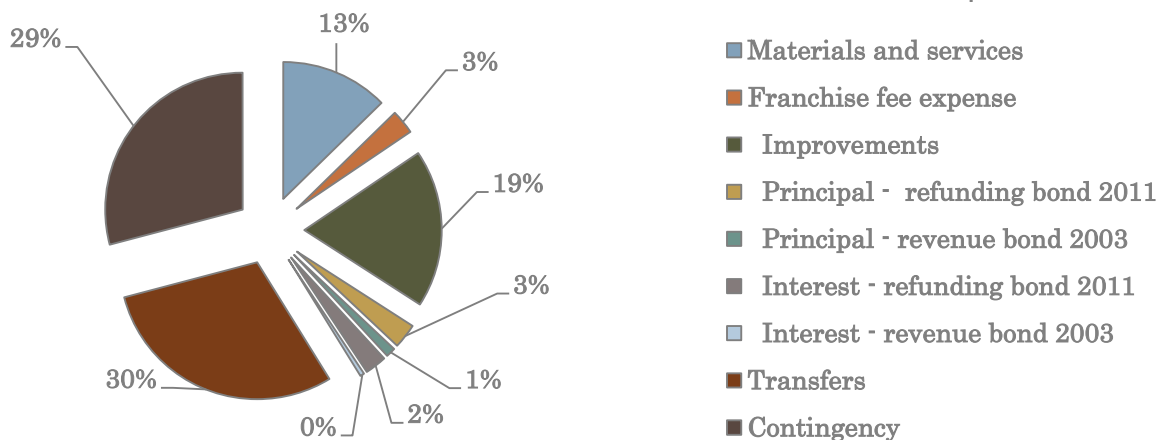
### Resources



### Assumptions

Charges for services in the FY 17 budget is proposed to increase approximately 7 percent over the prior year budget. This increase includes a rate increase of 3 percent. SDC reimbursement fees are budgeted at \$124,000, which is current with the water debt transfer schedule. This is due to the estimated SDC revenue based on 35 equivalent dwelling units (EDU) and commercial activity for FY 17.

### Requirements



### Assumptions

Materials and services are increasing approximately 2 percent over prior year and are 13 percent of the total budget in FY 17. Improvements are 19 percent of budget, transfers increased approximately 9 percent over the prior year largely due to capital expenditures and the addition of the assistant engineer 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 17

Department Goals	City Council Goals
Continue construction of the Crooked River Wetland Project.	Provide quality municipal services and programs which contribute to Prineville's reputation as a desirable place to live, work and play.
Identify areas of infiltration and inflow (I&I).	Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.

## 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 16

- The City began construction of the effluent disposal wetland at the wastewater treatment plant.
- 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.
- *“Provide quality municipal services and programs which contribute to Prineville’s reputation as a desirable place to live, work and play.”*– The Wastewater Department worked closely with the Oregon Department of Environmental Quality on the design of the new effluent disposal wetland.

## Grants Received for FY 16

- 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
- Rural Development - \$1,000,000. 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.



*Wetlands Groundbreaking - April 2016*

## Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Treatment Plant		
Golf Course Pump Rebuilds	\$ 12,500	\$ 10,000
Irrigation Improvements	\$ 10,000	\$ 10,000
Pump Rebuilds	\$ 18,500	\$ 20,000
ATV with serviceable bed	\$ 10,000	\$ 10,000
Sanitary Sewer (Materials and Services)		
Manhole Rehabilitation (10 per year)	\$ 35,000	\$ 35,000
Infiltration and Inflow Maintenance	\$ 50,000	\$ 50,000
Capital Outlay Total	\$ 136,000	\$ 135,000

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

The 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.



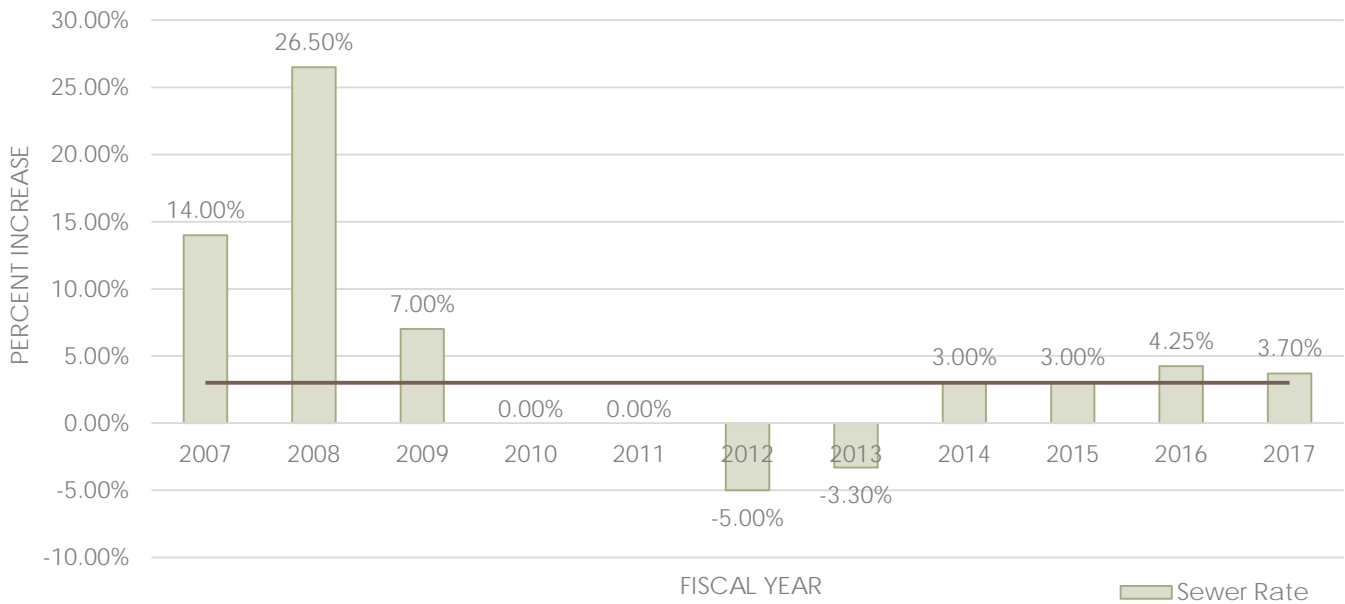
*Mayor Betty Roppe helping out on a sewer installation project.*



## Performance Measures

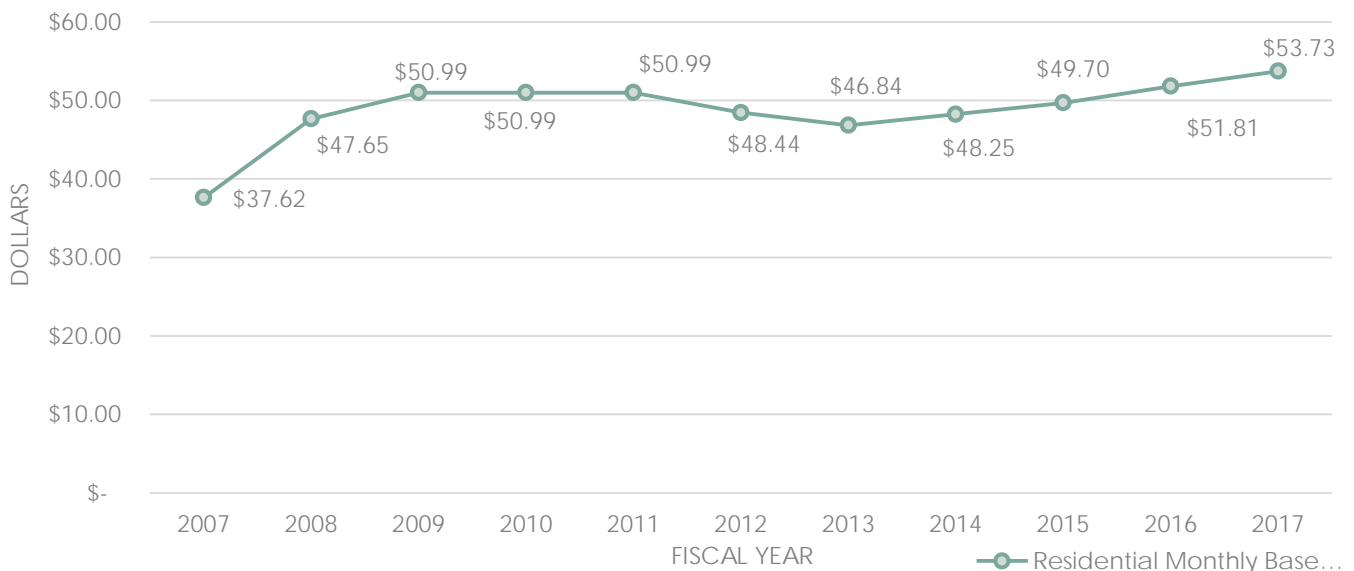
### Residential Sewer Rate Increases

#### 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 seven 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. The performance goal is to introduce a modest CPI yearly increase. In FY 17, the City is slightly above CPI at 3.7 percent.

### Residential Sewer Rate Trending Rates by Fiscal Year



## Wastewater Budget

Resources	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 13-14	FY 14-15	Budget FY 15-16	FY 15-16	Budget FY 16-17	Budget FY 16-17	Budget FY 16-17
Beginning fund balance	\$ 1,115,324	\$ 1,136,024	\$ 1,679,324	\$ 1,766,550	\$ 1,554,950	\$ 1,554,950	\$ 1,554,950
Current year resources							
Charges for services	2,903,621	3,017,850	3,180,500	3,195,600	3,297,500	3,297,500	3,297,500
Intergovernmental							
Interest	3,466	4,126	3,000	3,000	4,000	4,000	4,000
Miscellaneous	69,326	650,009	37,500	37,600	25,100	25,100	25,100
SDC Reimbursement Fee	73,977	21,815	31,300	32,000	50,000	50,000	50,000
Debt Proceeds					4,500,000	4,500,000	4,500,000
Total current year resources	\$ 3,050,390	\$ 3,693,800	\$ 3,252,300	\$ 3,268,200	\$ 7,876,600	\$ 7,876,600	\$ 7,876,600
Total resources	\$ 4,165,714	\$ 4,829,824	\$ 4,931,624	\$ 5,034,750	\$ 9,431,550	\$ 9,431,550	\$ 9,431,550
Expenditures							
Personnel Services	\$ 200,250	\$ 117,043	\$ 110,300	\$ 110,300	\$ 113,200	\$ 113,200	\$ 113,200
Materials and services	451,773	536,265	520,300	520,000	569,500	569,500	569,500
Franchise fee expense	151,000	151,000	159,000	159,000	164,000	164,000	164,000
Capital outlay							
Improvements	111,535	118,288	491,700	491,700	135,000	135,000	135,000
Debt service							
Principal							
DEQ CWSRF R74682/2	398,900	410,714	422,900	422,900	435,400	435,400	435,400
Refunding 2011 /Principal	60,000	80,000	100,000	100,000	125,000	125,000	125,000
DEQ Bridge Loan					4,500,000	4,500,000	4,500,000
Interest							
DEQ CWSRF R74682/2	188,320	176,506	164,400	164,400	151,900	151,900	151,900
Refunding 2011 / interest	203,051	205,194	218,900	218,900	200,300	200,300	200,300
DEQ Bridge Loan	-	-	19,000		45,000	45,000	45,000
State of Oregon IFA					10,000	10,000	10,000
Fees							
DEQ CWSRF R74682/2	16,261	15,264	28,500	28,500	26,400	26,400	26,400
Transfers	1,248,600	1,253,000	1,264,100	1,264,100	1,315,200	1,315,200	1,315,200
Contingency			1,128,524		1,336,650	1,336,650	1,336,650
Total expenditures	\$ 3,029,690	\$ 3,063,274	\$ 4,627,624	\$ 3,479,800	\$ 9,127,550	\$ 9,127,550	\$ 9,127,550
Other requirements							
Debt service reserves	\$ -	\$ -	\$ 304,000	\$ -	\$ 304,000	\$ 304,000	\$ 304,000
Ending fund balance	\$ 1,136,024	\$ 1,766,550	\$ -	\$ 1,554,950	\$ -	\$ -	\$ -

## Personnel

Wastewater Fund FTEs by Position FY 14 – 17				
	FY 14 Actual	FY 15 Actual	FY 16 Actual	FY 17 Forecast
Wastewater Treatment Plant Supervisor	1.00	1.00	1.00	1.00
Utility Worker	1.00	1.00		
<b>Wastewater Department Total</b>	<b>2.00</b>	<b>2.00</b>	<b>1.00</b>	<b>1.00</b>

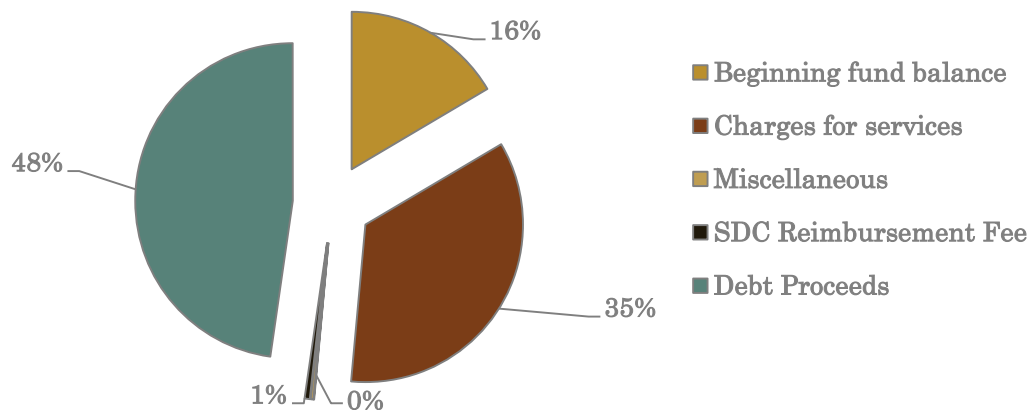
*No staffing changes for FY 17.*

## Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 15-16	Proposed FY 16-17 Beginning Fund Balance	% Change FY 16 to FY 17	Proposed Ending Fund Balance / Contingency	Debt Service Reserve	Reserve Requirements by Policy	Over (Under) Requirements
Wastewater	\$1,766,550	\$1,554,950	-12%	\$1,336,650	\$304,000	\$648,095	106%

The beginning fund balance decreased approximately 12 percent from the prior year due to capital projects; however, in FY 17 fund balance shows improvement of approximately 14 percent. This fund exceeds the City's policy requirements by 106 percent. With the refinance of interim borrowing in the Wastewater SDC fund debt service and reserves will increase for FY 18.

