



2019-20
City of Happy Valley
Adopted Budget



City of Happy Valley Fiscal Year 2019 - 2020 Budget

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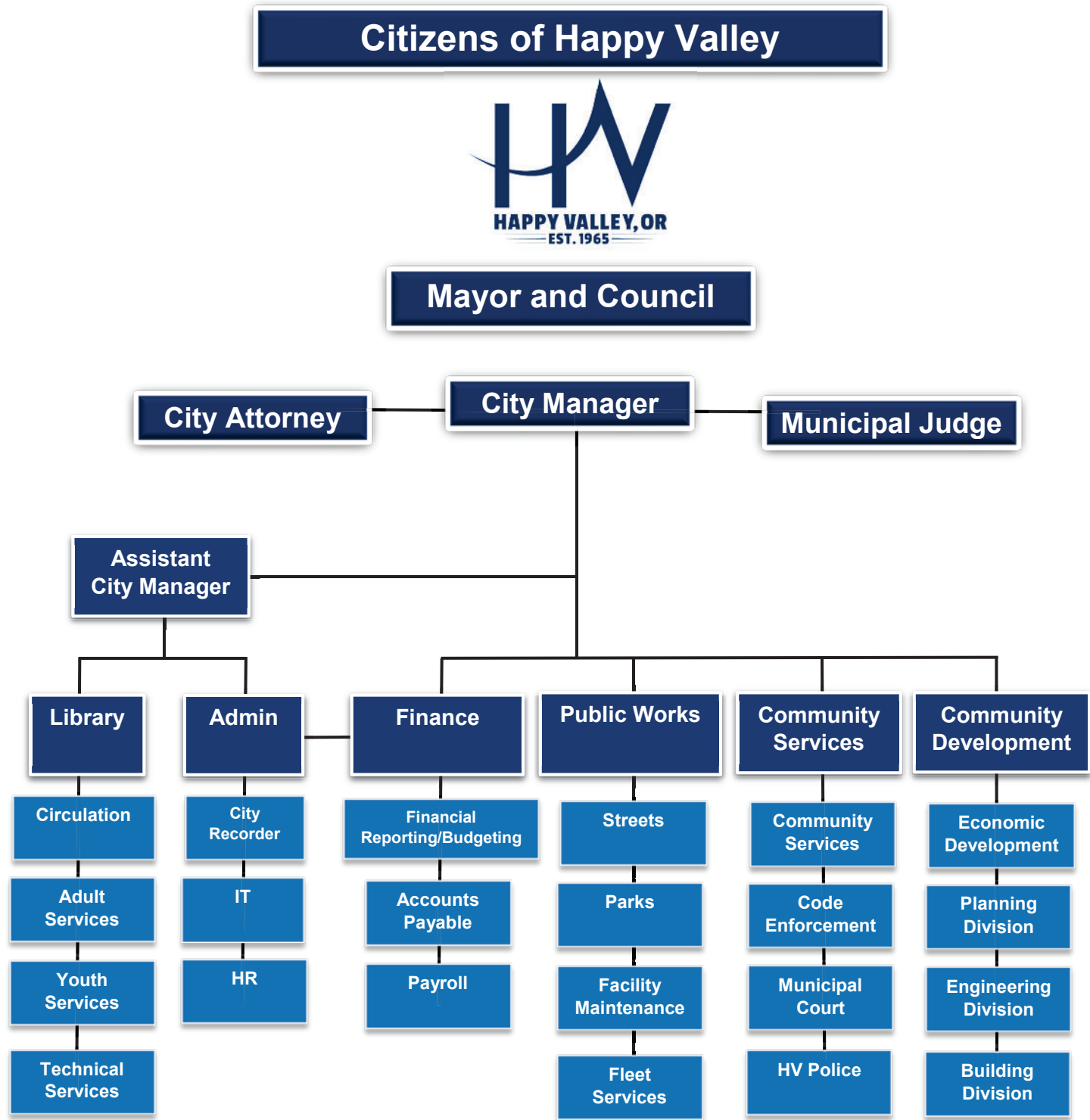
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City of Happy Valley Organization Chart

Population 20,181





City of Happy Valley
Fiscal Year 2019 - 2020 Budget

Budget Committee

Council Members

Tom Ellis – Mayor
Brett Sherman – Council President
Markley Drake – Councilor
David Golobay – Councilor
David Emami – Councilor

Citizen Members

William Bersie
Avi Patel
John Shepherd
Grant Roper
Ana Sarish



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Happy Valley
Oregon**

For the Fiscal Year Beginning

July 1, 2018

Christopher P. Morill

Executive Director



City of Happy Valley Fiscal Year 2019 - 2020 Budget

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*



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City Manager's Budget Message

To The Budget Committee:

I am pleased to present the 2019-20 fiscal year budget. The total for this budget is \$65.2 million and includes \$59.3 million of resources excluding transfers between funds and \$42.9 million of expenditures excluding transfers, contingency, and reserves for future expenditures. This budget increased overall by 20% from the 2018-19 budget of \$54.2 million. This change is due to increases in capital outlay expenditures as the City is now in control of its own Parks and Transportation Systems Development Charges (SDC) programs. There were no SDC projects completed during the 2018-19 fiscal year which resulted in increased beginning fund balance and capital outlay appropriations in the SDC funds. Additionally, through General Fund savings over the past several years and including this proposed budget, the City has transferred \$6.5 million to the Facilities Capital Projects Fund, all of which was appropriated as capital outlay expenditures. The charts on pages 18-21 show dollar and percentage changes from the 2018-19 budget to the 2019-20 budget by fund and category as well as the total budget changes by category.

Economic Outlook

While we continue to see healthy development activity, it has slowed somewhat from what we had seen during the 2016 through 2018 fiscal years. We believe there is potential for development revenue to increase during the 2019-20 fiscal year, however, much like the 2018-19 fiscal year, we have budgeted modestly due to the uncertainty of timing. As evidenced by the planning and engineering revenue in the preceding years, there are many areas available for development, primarily residential, but the timing remains uncertain. Because of this we show modest development revenue amounts in this budget, however, the potential is there for greater amounts and we believe the five-year outlook is positive.

Development activity will increase population which will increase revenues received on a per capita basis such as state shared revenues. Development will also increase assessed value which will increase property tax revenues. Revenues associated with higher population and assessed value are much more predictable than revenue associated with development activity. Given these predictable and unpredictable revenue streams, our goal is to budget ongoing operations based on predictable revenue streams and use unpredictable revenue for one time type expenditures such as a new facility. This proactive method of setting aside funds for large one-time purchases will allow the City to provide a constant level of service even when development activity fluctuates.



One ongoing concern regarding expenditures, is the Public Employee Retirement System (PERS) and its associated employer rate increases. Legislative changes to PERS are required otherwise it is likely the city will see continued increases in employer rates for the foreseeable future. This budget includes PERS rates for Tier1/Tier 2 at 24.26



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20.07% and OPSRP rates at 18.53 up from 20.07% and 14.02% respectively in the previous biennium. As PERS rates are reassessed every two years, we expect these rates will again increase for the 2021-23 budget. Due to the statewide unfunded actuarial liability, we can almost guarantee further rate increases for each biennium for the foreseeable future. As the City has diligently built reserve funds for general operations and replacement of capital assets and has been cautious when adding personnel, each fund with PERS employees, will be in a position to absorb these cost increases.

Challenges

We continue to evaluate how services will be provided for our residents and businesses. The City has been shifting away from the district model in order to directly manage how and when development happens in the City and how and when infrastructure gets built in the City. While relationships with our governmental partners are important, our primary responsibility is to deliver the best service at the most appropriate cost for our citizens. Transportation infrastructure, sanitary sewer infrastructure, parks, and open spaces are essential components of development and livability. The City must be a decision maker in those processes if we are to be the ones to determine the ultimate look and feel of our City.

Parks and Recreation Uncertainties

In May of 2018, the voters of Happy Valley approved a five-year local option levy at the rate of \$0.54 per \$1,000 of assessed value for parks and recreation services. This came on the heels of the City withdrawing from the North Clackamas Parks and Recreation District (NCPRD). Unfortunately, Clackamas County Circuit Court ruled the withdrawal process the City followed was not correct and the City is still within the boundaries of NCPRD. As a result, the County will be levying their permanent tax rate on properties inside Happy Valley. The City's proposed budget includes the approved local option levy, but Council will need to decide if changes should be included in the adopted version. The City has challenged the Court's ruling and there is a bill in the legislature that would clear up the withdrawal process.

Earlier this fiscal year, Clackamas County Circuit Court ruled that NCPRD breached the contract with the City. Trial to award damages in that case is currently set for August. While we hope for a timely resolution, we have not included any settlement estimates in this current budget.

This budget, like past budgets, contains transfers to reserve funds. We use reserve funds to prepare for the foreseeable replacement of capital assets and to provide necessary operations during periods of revenue declines. Reserving money for the future is an essential component of any long-term financial plan and aids in the achievement of our long-term strategic goals. As with past budgets, we strive 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.

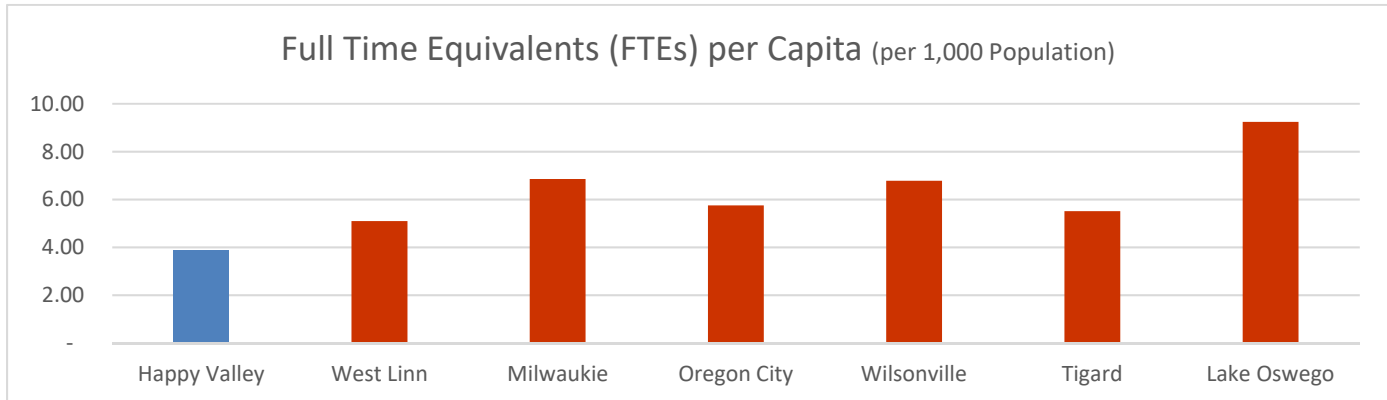
Personnel expenditures

Happy Valley continues to grow with annexations, new housing developments, and commercial/industrial projects. This development activity is beneficial long term for our City but makes it difficult to determine when to add employees rather than use contracted services. In this budget, we increase full time equivalent (FTE) staff by 1.5 overall from the previous budget. This increase consists of 1.0 FTE in General Fund - Administration, 1.0 FTE increase in the Library Fund, and a decrease of 0.5 FTE in the Street Maintenance Fund.

The City continues to maintain a lean and efficient staff of under 4 FTE (including contracted police officers) per 1,000 of population which is the lowest rate compared with other similar sized Portland Metro cities.



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Personnel costs also include contributions to PERS. PERS rates are expected to rise over the next two biennia based on information we received from PERS staff.

Goals and Initiatives

The City hears from residents all over town about projects and ideas that could make the City a better place. As tempting as it is to try and do everything, we recognize that most of the City's resources and staff time are spent providing day-to-day services such as road maintenance, public safety, permitting, etc. To make the most of our limited resources, it's important for us to prioritize and establish a cohesive set of goals for our team to accomplish.

In March, we gathered together with senior staff members to go over projects that are currently underway and discuss future priorities. Below is a recap of the major projects underway, as well as the new priorities the City Council identified.

Major Projects Already Underway

- Planning for Pleasant Valley / North Carver
- Investing in Infrastructure through Urban Renewal
- Completing Sidewalk Gaps Around the Super-block
- Resolving Parks & Recreation Dispute
- Completing a Pedestrian Master Plan
- Engaging Residents on an Upcoming Public Safety Levy

Priorities on the Horizon

- Acquiring Property for future Parks, Community Center, and/or Public Works Facility
- Developing a Plan for a Future Downtown
- Revisiting Annexation Policy
- Exploring Council Compensation
- Evaluating Idleman Road Classification
- Finding Funding for Bike/Pedestrian Projects
- Assisting with Affordable Housing Efforts
- Implementing Private Security for Developments Under Construction

Of course, these projects are in addition to the critical tasks of keeping our City clean, well-run, fiscally responsible, and family oriented. While we all have our own projects of interest, we are able to set those aside so that we can focus



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on this cohesive set of priorities. We have big dreams for Happy Valley. The first step is to identify and set priorities and we are excited to get to work on this list.

While we have accomplished a lot this past year, there is much work ahead. Indeed, many of the highlights from this past year are on-going efforts that will be prioritized based on City Council direction.

Conclusion

We remain in a positive economic cycle which gives us the opportunity to concentrate on long term strategies. We can contemplate the important questions about the City: What will the City look like 10 or 20 years from now? What services and amenities will be provided to our citizens and who is best suited to provide them? Do our policies attract the businesses and citizens we hope to attract? How do we maintain the look and feel of the community as we grow our city to 30,000 or 40,000 residents? These are the questions we continue to discuss as decisions are made regarding ongoing development, annexations, service model changes, and infrastructure requirements. These big questions and answers will have lasting implications for this City.

We use our five-year projection process to address these questions and look beyond the next fiscal year. The process helps us better understand the longer-term ramifications of decisions we make today. We then integrate that knowledge into the budget process each year so our short-term plan is in alignment with our long-term plan. Given what we know and what we project for the coming fiscal year, this budget positions us to evaluate and address issues as well as provide adequate funding for operations.

Each year we strive to improve our budget and make it a document useful to those both inside and outside the organization. We believe our budget conveys the spirit of our City and translates our goals into a spending plan for the upcoming fiscal year. I want to thank everyone who participates in this budget process for their commitment to the success of the budget which aides in the success of the City. I also want to thank Travis Warneke and the Finance staff for the preparation of this budget.

Respectfully submitted,

Jason Tuck,
City Manager and Budget Officer





City of Happy Valley Fiscal Year 2019 - 2020 Budget

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 11.6 square miles. It is a member of the Portland, Oregon metropolitan area bordering Portland on the southeast. 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 city of over 20,000 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, transportation planning, library, code enforcement, parks and recreation 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, K12 and community college, and fire and emergency services are provided by separate districts overlaying the city.



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The City received the Distinguished Budget Presentation Award for its 2017 annual budget from the GFOA, making this the 2nd consecutive City budget document to receive this award. This award is the highest form of recognition in governmental budgeting. Its attainment represents a significant accomplishment by a governmental entity, its finance staff, and its management. This international award program was first established in 1984 to encourage exemplary budgetary practices and to provide peer recognition for government finance officers who prepare budget documents. Budget proficiency is rated in four major categories: as a policy document, an operations guide, a financial plan, and a communications device.

We believe this budget document continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award. In addition to the budget award, the City received awards for its Comprehensive Annual Financial Reports (CAFR) in each of the previous three fiscal years.

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.

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 Finance Director is the staff liaison.

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.



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Budget Phases and Calendar

Pre-budget – Long Term Planning December – February

Update the five-year financial projection. This process is completed each year prior to the beginning of the budget process. Long 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 adjustments are made, the draft projection is presented to the Council at a work session. Changes from the Council are incorporated into the projection and a final version is then presented at the next available regular session for acceptance of the projection. The first year of the finalized projection is used as the basis for the annual budget.

Phase 1 February – April

Review and further refine numbers from the five-year projection based on the current year forecast and other available pertinent information. The management team meets to discuss and review all funds, programs, and services. During this timeframe, Budget Buddy meetings are held to educate the citizen volunteers on the Budget Committee about the budget process as well as city departments and services. The Proposed Budget is created based on programs and services planned for the upcoming budget period as well as information from the five-year projection to incorporate a longer-term vision.

Phase 2 April – May

The Budget Committee Meeting is held at City Hall. This public meeting requires public notices set out in statute. The entire Budget Committee is in attendance along with the city manager, department directors and other staff. City staff is in attendance to present the Proposed Budget and Budget Message as well as answer any questions the Budget Committee members may have regarding the Proposed Budget.

The Budget Committee Meeting allows in-depth review and discussion of the Proposed Budget. After discussion and review of the Proposed Budget is complete, the Budget Committee members vote on the budget. The budget and tax levies are approved if a majority of the committee votes in favor of the Proposed Budget including changes voted on and passed by the committee during the meeting. This vote of approval by the Budget Committee allows the Finance Department to convert the Proposed Budget into the Approved Budget. The Approved Budget is then sent to the Council for the Budget Hearing and adoption.

Phase 3 June – July

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. If necessary, resolutions to create new reserve funds are also passed during this meeting.



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Adoption of the budget by the Council allows the Finance Department to update the budget document to the Adopted version. The Adopted Budget is effective beginning July 1 of the fiscal year. The budget resolutions and property tax certification are submitted to the County before July 15 in order for the property taxes to be assessed.

