



2016 - 2017 Adopted Budget

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City of Happy Valley

Fiscal Year 2016 - 2017 Budget

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City of Happy Valley

Fiscal Year 2016 - 2017 Budget

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City of Happy Valley Organization Chart

Citizens of Happy Valley

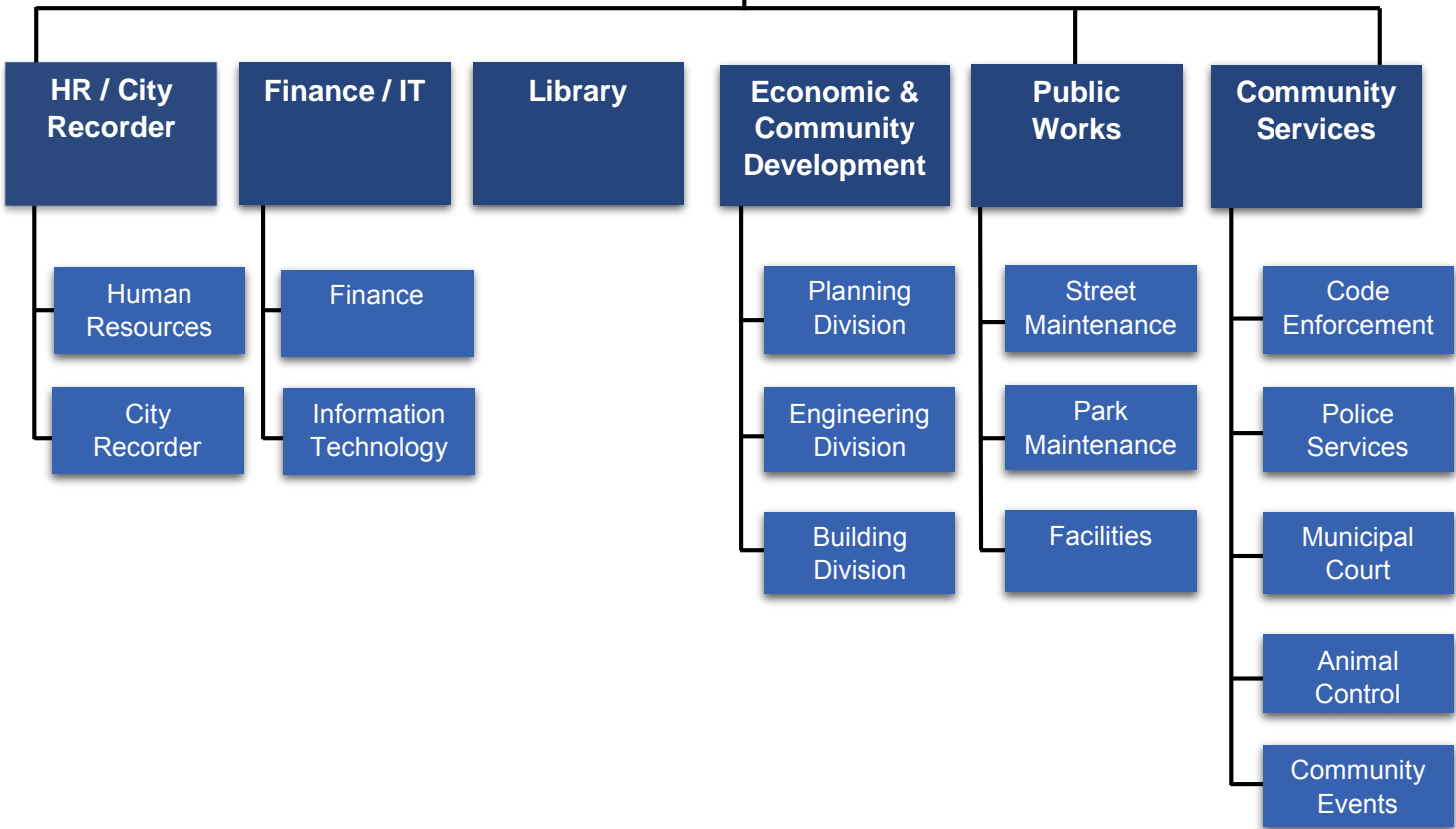


Mayor and Council

Deputy City Manager

City Manager

City Attorney



Mission Statement

Preserve and enhance the safety, livability, and character of our community.

Citywide goals:

- Goal 1 Managed growth and economic development*
- Goal 2 Employee development in a quality work environment*
- Goal 3 A safe, livable community with a sense of pride and strong identity*
- Goal 4 Effective relationships with local, regional and state partners*
- Goal 5 Fiscal accountability*
- Goal 6 Environmentally sensible practices*
- Goal 7 Effective and efficient services*

City Manager's Budget Message

To The Budget Committee:

I am pleased to present the 2016-17 fiscal year budget. This budget includes a change from the previous budget with the parks department function being moved out of the General Fund and into its own fund. This change was made to better track revenues received and expenditures associated with operating Happy Valley Park, the associated wetlands, and various city trails. There is a substantial debt service payment shown in this budget. Debt issued in 2007 to build the City Hall facility will be callable during this fiscal year and this budget includes a final pay off of the remaining debt. The Council passed a new right of way ordinance that creates overarching guidance for all entities using the public right of way. The ordinance aims to be all inclusive of those using public rights of way and will eventually replace all current franchise fee agreements.

Economic Outlook

Happy Valley has seen several years of increased development activity and with many areas still available for development within the city, we believe the economic outlook is positive. We also understand the unpredictability of development activity and the revenues associated with it. That volatility is why we strongly advocate for setting aside revenues during periods of growth. Reserving for the future, allows us to determine the level of service provided even when development activity fluctuates.

Increased development increases population and as a result, increases revenue we receive based on population, such as state shared revenues. Revenues associated with higher population and assessed value are much more predictable than development and building activity revenues. Because we know another economic downturn will happen, it is crucial our budgeting methods reflect a difference between predictable revenue streams and inconsistent revenue streams. In this budget, we increase reserve amounts to better prepare for the inevitable point when revenues decline but ongoing operational costs remain.

The total for this budget is just under \$35.8 million and includes about \$30.8 million of resources excluding transfers between funds and just over \$20.5 million of expenditures excluding transfers, contingency, and reserves for future expenditures. This budget increased 16% from the 2105-16 total budget of just over \$30 million. This increase is due to paying off the full faith and credit debt that will be callable in January 2017. It has been the goal of Council to set aside funds to pay this debt off early and with this budget's transfer from the General Fund to the Debt Service Fund we will reach that goal.

Challenges

We continue to evaluate our long term goals for providing services to our residents. While the district model we operate under made sense when it was instituted, we question its current effectiveness. While we understand the importance of relationships with our governmental partners, we also need to determine what is in the best interest of our citizens. Transportation infrastructure projects are an essential component of livability and it is imperative for us to determine when and where they happen so they coincide with our plan for development. Sanitary sewer infrastructure is a requirement for growth so it is important to control when and where those projects occur. Adequate open spaces, parks, and trails enhance livability and help define our community. It is also important for us to decide which companies will have franchise agreements to provide services to our citizens. We study these essential service areas to determine the best approach for us to transition from the current district model to one where the City provides these services for our residents.

This budget, like past budgets, contains reserve funds to prepare for the foreseeable replacement of capital assets, retirement of debt, and to ensure ongoing operations during economic downturns. Reserving money for the future is sensible when the City is in an economic uptick. It is an important component of any long term financial plan and helps us achieve our overall long term goals. We attempt to strike the right balance between how much we spend on current requirements and how much we reserve for known and unknown long term requirements.

Personnel expenditures

Happy Valley continues to be the fastest growing city in Oregon with many new housing developments and business projects moving forward. This development activity is very beneficial long term for our city but creates a dilemma around hiring practices. It is difficult to exactly determine when to add an employee versus using contracted services. For this budget we show a slight increase in full time equivalent (FTE) staff. FTE increased 2.13 from the previous budget with 1.13 FTE for library staff and 1.0 FTE for Economic and Community Development in the General Fund. Please keep in mind Library staff did not actually increase by that FTE. 2015-16 was the first year the Library was included in the budget and their FTE is difficult to estimate due to the number of limited status personnel. The actual FTE increase from the prior year is .5 FTE.

Personnel costs also include contributions to the Public Employees Retirement System or PERS. The City will see increases in the PERS rates over the next two biennium based on information we received from PERS staff. Those increases are not reflected in this budget because they will not be in effect until July 2017. However, we do believe it would be prudent to prepare for the eventual rate increase by changing the policy regarding the Reserve for General Operations Fund balance.

Goals and Initiatives

During the current fiscal year, we have seen residents of Damascus choose to de-annex from Damascus and later annex to Happy Valley. In May, Damascus voters could decide to dis-incorporate their city entirely. We believe we need to prepare for the effect this may have on us. If the residents decide to dis-incorporate we will need to look into creating a comprehensive plan for a portion of that area. If the voters decide to remain a city we still need to consider how to partner in this transition area between our cities.

Happy Valley continues to be the fastest growing city in Oregon with both residential and commercial development. The significant residential growth brings with it business growth as one supports the other. This synergy of development allows us to build a community where residents can both work and live.

With the passage of Oregon Measure 91 which legalized recreational marijuana, Council will need to develop regulations regarding operation of businesses within the City. There will be a measure on the November ballot asking voters whether or not marijuana related businesses should be able to operate in Happy Valley. Based on the outcome of that vote, Council will determine the appropriate next steps.

As was demonstrated during the last Public Safety Levy ballot measure voting, this funding source is not permanent. Council is dedicated to finding a way to fund police services permanently. We continue to work with our partners at the local, county, and state level for viable permanent funding mechanisms. The number of officers provided by the police contract with Clackamas County is the same as in the previous budget. We plan to evaluate service levels during this fiscal year to determine if additional officers should be added in the next budget.

Annexations and development continue to increase the lane miles of streets owned by the City. Happy Valley, like many other jurisdictions, has a shortfall in revenues required to fund street maintenance at a level consistent with

standards. We continue efforts to engage partners at every level for this purpose. Council has information on several options for transportation funding and will determine which is the best fit for our needs.

This budget includes a Park Fund to allow for separate accounting for park operations. This function was previously accounted for in the General Fund and prior year information remains in the General Fund. The decision to move park operations to a separate fund allows us to review the long term strategy of the park district to determine if it coincides with the long term strategy of the City.

The City's fiscal policies are consistent with those used during preparation of the previous budget. It is our ongoing goal to balance short term needs and long term goals by creating reserve levels adequate to continue high levels of service during times when activity has waned or funding sources become less predictable.

Conclusion

Continued development, legislative changes, service model review, and infrastructure maintenance requirements provide big challenges for the coming fiscal year. We understand not all these issues will be resolved in the next fiscal year but we use the budget process along with our five-year projection process to better understand issues and strategies that will go beyond one year. Given what we know and what we project for the coming fiscal year, this budget positions us to evaluate and address those issues while also providing adequate funding for all operations.

I want to thank management for their commitment to the success of the budget as well as their input into the creation of it. I also want to thank our citizens for their involvement in the process as we work together to provide fiscal accountability and transparency.

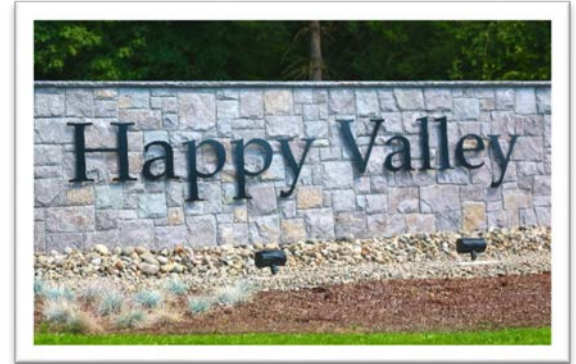
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Respectfully submitted,

Jason Tuck,
City Manager and Budget Officer

Happy Valley Overview

Happy Valley, Oregon is located in Clackamas County and is in the northwest corner of the state of Oregon. The city has a total area of approximately 8.5 square miles. It is a member of the Portland, Oregon metropolitan area bordering Portland on the east. The city is located within Clackamas County which is governed by a five-member board of commissioners. The city is included in several special districts governed by the Clackamas County Board of Commissioners. The city is also part of Metro, the regional government for the Portland metropolitan area. The city's interaction with Metro is in the areas of land use planning including the urban growth boundary, management of regional parks and natural area systems, and regional transportation systems.



Happy Valley includes beautiful parks, meandering trails, well maintained streets, safe neighborhoods, and attractive commercial centers, Happy Valley is a wonderful place to call home. Much of the look and feel of the city took decades of thoughtful planning and steadfast leadership to instill development standards that reflect the community values. Since its incorporation as a city, Happy Valley has grown from a rural area with a population of approximately 300 people to a thriving suburb of over 17,000 residents. Happy Valley is one of the fastest growing cities and has one of the highest median family incomes in Oregon. We are proud of our heritage and excited for the future ahead.

Happy Valley was organized in November of 1965, as a Council-Mayor form of government. From January 1991 to December 2000 the City operated under Ordinance 105 that created the position of City Administrator and operated under the Council-Administrator form of government. On November 7, 2000 voters approved a new charter now referred to as the 2000 Happy Valley Charter. The new charter created the position of City Manager and new form of government, Council-Manager. The City Manager is the administrative head of the city government.

Happy Valley is governed by the City Council, which is comprised of three City councilors, one Council president, and the Mayor. All councilors and the mayor serve four-year terms and are elected by the voters of Happy Valley in the general election in November. The City Manager is appointed by, reports to, and is responsible to the Mayor and City Council.

Councilor terms are staggered so term expiration occurs every two years. This assures the city has at least two experienced Council members at all times. The Happy Valley Council serves on a voluntary basis, and dedicates a considerable amount of time in their involvement not only at Council meetings but also as representatives of the City in regional and statewide capacities. Council meets the first and third Tuesday of each month at City Hall. Council meetings are recorded and available for replay on the city's website: www.happyvalleyor.gov

The administration is committed to customer service, efficiency, and transparency. The City operates its own municipal court and provides street maintenance and operations, planning, engineering, building inspections, library, code enforcement, and community events. The City contracts with Clackamas County to provide police services funded by a local option levy first approved by the citizens in 2002 and passed again in 2006, 2010, and 2015. Sewer, storm water management, water, parks and recreation, transportation planning, K12 and community college, and fire and emergency services are provided by separate districts overlaying the city.

The city received the Certificate of Achievement for Excellence in Financial Reporting award from the Government Finance Officers Association (GFOA) for its 2015 Comprehensive Annual Financial Report (CAFR). This was the first time the city prepared a CAFR and the first time it applied to the GFOA for the award program.

Budget Process

Happy Valley prepares and adopts an annual budget in accordance with ORS 294.305 through 294.565. The budget is presented in fund and department categories for the fiscal year. Over-expenditures in any category are a violation of local budget law. Any unexpended budget appropriations lapse at the end of the fiscal year because the city does not employ an encumbrance system to encumber funds from one budget year to the next.

Budgeted appropriations may be transferred after adoption of the budget document using a budget resolution passed by Council. The budget may be amended during the fiscal year using a supplemental budget process as outlined in Oregon Revised Statutes governing local budget law. Supplemental budgets are adopted during a public hearing at a Council meeting and do not extend beyond the end of the fiscal year.

The City Manager is responsible for management of the overall budget and for maintaining budgetary control at the adopted appropriation level including any budget resolutions and supplemental budgets passed by Council. Ongoing review and monitoring of revenues and expenditures is performed by the Finance Department in collaboration with the respective department directors.

The Budget Committee for Happy Valley consists of the Council plus an equal number of legal voters who have resided in the city for at least a year. The citizen members are appointed by Council. Since Happy Valley has five councilors the Budget Committee consists of ten members, with the vote of each member being equal.

This committee is established in accordance with the provisions of Oregon Revised Statutes to review the City Manager's Proposed Budget document as prepared by the budget officer and to recommend a budget they approve to the Council for adoption.

Terms for citizen members on the budget committee are three years. The City Recorder is the official record keeper for the committee and the Director of Finance and IT is the staff liaison.

Budget Committee members include:

Council Members

Lori DeRemer – Mayor
Michael Morrow – Council President
Markley Drake – Councilor
Brett Sherman – Councilor
Tom Ellis – Councilor

Citizen Members

Heidi Steen
Diane Morrow
Kristin Mitchell
Eric Hern
William Bersie

Budget Phases

Pre-budget – Long Term Planning

Update the five-year financial projection. This process is done every year and is completed prior to the beginning of the budget process. Longer term issues and ideas are discussed and reviewed during the five-year projection process. The projection is prepared by the Finance Department under the guidance of the City Manager. Projection assumptions are reviewed, updated and then applied to the current year forecast. The updated projection is reviewed by the management team. After any adjustments based on the management review a draft of the projection is presented to the Council. Any changes from the Council review are incorporated into the projection. The first year of the finalized projection is used as the basis for the annual budget.

Phase 1

Further refine the numbers from the five-year projection based on the current year forecast and other available information. This information is incorporated into the budget format and becomes the basis for the Proposed Budget. The management team meets to discuss and review all funds. During this time Budget Buddy meetings are held to educate the citizen volunteers on the Budget Committee regarding the budget process as well as city departments and services. The Proposed Budget is prepared based on programs and services planned for the upcoming budget period along with information from the five-year projection to incorporate the longer term vision.

Phase 2

The Budget Committee Meeting is held at City Hall. This public meeting requires public notices set out in statute. The purpose of the meeting is to review, discuss and deliberate the Proposed Budget. Once a majority of the committee agrees on the budget they approve the budget and tax levies. This Approved Budget includes any changes voted on and passed by the committee during the meeting. This Approved Budget is sent to the Council.

Phase 3

The Approved Budget is presented to City Council during a public meeting for adoption. Council holds a hearing to discuss the use of state shared revenues and passes resolutions to certify provision of city services and the election to receive state shared revenues. The Council holds the budget hearing to review and deliberate the Approved Budget. Council passes a resolution to adopt the budget, make appropriations, and impose taxes. The budget document is updated to the Adopted version is effective beginning July 1. The budget resolutions and property tax certification are submitted to County before July 15 in order for the property taxes to be assessed.

Phase 4

If during the fiscal year a transfer of appropriation becomes necessary, the Finance Director and City Manager will submit a resolution to the Council for approval. An increase in appropriation or creation of a new appropriation category or fund requires the city to adopt a supplemental budget. A supplemental budget modifies the adopted budget and is effective through the end of the fiscal year.

Budget Calendar

December - February

- Create a five-year financial projection.
 - Use current year forecast and apply projection assumptions.
 - Management team review.
 - Present forecast to Council.
 - Incorporate any necessary changes based on Council review.
 - First year of projection is used as a basis for the annual budget process.



February - April

- Management team discussion and review of programs and services
- Hold Budget Buddy meetings.
- Refine numbers and incorporate information.
- Prepare Proposed Budget incorporating five-year projection and meeting information

May

- Complete Proposed Budget
- Advertise Budget Committee Meeting
- Hold Budget Committee Meeting at City Hall.
 - City Manager presents Budget Message.
 - Budget committee approves the budget and tax levies.

June

- Proposed budget updated to Approved version
- Prepare and publish financial summary and notice of budget hearing.
- Council holds hearing regarding state shared revenues and passes resolutions to certify eligibility.
- Council holds budget hearing to review and deliberate Approved Budget.
- Council passes resolution to adopt the budget, make appropriations, and impose taxes.

July

- Budget updated to Adopted version.
- Budget resolutions and property tax certification submitted to County before July 15.

Basis of Budgeting

All funds are budgeted using the modified accrual basis of accounting in accordance with budgetary accounting practices. In the modified accrual basis of accounting, revenues are recognized when they become available and measurable. Measurable means the amount is known and available means it is collectible within the current period or soon enough after the end of the current period to pay liabilities of the current period. Major revenues considered measurable and available under the modified accrual basis of accounting are property taxes, franchise fees, and intergovernmental revenues received within 60 days of the end of the fiscal year. Expenditures are recognized when the liability is incurred, except for interest on general long-term obligations which is recorded when due.

The following governmental funds are included in this budget: General, Street, Library, Parks, Systems Development Charge (SDC), Pedestrian Improvement Projects (PIP), Public Safety funds. Also included in the budget are the following reserve funds which are budgeted per Oregon local budget law but are combined into one of the governmental funds in the Comprehensive Annual Financial Report: General Operations Reserve, Reserve for Replacement, and Reserve for Debt Service funds.

Basis of Auditing

In the Comprehensive Annual Financial Report (CAFR), governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Net Assets

The comprehensible financial report includes information about the City as a whole using accounting methods similar to those used by private-sector companies. The government-wide statements report the City's net position and how it has changed. Net position is the difference between the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources and are a way to measure the City's financial health. Over time, increases or decreases in the City's net position are indicators of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the City, one must consider additional non-financial factors such as the City's tax base, local and statewide economic and legislative climate, as well as many other factors.

Fund Balance

In the budget each fund shows a beginning and ending fund balance. Fund balance refers to the excess of the assets of a fund over its liabilities and reserves. Budgeted beginning fund balance in a fund is an estimate of where that fund will be at the end of the preceding fiscal year. This amount is used in the budget process as part of the estimate of total resources for a fund. Ending fund balance is calculated based on the expenditures and resources estimated for the fiscal year in the current year.

Financial Policies

The City of Happy Valley has a responsibility to its citizens to carefully account for public funds and to manage municipal finances wisely. The City Council is ultimately responsible for decisions concerning the City Charter, ordinances, and all applicable state and federal laws in its decision making. These policies are designed to establish guidelines for the fiscal stability of Happy Valley and to provide guidance for the city manager.

Budget

The City shall prepare, adopt and amend its annual budget in accordance with Oregon Revised Statutes governing local budget law.

A balanced budget is a budget where revenues are equal to expenditures and neither a budget deficit nor a budget surplus exists. In the case of the city budget, it refers to a budget that does not have a budget deficit, but could possibly have a budget surplus. The budget surplus could be in the form of an unappropriated ending fund balance, a contingency amount, or an amount reserved for future expenditures. These categories allow amounts to be set aside and not expended in the current fiscal year.

The Finance Director will be responsible for maintaining a budgetary control system to ensure adherence to the adopted budget. The budget will support the Council's goals, long-range plans, as well as the needs of the community.

Asset Investment

Management responsibility for the asset investment program is delegated to the Finance Director with oversight by the City Manager. The Finance Director shall adhere to the Oregon Revised Statutes regarding managing the investment program for the city.

The Finance Director will invest the city's surplus funds only in those investments authorized by Oregon Revised Statutes. The city will not invest in stocks and it will not speculate or deal in futures or options.

The city will conduct business only with financial institutions (banks investment brokers, investment bankers, trustees, paying agents, registrants, etc.) deemed to be credit worthy. Safety of principal is the foremost objective of the city. Each investment transaction shall be undertaken in a manner that seeks to ensure preservation of capital and avoidance of capital losses through securities defaults, erosion of market value or other risks.

The Finance Director shall match the city's investment portfolio with its cash flow requirement. Due to the changing requirements of cash flow caused by factors not totally within the control of the Finance Director, the ability to convert a security into cash must be considered.

Investments of the city shall be acquired in a manner designed to attain the maximum rate of return through all budget and economic cycles, taking into account constraints on investment instruments, cash flow characteristics of transactions and safety of principal.

The Director of Finance and IT will maintain a capital asset record keeping system, to record capital asset values as support for amounts recorded in the financial statements, as well as establish specific procedures to ensure both the acquisition and retirement of capital assets are recorded on an ongoing basis.



Revenue

Dedicated revenue sources shall only be used for the purpose for which they are collected. One-time revenue sources will not be used to fund ongoing activities of the city. The city will closely manage the collection of revenues and when necessary, discontinuing service, collection agencies, liens, and other collection methods may be used.

The city shall endeavor to diversity its revenue system so as to shelter operations from over reliance on any specific revenue source. Interest earned shall be distributed to the appropriate fund in accordance with the equity balance of the particular fund from which the money was provided for investment.

Debt

Debt shall not be used for operational expenditures. No debt shall be in existence for longer than the useful life of the capital investment for which the debt was incurred.

The city will examine financial alternatives in addition to long-term debt. These alternatives include pay-as-you-go, joint financing, reserve funds, lease-purchase, local improvement districts, special assessments, borrowing from other funds, system development charges, and developer contributions. A cost benefit analysis will be performed for any alternative being considered with the goal of minimizing the cost of financing.

The city shall ensure its debt margins are within the 3 percent limitation as set forth in the Oregon Revised Statutes. The city will be actively involved in the selection of all financial advisors, underwriters, paying agents and bond counsel. Costs associated with the issuance of debt will be kept to a minimum while maintaining the goal of conducting business with stable, low risk, credit worthy firms.

Accounting

The city shall establish and maintain its accounting systems in accordance with Generally Accepted Accounting Principles (GAAP) and shall adhere to the principles and standards promulgated by the Government Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB) using guidance suggested by the Government Finance Officers Association (GFOA). The city shall maintain an accurate and current record of its capital assets in order to factor its investment in these capital assets into the fees the city charges for services.

An annual audit shall be performed by an independent public accounting firm, which will issue an official opinion on the annual financial statements, as well as identify areas needing improvement, if required. A Comprehensive Annual Financial Report shall be to present the results, financial position and operations of the city for the prior fiscal year.

Reserve and Contingency

The city shall maintain a contingency plan in order to respond to significant shortfalls in the budget. The plan shall outline an appropriate course of action that management should take in response to significant gaps between revenues and expenditures. Policy 13-04 Budget Reserves & Contingency covers this issue.

An unreserved fund balance in the General Fund of at least 10% of annual operating expenditures is the desired goal. This also applies to any other operating funds. This reserve shall be used to avoid cash flow interruptions, generate interest income, and reduce short-term borrowings.

The city shall establish an operating contingency to provide for unanticipated non-recurring expenditures and to meet unexpected cost increases. This contingency shall be 20% of each operating fund's fiscal year total expenditures.

Long Term Debt

In August 2007, Happy Valley issued \$5,000,000 of full faith and credit obligation bonds to provide funds for the construction of a new city hall building. Interest coupon rates range from 4% to 4.25%. The bonds are direct obligations and pledge the full faith and credit of the City. They were issued as 20-year serial bonds with increasing principal amounts due each year. As of this budget period there is \$3,530,000 of outstanding principal. That amount of debt is callable in January 2017 and has been appropriated in this budget to be paid. There will be one more interest payment due on January 1, 2017 which is appropriated to be paid in this budget. This will completely pay off the outstanding debt currently issued by the City.



Debt payments are budgeted in the Reserve for Debt Service Fund. In the budget these payments are classified as expenditures for the fiscal year. In the CAFR, long-term debt is reported as a liability and payments are a reduction of that liability and not an expenditure. In the Reserve for Debt Service Fund financial statement bond premiums and discounts and bond issuance costs, are recognized when incurred. The face amount of the debt issued and premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs whether or not withheld from the actual debt proceeds received are reported as debt service expenditures.

Pursuant to Oregon Revised Statute 287.004, outstanding general obligation debt for cities in Oregon cannot exceed three percent of the real market value of all properties within the city limits. For Happy Valley, this maximum is \$73 million as of June 2015. The city has not issued debt subject to this limitation.

The City currently has no plan to issue any debt. However, we are in the midst of reviewing our service model to determine if it would benefit our citizens to provide services that are currently provided by overlapping districts. If the decision is made to change our service model it is likely the City will issue debt sometime in the future. We are also reviewing the feasibility of moving and expanding our public works facility. If it is determined a new facility is required, there is the possibility that debt would need to be issued to purchase a site and build the facility.

Residents of Happy Valley are subject to debt outside of that issued by the City. Debt issued by overlapping districts becomes part of the debt burden if residents are within those overlapping districts. Happy Valley may be part of various overlapping districts including school, community college, sewer, parks, and fire, as well as county and regional government districts.

Summary of 2016-17 fiscal year budget

Happy Valley budgets at the fund level. A fund is a fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, and balances and changes, which are segregated for specific activities and objectives. Happy Valley uses only governmental fund types. Governmental funds are used to account for most of the city's functions and include general, special revenue, debt service, and capital projects funds.

Description of Funds

General Fund – accounts for all financial resources and expenditures of the City, except those required to be accounted for in another fund. The principal revenue sources are property taxes, intergovernmental revenues, various fees for provided services, and interest income.

Street Fund – accounts for shared state highway revenues and expenditures authorized by the Oregon Constitution to be made from those revenues.

Library Fund – accounts for operations and maintenance of library services within the area designated by the Library District. Revenues are primarily from the Library District calculated distribution based on an intergovernmental agreement.

Parks Fund – accounts for maintenance of Happy Valley Park and city trail system. Revenues are primarily payments from North Clackamas Park and Recreation District based on an intergovernmental agreement.

Systems Development Charge (SDC) Fund – accounts for City's development of infrastructure and improvements. Expenditures include credits to developers and capital outlay. Revenues are primarily fees collected from developers.

Pedestrian Improvement Projects Fund – accounts for pedestrian improvement projects such as bike lanes, pedestrian crossings, pedestrian refuge, sidewalks, and pathways. Revenues in this fund are transfers from the General Fund.

Public Safety Fund – accounts for public safety operations and maintenance within the City. Revenues are primarily from a local option levy.

The following reserve funds are budgeted per Oregon local budget law but are combined into one of the above funds in the Comprehensive Annual Financial Report.

General Operations Reserve Fund – reserve amounts to offset the cyclical nature of resources used to provide the general operations of the City. Revenues are transfers from the General Fund.

Reserve for Replacement Fund – reserve amounts for purchase of large dollar maintenance and capital replacement and purchase, according to an annually reviewed and updated replacement schedule. Accounting for these items here allows operational expenditures to be comparable year over



year without the spikes caused by capital replacement purchases. Revenues are transfers from the General Fund, Library Fund, Street Fund, and Public Safety Fund.