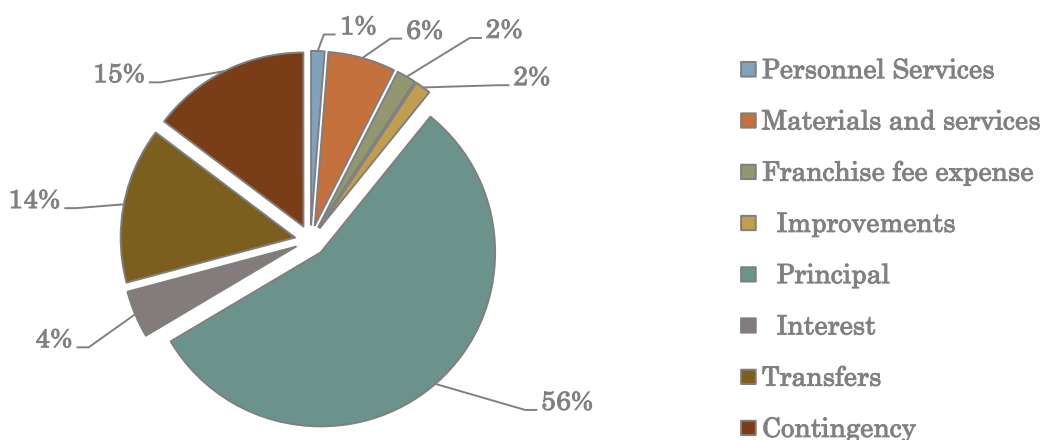
### Resources



### Assumptions

Charges for services are budgeted to increase over the year-end estimates by approximately 3 percent. In FY 17 a rate adjustment set by resolution of 3.70 percent is budgeted for wastewater services. Debt proceeds of \$4.5 million are budgeted to pay off interim borrowing for the wetland project.

### Requirements



### Assumptions

Personnel services are 3 percent of budget which is a 3 percent increase over the prior year budget. Materials and services for FY 17 remained flat over the prior year. Budgeted capital improvements total \$135,000. Overall expenditures increased approximately 51 percent, this due to budgeted debt repayment of interim borrowing of \$4.5 million.

# Golf Course Fund



## Golf Course Fund Responsibilities to the Community

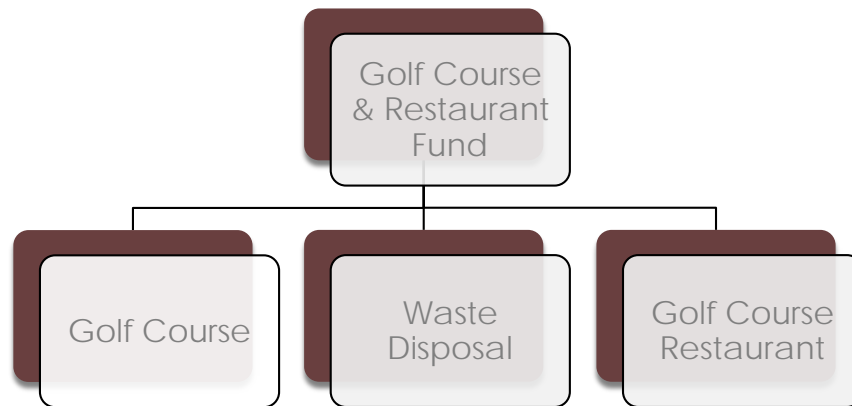
Meadow Lakes Golf Course is charged with the unique task of efficiently disposing wastewater in an environmentally responsible way, while also efficiently running and operating an enterprise fund. While the restaurant and golf course operations are charged with the primary goal of providing outstanding 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.



*Example of the scenery at Meadow Lakes*

## Goals and Objectives for FY 17

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.	Provide quality municipal services and programs which contribute to Prineville's reputation as a desirable place to live, work and play.
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.	Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.
Review, and if necessary, adjust the lunch menu and make necessary improvements in the restaurant to increase profitability and maintain high food standards.	Continue to be fiscally responsible in all we do.
Increase restaurant business with late day specials, improved/updated menu, and themed specials.	Provide quality municipal services and programs which contribute to Prineville's reputation as a desirable place to live, work and play.
Increase revenue from daily play golf by 5 percent over FY 16.	Continue to be fiscally responsible in all we do.
Continue the proactive approach to maintain the health and clarity of the nine effluent ponds on the course.	Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.
Increase annual golf pass revenue by 5 percent over FY 16.	Continue to be fiscally responsible in all we do.
Increase merchandise sales in the golf shop by 10 percent over FY 16.	Continue to be fiscally responsible in all we do.
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 that can be accommodated at Meadow Lakes.	Effective public communication.
Replace one of the current aging fairway mowers with a new, more economically, cost-efficient, and environmentally friendly mower.	Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.
Repave the current deteriorating cart path from the south gate to the maintenance barn. This stretch of path is utilized by heavy-haul trucks delivering a variety of product to the maintenance facility.	Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.
Market the facility with an updated motto of "More Golf...Less Green" to highlight the perceived value of the facility to golfers and replace the current "Golf for Everyone" motto.	Provide quality municipal services and programs which contribute to Prineville's reputation as a desirable place to live, work and play.

## 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 entering 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 and 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 have dedicated and experienced staff members that take pride in offering the highest quality of service to its patrons.



*New fleet of 54 electric Yamaha golf carts purchased in July 2015*

## Accomplishments for FY 16

- 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 10 percent or \$39,500 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.
- Repaved the stretch of cart path near the driving range, and patched a number of pot holes on the cart path in various areas around the golf course.
- 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.

- 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.
- Updated the restaurant menu to remove items identified as labor intensive or cost-inefficient. Updated menu prices compensate for increase in labor costs and food costs. Restaurant revenues are up roughly 10% over prior year.
- Replaced the aging fleet of 50 electric E-Z-Go golf carts with a new fleet of 54 electric Yamaha golf carts.



*View from one of the ponds out on the course.*

## 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		
Oven Replacement in Restaurant	\$ 10,000	\$ 10,000
Pro Shop Remodel	\$ 10,000	\$ 10,000
Cart Path Paving	\$ 13,000	\$ 13,000
Fairway Mower	\$ 25,000	\$ 25,000
<b>Capital Outlay Total</b>	<b>\$ 58,000</b>	<b>\$ 58,000</b>

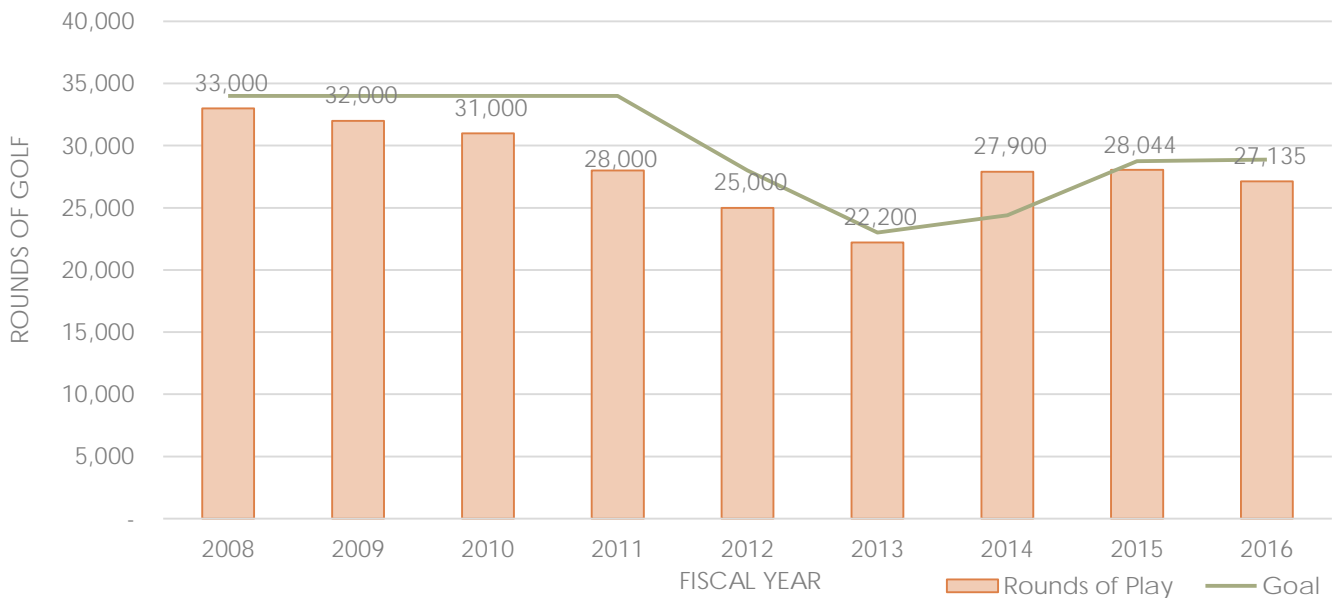
*A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 81.*