Phase 4 July – June

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

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 inter-governmental 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, Storm Utility SDC, Transportation SDC, Parks SDC, Pedestrian Improvement Projects (PIP), Public Safety, Facility Capital Projects and Parks Capital Projects 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, General Reserve for Replacement, Library Reserve for Replacement, Parks Reserve for Replacement and Street Reserve for Replacement. The Reserve for Debt Service Fund is shown for historical purposes only.

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 comprehensive annual 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



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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.



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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.

Finance Director 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 diversify 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.



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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.

The Council policy is to budget 20% of total expenditures to mitigate short term volatility of revenues, mitigate short term economic downturns, absorb unanticipated operating needs, and meet operating cash flow requirement prior to collection of property taxes and other operating revenues.



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. During the 2016-17 budget period, the City paid off the remaining callable principal balance of \$3,530,000. Paying off the balance 10 years early saved the City nearly \$900,000 in interest payments. As there is no remaining long term debt, the Reserve for Debt Service Fund is shown in this budget for historical purposes only.

In the budget, debt 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 in the CAFR, 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 \$102 million as of June 2017. The city has not issued debt subject to this limitation.

Currently the city 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 for the city to provide services 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.

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 residents may be part of various overlapping districts including school, community college, sewer, and fire, as well as county and regional government districts.



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Goals

The Council has established the following seven 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 responsibility
- Goal 6 – Environmentally-sensible practices
- Goal 7 – Effective and efficient services

Summary of 2019-20 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. This fund also accounts for other revenue sources so expenditures are also made from this fund based on those revenue sources.

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 parks, city trail systems, and the recreation program. Revenues are from the Parks operating levy (if passed), event sponsorships, vendor fees, and user fees.

Storm Utility Systems Development Charge (SDC) Fund – accounts for City's development of storm drain infrastructure and improvements. Expenditures include credits to developers and capital outlay for items on the capital improvement plan. Revenues are primarily fees collected from developers.

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

Parks Systems Development Charge (SDC) Fund – accounts for City's development of parks and improvements. Expenditures include credits to developers and capital outlay for items on the capital improvement plan. Revenues are primarily fees collected from developers.



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Public Safety Fund – accounts for public safety operations and maintenance within the city. Revenues are primarily from a local option levy. Expenditures include a contract for police services.

The following reserve funds are budgeted per Oregon local budget law. However, they are not considered separate funds for financial reporting and are combined into one of the above funds in the CAFR.

Pedestrian Improvement Projects (PIP) Fund – accounts for pedestrian improvement projects such as bike lanes, pedestrian crossings, pedestrian refuge, sidewalks, and pathways. Revenues in this fund are primarily vehicle registration fees.

Facilities Capital Projects Fund – accounts for the purchase of land and construction of new facilities. Revenues in this fund are transfers from the General Fund.

Parks Capital Projects Fund – resources consist of a transfer from the Parks Fund. These resources will be available to supplement a Parks SDC project when the time comes. Not all SDC projects are 100% SDC eligible so having dedicated funds set aside will help get a project off the ground smoothly.

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.

General 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 spikes caused by capital replacement purchases. Revenues are transfers from the General Fund and PEG fees.

Library Reserve for Replacement Fund – reserve amounts for purchase of large dollar maintenance and capital replacement and purchase, according to an annually reviewed and updated Library replacement schedule. Accounting for these items here allows operational expenditures to be comparable year over year without spikes caused by capital replacement purchases. Revenues are transfers from the Library Fund.

Street Reserve for Replacement Fund – reserve amounts for purchase of large dollar maintenance and capital replacement and purchase, according to an annually reviewed and updated Street replacement schedule. Accounting for these items here allows operational expenditures to be comparable year over year without spikes caused by capital replacement purchases. Revenues are transfers from the Street Fund.

Parks Reserve for Replacement Fund – reserve amounts for purchase of large dollar maintenance and capital replacement and purchase, according to an annually reviewed and updated Parks replacement schedule. Accounting for these items here allows operational expenditures to be comparable year over year without spikes caused by capital replacement purchases. Revenues are transfers from the Parks Fund.

Highlights

The budget for the fiscal year beginning July 1, 2019 and ending June 30, 2020 totals \$65.2 million. This is an increase of 20% over the 2018-19 fiscal year budget which totaled \$54.2 million.

In this 2019-20 budget, personnel services represent 14% of total budgeted expenditures at \$8.8 million, up from \$8.0 million budgeted in 2018-19. This increase was due to added staff in the General Fund - Administration, the Library Fund as well as increased benefits cost, namely PERS retirement expense.



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Materials and services represent 14% of the total at \$9.4 million, this increased from \$9.5 million in the previous budget. Capital outlay is 38% of total budgeted expenditures at \$24 million compared to 31% and \$17 million in the 2018-19 budget. Most of this increase was due the increase of appropriations in the Transportation and Parks SDC Funds. An additional \$2.7 million was transferred to the Facility Capital Projects Fund and appropriated as Capital Outlay for the construction of a new facility.

The remaining \$22 million is made up of transfers, contingency, and reserved for future expenditures. Transfers of \$6 million were less than the \$7.6 budgeted in 2018-19, contingency of \$7.8 million is up from the \$4.6 million in the previous budget and reserved for future expenditures at \$8.6 million increased from \$7.4 million in the 2018-19 budget.

Transfers primarily consisted of \$2.7 million to the Facility Capital Project Fund and transfers from the General, Library and Street Funds to the respective reserve for replacement funds.

In the Transportation SDC fund, \$9.8 million is budgeted for SDC projects. The City budgeted \$2 million in Transportation SDC revenue for 2019-20.

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 reviewed and updated each year to reflect any changes in the organization. Transfers from the Parks, Street, Library, Public Safety, and PIP Funds 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	SDC Funds	Facility Capital Projects Fund	Parks Capital Projects Fund	Reserve for Rplcmnt Funds	Total Interfund Transfers
Transfers In	1,350,000	-	-	-	-	-	80,702	2,700,000	100,000	1,725,000	5,955,702
Transfers Out	(3,200,000)	(702,000)	(303,000)	(1,184,000)	(468,000)	(18,000)	(80,702)	-	-	-	(5,955,702)
Total by Fund	(1,850,000)	(702,000)	(303,000)	(1,184,000)	(468,000)	(18,000)	-	2,700,000	100,000	1,725,000	-

The reserved for future expenditures went from \$7.4 million in the previous budget to \$8.6 million in this budget. These reserves include fees paid in lieu of construction, amounts for mitigation of the cyclical nature of the economy and amounts reserved for replacement of equipment. 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 schedules using replacement value, life of asset, and years until replacement. These schedules are used to justify amounts set aside in the three Reserve for Replacement Funds. The schedules are reviewed and all items evaluated on an annual basis. The schedules are 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 2019-20 Budget

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Resources							
Beginning Fund Balance	18,683,212	18,558,854	16,496,971	28,143,293	35,944,292	35,944,292	35,944,292
Property Taxes	4,906,710	5,375,507	5,102,000	7,495,000	8,078,200	8,078,200	6,451,800
Licenses, Permits, & Fees	5,461,091	11,618,406	6,507,000	7,545,000	7,509,850	7,509,850	7,509,850
Intergovernmental	4,664,462	5,006,826	4,570,877	5,630,000	6,039,000	6,039,000	6,039,000
Fines and Court Related	569,509	730,074	580,000	640,000	750,000	750,000	750,000
Transfers from other Funds	4,648,964	7,505,460	7,405,698	6,348,894	5,955,702	5,955,702	5,430,702
Miscellaneous	817,507	703,831	630,750	1,103,000	968,000	968,000	968,000
Total Resources	39,751,455	49,498,958	41,293,296	56,905,187	65,245,044	65,245,044	63,093,644
Requirements							
Personnel Services	6,424,825	6,912,170	7,030,600	7,179,000	8,837,932	8,837,932	8,837,932
Materials & Services	5,530,382	6,125,552	7,193,000	6,339,100	9,527,600	9,527,600	9,343,540
Debt Service	3,603,513	-	-	-	-	-	-
Operations	15,558,720	13,037,722	14,223,600	13,518,100	18,365,532	18,365,532	18,181,472
Transfers to Other Funds	4,745,416	7,558,000	7,405,698	6,821,904	5,955,702	5,955,702	5,430,702
Capital Outlay	844,446	821,943	6,071,736	1,061,200	24,526,638	24,526,638	23,821,638
Operations, Transfers, Capital	5,589,862	8,379,943	13,477,434	7,883,104	30,482,340	30,482,340	29,252,340
Contingency	-	-	4,207,965	-	7,842,913	7,842,913	7,105,573
Reserved for Future Expenditures	2,198,974	2,198,974	9,384,297	2,498,974	8,554,259	8,554,259	8,554,259
Ending Fund Balance	16,403,899	25,882,319	-	33,455,009	-	-	-
Ending Fund Balance, Reserves, and Contingency	18,602,873	28,081,293	13,592,262	35,953,983	16,397,172	16,397,172	15,659,832
Total Requirements	39,751,455	49,498,958	41,293,296	57,355,187	65,245,044	65,245,044	63,093,644
Budget Positions	64.63	66.00	70.00	66.00	71.50	71.50	71.50
Monthly Operating Costs per Capita	\$74	\$59	\$70	\$54	\$70	\$70	\$70

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Adopted Budget 2019-20	Change from Adopted 2018-19	
						\$	%
General Fund							
Beginning Fund Balance	4,206,967	5,169,882	5,019,157	5,882,314	5,156,314	137,157	2.7%
Property Taxes	1,611,397	1,769,484	1,985,000	2,015,000	2,175,000	190,000	9.6%
Intergovernmental	719,001	838,775	980,000	940,000	1,029,000	49,000	5.0%
Fees and charges	5,551,738	5,631,337	4,433,000	4,780,000	4,618,500	185,500	4.2%
Misc	285,388	307,414	185,000	290,000	290,000	105,000	56.8%
Transfers In	994,320	1,482,775	1,218,000	1,218,000	1,350,000	132,000	10.8%
Resources Total	13,368,811	15,199,667	13,820,157	15,125,314	14,618,814	798,657	5.8%
Requirements							
Administration							
Personnel Services	1,295,884	1,484,072	1,545,100	1,410,000	1,813,700	268,600	17.4%
Materials and Services	1,056,206	1,036,588	1,295,000	952,000	1,270,000	(25,000)	-1.9%
Administration Total	2,352,090	2,520,660	2,840,100	2,362,000	3,083,700	243,600	8.6%
Com Svcs & Public Safety							
Personnel Services	1,035,193	1,084,331	1,098,900	1,030,000	1,195,000	96,100	8.7%
Materials and Services	53,062	61,650	76,500	55,000	76,500	-	0.0%
Com Svcs & Public Safety Total	1,088,255	1,145,981	1,175,400	1,085,000	1,271,500	96,100	8.2%
Economic and Com Dev							
Personnel Services	1,980,920	2,081,350	2,482,700	2,160,000	2,746,400	263,700	10.6%
Materials and Services	370,314	375,041	646,000	588,000	649,000	3,000	0.5%
Economic and Com Dev Total	2,351,234	2,456,391	3,128,700	2,748,000	3,395,400	266,700	8.5%
Public Works							
Personnel Services	427,221	474,718	538,600	479,000	572,200	33,600	6.2%
Materials and Services	142,699	249,603	235,000	95,000	202,000	(33,000)	-14.0%
Public Works Total	569,920	724,321	773,600	574,000	774,200	600	0.1%
NonDepartmental	32,786	-	-	-	-	-	N/A
Transfers Out	1,804,644	2,470,000	3,200,000	3,200,000	3,200,000	-	0.0%
Contingency	-	-	2,702,357	-	2,894,014	191,657	7.1%
	8,198,929	9,317,353	13,820,157	9,969,000	14,618,814	798,657	5.8%
Parks Fund							
Resources	385,392	665,438	1,704,700	1,642,590	1,229,940	(474,760)	-27.9%
Requirements							
Operations							
Personnel Services	149,424	124,230	190,000	141,000	205,667	15,667	8.2%
Materials and Services	137,068	405,562	263,000	202,000	278,000	15,000	5.7%
Operations Total	286,492	529,792	453,000	343,000	483,667	30,667	6.8%
Programming							
Personnel Services	-	-	199,000	164,000	203,333	4,333	2.2%
Materials and Services	-	-	109,700	98,000	110,940	1,240	1.1%
Programming Total	-	-	308,700	262,000	314,273	5,573	1.8%
Non-Departmental							
Other	-	2,406	295,000	270,000	255,000	(40,000)	-13.6%
Capital Outlay	-	-	-	-	-	-	N/A
Non-Departmental Total	-	2,406	295,000	270,000	255,000	(40,000)	-13.6%
Transfers Out	98,900	127,650	648,000	127,650	177,000	(471,000)	-72.7%
Contingency	-	-	-	-	-	-	N/A
	385,392	659,848	1,704,700	1,002,650	1,229,940	(474,760)	-27.9%

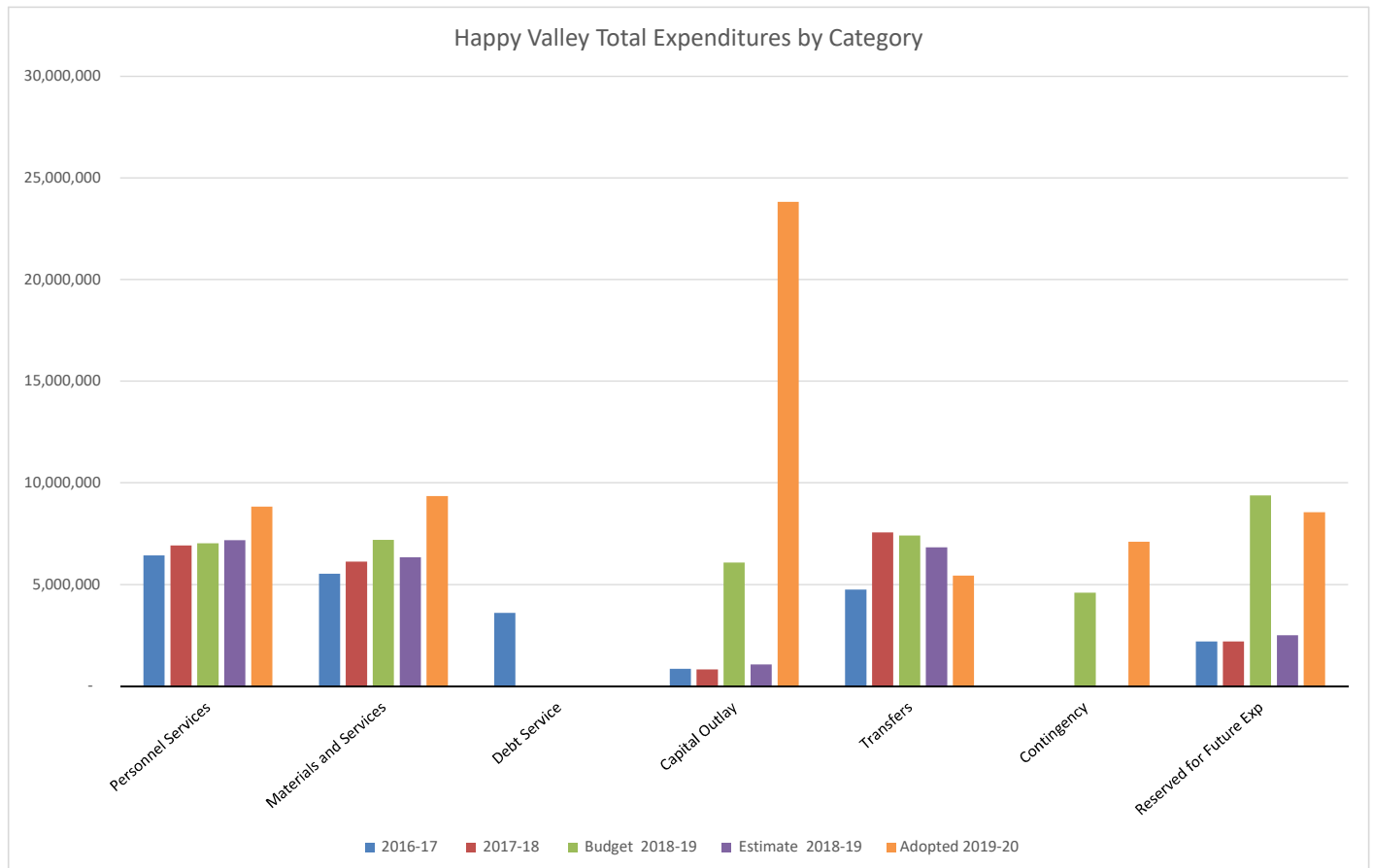
	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Adopted Budget 2019-20	Change from Adopted 2018-19	
						\$	%
Public Safety Fund							
Resources	4,306,576	4,888,341	5,305,224	5,576,582	6,257,082	951,858	17.9%
Requirements							
Materials and Services	2,890,512	2,936,919	3,692,000	3,168,100	3,768,600	76,600	2.1%
Capital Outlay	-	-	47,000	36,200	10,000	(37,000)	-78.7%
Transfers Out	301,450	424,840	452,000	452,000	468,000	16,000	3.5%
Contingency	-	-	1,114,224	-	2,010,482	896,258	80.4%
	<u>3,191,962</u>	<u>3,361,759</u>	<u>5,305,224</u>	<u>3,656,300</u>	<u>6,257,082</u>	<u>951,858</u>	<u>17.9%</u>
Library Fund							
Resources	5,400,162	4,275,546	3,941,502	4,363,606	4,671,956	730,454	18.5%
Requirements							
Personnel Services	1,263,162	1,374,191	1,557,200	1,485,000	1,746,032	188,832	12.1%
Materials and Services	421,973	474,824	608,000	501,000	652,000	44,000	7.2%
Transfers Out	2,239,600	1,213,925	990,000	990,000	1,184,000	194,000	19.6%
Contingency	-	-	786,302	-	1,089,924	303,622	38.6%
	<u>3,924,735</u>	<u>3,062,940</u>	<u>3,941,502</u>	<u>2,976,000</u>	<u>4,671,956</u>	<u>730,454</u>	<u>18.5%</u>
Street Maintenance Fund							
Resources	3,245,731	3,941,706	4,481,514	4,746,147	3,681,253	(800,261)	-17.9%
Requirements							
Personnel Services	273,021	289,278	394,500	310,000	355,600	(38,900)	-9.9%
Materials and Services	266,154	329,448	426,500	337,000	411,500	(15,000)	-3.5%
Capital Outlay	27,722	171,833	1,835,514	792,000	1,500,000	(335,514)	-18.3%
Transfers Out	267,470	320,000	1,825,000	1,605,894	303,000	(1,522,000)	-83.4%
Contingency	-	-	-	-	1,111,153	1,111,153	N/A
	<u>834,367</u>	<u>1,110,559</u>	<u>4,481,514</u>	<u>3,044,894</u>	<u>3,681,253</u>	<u>(800,261)</u>	<u>-17.9%</u>
Reserved - Future Expenditures	-	-	-	-	-	-	0.0%
Storm Utility SDC Fund							
Resources	927,511	1,489,216	1,391,000	1,505,153	1,201,153	(189,847)	-13.6%
Requirements							
Materials and Services	-	94,063	200,000	-	200,000	-	0.0%
Capital Outlay	1,770	-	791,000	-	920,451	129,451	16.4%
Transfers Out	-	-	400,000	400,000	80,702	(319,298)	-79.8%
	<u>1,770</u>	<u>94,063</u>	<u>1,391,000</u>	<u>400,000</u>	<u>1,201,153</u>	<u>(189,847)</u>	<u>-13.6%</u>
Reserved - Future Expenditures	-	-	-	-	-	-	0.0%
Transportation SDC Fund							
Resources	-	5,995,734	6,280,000	7,915,734	10,065,734	3,785,734	60.3%
Requirements							
Materials and Services	-	-	300,000	-	300,000	-	0.0%
Capital Outlay	-	-	5,980,000	50,000	9,765,734	3,785,734	63.3%
Transfers Out	-	150,000	-	-	-	-	N/A
	<u>-</u>	<u>150,000</u>	<u>6,280,000</u>	<u>50,000</u>	<u>10,065,734</u>	<u>3,785,734</u>	<u>N/A</u>
Reserved - Future Expenditures	-	-	-	-	-	-	N/A
Parks SDC Fund							
Resources	-	-	1,610,000	1,500,000	2,790,702	1,180,702	73.3%
Requirements							
Materials and Services	-	-	200,000	-	200,000	-	0.0%
Capital Outlay	-	-	1,410,000	-	2,590,702	1,180,702	83.7%
	<u>-</u>	<u>-</u>	<u>1,610,000</u>	<u>-</u>	<u>2,790,702</u>	<u>1,180,702</u>	<u>73.3%</u>