Reserve for Debt Service Fund – reserve amounts for debt service payments for City of Happy Valley, Oregon Full Faith and Credit Obligations Series 2007 issued August 15, 2007. Revenues are transfers from the General Fund.

Highlights

For the fiscal year beginning July 1, 2016 and ending June 30, 2017, the budget totals \$35.7 million. This is an increase of 16% over the previous year budget of \$30.8 million. For this budget personnel services represent 19% of the total budgeted expenditures at \$6.9 million, materials and services represent 18% at \$6.3 million, debt service is 10% at \$3.6 million and capital outlay is 11% of the total budgeted expenditures at \$4 million. The remaining amount is made up of transfers of \$4.9 million, contingency of \$4.1 million, and reserved for future expenditures at \$5.8 million.

Debt service payments are 10% of total budgeted expenditures due to the early payoff of full faith and credit obligations. The balance of \$3.3 million outstanding debt is callable in January 2017 and our plan is to pay off the entire amount. Transfers increased \$2 million as the Library funded its reserve schedule, a change in reserve policy is being implemented, and the park function moved from the General Fund to its own fund. Administrative costs in the General Fund benefit all departments and are allocated to departments and funds based on the cost allocation plan. The plan is updated each year to reflect changes in the organization. Transfers from Parks, Street, Library, Public Safety, and PIP to the General Fund cover the cost of general administration per the cost allocation plan.

Below is the chart of transfers in and out for all funds in this budget.

	General Fund	Parks Fund	Street Fund	Library Fund	Public Safety Fund	Ped Improv Proj	Reserve for Gen Ops	Reserve for Rplcmnt	Reserve for Debt	Total Interfund Transfers
Transfers In	994,320	181,000	-	-	-	100,000	350,000	2,380,000	834,000	4,839,320
Transfers Out	(1,865,000)	(98,900)	(267,470)	(2,239,600)	(331,450)	(36,900)	-	-	-	(4,839,320)
Total by Fund	(870,680)	82,100	(267,470)	(2,239,600)	(331,450)	63,100	350,000	2,380,000	834,000	-

Total Capital Outlay decreased slightly due to a change in budgeting practice. A portion of capital reserve amounts for equipment replacement will be reserved for future expenditures. This change increased the amount reserved for future expenditures from \$5.6 million in the previous budget to \$5.8 million in this budget. These reserves include fees paid in lieu of construction, amounts for mitigation of the cyclical nature of the economy, amounts reserved for replacement of equipment, and amounts reserved for future capital projects. Amounts reserved for future expenditures can be made available for appropriation using the supplemental budget process.

Amounts set aside for the replacement of equipment and facilities are determined based on a schedule using replacement value, life of asset, and years until replacement. This schedule is used to justify amounts set aside in the Reserve for Replacement Fund. This schedule is reviewed and all items evaluated on an annual basis. The schedule is updated as items are replaced and as new items are purchased and meet the criteria for addition.

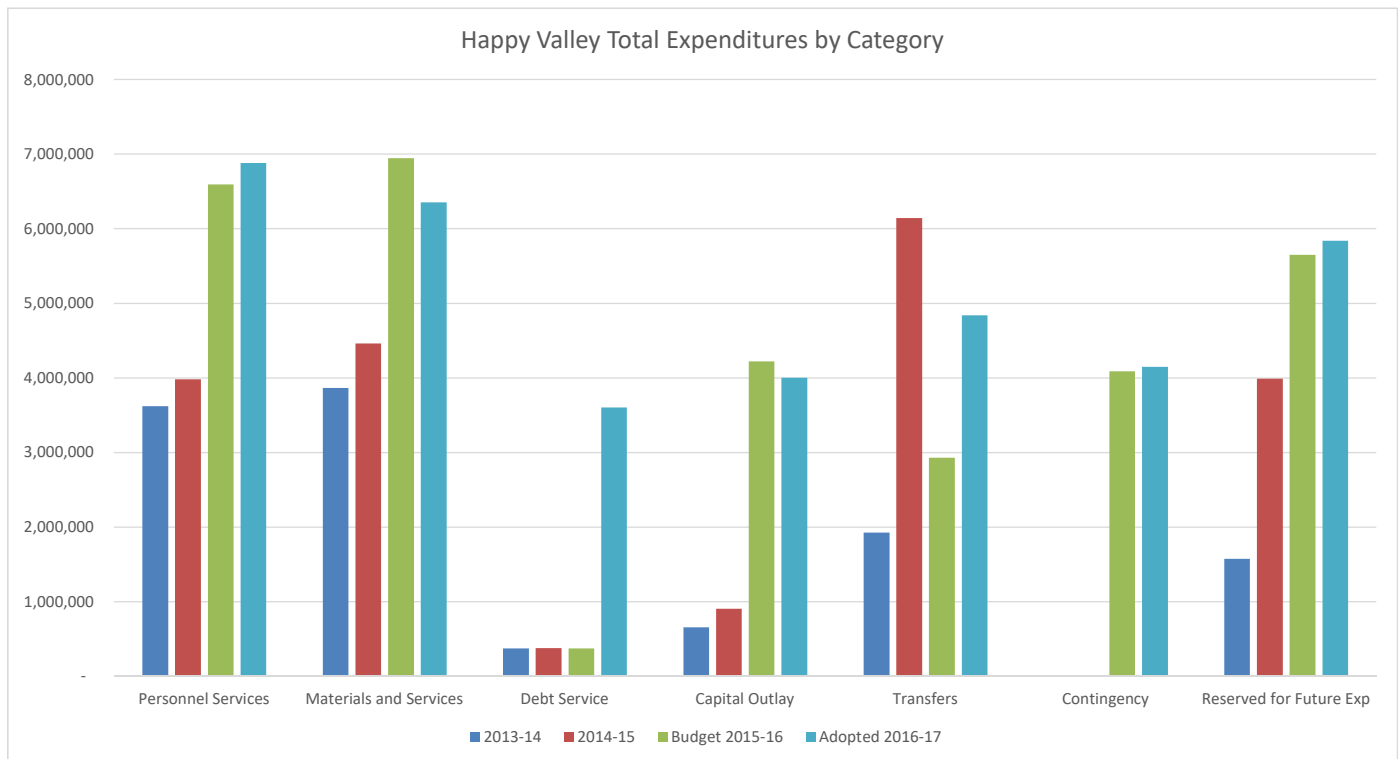
Following are charts and tables showing overall budget information by fund, category and overall resources and requirements.

Total of All Funds - Happy Valley 2016-17 Budget

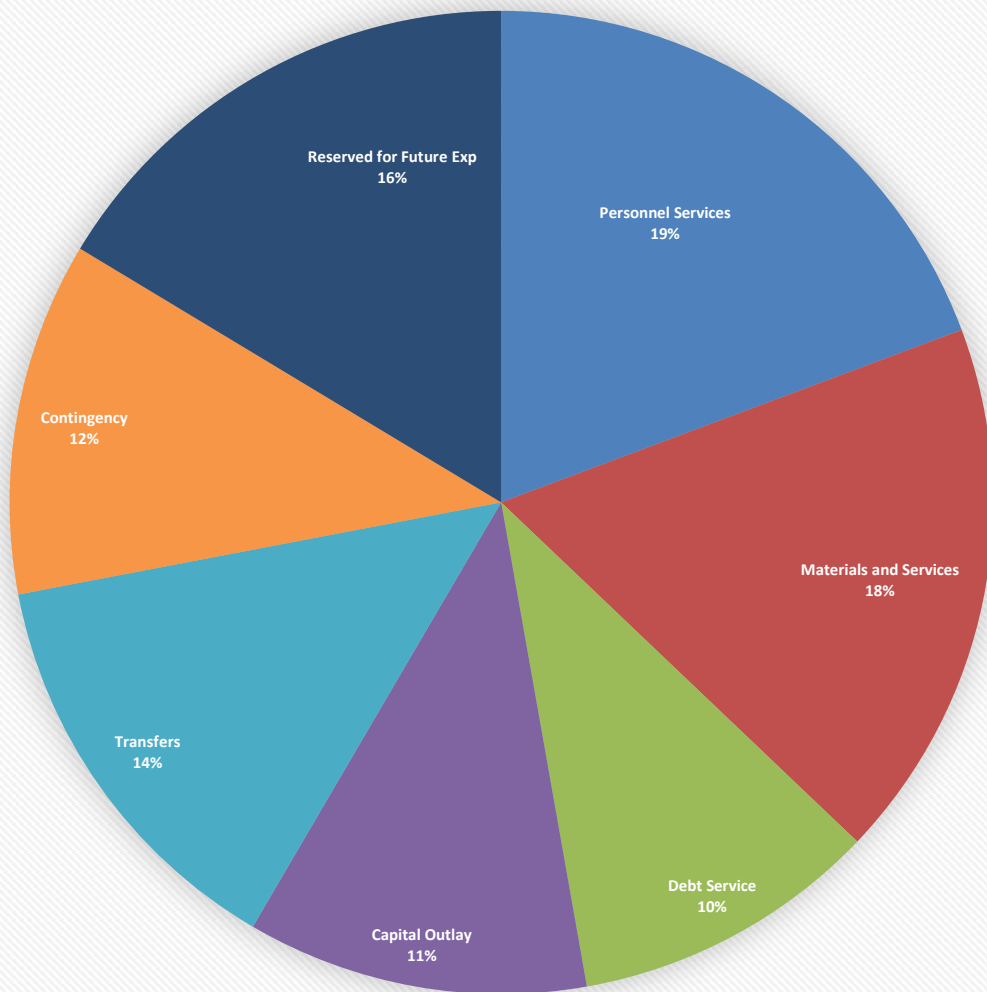
	Preceding 2013-14	Preceding 2014-15	Adopted Budget 2015-16	Estimate 2015-16	Proposed Budget 2016-17	Approved Budget 2016-17	Adopted Budget 2016-17
Resources							
Beginning Fund Balance	10,450,985	12,133,844	14,652,461	15,783,371	16,710,457	16,710,457	16,710,457
Property Taxes	3,732,944	4,052,038	4,378,160	4,462,000	4,774,400	4,774,400	4,774,400
Licenses, Permits, & Fees	3,704,993	3,705,853	3,518,800	4,310,768	4,258,000	4,258,000	4,258,000
Intergovernmental	1,774,514	1,808,138	4,596,978	4,109,538	4,338,815	4,338,815	4,338,815
Fines and Court Related	509,636	508,507	490,000	525,000	525,000	525,000	525,000
Transfers from other Funds	1,925,079	6,143,938	2,929,855	2,929,855	4,939,320	4,839,320	4,839,320
Miscellaneous	477,449	372,325	234,600	279,623	223,500	223,500	223,500
Total Resources	22,575,600	28,724,643	30,800,854	32,400,155	35,769,492	35,669,492	35,669,492
Requirements							
Personnel Services	3,622,454	3,981,299	6,594,000	6,279,008	6,882,700	6,982,700	6,982,700
Materials & Services	3,864,570	4,460,263	6,946,823	4,922,993	6,255,290	6,255,290	6,255,290
Debt Service	374,869	375,944	371,700	371,700	3,452,487	3,452,487	3,603,513
Operations	7,861,893	8,817,506	13,912,523	11,573,701	16,590,477	16,690,477	16,841,503
Transfers to Other Funds	1,925,079	6,143,938	2,929,855	2,929,855	4,939,320	4,839,320	4,839,320
Capital Outlay	654,784	904,928	4,220,805	1,135,000	3,950,732	4,000,732	4,000,732
Operations, Transfers, Capital	2,579,863	7,048,866	7,150,660	4,064,855	8,890,052	8,840,052	8,840,052
Contingency	-	-	4,089,285	-	4,148,018	4,148,018	4,148,018
Reserved for Future Expenditures	1,576,131	3,990,187	5,648,386	5,648,387	6,140,945	5,990,945	5,839,919
Ending Fund Balance	10,557,713	8,868,084	-	11,113,212	-	-	-
Ending Fund Balance, Reserves, and Contingency	12,133,844	12,858,271	9,737,671	16,761,599	10,288,963	10,138,963	9,987,937
Total Requirements	22,575,600	28,724,643	30,800,854	32,400,155	35,769,492	35,669,492	35,669,492

Summary by Category - Happy Valley Expenditures

	Preceding 2013-14	Preceding 2014-15	Adopted Budget 2015-16	Estimate 2015-16	Proposed 2016-17	Approved 2016-17	Adopted 2016-17
Personnel Services	3,622,454	3,981,299	6,594,000	6,279,008	6,882,700	6,882,700	6,882,700
Materials and Services	3,864,570	4,460,263	6,946,823	4,922,993	6,255,290	6,355,290	6,355,290
Debt Service	374,869	375,944	371,700	371,700	3,452,487	3,452,487	3,603,513
Capital Outlay	654,784	904,928	4,220,805	1,135,000	3,950,732	4,000,732	4,000,732
Transfers	1,925,079	6,143,938	2,929,855	2,929,855	4,939,320	4,839,320	4,839,320
Contingency	-	-	4,089,285	-	4,148,018	4,148,018	4,148,018
Reserved for Future Exp	1,576,131	3,990,187	5,648,386	5,648,387	6,140,945	5,990,945	5,839,919
Total Requirements	12,017,887	19,856,559	30,800,854	21,286,943	35,769,492	35,669,492	35,669,492

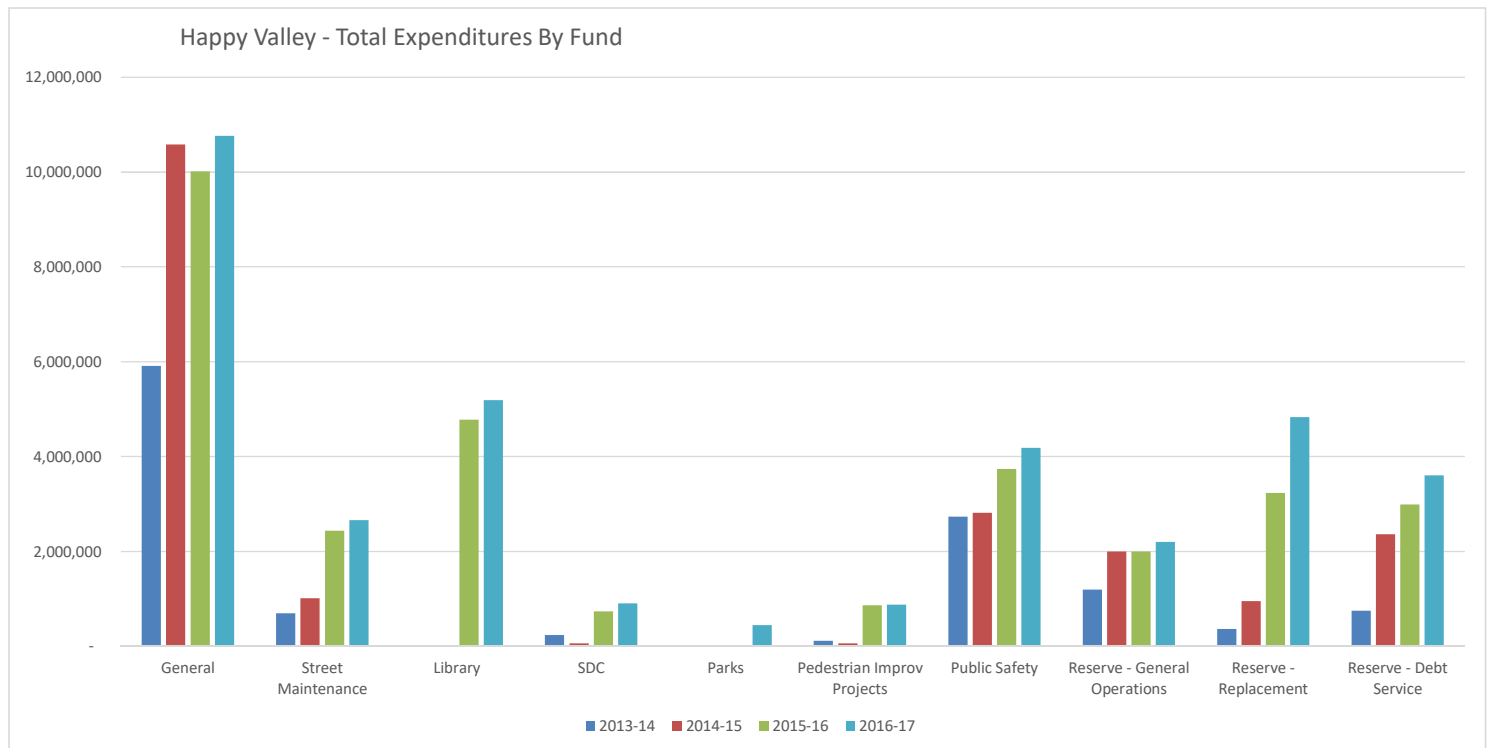


**Happy Valley - 2016-17 Adopted Budget
Expenditure Percentage by Category**

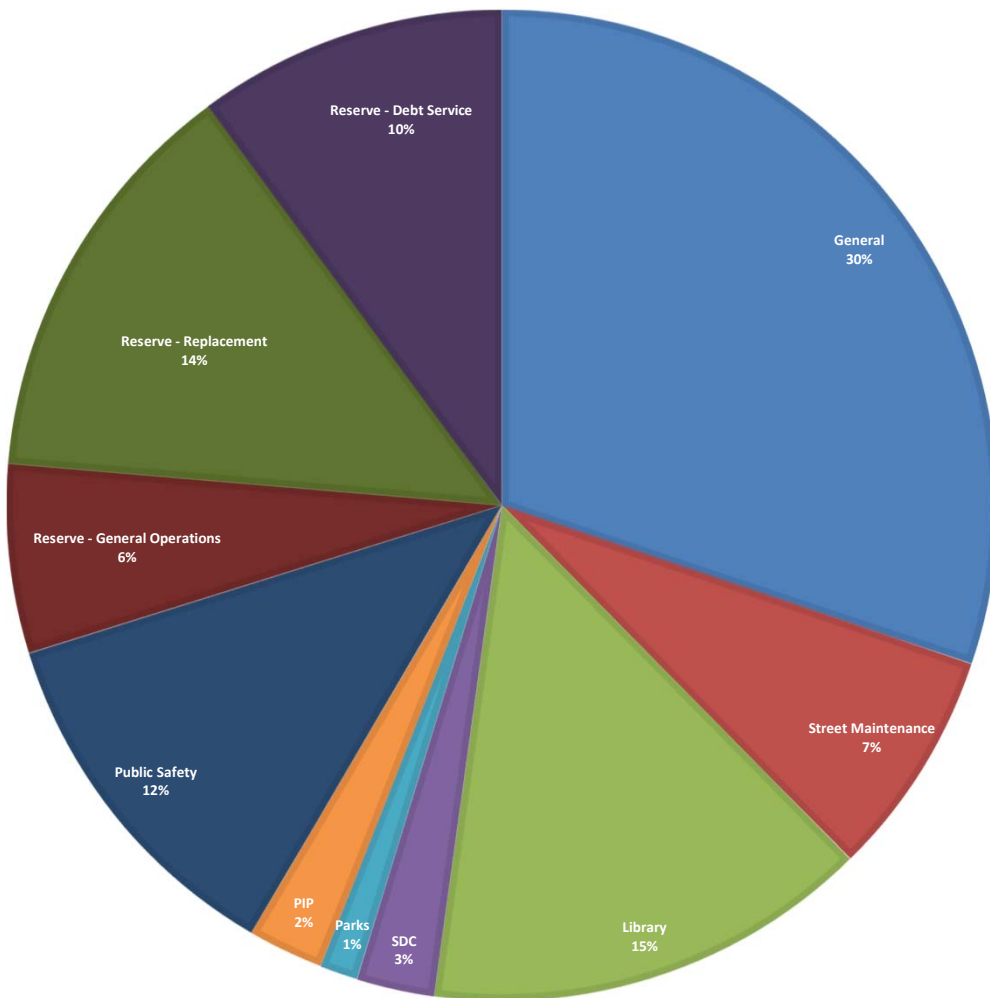


Summary by Fund - Happy Valley Expenditures

	Preceding	Preceding	Adopted	Estimate	Proposed	Approved	Adopted
	2013-14	2014-15	Budget	2015-16	2016-17	2016-17	2016-17
			2015-16				
General	5,914,070	10,577,221	10,013,955	7,685,971	10,765,238	10,765,238	10,765,238
Street Maintenance	698,830	1,017,273	2,436,763	2,166,150	2,658,832	2,658,832	2,658,832
Library	-	-	4,781,154	2,615,840	5,193,005	5,193,005	5,193,005
SDC	235,951	66,110	736,339	30,000	903,815	903,815	903,815
Parks	-	-	-	-	444,700	444,700	444,700
Pedestrian Improv Projects	120,290	62,707	866,633	78,352	882,400	882,400	882,400
Public Safety	2,733,133	2,815,688	3,739,824	2,934,443	4,184,015	4,184,015	4,184,015
Reserve - General Operations	1,200,000	2,000,000	2,000,000	2,000,000	2,500,000	2,350,000	2,198,974
Reserve - Replacement	364,613	951,429	3,236,000	786,000	4,785,000	4,835,000	4,835,000
Reserve - Debt Service	751,000	2,366,131	2,990,186	2,990,187	3,452,487	3,452,487	3,603,513
Total Requirements	12,017,887	19,856,559	30,800,854	21,286,943	35,769,492	35,669,492	35,669,492



**HAPPY VALLEY 2016-17 ADOPTED BUDGET
PERCENTAGE BY FUND**



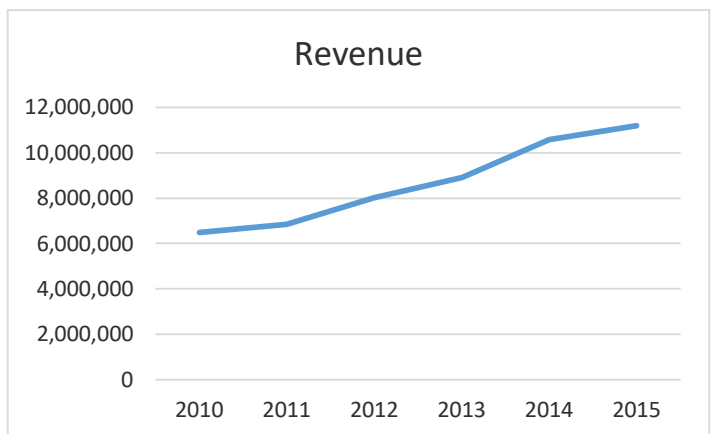
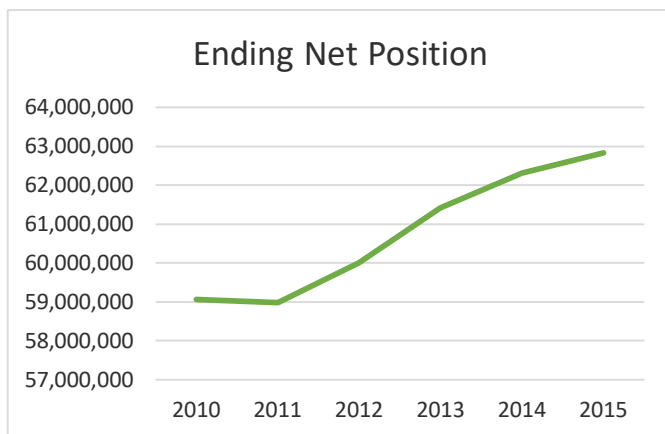
Demographics and Financial Trend Information

The charts and graphs below illustrate the positive economic cycle we are currently experiencing. We have seen healthy amounts of development and building within the City which accounts for much of the increases in revenue. Other factors include the increase in population which increases our proportionate share of state revenues and increases in assessed value which increase property taxes collected.

Net position increases are due to our continued diligence in keeping expenditures below revenues. This is done by creating efficiencies whenever possible. The 2015 increase in Ending Net Position would have been significantly higher except for the adjustment as a result of implementation of GASB Statement No. 68 Accounting and Financial Reporting for pensions – an amendment of GASB Statement No. 27. Implementation of the statement changed the reporting of our share of the liability held by the Public Employee Retirement System as it relates to our employees. We believe the economic upturn will continue and this budget was created using that assumption.

The following shows the change in net position and subsequent change in Ending Net Position for each year.

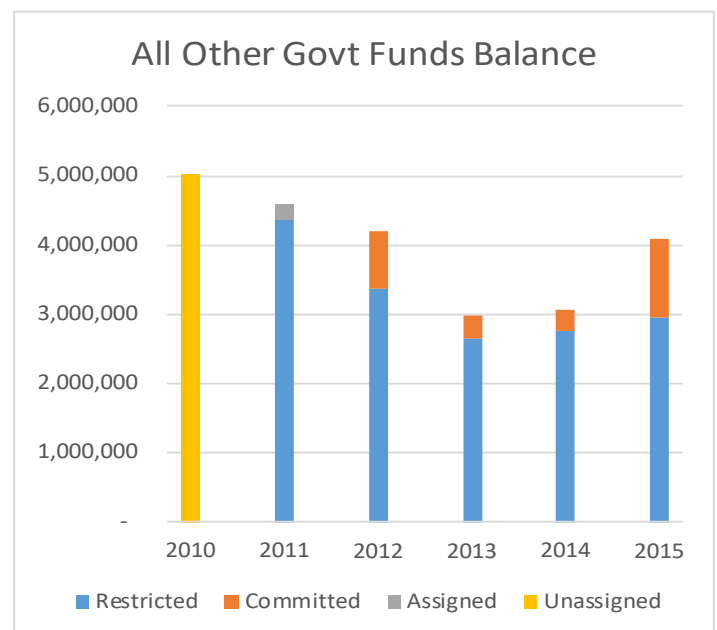
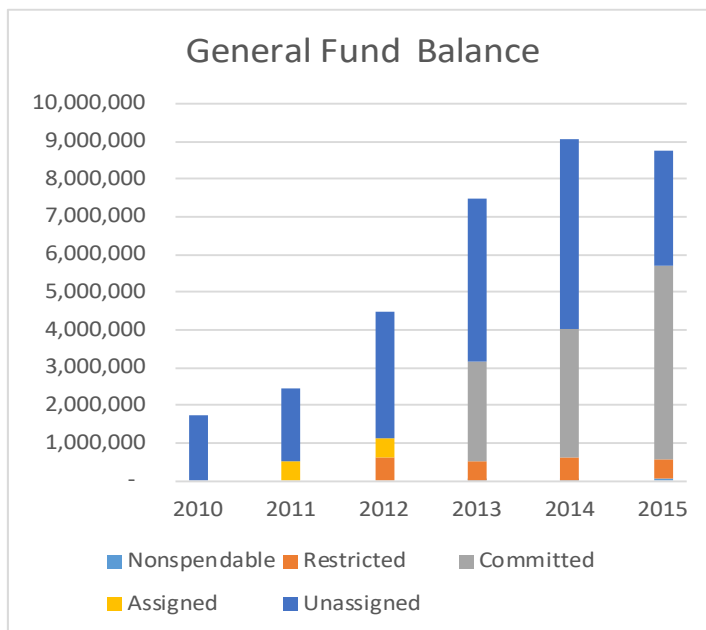
	2010	2011	2012	2013	2014	2015
Revenue	6,472,267	6,855,253	8,008,085	8,896,753	10,567,581	11,183,982
Expenditures	(8,186,597)	(6,929,295)	(6,978,239)	(8,975,109)	(9,667,612)	(9,639,269)
Change in Net Position	(1,714,330)	(74,042)	1,029,846	(78,356)	899,969	1,544,713
Beginning Net Position	60,768,435	59,054,105	58,980,063	60,009,909	61,418,930	62,318,899
Prior Period Adjustment				1,487,377		(1,033,185)
Ending Net Position	59,054,105	58,980,063	60,009,909	61,418,930	62,318,899	62,830,427



The following shows the various components of the General Fund ending fund balance as well as the various components of all other governmental funds combined from 2010 – 2015. The General Fund Committed increases represent reserves for the early pay off of debt, capital replacement and maintenance, and amounts to counter the next economic downturn. The All Other Govt Funds Restricted decrease is a result of depleting residual SDC amounts on projects related to transportation and parks. These amounts were collected before the city joined the transportation and parks districts.