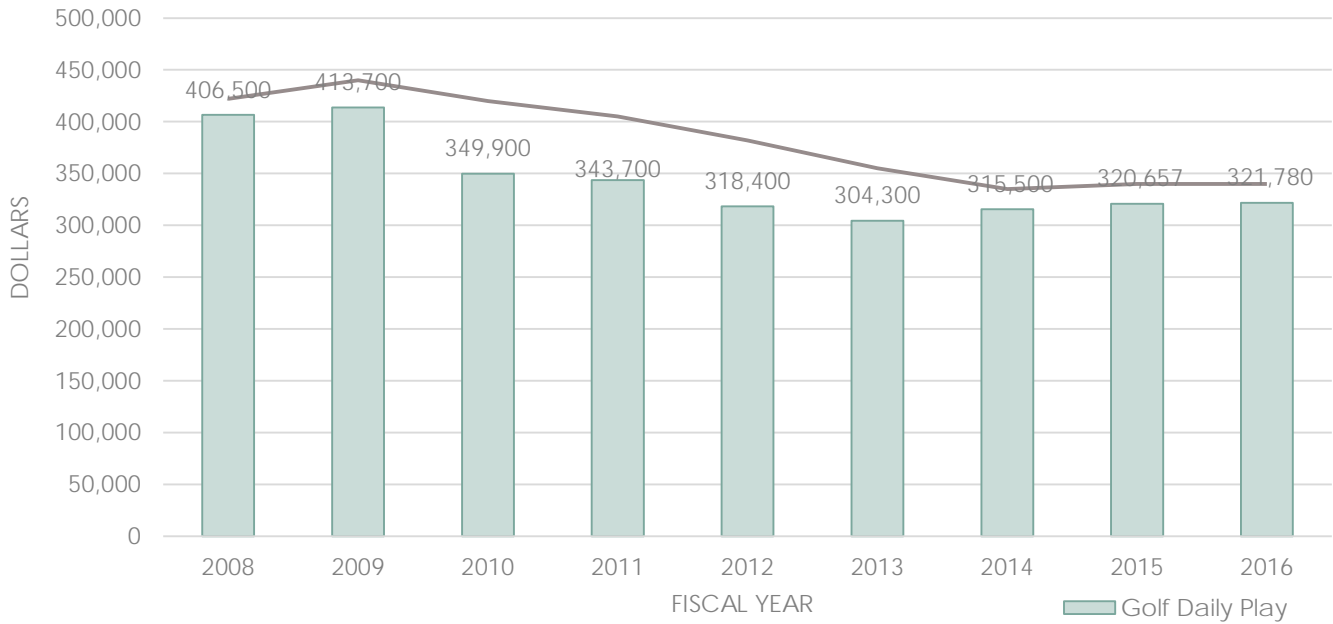


*Updated landscaping around the club house.*

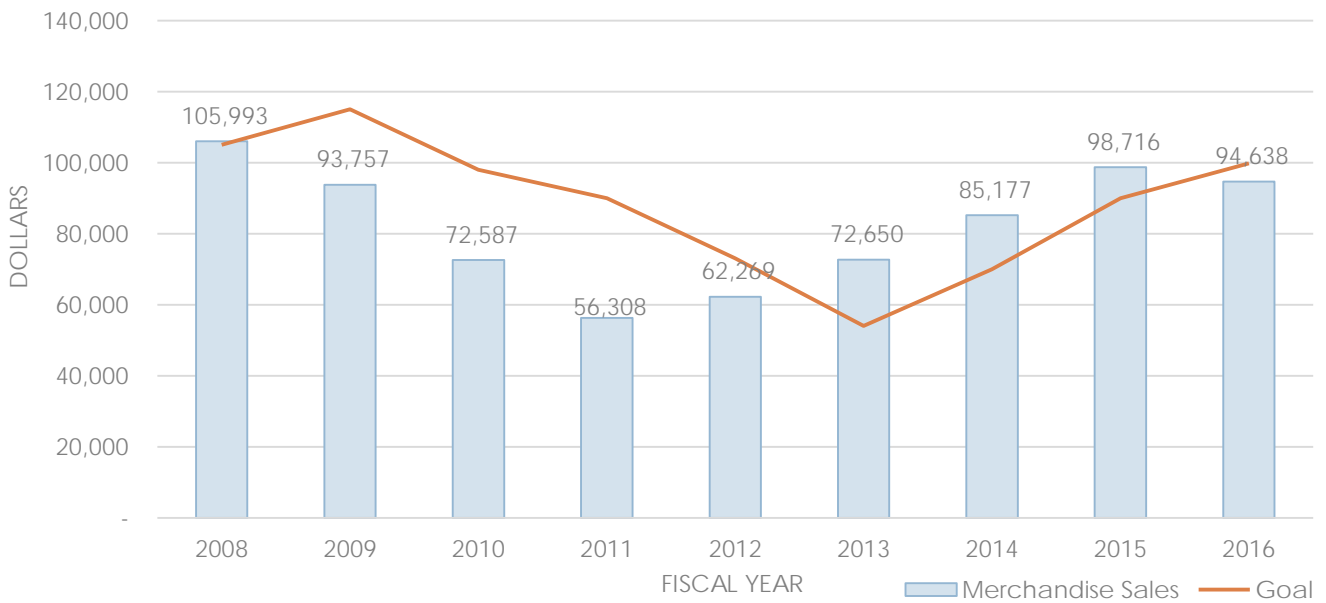
## Performance Measures Rounds of Play Rounds of Golf Sold During Fiscal Year



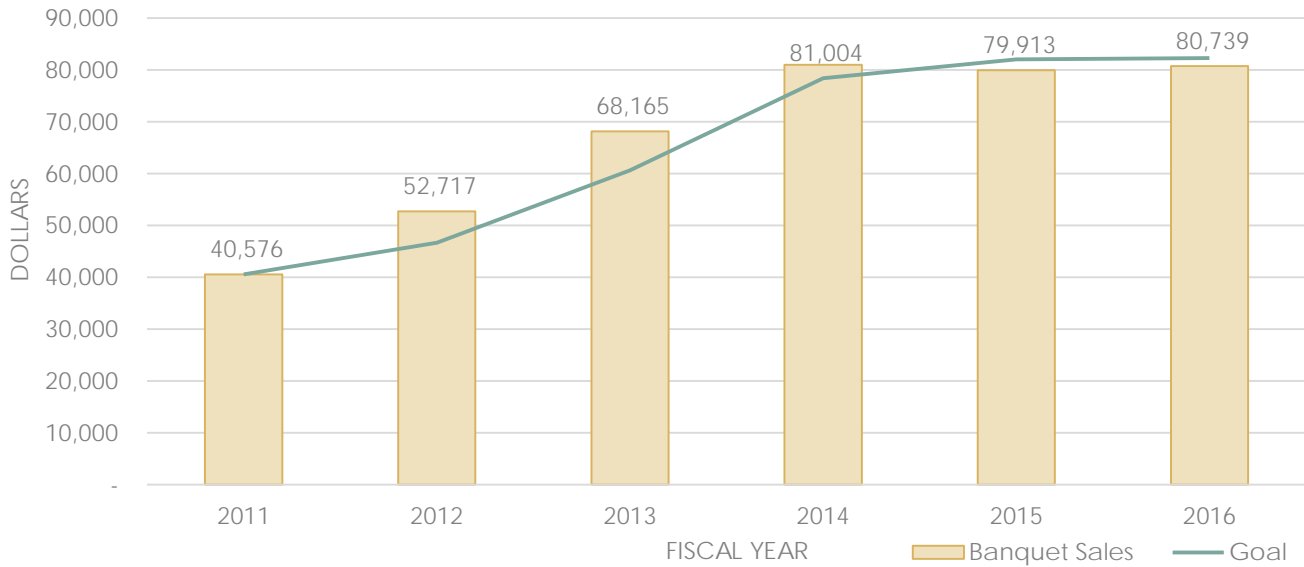
## Golf Daily Play Revenue Revenue Generated by Golf Rounds per Fiscal Year



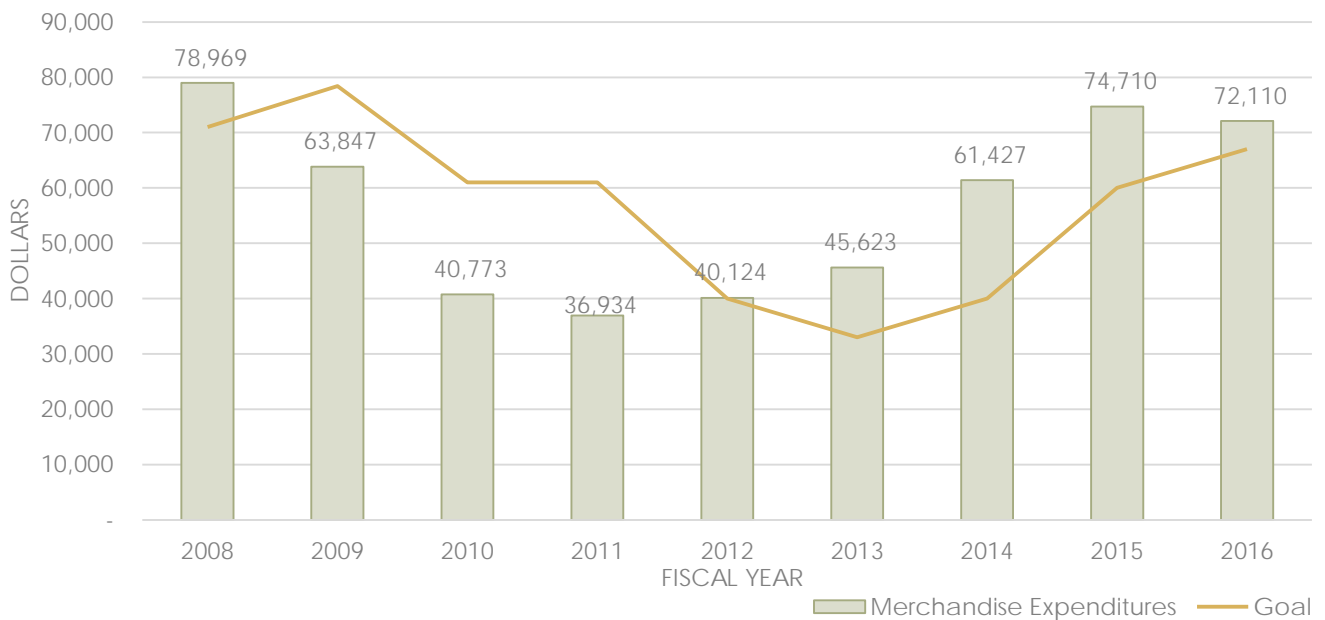
## Proshop Merchandise Sales Merchandise Revenue by Fiscal Year



## Banquet Sales Customer Banquet Sales by Fiscal Year



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





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

## Golf Course Budget

Resources	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 13-14	FY 14-15	Budget FY 15-16	FY 15-16	Budget FY 16-17	Budget FY 16-17	Budget FY 16-17
Beginning fund balance	\$ 395,569	\$ 403,694	\$ 372,094	\$ 542,662	\$ 330,462	\$ 330,462	\$ 330,462
Current year resources							
Charges for services							
Golf Course	\$ 687,545	\$ 736,677	\$ 771,800	\$ 711,500	\$ 758,000	\$ 758,000	\$ 758,000
Waste disposal	350,000	350,000	370,000	370,000	370,000	370,000	370,000
Restaurant	366,686	376,330	407,000	421,500	437,000	437,000	437,000
Interest	2,521	2,262	2,000	2,000	2,500	2,500	2,500
Miscellaneous	6,550	14,217	7,000	7,000	7,000	7,000	7,000
Debt proceeds	-	176,188	178,000	-	-	-	-
Total current year resources	\$ 1,413,302	\$ 1,655,674	\$ 1,735,800	\$ 1,512,000	\$ 1,574,500	\$ 1,574,500	\$ 1,574,500
Total resources	\$ 1,808,871	\$ 2,059,368	\$ 2,107,894	\$ 2,054,662	\$ 1,904,962	\$ 1,904,962	\$ 1,904,962
Expenditures							
Golf Course	\$ 440,936	\$ 492,792	\$ 625,400	\$ 630,100	\$ 460,800	\$ 460,800	\$ 460,800
Waste disposal	445,984	459,807	485,100	468,500	442,300	442,300	442,300
Restaurant	441,016	487,341	499,900	511,000	527,800	527,800	527,800
Debt service							
Principal - BOTC FFC	-	-	38,000	38,000	23,900	23,900	23,900
Interest - BOTC FFC	-	-	-	-	4,100	4,100	4,100
Principal - Credit facility	41,980	43,729	43,800	43,800	22,800	22,800	22,800
Interest - Credit facility	6,411	4,187	4,200	4,200	2,100	2,100	2,100
Principal - 2011 bonds	10,000	10,000	10,000	10,000	30,000	30,000	30,000
Interest - 2011 bonds	18,850	18,850	18,600	18,600	18,000	18,000	18,000
Contingency			382,894		373,162	373,162	373,162
Total expenditures	\$ 1,405,177	\$ 1,516,706	\$ 2,107,894	\$ 1,724,200	\$ 1,904,962	\$ 1,904,962	\$ 1,904,962
Ending fund balance	\$ 403,694	\$ 542,662	\$ -	\$ 330,462	\$ -	\$ -	\$ -



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

## Personnel

Golf Course Fund FTEs by Position FY 14 – 17				
	FY 14 Actual	FY 15 Actual	FY 16 Actual	FY 17 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	
<b>Golf Course Operations</b>				
Assistant Golf Operations Manager	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	1.00
<b>Golf Course Department Total</b>	<b>6.00</b>	<b>7.00</b>	<b>7.00</b>	<b>5.00</b>

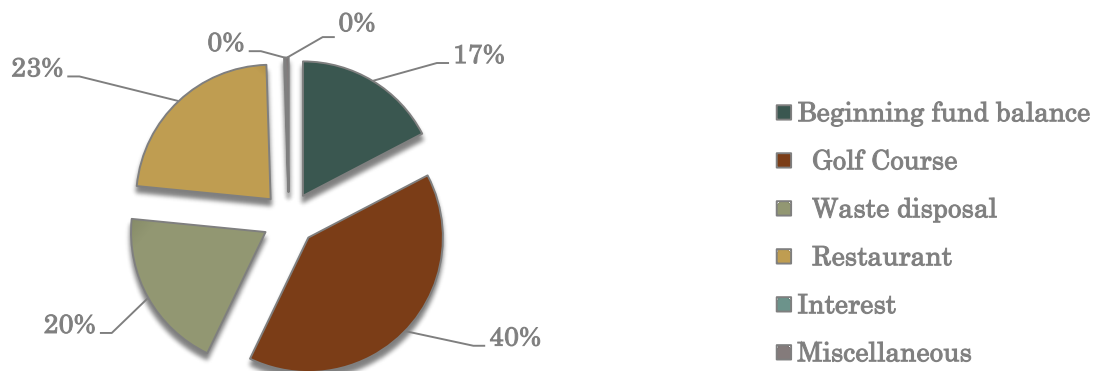
*Two full-time positions made into part-time positions in FY 17.*

## Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 15-16	Proposed FY 16-17 Beginning Fund Balance	% Change FY 16 to FY 17	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Golf Course and Restaurant	\$542,662	\$330,462	-39%	\$373,162	\$304,945	22%

In FY 17, the beginning fund balance decreased approximately 39 percent over the prior year. This is largely due to proceeds for funding of golf carts that were received June 2016 while the cart purchase took place in July 2016. This fund exceeds the City's policy requirements by 22 percent.