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Adopted Budget 2019-20	Change from Adopted 2018-19	
						\$	%
Pedestrian Improvement Projects Fund							
Resources	887,695	922,826	982,068	896,051	905,000	(77,068)	-7.8%
Requirements							
Materials and Services	-	-	10,000	-	30,000	20,000	200.0%
Capital Outlay	39,375	109,875	925,708	50,000	857,000	(68,708)	-7.4%
Transfers Out	33,352	36,900	46,360	46,360	18,000	(28,360)	-61.2%
	<u>72,727</u>	<u>146,775</u>	<u>982,068</u>	<u>96,360</u>	<u>905,000</u>	<u>(77,068)</u>	<u>-7.8%</u>
Reserved - Future Expenditures	-	-	-	-	-	-	0.0%
Reserve for General Operations							
Resources	2,198,974	2,198,974	2,498,974	2,498,974	2,498,974	-	0.0%
Requirements							
Reserved - Future Expenditures	-	-	2,498,974	-	2,498,974	-	0.0%
	<u>-</u>	<u>-</u>	<u>2,498,974</u>	<u>-</u>	<u>2,498,974</u>	<u>-</u>	<u>0.0%</u>
General Reserve for Replacement							
Resources	5,383,071	4,908,954	2,070,000	1,999,500	2,439,500	369,500	17.9%
Requirements							
Materials and Services	159,608	149,534	665,000	30,000	665,000	-	0.0%
Capital Outlay	775,579	540,235	900,000	100,000	900,000	-	0.0%
Transfers Out	-	2,814,685	-	-	-	-	N/A
	<u>935,187</u>	<u>3,504,454</u>	<u>1,565,000</u>	<u>130,000</u>	<u>1,565,000</u>	<u>-</u>	<u>0.0%</u>
Reserved - Future Expenditures	-	-	461,100	-	874,500	413,400	89.7%
Street Reserve for Replacement							
Resources	-	452,771	2,175,900	2,113,751	2,292,751	116,851	5.4%
Requirements							
Materials and Services	-	9,914	125,000	3,000	125,000	-	0.0%
Capital Outlay	-	-	500,900	18,000	507,751	6,851	1.4%
	<u>-</u>	<u>9,914</u>	<u>625,900</u>	<u>21,000</u>	<u>632,751</u>	<u>6,851</u>	<u>1.1%</u>
Reserved - Future Expenditures	-	-	1,550,000	-	1,660,000	1,660,000	N/A
Library Reserve for Replacement							
Resources	-	3,121,785	3,675,785	3,621,785	4,270,785	595,000	16.2%
Requirements							
Materials and Services	-	-	150,000	40,000	150,000	-	0.0%
Capital Outlay	-	-	600,000	15,000	600,000	-	0.0%
	<u>-</u>	<u>-</u>	<u>750,000</u>	<u>55,000</u>	<u>750,000</u>	<u>-</u>	<u>0.0%</u>
Reserved - Future Expenditures	-	-	2,925,785	-	3,520,785	595,000	20.3%
Parks Reserve for Replacement							
Resources	-	-	425,000	-	-	(425,000)	N/A
Requirements							
Materials and Services	-	-	150,000	-	-	(150,000)	N/A
Capital Outlay	-	-	275,000	-	-	(275,000)	N/A
	<u>-</u>	<u>-</u>	<u>425,000</u>	<u>-</u>	<u>-</u>	<u>(425,000)</u>	<u>N/A</u>
Reserved - Future Expenditures	-	-	-	-	-	-	N/A
Facility Capital Projects Fund							
Resources	-	1,500,000	3,800,000	3,800,000	6,170,000	2,370,000	62.4%
Requirements							
Capital Outlay	-	-	3,800,000	-	6,170,000	2,370,000	62.4%
	<u>-</u>	<u>-</u>	<u>3,800,000</u>	<u>-</u>	<u>6,170,000</u>	<u>2,370,000</u>	<u>62.4%</u>

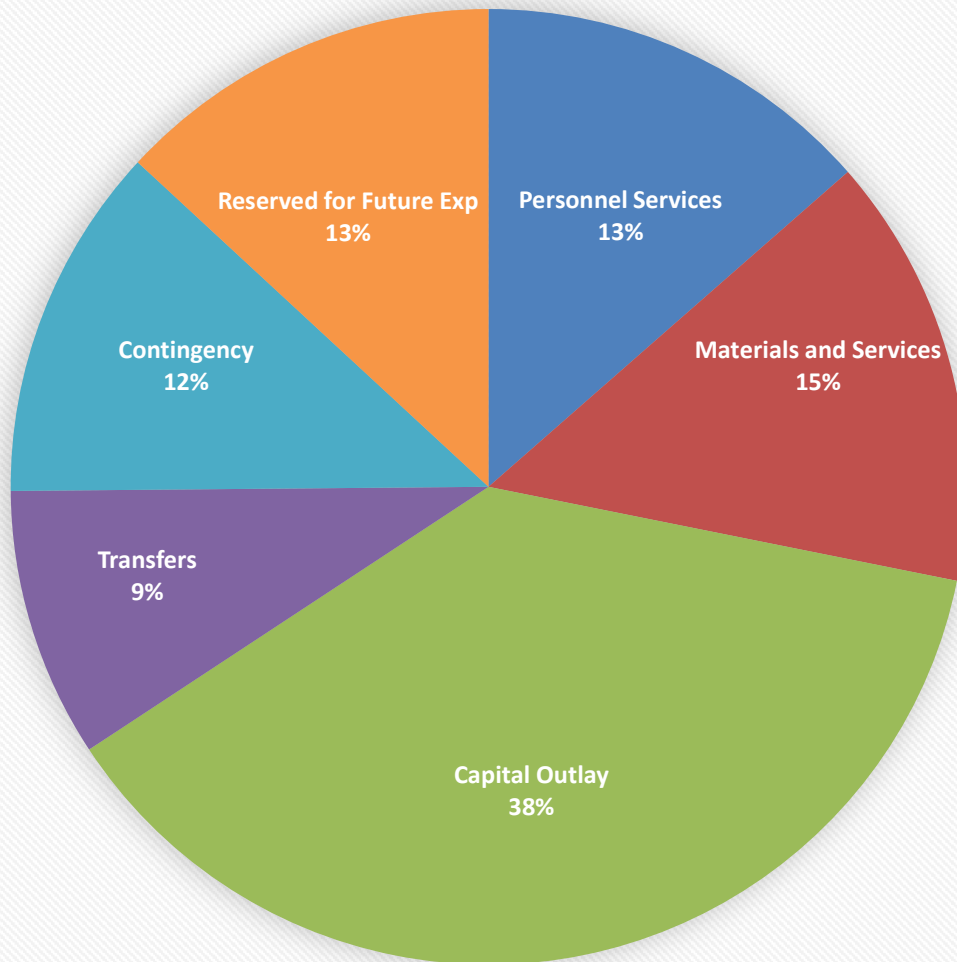
	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Adopted Budget 2019-20	Change from Adopted 2018-19	
						\$	%
Parks Capital Projects Fund							
Resources	-	-	90,000	-	-	(90,000)	N/A
Requirements							
Capital Outlay	-	-	90,000	-	-	(90,000)	N/A
	-	-	90,000	-	-	(90,000)	N/A
Reserve for Debt Service							
Resources	3,603,513	-	-	-	-	-	N/A
Requirements							
Principal	3,530,000	-	-	-	-	-	N/A
Interest	73,513	-	-	-	-	-	N/A
	3,603,513	-	-	-	-	-	N/A
Total Budget							
Resources	39,707,436	49,560,958	54,251,824	57,305,187	63,093,644	8,841,820	16.3%
Requirements						-	
Personnel Services	6,424,825	6,912,170	8,006,000	7,179,000	8,837,932	831,932	10.4%
Materials and Services	5,497,596	6,123,146	9,151,700	6,069,100	9,088,540	(63,160)	-0.7%
Capital Outlay	844,446	821,943	17,155,122	1,061,200	23,821,638	6,666,516	38.9%
Debt Service	3,603,513	-	-	-	-	-	N/A
Non-Departmental	32,786	2,406	295,000	270,000	255,000	(40,000)	N/A
Transfers	4,745,416	7,558,000	7,561,360	6,821,904	5,430,702	(2,130,658)	-28.2%
Contingency	-	-	4,602,883	-	7,105,573	2,502,690	54.4%
Reserve for Future Exp	-	-	7,435,859	-	8,554,259	1,118,400	15.0%
	21,148,582	21,417,665	54,207,924	21,401,204	63,093,644	8,885,720	16.4%

Summary by Category - Happy Valley Expenditures

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed 2019-20	Approved 2019-20	Adopted 2019-20
Personnel Services	6,424,825	6,912,170	7,030,600	7,179,000	8,837,932	8,837,932	8,837,932
Materials and Services	5,530,382	6,125,552	7,193,000	6,339,100	9,527,600	9,527,600	9,343,540
Debt Service	3,603,513	-	-	-	-	-	-
Capital Outlay	844,446	821,943	6,071,736	1,061,200	24,526,638	24,526,638	23,821,638
Transfers	4,745,416	7,558,000	7,405,698	6,821,904	5,955,702	5,955,702	5,430,702
Contingency	-	-	4,602,883	-	7,842,913	7,842,913	7,105,573
Reserved for Future Exp	2,198,974	2,198,974	9,384,297	2,498,974	8,554,259	8,554,259	8,554,259
Total Requirements	23,347,556	23,616,639	41,688,214	23,900,178	65,245,044	65,245,044	63,093,644



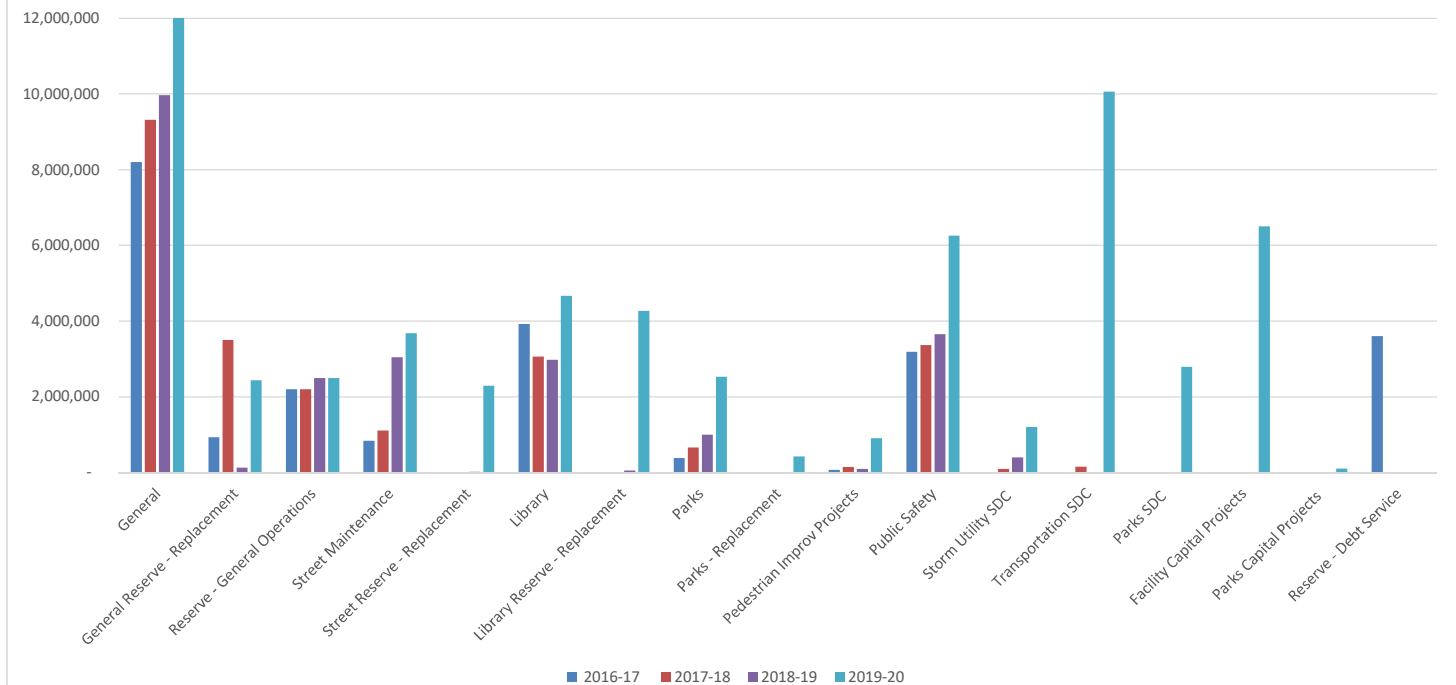
Happy Valley - 2019-20 Adopted Budget Expenditure Percentage by Category



Summary by Fund - Happy Valley Expenditures

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed 2019-20	Approved 2019-20	Adopted 2019-20
General	8,198,929	9,317,353	13,820,157	9,969,000	14,618,814	14,618,814	14,618,814
General Reserve - Replacement	935,187	3,504,454	2,026,100	130,000	2,439,500	2,439,500	2,439,500
Reserve - General Operations	2,198,974	2,198,974	2,498,974	2,498,974	2,498,974	2,498,974	2,498,974
Street Maintenance	834,367	1,110,559	4,481,514	3,044,894	3,681,253	3,681,253	3,681,253
Street Reserve - Replacement	-	9,914	2,175,900	21,000	2,292,751	2,292,751	2,292,751
Library	3,924,735	3,062,940	3,941,502	2,976,000	4,671,956	4,671,956	4,671,956
Library Reserve - Replacement	-	-	3,675,785	55,000	4,270,785	4,270,785	4,270,785
Parks	385,392	659,848	1,704,700	1,002,650	2,526,340	2,526,340	1,229,940
Parks - Replacement	-	-	425,000	-	425,000	425,000	-
Pedestrian Improv Projects	72,727	146,775	982,068	96,360	905,000	905,000	905,000
Public Safety	3,191,962	3,361,759	5,305,224	3,656,300	6,257,082	6,257,082	6,257,082
Storm Utility SDC	1,770	94,063	1,391,000	400,000	1,201,153	1,201,153	1,201,153
Transportation SDC	-	150,000	6,280,000	-	10,065,734	10,065,734	10,065,734
Parks SDC	-	-	1,610,000	-	2,790,702	2,790,702	2,790,702
Facility Capital Projects	-	-	3,800,000	-	6,500,000	6,500,000	6,170,000
Parks Capital Projects	-	-	90,000	-	100,000	100,000	-
Reserve - Debt Service	3,603,513	-	-	-	-	-	-
Total Requirements	23,347,556	23,616,639	54,207,924	23,850,178	65,245,044	65,245,044	63,093,644