	Fiscal Year					
	2010	2011	2012	2013	2014	2015
Nonspendable	-	-	-	22,744	20,963	46,655
Restricted	-	-	604,874	501,707	574,984	526,381
Committed	-	-	-	2,645,793	3,413,463	5,132,372
Assigned	-	497,608	537,122	-	-	-
Unassigned	1,708,335	1,966,658	3,319,453	4,307,735	5,048,990	3,059,652
Total General Fund	1,708,335	2,464,266	4,461,449	7,477,979	9,058,400	8,765,060

	2010	2011	2012	2013	2014	2015
Restricted	-	4,361,626	3,363,565	2,644,587	2,761,530	2,947,266
Committed	-	-	836,210	328,419	313,914	1,145,945
Assigned	-	210,683	-	-	-	-
Unassigned	5,033,388	-	-	-	-	-
Total All Other Govt Funds	5,033,388	4,572,309	4,199,775	2,973,006	3,075,444	4,093,211





City of Happy Valley Fiscal Year 2016 - 2017 Budget

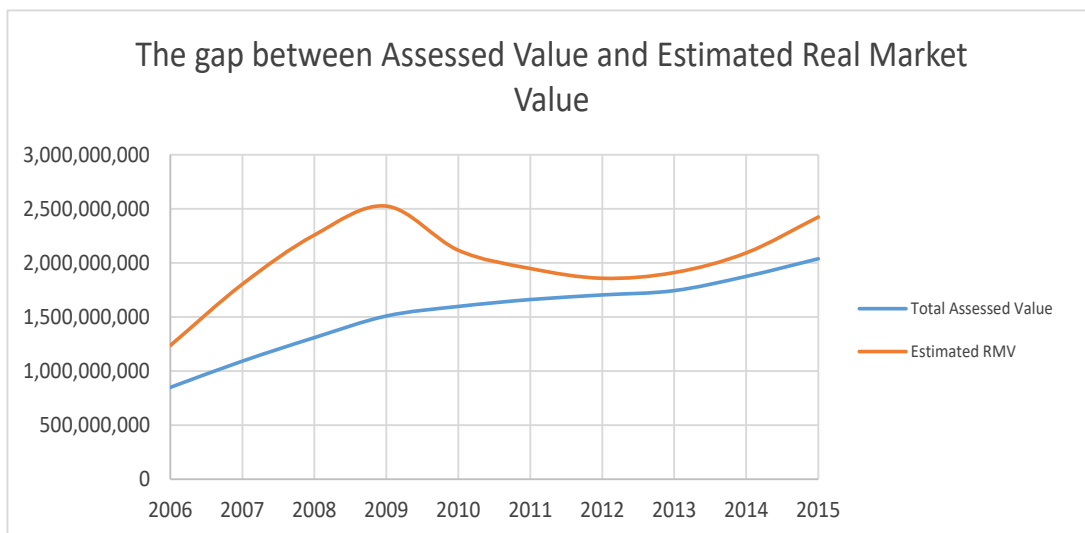
Also included are various charts and graphs as added information. Included are property values with a chart to illustrate the gap between assessed value and estimated real market value, tax rates including overlapping rates, ratios of outstanding debt, direct and overlapping activities debt, legal debt margin information, demographic and economic statistics, principal employers, and operating indicators by program related to Happy Valley. This information is included to help illustrate how financial information in the budget relates to services provided and activities performed by the City as well as provide information about the overall city environment both economic and demographic.

ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY

Fiscal Year Ended June 30	Assessed Value					Total direct tax rate	RMV	Assessed value as percentage of RMV
	Real	Personal	Manuf'd	Public	Total		Estimated	
	property	property	structure	utility	assessed value		real market value (RMV)	
2010	1,548,398,234	8,249,070	1,072,634	39,468,140	1,597,188,078	2.05	2,116,716,946	75%
2011	1,610,806,718	8,698,169	1,046,052	40,575,700	1,661,126,639	2.05	1,947,677,381	85%
2012	1,651,831,555	7,806,424	1,052,525	42,239,100	1,702,929,604	2.05	1,857,342,675	92%
2013	1,694,660,433	6,990,997	1,174,223	40,380,600	1,743,206,253	2.05	1,909,870,958	91%
2014	1,825,265,969	7,350,321	1,181,489	41,387,160	1,875,184,939	2.05	2,092,293,811	90%
2015	1,983,949,205	7,168,002	1,652,341	45,110,200	2,037,879,748	2.05	2,423,646,555	84%

Source: Clackamas County Assessor's Office

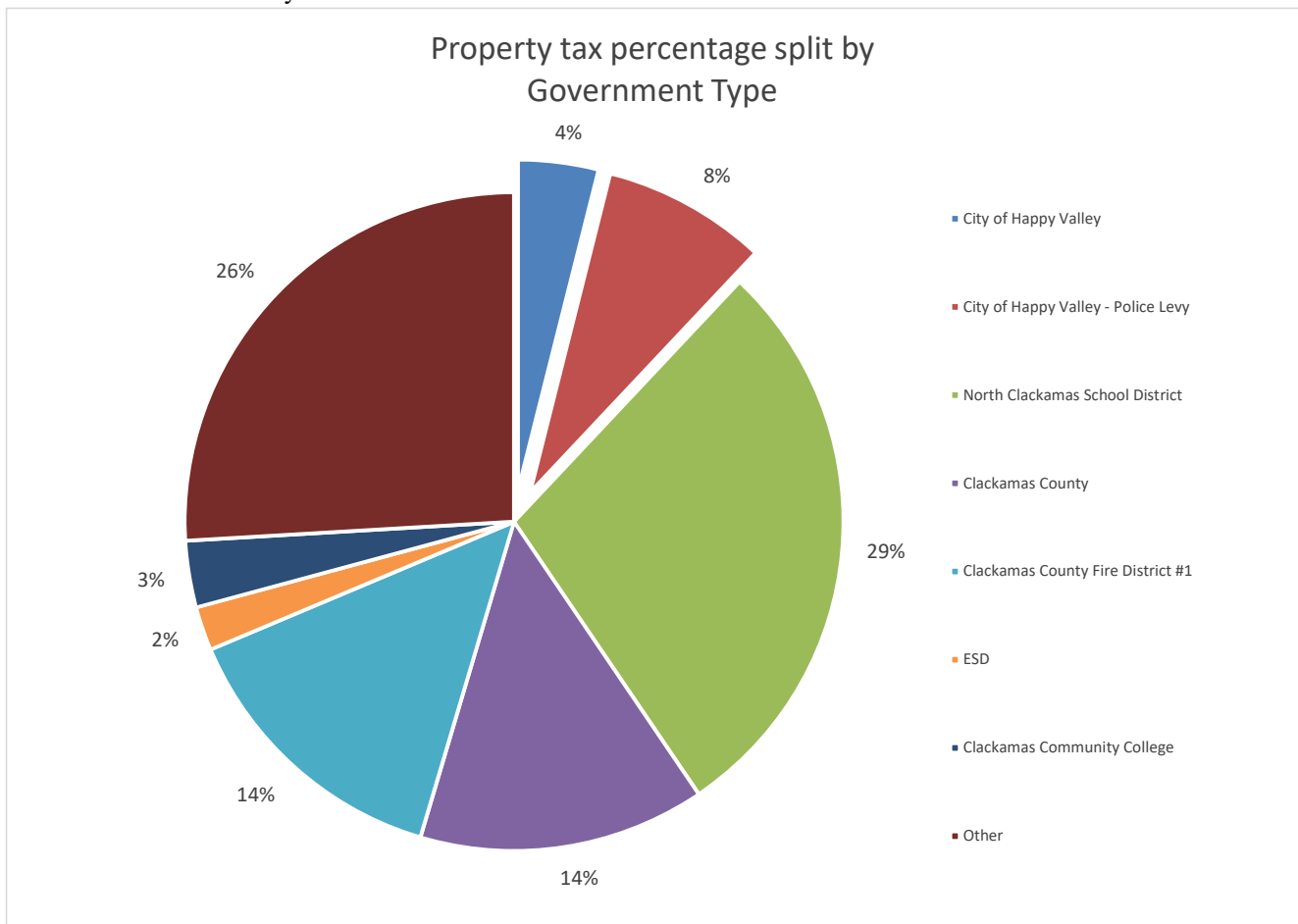
Note: Property is generally assessed as of July 1st of each fiscal year



PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS

Fiscal Year	City direct rates			Overlapping Rates						
	General Operating	Police Levy	Total	School District	Clackamas County	Clackamas	Education	Clackamas	Other	Total Direct and Overlapping
			Direct Rate			County Fire Dist #1	Service District	Community College		
2010	0.671	1.38	2.05	4.57	2.40	2.30	0.3620	0.5450	4.7103	16.94
2011	0.671	1.38	2.05	4.57	2.40	2.30	0.3619	0.5449	4.7269	16.95
2012	0.671	1.38	2.05	4.59	2.40	2.30	0.3624	0.5459	5.1649	17.42
2013	0.671	1.38	2.05	4.58	2.40	2.30	0.3623	0.5455	4.7792	17.02
2014	0.671	1.38	2.05	4.82	2.40	2.38	0.3676	0.5560	4.3478	16.93
2015	0.671	1.38	2.05	4.87	2.40	2.40	0.3687	0.5582	4.4282	17.08

Source: Clackamas County Assessor's Office



RATIOS OF DEBT OUTSTANDING

Fiscal Year Ended <u>June 30</u>	Full Faith and Credit Obligation <u>Bonds (2)</u>	Less: Amounts Available in Debt Service Fund (3)	Total	Percentage of Estimated Real Market Value of Property (1)	Population	Per Capita
2010	4,772,862	0	4,772,862	0.23%	14,100	339
2011	4,590,634	0	4,590,634	0.24%	14,337	320
2012	4,398,406	0	4,398,406	0.24%	14,965	294
2013	4,201,178	0	4,201,178	0.22%	15,575	270
2014	3,993,951	376,131	3,617,820	0.17%	16,480	220
2015	3,776,724	1,990,187	1,786,537	0.07%	17,510	102

(1) See Assessed Value and the Estimated Actual Value of Taxable Property above for property value data.

(2) Presented net of original issuance discounts and premiums

(3) This is the amount available to make debt service principal payments

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**As of June 30, 2015**

<u>Government Unit:</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Amount Applicable to Primary Government</u>
Direct:			
City of Happy Valley	\$ 3,776,724	100.00%	\$ 3,776,724
Overlapping:			
Clackamas Community College	\$ 66,116,012	6.39%	\$ 4,224,813
Clackamas County	98,780,000	4.72%	4,662,416
North Clackamas School District	327,458,315	16.26%	53,244,722
Metro	193,205,000	1.16%	2,241,178
Mt Hood Community College	24,445,000	0.10%	24,445
Centennial School District	26,836,858	1.04%	279,103
Port of Portland	2,609,405	1.07%	27,921
Subtotal, overlapping debt			136,966,153
City of Happy Valley direct debt			3,776,724
Total direct and overlapping debt			<u>\$ 140,742,877</u>

Sources: Oregon State Treasury Department, Debt Management Division

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Happy Valley.

This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account.

However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

	2006	2007	2008	2009	2010
Debt maximum limitation	\$ 37,066,495	\$ 54,065,893	\$ 67,717,826	\$ 75,752,442	\$ 63,501,508
Debt applicable to maximum limit	-	-	-	-	-
Legal debt margin available	37,066,495	54,065,893	67,717,826	75,752,442	63,501,508
Debt applicable to the maximum limit as a percentage of debt limitation	0%	0%	0%	0%	0%
	2011	2012	2013	2014	2015
Debt maximum limitation	\$ 58,430,321	\$ 55,720,280	\$ 57,296,129	\$ 62,768,814	\$ 72,709,397
Debt applicable to maximum limit	-	-	-	-	-
Legal debt margin available	58,430,321	55,720,280	57,296,129	62,768,814	72,709,397
Debt applicable to the maximum limit as a percentage of debt limitation	0%	0%	0%	0%	0%

Legal debt margin calculation for the fiscal year ended June 30, 2015:

Total property real market value	\$ 2,423,646,555
	3%
Debt maximum limitation	72,709,397
Amount of debt applicable to debt limit:	
Total bonded debt outstanding	3,750,000
Less debt excluded from debt limit:	
Full faith and credit obligations	(3,750,000)
Net amount of debt applicable to limit	-
Legal debt margin - amount available for future indebtedness	\$ 72,709,397
Percentage of City's indebtedness to total allowed	0%

(1) Pursuant to Oregon Revised Statutes 287.004, outstanding general obligation debt is limited to three percent of real market value.

Source: Clackamas County Department of Assessment and Taxation



City of Happy Valley Fiscal Year 2016 - 2017 Budget

Demographic and economic statistics

Fiscal Year	Population(1)	Median Age(1)	Household Income	Per Capita Income (1)	Public School Enrollment (2)	Unemployment Rate(3)
2010	14,100	33.4	103,633	35,823	5,592	9.3
2011	14,337	34.4	100,647	35,823	6,014	8.2
2012	14,965	36.0	96,655	35,823	6,434	7.5
2013	15,575	37.1	92,773	36,978	6,516	6.0
2014	16,480	36.8	100,438	37,813	6,585	5.5
2015	17,510	37.0	100,508	40,613	6,859	5.2

Sources (1) U.S. Census Bureau.

(2) North Clackamas School District; included all schools in City limits plus Clackamas High School.

(3) State Department of Labor unemployment rate for the County (not seasonally adjusted).

PRINCIPAL EMPLOYERS

<u>Employer</u>	2015		
	Employees	Rank	Percentage of Total City Employment
New Seasons Market	190	1	8%
Camp Withycombe	100	2	4%
Haggen	95	3	4%
City of Happy Valley	52	4	2%
Greentree DBA McDonald's	50	5	2%
Applebee's Neighborhood Grill	50	6	2%
Providence Medical Group Happy Valley	50	7	2%
Abundant Life Church	50	8	2%
Glenmoore	38	9	2%
Portland Painting and Construction	35	10	1%
	637		26%

Source: City business licenses

OPERATING INDICATORS BY FUNCTION

	Fiscal Year					
	2010	2011	2012	2013	2014	2015
Governmental Activities						
Economic and Community Development						
Residential Building permits issued	91	110	158	276	350	274
Commercial Building permits issued	*	0	16	2	2	5
Public Works:						
Street Sweeping:						
Number of miles swept	*	*	2,500	3,000	2,200	2,500
Volume of material removed (cubic yards)	*	*	285	379	757	900
Winter Storms:						
Sand applied (cubic yards)	*	*	*	26	78	8
Sand picked up after storms	*	*	*	16	50	4
Magnesium chloride/De-icing (gallons)	*	*	4,125	2,100	7,500	900
Landscape Maintenance:						
Fertilizers (lbs)	*	*	*	150	1,110	2,239
Herbicides (gallons)	*	*	*	56	190	135
Park Reservations:						
Reservations coordinated	*	*	153	172	214	210
Number of people served	*	*	*	6,078	8,218	9,207
Trees planted	*	*	*	*	3,150	925
Services performed on fleet vehicles	*	*	*	80	146	170
Crack seal applied on roadways (tons)	*	*	4.25	2.25	6.60	4.50
Signs cleaned and adjusted	*	*	*	*	869	920
Community Services						
Passports issued	803	1,935	1,339	1,690	1,882	2,316
Public Safety:						
Code Enforcement / Animal Control Cases	1,543	1,855	2,023	2,768	2,453	2,108
Parking citations	131	293	547	637	389	306
Number dispatched calls for service	2,871	3,110	3,159	3,251	3,471	3,517
Number of traffic violations	1,878	2,199	2,158	1,849	2,145	2,588
Number of "other" self initiated activities	2,151	2,497	2,158	1,801	1,396	1,521
Number of traffic stops	3,374	3,643	3,301	3,582	3,887	4,111

Source: Various City departments

* Information unavailable at this time.

Personnel Overview

This page summarizes salary and benefits for City employees. The following page is used to show the cost for each department and fund. It also shows the Full Time Equivalent (FTE) budgeted for each fund, each department, and the City as a whole. When reviewing FTE remember personnel costs are not apportioned between funds. A methodology was created to determine an amount each dedicated fund would transfer to the General Fund to cover personnel costs attributable to that fund.

Included in this budget is a 5% wage increase and a 7% benefit increase. The wage increase is composed of a 1.6% cost of living adjustment and a maximum 3.4% merit increase. Overall budgeted FTE increased 1.47 from the previous budget. Administration decreased 1.0 FTE, Economic and Community Development increased 2.0 FTE, Non-Departmental General Fund increased 1.0 FTE, and Library decreased 0.53 FTE. The Library FTE change was due to a better approximation of part time hours. Total FTE increased from 63.16 FTE in the 2015-16 budget to 64.63 FTE in this budget.

Benefits as offered to City employees can be found in the employee manual. Along with benefits required by law the City also offers employees other benefits including medical coverage through CIS Insurance. Employees have the option to choose between Regence Blue Cross and Kaiser Permanente. The costs for these benefits have been estimated to increase 7% for this budget. Employees pay 5% of the premium costs for medical and dental benefits.

The City provides a life insurance benefit for employees with a coverage amount of \$15,000. Employees can opt to have supplemental coverage for themselves and their families. The cost of any supplemental life insurance is paid by the employee.

Employees of the City are eligible to become members of the Public Employees Retirement System (PERS). The City pays the employer rate for member's pension share accounts as well as picks up the 6% contribution to the Individual Account Program. The PERS employer rate for contributions are unchanged from the previous budget and include the 2015-17 biennium rates of 14.40% for Tier1 / Tier 2 and 11.08% for OPSRP.

An adverse court ruling regarding PERS reform bills previously passed by the legislature, improvements in retiree longevity, and lowering the assumed earnings rate by the PERS board have led to an increase in the system's unfunded actuarial liability. PERS issued advisory rates for employers which show 2017-19 biennium rates will rise. Those rates do not affect this budget but since we know they will rise we are proposing an increase to the Reserve for General Operation Fund to allow the City to set aside adequate reserves to cover those increases.

The City provides a long term disability insurance benefit for employees with coverage beginning after 90 days. The City also provides an accidental death and dismemberment (AD&D) benefit for employees with a coverage amount of \$15,000.

Following is information related to positions by department along with their respective FTE's and salary ranges.

2016-17 Adopted Budget - Positions

			Adopted		Proposed	Approved	Adopted		
Department and Position		2013-14	Budget 2015-16	Estimate 2015-16	Budget 2016-17	Budget 2016-17	Budget 2016-17	Salary Low	Range High
Administration									
City Manager's Office									
City Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	No range for position	
Executive Assistant	1.00	1.00	1.00	1.00	1.00	1.00	1.00	55,489	73,237
Deputy City Manager			1.00	1.00	1.00	1.00	1.00	No range for position	
Program Technician		1.00	1.00	1.00	1.00	1.00	1.00	43,826	58,183
New			2.00						
Finance and IT									
Director of Finance and IT	1.00	1.00	1.00	1.00	1.00	1.00	1.00	94,294	126,310
Senior Accountant	1.00	1.00	1.00	1.00	1.00	1.00	1.00	57,886	75,254
IT Administrator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	63,968	83,812
Accountant I	1.00		1.00	1.00	1.00	1.00	1.00	50,220	65,761
Human Resources and City Recorder									
City Recorder/HR Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	86,826	117,367
Deputy City Recorder				1.00	1.00	1.00	1.00	50,305	66,206
	7.00	7.00	11.00	10.00	10.00	10.00	10.00		
Economic and Community Development									
Community Development Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	99,181	131,712
Administrative Assistant III	1.00	1.00	1.00	1.00	1.00	1.00	1.00	42,314	55,179
Planning									
Planning Services Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	63,877	84,649
Assistant Planner	1.00	1.00	1.00	1.00	1.00	1.00	1.00	48,908	63,891
Associate Planner		1.00		1.00	1.00	1.00	1.00	56,404	73,590
New position					1.00	1.00	1.00		
Engineering									
Engineering Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	77,709	102,050
Engineer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	67,714	90,792
Engineering Technician		1.00	1.00	1.00	1.00	1.00	1.00	54,191	71,372
Building Inspection									
Building Official	1.00	1.00	1.00	1.00	1.00	1.00	1.00	78,000	102,454
Permit Technician	1.00	1.00	3.00	3.00	3.00	3.00	3.00	44,628	57,753
Building Inspector I	2.00	2.00	2.00	2.00	2.00	2.00	2.00	53,737	70,288
Building Inspector II	2.00	2.00	2.00	2.00	2.00	2.00	2.00	58,547	76,081
Building Insp/Plans Examiner	1.00	1.00	1.00	1.00	1.00	1.00	1.00	61,485	79,768
Plumbing/Bldg Insp	1.00	1.00	1.00	1.00	1.00	1.00	1.00	58,547	76,081
	14.00	16.00	17.00	18.00	19.00	19.00	19.00		
Community Services and Public Safety									
Community Services									
Comm Svcs/Pub Safety Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	88,033	117,679
Program Coordinator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	51,700	67,367
Program Technician	1.50	1.00	2.00	1.90	2.00	2.00	2.00	43,826	58,183
Administrative Assistant II	1.00	1.00	1.00	1.00	1.00	1.00	1.00	37,284	45,686
Administrative Assistant I	1.00	1.00	1.00	1.00	1.00	1.00	1.00	33,384	43,503
Code Enforcement									
Code Enforcement Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	54,662	71,691
Comm Svcs Officer	2.00	2.00	2.00	2.00	2.00	2.00	2.00	54,662	71,691

2016-17 Adopted Budget - Positions

Department and Position	2013-14	2014-15	Adopted	Estimate	Proposed	Approved	Adopted	Salary Low	Range High
			Budget 2015-16	2015-16	Budget 2016-17	Budget 2016-17	Budget 2016-17		
Municipal Court									
Court Clerk	2.00	2.00	2.00	2.00	2.00	2.00	2.00	41,805	54,524
	10.50	10.00	11.00	10.90	11.00	11.00	11.00		
Public Works									
Public Works Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	88,820	115,652
Administrative Assistant II	1.00	1.00	1.00	1.00	1.00	1.00	1.00	37,284	45,686
Heavy Equip Mechanic		1.00	1.00	1.00	1.00	1.00	1.00	50,403	65,096
Utility Worker II - WES Contract			1.00	1.00	1.00	1.00	1.00	42,813	55,685
	2.00	3.00	4.00	4.00	4.00	4.00	4.00		
Non-Departmental - General Fund									
Limited Duration Position	-	-	-	-	-	1.00	1.00	No range for position	
	-	-	-	-	-	1.00	1.00		
Parks									
Utility Worker I	1.00	1.00	1.00	1.00	1.00	1.00	1.00	38,459	49,797
Utility Worker II	1.00	1.00	1.00	1.00	1.00	1.00	1.00	42,813	55,685
	2.00	2.00	2.00	2.00	2.00	2.00	2.00		
Streets									
Utility Worker II	3.00	2.00	2.00	2.00	2.00	2.00	2.00	42,813	55,685
Utility Worker I	2.00	2.00	1.00	1.00	1.00	1.00	1.00	38,459	49,797
	5.00	4.00	3.00	3.00	3.00	3.00	3.00		
Library									
Library Director			1.00	1.00	1.00	1.00	1.00	82,207	109,392
Administrative Assistant III			1.00	1.00	1.00	1.00	1.00	42,314	55,179
Program Supervisor			1.00	1.00	1.00	1.00	1.00	No range for position	
Librarians			4.00	4.00	4.00	4.00	4.00	50,435	66,014
Library Assistant I			2.00	2.00	2.00	2.00	2.00	36,442	47,545
Library Aide			1.00	1.00	1.00	1.00	1.00	32,101	41,264
Part time positions			2.93	2.93	3.43	3.43	3.43	32,101	54,766
Regular Limited Status positions			2.23	1.20	1.20	1.20	1.20	32,101	54,766
	-	-	15.16	14.13	14.63	14.63	14.63		
Total FTE	40.50	42.00	63.16	62.03	63.63	64.63	64.63		
Total Full Time Positions	38.00	40.00	55.00	55.00	56.00	57.00	57.00		
Total Part Time Positions	2.50	2.00	8.16	7.03	7.63	7.63	7.63		
Total FTE	40.50	42.00	63.16	62.03	63.63	64.63	64.63		
General Fund FTE	35.50	38.00	45.00	44.90	44.00	45.00	45.00		
Other FTE	5.00	4.00	18.16	17.13	19.63	19.63	19.63		
Total FTE	40.50	42.00	63.16	62.03	63.63	64.63	64.63		

General Fund

General Fund

The General Fund accounts for all financial activities of the City except for those that by law or council decision are accounted for in other funds. The City's General Fund has five distinct departments: Administration, Community Services and Public Safety, Economic and Community Development, Public Works, and Parks.

Revenue Sources

The main sources of revenue in the General Fund are property taxes, franchise fees from utilities operating within the City, land use and construction fees, building permit fees, city's portion of various state shared revenues, municipal court fees, and intergovernmental revenue

Expenditures

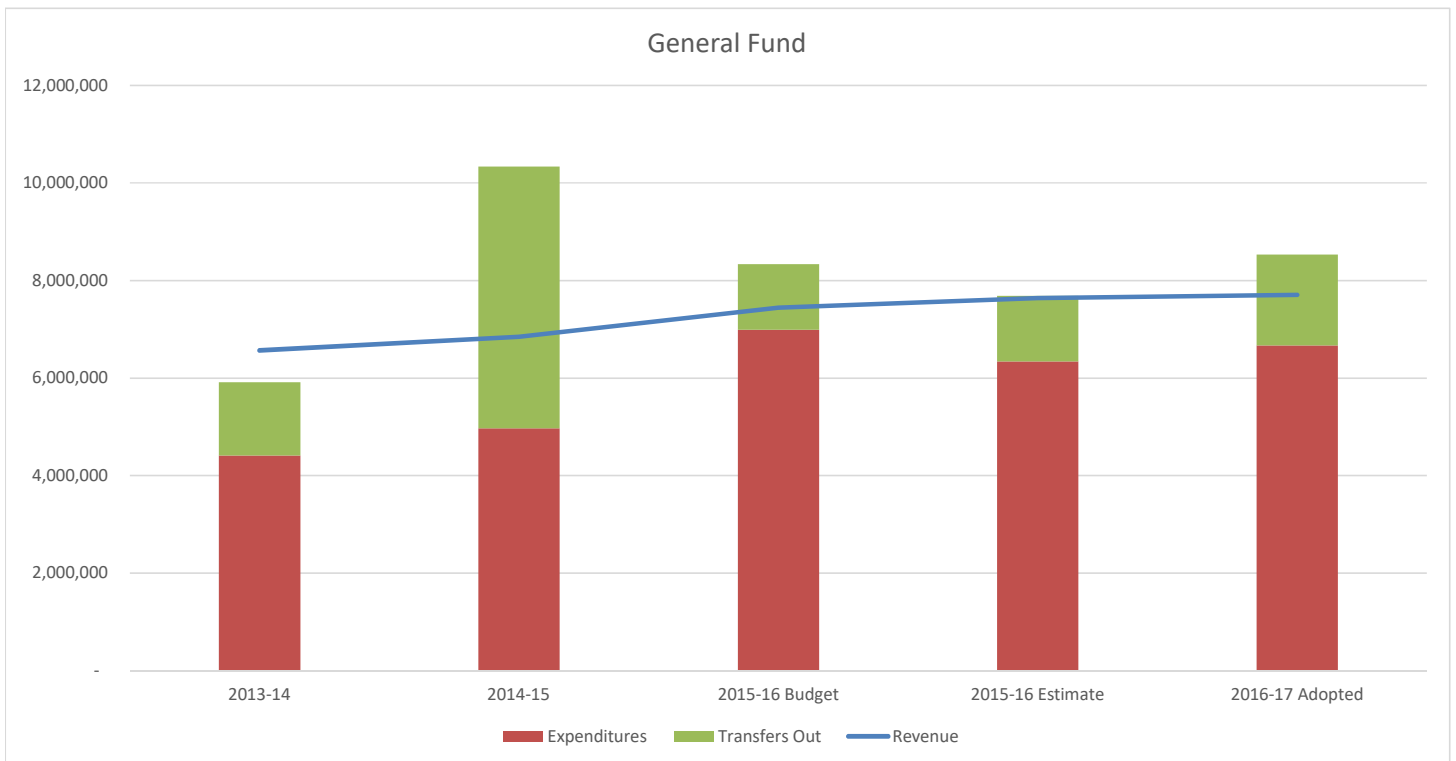
The main expenditures within the five departments are personnel and materials and services. General Fund capital outlay is expended in the Reserve for Replacement Fund which receives revenue as a transfer from the General Fund.