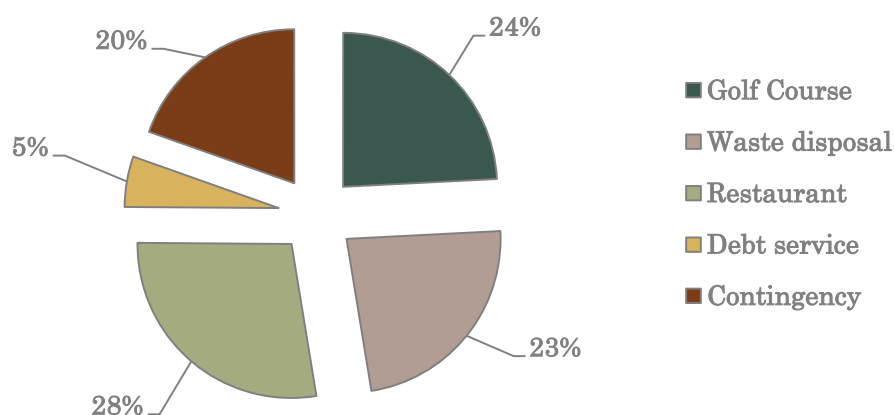
### Resources



### Assumptions

Golf revenue projections for operations in FY 17 propose a 7 percent increase in golf over year-end estimates and a 4 percent increase in the restaurant. The transfer from the Wastewater Fund remains the same as the prior year.

### Requirements



### Assumptions

Personnel services will decrease approximately 10 percent in FY 17; this is due to the reorganization of positions. With the changes to minimum wage and other labor laws, it has become necessary to make these changes in order to continue to capitalize and maintain the facility and customer experience. Materials and services will increase 6 percent. The budget for capital expenditures is \$58,000 for FY 17.

# 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.”

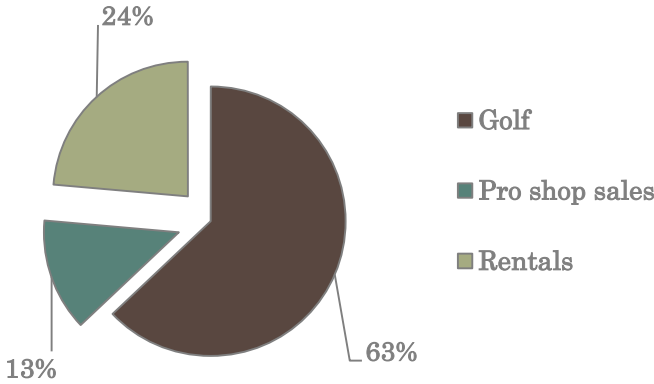
In the upcoming budget year, the aim of Meadow Lakes is to continue to strategically improve the condition of the golf course using the allotted resources with creativity and purpose. Projects to extend the life of the course and reduce maintenance costs are the primary focus. An aggressive top dressing 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 17 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.



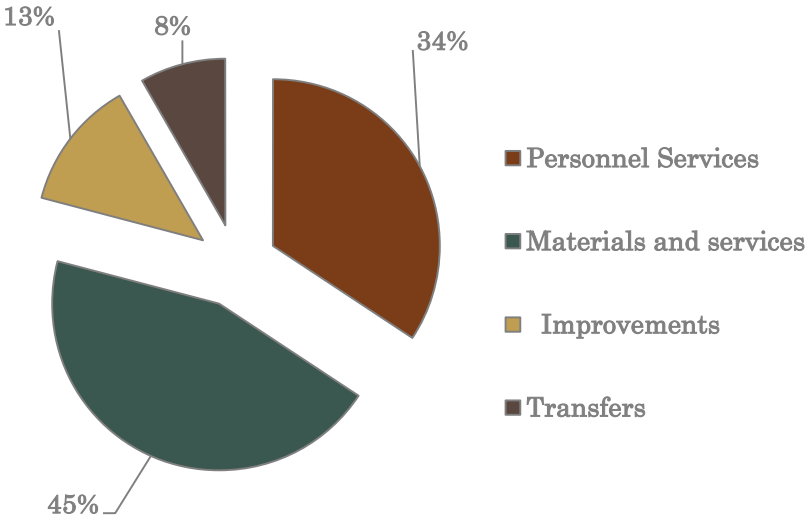
# Golf Course Operations Budget

	Actual FY 13-14	Actual FY 14-15	Current Budget FY 15-16	Estimates FY 15-16	Proposed Budget FY 16-17	Approved Budget FY 16-17	Adopted Budget FY 16-17
<b>Revenue</b>							
Golf	\$ 436,096	\$ 465,778	\$ 486,000	\$ 446,500	\$ 477,000	\$ 477,000	\$ 477,000
Pro shop sales	85,177	98,717	99,800	99,000	102,000	102,000	102,000
Rentals	166,272	172,182	186,000	166,000	179,000	179,000	179,000
<b>Total revenue</b>	<b>\$ 687,545</b>	<b>\$ 736,677</b>	<b>\$ 771,800</b>	<b>\$ 711,500</b>	<b>\$ 758,000</b>	<b>\$ 758,000</b>	<b>\$ 758,000</b>
<b>Expenditures</b>							
Personnel Services	\$ 172,047	\$ 192,475	\$ 202,000	\$ 205,600	\$ 158,000	\$ 158,000	\$ 158,000
Materials and services	199,979	200,721	196,100	196,100	206,500	206,500	206,500
Capital outlay Improvements	26,710	50,896	178,000	179,100	58,000	58,000	58,000
Transfers	42,200	48,700	49,300	49,300	38,300	38,300	38,300
<b>Total expenditures</b>	<b>\$ 440,936</b>	<b>\$ 492,792</b>	<b>\$ 625,400</b>	<b>\$ 630,100</b>	<b>\$ 460,800</b>	<b>\$ 460,800</b>	<b>\$ 460,800</b>

## Resources



## Requirements



# Wastewater Disposal



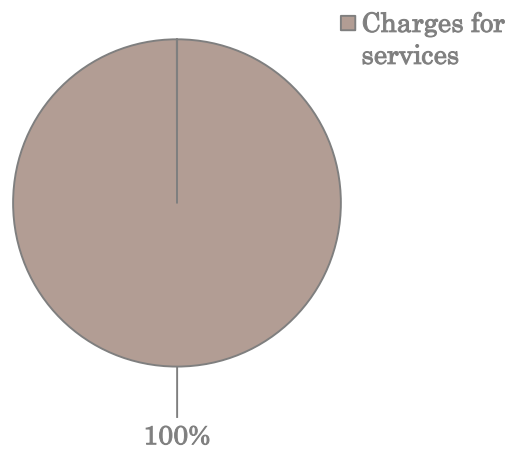
## Wastewater Disposal Executive Summary

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.

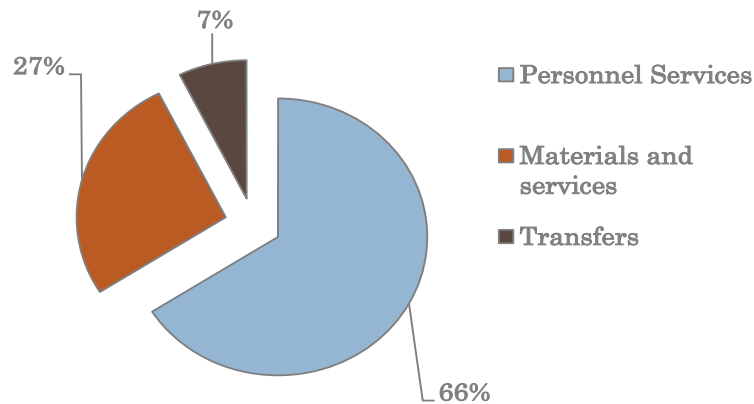
# Wastewater Disposal Budget

	Actual FY 13-14	Actual FY 14-15	Current Budget FY 15-16	Estimates FY 15-16	Proposed Budget FY 16-17	Approved Budget FY 16-17	Adopted Budget FY 16-17
<b>Revenue</b>							
Charges for services	\$ 350,000	\$ 350,000	\$ 370,000	\$ 370,000	\$ 370,000	\$ 370,000	\$ 370,000
<b>Total revenue</b>	\$ 350,000	\$ 350,000	\$ 370,000	\$ 370,000	\$ 370,000	\$ 370,000	\$ 370,000
<b>Expenditures</b>							
Personnel Services	\$ 304,039	\$ 321,532	\$ 330,000	\$ 325,000	\$ 291,700	\$ 291,700	\$ 291,700
Materials and services	108,345	103,175	119,200	107,600	117,900	117,900	117,900
Transfers	33,600	35,100	35,900	35,900	32,700	32,700	32,700
<b>Total expenditures</b>	\$ 445,984	\$ 459,807	\$ 485,100	\$ 468,500	\$ 442,300	\$ 442,300	\$ 442,300

## Resources



## Requirements



# Golf Course Restaurant



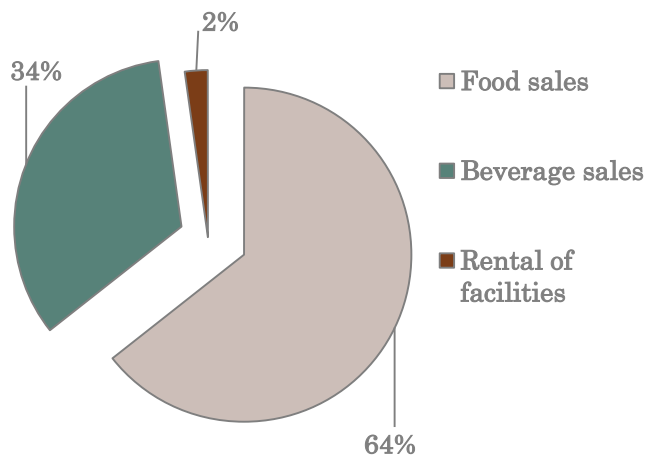
## Golf Course Restaurant Executive Summary

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.

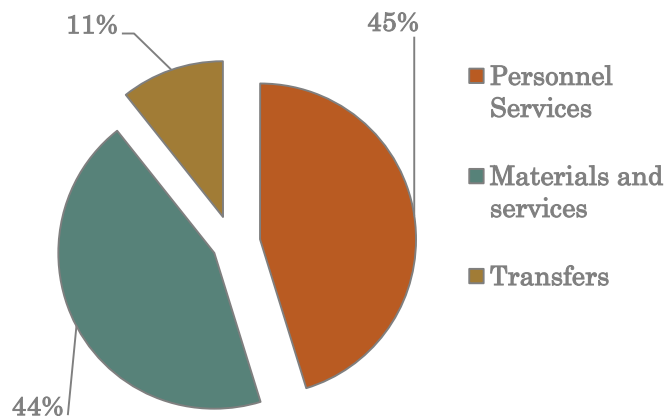
## Restaurant Operations Budget

	Actual FY 13-14	Actual FY 14-15	Current Budget FY 15-16	Estimates FY 15-16	Proposed Budget FY 16-17	Approved Budget FY 16-17	Adopted Budget FY 16-17
<b>Revenue</b>							
Food sales	\$ 240,289	\$ 251,464	\$ 262,000	\$ 274,000	\$ 282,000	\$ 282,000	\$ 282,000
Beverage sales	117,161	123,819	136,000	139,500	146,000	146,000	146,000
Rental of facilities	9,236	7,890	9,000	8,000	9,000	9,000	9,000
<b>Total revenue</b>	<b>\$ 366,686</b>	<b>\$ 383,173</b>	<b>\$ 407,000</b>	<b>\$ 421,500</b>	<b>\$ 437,000</b>	<b>\$ 437,000</b>	<b>\$ 437,000</b>
<b>Expenditures</b>							
Personal services	\$ 194,730	\$ 219,857	\$ 227,900	\$ 233,300	\$ 238,600	\$ 238,600	\$ 238,600
Materials and services	203,686	215,784	218,400	224,100	232,800	232,800	232,800
Capital outlay Improvements							
Transfers	42,600	51,700	53,600	53,600	56,400	56,400	56,400
<b>Total expenditures</b>	<b>\$ 441,016</b>	<b>\$ 487,341</b>	<b>\$ 499,900</b>	<b>\$ 511,000</b>	<b>\$ 527,800</b>	<b>\$ 527,800</b>	<b>\$ 527,800</b>