Happy Valley - 2019-20 Adopted Total Expenditures By Fund (includes reserved for future)





City of Happy Valley Fiscal Year 2019 - 2020 Budget

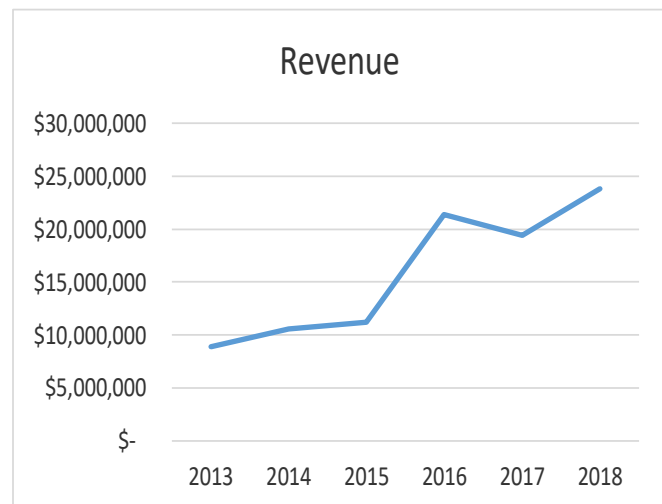
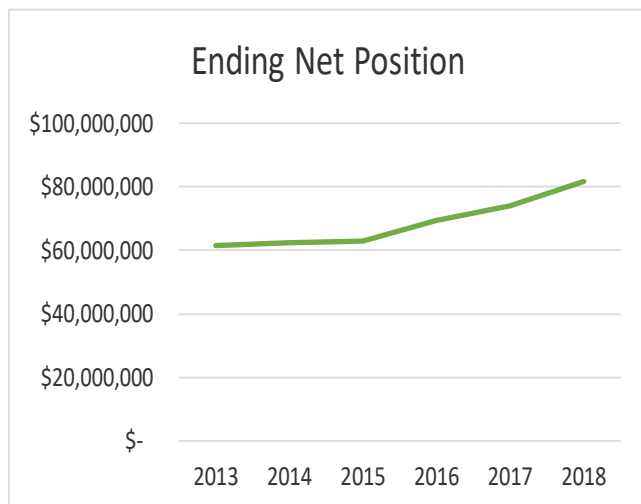
Demographics and Financial Trend Information

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

Net position increases are due to our continued diligence in keeping expenditures below revenues. This is done by creating efficiencies whenever possible. We expect the economic upturn to continue and this budget was created using that assumption.

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

	2013	2014	2015	2016	2017	2018
Revenue	\$ 8,896,753	\$ 10,567,581	\$ 11,183,982	\$ 21,360,412	\$ 19,387,830	\$ 23,821,866
Expenditures	(8,975,109)	(9,667,612)	(9,639,269)	(14,761,718)	(14,703,089)	(16,253,007)
Change in Net Position	(78,356)	899,969	1,544,713	6,598,694	4,684,741	7,568,859
Beginning Net Position	60,009,909	61,418,930	62,318,899	62,830,427	69,429,121	74,113,862
Prior Period Adjustment	1,487,377		(1,033,185)		-	-
Ending Net Position	\$ 61,418,930	\$ 62,318,899	\$ 62,830,427	\$ 69,429,121	\$ 74,113,862	\$ 81,682,721



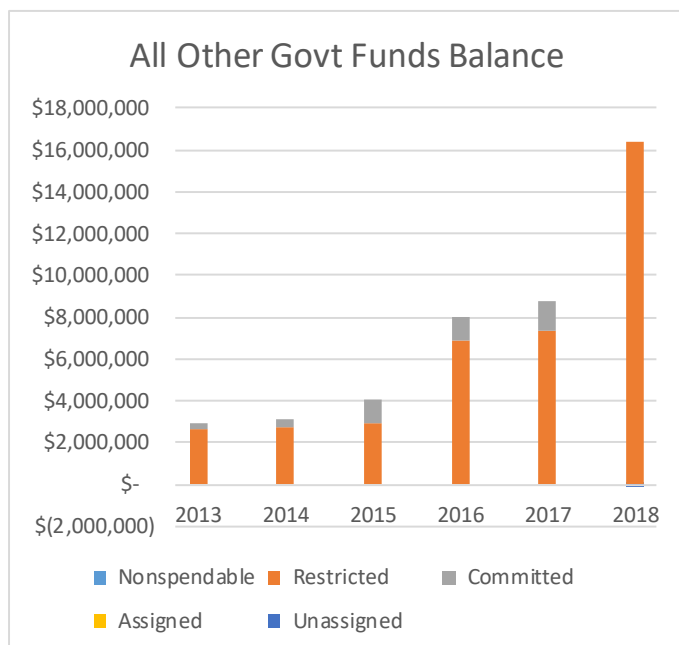
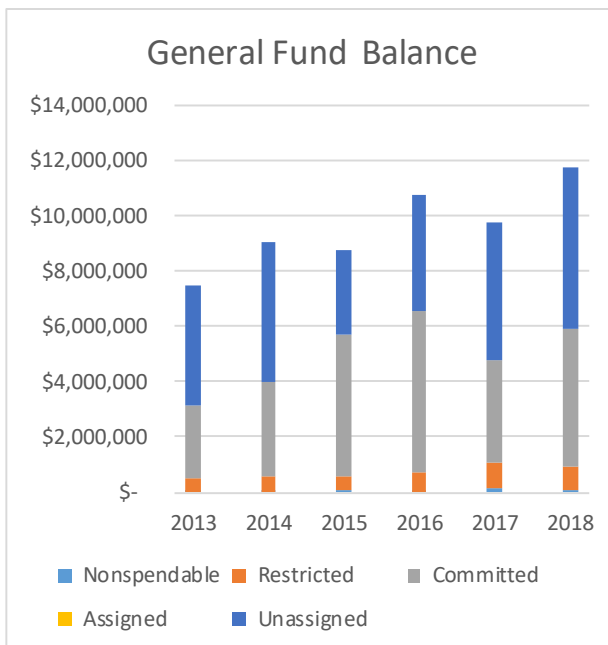


City of Happy Valley Fiscal Year 2019 - 2020 Budget

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 2013 – 2018. The General Fund – Committed increases represented reserves for capital replacement and maintenance and amounts to counter the next economic downturn.

	Fiscal Year					
	2013	2014	2015	2016	2017	2018
Nonspendable	\$ 22,744	\$ 20,963	\$ 46,655	\$ 20,054	\$ 152,186	\$ 42,773
Restricted	501,707	574,984	526,381	677,784	919,791	917,259
Committed	2,645,793	3,413,463	5,132,372	5,860,117	3,688,533	4,965,481
Assigned	-	-	-	-	-	-
Unassigned	4,307,735	5,048,990	3,059,652	4,186,913	5,017,696	5,839,541
Total General Fund	\$ 7,477,979	\$ 9,058,400	\$ 8,765,060	\$ 10,744,868	\$ 9,778,206	\$ 11,765,054

	Fiscal Year					
	2013	2014	2015	2016	2017	2018
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,739
Restricted	2,644,587	2,761,530	2,947,266	6,856,183	7,326,609	16,373,527
Committed	328,419	313,914	1,145,945	1,145,945	1,415,222	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(22,812)
Total All Other Govt Funds	\$ 2,973,006	\$ 3,075,444	\$ 4,093,211	\$ 8,002,128	\$ 8,741,831	\$ 16,350,715





City of Happy Valley Fiscal Year 2019 - 2020 Budget

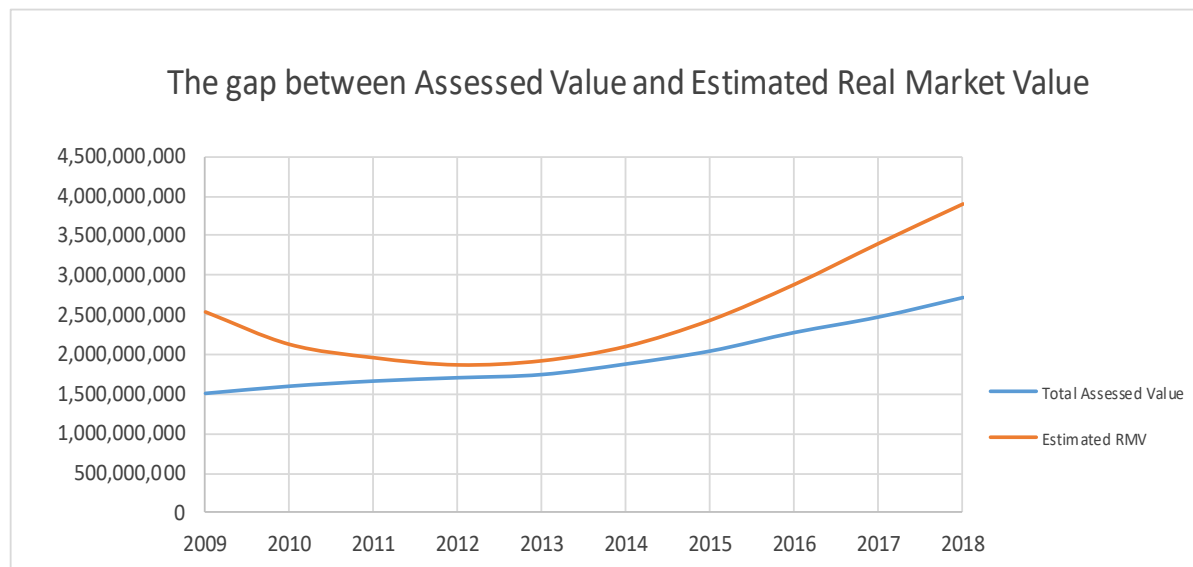
Also included are various charts and graphs as added information. Included are property values with a chart to illustrate the gap between assessed value and estimated real market value, tax rates including overlapping rates, ratios of outstanding debt, direct and overlapping activities debt, legal debt 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					RMV		Assessed value as percentage of RMV
	Real property	Personal property	Manuf'd structure	Public utility	Total assessed value	Total direct tax rate	Estimated real market value (RMV)	
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%
2016	2,207,472,001	8,319,410	2,198,711	51,660,000	2,269,650,122	2.05	2,874,727,083	67%
2017	2,398,435,939	8,482,412	2,283,394	53,606,800	2,462,808,545	2.05	3,393,208,454	73%
2018	2,631,897,068	15,683,359	2,927,826	54,349,830	2,704,858,083	2.05	3,889,314,139	70%

Source: Clackamas County Assessor's Office

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





City of Happy Valley Fiscal Year 2019 - 2020 Budget

Demographic and economic statistics

Fiscal Year	Population(1)	Median Age(1)	Household Income	Per Capita Income (2)	Public School Enrollment (3)	Unemployment Rate(4)
2013	15,575	37	92,773	36,978	6,516	6.0
2014	16,480	37	100,438	37,813	6,585	5.5
2015	17,510	37	100,508	40,613	6,859	5.2
2016	18,535	37	94,900	38,593	6,495	4.3
2017	19,985	37	101,250	38,358	6,877	3.9
2018	20,181	37	106,029	44,220	6,592	3.7

Source: (1) Portland Population Research Center.

(2) U.S. Census Bureau.

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

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

PRINCIPAL EMPLOYERS

<u>Employer</u>	2018		
	Employees	Rank	Percentage of Total City Employment
Fred Meyer	279	1	9%
New Seasons Market	179	2	6%
Camp Withycombe	100	3	3%
City of Happy Valley	88	4	3%
Providence Medical Group Happy Valley	68	5	2%
McDonald's	50	6	2%
Abundent Life	48	7	2%
Hop Jack's	46	8	1%
Glenmoore	38	9	1%
La Costita	31	10	1%
	927		28%

Source: City business licenses

Operating Indicators by Function

	2012	2013	2014	2015	2016	2017	2018
Governmental Activities							
Economic and Community Development							
Residential Building permits issued	158	276	350	274	418	190	135
Commercial Building permits issued	16	2	2	5	14	9	8
Public Works:							
Street Sweeping:							
Number of miles swept	2,500	3,000	2,200	2,500	1,800	1,592	1,493
Volume of material removed (cubic yards)	285	379	757	900	900	762	648
Winter Storms:							
Sand applied (cubic yards)	*	26	78	8	100	206	66
Sand picked up after storms	*	16	50	4	60	180	35
Magnesium chloride/De-icing (gallons)	4,125	2,100	7,500	900	2,750	8,735	5,575
Landscape Maintenance:							
Fertilizers (lbs)	*	150	1,110	2,239	0	0	4,746
Herbicides (gallons)	*	56	190	135	480	934	2080 / 195
Park Reservations:							
Reservations coordinated	153	172	214	210	225	255	231
Number of people served	*	6,078	8,218	9,207	9,722	10,315	9,849
Trees planted	*	*	3,150	925	92	1,000	793
Services performed on fleet vehicles	*	80	146	170	190	190	250
Crack seal applied on roadways (tons)	4.25	2.25	6.60	4.50	13.75	7.50	7.50
Signs cleaned and adjusted	*	*	869	920	1,148	50	1,200
Community Services							
Passports issued	1,339	1,690	1,882	2,316	2,592	3,377	3,566
Public Safety:							
Code Enforcement / Animal Control Cases	2,023	2,768	2,453	2,108	3,168	3,042	2,148
Parking citations	547	637	389	306	461	585	1,048
Number dispatched calls for service	3,159	3,251	3,471	3,517	4,361	4,466	4,591
Number of traffic violations	2,158	1,849	2,145	2,588	3,079	2,623	4,364
Number of "other" self initiated activities	2,158	1,801	1,396	1,521	1,982	2,901	6,828
Number of traffic stops	3,301	3,582	3,887	4,111	4,545	3,949	4,293
Library							
Circulation	654,150	707,958	762,069	800,944	793,476	787,888	824,836
Number of Reference Inquiries	19,580	17,930	17,452	17,868	27,219	26,889	31,528
Number of Youth Programs	87	214	225	299	401	398	509
Youth Program Attendance	4,145	7,581	9,807	14,127	16,163	19,015	24,887
Number of Adult Programs	3	48	91	180	197	241	195
Adult Program Attendance	331	587	877	2,103	2,892	3,730	3,718

Source: Various City departments

* Information unavailable at this time.



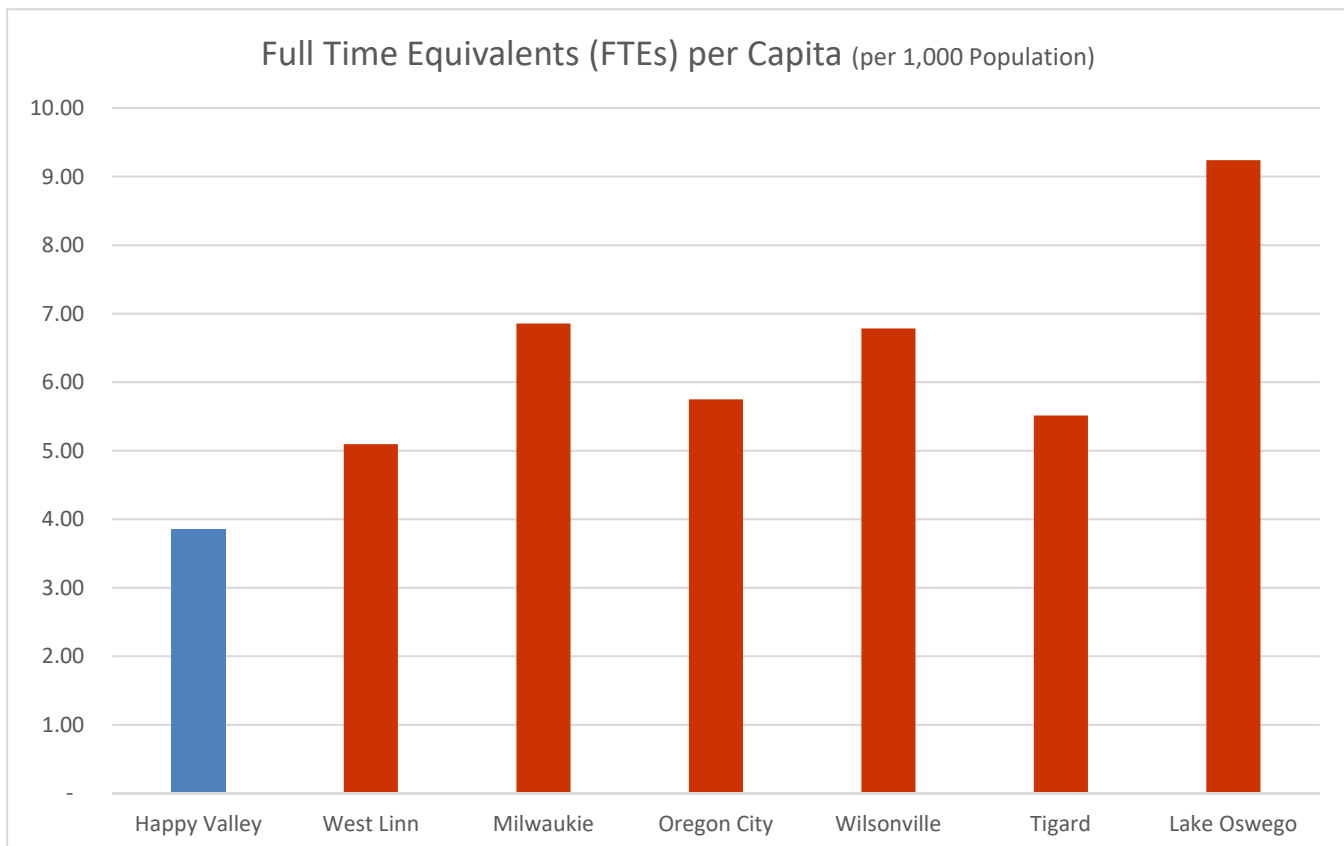
City of Happy Valley Fiscal Year 2019 - 2020 Budget

Personnel Overview

The following pages summarize 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 5.0% wage increase and a 15% benefit increase. The wage increase is composed of a 2.5% cost of living adjustment and a maximum 2.5% merit increase. Overall budgeted FTE increased 2.0 from the previous budget. This increase consists of 1.0 FTE in General Fund - Administration, a 1.0 FTE increase in the Library Fund and a 0.5 FTE decrease in the Street Fund. Total FTE increased from 70.0 FTE in the 2018-19 budget to 71.5 FTE in this budget.