	Budget for Fiscal Year 2016 - 2017					
	Preceding 2013-14	Preceding 2014-15	Adopted Budget 2015-16	Proposed	Approved	Adopted
Administration	1,504,877	1,661,012	2,235,200	2,369,400	2,369,400	2,369,400
Community Services and Public Safety	885,063	898,091	1,104,400	1,189,300	1,189,300	1,189,300
Economic and Community Development	1,455,621	1,783,232	2,118,400	2,481,300	2,481,300	2,481,300
Public Works	292,121	310,050	600,600	627,100	627,100	627,100
Parks	269,525	314,936	928,100	-	-	-
Non-Departmental	-	-	-	-	100,000	100,000
Transfers	1,506,863	5,369,900	1,350,000	1,965,000	1,865,000	1,865,000
Contingency	-	-	1,677,255	2,133,138	2,133,138	2,133,138
Total	5,914,070	10,337,221	10,013,955	10,765,238	10,765,238	10,765,238

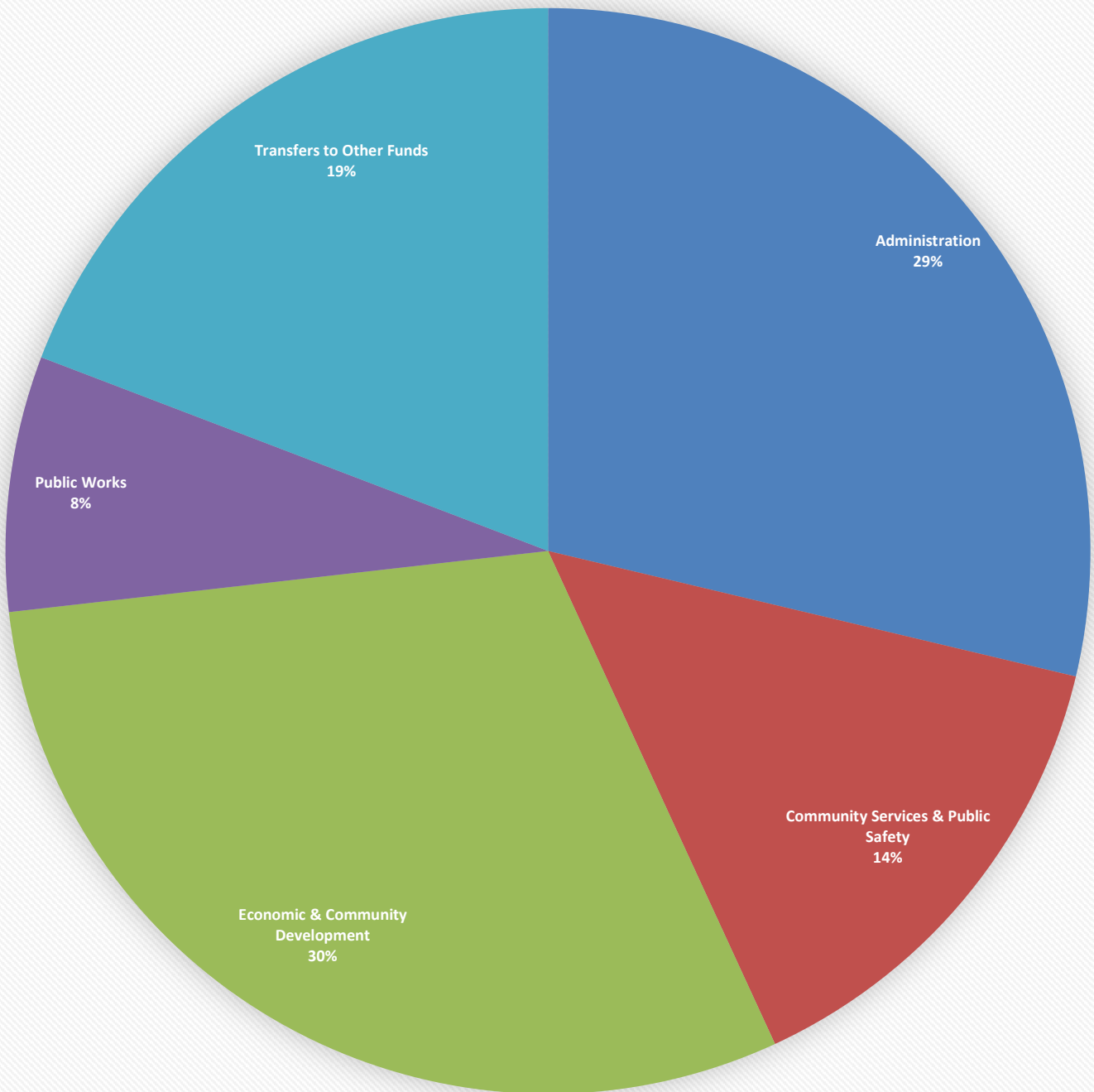
General Fund

	Preceding 2013-14	Preceding 2014-15	Adopted 2015-16 Budget	2015-16 Estimate	2016-17 Proposed	2016-17 Approved	2016-17 Adopted
Revenue	6,568,172	6,841,968	7,443,955	7,640,134	7,704,770	7,704,770	7,704,770
Expenditures	4,407,207	4,967,321	6,986,700	6,335,971	6,667,100	6,667,100	6,667,100
Transfers Out	1,506,863	5,369,900	1,350,000	1,350,000	1,965,000	1,865,000	1,865,000
Annual Operating Surplus / (Shortfall)	654,102	(3,495,253)	(892,745)	(45,837)	(927,330)	(827,330)	(827,330)
Beginning Fund Balance	5,947,458	6,601,560	2,570,000	3,106,305	3,060,468	3,060,468	3,060,468
Ending Fund Balance / Contingency	6,601,560	3,106,307	1,677,255	3,060,468	2,133,138	2,233,138	2,233,138

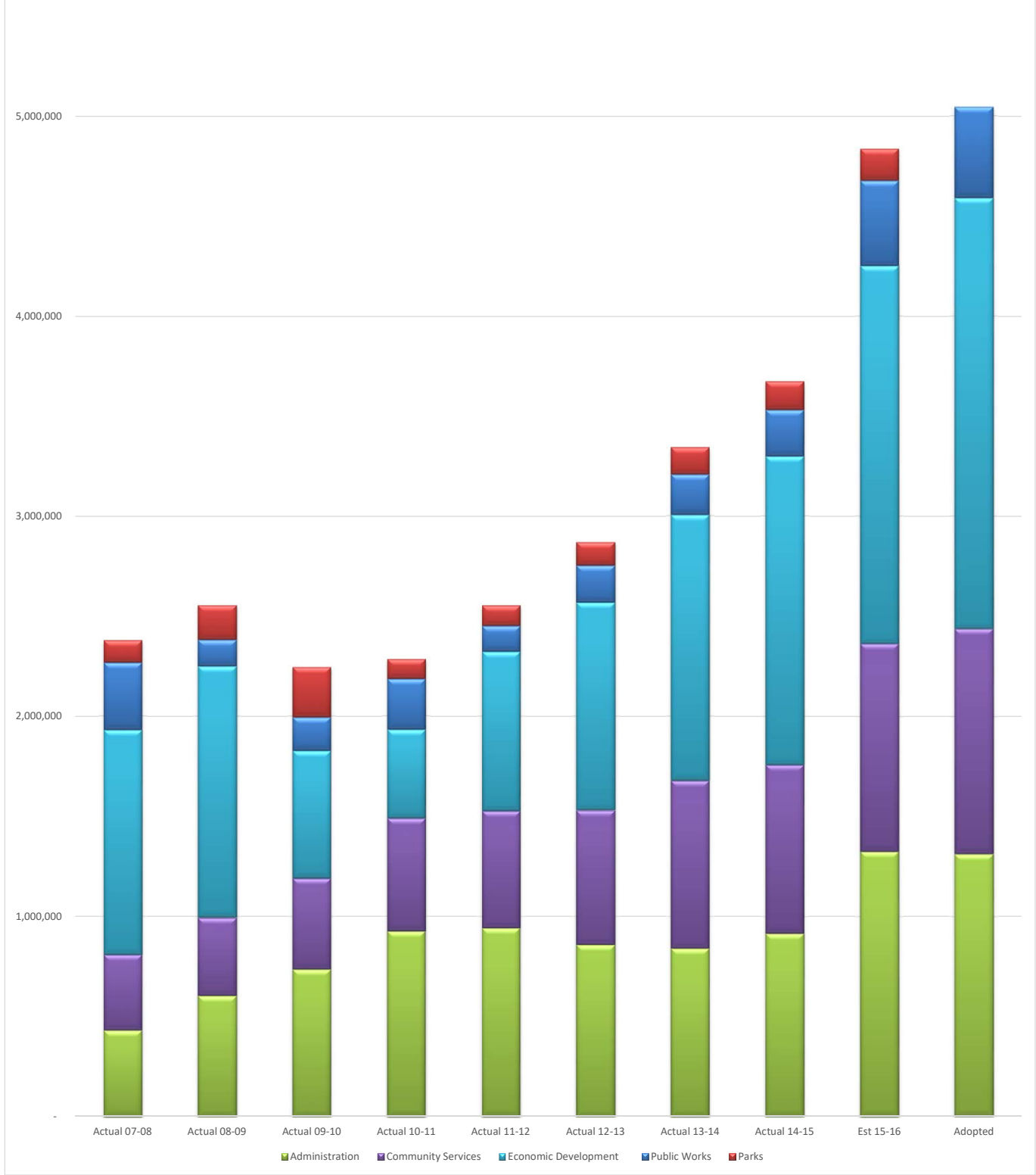
FY2017 Exp and Annual Operating Shortfall high due to transfer for early bond pay off and increase reserve fund



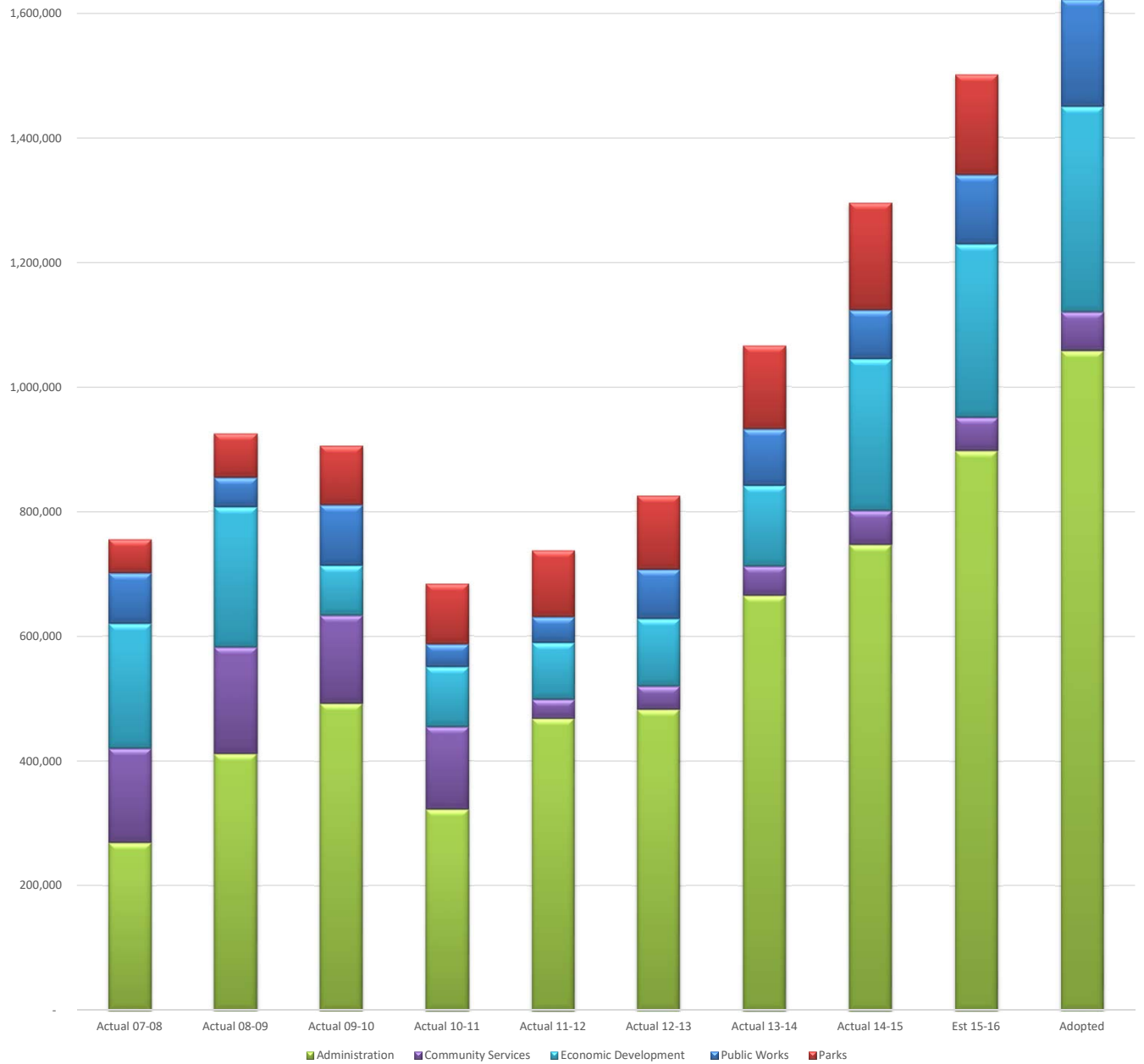
GENERAL FUND EXPENDITURES Adopted Budget 2016-17



General Fund - Personnel Services



General Fund - Materials and Services



General Fund

Resources

General Fund

	Preceding 2013-14	Preceding 2014-15	Adopted Budget 2015-16	Estimate 2015-16	Proposed Budget 2016-17	Approved Budget 2016-17	Adopted Budget 2016-17
Resources							
Beginning Fund Balance	5,947,458	6,601,560	2,570,000	3,106,305	3,060,468	3,060,468	3,060,468
Property Taxes	1,229,997	1,339,482	1,447,000	1,446,600	1,547,900	1,547,900	1,547,900
State Shared Rev	386,622	414,007	415,000	415,000	450,000	450,000	450,000
ROW Use Fee	813,862	877,705	845,000	845,000	1,240,000	1,240,000	1,240,000
User Related Fees	228,569	222,656	237,000	230,000	220,000	220,000	220,000
Building Fees	1,850,301	1,383,179	1,300,000	2,000,000	1,700,000	1,700,000	1,700,000
Planning Fees	257,370	495,400	418,000	300,000	350,000	350,000	350,000
Engineering Fees	215,683	384,515	357,500	480,000	400,000	400,000	400,000
Traffic Fines	420,854	463,849	420,000	465,000	465,000	465,000	465,000
Court Related Fees	88,782	44,658	70,000	60,000	60,000	60,000	60,000
Intergovernmental	464,607	433,928	936,500	420,000	122,550	122,550	122,550
Misc Revenue	205,004	158,551	175,100	155,679	155,000	155,000	155,000
Transfers In	406,521	624,038	822,855	822,855	994,320	994,320	994,320
Total Revenues	6,568,172	6,841,968	7,443,955	7,640,134	7,704,770	7,704,770	7,704,770
Total Resources	12,515,630	13,443,528	10,013,955	10,746,439	10,765,238	10,765,238	10,765,238

General Fund Resources

Beginning Fund Balance: Funds available but not spent during the previous fiscal year.

Property Taxes: The City's permanent tax rate is \$0.671 per thousand dollars and is levied on the assessed value of property within the City as determined under current state law. Includes taxes levied in prior years but collected in the current year.

State Shared Revenues: Includes 20% of liquor receipts distributed monthly to cities on a per capita basis with statutory authorization for distribution in ORS 471.810(a)(b) and 471.810(1)(d) and 14% of liquor revenues paid quarterly to cities based on formula outlined in the ORS 221.770. HB3601 passed in the 2013 Special Session and implemented January 1, 2014 raised the cigarette tax 13 cents. Although the tax per pack increased cities will not receive any additional proceeds. Two 2 cents of the \$1.31 per pack cigarette tax is distributed monthly to cities on a per capita basis with statutory authorization for distribution in ORS 323.445. Population estimates compiled each July by Portland State University's Center for Population Research are certified in January of the following year and thereafter govern the distributions. These funds may be used for general city operations.

ROW Use Fees: Revenues related to right of way ordinance. Fees are calculated on revenues earned within the City limits.

User Related Fees: Includes fees paid to operate within or use services provided by the City. These include facility rental charges, cell phone tower rental fees, park reservation fees to reserve space at Happy Valley Park, bi-annual alarm permits, late payment and false alarm assessments, burn permits, registration fee for any dog 6 months or older, fees to operate a business within the City, fee for passport photos and process filing for US Customs, Metro business license program revenue.

Building Permit Fee: Residential and commercial, new and remodel inspection permits. Plan review for residential and commercial buildings including commercial buildings requiring a fire life safety plan. Permits and fees for mechanical inspection, plumbing inspection, and single lot erosion control. Other building permits not listed above such as: re-inspection, statewide Minor Label program revenue from the State of Oregon for performing plumbing and mechanical inspections, septic tank or sewer line abandonment, connection of public lateral to private homeowner sewer, residential construction sidewalk and driveway approach inspection, and certificates of occupancy.

General Fund Resources

Planning Fees: Includes all categories of development fees including fees by type of application and fees associated with a cost per lot to be developed. Fees are set to cover staff time and all related costs.

Engineering Fees: Includes fees to cover improvement plan review, overall development, erosion sediment control plan review, and periodic construction supervision of public improvements by the City to ensure compliance with National, State, Regional, and City standards.

Traffic Fines: Fines imposed in the Happy Valley Municipal Traffic Court.

Court Related Fees: Includes state and county fees associated with Traffic Court fines, municipal code violation fines, traffic safety class for persons who commit minor traffic infractions, fee to review variance applications and monitor for non-compliance issues.

Intergovernmental: Revenue from other municipalities or governmental agencies such as NCPRD for maintenance of parks, solid waste franchise fees, 5% of park SDCs, 5% of Metro Construction Excise tax, 3% of North Clackamas School District Construction Excise Tax and fees to cover administrative costs, payments from other jurisdictions for code enforcement, building inspection, street sweeping services provided, and grant revenue received from other municipalities or governmental agencies.

Misc Revenue: Includes but not limited to: unanticipated income for copy fees, refunds, donations and fund-raising to defray community events costs, interest income from cash in the Local Government Investment Pool, grant revenue received from other than governmental agencies.

Transfers In: From other funds to cover respective portion of allocated costs associated with administration.

General Fund
Administration

General Fund Administration

Manager: Barbara Muller, CPA

Administration consists of the Office of the City Manager, Human Resources, City Recorder, Risk, Finance, and Information Technology.

City Manager

The Office of the City Manager is responsible for governmental coordination/cooperation, program evaluation/management, management of City staff, Council coordination/communication, special project management, implementation of Council goals and policies, fiscal responsibility/transparency, and franchise agreement negotiation/administration.

Staff members include City Manager, Deputy City Manager, Policy Analyst, Executive Assistant.

Human Resources/City Recorder/Risk Management

Human Resources is responsible for ensuring comprehensive competitive benefit packages, providing strategic interaction with departments to attract, hire, and retain top candidates for each position, work collaboratively to provide the best outcomes to challenges related to employees as they occur.

The City Recorder is responsible for the maintenance of official Ordinances and Resolutions and records pertaining to the City Council, liaison with the Clackamas County Recorder's Office, as well as all archival responsibilities for City records. The City Recorder also acts as the Elections Officer, ensuring all applicable laws are adhered to during the course of all elections within the City.

Risk management includes 1) identification of risk 2) risk assessment including minimizing exposures wherever practicable 3) transfer of risk utilizing risk management and insurance strategies 4) implementation and ongoing monitoring of the risk management plan 5) review and revision as needed. Administration and evaluation of Contracts, Intergovernmental Agreements, Bonds and other forms of financial guaranty which the City regularly requires for both developments within the City, as well as for projects initiated by the City Council. Management of the City's insurance program including Property, Casualty, and Workers' Compensation.

Staff members include Director of Human Resources/City Recorder, Deputy City Recorder.

General Fund Administration

Finance and Information Technology Department

Finance is responsible for management of all financial aspects in accordance with generally accepted accounting principles and Federal and State regulations, maintenance of automated systems to provide useful accurate financial information to internal and external users, creation of annual budget per local budget statutes, creation of financial statements, management of annual audit process, manage banking and investments.

Information Technology manages City servers, WAN and LAN, computer and peripheral equipment, all software programs tailored specifically to meet the varying needs of staff.

Staff members include Finance Director, Senior Accountant, Accountant, IT Administrator.

Budget Summary:

	Preceding		Adopted Budget 2015-16	Budget For Fiscal Year 2016 - 2017		
	2013-14	2014-15		Proposed	Approved	Adopted
Personnel Services	840,013	914,370	1,354,800	1,311,400	1,311,400	1,311,400
Material and Services	664,864	746,642	880,400	1,058,000	1,058,000	1,058,000
Total	1,504,877	1,661,012	2,235,200	2,369,400	2,369,400	2,369,400

General Fund - Administration

	Preceding 2013-14	Preceding 2014-15	Adopted Budget 2015-16	Estimate 2015-16	Proposed Budget 2016-17	Approved Budget 2016-17	Adopted Budget 2016-17
Personnel Services							
FTE Positions	7.0	7.0	11.0	10.0	10.0	10.0	10.0
Wages	\$ 536,922	\$ 585,690	\$ 866,000	\$ 861,000	\$ 838,000	\$ 838,000	\$ 838,000
Benefits	303,091	328,680	488,800	463,800	473,400	473,400	473,400
Total Personnel Services	<u>840,013</u>	<u>914,370</u>	<u>1,354,800</u>	<u>1,324,800</u>	<u>1,311,400</u>	<u>1,311,400</u>	<u>1,311,400</u>
Materials and Services							
Office Supplies	38,394	45,538	52,400	60,332	65,000	65,000	65,000
Professional Development	89,410	118,466	130,000	145,370	155,000	155,000	155,000
Utilities	78,051	93,249	96,000	94,085	97,000	97,000	97,000
Public Accountability	31,468	26,324	33,000	27,000	30,000	30,000	30,000
Repairs & Maintenance	39,426	45,942	45,000	15,054	16,000	16,000	16,000
Facility & Office Service Contracts	103,960	83,487	115,000	156,430	165,000	165,000	165,000
Public Outreach	119,119	130,286	150,000	122,524	130,000	130,000	130,000
General Operating	93,105	108,510	107,000	145,000	150,000	150,000	150,000
Legal	66,173	87,790	102,000	124,638	150,000	150,000	150,000
Contract Services	5,758	7,050	50,000	7,000	100,000	100,000	100,000
Total Materials and Services	<u>664,864</u>	<u>746,642</u>	<u>880,400</u>	<u>897,433</u>	<u>1,058,000</u>	<u>1,058,000</u>	<u>1,058,000</u>
Total Administration	<u>\$ 1,504,877</u>	<u>\$ 1,661,012</u>	<u>\$ 2,235,200</u>	<u>\$ 2,222,233</u>	<u>\$ 2,369,400</u>	<u>\$ 2,369,400</u>	<u>\$ 2,369,400</u>

General Fund Expenditures, Administration

Personnel:

Wages: City Manager, Deputy City Manager, Director of Finance and IT, Director of Human Resources/City Recorder, Deputy City Recorder, Executive Assistant, Senior Accountant, Accountant, IT Administrator, Policy Analyst

Benefits: Unemployment claims, retirement incentives, employer portion of FICA and Tri-met taxes, medical and dental benefits (employees pay 5% of premium costs), life, disability, and workers' compensation insurance, payments to PERS system for both the employer percentage and 6% employee portion.

Materials and Services:

Office Supplies: General office supplies, postage, computer and technology items less than \$5,000.

Professional Development: Training, travel, and meals related to City business, annual membership and professional organization dues, certifications, subscriptions, and books for staff budgeted under Administration and City Council.

Utilities: All utilities include gas, electricity, trash, recycling, phone services, water, storm, and sewer for all City facilities excluding the Library and Community Policing Center.

Public Accountability: Legal notices, website hosting of Municipal Code, financial audit.

Public Outreach: Costs associated with City events, community events, social media, newsletter (portion allocated to the Public Safety Fund), tourism, annexation program, merchandise for sale with the City logo, and Youth Council.

Repairs and Maintenance: Repairs, improvements, maintenance, recycling costs, and cleaning supplies for the City Hall building and systems.

Facility and Office Service Contracts: Annual maintenance and service contracts related to the City's facilities and operations. This includes the accounting system, internet services, website, document management, network, computer software, facility access and security, elevator, HVAC, landscape, and janitorial services maintenance agreements.

General Operating: Property, General Liability and Automobile insurance pooled through the League of Oregon Cities, banking fees, payroll service, other miscellaneous fees, expenses for City sponsored events with other civic entities, costs associated with recruiting and hiring, city recorder fees, and employee recognition and appreciation programs.

Legal: Legal expenses pertaining to all General Fund departments.

Contract Services: Services required beyond the scope of staff and items requested by Council.

General Fund

***Community Services/Public Safety
Department***

General Fund *Community Services and Public Safety*

Manager: Steve Campbell

Community Services and Public Safety consists of Police, Emergency Management, Code Enforcement, Animal Control, Municipal Court/Juvenile Diversion and Public Information & Services.

Police/Emergency Management

Police/Emergency Services works in coordination with the Clackamas County Sheriff's Office and Clackamas Fire District #1 for public safety and emergency services, oversees the police contract including; police staffing, mission/goals and general police services. Maintain safety through prevention of events that could endanger the safety of the public, maintain crime prevention programs, coordinate public forums (Traffic & Public Safety Committee) for citizens to address safety concerns, develop Emergency Operations Plan, Hazard Mitigation Plan and Continuity of Operations Plan, serve as Emergency Manager, serve as Incident Commander when Emergency Operations Center enacted.

Staff members include Community Services and Public Safety Director, Administrative Assistant.

Code Enforcement & Animal Control

Municipal code enforcement, and animal control enforcement occurs through its code officers and volunteers with prompt, professional response to complaints and strives to increase code compliance through pro-active enforcement and effective communication and mediation with citizens, businesses, builders/developers and neighbors. Officers and volunteers utilize the code compliance function as early detection mechanism for other problem situations that may be present in the neighborhood. Oversees the crime prevention program and crime watch volunteers to patrol parks, schools and open spaces. Reconnect lost or found animals with their owners through licensing records and chip ID recognition. Investigates animal neglect and abuse complaints. Educate owners about animal laws regarding the benefits of a properly licensed pets.

Staff members include Code Enforcement Supervisor, Code Enforcement Officers (2).

Municipal Court / Juvenile Diversion

Administers judicial resolution of minor traffic and parking violations, minors in possession of alcohol and tobacco and City ordinance infractions. Court staff oversees the administrative duties of enrollment, instruction and compliance monitoring of its traffic safety and fireworks diversion classes to those who qualify for this educational component of the court process. Court staff resolve specified offenses through compliance, diversion, or non-contested payment. Juvenile Diversion grants low level youth offenders the opportunity to perform community service.

Staff members include Court Clerks (2).

Public Information & Services

Serve as the bridge between our city government, local media, citizens and the business community. Serve as the Public Information Office, manage the newsletter, press releases, community radio station, city website, and City social media. Serve as liaison to the Happy Valley Business Alliance. Oversee Happy Valley Youth Council program, tourism program, passport services program, park and sports field reservations, residential tree permits, business licenses, special event permits, filming permits, alarm permits, burn permits and animal licensing. Organize community events such as the 4th of July Family Festival, National Night Out, Summer Concerts, Safety Fair, Harvest Fest, Tree Lighting, and Dumpster Day. Provide assistance for major, profit and non-profit events, HOA liaison to share knowledge regarding city ordinances and other neighborhood issues. Coordinates school activities involving the city government, manages the city's volunteer program including blood drives and community service projects. Manages the solid waste franchise, city store and marketing.

Staff members include Administrative Assistant, Program Coordinator, Program Technicians (2).

Budget Summary:

	Preceding		Adopted	Budget For Fiscal Year 2016- 2017		
	2013-14	2014-15	2015-16	Proposed	Approved	Adopted
Personnel Services	837,958	843,230	1,039,900	1,127,100	1,127,100	1,127,100
Material and Services	47,105	54,861	64,500	62,200	62,200	62,200
Total	885,063	898,091	1,104,400	1,189,300	1,189,300	1,189,300

General Fund - Community Services and Public Safety

	Preceding 2013-14	Preceding 2014-15	Adopted Budget 2015-16	Estimate 2015-16	Proposed Budget 2016-17	Approved Budget 2016-17	Approved Budget 2016-17
Personnel Services							
FTE Positions	9.9	10.0	11.0	10.9	11.0	11.0	11.0
Wages	\$ 549,367	\$ 538,418	\$ 639,400	\$ 637,808	\$ 670,800	\$ 670,800	\$ 670,800
Benefits	288,591	304,812	400,500	400,500	456,300	456,300	456,300
Total Personnel Services	<u>837,958</u>	<u>843,230</u>	<u>1,039,900</u>	<u>1,038,308</u>	<u>1,127,100</u>	<u>1,127,100</u>	<u>1,127,100</u>
Materials and Services							
CSPS Supplies	3,876	4,509	5,500	4,000	4,200	4,200	4,200
Professional Development	12,463	17,483	20,000	20,000	21,000	21,000	21,000
Public Safety Related	25,801	32,869	34,000	29,600	32,000	32,000	32,000
Contract Services	4,965	-	5,000	-	5,000	5,000	5,000
Total Materials and Services	<u>47,105</u>	<u>54,861</u>	<u>64,500</u>	<u>53,600</u>	<u>62,200</u>	<u>62,200</u>	<u>62,200</u>
Total Community Services and Public Safety	<u>\$ 885,063</u>	<u>\$ 898,091</u>	<u>\$ 1,104,400</u>	<u>\$ 1,091,908</u>	<u>\$ 1,189,300</u>	<u>\$ 1,189,300</u>	<u>\$ 1,189,300</u>

*General Fund
Expenditures, Community Services and Public Safety*

Personnel:

Wages: Director of Community Services and Public Safety, Code Enforcement Supervisor, Code Enforcement Officer (2), Court Clerk (2), Administrative Assistant (2), Program Coordinator (1), Program Technician (2).

Benefits: Items paid from these line items include: Unemployment claims as the City is self-insured for unemployment, any retirement incentives offered, FICA and Tri-met taxes paid by the City, medical and dental benefits paid for employees (employees pay 5% of the premium costs), life, disability, and workers' compensation insurance, payments into the PERS system for both the employer percentage and the 6% pick up employee portion.

Materials and Services:

CSPS Supplies: Supplies other than Office Supplies needed for the various functions included in this department as well as equipment below the capital item threshold. Includes but not limited to items to provide photo passport and process filing for US Customs and supplies needed in case of emergencies as stipulated in grant agreements.

Professional Development: Training, travel, and meals related to City business, annual membership dues to professional organization, certifications, subscriptions, and books for staff. Training in code enforcement, emergency services, animal control, and any of the various services provided by the department.

Public Safety Related: Lodging costs associated with non-licensed animals found in the City per requirement the City shelter animals in custody. Judge for Municipal Court sessions, translation services including signing to aid communication between defendants and court staff, student books and materials for Driver Safety Classes, and City's portion of costs for administering juvenile diversion program.

Contract Services: Contract services for nuisance abatement. The City contracts services to remove nuisances on private property if court ordered abatement fails.

General Fund

***Economic and Community Development
Department***

General Fund Economic and Community Development

Manager: Michael D. Walter, AICP

The Economic and Community Development Department consists of three divisions, the Planning & Economic Development Division; the Engineering Division; and, the Building Division. Each has specific responsibilities, though many are inter-departmental responsibilities in relation to development reviews.

Planning and Economic Development Division

Guide residential, institutional, commercial and industrial growth to facilitate improvement of quality of life of our residents. Provide information and assistance to developers and the general public about development requirements, the planning process, and Planning Commission and City Council procedures. Optimize land development, confirm compliance with adopted land use regulations and policies, and ensure development projects enhance the functional and visual characteristics of the community. Provide technical review of preliminary and final subdivision plats, design review, transportation planning, environmental planning, landscape plan review, annexations, development agreements, and long range planning.