## Resources



## Requirements







## ❖ Internal Service Funds

- ❖ Administration/Support Services Fund
- ❖ Public Works Support Services Fund
- ❖ Building Facilities 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 13-14	Actual FY 14-15	Current Budget FY 15-16	Estimates FY 15-16	Proposed Budget FY 16-17	Approved Budget FY 16-17	Adopted Budget FY 16-17
Beginning fund balance	\$ 109,288	\$ 162,567	\$ 270,167	\$ 328,700	\$ 324,600	\$ 324,600	\$ 324,600
Current year resources							
Charges for services	\$ 1,878,445	\$ 1,946,490	\$ 1,929,600	\$ 1,964,000	\$ 2,122,500	\$ 2,122,500	\$ 2,122,500
Interest	1,240	1,842	1,200	1,500	1,500	1,500	1,500
Total current year resources	\$ 1,879,685	\$ 1,948,332	\$ 1,930,800	\$ 1,965,500	\$ 2,124,000	\$ 2,124,000	\$ 2,124,000
Total resources	\$ 1,988,973	\$ 2,110,899	\$ 2,200,967	\$ 2,294,200	\$ 2,448,600	\$ 2,448,600	\$ 2,448,600
Expenditures							
City Council	\$ 67,393	\$ 71,756	\$ 85,000	\$ 82,700	\$ 85,500	\$ 85,500	\$ 85,500
Administration/team services	707,544	697,869	756,100	732,500	770,900	770,900	770,900
Financial services	603,984	642,612	700,900	682,500	735,400	735,400	735,400
Information technology	447,485	369,962	384,100	471,900	556,000	556,000	556,000
Contingency			274,867	-	300,800	300,800	300,800
Total expenditures	\$ 1,826,406	\$ 1,782,199	\$ 2,200,967	\$ 1,969,600	\$ 2,448,600	\$ 2,448,600	\$ 2,448,600
Ending fund balance	\$ 162,567	\$ 328,700	\$ -	\$ 324,600	\$ -	\$ -	\$ -

## Personnel

Administration/Financial Support Services Fund FTEs by Position FY 14 – 17				
	FY 14 Actual	FY 15 Actual	FY 16 Actual	FY 17 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	2.00
Finance Assistant III			1.00	1.00
Accounting Supervisor				1.00
IT Manager	1.00	1.00		1.00
IT Specialist I	0.50	0.50	0.50	1.00
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>11.50</b>	<b>11.50</b>	<b>10.50</b>	<b>12.00</b>

*Increase of 1.50 FTE in Information Technology for FY17.*



## 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.

## Our City Council's Goals

In FY 16, the council and staff members took an in depth look at the city goals and mission statement. After approximately 8 years of refining the council goals, the council went from a twelve page task oriented laundry list to a higher global overview for council that can link to the updated city mission statement.

From those revised higher level council goals, staff was able to further develop their task oriented department goals to tie in with and carry out council goals. The council was added under the department goals where they could list and achieve their own task oriented activities.

- Continue to be fiscally responsible in all we do.
- Provide quality municipal services and programs which contribute to Prineville's reputation as a desirable place to live, work and play.
- Continue Improving on Transparency.
- Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.
- Community Safety.
- Effective Public Communication.



*One of the "If I were Mayor..." winners*

# City Council Budget

	Actual FY 13-14	Actual FY 14-15	Current Budget FY 15-16	Estimates FY 15-16	Proposed Budget FY 16-17	Approved Budget FY 16-17	Adopted Budget FY 16-17
Expenditures							
Materials and services	\$ 30,993	\$ 34,256	\$ 46,400	\$ 44,100	\$ 45,000	\$ 45,000	\$ 45,000
Transfers	36,400	37,500	38,600	38,600	40,500	40,500	40,500
Total expenditures	\$ 67,393	\$ 71,756	\$ 85,000	\$ 82,700	\$ 85,500	\$ 85,500	\$ 85,500



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

UTILITY BILLING / ADMINISTRATION



## 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 17

Department Goals	City Council Goals
Continue to focus on in depth software training and cross training in all areas of finance.	Provide quality municipal services and programs which contribute to Prineville's reputation as a desirable place to live, work and play.
Continue efforts with software expansion beyond finance to departments to increase utilization and efficiency of the City's financial software.	Provide quality municipal services and programs which contribute to Prineville's reputation as a desirable place to live, work and play.
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.	Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.
Develop and submit budget document for FY 17 to Government Finance Officers Association (GFOA) for budget award.	Continue Improving on Transparency.
Develop and submit Comprehensive Annual Financial Report (CAFR) document for FY 16 to GFOA for reporting award.	Continue Improving on Transparency.
Continue to maintain quality service at the front counter and phones, while creating more efficiency throughout the department.	Provide quality municipal services and programs which contribute to Prineville's reputation as a desirable place to live, work and play.
Review and update water and sewer ordinances.	Continue to be fiscally responsible in all we do.
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

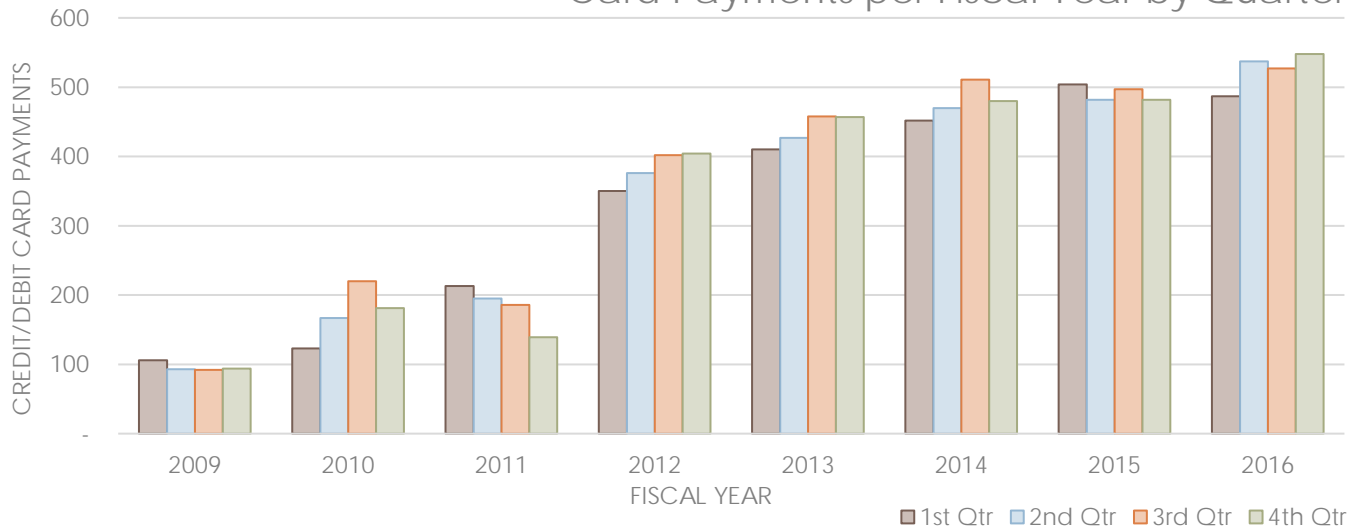
The Finance Department provides the City's financial accounting and reporting, auditing, budget preparation, long-range planning, cash and investment management, payroll, billings and collection, disbursement processing, risk management oversight, and grant coordination.

## Accomplishments for FY 16

- Provided timely and accurate quarterly financial reports to City Council.
- Cross training continued in all areas of finance.
- Maintained quality service at front counter and phones.
- Updated and maintained strategic long-range planning for water and wastewater.
- Made improvements towards department communication/processes and internal controls.
- 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.
- Seamlessly transferred to a new bank and lockbox provider without any utility customer payment disruptions.

## Performance Measures Credit/Debit Card Phone Payments Card Payments per Fiscal Year by Quarter



## Online Payments Trend in Payments Made Monthly Through Web Portal



## Finance Budget

	Actual FY 13-14	Actual FY 14-15	Current Budget FY 15-16	Estimates FY 15-16	Proposed Budget FY 16-17	Approved Budget FY 16-17	Adopted Budget FY 16-17
Expenditures							
Personnel Services	\$ 376,768	\$ 406,024	\$ 441,600	\$ 441,800	\$ 430,300	\$ 430,300	\$ 430,300
Materials and services	196,016	204,388	226,100	207,500	270,200	270,200	270,200
Transfers	31,200	32,200	33,200	33,200	34,900	34,900	34,900
<b>Total expenditures</b>	<b>\$ 603,984</b>	<b>\$ 642,612</b>	<b>\$ 700,900</b>	<b>\$ 682,500</b>	<b>\$ 735,400</b>	<b>\$ 735,400</b>	<b>\$ 735,400</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 17

Department Goals	City Council Goals
Upgrade Bowman Communications facility with enhanced solar power and telemetry to support network growth for monitoring systems at the Bowman Headworks.	Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.
Replace microwave link between Grizzly Mountain and Powell Butte communications facilities to increase data capacity and mitigate wireless ISP interference.	Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.
Develop enhanced methods for connecting local government to its citizens.	Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.

## 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 16

- Upgraded police department records management system to a combined City/ County Law Enforcement Database providing data sharing capabilities and enhanced investigative workflows.
- Deployed new mobile friendly web site for [www.cityofprineville.com](http://www.cityofprineville.com)
- Installed security enhancement projects at the Prineville Railway Junction and reload facilities.
- Installed a security enhancement project at the Prineville/ Crook County Airport.
- Deployed network monitoring software to provide proactive alerting of equipment failures.
- Extended Microwave network to the Prineville Junction in Redmond, Oregon.
- Installed digital time-lapse photography equipment at the Prineville Wetlands Project to provide citizen engagement on the website and document construction for future due diligence.



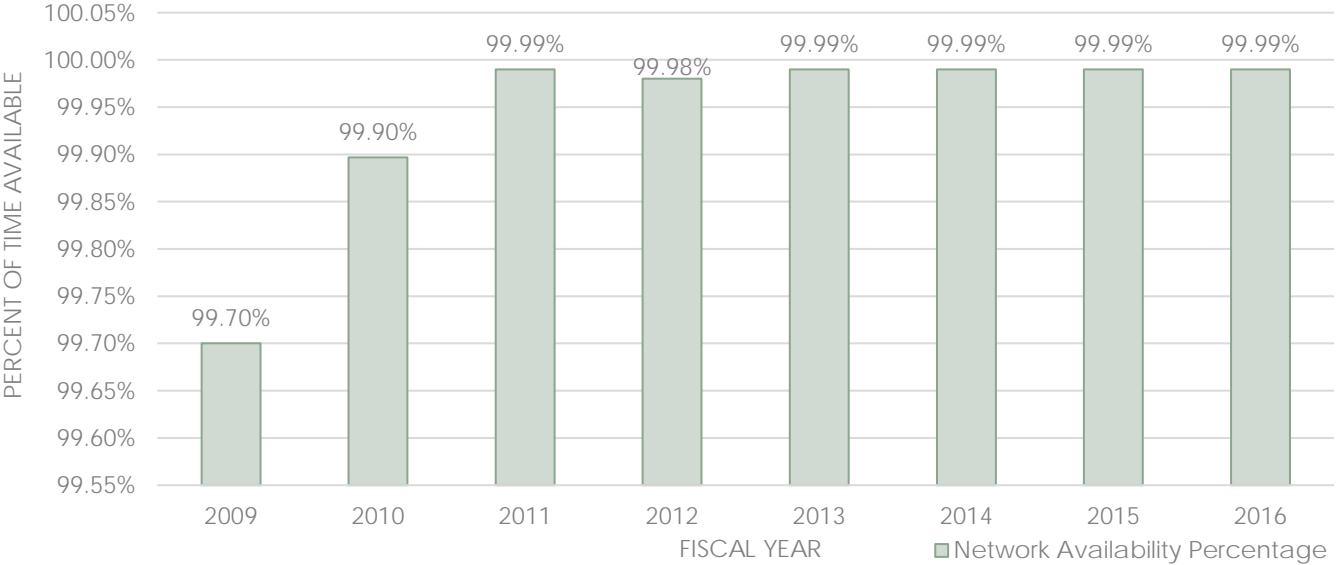
*Time lapse camera installed for Wetlands Project*