As the following chart shows, we continue to run a lean organization. The City operates with under 4 FTE per 1,000 population which is well below other similar sized organizations in the area. As personnel costs are the number one cost driver, we are very deliberate with our hiring and seek efficiencies elsewhere whenever possible.



COMPARING NUMBER OF CITY EMPLOYEES WITH OTHER CITIES
Measured in Full-Time Equivalents (FTEs)

	City Employees by Department by City (FTEs)						
	Happy Valley	West Linn	Milwaukie	Oregon City	Wilsonville	Tigard	Lake Oswego
Service Departments							
Building Inspections	11.25	4.00	2.00	6.38	5.60	11.00	8.90
Code Enforcement	3.00	-	1.50	-	-	1.00	1.00
Engineering	4.25	4.50	7.00	4.85	11.00	16.00	22.80
Library	18.00	16.63	19.76	13.74	16.46	35.42	33.70
Municipal Court	2.00	3.00	3.00	4.46	1.65	3.50	3.50
Parks and Recreation	4.50	21.25	-	36.14	17.45	11.67	46.70
Planning	5.25	4.50	5.00	5.66	7.60	16.00	13.50
Public Safety - Police	12.00	34.50	41.85	56.53	-	84.50	52.00
Utility - Streets/Transportation	3.50	5.00	6.50	11.26	4.05	7.33	5.00
Utility - Water	-	6.00	7.20	13.27	5.67	13.00	18.90
Utility - Sewer/Wastewater and Storm	-	6.50	12.80	21.08	9.32	13.00	10.10
	63.75	105.88	106.61	173.37	78.80	212.42	216.10
Support Departments							
City Attorney	-	1.00	-	-	3.70	-	4.00
City Manager's Office	4.00	2.00	2.50	1.00	5.00	4.90	6.30
City Recorder	1.00	2.00	2.50	3.00	-	3.85	-
PW Administration	2.00	4.50	7.00	-	3.50	9.00	8.00
Community Services / Public Affairs	5.00	1.00	2.00	-	-	4.25	1.00
Economic Development	0.25	1.00	1.00	1.10	3.50	2.00	1.70
Facilities Management	1.00	1.00	3.00	1.89	5.75	4.90	4.50
Finance and Risk Management	4.00	4.80	8.00	11.25	9.31	18.10	10.10
Fleet/Vehicle Management	1.00	1.50	3.00	-	6.60	2.35	2.00
Human Resources	1.00	2.80	2.00	2.75	3.35	4.50	3.00
Information Technology	1.00	3.00	3.00	2.50	4.00	8.00	9.50
	20.25	24.60	34.00	23.49	44.71	61.85	50.10
Common Full Time Equivalents (FTEs)	84.00	130.48	140.61	196.86	123.51	274.27	266.20
Unique Services							
City Transit/Bus Service	-	-	-	-	37.50	-	-
City Fire Department	-	-	-	-	-	-	52.00
City 911 Dispatch Service	-	-	-	-	-	-	16.50
City Golf and Tennis	-	-	-	-	-	-	8.10
City LO-Tigard Water Partnership	-	-	-	-	-	-	3.00
Total Unique Services	-	-	-	-	37.50	-	79.60
Full Time Equivalents (FTEs)	84.00	130.48	140.61	196.86	161.01	274.27	345.80
Population	21,800	25,615	20,510	34,240	23,740	49,745	37,425
FTEs per Capita (per 1,000 of Population)	3.85	5.09	6.86	5.75	6.78	5.51	9.24



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Benefits

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 15% for this budget. Full time 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 \$50,000. 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. In this budget PERS employer contribution rates from the previous budget as they are the 2019-21 biennium rates. The Tier1 / Tier2 rate is 24.29 20.07% and the OPSPR rate is 18.53% up from 24.29% and 14.02% respectively in the previous biennium.

A previous 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 increases in the system's unfunded actuarial liability. No bills were passed during the most recent legislative session to address the ongoing PERS issues. Without substantive changes PERS rates for employers are expected to rise over the next several biennia.

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.

2019-20 Adopted Budget - Positions

Department and Position	2016-17	2017-18	Adopted	Estimate	Proposed	Approved	Adopted
			Budget	2018-19	Budget	Budget	Budget
			2018-19	2018-19	2019-20	2019-20	2019-20
Administration							
City Manager's Office							
City Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Assistant City Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Program Technician	1.00	1.00	1.00	1.00	1.00	1.00	1.00
New Position	-	-	1.00	-	1.00	1.00	1.00
Finance and IT							
Finance Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Accountant	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Accountant I	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Accountant I	-	-	-	-	1.00	1.00	1.00
Information Technology							
IT Administrator	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Human Resources and City Recorder							
City Recorder/HR Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Management Analyst/ City Recorder	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	10.00	10.00	11.00	10.00	12.00	12.00	12.00
Economic and Community Development							
Community Development Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Development Services Manager	-	-	1.00	-	1.00	1.00	1.00
Administrative Assistant III	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Planning							
Planning Services Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Planner	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Associate Planner	1.00	1.00	1.00	1.00	1.00	1.00	1.00
GIS Tech	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Engineering							
Engineering Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sr.Civil Engineer	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Engineering Technician	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Associate Engineer	-	-	1.00	-	1.00	1.00	1.00

2019-20 Adopted Budget - Positions

Department and Position	2016-17	2017-18	Adopted	Estimate	Proposed	Approved	Adopted
			Budget	2018-19	Budget	Budget	Budget
			2018-19	2018-19	2019-20	2019-20	2019-20
Building Inspection							
Building Official	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Building Official	1.00	1.00	-	-	-	-	-
Administrative Assistant I	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Permit Technician	3.00	2.00	2.00	2.00	2.00	2.00	2.00
Building Inspector I	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Building Inspector II	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Building Insp/Plans Examiner	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Plumbing/Bldg Insp	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	20.00	19.00	20.00	18.00	20.00	20.00	20.00
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
Program Coordinator	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Program Technician	2.00	2.00	1.00	1.00	1.00	1.00	1.00
Administrative Assistant II	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Assistant I	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Code Enforcement							
Code Enforcement Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Comm Svcs Officer	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Municipal Court							
Court Clerk Lead	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Court Clerk	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	11.00	11.00	10.00	10.00	10.00	10.00	10.00
Public Works							
Public Works Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Assistant II	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Heavy Equip Mechanic	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Utility Worker II - WES Contract	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Parks							
Operations							
Utility Worker I	1.00	1.00	1.50	1.00	1.50	1.50	1.50
Utility Worker II	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Programming							
Program Coordinator	-	-	1.00	1.00	1.00	1.00	1.00
Programming Specialist/ Tech	-	-	1.00	1.00	1.00	1.00	1.00
	2.00	2.00	4.50	4.00	4.50	4.50	4.50

2019-20 Adopted Budget - Positions

Department and Position	2016-17	2017-18	Adopted	Estimate	Proposed	Approved	Adopted
			Budget	2018-19	Budget	Budget	Budget
			2018-19	2018-19	2019-20	2019-20	2019-20
Streets							
Utility Worker II	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Utility Worker I	1.00	1.00	1.50	1.00	1.00	1.00	1.00
	3.00	3.00	3.50	3.00	3.00	3.00	3.00
Library							
Library Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Assistant III	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Program Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Librarians	4.00	4.00	4.00	4.00	5.00	5.00	5.00
Library Assistant I	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Library Aide	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Part time positions	3.43	5.80	5.80	5.80	5.80	5.80	5.80
Regular Limited Status positions	1.20	1.20	1.20	1.20	1.20	1.20	1.20
	14.63	17.00	17.00	17.00	18.00	18.00	18.00
Total FTE	64.63	66.00	70.00	66.00	71.50	71.50	71.50
Total Full Time Positions	60.00	59.00	63.00	59.00	64.50	64.50	64.50
Total Part Time Positions	4.63	7.00	7.00	7.00	7.00	7.00	7.00
Total FTE	64.63	66.00	70.00	66.00	71.50	71.50	71.50
General Fund FTE	45.00	44.00	45.00	42.00	46.00	46.00	46.00
Other FTE	19.63	22.00	25.00	24.00	25.50	25.50	25.50
Total FTE	64.63	66.00	70.00	66.00	71.50	71.50	71.50



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Five-Year Projection Excerpt

The following is excerpt from the five-year projection that the City produced prior to the budget process. The five-year projection is created to be a high-level review of revenue and expenditures of the City's operating funds. It is based on a moderate set of assumptions applied for all funds. Any adjustments to those assumptions are noted. This projection is not an in depth look at any one area but rather an overall view to envision what could happen given one set of circumstances. The application of our assumptions may cause negative fund balances in this projection. The City cannot legally have negative fund balances so estimates will be adjusted during the budget process.

Financial Projection – Citywide

We remain optimistic that development activity will continue in Happy Valley over the five years of this projection. Revenue for planning and engineering remains moderate overall with a steady upward trend. Barring a significant economic downturn, we believe some of the years in this projection will see high levels of building fees as a number of subdivisions become available. However, it is difficult to pinpoint when this will happen, so we are showing steady increasing building fees that match moderate 5-year spans from the past.

Development revenue is very difficult to predict for any specific fiscal year, so our goal is to create a projection with a realistic development revenue total. We then compare the development revenue total in this projection to revenue received during a prior similar growth period. If the development revenue total in this projection is similar to the prior growth period, we believe the projection to be realistic.

General Fund

In this projection, the General Fund has an operating deficit, difference between annual revenues and annual expenditures, for 4 out of 5 years. The operating deficit is largest in year one of the projection because of a \$2 million transfer to the Facility Capital Projects Fund. Removing the reserve for replacement and facility capital project fund transfers, which are discretionary, shifts the fund to an operating surplus in all year but year five. Staff is added in each year of the projection in one of the General Fund departments.

This projection adds another \$2 million transfer to the Facility Cap Project Fund in year one and a total of \$1.4 million in years two through four. Under this scenario, there would be \$7.2 million available for a project in the Capital Project Fund including previous year transfers.

One primary long-term concern is the predicted increase of PERS rates. If substantive changes are not made to the PERS system, it is likely the City will see increases in employer rates for the foreseeable future. This issue will require ongoing review and may necessitate an increase in the Reserve for General Operations Fund to prepare for an economic slowdown.

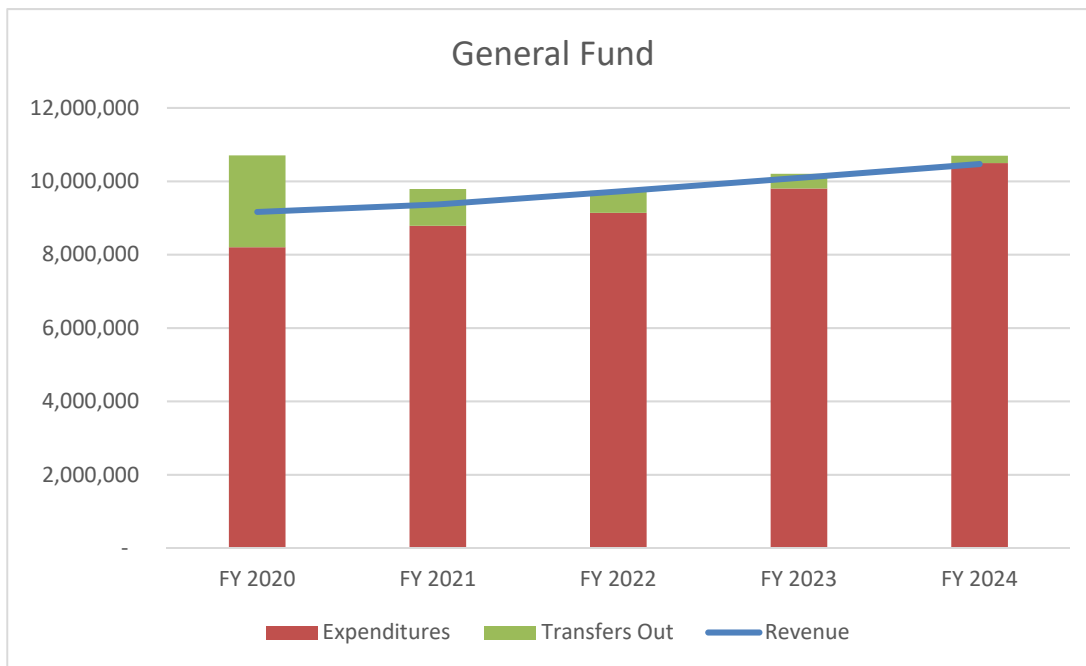
The Urban Renewal Admin Fee which is 5% of Urban Renewal Tax revenue collected is a new revenue in the General Fund. This revenue source is dependent on the adoption of an Urban Renewal plan in the summer of 2019. The purpose of this fee is to cover the cost of running the Urban Renewal District programs including associated staff.

The chart on the following page illustrates the reason for the operating deficits. The stacked bar represents ongoing expenditures in red and transfers out in green. Revenue is represented by a blue line. The revenue line is lower than the total stacked bar but higher than the expenditures represented by the red portion of the bar for each of the projection years besides that last. Transfers out of the General Fund are determined during the budget process and



City of Happy Valley Fiscal Year 2019 - 2020 Budget

are based on Council Policy 13.04 Budget Reserves & Contingency. Given that the revenue line is higher than the expenditures portion of the bar adjustments could be made to create an operating surplus for all years of this projection if the amount of transfers was decreased.



Parks Fund

For this projection, we assumed that the City will assess the parks operating levy at \$0.54 per \$1,000 of assessed value. If that does not happen, this projection would look dramatically different. This fund has two departments, one for operations (park maintenance) and one for recreation.

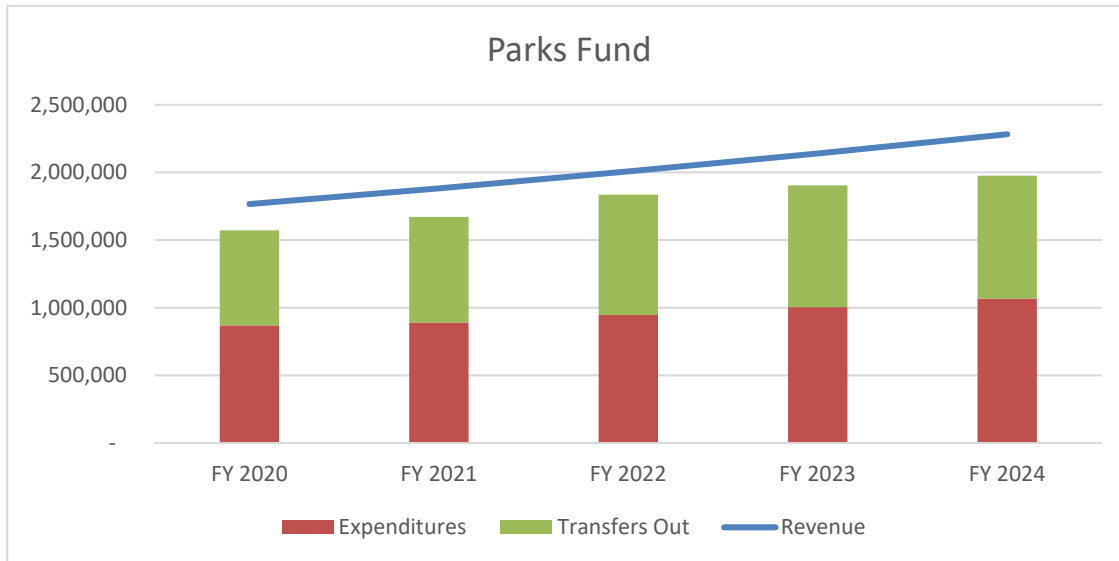
In the current year budget (2018-19) community event expenditures and revenue were moved from the General Fund to the parks fund as they will be part of the City's recreation programs. Additionally, 1.0 FTE was moved from the Community Services department to the Parks Fund as their primary function is community events.

Transfers are made in each year to the Parks Reserve for Replacement Fund to save for future replacement of capital items. Transfers are also made to a new Parks Capital Projects Fund to save for contributing to a new parks projects.