Coordinate planning and economic development efforts with other city departments and local, regional, and state planning agencies and organizations. Review, research, and update our Comprehensive Plan and Land Development Code to be certain it meets the goals prescribed by regional and state planning agencies as well as City Council, Planning Commission, and Design Review Board.

Promote the development and expansion of commercial, industrial and health care sector businesses. Promote the annexation of properties in order to provide future economic development opportunities and residential growth.

Staff members include the Economic and Community Development Director, Planning Services Manager, Planner, Associate Planner, Planning Assistant.

Engineering Division

Oversee construction and improvement of city facilities and infrastructure, provide public works related inspections, review plans, monitor construction activities, and submit grant applications. Provide strategic planning related to new development, transportation improvements, utilities, city-supported public works programs and capital improvement projects in conjunction with other city departments.

Provide city residents a high level of customer service relative to street construction, improvements, maintenance and repairs, and public rights-of-way. Coordinate surface water issues with Water Environment Services (WES) of Clackamas County. Coordinate with the Traffic and Public Safety Committee, City Traffic Engineer, Code Enforcement, and Public Works Director regarding the installation and maintenance of signage and traffic control devices within public rights-of-way. Coordinate with Public Works on street cleaning including; sweeping, debris pick-up and hazardous spill removal coordination, and MS4 reporting. Review construction plans for compliance with national, regional and city standards and oversee construction and improvement projects relative to new development and growth within the city.

General Fund

Economic and Community Development

Oversee capital, upgrade, and public improvement projects within the public rights-of-way, utilizing System Development Charges for capital projects. Update Street Inventory Pavement Management Program and conduct feasibility studies regarding street pre-design. Work with the other departments relative to new site development, city code compliance, and final plat review to assure compliance with conditions of approval. Maintain and updates as necessary the City's Construction Design Standards.

Staff members include the Engineering Manager, Civil Engineer and Engineering Technician.

Building Division

Provide code administration, inspection, plan review and permit services integral to the safe and effective construction of structures in the City. Services provided to architects, engineers, contractors, and members of the public who need code interpretation of various specialty codes. Maintain updated copies of Oregon's construction codes and rules for use within the jurisdiction. Ensure organizations are operating in compliance with appropriate laws, individuals are properly licensed, and products meet legal specifications.

Permit and inspection services provided for structural, mechanical, electrical, and plumbing permits. Issue permits to administer and enforce the state's building codes including plan review for construction. Recognize and meet the work plan and program standards mandated through the Tri-County Service Board (State of Oregon Building Codes Division Northwest Regional Office).

Issue timely building permits for construction projects following submission of complete permit applications and plans. Accomplish all requested building inspections within 24 hours of date of request. Respond to public concerns within 48 hours from date received. Provide inspection services and plan review to the City of Milwaukie and City of Oregon City per existing Intergovernmental Agreements. Allow for, facilitate, and encourage alternate methods of construction and or materials. Provide code resources for architects, engineers, building contractors and homeowners. Uniformly administer and enforce the state building codes, city ordinances and policies that set standards for construction.

Staff members include the Building Official, Plumbing/Building Inspector, Plans Examiner, Building Inspectors (4), and Permit Technicians (3).

Budget Summary:

	Preceding		Adopted	Budget For Fiscal Year 2016 - 2017		
	2013-14	2014-15	Budget 2015-16	Proposed	Approved	Adopted
Personnel Services	1,326,466	1,539,906	1,882,400	2,151,800	2,151,800	2,151,800
Material and Services	129,155	243,326	236,000	329,500	329,500	329,500
Total	1,455,621	1,783,232	2,118,400	2,481,300	2,481,300	2,481,300

General Fund - Economic & Community Development

	Preceding 2013-14	Preceding 2014-15	Adopted Budget 2015-16	Estimate 2015-16	Proposed Budget 2016-17	Approved Budget 2016-17	Approved Budget 2016-17
Personnel Services							
FTE Positions	11.6	14.8	17.0	18.0	19.0	19.0	19.0
Wages	893,493	1,029,703	1,192,200	1,197,150	1,311,300	1,311,300	1,311,300
Benefits	432,973	510,203	690,200	690,200	840,500	840,500	840,500
Total Personnel Services	<u>1,326,466</u>	<u>1,539,906</u>	<u>1,882,400</u>	<u>1,887,350</u>	<u>2,151,800</u>	<u>2,151,800</u>	<u>2,151,800</u>
Materials and Services							
ECD Supplies	2,457	8,384	9,000	8,000	8,500	8,500	8,500
Professional Development	17,046	19,755	27,000	20,000	21,000	21,000	21,000
Contract Services	109,652	215,187	200,000	249,780	300,000	300,000	300,000
Total Materials and Services	<u>129,155</u>	<u>243,326</u>	<u>236,000</u>	<u>277,780</u>	<u>329,500</u>	<u>329,500</u>	<u>329,500</u>
Total Economic & Community Development	<u>1,455,621</u>	<u>1,783,232</u>	<u>2,118,400</u>	<u>2,165,130</u>	<u>2,481,300</u>	<u>2,481,300</u>	<u>2,481,300</u>

GENERAL FUND
Expenditures, Economic and Community Development

Personnel:

Wages: Director of Economic and Community Development, Planning Manager, Planner, Associate Planner, Planning Assistant, Engineering Manager, Engineer, Engineering Technician, Building Official, Plumbing/Building Inspector, Plans Examiner, Building Inspectors (4), Permit Technicians (3)

Benefits: Items paid from these line items include: Unemployment claims as the City is self-insured for unemployment, any retirement incentives offered, FICA and Tri-met taxes paid by the City, medical and dental benefits paid for employees (employees pay 5% of the premium costs), life, disability, and workers' compensation insurance, payments into the PERS system for both the employer percentage and the 6% pick up employee portion.

Materials and Services:

ECD Supplies: Supplies other than Office Supplies needed for the various functions included in this department as well as equipment below the capital item threshold.

Professional Development: Training, travel, and meals related to City business, annual membership dues, professional organization dues, certifications, subscriptions, professional and code books. Annual membership dues paid to local and national planning, engineering and building associations, Regional Partners dues, and Oregon Economic Development Association dues

Contract Services: Contract for review of City transportation issues and reviewing development applications. Consulting professional engineer responsible for evaluating traffic safety and control issues throughout the City, provide assistance with construction plans, plat review, and project close out if needed, may include professional staff for erosion control permitting and inspections, as well as assistance with the green streets design standards. Code revision and project work related to growth and future expansion most of which is proposed to be funded by grants. Costs associated with development of required legal descriptions for annexations. Fees paid to METRO for annexation. Costs associated with special projects, over-load current planning review, municipal code updates, and economic development plan assistance.

General Fund
Public Works Department

*General Fund
Public Works*

Manager: Chris Randall

Public Works

Oversee operations related to the maintenance of City facilities and infrastructure, manage and maintain quality public roads, parks, trails, storm drains, open spaces, and other infrastructure for the residents of the City. Provide quality community services for the health and safety of residents and the environment. Provide high level of customer service related to street construction, implementation, maintenance and repair, public rights-of-way maintenance and repair, coordination of surface water issues with Water Environment Services, installation and maintenance of signage within public rights-of-way, street sweeping, debris pickup-up, and hazardous spill removal coordination. Coordinate work efforts of volunteers and community work force, work with committees to address existing and anticipated concerns and goals of the community. Promote recycling and sustainability practices through building maintenance. Work with the other departments to maintain a Safety Committee, coordinate issues related to public rights-of-ways, event staffing, warning sign installation and maintenance, surface water issues, feasibility studies, forecasting, and master planning projects.

Staff members include the Public Works Director, Utility Worker II – WES Street Sweeping, Heavy Equipment Mechanic, and Administrative Assistant.

Budget Summary:

	Preceding		Adopted	Budget For Fiscal Year 2016 - 2017		
	2013-14	2014-15	Budget 2015-16	Proposed	Approved	Adopted
Personnel Services	201,720	232,077	430,600	455,100	455,100	455,100
Material and Services	90,401	77,973	170,000	172,000	172,000	172,000
Total	292,121	310,050	600,600	627,100	627,100	627,100

General Fund - Public Works

	Preceding 2013-14	Preceding 2014-15	Adopted Budget 2015-16	Estimate 2015-16	Proposed Budget 2016-17	Approved Budget 2016-17	Approved Budget 2016-17
Personnel Services							
FTE Positions	1.8	1.9	4.0	4.0	4.0	4.0	4.0
Wages	129,767	151,651	269,100	264,100	275,600	\$ 275,600	\$ 275,600
Benefits	71,953	80,426	161,500	161,500	179,500	179,500	179,500
Total Personnel Services	<u>201,720</u>	<u>232,077</u>	<u>430,600</u>	<u>425,600</u>	<u>455,100</u>	<u>455,100</u>	<u>455,100</u>
Materials and Services							
Public Works Supplies	13,226	11,800	14,000	11,000	14,000	14,000	14,000
Professional Development	4,677	7,704	6,000	8,000	8,000	8,000	8,000
Vehicle Operation & Main.	35,624	26,645	38,000	29,000	38,000	38,000	38,000
Repairs & Maintenance	36,874	30,324	42,000	33,000	42,000	42,000	42,000
Contract Services	-	1,500	70,000	30,000	70,000	70,000	70,000
Total Materials and Services	<u>90,401</u>	<u>77,973</u>	<u>170,000</u>	<u>111,000</u>	<u>172,000</u>	<u>172,000</u>	<u>172,000</u>
Total Public Works	<u><u>292,121</u></u>	<u><u>310,050</u></u>	<u><u>600,600</u></u>	<u><u>536,600</u></u>	<u><u>627,100</u></u>	<u><u>627,100</u></u>	<u><u>627,100</u></u>

General Fund Expenditures, Public Works

Personnel:

Wages: Public Works Director, Utility Worker II - WES Street Sweeping Contract, Heavy Equipment Mechanic, Administrative Assistant

Benefits: Items paid from these line items include: Unemployment claims as the City is self-insured for unemployment, any retirement incentives offered, FICA and Tri-met taxes paid by the City, medical and dental benefits paid for employees (employees pay 5% of the premium costs), life, disability, and workers' compensation insurance, payments into the PERS system for both the employer percentage and the 6% pick up employee portion.

Materials and Services:

Public Works Supplies: Supplies and materials for repairs and continued operation of Public Works facilities. Safety equipment worn by Public works staff for protection from injury such as hardhats, boots, gloves and safety goggles.

Professional Development: Training, travel, and meals related to City business, annual membership dues, professional organization dues, certifications, subscriptions, professional and code books. Training classes and certifications on subjects such as insecticide/herbicide use, road maintenance, safety, construction, first aid and flagman training. Staff membership in Public Works/Environmental associations, such as the American Public Works Association (APWA), Association of Clean Water Agencies (ACWA), Regional Erosion Prevention Awards program, and Pacific Northwest Clean Water Association (PNCWA).

Vehicle Operation & Maintenance: Operation, repair, and maintenance of all General Fund vehicles.

Repairs and Maintenance: Maintenance and repairs of non-vehicular equipment such as upkeep of trees, shrubs, and landscape in the public rights of way to maintain our Tree City USA status. Equipment rented during special projects. Repairs, improvements, maintenance, recycling costs, and cleaning supplies for all City buildings and systems excluding the Library and the Community Policing Center.

Contract Services: Public Works feasibility study and project engineering.

General Fund

Parks Department

General Fund Parks

Manager: Chris Randall

Parks

This department moved to a separate Parks Fund with this 2016-17 budget. Please see that fund for information regarding 2016-17 budget information.

Parks Department provides maintenance of Happy Valley Park, Mt. Scott Creek Trail, Rebstock Park, Happy Valley Wetland Park, Happy Valley Nature Park, City owned open spaces, and trails. The Parks Department also provides operations and maintenance of the splash pad, restrooms, playground structures and wooden walking paths.

Ensure a clean, safe environment, including friendly park personnel on a daily basis. Provide a high level of customer service regarding the picnic areas, sport fields, splash pad, boardwalk, park equipment, and playgrounds. Work with volunteers who may provide improvements to parks and the trail systems. Conduct documented park inspections once a month, provide staff support for City sponsored and endorsed park activities, maintain trail systems, and assist with construction of new trails and trail connections using City and volunteer labor. Maintain irrigation system to provide healthy turf and conserve water, semiannually top dress and fertilize all sports fields for optimum use throughout the year. Assist in the planning and construction of new park facilities, promote recycling and sustainability practices, and meet quarterly with the Parks Advisory Committee to discuss capital projects.

Staff includes Utility Worker II, Utility Worker I.

Budget Summary:

	Preceding		Adopted	Budget For Fiscal Year 2016 - 2017		
	2013-14	2014-15	Budget 2015-16	Proposed	Approved	Adopted
Personnel Services	135,800	142,693	160,100			
Material and Services	133,725	172,243	768,000			
Total	269,525	314,936	928,100	-	-	-

General Fund - Parks

	Preceding 2013-14	Preceding 2014-15	Adopted Budget 2015-16	Estimate 2015-16	Proposed Budget 2016-17	Approved Budget 2016-17	Approved Budget 2016-17
Personnel Services							
FTE Positions	2.0	2.0	2.0	2.0	-	-	-
Wages	95,960	96,926	91,000	90,000	-	-	-
Benefits	39,840	45,767	69,100	69,100	-	-	-
Total Personnel Services	135,800	142,693	160,100	159,100	-	-	-
Materials and Services							
Park Supplies	16,041	18,079	17,000	15,000	-	-	-
Professional Development	1,783	1,015	12,000	3,000	-	-	-
Utilities	22,567	20,166	24,000	20,000	-	-	-
Vehicle Operation & Maint.	25,672	20,352	29,000	33,000	-	-	-
Repairs & Maintenance	47,810	49,904	60,000	60,000	-	-	-
General Operating	19,852	22,691	-	-	-	-	-
Park and Rec Grant	-	-	576,000	-	-	-	-
Contract Services	-	40,036	50,000	30,000	-	-	-
Total Materials and Services	133,725	172,243	768,000	161,000	-	-	-
Total Parks	269,525	314,936	928,100	320,100	-	-	-

General Fund Expenditures, Parks

Personnel:

Wages: Utility Worker II, Utility Worker I

Benefits: Unemployment claims as the City is self-insured for unemployment, any retirement incentives offered, FICA and Tri-met taxes paid by the City, medical and dental benefits paid for employees (employees pay 5% of the premium costs), life, disability, and workers' compensation insurance, payments into the PERS system for both the employer percentage and the 6% pick up employee portion.

Materials and Services:

Park Supplies: Supplies used for parks, open spaces, and trail systems to maintain safe and user-friendly environment. Safety equipment such as hardhats, safety goggles, gloves and boots.

Professional Development: Training, travel, and meals related to City business, annual membership dues, professional organization dues, certifications, subscriptions, professional and code books. Training classes and certifications on subjects such as insecticide/herbicide use, safety, first aid, splash pad and general equipment operation. Staff membership in Oregon Recreation and Parks Association, trade journal subscriptions, and dues associated with professional memberships.

Utilities: All utilities including gas, electricity, trash, recycling, phone, water, storm, sewer including portable toilets, and operation of all facilities within the park.

Vehicle Operation & Maintenance: Fuel, supplies, servicing, parts, and maintenance of Park vehicles and equipment. Equipment included are items such as the small utility vehicle, backhoe, trucks, tractor, and mowers.

Repairs and Maintenance: Expenses related to cleanup and repair of picnic areas, routine maintenance of restroom facilities, invasive plant control, repair due to vandalism, sports field maintenance, repair and maintenance of Splash Pad and equipment rental for special projects.

General Operating: No longer used due to new cost allocation model.

Park and Rec Grant: Expenditures related to grant received from Oregon Parks and Recreation Department.

Contract Services: Project engineering for park system projects.

General Fund

Transfers

Contingency

Total Requirements

General Fund - Transfers, Contingency, and Non-Departmental

	Preceding 2013-14	Preceding 2014-15	Adopted Budget 2015-16	Estimate 2015-16	Proposed Budget 2016-17	Approved Budget 2016-17	Approved Budget 2016-17
Non-departmental wages	-	-	-	-	-	100,000	100,000
Total Non- departmental	-	-	-	-	-	100,000	100,000
To Street Fund	-	1,029,900	-	-	-	-	-
To Parks Fund	-	-	-	-	181,000	181,000	181,000
To Reserve for Pension Fund	60,000	-	-	-	-	-	-
To Pedestrian Improvement Project Fund					100,000	100,000	100,000
To Reserve for Gen Op Fund	200,000	800,000	-	-	500,000	350,000	198,974
To Reserve for Replacement Fund	495,863	1,550,000	350,000	350,000	350,000	400,000	400,000
To Debt Service Fund	751,000	1,990,000	1,000,000	1,000,000	834,000	834,000	985,026
Total Transfers	<u>1,506,863</u>	<u>5,369,900</u>	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,965,000</u>	<u>1,865,000</u>	<u>1,865,000</u>
Contingency	<u>-</u>	<u>-</u>	<u>1,677,255</u>	<u>-</u>	<u>2,133,138</u>	<u>2,133,138</u>	<u>2,133,138</u>

*General Fund
Transfers, Contingency*

Manager: Barbara Muller, CPA

Transfers:

To Street Fund: Shown for historical purposes. Transfer of Fee in Lieu of Construction balance to be accounted for in the Street Fund until time of construction.

To Reserve for Pension Fund: Shown for historical purposes. Pension Fund eliminated and fund balance transferred to the General Fund in the 2014-15 budget.

To Reserve for Pedestrian Improvement Project Fund: Transfer to pay for pedestrian pathway and other improvements based on the City's adopted Pedestrian Master Plan.

To Reserve for General Operations Fund: Transfer to reserve fund established to mitigate effect of cyclical nature of development and building revenues.

To Reserve for Replacement Fund: Transfer to reserve fund for the purchase of items per the replacement schedules.

To Reserve for Debt Service Fund: Transfer to reserve fund to pay principal and interest on outstanding bond issuance.

Other:

Contingency: An amount set aside to meet unforeseen circumstances. Contingency funds may only be transferred to Personnel Services, Materials and Services, and Transfers by resolutions approved by City Council. This budget has 20% in Contingency for the General Fund.

General Fund Department Totals:

Department Totals: Gives a summary total for each department as well as the total for Transfers & Contingency in the General Fund.

General Fund - Total by Department

	Preceding 2013-14	Preceding 2014-15	Adopted Budget 2015-16	Estimate 2015-16	Proposed Budget 2016-17	Approved Budget 2016-17	Approved Budget 2016-17
Administration	1,504,877	1,661,012	2,235,200	2,222,233	2,369,400	2,369,400	2,369,400
Community Services / Public Safety	885,063	898,091	1,104,400	1,091,908	1,189,300	1,189,300	1,189,300
Economic & Community Development	1,455,621	1,783,232	2,118,400	2,165,130	2,481,300	2,481,300	2,481,300
Public Works	292,121	310,050	600,600	536,600	627,100	627,100	627,100
Parks	269,525	314,936	928,100	320,100	-	-	-
Non-Departmental	-	-	-	-	-	100,000	100,000
Transfers	1,506,863	5,369,900	1,350,000	1,350,000	1,965,000	1,865,000	1,865,000
Contingency	-	-	1,677,255	-	2,133,138	2,133,138	2,133,138
Total General Fund Requirements	<u>5,914,070</u>	<u>10,337,221</u>	<u>10,013,955</u>	<u>7,685,971</u>	<u>10,765,238</u>	<u>10,765,238</u>	<u>10,765,238</u>
Ending Fund Balance	6,601,560	3,106,307	-	3,060,468	-	-	-

Parks Fund

Parks Fund

Manager: Chris Randall

Ensure a clean, safe park and trail environment, including friendly park personnel on a daily basis. Provide a high level of customer service regarding picnic areas, sport fields, splash pad, boardwalk, park equipment, and playgrounds. Work with volunteers who provide improvements to parks and trail systems. Conduct documented park inspections once a month, provide staff support for City sponsored and endorsed park activities, maintain trail systems, and assist with construction of new trails and trail connections using City staff and volunteer labor. Maintain irrigation system to provide healthy turf and conserve water, semiannually top dress and fertilize all sports fields for optimum use throughout the year. Assist in the planning and construction of new park facilities, promote recycling and sustainability practices, and meet quarterly with the Parks Advisory Committee to discuss capital projects.

Revenue

Intergovernmental revenue paid to the City from North Clackamas Parks and Recreation District (NCPRD) based on Intergovernmental Agreement (IGA). Miscellaneous revenue is interest earned on the level of fund balance.

Expenditures

The City annexed into NCPRD as of July 1, 2007 as a result of a voter election. Per the IGA with NCPRD the City would provide maintenance of Happy Valley Park, Mt. Scott Creek Trail, Rebstock Park, Happy Valley Wetland Park, Happy Valley Nature Park, City owned open spaces, and trails. The Parks Fund also provides operations and maintenance of the splash pad, restrooms, playground structures and wooden walking paths.

The IGA with NCPRD expired September 2012. The City Council and NCPRD agreed to two, one year extensions of the IGA which moves the expiration date to September 2014. Negotiations are currently underway between the City and NCPRD.

Staff includes Utility Worker II, Utility Worker I.

Budget Summary:

	2013-14	2014-15	2015-16	Proposed	Approved	Adopted
Personnel Services	-	-	-	172,400	172,400	172,400
Materials and Services	-	-	-	173,400	173,400	173,400
Transfers	-	-	-	98,900	98,900	98,900
Total	-	-	-	444,700	444,700	444,700

Parks Fund

	Preceding 2013-14	Preceding 2014-15	Adopted Budget 2015-16	Estimate 2015-16	Proposed Budget 2016-17	Approved Budget 2016-17	Adopted Budget 2016-17
Resources							
Beginning Fund Balance	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	263,700	263,700	263,700
Transfers In - from General Fund	-	-	-	-	181,000	181,000	181,000
Total Revenues							
Total Resources	-	-	-	-	444,700	444,700	444,700
Requirements							
Personnel Services							
FTE Positions					2.0	2.0	2.0
Wages	-	-	-	-	93,400	93,400	93,400
Benefits	-	-	-	-	79,000	79,000	79,000
Total Personnel Services	-	-	-	-	172,400	172,400	172,400
Materials and Services							
Park Supplies	-	-	-	-	19,000	19,000	19,000
Professional Development	-	-	-	-	3,200	3,200	3,200
Utilities	-	-	-	-	22,000	22,000	22,000
Vehicle Operation & Maint.	-	-	-	-	35,000	35,000	35,000
Repairs & Maintenance	-	-	-	-	64,200	64,200	64,200
Contract Services	-	-	-	-	30,000	30,000	30,000
Total Materials and Services	-	-	-	-	173,400	173,400	173,400
Transfers							
To General Fund	-	-	-	-	98,900	98,900	98,900
Total Transfers	-	-	-	-	98,900	98,900	98,900
Total Requirements	-	-	-	-	444,700	444,700	444,700
Ending Fund Balance	-	-	-	-	-	-	-

Resources

Beginning Fund Balance: Funds available but not spent during the previous fiscal year.

Intergovernmental Revenue: Revenue from other municipalities or governmental agencies.

Misc Revenue: Includes but not limited to: unanticipated income and interest income from cash is invested in the Local Government Investment Pool and in other investments.

Transfer In from General Fund: Transfer from General Fund to cover operating deficit.

Expenditures

Personnel:

Wages: Utility Worker II, Utility Worker I.

Benefits: Items paid from these line items include: Unemployment claims as the City is self-insured for unemployment, any retirement incentives offered, FICA and Tri-met taxes paid by the City, medical and dental benefits paid for employees (employees pay 5% of the premium costs), life, disability, and workers' compensation insurance, payments into the PERS system for both the employer percentage and the 6% pick up employee portion.

Materials and Services:

Park Supplies: Supplies used for City parks, open spaces, and trail systems to maintain safe and user-friendly environment. Safety equipment such as hardhats, safety goggles, gloves and boots.

Professional Development: Training, travel, and meals related to City business, annual membership dues, professional organization dues, certifications, subscriptions, professional and code books. Training classes and certifications on subjects such as insecticide/herbicide use, safety, first aid, splash pad and general equipment operation. Staff membership in Oregon Recreation and Parks Association, trade journal subscriptions, and dues associated with professional memberships.

Utilities: All utilities including gas, electricity, trash, recycling, phone services, water, storm, sewer including portable toilets, and operation of all facilities within the park.

Vehicle Operation & Maintenance: Fuel, supplies, servicing, parts, and maintenance of Park vehicles and equipment. Equipment included are items such as the small utility vehicle, backhoe, trucks, tractor, and mowers.

Repairs and Maintenance: Expenses related to cleanup and repair of picnic areas, routine maintenance of restroom facilities, invasive plant control, repair due to vandalism, sports field maintenance, repair and maintenance of Splash Pad and equipment rental for special projects.

Contract Services: Project engineering for park system projects.

Public Safety Fund

Public Safety Fund

Manager: Steve Campbell

Provide public safety services to citizens at the level promised when the Local Option Levy was passed by the voters of the City. Account for tax dollars collected for contract law enforcement services which includes around the clock services by sworn and non-sworn officers dedicated to the City, two full time sergeants act as a field supervisor, a dedicated traffic officer, dedicated detective, Happy Valley identification on police cars, as well as local control, supervision and administration of the services provided. Services are provided through an intergovernmental agreement with the Clackamas County Sheriff Office.

Revenue

Local Option Levy property tax collections, amount from contract reconciliation with Clackamas County Sheriff Office, and interest allocated based on fund balance.

Expenditures

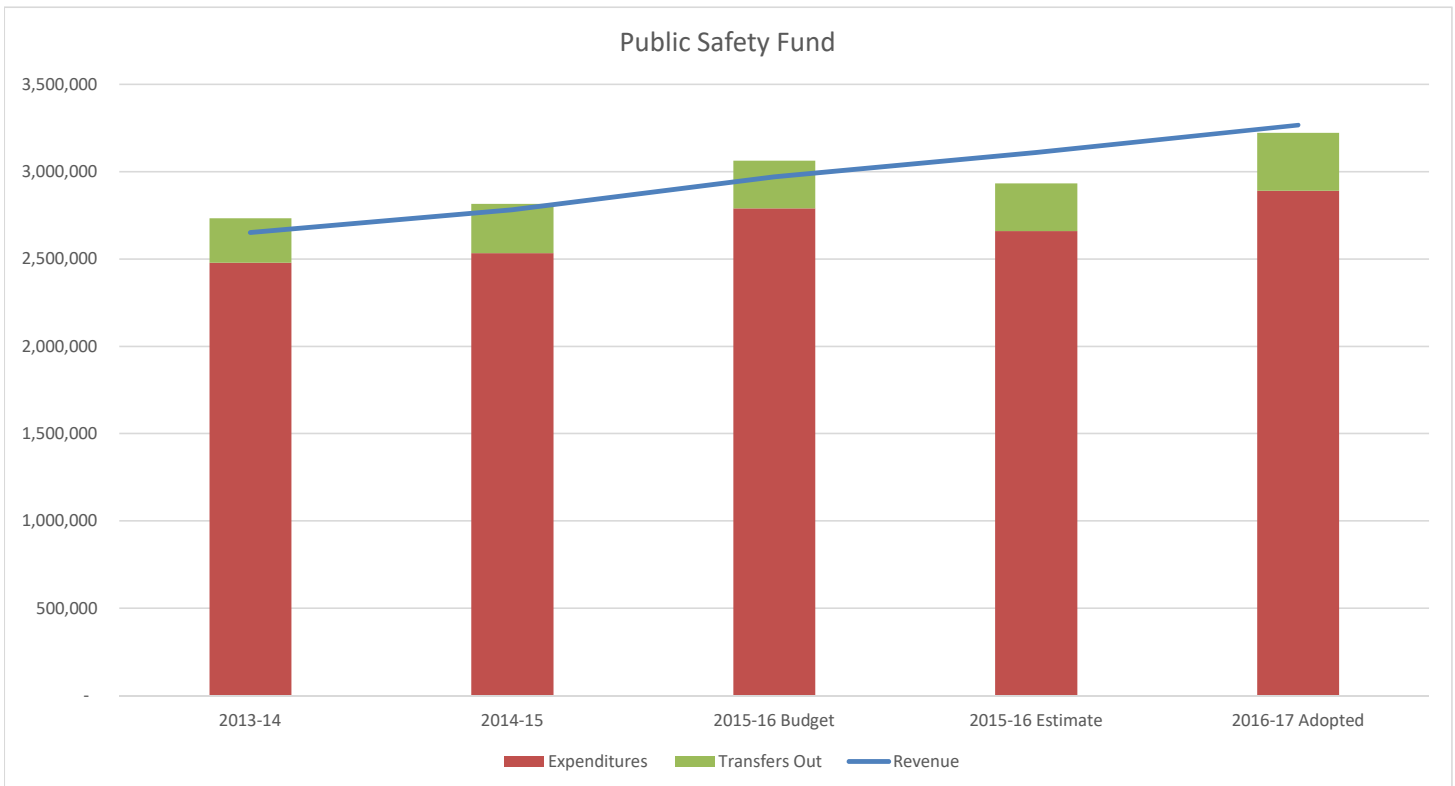
Public safety related services, contracted police services, equipment, training, facilities costs, and transfer to cover costs of administration. Contract includes Police Chief, Sergeant (2), Traffic Enforcement Officer, Detective, Patrol Officer (6), Non-sworn community Services Officer.