# Capital Outlay

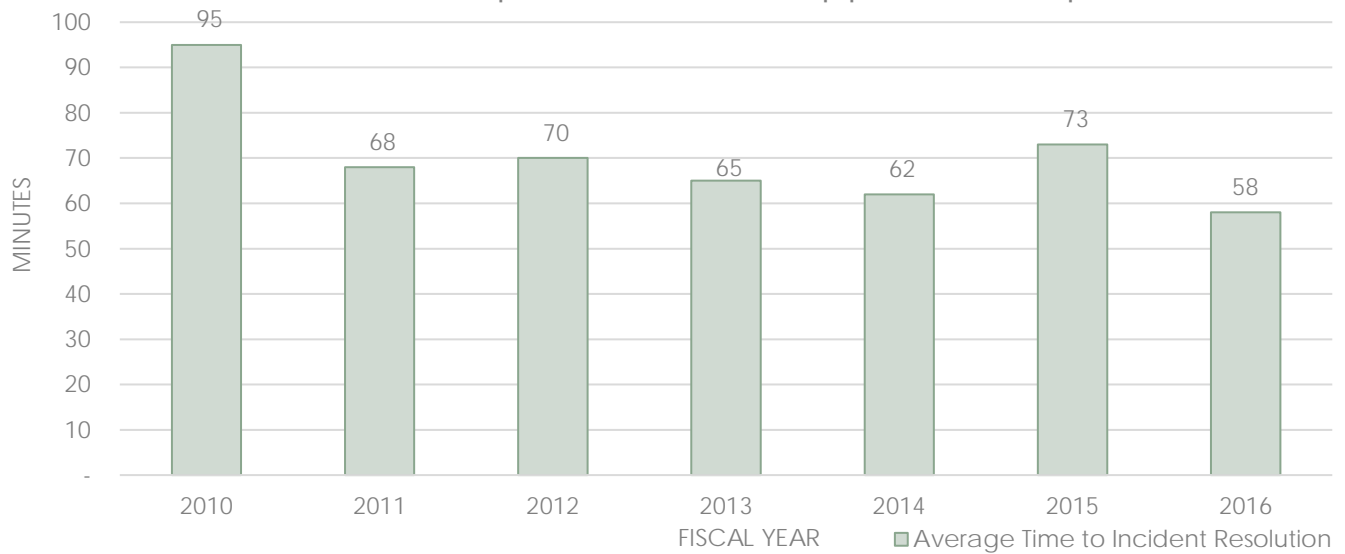
Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Project		
Incode Version 10 Financial Software Upgrade	\$	\$ 40,000
Capital Outlay Total	\$	\$ 40,000

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

## Performance Measurements 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

Expenditures	Actual FY 13-14	Actual FY 14-15	Current Budget FY 15-16	Estimates FY 15-16	Proposed Budget FY 16-17	Approved Budget FY 16-17	Adopted Budget FY 16-17
Personnel Services	\$ 228,052	\$ 159,908	\$ 105,500	\$ 207,800	\$ 270,700	\$ 270,700	\$ 270,700
Materials and services	207,133	182,415	265,500	226,000	231,500	231,500	231,500
Capital outlay							
Equipment		14,939		25,000	40,000	40,000	40,000
Transfers	12,300	12,700	13,100	13,100	13,800	13,800	13,800
<b>Total expenditures</b>	<b>\$ 447,485</b>	<b>\$ 369,962</b>	<b>\$ 384,100</b>	<b>\$ 471,900</b>	<b>\$ 556,000</b>	<b>\$ 556,000</b>	<b>\$ 556,000</b>



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

# Administration/Team Services



## Administration / Team Services Responsibilities to the Community

The city manager is responsible for the city administration 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 the 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 co-ordinates labor negotiations with our labor attorney, management team, and the collective bargaining units.

## Goals and Objectives for FY 17

Department Goals	City Council Goals
Continue to hire highly qualified employees with appropriate knowledge, skills, and abilities.	Provide quality municipal services and programs which contribute to Prineville's reputation as a desirable place to live, work and play.
Encourage continued professional development of valued team members.	Provide quality municipal services and programs which contribute to Prineville's reputation as a desirable place to live, work and play.
Provide employees with an annual compensation statement clearly showing all of the benefits associated with working for the citizens of Prineville	Provide quality municipal services and programs which contribute to Prineville's reputation as a desirable place to live, work and play.
Continue to work on safety and wellness awareness. Administer a wellness program.	Provide quality municipal services and programs which contribute to Prineville's reputation as a desirable place to live, work and play.
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.	Provide quality municipal services and programs which contribute to Prineville's reputation as a desirable place to live, work and play.
Follow the ever changing world of employment laws and how we need to adapt our policies and procedures to comply with them.	Provide quality municipal services and programs which contribute to Prineville's reputation as a desirable place to live, work and play.

## Executive Summary

The city manager and human resources manager guide city departments with personnel issues, oversight of risk management, and the implementation of long-range plans, goals, and objectives of the City Council. The City has continued to offer employees the option of purchasing air and ground ambulance services as a payroll deduction. This program helps fill the gap between what the expenses are for these services and what insurance will pay. The City has a few employees seeking college degrees to further their professional development on their own time. Cross-training is being completed as time allows; an area that has been challenging at best.

State unemployment insurance rate will remain the same on July 1, 2016. The rate is at 0.1 percent, down from 1.7 percent in 2013. The City will continue to keep a watchful eye on claims and every attempt will be made to keep costs down.

The workers' compensation premium will be increase for 2016-17. The modification (MOD) rate is expected to increase to .96, last year we enjoyed the lowest rate the City has ever had. NCCI is also increasing the Pure rates. The City needs to continuing working with team members to be safety conscious. "Safety first!" that's still the City's motto. We have a strong partnership with SAIF and they continue to assist us with their time and energy. SAIF also attends our annual City/County Health Fair; they provide some unique and interesting material!

Our property, casualty, and liability claims count are down, however, as CIS has stated the total costs for the pooled coverage are still high. Employment claims are creeping upward for CIS, even as the H2R (Hire to Retire) program assists pool members with additional training. Also the police, jail (excessive force), sewer and road claims are keeping liability claims up for CIS.

It is the ongoing mission of the City to continue to work with all employees toward a wellness consciousness. The City firmly believes that 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; over the long term it also can reduce the usage of insurance plans and lower workers' compensation claims thus having a positive effect on future rates. In June 2015 the City and County held another joint health fair. It is exciting to network with the City's partner across the street and local health professionals of Prineville. Planning is underway for this year's event.

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 16

- We continued to hire employees that are highly qualified with appropriate knowledge, skills, and abilities.
- Encouraged continued professional development of valued team members.
- Provide employees with compensation statements annually to clearly show all of the benefits that come with working for the citizens of Prineville.
- Continued to work on safety and wellness awareness.
- Administered a Wellness Program. Three team members completed the whole program and received remuneration for their efforts.
- Continued to carefully watch the state unemployment insurance and workers' compensation claims. Strive to reduce those claims, as well as the costs associated with them.

## Strategic Planning Updates

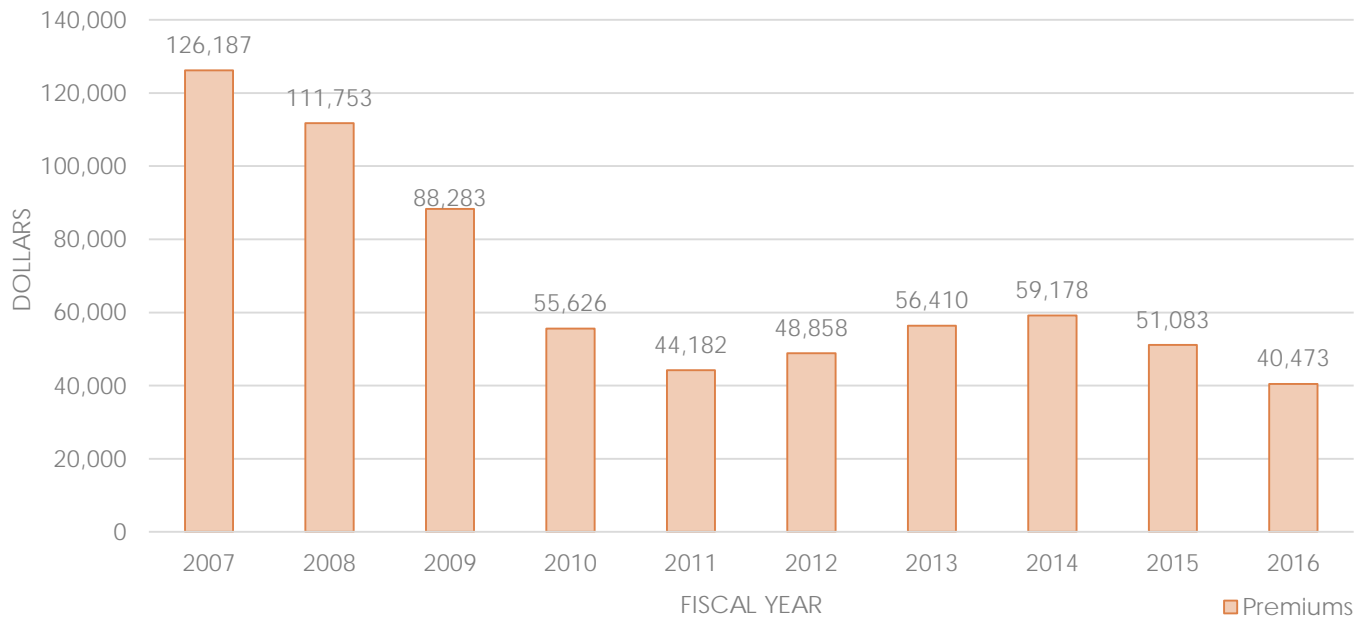
- Short Term – Change our way of thinking about wellness and wellbeing. Just having challenges isn't enough to bring true wellness into our culture. We need to focus on ways to rethink behaviors and necessary changes that will make a difference.
- Long Term – Retention of our team members. Several team members are at or close to retirement age. As the job market becomes more fluid, we will strive to retain our knowledge base and continue with cross-training procedures. Also need to include the generational diversity into the picture of our employment health.



*Chief Cummins swearing in.*

## Performance Measures

### Workers' Compensation Premiums Premiums per Calendar Year



Our goal is to have all city employees able to return home safely at the end of the day to their loved ones and friends. The City continues working diligently to promote and maintain a culture of safety. 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. 2015 was not a good year for us. Our frequency was up and also the severity of the claims was up.

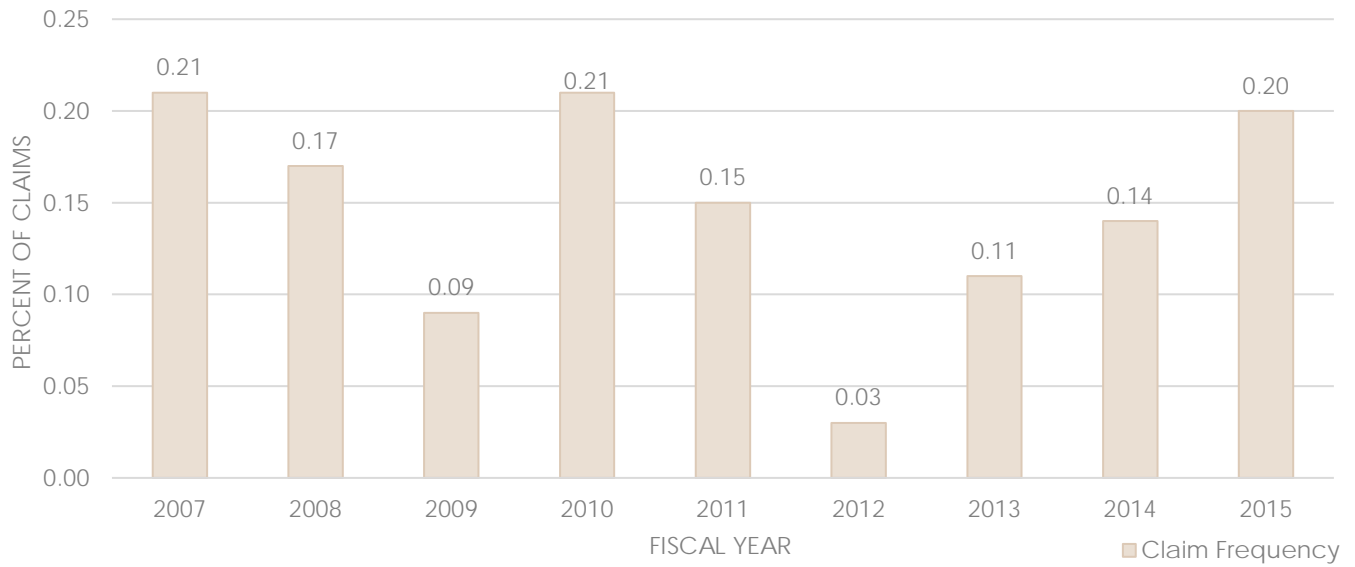
Safety is still a top concern for our team!