Going forward, if the City is to receive the parks operating levy tax dollars, the City will need to prioritize operating needs and reserve funding while building up appropriate contingency and fund balance levels.



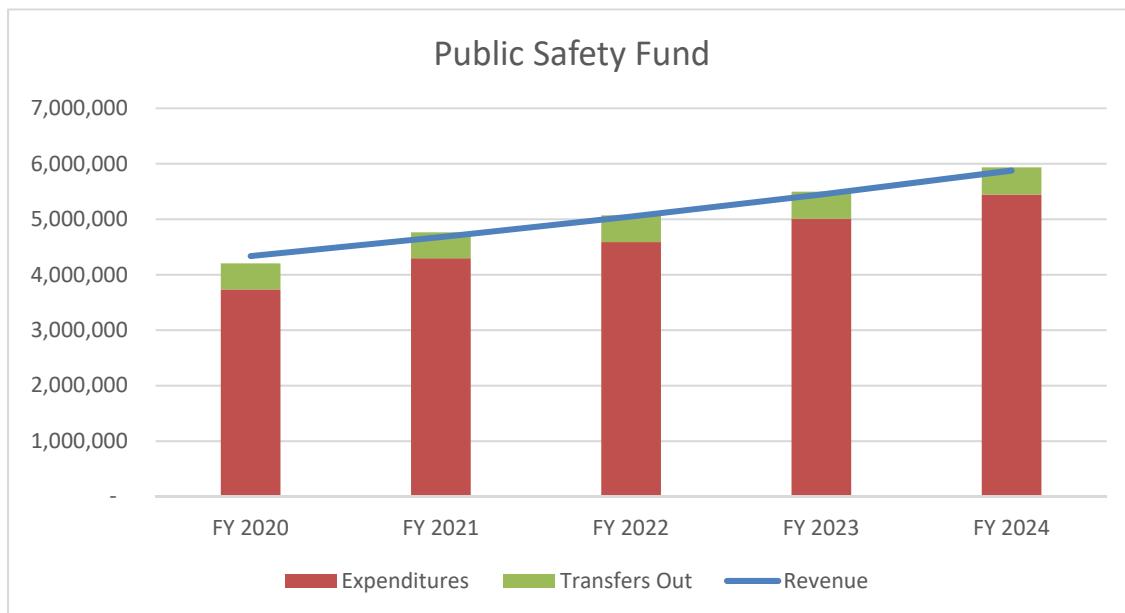
City of Happy Valley Fiscal Year 2019 - 2020 Budget



Public Safety Fund

This function is funded using a local operating tax levy of \$1.38 per \$1,000 of assessed value. The last tax levy was passed by voters in May 2015. This projection increases the FTE level by 2.0 in the first and second year of the projection and 2.5 combined in the next three years. Although the \$1.38 per \$1,000 of assessed value does not change, as property is improved and annexed into the City the amount of taxes collected increases.

This fund has an annual operating deficit in four out of five years of the projection. However, the contingency in fiscal year 2024 is still at 23% compared to a required policy amount of 20%.





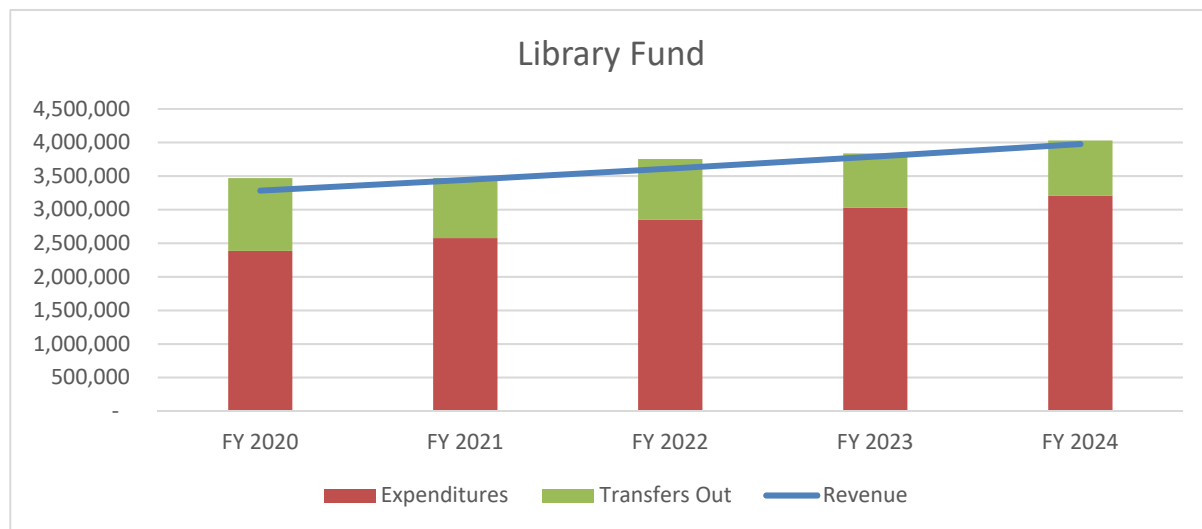
City of Happy Valley Fiscal Year 2019 - 2020 Budget

Library Fund

The projection shows an operating deficit in all 5 years, but that deficit is due to the amount transferred from the Library Fund to the Reserve for Replacement Fund.

The Library has 33 part time employees, many of whom are used only on an 'on call' basis to fill in scheduling gaps. In year one and three of the projection, 1.0 FTE was added and .5 FTE was added in year two.

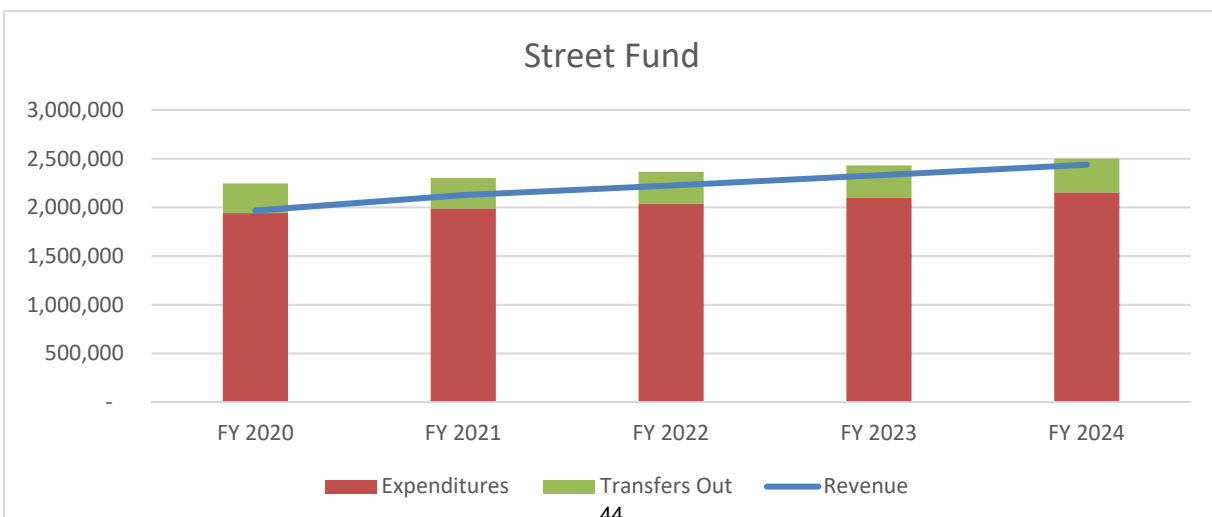
The transfers in this projection fund the Library Reserve for Replacement Fund to a very healthy level. The actual amount transferred to the reserve fund will be determined during the annual budget process. The amounts will be based on the schedule created for the replacement of equipment as well as any capital construction required. This projection shows transfers totaling \$2 million to the Library Reserve for Replacement Fund.



Street Fund

With the passage of HB 2017, the City's share of gas tax state shared revenue is projected to increase significantly. Additional revenue from the gas station built in the fall of 2016 which collects and remits to the City the local gas tax of 2 cents per gallon help increase the amount we can allocate to the street reconstruction line.

With the increased funding, this projection shows \$1.2 million available for street reconstruction in each year of the projection. This puts the City on target for maintaining its current average of 82 paving quality index.



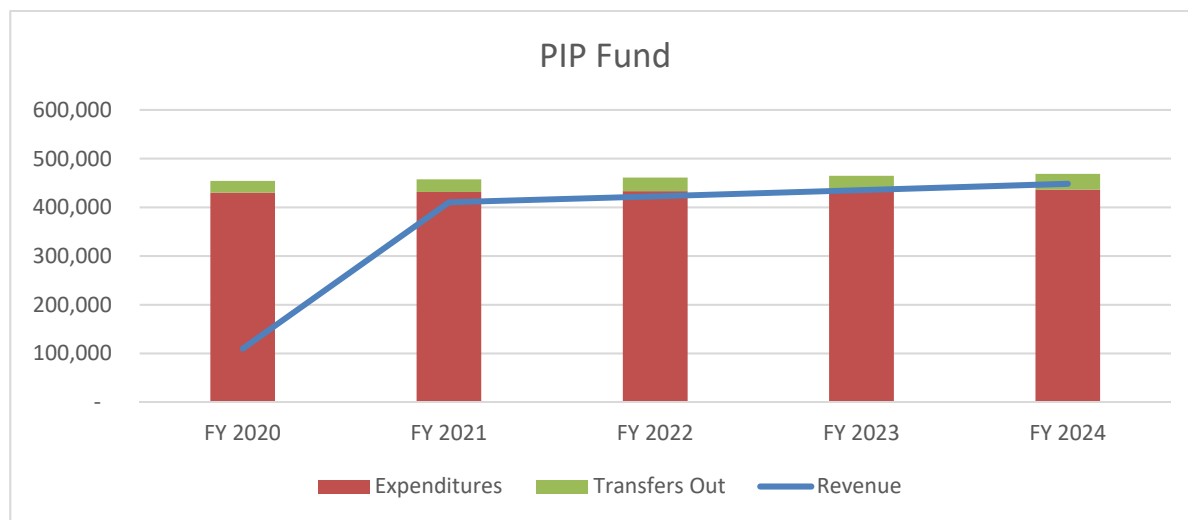


City of Happy Valley Fiscal Year 2019 - 2020 Budget

Pedestrian Improvement Projects (PIP) Fund

The expenditures in this fund will be for livability improvements such as bike path and sidewalk projects. In February 2019, the Clackamas County Board of Commissioners approved a countywide vehicle registration fee (VRF). The City could start receiving its portion of this new revenue source as early as January 2020. One option would be to collect these dollars in the PIP Fund to be used for sidewalk and pedestrian safety projects.

With the increased funding, this projection shows \$400 thousand in each year of the projection available for pedestrian pathways.



Explanation of funds not included in the projection – System Development Charges (SDC), and Reserve Funds

The SDC funds accounts for Storm, Transportation and Parks SDC revenue collected and retained by the City. Expenditures for projects included in the Capital Improvement Plan (CIP) are identified and approved each year during the budget process.

Policy 13.04 Budget & Contingency defines conditions for the expenditure of reserve funds as well as the appropriate amount to accumulate in each fund.

The Reserve for General Operations Fund was established to offset the cyclical nature of the economy. The target level of this fund is discussed annually during the budget process and is guided by Council policy. One significant issue that affects the amount reserved in this fund is Public Employees Retirement System (PERS) employer rates. Our rates have increased for the 2020-22 biennium and it is highly likely rates will continue to increase over the five years of this projection. Each year during the budget process reserve funds are reviewed to determine an adequate reserve level and whether the funds are still required. PERS rate increases and how to counterbalance them will be a substantial part of that reserve level discussion.

The Reserve for Replacement Funds (General, Library, Street) are the long-term capital replacement plan for assets. A schedule for replacement of assets is used to determine the fund balance. The schedule considers replacement cost and service life of assets to determine the amount of revenue necessary to allow for replacement in the year required. Expenditures are based on the replacement schedule which is reviewed on an ongoing basis and revised when required.

General Fund



City of Happy Valley Fiscal Year 2019 - 2020 Budget

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, and Public Works.

Revenue Sources

The main sources of revenue in the General Fund are property taxes, right of way 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

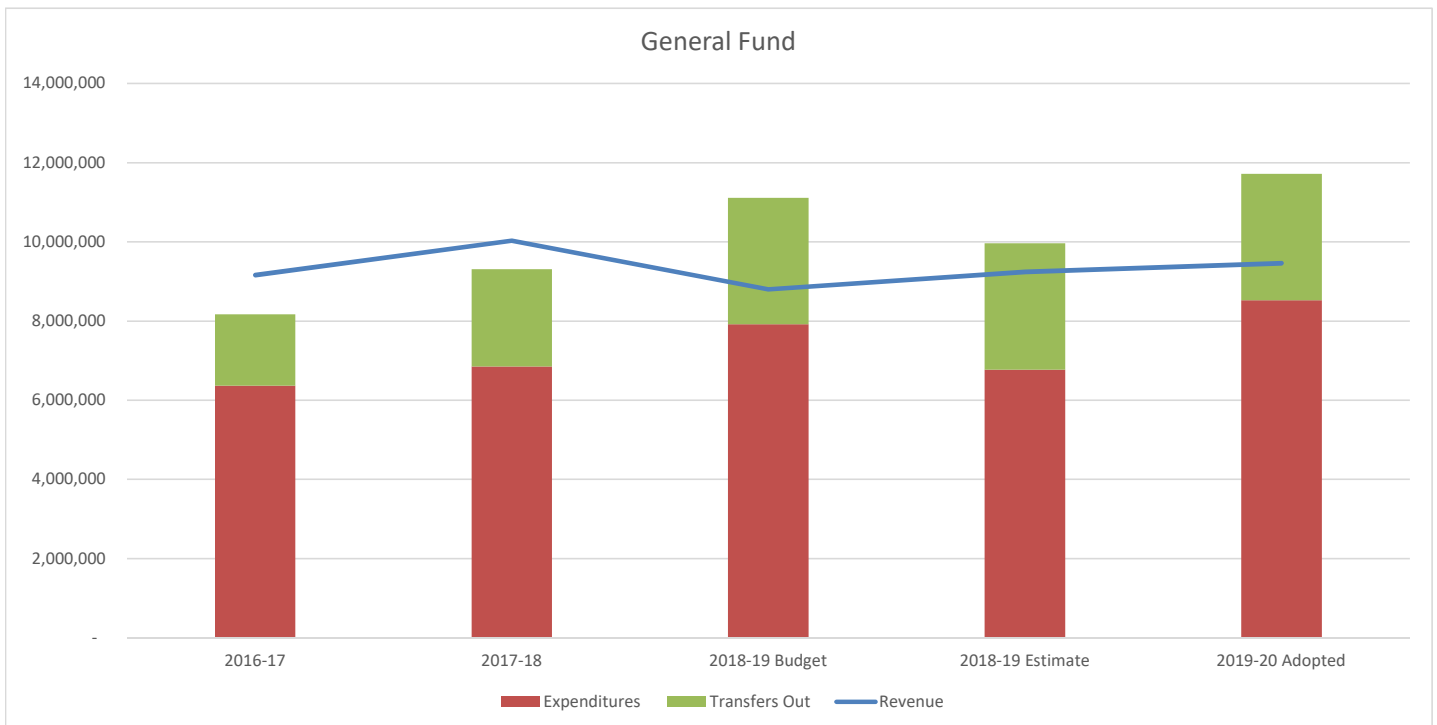
The main expenditures within the five departments are personnel and materials and services. General Fund capital outlay is expended in the Reserve for Replacement Fund which receives revenue as a transfer from the General Fund.