Budget Summary:

	Preceding		Adopted	Budget For Fiscal Year 2016 - 2017		
	2013-14	2014-15	2015-16	Proposed	Approved	Adopted
Material and Services	2,479,857	2,790,223	2,790,223	2,891,190	2,891,190	2,891,190
Transfers	253,276	274,035	274,035	331,450	331,450	331,450
Contingency	-	675,566	675,566	961,375	961,375	961,375
Total	2,733,133	3,739,824	3,739,824	4,184,015	4,184,015	4,184,015

Public Safety Fund

	Preceding 2013-14	Preceding 2014-15	Adopted 2015-16 Budget	2015-16 Estimate	2016-17 Proposed	2016-17 Approved	2016-17 Adopted
Revenue	2,651,919	2,782,152	2,971,160	3,110,100	3,266,500	3,266,500	3,266,500
Expenditures	2,479,857	2,534,003	2,790,223	2,660,408	2,891,190	2,891,190	2,891,190
Transfers Out	253,276	281,685	274,035	274,035	331,450	331,450	331,450
Annual Operating Surplus / (Shortfall)	(81,214)	(33,536)	(93,098)	175,657	43,860	43,860	43,860
Beginning Fund Balance	856,608	775,394	768,664	741,858	917,515	917,515	917,515
Ending Fund Balance / Contingency	775,394	741,858	675,566	917,515	961,375	961,375	961,375



Public Safety Fund

	Preceding 2013-14	Preceding 2014-15	Adopted Budget 2015-16	Estimate 2015-16	Proposed Budget 2016-17	Approved Budget 2016-17	Adopted Budget 2016-17
Resources							
Beginning Fund Balance	856,608	775,394	768,664	741,858	917,515	917,515	917,515
Property Taxes	2,502,947	2,712,556	2,931,160	3,015,400	3,226,500	3,226,500	3,226,500
Misc Revenue	148,972	69,596	40,000	94,700	40,000	40,000	40,000
Total Resources	<u>3,508,527</u>	<u>3,557,546</u>	<u>3,739,824</u>	<u>3,851,958</u>	<u>4,184,015</u>	<u>4,184,015</u>	<u>4,184,015</u>
Requirements							
Materials and Services							
PS Supplies	22,904	10,176	8,000	10,000	12,000	12,000	12,000
Professional Development	8,894	8,904	12,000	9,000	15,000	15,000	15,000
Utilities	15,597	16,652	17,000	17,000	17,000	17,000	17,000
Vehicle Operation & Maint.	11,558	1,717	5,000	5,000	5,000	5,000	5,000
Repairs & Maintenance	18,095	8,819	21,000	10,000	10,000	10,000	10,000
Public Outreach	15,115	12,804	20,000	8,000	15,000	15,000	15,000
Contract Services	15,037	11,960	25,000	6,000	30,000	30,000	30,000
Police Contract	2,372,657	2,462,971	2,682,223	2,595,408	2,787,190	2,787,190	2,787,190
Total Materials and Services	<u>2,479,857</u>	<u>2,534,003</u>	<u>2,790,223</u>	<u>2,660,408</u>	<u>2,891,190</u>	<u>2,891,190</u>	<u>2,891,190</u>
Transfers							
To General Fund	241,581	231,685	262,035	262,035	301,450	301,450	301,450
To Reserve for Replacement	11,695	50,000	12,000	12,000	30,000	30,000	30,000
Total Transfers	<u>253,276</u>	<u>281,685</u>	<u>274,035</u>	<u>274,035</u>	<u>331,450</u>	<u>331,450</u>	<u>331,450</u>
Contingency	-	-	675,566	-	961,375	961,375	961,375
Total Requirements	<u>2,733,133</u>	<u>2,815,688</u>	<u>3,739,824</u>	<u>2,934,443</u>	<u>4,184,015</u>	<u>4,184,015</u>	<u>4,184,015</u>
Ending Fund Balance	775,394	741,858	-	917,515	-	-	-

Public Safety Fund

Resources

Beginning Fund Balance: Funds available but not spent during the previous fiscal year.

Property Taxes: The voters passed a local option tax levy allowing the City to levy \$1.38 per thousand of assessed valuation for a period of four years to fund full time police protection within the City limits. Includes taxes levied in prior years but collected in the current year.

Misc Revenue: Includes but not limited to: unanticipated income, interest income from cash invested in the Local Government Investment Pool and other investments and the result of the reconciliation process between the City and Clackamas County regarding the actual services provided compared to the services outlined in the contract. The reconciliation process happens annually in September.

Expenditures

Materials and Services:

PS Supplies: Office supplies needed for the various functions included in this department as well as non-capital type equipment.

Professional Development: Training, travel, and meals related to City business, annual membership dues to professional organization, certifications, subscriptions, and books for staff. Training in code enforcement, emergency services, animal control, and any of the various public safety services provided by the department.

Utilities: Costs for utilities at facility provided for Sheriff Personnel.

Vehicle Operation & Maintenance: Costs related to vehicle operation and maintenance of vehicles used for public safety.

Repairs & Maintenance: Costs associated with the upkeep of the facility used by Sheriff Personnel. Costs for unexpected and unanticipated events which are beyond the scope of the current contract.

Public Outreach: Costs for Community Services officers, uniforms badges, nametags, and other required clothing and portion of newsletter.

Legal: Costs associated with municipal court prosecutor and any other legal costs.

Contract Services: Costs for contract services providing public safety in the City not covered in the inter-governmental agreement (IGA) with Clackamas County. Maintenance costs for e-ticketing software.

Police Contract - IGA: Contract with Clackamas County Sheriff for full time police protection. Contract includes Police Chief, Sergeant (2), Traffic Enforcement Officer, Detective, Patrol Officer (6), Non-sworn community Services Officer.

Public Safety Fund

Expenditures

Transfers:

To General Fund: Amount calculated with cost allocation plan to cover administrative overhead costs.

To Reserve for Replacement Fund: Transfer to accumulate funds for purchases per the Reserve for Replacement list.

Other:

Contingency: Amount set aside to meet unforeseen circumstances. Contingency funds may only be transferred to Materials and Services, and Transfers by resolutions approved by City Council. This budget has 25% in Contingency for the Public Safety Fund.

Library Fund

Library Fund

Manager: Doris Grolbert

The Library Fund provides and promotes informational, educational, cultural and recreational materials, resources and programs to enhance the economic, social and cultural vitality of the community. The Library is responsive to the needs of the community with welcoming environments, a broad range of relevant programs and materials in a variety of formats and highly qualified, customer-focused employees.

Revenue

The primary revenue for Library operations is from the distribution of Library District funds. The Library District distributes funds to each Library City according to a set formula outlined in the intergovernmental agreement and includes an assessed value and unincorporated population served calculation. In addition, the Library receives revenue from a Ready to Read grant from the State of Oregon and collection of fines, lost books, and copier fees.

Expenditures

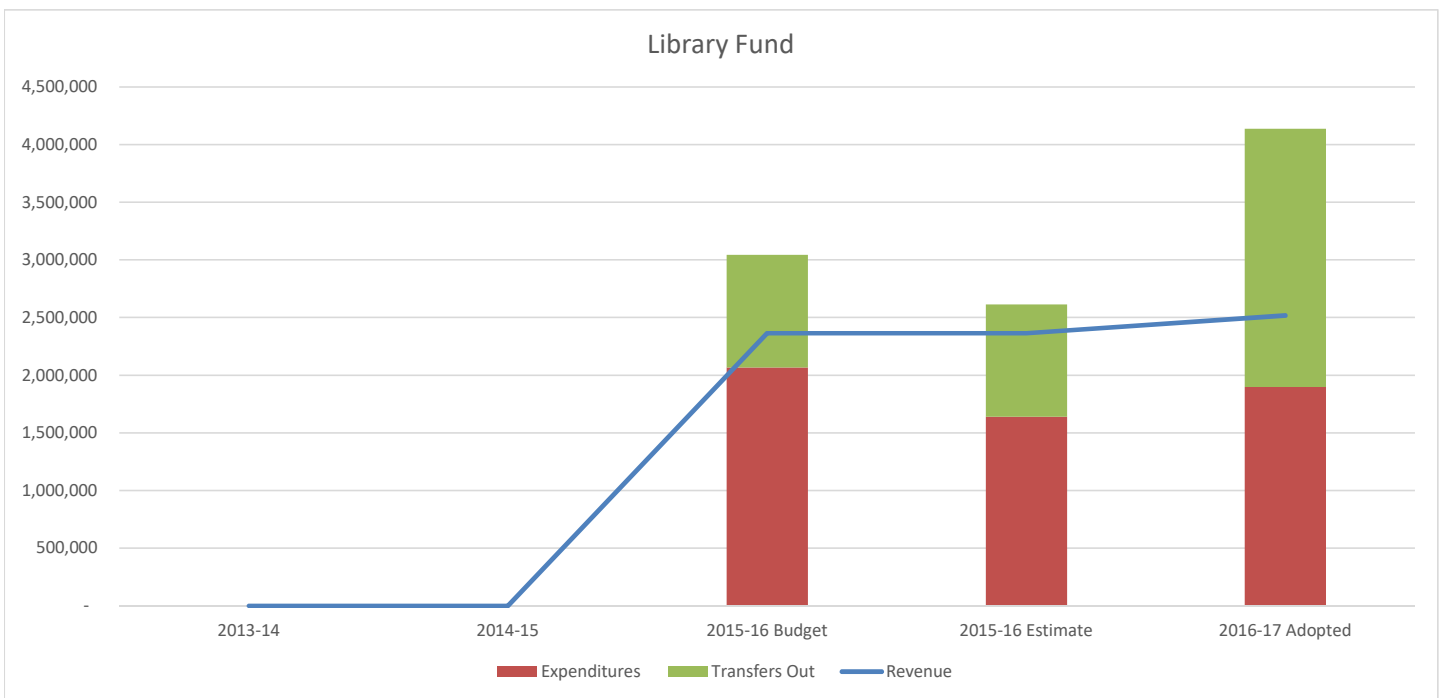
The Library maintains a seven day a week operation in a 18,300 sq. ft. building. The fund provides for the purchase and processing of books, DVDs, audio books, compact discs, magazines, ebooks, and other electronic resources. Internet stations, public access computers and WiFi access equipment and software are provided for public use. Staff provide adult and children's programming, reference and circulations services, cataloging of materials, and management of the Library Fund.

Budget Summary:

	Preceding		Adopted	Budget For Fiscal Year 2016 - 2017		
	2013-14	2014-15	2015-16	Proposed	Approved	Adopted
Personnel Services	-	-	1,475,000	1,386,900	1,386,900	1,386,900
Material and Services	-	-	593,500	513,000	513,000	513,000
Transfers	-	-	976,190	2,239,600	2,239,600	2,239,600
Contingency	-	-	1,736,464	1,053,505	1,053,505	1,053,505
Total	-	-	4,781,154	5,193,005	5,193,005	5,193,005

Library Fund

	Preceding 2013-14	Preceding 2014-15	Adopted 2015-16 Budget	2015-16 Estimate	2016-17 Proposed	2016-17 Approved	2016-17 Adopted
Revenue	-	-	2,364,478	2,365,978	2,517,765	2,517,765	2,517,765
Expenditures	-	-	2,068,500	1,639,650	1,899,900	1,899,900	1,899,900
Transfers Out	-	-	976,190	976,190	2,239,600	2,239,600	2,239,600
Annual Operating Surplus / (Shortfall)	-	-	(680,212)	(249,862)	(1,621,735)	(1,621,735)	(1,621,735)
Beginning Fund Balance	-	-	2,416,676	2,925,102	2,675,240	2,675,240	2,675,240
Ending Fund Balance / Contingency	-	-	1,736,464	2,675,240	1,053,505	1,053,505	1,053,505



Library Fund

	Preceding 2013-14	Preceding 2014-15	Adopted Budget 2015-16	Estimate 2015-16	Proposed Budget 2016-17	Approved Budget 2016-17	Adopted Budget 2016-17
Resources							
Beginning Fund Balance	-	-	2,416,676	2,925,102	2,675,240	2,675,240	2,675,240
District Revenue	-	-	2,305,478	2,305,478	2,456,265	2,456,265	2,456,265
User Related	-	-	47,500	42,000	43,000	43,000	43,000
Grant Revenue	-	-	-	7,000	-	-	-
Misc Revenue	-	-	11,500	11,500	18,500	18,500	18,500
Total Resources	-	-	4,781,154	5,291,080	5,193,005	5,193,005	5,193,005
Requirements							
Personnel Services							
FTE Positions			15.2	14.1	14.6	14.6	14.6
Wages	-	-	900,000	810,671	889,800	889,800	889,800
Benefits	-	-	575,000	381,979	497,100	497,100	497,100
Total Personnel Services	-	-	1,475,000	1,192,650	1,386,900	1,386,900	1,386,900
Materials and Services							
Office Supplies (inc-State Aid Grant)	-	-	30,000	32,500	35,000	35,000	35,000
Library Exp - State Aid	-	-	8,500		-	-	-
Professional Development	-	-	10,000	1,500	3,000	3,000	3,000
Library Media	-	-	250,000	257,400	300,000	300,000	300,000
Utilities	-	-	50,000	22,000	25,000	25,000	25,000
Repairs & Maintenance	-	-	75,000	87,800	100,000	100,000	100,000
Facility and Office Contracts	-	-	60,000	45,800	50,000	50,000	50,000
General Operating and County OH	-	-	110,000	-	-	-	-
Total Materials and Services	-	-	593,500	447,000	513,000	513,000	513,000
Transfers							
To General Fund	-	-	331,190	331,190	389,600	389,600	389,600
To Reserve for Replacement Fund	-	-	645,000	645,000	1,850,000	1,850,000	1,850,000
Total Transfers	-	-	976,190	976,190	2,239,600	2,239,600	2,239,600
Contingency	-	-	1,736,464	-	1,053,505	1,053,505	1,053,505
Total Requirements	-	-	4,781,154	2,615,840	5,193,005	5,193,005	5,193,005
Ending Fund Balance	-	-	-	2,675,240	-	-	-

Library Fund

Resources

Beginning Fund Balance: Funds available but not spent during the previous fiscal year.

District Revenue: Each year the District receives the amount collected for the year plus delinquent taxes recovered from the previous year. The District distributes funds when received using the formula. The Formula has two components:

City Assessed Value Component: The annual distribution to a Library City for properties within its boundaries shall equal the assessed value of such Library City's properties, as established annually by the Clackamas County Assessor, divided by the total assessed value of all properties in the District. This determines the Assessed Value Percentage Rate for each Library City. Each Library City will receive funds equal to the Assessed Value fund amount multiplied by its individual Assessed Value Percentage Rate.

Unincorporated Population Served Component: After calculation of each Library City's Assessed Value fund amount, the District shall calculate the remaining funds to be distributed (the "Remainder Amount") and distribute those funds based on the Unincorporated Population Served Percentage Rate based on their Service Population Area.

User Related Fees: Library receives overdue fines, payments for lost material, internet fees, copier fees, and printer fees.

Grant Revenue: Included in Misc Revenue.

Misc Revenue: Includes but not limited to donations, interest income from cash invested in the Local Government Investment Pool and other investments. Ready to Read grant from the State of Oregon to provide funds for Summer Reading and reading readiness programs.

Expenditures

Personnel:

Wages: Library Director, Library Supervisor, Librarians, Administrative Assistant, Library Assistants, Library Aides.

Benefits: Items paid from these line items include: Unemployment claims as the City is self-insured for unemployment, any retirement incentives offered, FICA and Tri-met taxes paid by the City, medical and dental benefits paid for employees (employees pay 5% of the premium costs), life, disability, and workers' compensation insurance, payments into the PERS system for both the employer percentage and the 6% pick up employee portion.

Library Fund Expenditures (continued)

Materials and Services:

Office Supplies: General office supplies, postage, and computer and technology items less than \$5,000. Ready to Read Grant expenditures.

Library Exp - State Aid: Included in Office Supplies

Professional Development: Training, travel, and meals related to City business, annual membership and professional organization dues, certifications, subscriptions, and books for Library staff.

Library Media:: Books, music CDs, audio books, DVDs and Blu-Ray discs, kits, e-books, periodicals, databases and electronic resources for the public's use.

Utilities: Gas, electricity, trash, recycling, phone services, water, internet, storm, and sewer.

Repairs and Maintenance: Repairs, improvements, maintenance, recycling costs, and cleaning supplies for the Library building and systems. RFID tags for tagging materials in preparation for upgrading checkout hardware and software.

Facility and Office Service Contracts: Annual maintenance and service contracts related to the Library's facilities and operations. This includes the internet services, access and security, elevator, HVAC, janitorial services, network and computer software and maintenance agreements.

General Operating: Property and General Liability insurance costs, legal fees, book processing supplies, and payroll service.

Transfers:

To General Fund: Amount calculated with cost allocation plan to cover administrative overhead costs.

To Reserve for Replacement Fund: Transfer to accumulate funds for purchases per the Reserve for Replacement list.

Other:

Contingency: An amount set aside to meet unforeseen circumstances. Contingency funds may be transferred to Personnel Services, Materials and Services, and Transfers by resolutions approved by Council. This budget has 20% in Contingency for the Library Fund.



**City of Happy Valley
Fiscal Year 2016 - 2017 Budget**

Street Maintenance Fund



City of Happy Valley Fiscal Year 2016 - 2017 Budget

Street Maintenance Fund

Manager: Chris Randall

The Street Maintenance Fund provides maintenance, and preservation of all paved roads and streets within the City. Provide high level of customer service related to street construction, public rights-of-way maintenance and repair, coordination of surface water issues with Water Environment Services, installation and maintenance of signage within public rights-of-way, street sweeping, debris pickup-up, and hazardous spill removal coordination. Maintenance activities include but are not limited to pothole patching, street reconstruction, overlays, seal coating, crack sealing, street sweeping, sign replacement, fog and centerline striping, median maintenance, debris pickup and removal, and hazardous spill cleanup. Promote and pursue the use of the Pedestrian Master Plan. Update street standard construction details to address changing needs. Promote recycling and sustainability practices. Work with Engineering Department related to inspections, public rights-of-ways, street design, maintenance, and preservation, and reconstruction. Maintenance activities are coordinated with other agencies such as Clackamas County Water Environment Services (WES) and Department of Transportation and Development, and Oregon Department of Transportation.

Revenue

City's share of State Highway Trust Fund from a per-gallon tax and state vehicle registration fees, intergovernmental revenue based on agreements with neighboring jurisdictions for street sweeping and public works projects, and interest earned on the level of fund balance.

Expenditures

Reconstruction, overlays, slurry seals, and crack seals, installation and maintenance of traffic signage and striping, street sweeping, debris pickup, hazardous spill removal coordination, inclement weather services including: snow removal and sanding icy roads, maintenance and improvements to meet the street maintenance index. Staff training and continued education related to street maintenance practices.

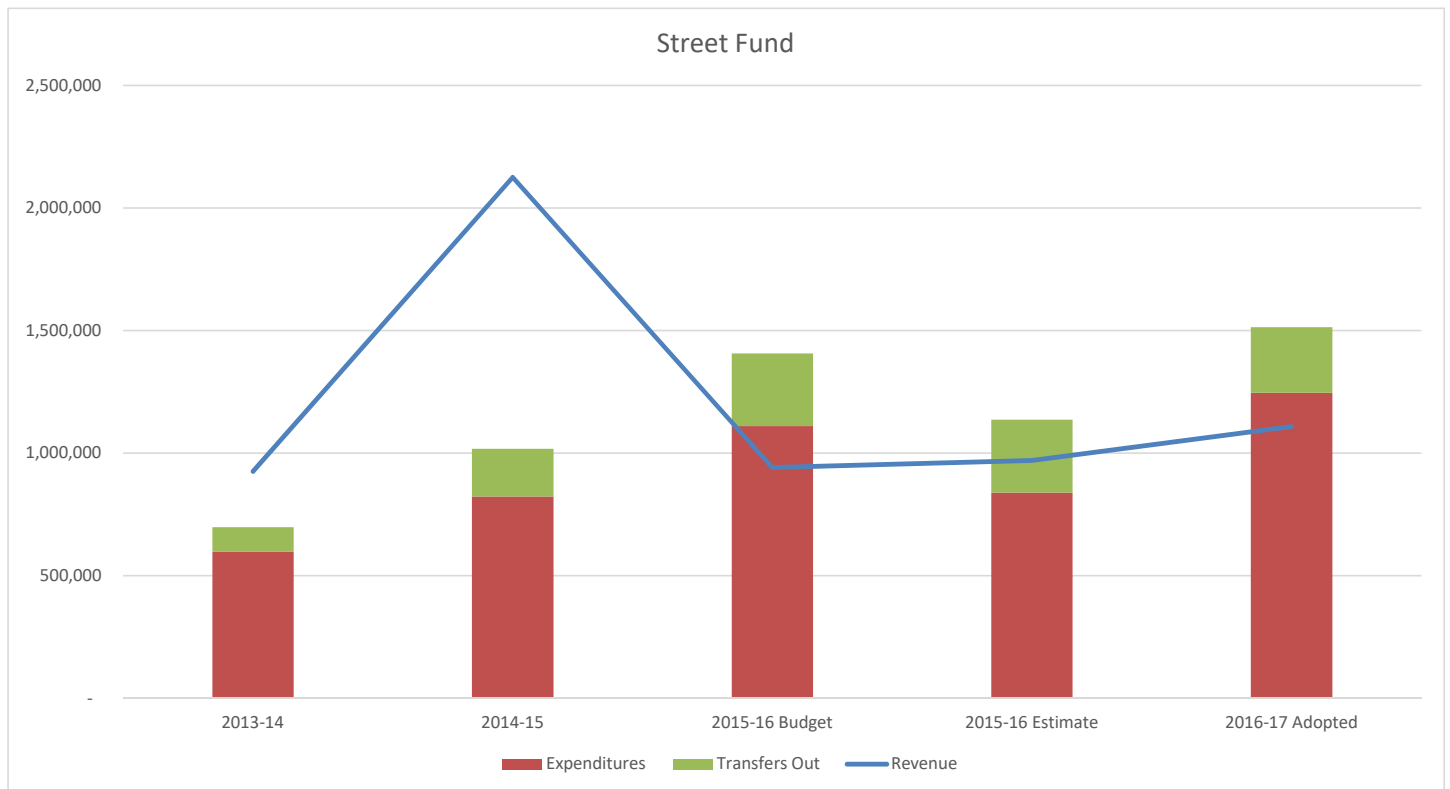
Budget Summary:

	2013-14	2014-15	Adopted Budget 2015-16	Budget for Fiscal Year 2016 - 2017		
				Proposed	Approved	Adopted
Personnel Services	280,497	309,023	251,200	278,000	278,000	278,000
Material and Services	188,272	246,026	274,200	281,000	281,000	281,000
Capital Outlay	129,516	269,721	585,185	686,417	686,417	686,417
Transfers	100,545	192,503	296,278	267,470	267,470	267,470
Total	698,830	1,017,273	1,406,863	1,512,887	1,512,887	1,512,887
Reserve for Future Expenditures			1,029,900	1,145,945	1,145,945	1,145,945

Street Fund

	Preceding 2013-14	Preceding 2014-15	Adopted 2015-16 Budget	2015-16 Estimate	2016-17 Proposed	2016-17 Approved	2016-17 Adopted
Revenue	925,705	2,125,327	942,000	970,804	1,108,300	1,108,300	1,108,300
Expenditures	598,285	824,770	1,110,585	839,972	1,245,417	1,245,417	1,245,417
Transfers Out	100,545	192,503	296,278	296,278	267,470	267,470	267,470
Annual Operating Surplus / (Shortfall)	226,875	1,108,054	(464,863)	(165,446)	(404,587)	(404,587)	(404,587)
Beginning Fund Balance	381,049	607,924	1,494,763	1,715,978	1,550,532	1,550,532	1,550,532
Ending Fund Balance / Contingency	607,924	1,715,978	1,029,900	1,550,532	1,145,945	1,145,945	1,145,945

2014-15 spike in revenue is Transfer In from General Fund for Fees in lieu of construction which are Reserved



Street Fund

	Preceding 2013-14	Preceding 2014-15	Adopted Budget 2015-16	Estimate 2015-16	Proposed Budget 2016-17	Approved Budget 2016-17	Adopted Budget 2016-17
Resources							
Beginning Fund Balance	381,049	607,924	1,494,763	1,715,978	1,550,532	1,550,532	1,550,532
State Shared Revenues	875,089	930,226	900,000	942,060	1,006,300	1,006,300	1,006,300
Intergovernmental Revenue	48,196	29,977	40,000	20,000	40,000	40,000	40,000
Local Gas Tax Revenue	-	-	-	-	60,000	60,000	60,000
Misc Revenue	2,420	135,224	2,000	8,744	2,000	2,000	2,000
Transfer from General Fund	-	1,029,900	-	-	-	-	-
Total Resources	<u>1,306,754</u>	<u>2,733,251</u>	<u>2,436,763</u>	<u>2,686,782</u>	<u>2,658,832</u>	<u>2,658,832</u>	<u>2,658,832</u>
Requirements							
Personnel Services							
FTE Positions	5.0	5.0	3.0	3.0	3.0	3.0	3.0
Public Works	175,476	182,748	148,100	148,100	154,200	154,200	154,200
Benefits	105,021	126,275	103,100	103,100	123,800	123,800	123,800
Total Personnel Services	<u>280,497</u>	<u>309,023</u>	<u>251,200</u>	<u>251,200</u>	<u>278,000</u>	<u>278,000</u>	<u>278,000</u>
Materials and Services							
Supplies	2,039	8,015	8,000	8,000	8,000	8,000	8,000
Professional Development	4,482	5,140	6,200	5,500	6,000	6,000	6,000
Utilities	7,112	8,265	10,000	10,552	12,000	12,000	12,000
Vehicle Operation & Maint.	49,764	20,905	25,000	23,000	25,000	25,000	25,000
Repairs and Maintenance	98,905	135,992	180,000	155,000	180,000	180,000	180,000
General Operating	19,915	22,594	-	-	-	-	-
Contract Services	6,055	45,115	45,000	26,720	50,000	50,000	50,000
Total Materials and Services	<u>188,272</u>	<u>246,026</u>	<u>274,200</u>	<u>228,772</u>	<u>281,000</u>	<u>281,000</u>	<u>281,000</u>
Capital Outlay							
Street Reconstruction	129,516	269,721	585,185	360,000	686,417	686,417	686,417
Total Capital Outlay	<u>129,516</u>	<u>269,721</u>	<u>585,185</u>	<u>360,000</u>	<u>686,417</u>	<u>686,417</u>	<u>686,417</u>
Transfers							
To General Fund	100,545	92,503	196,278	196,278	167,470	167,470	167,470
To Reserve for Replacement Fund	-	100,000	100,000	100,000	100,000	100,000	100,000
Total Transfers	<u>100,545</u>	<u>192,503</u>	<u>296,278</u>	<u>296,278</u>	<u>267,470</u>	<u>267,470</u>	<u>267,470</u>
Total Requirements	<u>698,830</u>	<u>1,017,273</u>	<u>1,406,863</u>	<u>1,136,250</u>	<u>1,512,887</u>	<u>1,512,887</u>	<u>1,512,887</u>
Reserved for Future Expenditures	-	-	1,029,900	1,029,900	1,145,945	1,145,945	1,145,945
Ending Fund Balance	607,924	1,715,978	-	520,632	-	-	-



City of Happy Valley Fiscal Year 2016 - 2017 Budget

Street Maintenance Fund

Resources

Beginning Fund Balance: Funds available but not spent during the previous fiscal year.

State Shared Revenue: The City's share of the apportionment of Highway Fund revenue (includes Motor Vehicle Fuel Tax Fees, Motor Carrier Fees, DMV Registration Fees, and Road Use Assessment Fees). These funds are distributed under ORS 366.524 and 366.800.

Intergovernmental Revenue: Revenue from other municipalities or governmental agencies. Payment for street sweeping services and public works projects provided to other jurisdictions,

Local Gas Tax Revenue: Revenue from City gas tax from any gas station operating within city boundaries.

Misc Revenue: Includes but not limited to: unanticipated income and interest income from cash is invested in the Local Government Investment Pool and other investments.

Expenditures

Personnel:

Public Works: Utility Worker II (2), Utility Worker I

Benefits: Items paid from these line items include: Unemployment claims as the City is self-insured for unemployment, any retirement incentives offered, FICA and Tri-met taxes paid by the City, medical and dental benefits paid for employees (employees pay 5% of the premium costs), life, disability, and workers' compensation insurance, payments into the PERS system for both the employer percentage and the 6% pick up employee portion.

Materials and Services:

Supplies: Safety equipment worn by staff to protect them from injury. Examples: Hardhats, safety goggles, gloves and boots.

Professional Development: Training, travel, and meals related to City business, annual membership dues, professional organization dues, certifications, subscriptions, professional and code books. Cost of travel, meals and lodging while attending training and meetings. Costs for the attendance at street construction/inspection and/or maintenance seminars and training materials. Memberships associated with street repair and maintenance and subscriptions to trade journals.

Utilities: Share of cost of utilities for Public Works Shop. Equipment to control vehicle speeds and routes, i.e., lights, speed humps, barricades, and school zone indicators. Also includes Street Lighting District expense.

Vehicle Operation & Maintenance: Cost share for operation of vehicles including; tractor, backhoe, street sweeper, large and mid-size dump trucks and attachments for work on public streets.



City of Happy Valley Fiscal Year 2016 - 2017 Budget

Street Maintenance Fund

Expenditures (continued)

Materials and Services: (continued)

Repairs and Maintenance: Maintenance and repairs of non-vehicular equipment. Upkeep of trees, shrubs, and landscape in the public rights of way in order to maintain our Tree City USA status. Street name, warning, notification signage, and striping located within the public rights of way. Street sweeping recycling and disposal. Continued equipment repairs and improvements associated with the Public Works Operations Facility. Materials for minor or emergency street repairs such as crushed rock, cold patch, and sealers. Costs due to severe or inclement weather where snow or ice create driving hazards. Cost of debris removal caused by severe wind or rain events. Expenditures related to any emergency events that cause damage to publicly owned infrastructure. Additional equipment rental during special projects or emergency situations.