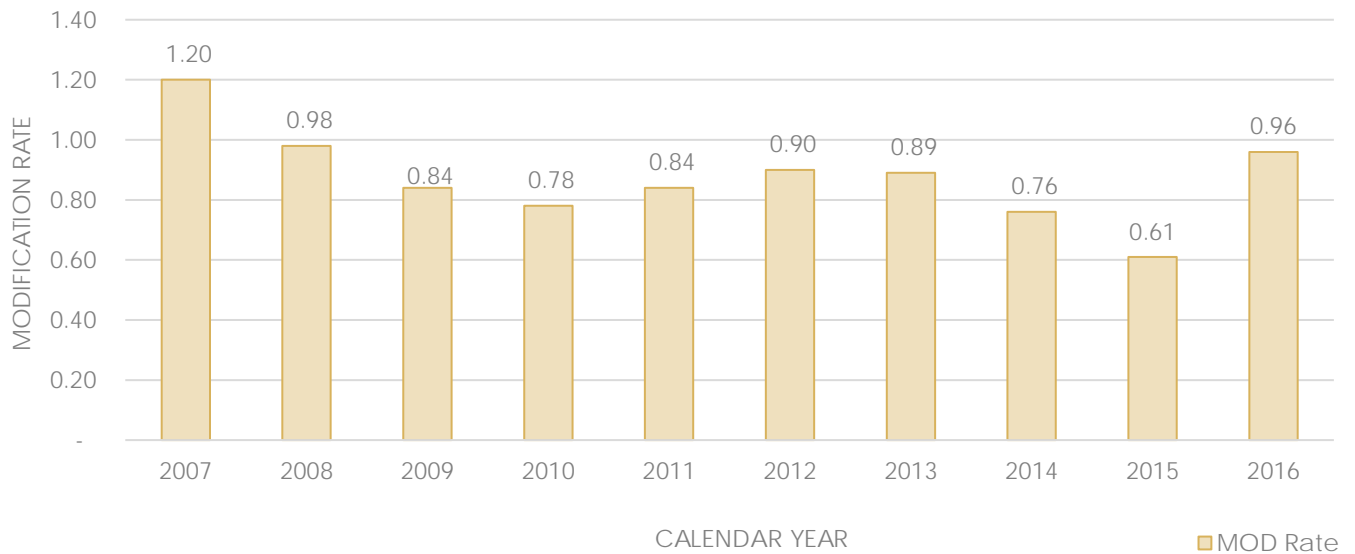
*2015 Annual Health Fair.*



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

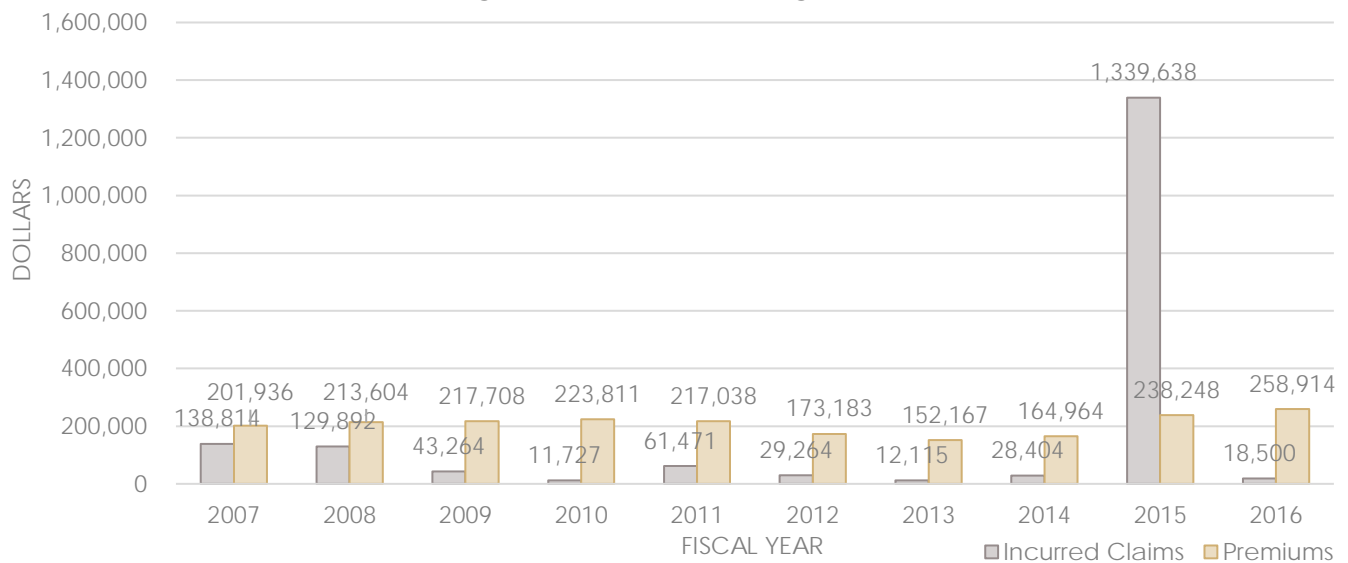


## Experience Modification Rate Modification Rate per Calendar Year



The MOD rate and Pure rates for workers' compensation have increased this year. The MOD rate is increasing to 0.96 from the lowest level we have ever had (0.61).

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



City County Insurance Services (CIS) has experienced a \$9.2 million reduction in the trust. They announced at the annual conference that they are attempting to strike the right balance and bring stability to the pool. They began benefit reserves last year and it will take about five years for the trust to have sufficient coverage for all pool members.

General liability claims costs are up slightly. The City expects to be at or under the “not to exceed” increases given by CIS at the annual conference, which was a 9 percent increase. Last year’s “not to exceed” rate was 7.6 percent and the year before was 26 percent, so you can see there has been some improvement. CIS uses a five year lookback when determining premiums.

Employment claims are beginning to creep back up for the CIS pool. In the period 2013-2015 Pre-Loss events numbered 1,200. Of those issued, there were only 71 claims filed. That’s a 94 percent savings by those that called Pre-Loss. Of the CIS members, 64 percent are not called pre-loss. So CIS is boosting the deductible on the claims to \$15,000 each (from \$5,000).

CIS is continuing to offer free training through their online Learning Center. This not only has over 500 subjects to learn about, it also allows for tracking of other training or conferences attended. All of these trainings are offered to team members. It’s convenient and there are no travel, lodging, or time away expenses for the use of this benefit.

## Administration / Team Services Budget

	Actual FY 13-14	Actual FY 14-15	Current Budget FY 15-16	Estimates FY 15-16	Proposed Budget FY 16-17	Approved Budget FY 16-17	Adopted Budget FY 16-17
Expenditures							
Personnel Services	\$ 435,380	\$ 474,083	\$ 490,100	\$ 491,600	\$ 500,300	\$ 500,300	\$ 500,300
Materials and services	242,364	193,086	234,300	209,200	237,300	237,300	237,300
Transfers	29,800	30,700	31,700	31,700	33,300	33,300	33,300
<b>Total expenditures</b>	<b>\$ 707,544</b>	<b>\$ 697,869</b>	<b>\$ 756,100</b>	<b>\$ 732,500</b>	<b>\$ 770,900</b>	<b>\$ 770,900</b>	<b>\$ 770,900</b>

# Public Works Support Services



## 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 17

Department Goals	City Council Goals
Complete the update to the City’s water and wastewater models.	Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.
Continue to provide technical support to the Water Fund by developing a long-term water right management plan.	Provide quality municipal services and programs which contribute to Prineville’s reputation as a desirable place to live, work and play.
Continue to provide technical support to the Transportation Fund via the development of future pavement maintenance activities as well as traffic management plans.	Continue to be fiscally responsible in all we do.
Support the expansion of the wastewater treatment plant.	Continue to be fiscally responsible in all we do.

## 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 16

- Completed a survey and uploaded of all City infrastructure systems into the geographic information system (GIS) in 2016. 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 16.

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.
- *“Provide quality municipal services and programs which contribute to Prineville’s reputation as a desirable place to live, work and play.”* – Continue investigate the airport aquifer with Oregon Water Resource Department.
- *“Continue striving to improve quality of life through investment in essential infrastructure to our citizens and businesses.”* – Continue to improve the water and wastewater systems to allow this department to serve future customers.

## 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 and keeping rate increases within reasonable levels.



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

## Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Facility		
Dump Truck	\$ 70,000	\$ 70,000
Pickup	\$ 32,000	\$ 34,000
Used Roller	\$ 30,000	\$ 30,000
Capital Outlay Total	\$ 132,000	\$ 134,000

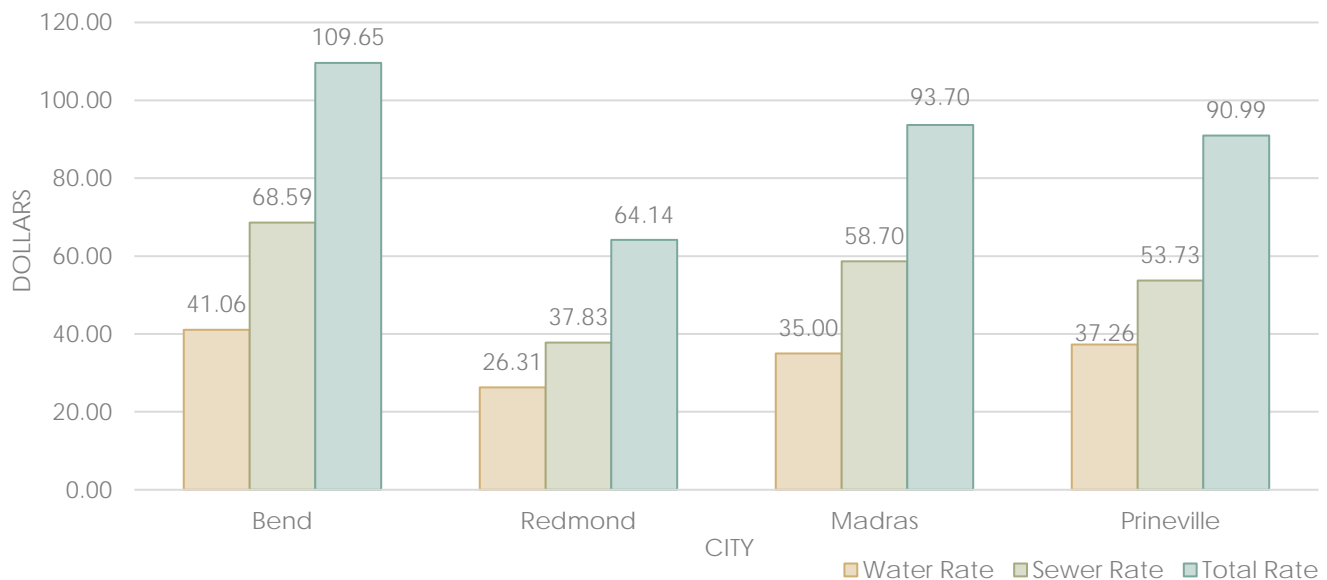
A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 81.

## Performance Measures 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.

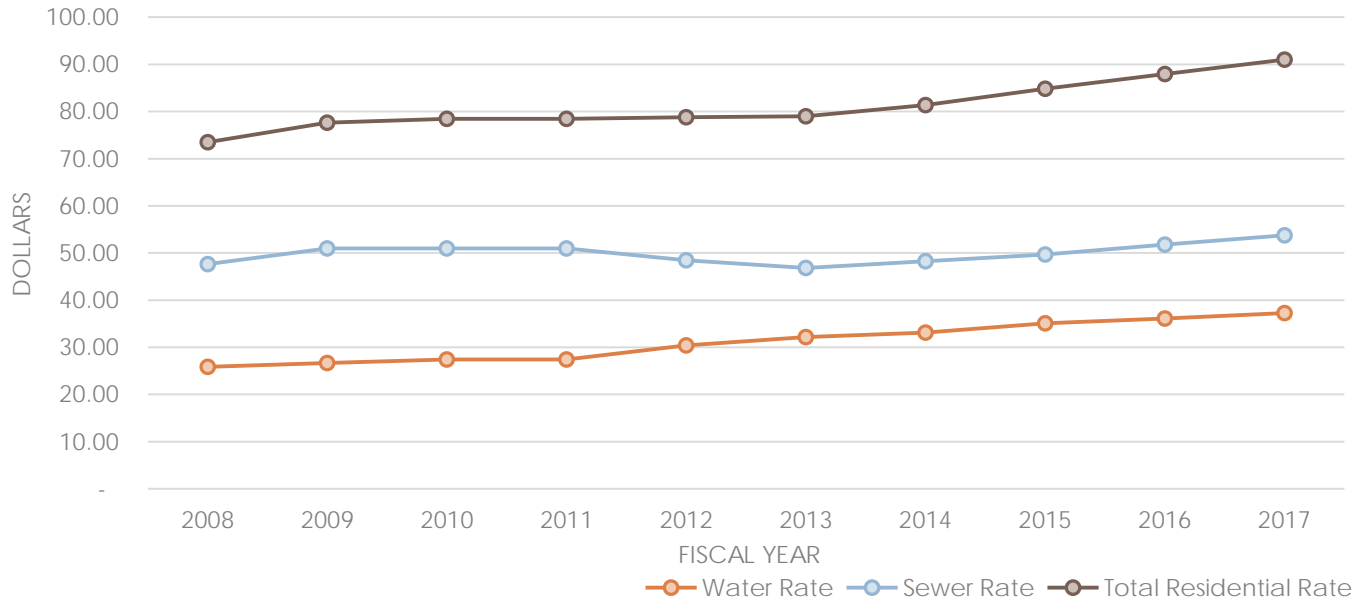
The graph below compares the City's residential rate (7,500 gallons per month) with other communities in the Central Oregon region.