	Budget for Fiscal Year 2019 - 2020					
	Preceding 2016-17	2017-18	Adopted Budget 2018-19	Proposed	Approved	Adopted
Administration	2,352,090	2,520,660	2,840,100	2,973,583	2,973,583	2,973,583
Community Services and Public Safety	1,088,255	1,145,981	1,175,400	1,211,300	1,211,300	1,211,300
Economic and Community Development	2,351,234	2,456,391	3,128,700	3,273,167	3,273,167	3,273,167
Public Works	569,920	724,321	773,600	716,167	716,167	716,167
Parks	264,468	-	-	-	-	-
Non-Departmental	32,786	-	-	-	-	-
Transfers	1,804,644	2,470,000	3,200,000	2,600,000	2,600,000	2,600,000
Contingency	-	-	1,957,802	2,702,357	2,702,357	2,702,357
Total	8,463,397	9,317,353	13,075,602	13,476,574	13,476,574	13,476,574

General Fund

	Preceding 2016-17	Preceding 2017-18	Adopted 2018-19 Budget	2018-19 Estimate	2019-20 Proposed	2019-20 Approved	2019-20 Adopted
Revenue	9,161,844	10,029,785	8,801,000	9,243,000	9,462,500	9,462,500	9,462,500
Expenditures	6,361,499	6,847,353	7,917,800	6,769,000	8,524,800	8,524,800	8,524,800
Transfers Out	1,804,644	2,470,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Annual Operating Surplus / (Shortfall)	995,701	712,432	(2,316,800)	(726,000)	(2,262,300)	(2,262,300)	(2,262,300)
Beginning Fund Balance	4,206,967	5,169,882	5,019,157	5,882,314	5,156,314	5,156,314	5,156,314
Ending Fund Balance / Contingency	5,202,668	5,882,314	2,702,357	5,156,314	2,894,014	2,894,014	2,894,014

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





City of Happy Valley Fiscal Year 2019 - 2020 Budget

General Fund

General Fund

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Resources							
Beginning Fund Balance	4,206,967	5,169,882	5,019,157	5,882,314	5,156,314	5,156,314	5,156,314
Property Taxes	1,611,397	1,769,484	1,985,000	2,015,000	2,175,000	2,175,000	2,175,000
State Shared Rev	500,284	650,011	620,000	690,000	720,000	720,000	720,000
ROW Use Fee	1,572,402	1,613,475	1,648,000	1,650,000	1,699,500	1,699,500	1,699,500
User Related Fees	315,638	329,125	290,000	300,000	309,000	309,000	309,000
Building Fees	1,735,331	1,429,884	1,000,000	1,350,000	1,250,000	1,250,000	1,250,000
Planning Fees	687,469	452,210	275,000	450,000	200,000	200,000	200,000
Engineering Fees	671,389	980,587	350,000	240,000	250,000	250,000	250,000
SDC Compliance	-	95,982	200,000	150,000	160,000	160,000	160,000
Traffic Fines	513,119	635,949	600,000	550,000	650,000	650,000	650,000
Court Related Fees	56,390	94,125	70,000	90,000	100,000	100,000	100,000
Intergovernmental	218,717	188,764	360,000	250,000	309,000	309,000	309,000
Misc Revenue	285,388	307,414	185,000	290,000	290,000	290,000	290,000
Transfers In	994,320	1,482,775	1,218,000	1,218,000	1,350,000	1,350,000	1,350,000
Total Revenues	9,161,844	10,029,785	8,801,000	9,243,000	9,462,500	9,462,500	9,462,500
Total Resources	13,368,811	15,199,667	13,820,157	15,125,314	14,618,814	14,618,814	14,618,814

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. Cities are to receive 10% of marijuana state tax revenues. Distribution will be based on the number of licenses issued by OLCC in the previous year for premises located in each city, after administrative and enforcement expenses are deducted. The share will be based on the number of licenses for premises located in the city compared to the total issued by the OLCC for all premises in the state. Key statutes are ORS 475B.700-.710, and .760. These state shared revenues 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, 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, local marijuana tax revenue, fee for passport photos and process filing for US Customs, and 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.

SDC Compliance: Per the adopted SDC methodology, 5% of Transportation and Parks SDC's goes to the General fund for the administration of the SDC programs.

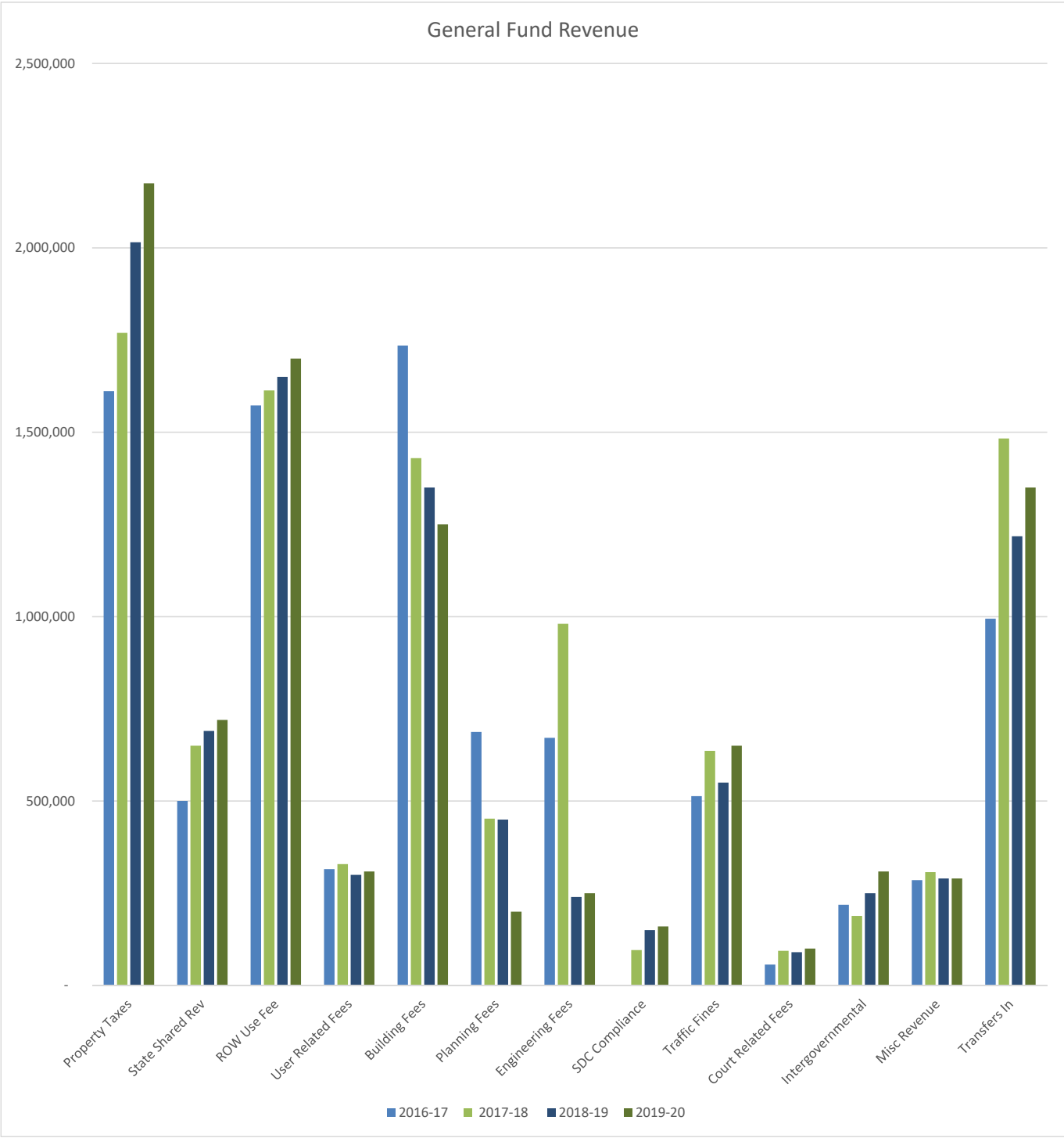
Traffic Fines: Fines imposed in the Happy Valley Municipal Traffic Court.

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 solid waste franchise fees, 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, 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.





**City of Happy Valley
Fiscal Year 2019 - 2020 Budget**

**General Fund
Administration**



City of Happy Valley Fiscal Year 2019 - 2020 Budget

General Fund

Administration

Manager: Jason Tuck, ICMA-CM

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, Assistant City Manager, Policy Analyst, Executive Assistant.

Human Resources/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.

Staff members include Human Resources Manager.

City Recorder / Risk Management

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 City Recorder, Records Specialist.



City of Happy Valley Fiscal Year 2019 - 2020 Budget

General Fund

Administration

Information Technology

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 IT Administrator.

Finance 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.

Staff members include Finance Director, Senior Accountant, Accountant.

Budget Summary:

	Preceding		Adopted	Budget For Fiscal Year 2019 - 2020		
	2016-17	2017-18	2018-19	Proposed	Approved	Adopted
Personnel Services	1,295,884	1,484,072	1,545,100	1,813,700	1,813,700	1,813,700
Material and Services	1,056,206	1,036,588	1,295,000	1,270,000	1,270,000	1,270,000
Total	2,352,090	2,520,660	2,840,100	3,083,700	3,083,700	3,083,700



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Goals and Priorities

General Administration

- Organize Council Goal Setting Retreat
- Support new City Council priorities for 2019
- Lead teambuilding and training activities for the Leadership Team

Information Technology

- Setup 1-2 departments with an intranet site for employee information and documents
- Explore Parks and Recreation technology systems for class scheduling and reservations
- Implement Multi Factor Authentication for all users when outside of city offices
- Provide training for users on how to use new Windows and Office features
- Launch a new website design that allows for more information to be accessed quicker
- Look into possible Azure hosting options for city applications/disaster recovery
- Move all Windows systems to Microsoft Intune for update and patch management
- Continue reviewing technology trends and update departments and management on emerging solutions

Finance

- Create comprehensive internal control document and review all financial policies and compare to GFOA best practices.
- Implement new Laserfiche forms for Account Receivable Invoices and Employee reimbursements
- Create or implement process for online payments.
- Gain better understanding of Budget Management tools available in Incode.
- Move daily cash receipting to a paperless process through Laserfiche

Human Resources, City Recorder, Risk Management

- Conduct a full Job Description Review and Equal Pay Analysis
- Conduct Citywide Salary Study
- Develop Organization Values through Leadership Training
- Establish a New Hire Onboarding program
- Create and maintain new tools for internal all-staff communication
- Utilize NEOGOV applicant tracking system to track diversity within applicant pools
- Move all personal files to electronic files in Laserfiche
- Continue digitization of records to clear out storage rooms and improve document searchability
- Transform processes so the City doesn't continue to take in large volumes of paper documents
- Implement a general records management policy and add a public records training module to the city's onboarding procedures
- Maintain involvement in both the Safety and Wellness Committees to promote a safe workplace and healthy workforce

General Fund - Administration

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Personnel Services							
FTE Positions	10.0	10.0	11.0	10.5	12.0	12.0	12.0
Wages	\$ 849,372	\$ 943,790	\$ 973,400	\$ 900,000	\$ 1,088,200	\$ 1,088,200	\$ 1,088,200
Benefits	446,512	540,282	571,700	510,000	725,500	725,500	725,500
Total Personnel Services	<u>1,295,884</u>	<u>1,484,072</u>	<u>1,545,100</u>	<u>1,410,000</u>	<u>1,813,700</u>	<u>1,813,700</u>	<u>1,813,700</u>
Materials and Services							
Office Supplies	61,819	74,938	95,000	60,000	80,000	80,000	80,000
Professional Development	125,848	128,067	160,000	120,000	160,000	160,000	160,000
Utilities	118,138	131,178	150,000	150,000	155,000	155,000	155,000
Public Accountability	34,726	35,010	40,000	30,000	40,000	40,000	40,000
Repairs & Maintenance	6,866	3,156	25,000	12,000	25,000	25,000	25,000
Facility & Office Service Contracts	197,387	190,569	210,000	190,000	210,000	210,000	210,000
Public Outreach	174,407	172,321	100,000	50,000	60,000	60,000	60,000
General Operating	136,136	152,591	180,000	160,000	190,000	190,000	190,000
Legal	172,132	69,490	200,000	60,000	200,000	200,000	200,000
Contract Services	28,747	79,268	135,000	120,000	150,000	150,000	150,000
Total Materials and Services	<u>1,056,206</u>	<u>1,036,588</u>	<u>1,295,000</u>	<u>952,000</u>	<u>1,270,000</u>	<u>1,270,000</u>	<u>1,270,000</u>
Total Administration	<u>\$ 2,352,090</u>	<u>\$ 2,520,660</u>	<u>\$ 2,840,100</u>	<u>\$ 2,362,000</u>	<u>\$ 3,083,700</u>	<u>\$ 3,083,700</u>	<u>\$ 3,083,700</u>



City of Happy Valley Fiscal Year 2019 - 2020 Budget

General Fund

Expenditures, Administration

Personnel:

Wages: City Manager, Assistant City Manager, Finance Director, Human Resources Manager, City Recorder/Policy Analyst, Executive Assistant, Senior Accountant, Accountant, IT Administrator, Policy Analyst, Management 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 and disability insurance, payments to PERS system for both the employer percentage and 6% employee portion, and workers' compensation insurance pooled through the League of Oregon Cities.

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 including 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, city recorder fees.

Public Outreach: Costs associated with City events, expenses for City sponsored events with other civic entities, 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, 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 Automobile, banking fees, title search fees, other miscellaneous fees, costs associated with recruiting and hiring, 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.



**City of Happy Valley
Fiscal Year 2019 - 2020 Budget**

General Fund

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



City of Happy Valley Fiscal Year 2019 - 2020 Budget

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.

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).



City of Happy Valley Fiscal Year 2019 - 2020 Budget

General Fund

Community Services and Public Safety

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, residential tree permits, business licenses, special event permits, filming permits, alarm permits, burn permits and animal licensing. Organize community events such as National Night Out, Safety Fair, 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 (2), Program Technicians (2).

Budget Summary:

	Preceding		Adopted	Budget For Fiscal Year 2019- 2020		
	2016-17	2017-18	2018-19	Proposed	Approved	Adopted
Personnel Services	1,035,193	1,084,331	1,098,900	1,195,000	1,195,000	1,195,000
Material and Services	53,062	61,650	76,500	76,500	76,500	76,500
Total	1,088,255	1,145,981	1,175,400	1,271,500	1,271,500	1,271,500

Goals and Priorities

Community Services

- Continue work on growing our Parks and Recreation programming
- Resume working on adding Veterinary clinics to the Happy Valley Dog License program
- Continue working with finance to establish online payment availability for dog licenses, business licenses, alarm permits, and park reservations
- Advertise passport services more regularly throughout the year
- Keep monitoring Oregon compliance for enhanced driver's license for the REAL ID ACT. Oregon was granted another extension until October 2019, must be compliant in 2020



City of Happy Valley Fiscal Year 2019 - 2020 Budget

General Fund

Community Services and Public Safety

- Continue working on phase 2 of scanned documents into Laserfiche for record retention requirements.
- Create and unveil @CityofHappyValley Instagram account to further engage residents and those interested in City happenings
- Participate in social media training, focusing on Next Door and strategies to best reach consumers
- Update onsite marketing and collateral to improve communications amongst City staff and residents who do business onsite
- Develop and disperse educational materials for the upcoming police levy

Code Enforcement

- Send new Code Officers to Animal Cruelty Investigator Training
- Start 10 New Neighborhood Watch Programs

Municipal Court

- Implementation of Lien process for Municipal Code Citations
- Finalization of E-Conviction process
- Research implementation of paperless court
- Conduct feasibility study on possible amnesty program for accounts assigned to active collection status

General Fund - Community Services and Public Safety

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Personnel Services							
FTE Positions	11.0	11.0	10.0	10.0	10.0	10.0	10.0
Wages	\$ 668,923	\$ 690,194	\$ 692,300	\$ 660,000	\$ 717,000	\$ 717,000	\$ 717,000
Benefits	366,270	394,137	406,600	370,000	478,000	\$ 478,000	478,000
Total Personnel Services	<u>1,035,193</u>	<u>1,084,331</u>	<u>1,098,900</u>	<u>1,030,000</u>	<u>1,195,000</u>	<u>1,195,000</u>	<u>1,195,000</u>
Materials and Services							
CSPS Supplies	6,345	3,333	6,500	3,000	6,500	6,500	6,500
Professional Development	20,127	29,402	30,000	20,000	30,000	30,000	30,000
Public Safety Related	26,590	28,915	35,000	32,000	35,000	35,000	35,000
Contract Services	-	-	5,000	-	5,000	5,000	5,000
Total Materials and Services	<u>53,062</u>	<u>61,650</u>	<u>76,500</u>	<u>55,000</u>	<u>76,500</u>	<u>76,500</u>	<u>76,500</u>
Total Community Services and Public Safety	<u>\$ 1,088,255</u>	<u>\$ 1,145,981</u>	<u>\$ 1,175,400</u>	<u>\$ 1,085,000</u>	<u>\$ 1,271,500</u>	<u>\$ 1,271,500</u>	<u>\$ 1,271,500</u>



City of Happy Valley Fiscal Year 2019 - 2020 Budget

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 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, and disability 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.



**City of Happy Valley
Fiscal Year 2019 - 2020 Budget**

General Fund

***Economic and Community Development
Department***



City of Happy Valley Fiscal Year 2019 - 2020 Budget

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 the City Council. 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, Development Services Manager, Planning Services Manager, Associate Planners (2), Planning Assistant, and a GIS Technician.

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 Clackamas County Water Environment Services (WES). 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 limits.



City of Happy Valley Fiscal Year 2019 - 2020 Budget

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, 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, Engineering Technician and Associate Engineer.

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 (3), and Building Permit Technicians (3).