General Operating: No longer used due to new cost allocation model.

Contract Services: Cost of using outside organizations or companies for the routine maintenance of streets, such as crack sealing, tree maintenance, and street sweeping. Utilization of traffic and civil engineering consulting services as required for street improvements projects.

Capital Outlay:

Street Reconstruction (Pavement Management Rehabilitation and Preventative Maintenance): Roadway improvements including roadbeds, overlays, sealcoats and other related improvements to assure the preservation of the roadway system and prevent deterioration to a worse condition category. Additional costs are associated with the replacement of streets and roads that have suffered deteriorations rates of 80% or more. All maintenance is based on the Pavement Quality Index.

Potential projects for the current year include:

Spring Mountain Road

Valley View Terrace

Transfers Out:

To General Fund: Amount calculated with cost allocation plan to cover administrative overhead costs.

To Reserve for Replacement Fund: Transfer to accumulate funds for purchases per the Reserve for Replacement list.

System Development Charges Fund

System Development Charges Fund

Managers: Michael D. Walter, AICP / Chris Randall

ORS 223.297 to 223.314 provides a uniform framework for imposing systems development charges (SDC) by governmental units and established that these charges may only be used for capital improvements. ORS223.307 sets authorized expenditure of system development charges. Stating improvement fees may be spent only on capacity increasing capital improvements, including expenditures relating to repayment of debt for such improvement. An increase in system capacity may be established if improvement increases level of performance or service provided by existing facilities or provides new facilities. ORS 223.311 requires systems development charges be deposited into accounts designated for such monies and an annual accounting of these funds is to be made.

Revenue

Storm Drainage SDCs, interest, miscellaneous revenue.

Expenditures

Storm Drainage SDCs

Used to complete Capital Storm Drain Projects as identified in the City's Storm Drain Master Plan. Projects are planned within the City's major drainage ways and focused on watershed protection/enhancement activities.

Budget Summary:

	Preceding		Adopted	Budget for Fiscal Year 2016 - 17		
	2013-14	2014-15	2015-16	Proposed	Approved	Adopted
Capital Outlay	235,951	66,110	736,339	903,815	903,815	903,815
Total	235,951	66,110	736,339	903,815	903,815	903,815

System Development Charges (SDC) Fund

	Preceding 2013-14	Preceding 2014-15	Adopted Budget 2015-16	Estimate 2015-16	Proposed Budget 2016-17	Approved Budget 2016-17	Adopted Budget 2016-17
Resources							
Beginning Fund Balance	778,312	693,579	670,539	700,815	807,815	807,815	807,815
Misc Revenue	58,024	5,762	4,000	7,000	6,000	6,000	6,000
System Development Fees:							
SDC - Storm Drainage	93,194	67,584	61,800	130,000	90,000	90,000	90,000
Total Resources	<u>929,530</u>	<u>766,925</u>	<u>736,339</u>	<u>837,815</u>	<u>903,815</u>	<u>903,815</u>	<u>903,815</u>
Requirements							
Capital Outlay							
SDC Projects - Transportation	75,518	-	-	-	-	-	-
SDC Projects - Storm Drainage	99,158	2,916	675,139	30,000	903,815	903,815	903,815
SDC Projects - Parks	61,275	63,194	61,200	-	-	-	-
Total Capital Outlay	<u>235,951</u>	<u>66,110</u>	<u>736,339</u>	<u>30,000</u>	<u>903,815</u>	<u>903,815</u>	<u>903,815</u>
Total Requirements	<u>235,951</u>	<u>66,110</u>	<u>736,339</u>	<u>30,000</u>	<u>903,815</u>	<u>903,815</u>	<u>903,815</u>
Reserve for Future Expenditures	-	-	-	-	-	-	-
Ending Fund Balance	693,579	700,815	-	807,815	-	-	-

System Development Charges Fund

Resources

Beginning Fund Balance: Funds available but not spent during the previous fiscal year.

Misc Revenue: Interest earned on cash invested in the Local Government Investment Pool and other investments.

System Development Fees (SDC)

SDC – Storm Drainage: System development charges collected on building permits or on subdivisions to fund the City's capital improvement plan for storm drainage.

Expenditures

Capital Outlay:

Planned projects for Storm Drainage

Typical projects include the removal of existing roadside drainage ways with the installation of underground drainage systems including inlets and manhole structures.

- Storm Drain Master Plan update
- Storm Drain system construction in undeveloped storm drain system areas
- Partnerships with outside agencies associated with capital storm drain projects within Clackamas County Service District #1

Pedestrian Improvement Projects Fund

Pedestrian Improvement Projects Fund

Managers: Michael D. Walter, AICP / Chris Randall

Purpose of this fund is to account for pedestrian pathways and other improvements based on the City's adopted Pedestrian Master Plan. High priority projects constructed as funds become available. Smaller projects to connect existing pedestrian networks approved by Council annually.

Revenue

Payments from other entities and transfers from the General Fund.

Expenditures

Project engineering and costs for construction of planned pedestrian projects. Amounts used for matching when grants are awarded to the City.

Budget Summary:

	Preceding		Adopted	Budget For Fiscal Year 2016 - 2017		
	2013-14	2014-15	Budget 2015-16	Proposed	Approved	Adopted
Material and Services	-	2,857	10,000	10,000	10,000	10,000
Capital Outlay	55,895	-	796,633	835,500	835,500	835,500
Transfers	64,395	59,850	60,000	36,900	36,900	36,900
Total	120,290	62,707	866,633	882,400	882,400	882,400

Pedestrian Improvement Projects (PIP) Fund

	Preceding 2013-14	Preceding 2014-15	Adopted Budget 2015-16	Estimate 2015-16	Proposed Budget 2016-17	Approved Budget 2016-17	Adopted Budget 2016-17
Resources							
Beginning Fund Balance	628,618	684,633	751,633	751,284	780,400	780,400	780,400
Misc Revenue	63,029	3,192	2,000	2,000	2,000	2,000	2,000
Privilege Tax	113,276	126,166	113,000	131,968	-	-	-
Transfer In - From General Fund	-	-	-	-	100,000	100,000	100,000
Total Resources	804,923	813,991	866,633	885,252	882,400	882,400	882,400
Requirements							
Materials and Services							
Contract Engineering	-	2,857	10,000	-	10,000	10,000	10,000
Total Materials and Services	-	2,857	10,000	-	10,000	10,000	10,000
Capital Outlay							
Pedestrian Pathways	55,895	-	823,281	45,000	435,500		435,500
Grant Match	-	-	-	-	400,000	400,000	400,000
Total Capital Outlay	55,895	-	823,281	45,000	835,500	835,500	835,500
Transfers							
To General Fund	64,395	59,850	33,352	33,352	36,900	36,900	36,900
Total Transfers	64,395	59,850	33,352	33,352	36,900	36,900	36,900
Total Requirements	120,290	62,707	866,633	78,352	882,400	882,400	882,400
Reserved for Future Expenditures	-	-	-	-	-		
Ending Fund Balance	684,633	751,284	-	806,900	-	-	-

Pedestrian Improvement Projects Fund

Resources

Beginning Fund Balance: Funds available but not spent during the previous fiscal year.

Misc Revenue: Interest earned on cash invested in the Local Government Investment Pool and other investments.

Privilege Tax: This resource is now part of the right of way fee collected in the General Fund.

Transfers In: Transfer to fund projects.

Expenditures

Materials and Services:

Contract Engineering: Transportation engineering and planning.

Capital Outlay:

Pedestrian Pathways: Construction of pedestrian pathways. The Traffic and Public Safety Committee reviews and prioritizes a list of projects up to \$50,000 per budget cycle to the Public Works Director and City Manager for consideration.

Grant Match: Matching funds paid to comply with grant award. Included are the 122nd/129th RFFA grant design engineering phase.

Transfers:

To General Fund: Amount calculated with cost allocation plan to cover administrative overhead costs.

Reserve for General Operations Fund

Reserve for General Operations Fund

Manager: Barbara Muller, CPA

This reserve fund will hold amounts to be accumulated and expended to offset the cyclical nature of general operation resources. The most recent economic downturn highlighted the cyclical nature of revenues in the General Fund and the impact that has on the ability to ensure service delivery in the event of an economic downturn. The amount to be accumulated in this fund along with the conditions for expenditures are set forth in Policy 13-04 - Budget Reserves & Contingency.

Revenue

Transfer from the General Fund for future general operations expenditures.

Expenditures

Will be used to offset the effects of the cyclical nature of revenue generation in the General Fund in future years.

The fund will be reviewed to determine whether it will be continued or abolished each year. When it is determined it is no longer necessary to maintain this reserve fund any unexpended balance in the fund will be transferred to another fund. Any unexpended balance is not required to be held for subsequent expenditure for the purposes for which this fund was established.

Budget Summary:

	Preceding		Adopted	Budget For Fiscal Year 2016 - 2017		
	2013-14	2014-15	Budget 2015-16	Proposed	Approved	Adopted
Reserve for Future Expenditures	1,200,000	2,000,000	2,000,000	2,500,000	2,350,000	2,198,974
Total	1,200,000	2,000,000	2,000,000	2,500,000	2,350,000	2,198,974

Reserve for General Operations Fund

	Preceding 2013-14	Preceding 2014-15	Adopted Budget 2015-16	Estimate 2015-16	Proposed Budget 2016-17	Approved Budget 2016-17	Adopted Budget 2016-17
Resources							
Beginning Fund Balance	1,000,000	1,200,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Transfer from General Fund	200,000	800,000	-	-	500,000	350,000	198,974
Total Resources	<u>1,200,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,500,000</u>	<u>2,350,000</u>	<u>2,198,974</u>
Total Reserved for Future Expenditures	<u>1,200,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,500,000</u>	<u>2,350,000</u>	<u>2,198,974</u>

Reserve for General Operations Fund

Resources

Transfer from General Fund: Transfer from the General Fund.

Expenditures

Other:

Reserved for Future Expenditures: Amount set aside to meet unforeseen circumstances. Will be appropriated based on policy thresholds.

Reserve for Replacement Fund

Reserve for Replacement Fund

Manager: Barbara Muller, CPA

Created to provide a long term approach to funding the purchase and replacement of equipment and major facility maintenance expenditures. A schedule was established to calculate the amount required annually based on the expected useful life of equipment and facilities. The schedule is reviewed and updated annually based on an assessment of the condition of items along with any additions or deletions of equipment or facilities. The fund will be reviewed to determine whether it will be continued or abolished each year. When it is determined it is no longer necessary to maintain this reserve fund any unexpended balance in the fund will be transferred to another fund. Any unexpended balance is not required to be held for subsequent expenditure for the purposes for which this fund was established.

Revenue

Transfers from the General Fund, Street Maintenance Fund, and Public Safety Fund.

Expenditures

Repair and replacement of Items listed on the replacement schedules. The schedules are reviewed periodically throughout the year and annually for the budget process. The assumptions used to create the schedules are reviewed for validity and changed if required.

Budget Summary:

	Preceding		Adopted Budget 2015-16	Budget For Fiscal Year 2016 - 2017		
	2013-14	2014-15		Proposed	Approved	Adopted
Material and Services	131,191	382,332	1,160,000	765,000	765,000	765,000
Capital Outlay	233,422	569,097	2,076,000	1,525,000	1,575,000	1,575,000
Total	364,613	951,429	3,236,000	2,290,000	2,340,000	2,340,000
Reserved for Future Expenditures	-	-	-	2,495,000	2,495,000	2,495,000

Reserve for Replacement Fund

	Preceding 2013-14	Preceding 2014-15	Adopted Budget 2015-16	Estimate 2015-16	Proposed Budget 2016-17	Approved Budget 2016-17	Adopted Budget 2016-17
Resources							
Beginning Fund Balance	678,940	954,623	1,990,000	1,851,842	2,300,000	2,300,000	2,300,000
PEG revenue	132,738	148,648	139,000	151,800	155,000	155,000	155,000
Transfers In	507,558	1,700,000	1,107,000	1,107,000	2,330,000	2,380,000	2,380,000
Total Resources	1,319,236	2,803,271	3,236,000	3,110,642	4,785,000	4,835,000	4,835,000
Requirements							
Materials and Services							
Equipment - under \$5,000	77,650	82,269	525,000	35,000	150,000	150,000	150,000
Repairs and Maintenance	53,541	299,709	620,000	50,000	600,000	600,000	600,000
Education Benefits	-	354	15,000	1,000	15,000	15,000	15,000
Total Materials and Services	131,191	382,332	1,160,000	86,000	765,000	765,000	765,000
Capital Outlay							
Vehicles	175,641	8,478	650,000	350,000	300,000	300,000	300,000
Equipment - over \$5,000	57,781	560,619	700,000	200,000	400,000	400,000	400,000
Park Improvements	-	-	676,000	150,000	675,000	725,000	725,000
Facility Improvements	-	-	50,000	-	100,000	100,000	100,000
PEG Grants	-	-	-	-	50,000	50,000	50,000
Total Capital Outlay	233,422	569,097	2,076,000	700,000	1,525,000	1,575,000	1,575,000
Total Requirements	364,613	951,429	3,236,000	786,000	2,290,000	2,340,000	2,340,000
Reserved for Future Expenditures	-	-	-	-	2,495,000	2,495,000	2,495,000
Ending Fund Balance	954,623	1,851,842	-	2,324,642	-	-	-

Reserve for Replacement Fund

Resources

Beginning Fund Balance: Funds available but not spent during the previous year.

Transfers In: Amounts from the General Fund, Street Maintenance Fund, and Public Safety Funds per replacement schedules.

Expenditures

Materials and Services:

Equipment – under \$5,000: Equipment per replacement schedules.

Repairs and Maintenance: Repairs and maintenance items per replacement schedules.

Education Benefits: Benefits provided to staff for education.

Capital Outlay:

Vehicles: Vehicles per replacement schedules.

Equipment – over \$5,000: Equipment per replacement schedules.

Facility Improvements: Facility improvements per replacement schedules.

Park Improvements: Park improvements scheduled for the current budget year per Council direction.

PEG Grants: Grants awarded based on criteria.

Reserve for Debt Service Fund

Reserve for Debt Service Fund

Manager: Barbara Muller, CPA

Created to pay debt payments for City of Happy Valley, Oregon Full Faith and Credit Obligations Series 2007 issued August 15, 2007. The fund will be reviewed to determine whether it will be continued or eliminated each year.

When it is determined it is no longer necessary to maintain this reserve fund any unexpended balance in the fund will be transferred to another fund. Any unexpended balance is not required to be held for subsequent expenditure for the purposes for which this fund was established.

Revenue

Transfer from the General Fund.

Expenditures

Principal and interest payments for City of Happy Valley, Oregon full Faith and Credit Obligations Series 2007 issued August 15, 2007. Amounts in Reserved for Future Expenditures in prior years were moved to expenditures in this budget in order to pay off the bonds in January 2017 when they are able to be called.

Budget Summary:

	Preceding		Adopted Budget 2015-16	Budget For Fiscal Year 2016 - 2017		
	2013-14	2014-15		Proposed	Approved	Adopted
Debt Service	374,869	375,944	371,700	3,452,487	3,452,487	3,603,513
Total Expenditures	374,869	375,944	371,700	3,452,487	3,452,487	3,603,513
Reserve for Future Expenditures	376,131	1,990,187	2,618,486	-	-	-
Total	751,000	2,366,131	2,990,186	3,452,487	3,452,487	3,603,513

Reserve for Debt Service Fund

	Preceding 2013-14	Preceding 2014-15	Adopted Budget 2015-16	Estimate 2015-16	Proposed Budget 2016-17	Approved Budget 2016-17	Adopted Budget 2016-17
Resources							
Beginning Fund Balance	-	376,131	1,990,186	1,990,187	2,618,487	2,618,487	2,618,487
Transfer from General Fund	751,000	1,990,000	1,000,000	1,000,000	834,000	834,000	985,026
Total Resources	<u>751,000</u>	<u>2,366,131</u>	<u>2,990,186</u>	<u>2,990,187</u>	<u>3,452,487</u>	<u>3,452,487</u>	<u>3,603,513</u>
Requirements							
Debt Service							
Principal Payment	205,000	215,000	220,000	220,000	3,310,000	3,310,000	3,530,000
Interest Payment	169,869	160,944	151,700	151,700	142,487	142,487	73,513
Total Debt Service	<u>374,869</u>	<u>375,944</u>	<u>371,700</u>	<u>371,700</u>	<u>3,452,487</u>	<u>3,452,487</u>	<u>3,603,513</u>
Total Requirements	<u>374,869</u>	<u>375,944</u>	<u>371,700</u>	<u>371,700</u>	<u>3,452,487</u>	<u>3,452,487</u>	<u>3,603,513</u>
Reserve for Future Expenditures	376,131	1,990,187	2,618,486	2,618,487	-	-	-

Reserve for Debt Service Fund

Resources

Transfer from General Fund: General Fund amount for Debt Service principal and interest payment.

Expenditures

Debt Service:

Principal Payment: Principal payment due on repayment of debt per schedule. Bonds callable in January 2017.

Interest Payment: Interest payment due on repayment of debt per schedule. Bonds callable in January 2017

Other:

Reserved for Future Expenditures: Amount set aside to meet unforeseen circumstances.

Reserve for Pension Fund

Reserve for Pension Fund

Manager: Barbara Muller, CPA

Originally this reserve fund was created to set aside funds to offset the volatility of the Public Employees Retirement System (PERS) employer rates charged to the City.

It was decided during the 2014-15 budget process that PERS rate volatility is part of the Reserve for General Operations Fund purpose so this fund was eliminated.

The balance was transferred to the General Fund and included in the Reserve for General Operations Fund.

Budget Summary:

	Preceding		Adopted Budget 2015-16	Budget For Fiscal Year 2016 - 2017		
	2013-14	2014-15		Proposed	Approved	Adopted
Transfers	-	240,000	-	-	-	-
Total	-	240,000	-	-	-	-

Resources

Beginning Fund Balance: Funds available but not spent during the previous fiscal year.

Transfer from General Fund: Transfer from the General Fund.

Expenditures

TRANSFERS:

To General Fund: Transfer balance back to fund of origin.



City of Happy Valley Fiscal Year 2016 - 2017 Budget

Glossary

Glossary

Accrual basis. Method of accounting recognizing transactions when they occur without regard toward cash flow timing [ORS 294.311(1)].

Activity. That portion of the work of an organizational unit relating to a specific function or class of functions, a project or program, a subproject or subprogram, or any convenient division of these [ORS 294.311(2)].

Adopted budget. Financial plan that is the basis for appropriations. Adopted by the governing body [ORS 294.456].

Ad valorem tax. A property tax computed as a percentage of the value of taxable property. See “Assessed Value.”

Appropriation. Authorization for spending a specific amount of money for a specific purpose during a fiscal year. It is based on the adopted budget, including supplemental budgets, if any. It is presented in a resolution or ordinance adopted by the governing body [ORS 294.311(3)].

Approved budget. The budget that has been approved by the budget committee. The data from the approved budget is published in the Financial Summary before the budget hearing [ORS 294.428].

Assessed value. The value set on real and personal property as a basis for imposing taxes. It is the lesser of the property’s maximum assessed value or real market value. The growth is limited to 3% unless an exception applies (e.g., new or enlarged structure).

Assessment date. The date on which the real market value of property is set—January 1.

Audit. The annual review and appraisal of a municipal corporation’s accounts and fiscal affairs conducted by an accountant under contract or the Secretary of State [ORS 297.425].

Audit report. A report in a form prescribed by the Secretary of State made by an auditor expressing an opinion about the propriety of a local government’s financial statements, and compliance with requirements, orders and regulations.

Bequest. A gift by will of personal property; a legacy.

Biennial budget. A budget for a 24-month period.

Billing rate. A district’s tax rate used to compute ad valorem taxes for each property. The billing rate is expressed in dollars per \$1,000 of assessed property value.

Budget. Written document showing the local government’s comprehensive financial plan for one fiscal year or biennium. It must include a balanced statement of actual revenues and expenditures during each of the last two years, and estimated revenues and expenditures for the current and upcoming year [ORS 294.311(5)].

Budget committee. Fiscal planning board of a local government, consisting of the governing body plus an equal number of registered voters appointed from the district [ORS 294.414].

Budget message. Written explanation of a local government’s budget and financial policies, including any changes from the prior fiscal year. It is prepared and presented under the direction of the executive officer or chairperson of the governing body [ORS 294.403].

Budget officer. Person appointed by the governing body to assemble budget material and information and to physically prepare the proposed budget [ORS 294.331].

Budget period. For local governments on a biennial budget, the 24-month period beginning July 1 and ending June 30 of the second following calendar year. See also “Fiscal year.”

Budget transfers. Amounts moved from one fund to finance activities in another fund. They are shown as expenditures in the originating fund and revenues in the receiving fund.

Capital outlay. Items which generally have a useful life of one or more years, such as machinery, land, furniture, equipment, or buildings.

Capital projects fund. A fund used to account for resources, such as bond sale proceeds, and expenditures to be used for major capital item purchase or construction [OAR 150- 294.352(1)].

Cash basis. System of accounting under which revenues are accounted for only when received in cash, and expenditures are accounted for only when paid [ORS 294.311(9)].

Category of limitation. The three categories of taxes on property for the purpose of the constitutional limits - education, general government, excluded from limitation [ORS 310.150].

Compression. A reduction in taxes required by Measure 5 (1990) property tax limits. Compression is computed on a property-by-property basis, and is first applied towards local option tax levies, then permanent rate levies.

Consolidated billing tax rate. The consolidated billing tax rate is the combined total of the billing rates for all taxing districts in a limitation category in the code area but does not include the billing rate for any urban renewal special levies or non-ad valorem taxes, fees, or other charges.

Constitutional limits. The maximum amount of tax on property that can be collected from an individual property for education and for other government activities (Art. XI, sect. 11b, Or Const.).

Contingency. An amount appropriated in anticipation that some operating expenditures will become necessary which cannot be foreseen and planned in the budget. A general operating fund may contain one line for operating contingency [ORS 294.388].

Debt service fund. A fund established to account for payment of general long-term debt principal and interest [OAR 150-294.352(1)].

Devise. A gift by will of the donor of real property.

District. See "Local government." A local government entity that imposes property taxes (e.g. county, city, K-12 school district).

Division of tax. Division of tax refers to the process of, and revenue from, apportioning tax to urban renewal agencies based on the relationship of the excess to frozen value, a.k.a. tax increment revenue.

Double majority. A term that refers to an election where at least 50 percent of the registered voters eligible to vote in the election cast a ballot and more than 50 percent voting approve the question. (*Any March or September Election*)

Education category. The limitation category for taxes that will be used to support the public school system and that are not used to pay exempt bonded indebtedness [ORS 310.150(1)(b)].

Encumbrance. An obligation chargeable to an appropriation and for which part of the appropriation is reserved [ORS 294.311(13)].

Enterprise fund. A fund established to account for operations that are financed and operated in a manner similar to private business enterprises. They are usually self- supporting. Examples of enterprise funds are those for water, gas, and electric utilities, swimming pools, airports, parking garages, transit systems, and ports [OAR 150-294.352(1)].

Excluded from limitation category. The category for taxes used to pay principal and interest on exempt bonded indebtedness [ORS 310.150(1)(a)].

Exempt bonded indebtedness. 1) Bonded indebtedness authorized by a specific provision of the Oregon Constitution, or 2) bonded indebtedness issued as a general obligation on or before November 6, 1990, incurred for capital construction or capital improvements, or 3) bonded indebtedness issued as a general obligation after November 6, 1990, incurred for capital construction or capital improvements with the approval of the electors of the local government. Bonded indebtedness issued to refund or refinance any bonded indebtedness described above is also included [ORS 310.140(7)(b)].

Existing plan. An existing urban renewal plan is defined as a plan that existed in December 1996, and, 1) chose an option and, 2) established a maximum amount of indebtedness by July 1998 and has not been amended to increase the land area or maximum indebtedness [ORS 457.435(4)(a)].

Expenditures. Total amount incurred if accounts are kept on an accrual basis; total amount paid if accounts are kept on a cash basis. Does not include amounts budgeted for interfund transfers, contingency, reserved for future expenditure or unappropriated ending fund balance. [ORS 294.311(16)].

Fiscal year. A 12-month period to which the annual operating budget applies. The fiscal year is July 1 through June 30 for local governments [ORS 294.311(17)].

Fund. 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, regulated activities and objectives.

Fund balance. The excess of the assets of a fund over its liabilities and reserves. [ORS 294.311(18)].

Fund type. One of nine fund types: General, special revenue, debt service, capital projects, special assessment, enterprise, internal service, trust and agency, and reserve [OAR 150- 294.352(1)].

General fund. A fund used to account for most fiscal activities except for those activities required to be accounted for in another fund [OAR 150-294.352(1)].

General government category. The limitation category for taxes used to support general government operations that are not for the purposes of paying exempt bonded indebtedness [ORS 310.150(1)(c)].

Governing body. County court or board of commissioners, city council, school board, board of trustees, board of directors, or other managing board of a local government unit [ORS 294.311(20)].

Grant. A donation or contribution in cash by one governmental unit to another unit which may be made to support a specified purpose or function, or general purpose [ORS 294.311(21)].

Interfund loan. Loan made from one fund to another and authorized by resolution or ordinance [ORS 294.468].

Interfund Transfer. Transfer from an existing appropriation category in one fund to another existing appropriation category in another fund. [ORS 294.463].

Intrafund Transfer. Transfer from one existing appropriation category to another within the same fund. [ORS 294.463].

Internal service fund. A fund used to account for fiscal activities when goods or services are provided by one organizational unit to another on a cost-reimbursement basis [ORS 294.311(23) and 294.343].

Levy. Amount of ad valorem tax certified by a local government for the support of governmental activities.

Liability. Debt or other legal obligation arising from transactions in the past which must be liquidated, renewed, or refunded at a future date; does not include encumbrances [ORS 294.311(24)].

Local government. Any city, county, port, school district, community college, public or quasi-public corporation (including a municipal utility or dock commission) operated by a separate board or commission; a municipal corporation or municipality [ORS 294.311(26)].

Local option tax. Taxing authority approved by voters that is in addition to the taxes generated by the permanent tax rate. Local option taxes can be for general operations, a specific purpose or capital projects. They are limited to five years unless they are for a capital project, then they are limited to the useful life of the project or 10 years, whichever is less.

Materials and Services. Expenses for operating costs and supplies and contracted services, such as utilities, rent, liability insurance, repair parts, fuel, accountant's fees, etc.

Maximum assessed value (MAV). The maximum taxable value limitation placed on real or personal property by the Article XI, section 11 of the Constitution. It can increase a maximum of 3 percent each year. The 3 percent limit may be exceeded if there are qualifying improvements made to the property, such as a major addition or new construction.

Maximum authority. The limitation on the amount of revenue that can be raised each year for an existing urban renewal plan area [ORS 457.435(3)(a)]. Plans that are not existing plans do not have a maximum authority amount. This amount is adjusted each year based on the growth of excess value in the plan area.

Maximum indebtedness. The amount of the principal of the indebtedness necessary to complete an urban renewal plan. This does not include indebtedness incurred to refund or refinance existing indebtedness [ORS 457.190(3)(a)]. It is specified in dollars and cents and based on good faith estimates of the scope and costs of the anticipated project or projects. All existing plans are required to have an ordinance which establishes a maximum indebtedness.

Measure 5. A constitutional tax rate limitation (Article XI, Section 11b) passed by the voters in 1990 which restricts the amount an individual property can be taxed. Measure 5 limits school taxes to \$5 per \$1,000 of 'real market value'. All other general government taxes are limited to \$10 per \$1,000 of 'real market value'.

Measure 50. Initially this measure was passed as Measure 47 in 1996 and was found to be unworkable, so was rewritten and submitted to the voters as Measure 50 in 1997 and passed. M50 reduced every property's 1995-96 assessed value by 10%, and also limited the amount of annual growth of the assessed value to 3 %. M50 also established permanent rate limitations for each taxing district in the state based on the current year tax in 1997, and then reduced 13% for most districts. If a district did not have a tax levy in 1997 and had never levied a tax, they could later request a permanent rate limit by going to the voters through a ballot measure.

Municipal corporation. See "Local government."

Municipality. See "Local government."

Net working capital. The sum of the cash balance, accounts receivable expected to be realized during the ensuing year, inventories, supplies, prepaid expenses less current liabilities and, if encumbrance method of accounting is used, reserve for encumbrances [ORS 294.311(27)].

Object classification. A grouping of expenditures, such as personnel services, materials and services, capital outlay, debt services, and other types of requirements [ORS 294.311(29)].

Operating rate. The rate determined by dividing the local government's tax amount by the estimated assessed value in district. This rate is calculated by the assessor when a local government imposes its operating tax as an amount, rather than a tax rate.

Ordinance. A formal enactment by the governing board of a municipality.

Organizational unit. Any administrative subdivision of the local government, especially one charged with carrying on one or more specific functions such as a department, office or division. [ORS 294.311(31)].

Personnel Services. Expenses related to the compensation of salaried employees, such as health and accident insurance premiums, Social Security and retirement contributions, civil service assessments.

Permanent rate limit. The maximum rate of ad valorem property taxes that a local government can impose. Taxes generated from the permanent rate limit can be used for any purpose. No action of the local government or its voters can increase or decrease a permanent rate limit. A district can levy any rate or amount up to their permanent rate authority each year.

Prior years' tax levies. Taxes levied for fiscal years preceding the current one.

Program. A group of related activities to accomplish a major service or function for which the local government is responsible [ORS 294.311(33)].