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



## Utility Rate Trends

### Fiscal Year Trend - 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 13-14	Actual FY 14-15	Current Budget FY 15-16	Estimates FY 15-16	Proposed Budget FY 16-17	Approved Budget FY 16-17	Adopted Budget FY 16-17
Beginning fund balance	\$ 299,312	\$ 292,384	\$ 336,784	\$ 345,609	\$ 348,934	\$ 348,934	\$ 348,934
<b>Current year resources</b>							
Charges for services	1,158,210	1,333,146	1,454,100	1,469,100	1,584,100	1,584,100	1,584,100
Interest	1,611	1,653	1,500	1,500	1,600	1,600	1,600
Miscellaneous	10,558	27,947	22,000	77,300	22,000	22,000	22,000
Debt Proceeds				164,325	-	-	-
<b>Total current year resources</b>	<b>\$ 1,170,379</b>	<b>\$ 1,362,746</b>	<b>\$ 1,477,600</b>	<b>\$ 1,712,225</b>	<b>\$ 1,607,700</b>	<b>\$ 1,607,700</b>	<b>\$ 1,607,700</b>
<b>Total resources</b>	<b>\$ 1,469,691</b>	<b>\$ 1,655,130</b>	<b>\$ 1,814,384</b>	<b>\$ 2,057,834</b>	<b>\$ 1,956,634</b>	<b>\$ 1,956,634</b>	<b>\$ 1,956,634</b>
<b>Expenditures</b>							
Public Works Support Services	\$ 929,172	\$ 1,013,880	\$ 1,241,299	\$ 1,198,300	\$ 1,372,700	\$ 1,372,700	\$ 1,372,700
Public Works Fleet & Vehicles	217,862	269,176	245,000	475,600	286,500	286,500	286,500
Public Works Facilities	30,273	26,465	35,000	35,000	-	-	-
Contingency			293,085		297,434	297,434	297,434
<b>Total expenditures</b>	<b>\$ 1,177,307</b>	<b>\$ 1,309,521</b>	<b>\$ 1,814,384</b>	<b>\$ 1,708,900</b>	<b>\$ 1,956,634</b>	<b>\$ 1,956,634</b>	<b>\$ 1,956,634</b>
Ending fund balance	\$ 292,384	\$ 345,609	\$ -	\$ 348,934	\$ -	\$ -	\$ -

## Personnel

Public Works Support Services Fund FTEs by Position FY 14 – 17				
	FY 14 Actual	FY 15 Actual	FY 16 Actual	FY 17 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	1.00	1.00
Administrative Technician	1.00	1.00	1.00	1.00
Mechanic	1.00	1.00	1.00	1.00
Inspector				
Utility Worker	6.00	6.00	7.00	7.00
<b>Public Works Support Services Fund Total</b>	<b>10.25</b>	<b>10.25</b>	<b>12.00</b>	<b>12.00</b>

*No changes in FTEs for FY 17.*



## Public Work Support Services

	Actual FY 13-14	Actual FY 14-15	Current Budget FY 15-16	Estimates FY 15-16	Proposed Budget FY 16-17	Approved Budget FY 16-17	Adopted Budget FY 16-17
Expenditures							
Personnel Services	\$ 889,208	\$ 973,525	\$ 1,193,000	\$ 1,150,000	\$ 1,281,800	\$ 1,281,800	\$ 1,281,800
Materials and services	35,364	35,755	43,300	43,300	43,300	43,300	43,300
Transfers	4,600	4,600	5,000	5,000	47,600	47,600	47,600
Total expenditures	\$ 929,172	\$ 1,013,880	\$ 1,241,300	\$ 1,198,300	\$ 1,372,700	\$ 1,372,700	\$ 1,372,700

## Fleet Maintenance and Operations

	Actual FY 13-14	Actual FY 14-15	Current Budget FY 15-16	Estimates FY 15-16	Proposed Budget FY 16-17	Approved Budget FY 16-17	Adopted Budget FY 16-17
Expenditures							
Material and services	\$ 122,572	\$ 129,855	\$ 133,000	\$ 104,000	\$ 118,000	\$ 118,000	\$ 118,000
Capital outlay	95,290	139,321	112,000	337,100	134,000	134,000	134,000
Debt service							
Capital lease - Sweeper 2016			-	34,500	34,500	34,500	34,500
Total expenditures	\$ 217,862	\$ 269,176	\$ 245,000	\$ 475,600	\$ 286,500	\$ 286,500	\$ 286,500

## Public Works Building

	Actual FY 13-14	Actual FY 14-15	Current Budget FY 15-16	Estimates FY 15-16	Proposed Budget FY 16-17	Approved Budget FY 16-17	Adopted Budget FY 16-17
Expenditures							
Material and services	\$ 28,873	\$ 26,465	\$ 35,000	\$ 35,000	\$ -	\$ -	\$ -
Capital outlay	1,400	-	-				
Total expenditures	\$ 30,273	\$ 26,465	\$ 35,000	\$ 35,000	\$ -	\$ -	\$ -

*Moved to the building Facilities Fund FY 2017*



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

# Building Facilities Fund



## Building Facilities Fund Responsibilities to the Community

The purpose of the Building Facilities Fund is to account for the use, maintenance, and improvements of all governmental buildings in the city of Prineville.

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 Police Facility budget pays for the utilities and maintenance of the building used by the Prineville Police and 911 Emergency Dispatch Center. We are currently looking at options to relocate the dispatch center, which would greatly diminish the need for critical improvements. This would allow us to make fiscally responsible improvements to the building, and continue to use the city owned property for police operations. The FY 17 budget includes debt proceeds for upgrades to the building.

The City of Prineville Public Works Facility is located at 1233 NW Lamonta Rd. This central facility supports the Water, Wastewater and Transportation departments. The 4.2-acre site is home to the Public Works office, breakroom, shop and various sheds that house the Public Works fleet. Aggregate, cinders and traffic control devices are stored here which allow the Public Works Team to quickly respond whenever issues arise.

The facilities are managed to recover full costs, including replacement costs through transfers from related funds. Operating expenses, debt service, and replacement funds are accounted for within this fund. The debt service reserve requirement for the City Hall facility is equal to one year's debt service (\$104,940).

## Building Facilities Fund Budget

Resources	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 13-14	FY 14-15	Budget FY 15-16	FY 15-16	Budget FY 16-17	Budget FY 16-17	Budget FY 16-17
Beginning fund balance	\$ 138,827	\$ 163,944	\$ 163,744	\$ 169,199	\$ 169,999	\$ 169,999	\$ 169,999
Current year resources							
Rent and royalties	\$ 172,900	\$ 181,900	\$ 183,600	\$ 183,600	\$ 192,900	\$ 192,900	\$ 192,900
Interest	811	829	800	800	800	800	800
Miscellaneous	7,897	4,311	8,700	8,700	11,000	11,000	11,000
Transfers	10,000	-	-	-	166,300	166,300	166,300
Debt Proceeds					500,000	500,000	500,000
Total current year resources	\$ 191,608	\$ 187,040	\$ 193,100	\$ 193,100	\$ 871,000	\$ 871,000	\$ 871,000
Total resources	\$ 330,435	\$ 350,984	\$ 356,844	\$ 362,299	\$ 1,040,999	\$ 1,040,999	\$ 1,040,999
Expenditures							
City Hall Facilities	\$ 166,491	\$ 181,785	\$ 196,100	\$ 192,300	\$ 216,300	\$ 216,300	\$ 216,300
Police Facilities	-	-	-	-	619,300	619,300	619,300
Public Works Facilities	-	-	-	-	37,000	37,000	37,000
Contingency			55,744		63,399	63,399	63,399
Total expenditures	\$ 166,491	\$ 181,785	\$ 251,844	\$ 192,300	\$ 935,999	\$ 935,999	\$ 935,999
Other requirements							
Reserve City Hall Facilities	\$ -	\$ -	\$ 105,000		\$ 105,000	\$ 105,000	\$ 105,000
Ending fund balance	\$ 163,944	\$ 169,199	\$ -	\$ 169,999	\$ -	\$ -	\$ -

## City Hall Facilities

	Actual FY 13-14	Actual FY 14-15	Current Budget FY 15-16	Estimates FY 15-16	Proposed Budget FY 16-17	Approved Budget FY 16-17	Adopted Budget FY 16-17
Expenditures							
Materials and services	\$ 52,480	\$ 67,815	\$ 80,100	\$ 76,300	\$ 100,300	\$ 100,300	\$ 100,300
Debt service							
Principal							
USDA - 2005	40,292	42,004	44,000	44,000	44,000	44,000	44,000
Interest							
USDA - 2005	63,719	61,966	62,000	62,000	62,000	62,000	62,000
Transfers	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>Total expenditures</b>	<b>\$ 166,491</b>	<b>\$ 181,785</b>	<b>\$ 196,100</b>	<b>\$ 192,300</b>	<b>\$ 216,300</b>	<b>\$ 216,300</b>	<b>\$ 216,300</b>

## Police Facilities

	Actual FY 13-14	Actual FY 14-15	Current Budget FY 15-16	Estimates FY 15-16	Proposed Budget FY 16-17	Approved Budget FY 16-17	Adopted Budget FY 16-17
Expenditures							
Material and services	\$ -	\$ -	\$ -	\$ -	\$ 69,300	\$ 69,300	\$ 69,300
Capital outlay	-	-	-	-	500,000	500,000	500,000
Debt service							
Principal							
BOTC - 2017			-	-	50,000	50,000	50,000
Interest							
BOTC - 2017							
<b>Total expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 619,300</b>	<b>\$ 619,300</b>	<b>\$ 619,300</b>

## Public Works Facilities

	Actual FY 13-14	Actual FY 14-15	Current Budget FY 15-16	Estimates FY 15-16	Proposed Budget FY 16-17	Approved Budget FY 16-17	Adopted Budget FY 16-17
Expenditures							
Material and services	\$ -	\$ -	\$ -	\$ -	\$ 37,000	\$ 37,000	\$ 37,000
Capital outlay	-	-	-	-			
<b>Total expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 37,000</b>	<b>\$ 37,000</b>	<b>\$ 37,000</b>

# 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	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 13-14	FY 14-15	Budget FY 15-16	FY 15-16	Budget FY 16-17	Budget FY 16-17	Budget FY 16-17
	\$ 33,306	\$ 35,444	\$ 41,444	\$ 43,216	\$ 15,916	\$ 15,916	\$ 15,916
Current year resources							
Intergovernmental	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Charges for services							
Interest	160	186	100	100	100	100	100
Transfers	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total current year resources	\$ 20,160	\$ 20,186	\$ 20,100	\$ 20,100	\$ 20,100	\$ 20,100	\$ 20,100
Total resources	\$ 53,466	\$ 55,630	\$ 61,544	\$ 63,316	\$ 36,016	\$ 36,016	\$ 36,016
Expenditures							
Materials and services	\$ 14,322	\$ 8,714	\$ 49,800	\$ 43,700	\$ 15,900	\$ 15,900	\$ 15,900
Transfers	3,700	3,700	3,700	3,700	3,700	3,700	3,700
Contingency			8,044	-	16,416	16,416	16,416
Total expenditures	\$ 18,022	\$ 12,414	\$ 61,544	\$ 47,400	\$ 36,016	\$ 36,016	\$ 36,016
Ending fund balance	\$ 35,444	\$ 43,216		\$ 15,916		\$ -	\$ -



*Workers remove stone pavers ahead of new concrete pour.*



# 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

Property, plant and equipment which includes vehicles, furniture and fixtures, computer hardware and software with a cost basis in excess of \$10,000.

### 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  
CJIS Criminal Justice Information 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  
OAR Oregon Administrative Rules

OBDD Oregon Business Development  
Department  
ODOT Oregon Department of Transportation  
OECD Oregon Economic and Community  
Development Department  
OR Oregon  
ORS Oregon Revised Statutes  
OSHA Occupational Safety and Health  
Administration  
OSP-LWCF Open Space Plan – Land and Water  
Conservation Fund  
OWEB Oregon Watershed Enhancement Board  
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  
ROW Right of way  
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  
TAG Technical Assistance Grant  
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  
USDA United States Department of Agriculture  
VoIP Voice-over Internet Protocol  
VPN Virtual Private Network  
WAN Wide Area Network  
WWTP Waste Water Treatment Plant