Property taxes. An ad valorem tax, another other "tax on property", or fees, charges and assessments that are specifically authorized by statute to be certified to the county assessor by a local government unit.

Proposed budget. Financial and operating plan prepared by the budget officer. It is submitted to the public and the budget committee for review.

Publication. Public notice given by publication in a newspaper of general circulation within the boundaries of the local government; mailing through the U.S. Postal Service by first class mail to each street address, PO Box and Rural Route within the boundaries of the local government; or hand delivery to each street address, PO Box and Rural Route address within the boundaries of the local government.

Real Market Value (RMV). The amount in cash which could reasonably be expected by an informed seller from an informed buyer in an arm's-length transaction as of the assessment date (Jan 1). [ORS 308.205].

Reserve for Future Expenditure. An amount budgeted, but not appropriated, that is not anticipated to be spent in the fiscal year, but rather carried forward into future fiscal years. The correct way to "save" money under Local Budget Law.

Reserve fund. Established to accumulate money from year to year for a specific purpose, such as purchase of new equipment [ORS 294.346; 280.050].

Resolution. A formal order of a governing body; lower legal status than an ordinance.

Resource. Estimated beginning funds on hand plus anticipated receipts [ORS 294.361].

Special levy. A special levy is an ad valorem tax imposed for an existing urban renewal plan. It is not a result of a division of tax but rather imposed directly for the plan.

Special revenue fund. A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes [OAR 150-294.352(1)].

Special payment. A budget expenditure category for distributions, pass-through payments, grants made to other organizations and other one-time or unusual expenditures where goods or services are not received in return, and that do not fall into the other categories of personal services, materials and services, capital outlay, etc.

Supplemental budget. A revised financial plan prepared to meet unexpected needs or to spend revenues not anticipated when the regular budget was adopted. It cannot be used to authorize additional taxes. [ORS 294.471].

Tax increment financing. A financial mechanism for urban renewal plans which captures the tax from the growth in property value within a designated geographical area. AKA urban renewal division of tax.

Tax on property. Any tax, fee, charge or assessment imposed by any government unit upon property or upon a property owner as a direct consequence of ownership of that property [ORS 310.140(18)].

Tax rate. The amount of tax stated in terms of a unit of tax for each \$1,000 of assessed value of taxable property.

Tax roll. The official list showing the amount of taxes imposed against each taxable property.

Tax year. The fiscal year from July 1 through June 30.

Trust fund. A fund used to account for fiscal activities of assets held in trust by a local government.

Unappropriated ending fund balance. Amount set aside in the budget to be used as a cash carryover to the next year's budget. It provides the local government with operating cash until tax money is received from the county treasurer in November. This amount cannot be transferred by resolution or used through a supplemental budget, unless necessitated by a qualifying emergency [ORS 294.398].



**City of Happy Valley
Fiscal Year 2016 - 2017 Budget**

Notices and Resolutions



6605 SE Lake Road, Portland, OR 97222
PO Box 22109, Portland, OR 97269-2109
Phone: 503-684-0360 Fax: 503-620-3433
E-mail: legals@commnewspapers.com

AFFIDAVIT OF PUBLICATION

State of Oregon, County of Clackamas, SS
I, Charlotte Allsop, being the first duly sworn,
depose and say that I am Accounting
Manager of *Clackamas Review/Oregon City
News*, a newspaper of general circulation,
published at Clackamas/Oregon City, in the
aforesaid county and state, as defined by
ORS 193.010 and 193.020, that

City of Happy Valley Notice of Budget Committee Meeting CLK13594

a copy of which is hereto annexed, was
published in the entire issue of said
newspapers for

1

week in the following issue:

April 20, 2016

Charlotte Allsop

Charlotte Allsop (Accounting Manager)

Subscribed and sworn to before me this
April 20, 2016.

Desirae A Marglin
NOTARY PUBLIC FOR OREGON
My commission expires March 02, 2019

Acct #50603

Attn: **Barbara Muller**

City of Happy Valley
16000 SE Misty Drive
Happy Valley, OR 97086-6299

Size: 2 x 2

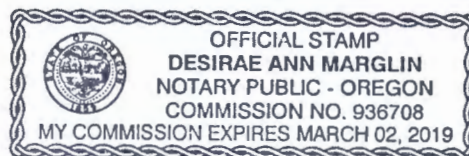
Amount Due: \$47.40*

*Please remit to address above.

NOTICE OF BUDGET COMMITTEE MEETING

A public meeting of the Budget Committee of the **City of Happy Valley**, Clackamas County, State of Oregon, to discuss the budget for fiscal year July 1, 2016 to June 30, 2017 will be held at City Hall, 16000 SE Misty Drive, Happy Valley, OR 97086. The meeting will take place on **May 9, 2016 at 6:00 PM**. The purpose of the meeting is to receive the budget message and to receive comment from the public on the budget. A copy of the budget document may be inspected or obtained on or after April 27, 2016 at City Hall, 16000 SE Misty Drive, Happy Valley during normal business hours. This notice and the proposed budget for fiscal year 2016-17 will be posted on the city website: www.happyvalleyor.gov. This is a public meeting where deliberation of the Budget Committee will take place. Any person may appear at the meeting and discuss the proposed programs with the Budget Committee.
Publish 04/20/2016.

CLK13594





6605 SE Lake Road, Portland, OR 97222
PO Box 22109, Portland, OR 97269-2109
Phone: 503-684-0360 Fax: 503-620-3433
E-mail: legals@commnewspapers.com

AFFIDAVIT OF PUBLICATION

State of Oregon, County of Clackamas, SS
I, Charlotte Allsop, being the first duly sworn,
depose and say that I am Accounting
Manager of *Clackamas Review/Oregon City
News*, a newspaper of general circulation,
published at Clackamas/Oregon City, in the
aforesaid county and state, as defined by
ORS 193.010 and 193.020, that

**City of Happy Valley
Notice of Budget Hearing
CLK13652**

a copy of which is hereto annexed, was
published in the entire issue of said
newspapers for

1

week in the following issue:
June 15, 2016

Charlotte Allsop

Charlotte Allsop (Accounting Manager)

Subscribed and sworn to before me this
June 15, 2016.

Jerry L. Sipe

NOTARY PUBLIC FOR OREGON

Acct #50603

Attn: **Barbara Muller**

City of Happy Valley

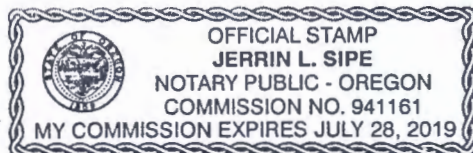
16000 SE Misty Drive

Happy Valley, OR 97086-6299

Size: 3 x 6.75"

Amount Due: **\$239.96***

*Please remit to address above.



FORM LB-1

NOTICE OF BUDGET HEARING

A public meeting of the City of Happy Valley will be held on June 21, 2016 at 7pm at City Hall, 16000 SE Misty Drive, Happy Valley, Oregon. It is to discuss the budget for the fiscal year beginning July 1, 2016 as approved by the City of Happy Valley Budget Committee. A summary of a copy of the budget may be inspected or obtained at City Hall, 16000 SE Misty Drive, Happy Valley, Oregon, between the hours of 8:30a.m. to 5:00p.m. for an annual budget period and is prepared on a basis of accounting that is the same as the preceding year.

Contact: Barbara Muller, Director of Finance and IT

Telephone: 503-783-3800 Email: barbara.muller@happyvalleyor.gov

FINANCIAL SUMMARY - RESOURCES	
TOTAL OF ALL FUNDS	Actual Amount 2014-15
Beginning Fund Balance/Net Working Capital	11,893,844
Fees, Licenses, Permits, Fines, Assessments & Other Service Charges	4,214,360
Federal, State and all Other Grants, Gifts, Allocations and Donations	1,808,138
Revenue from Bonds and Other Debt	0
Interfund Transfers / Internal Service Reimbursements	8,143,938
All Other Resources Except Current Year Property Taxes	372,325
Current Year Property Taxes Estimated to be Received	4,052,038
Total Resources	28,484,643

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION	
Personnel Services	3,981,299
Materials and Services	4,480,263
Capital Outlay	907,928
Debt Service	375,944
Interfund Transfers	5,903,938
Contingencies	0
Special Payments	0
Unappropriated Ending Balance and Reserved for Future Expenditure	12,855,271
Total Requirements	28,484,643

FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATION	
Name of Organizational Unit or Program	
FTE for that unit or program	
General Administration	1,661,012
FTE	7.00
Community Services/Public Safety	898,091
FTE	10.00
Economic & Community Development	1,783,232
FTE	14.80
Public Works	310,050
FTE	1.90
Parks	314,936
FTE	2.00
Streets	2,733,251
FTE	5.00
Library	0
FTE	0.00
Not Allocated to Organizational Unit or Program	20,784,071
FTE	0.00
Total Requirements	28,484,643
Total FTE	46.70

STATEMENT OF CHANGES IN ACTIVITIES AND SOURCES OF FINANCING *
This budget includes a change from the previous budget with the parks department function being moved out the General Fund and into its own revenues received and expenditures associated with operating parks and associated wetlands, and various city trails. There is a substantial increase in 2007 to build the City Hall facility will be callable during this fiscal year and this budget includes a final pay off of the remaining debt. The budget adds staff positions and increases our reserve funds to maintain a balance between spending on current needs and reserving money for future needs. From the prior year budget, FTE increased 2.13 from the previous budget with 1.13 FTE for library staff and 1.0 FTE for Economic and Community Development. Library staff did not actually increase by that FTE. 2015-16 was the first year the Library was included in the budget and their FT limited status personnel. The actual FTE increase from the prior year is .5 FTE. These new positions will accommodate the increase in activity. Fund allow for the payment in the fiscal year to pay off debt in early 2017. Transfers to the Reserve for Replacement Fund continue at a rate that the schedule which is reviewed and updated annually.

PROPERTY TAX LEVIES		
	Rate or Amount Imposed 2014-15	Rate or Amount Imposed This Year
Permanent Rate Levy (rate limit 67.1 cents per \$1,000)	0.671	
Local Option Levy	1.380	
Levy For General Obligation Bonds	0	

STATEMENT OF INDEBTEDNESS	
LONG TERM DEBT	Estimated Debt Outstanding on July 1,
General Obligation Bonds	\$0
Other Bonds	\$3,530,000
Other Borrowings	\$0
Total	\$3,530,000

* If more space is needed to complete any section of this form, insert lines (rows) on this sheet. You may delete blank lines.

Publish 06/15/2016.

**CITY OF HAPPY VALLEY
RESOLUTION NO. 16-29**

**RESOLUTION ADOPTING THE BUDGET FOR FISCAL YEAR 2016-2017,
APPROPRIATING FUNDS,
IMPOSING AND CATEGORIZING THE TAXES**

ADOPTING THE BUDGET

BE IT RESOLVED the CITY OF HAPPY VALLEY hereby adopts the budget for fiscal year 2016-2017 now on file at City Hall in the sum of \$35,669,492.*

MAKING APPROPRIATIONS

BE IT RESOLVED the amounts for the fiscal year beginning July 1, 2016, and for the purposes shown below are hereby appropriated as follows:

GENERAL FUND

Administration	2,369,400
Community Services & Public Safety	1,189,300
Economic & Community Development	2,481,300
Public Works	627,100
Non-Departmental	100,000
Transfers	1,865,000
Contingency	2,133,138
FUND TOTAL	10,765,238

PARKS FUND

Personal Services	172,400
Materials & Services	173,400
Transfers	98,900
FUND TOTAL	444,700

STREET FUND

Personal Services	278,000
Materials & Services	281,000
Capital Outlay	686,417
Transfers	267,470
FUND TOTAL	1,512,887

PUBLIC SAFETY FUND

Materials & Services	2,891,190
Transfers	331,450
Contingency	961,375
FUND TOTAL	4,184,015

**CITY OF HAPPY VALLEY
RESOLUTION NO. 16-29**

MAKING APPROPRIATIONS, CONTINUED:

LIBRARY FUND

Personal Services	1,386,900
Materials & Services	513,000
Transfers	2,239,600
Contingency	1,053,505
FUND TOTAL	5,193,005

SYSTEM DEVELOPMENT CHARGES FUND

Capital Outlay	903,815
FUND TOTAL	903,815

PEDESTRIAN IMPROVEMENT PROJECTS FUND

Materials & Services	10,000
Capital Outlay	835,500
Transfers	36,900
FUND TOTAL	882,400

RESERVE FOR REPLACEMENT FUND

Materials & Services	765,000
Capital Outlay	1,575,000
FUND TOTAL	2,340,000

RESERVE FOR DEBT SERVICE FUND

Debt Service	3,603,513
FUND TOTAL	3,603,513

TOTAL APPROPRIATIONS ALL FUNDS 29,829,573 *

* Note the total appropriation amount is not equal to the amount of the total adopted budget. This is due to a total of \$5,839,919 categorized as Reserved for Future Expenditures in three of the funds. Reserved for Future Expenditures are not appropriated which accounts for the difference between total appropriations and total budget.

**CITY OF HAPPY VALLEY
RESOLUTION NO. 16-29**

IMPOSING AND CATEGORIZING TAXES

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Happy Valley hereby imposes the taxes provided for in the adopted budget at the rate of \$0.6710 per \$1,000 of the assessed value for operations and at the rate of \$1.3800 per \$1,000 of the assessed value for operations for the five year local option levy; and that these taxes are hereby imposed and categorized for tax year 2016-2017 upon the assessed value of all taxable property within the City

***Subject to the
General Government
Limitation***

***Excluded from
the Limitation***

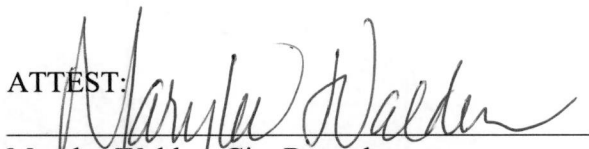
GENERAL FUND	\$0.6710/\$1000	\$-0-
PUBLIC SAFETY FUND	\$1.3800/\$1000	\$-0-

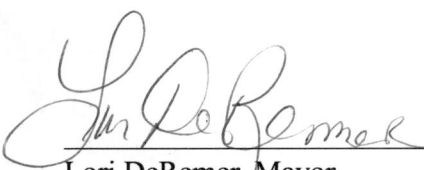
BE IT RESOLVED that this resolution is and shall be effective immediately from and after its adoption by the Council.

PASSED by the City Council this 21st day of June 2016.

APPROVED by the Mayor this 21st day of June 2016.

ATTEST:


Marylee Walden, City Recorder


Lori DeRemer, Mayor

**CITY OF HAPPY VALLEY
RESOLUTION NO. 16-28**

**A RESOLUTION DECLARING
THE CITY'S ELECTION TO RECEIVE STATE REVENUES**

The City of Happy Valley ordains as follows:

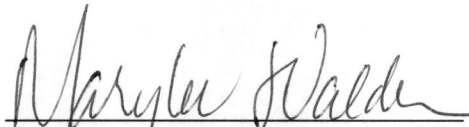
Section 1. Pursuant to ORS 221.770, the City hereby elects to receive state revenues for fiscal year 2016-2017.

Section 2. This resolution shall take effect immediately upon signing by the Mayor.

Passed by the City Council this 21st day of June 2016.

Approved by the Mayor this 21st day of June 2016.

ATTEST:


Marylee Walden
City Recorder


Lori DeRemer, Mayor

I certify that a public hearing before the Budget Committee was held on Monday, May 9, 2016 and a public hearing before the City Council was held on Tuesday, June 21, 2016, giving citizens an opportunity to comment on the use of State Revenue Sharing.


Marylee Walden, City Recorder

CITY OF HAPPY VALLEY

RESOLUTION NO. 16-27

**RESOLUTION CERTIFYING PROVISION OF
FOUR OR MORE MUNICIPAL SERVICES**

WHEREAS, ORS 221.760 provides as follows:

Section 1. The officer responsible for disbursing funds to cities under ORS 323.455, 366.785 to 366.820 and 471.805 shall, in the case of a city located within a county having more than 100,000 inhabitants according to the most recent federal decennial census, disburse such funds only if the city provides four or more of the following services:

- (1) Police Protection
- (2) Fire Protection
- (3) Street construction, maintenance and lighting
- (4) Sanitary Sewer
- (5) Storm sewers
- (6) Planning, zoning, and subdivision control
- (7) One or more utility services

and

WHEREAS, city officials recognize the desirability of assisting the state officer responsible for determining the eligibility of cities to receive such funds in accordance with ORS 221.760, now, therefore,

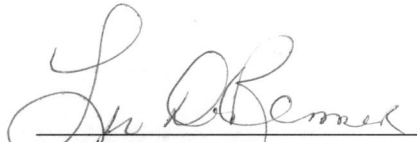
BE IT RESOLVED, that the City of Happy Valley hereby certifies that it provides the following four municipal services enumerated in Section 1, ORS 221.760:

Police Protection
Street construction, maintenance
Storm sewers
Planning, zoning, and subdivision control

This resolution shall take effect immediately upon signing by the Mayor.

PASSED by the City Council this 21st day of June 2016.

APPROVED by the Mayor this 21st day of June 2016.


Lori DeRemer, Mayor

ATTEST:


Marylee Walden, City Recorder



City of Happy Valley Fiscal Year 2016 - 2017 Budget

Tax Rates by Tax Code

City of Happy Valley
Fiscal Year 2016- 2017 Budget

Total Assessed Value 2,269,650,122
Average Education 5.72
Average Gen Gov 8.49
Average Taxes 16.58

Summary of Tax Rates by Tax Code

Tax Code	012-149	012-158	012-188	012-194	012-195	012-196
Assessed Valuation	\$ 1,894,560,314	\$ 160,758,038	\$ 63,559,721	\$ 63,881,603	\$ 5,720,237	\$ 9,697,996
M-50 Consolidated Tax Rate	17.0798	17.0798	17.0798	17.0798	17.0798	17.0798
Clackamas Community College	0.5554	0.5554	0.5554	0.5554	0.5554	0.5554
ESD Clackamas	0.3673	0.3673	0.3673	0.3673	0.3673	0.3673
N Clackamas SD #12	4.8042	4.8042	4.8042	4.8042	4.8042	4.8042
Mt. Hood Community College	-	-	-	-	-	-
ESD Multnomah Co	-	-	-	-	-	-
Centennial SD #302	-	-	-	-	-	-
Total Education	5.7269	5.7269	5.7269	5.7269	5.7269	5.7269
City of Happy Valley Permanent Rate	0.6710	0.6710	0.6710	0.6710	0.6710	0.6710
City of Happy Valley Public Safety	1.3800	1.3800	1.3800	1.3800	1.3800	1.3800
Clackamas County	2.4036	2.4036	2.4036	2.4036	2.4036	2.4036
County Extension & 4H	0.0499	0.0499	0.0499	0.0499	0.0499	0.0499
County Library	0.3959	0.3959	0.3959	0.3959	0.3959	0.3959
County Public Safety Loc Opt 2006	0.2480	0.2480	0.2480	0.2480	0.2480	0.2480
County Soil Cons	0.0499	0.0499	0.0499	0.0499	0.0499	0.0499
FD #1	2.3787	2.3787	2.3787	2.3787	2.3787	2.3787
N Clackamas Parks	0.5310	0.5310	0.5310	0.5310	0.5310	0.5310
Port of Portland	0.0699	0.0699	0.0699	0.0699	0.0699	0.0699
Service District 2 Metro	0.0962	0.0962	0.0962	0.0962	0.0962	0.0962
Service District 2 Metro Loc Opt 2013	0.0960	0.0960	0.0960	0.0960	0.0960	0.0960
Urban Renewal	0.1146	0.1146	0.1146	0.1146	0.1146	0.1146
Vector Control	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065
Vector Control LOC OPT 2005	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250
Total General Government	8.5162	8.5162	8.5162	8.5162	8.5162	8.5162
Community College Bond CCC	0.1494	0.1494	0.1494	0.1494	0.1494	0.1494
Community College Bond CCC #2	0.0380	0.0380	0.0380	0.0380	0.0380	0.0380
FD #1 Bond	0.0939	0.0939	0.0939	0.0939	0.0939	0.0939
N Clackamas SD #12 Bond	0.8166	0.8166	0.8166	0.8166	0.8166	0.8166
N Clackamas SD #12 Bond 2006	1.5431	1.5431	1.5431	1.5431	1.5431	1.5431
Service #2 Metro Bond	0.0151	0.0151	0.0151	0.0151	0.0151	0.0151
Service #2 Metro Bond 2006	0.1806	0.1806	0.1806	0.1806	0.1806	0.1806
Tri Met Bond	-	-	-	-	-	-
Mt. Scott Water Bond	-	-	-	-	-	-
Total Excluded From Limitations	2.8367	2.8367	2.8367	2.8367	2.8367	2.8367
Total Rate	17.0798	17.0798	17.0798	17.0798	17.0798	17.0798

Source: Clackamas County, Oregon Department of Assessment and Taxation, Assessment & Tax Roll Summaries

City of Happy Valley
Fiscal Year 2016- 2017 Budget

Total Assessed Value 2,269,650,122
Average Education 5.72
Average Gen Gov 8.49
Average Taxes 16.58

Summary of Tax Rates by Tax Code

Tax Code	012-235	012-236	012-237	012-243	012-250	012-255
Assessed Valuation	\$ 27,483,629	\$ 785,056	\$ 2,017,800	\$ 7,263,041	\$ 879,646	\$ 2,157
M-50 Consolidated Tax Rate	17.0798	17.0798	17.0798	17.0798	17.0798	17.0798
Clackamas Community College	0.5554	0.5554	0.5554	0.5554	0.5554	0.5554
Mt. Hood Community College	0.3673	0.3673	0.3673	0.3673	0.3673	0.3673
ESD Clackamas	4.8042	4.8042	4.8042	4.8042	4.8042	4.8042
N Clackamas SD #12	-	-	-	-	-	-
ESD Multnomah Co	-	-	-	-	-	-
Centennial SD #302	-	-	-	-	-	-
Total Education	5.7269	5.7269	5.7269	5.7269	5.7269	5.7269
City of Happy Valley Permanent Rate	0.6710	0.6710	0.6710	0.6710	0.6710	0.6710
City of Happy Valley Public Safety	1.3800	1.3800	1.3800	1.3800	1.3800	1.3800
Clackamas County	2.4036	2.4036	2.4036	2.4036	2.4036	2.4036
County Extension & 4H	0.0499	0.0499	0.0499	0.0499	0.0499	0.0499
County Library	0.3959	0.3959	0.3959	0.3959	0.3959	0.3959
County Public Safety Loc Opt 2006	0.2480	0.2480	0.2480	0.2480	0.2480	0.2480
County Soil Cons	0.0499	0.0499	0.0499	0.0499	0.0499	0.0499
FD #1	2.3787	2.3787	2.3787	2.3787	2.3787	2.3787
N Clackamas Parks	0.5310	0.5310	0.5310	0.5310	0.5310	0.5310
Port of Portland	0.0699	0.0699	0.0699	0.0699	0.0699	0.0699
Service District 2 Metro	0.0962	0.0962	0.0962	0.0962	0.0962	0.0962
Service District 2 Metro Loc Opt 2013	0.0960	0.0960	0.0960	0.0960	0.0960	0.0960
Urban Renewal	0.1146	0.1146	0.1146	0.1146	0.1146	0.1146
Vector Control	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065
Vector Control LOC OPT 2005	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250
Total General Government	8.5162	8.5162	8.5162	8.5162	8.5162	8.5162
Community College Bond CCC	0.1494	0.1494	0.1494	0.1494	0.1494	0.1494
Community College Bond CCC #2	0.0380	0.0380	0.0380	0.0380	0.0380	0.0380
FD #1 Bond	0.0939	0.0939	0.0939	0.0939	0.0939	0.0939
N Clackamas SD #12 Bond	0.8166	0.8166	0.8166	0.8166	0.8166	0.8166
N Clackamas SD #12 Bond 2006	1.5431	1.5431	1.5431	1.5431	1.5431	1.5431
Centennial SD #302 Bond	-	-	-	-	-	-
Service #2 Metro Bond	0.0151	0.0151	0.0151	0.0151	0.0151	0.0151
Service #2 Metro Bond 2006	0.1806	0.1806	0.1806	0.1806	0.1806	0.1806
Tri Met Bond	-	-	-	-	-	-
Total Excluded From Limitations	2.8367	2.8367	2.8367	2.8367	2.8367	2.8367
Total Rate	17.0798	17.0798	17.0798	17.0798	17.0798	17.0798

Source: Clackamas County, Oregon Department of Assessment and Taxation, Assessment & Tax Roll Summaries

City of Happy Valley
Fiscal Year 2016- 2017 Budget

Total Assessed Value 2,269,650,122
Average Education 5.72
Average Gen Gov 8.49
Average Taxes 16.58

Summary of Tax Rates by Tax Code

Tax Code	012-261	302-015	302-016	302-020	302-021	302-023
Assessed Valuation	\$ 606,093	\$ 5,649,722	\$ -	\$ 6,257,972	\$ 19,534,037	\$ 988,315
M-50 Consolidated Tax Rate	17.0798	15.5179	15.5179	15.5179	15.5179	15.4938
Clackamas Community College	0.5554	-	-	-	-	-
Mt. Hood Community College	0.3673	0.4917	0.4917	0.4917	0.4917	0.4917
ESD Clackamas	4.8042	-	-	-	-	-
N Clackamas SD #12	-	-	-	-	-	-
ESD Multnomah Co	-	0.4576	0.4576	0.4576	0.4576	0.4576
Centennial SD #302	-	4.7448	4.7448	4.7448	4.7448	4.7448
Total Education	5.7269	5.6941	5.6941	5.6941	5.6941	5.6941
City of Happy Valley Permanent Rate	0.6710	0.6710	0.6710	0.6710	0.6710	0.6710
City of Happy Valley Public Safety	1.3800	1.3800	1.3800	1.3800	1.3800	1.3800
Clackamas County	2.4036	2.4036	2.4036	2.4036	2.4036	2.4036
County Extension & 4H	0.0499	0.0499	0.0499	0.0499	0.0499	0.0499
County Library	0.3959	0.3959	0.3959	0.3959	0.3959	0.3959
County Public Safety Loc Opt 2006	0.2480	0.2480	0.2480	0.2480	0.2480	0.2480
County Soil Cons	0.0499	0.0499	0.0499	0.0499	0.0499	0.0499
FD #1	2.3787	2.3787	2.3787	2.3787	2.3787	2.3771
N Clackamas Parks	0.5310	0.5310	0.5310	0.5310	0.5310	0.5310
Port of Portland	0.0699	0.0699	0.0699	0.0699	0.0699	0.0699
Service District 2 Metro - Zoo	0.0962	0.0962	0.0962	0.0962	0.0962	0.0962
Urban Renewal County SP	0.0960	0.0960	0.0960	0.0960	0.0960	0.0960
Urban Renewal	0.1146	0.0326	0.0326	0.0326	0.0326	0.0101
Vector Control	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065
Vector Control LOC OPT 2005	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250
Total General Government	8.5162	8.4342	8.4342	8.4342	8.4342	8.4101
Community College Bond CCC	0.1494	-	-	-	-	-
Community College Bond CCC #2	0.0380	0.0380	0.0380	0.0380	0.0380	0.0380
FD #1 Bond	0.0939	-	-	-	-	-
N Clackamas SD #12 Bond	0.8166	-	-	-	-	-
N Clackamas SD #12 Bond 2006	1.5431	-	-	-	-	-
Centennial SD #302 Bond	-	1.1559	1.1559	1.1559	1.1559	1.1559
Service #2 Metro Bond	0.0151	0.0151	0.0151	0.0151	0.0151	0.0151
Service #2 Metro Bond 2006	0.1806	0.1806	0.1806	0.1806	0.1806	0.1806
Tri Met Bond	-	-	-	-	-	-
Total Excluded From Limitations	2.8367	1.3896	1.3896	1.3896	1.3896	1.3896
Total Rate	17.0798	15.5179	15.5179	15.5179	15.5179	15.4938

Source: Clackamas County, Oregon Department of Assessment and Taxation, Assessment & Tax Roll Summaries

City of Happy Valley
Fiscal Year 2016- 2017 Budget

Total Assessed Value	2,269,650,122
Average Education	5.72
Average Gen Gov	8.49
Average Taxes	16.58

Summary of Tax Rates by Tax Code

Tax Code	302-023					
Assessed Valuation	\$ 4,745					
M-50 Consolidated Tax Rate	15.4558					
Clackamas Community College	-					
Mt. Hood Community College	0.4917					
ESD Clackamas	-					
N Clackamas SD #12	-					
ESD Multnomah Co	0.4576					
Centennial SD #302	4.7448					
Total Education	5.6941					
City of Happy Valley Permanent Rate	0.6710					
City of Happy Valley Public Safety	1.3800					
Clackamas County	2.4036					
County Extension & 4H	0.0499					
County Library	0.3959					
County Public Safety Loc Opt 2006	0.2480					
County Soil Cons	0.0499					
FD #1	2.3771					
N Clackamas Parks	0.5310					
Port of Portland	0.0699					
Service District 2 Metro - Zoo	0.0962					
Urban Renewal County SP	0.0960					
Urban Renewal	0.0101					
Vector Control	0.0065					
Vector Control LOC OPT 2005	0.0250					
Total General Government	8.4101					
Community College Bond CCC	-					
FD #1 Bond	-					
N Clackamas SD #12 Bond	-					
N Clackamas SD #12 Bond 2006	-					
Centennial SD #302 Bond	1.1559					
Service #2 Metro Bond	0.0151					
Service #2 Metro Bond 2006	0.1806					
Tri Met Bond	-					
Total Excluded From Limitations	1.3516					
Total Rate	15.4558					

Source: Clackamas County, Oregon Department of Assessment and Taxation, Assessment & Tax Roll Summaries