Budget Summary:

	Preceding		Adopted	Budget For Fiscal Year 2019 - 2020		
	2016-17	2017-18	Budget 2018-19	Proposed	Approved	Adopted
Personnel Services	1,980,920	2,081,350	2,482,700	2,746,400	2,746,400	2,746,400
Material and Services	370,314	375,041	646,000	649,000	649,000	649,000
Total	2,351,234	2,456,391	3,128,700	3,395,400	3,395,400	3,395,400



City of Happy Valley Fiscal Year 2019 - 2020 Budget

General Fund

Economic and Community Development

Goals and Priorities

Planning and Economic Development Divisions

- Coordinate with Clackamas County on the UGMA East; DTD IGA Update; and, Water Environment Services (WES) IGA Update
- Continue work on the integrated land use and transportation plan known as the “Pleasant Valley-North Carver Comprehensive Plan” and the Rock Creek Infrastructure Assessment & Financing Plan
- Implement adopted TSDC IGA and TSDC Program working with the City’s Building Division and Finance Department
- Continue processing annexation petitions from property owners in the greater Happy Valley area
- Continue progress on the City’s Construction Excise Tax (CET) grant program working toward “development ready” status for properties in the Rock Creek Employment Center area
- Develop Economic Development Strategic Plan and Implementation of Tax Abatement Program
- Work with the City’s Administrative, Community Services and Finance personnel to investigate EnerGov software to replace Accela and streamline online permitting process
- Continue refinement and expansion of the City’s web-based “Projects Map” to illustrate proposed/under construction developments, including their location, size and staff report details
- Continue training on use of a City-purchased drone to capture aerial video and photographs, with the goal of having a staff person become an “FAA Certified” drone (unmanned aircraft system) pilot
- Assist and process development applications related to the Eagle Landing Master Plan
- Implement the City’s annexation program for industrial, commercial and residential lands within the Urban Planning Area as outlined in the Urban Growth Management Agreement (UGMA) – primarily to the west/south, including a potential Annexation Plan for areas north of Sunnyside Road

Engineering Division

- Complete an ADA Transition Plan for the curb ramps in the public right-of-way
- Retain excellent customer services levels and quality of work given increasing permit/application levels
- Continue coordination with Code Enforcement, Public Works, Clackamas County and applicable state and federal agencies regarding large amounts of ongoing construction projects
- Continue to provide development construction plan review, construction project management and construction inspection for new developments



City of Happy Valley Fiscal Year 2019 - 2020 Budget

General Fund

Economic and Community Development

Building Division

- Streamline permit turn-a-round process for residential permits (2 weeks if less than 10 permits/month, 3 weeks if more than 10 permits/month)
- Meet with each homebuilder to discuss our electronic permit system and assist them on how to better use the system
- Continue implementation of electronic plan review for residential and commercial projects
- Improve monthly reports by making them more useful and available
- Improve website by adding code & inspection checklists, and a Q&A section
- Implement an archive system using Laserfiche
- Provide training for inspectors so we are consistent in how we do residential inspections
- Complete a feasibility study to see if the Building Division should take over the electrical permit and inspection program (currently done by contract with Clackamas County)
- Have staff complete the three-hour online FEMA Introduction to Incident Command System class
- Complete an improved erosion control “best practices” pamphlet to give to residential builders
- Provide in-house “erosion control” training class for our inspectors

General Fund - Economic & Community Development

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Personnel Services							
FTE Positions	19.0	18.0	20.0	18.0	20.0	20.0	20.0
Wages	\$ 1,303,151	\$ 1,343,032	\$ 1,564,100	\$ 1,400,000	\$ 1,647,800	\$ 1,647,800	\$ 1,647,800
Benefits	677,769	738,318	918,600	760,000	1,098,600	1,098,600	1,098,600
Total Personnel Services	<u>1,980,920</u>	<u>2,081,350</u>	<u>2,482,700</u>	<u>2,160,000</u>	<u>2,746,400</u>	<u>2,746,400</u>	<u>2,746,400</u>
Materials and Services							
ECD Supplies	4,068	1,192	9,000	8,000	9,000	9,000	9,000
Professional Development	27,152	34,831	37,000	30,000	40,000	40,000	40,000
Contract Services	339,094	339,018	350,000	300,000	350,000	350,000	350,000
Contract Services - Metro Grant	-	-	250,000	250,000	250,000	250,000	250,000
Total Materials and Services	<u>370,314</u>	<u>375,041</u>	<u>646,000</u>	<u>588,000</u>	<u>649,000</u>	<u>649,000</u>	<u>649,000</u>
Total Economic & Community Development	<u>2,351,234</u>	<u>2,456,391</u>	<u>3,128,700</u>	<u>2,748,000</u>	<u>3,395,400</u>	<u>3,395,400</u>	<u>3,395,400</u>



City of Happy Valley Fiscal Year 2019 - 2020 Budget

General Fund

Expenditures, Economic and Community Development

Personnel:

Wages: Economic and Community Development Director, Planning Services Manager, Associate Planner (2), Planning Assistant, GIS Technician, Engineering Manager, Civil Engineer, Engineering Technician, Building Official, Assistant Building Official, Plumbing/Building Inspector, Plans Examiner, Building Inspectors (4), Building Permit Technicians (3) and 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 five percent of the premium costs), life, and disability insurance, payments into the PERS system for both the employer percentage and the six percent employee match.

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, regional and national economic development, planning, engineering and building associations.

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 limits, 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 street 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.



**City of Happy Valley
Fiscal Year 2019 - 2020 Budget**

General Fund

Public Works Department



City of Happy Valley Fiscal Year 2019 - 2020 Budget

General Fund

Public Works

Manager: Chris Randall

Public Works

Oversee operations related to the maintenance of City facilities and infrastructure, maintenance of the city's fleet of vehicles and equipment, 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, Heavy Equipment Mechanic, and Administrative Assistant.

Budget Summary:

	Preceding		Adopted	Budget For Fiscal Year 2019 - 2020		
	2016-17	2017-18	Budget 2018-19	Proposed	Approved	Adopted
Personnel Services	427,221	474,718	538,600	572,200	572,200	572,200
Material and Services	142,699	249,603	235,000	202,000	202,000	202,000
Total	569,920	724,321	773,600	774,200	774,200	774,200

Goals and Priorities

- Evaluate Public Works Facility needs
- Update the Pedestrian System Master Plan
- Implement a Slurry Seal Program to keep pavement quality at a high level
- Complete design details for the Pleasant Valley Villages neighborhood park
- Complete construction details for the Veterans Memorial Project

General Fund - Public Works

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Personnel Services							
FTE Positions	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Wages	\$ 284,087	\$ 294,579	\$ 328,500	\$ 302,000	\$ 343,300	\$ 343,300	\$ 343,300
Benefits	143,134	180,139	210,100	177,000	228,900	228,900	228,900
Total Personnel Services	<u>427,221</u>	<u>474,718</u>	<u>538,600</u>	<u>479,000</u>	<u>572,200</u>	<u>572,200</u>	<u>572,200</u>
Materials and Services							
Public Works Supplies	16,509	17,422	25,000	10,000	20,000	20,000	20,000
Professional Development	8,087	7,489	10,000	10,000	12,000	12,000	12,000
Vehicle Operation & Main.	56,675	46,475	70,000	30,000	50,000	50,000	50,000
Repairs & Maintenance	26,739	116,114	50,000	30,000	50,000	50,000	50,000
Contract Services	34,689	62,103	80,000	15,000	70,000	70,000	70,000
Total Materials and Services	<u>142,699</u>	<u>249,603</u>	<u>235,000</u>	<u>95,000</u>	<u>202,000</u>	<u>202,000</u>	<u>202,000</u>
Total Public Works	<u><u>569,920</u></u>	<u><u>724,321</u></u>	<u><u>773,600</u></u>	<u><u>574,000</u></u>	<u><u>774,200</u></u>	<u><u>774,200</u></u>	<u><u>774,200</u></u>



City of Happy Valley Fiscal Year 2019 - 2020 Budget

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, and disability 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 facility feasibility study and project engineering.



**City of Happy Valley
Fiscal Year 2019 - 2020 Budget**

General Fund

Transfers

Contingency

Total Requirements

General Fund - Non-Departmental, Transfers, and Contingency

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Banking	\$ 32,786	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Non- departmental	32,786	-	-	-	-	-	-
To Parks Fund	120,644	520,000	-	-	-	-	330,000
To Pedestrian Improvement Project I	100,000	100,000	100,000	100,000	-	-	-
To Reserve for Gen Op Fund	198,974	-	300,000	300,000	-	-	-
To Gen Res for Replacement Fund	400,000	350,000	500,000	500,000	500,000	500,000	500,000
To Facility Cap Project Fund	-	1,500,000	2,300,000	2,300,000	2,700,000	2,700,000	2,370,000
To Debt Service Fund	985,026	-	-	-	-	-	-
Total Transfers	1,804,644	2,470,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Contingency	-	-	2,702,357	-	2,894,014	2,894,014	2,894,014



City of Happy Valley Fiscal Year 2019 - 2020 Budget

General Fund

Transfers, Contingency

Manager: Jason Tuck, ICMA-CM

Transfers:

To Parks Fund: Transfer to balance the Parks Fund. The Parks Fund currently expends amounts greater than the dedicated revenue sources provide so the General Fund transfer covers the deficit amount.

To Reserve for Pedestrian Improvement Project Fund: Transfer to pay for pedestrian pathway improvements based on the City's adopted Pedestrian Master Plan. Improvements brought forward by the Traffic and Public Safety Committee. Reverse frontage maintenance on city boulevard streets.

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

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

To Reserve for Debt Service Fund: Shown for historical purposes. 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.

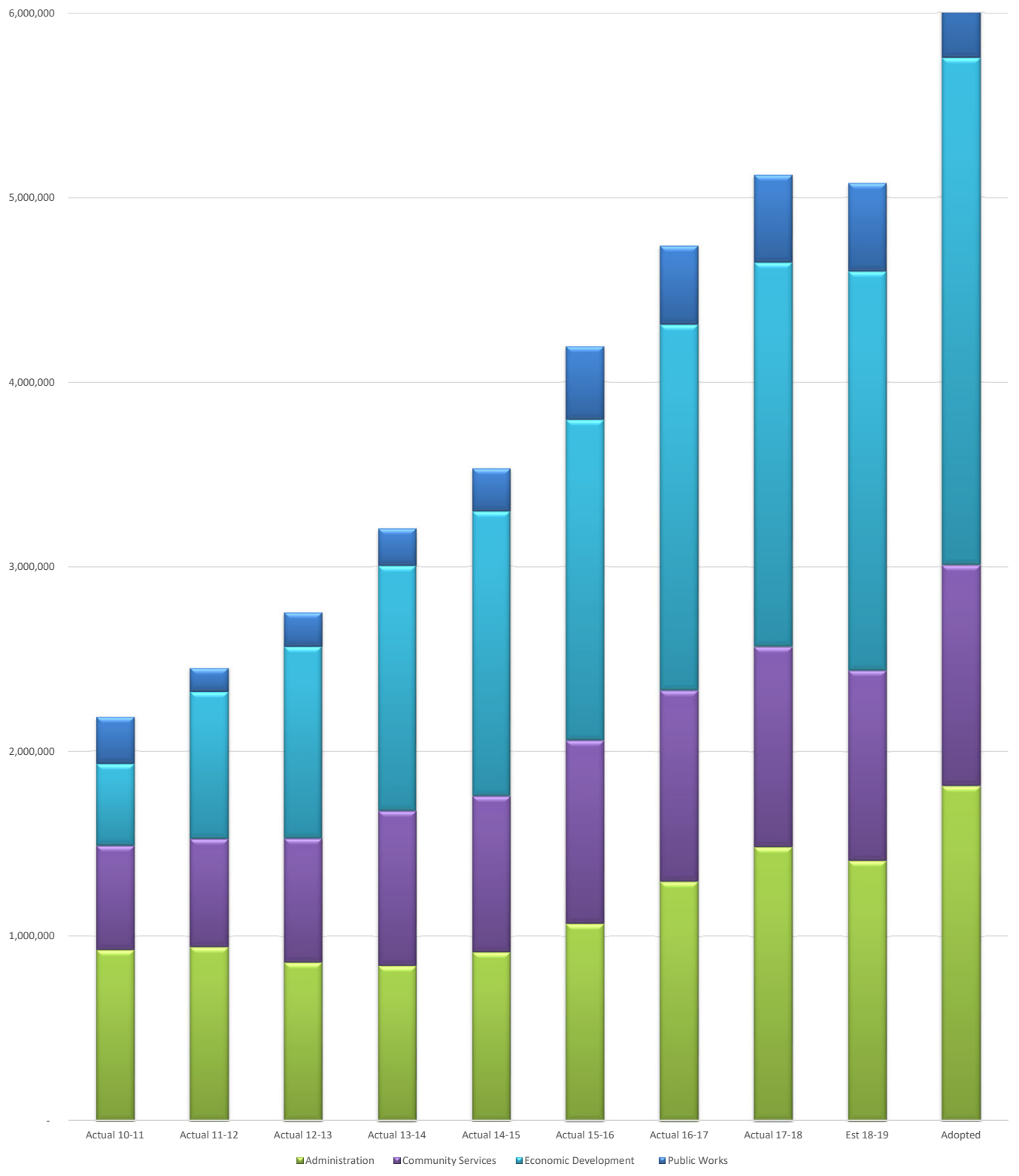
General Fund Department Totals:

Department Totals: Summary total for each department as well as total for Non-Departmental, Transfers, and Contingency.

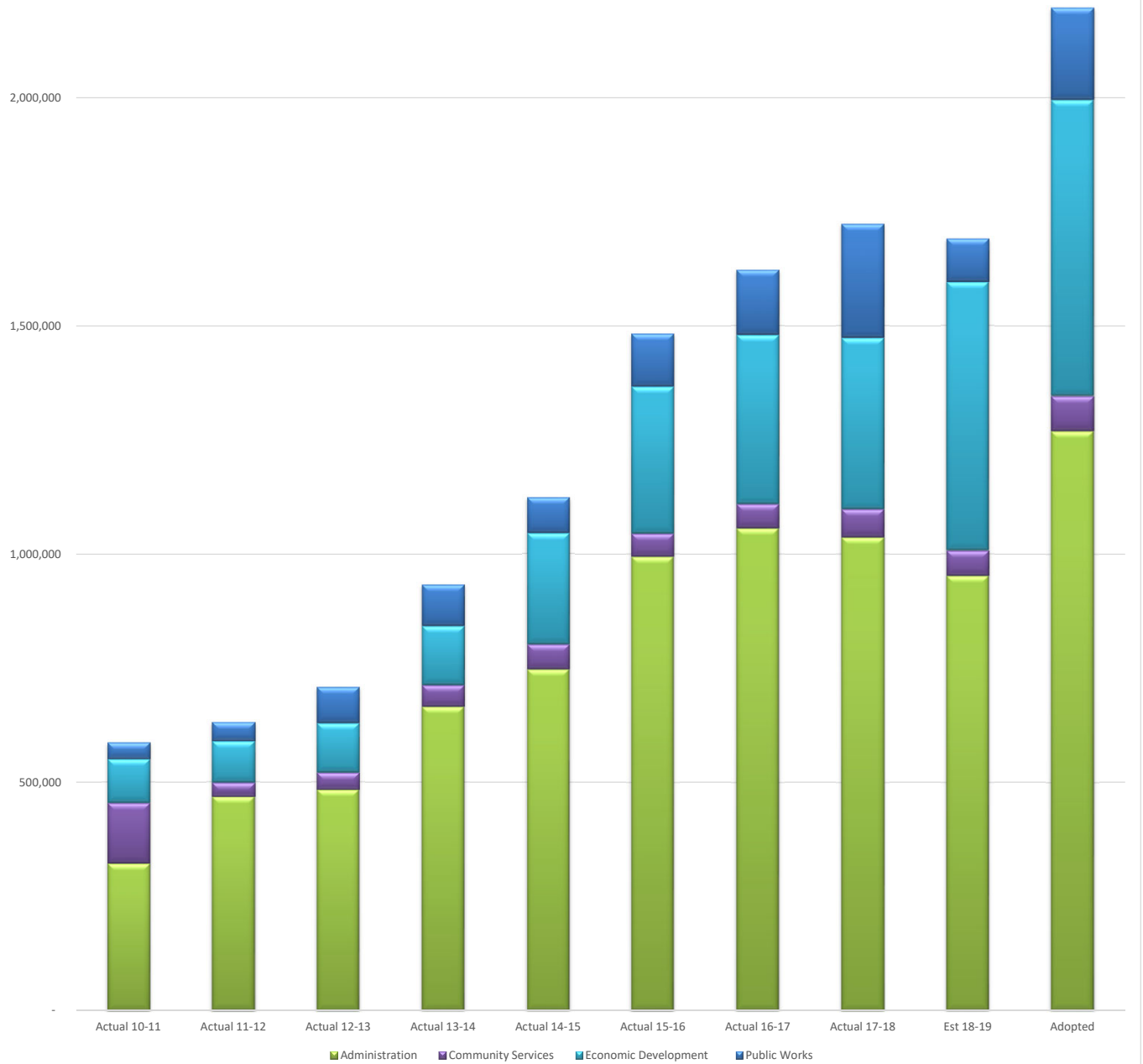
General Fund - Total by Department

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Administration	\$ 2,352,090	\$ 2,520,660	\$ 2,840,100	\$ 2,362,000	\$ 3,083,700	\$ 3,083,700	\$ 3,083,700
Community Services / Public Safety	1,088,255	1,145,981	1,175,400	1,085,000	1,271,500	1,271,500	1,271,500
Economic & Community Development	2,351,234	2,456,391	3,128,700	2,748,000	3,395,400	3,395,400	3,395,400
Public Works	569,920	724,321	773,600	574,000	774,200	774,200	774,200
Parks	-	-	-	-	-	-	-
Non-Departmental	32,786	-	-	-	-	-	-
Transfers	1,804,644	2,470,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Contingency	-	-	2,702,357	-	2,894,014	2,894,014	2,894,014
Total General Fund Requirements	<u>8,198,929</u>	<u>9,317,353</u>	<u>13,820,157</u>	<u>9,969,000</u>	<u>14,618,814</u>	<u>14,618,814</u>	<u>14,618,814</u>
Ending Fund Balance	5,169,882	5,882,314	-	5,156,314	-	-	-

General Fund - Personnel Services



General Fund - Materials and Services





City of Happy Valley Fiscal Year 2019 - 2020 Budget

Parks Fund



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Parks Fund

Manager: Chris Randall / Steve Campbell

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. Provide recreation programming to the community and plan and organize community events throughout the year.

Revenue

Property Taxes provided through the Parks operating levy. User related and program fees come from citizens utilizing programs and park space. Event revenue provided through event sponsorship and vendors. Park and trail grants received from other entities. Miscellaneous revenue is interest earned on the level of fund balance.

Expenditures

Parks operations department covers maintenance and operation of all parks facilities. Parks programming department plans and organizes recreational programming and community events.

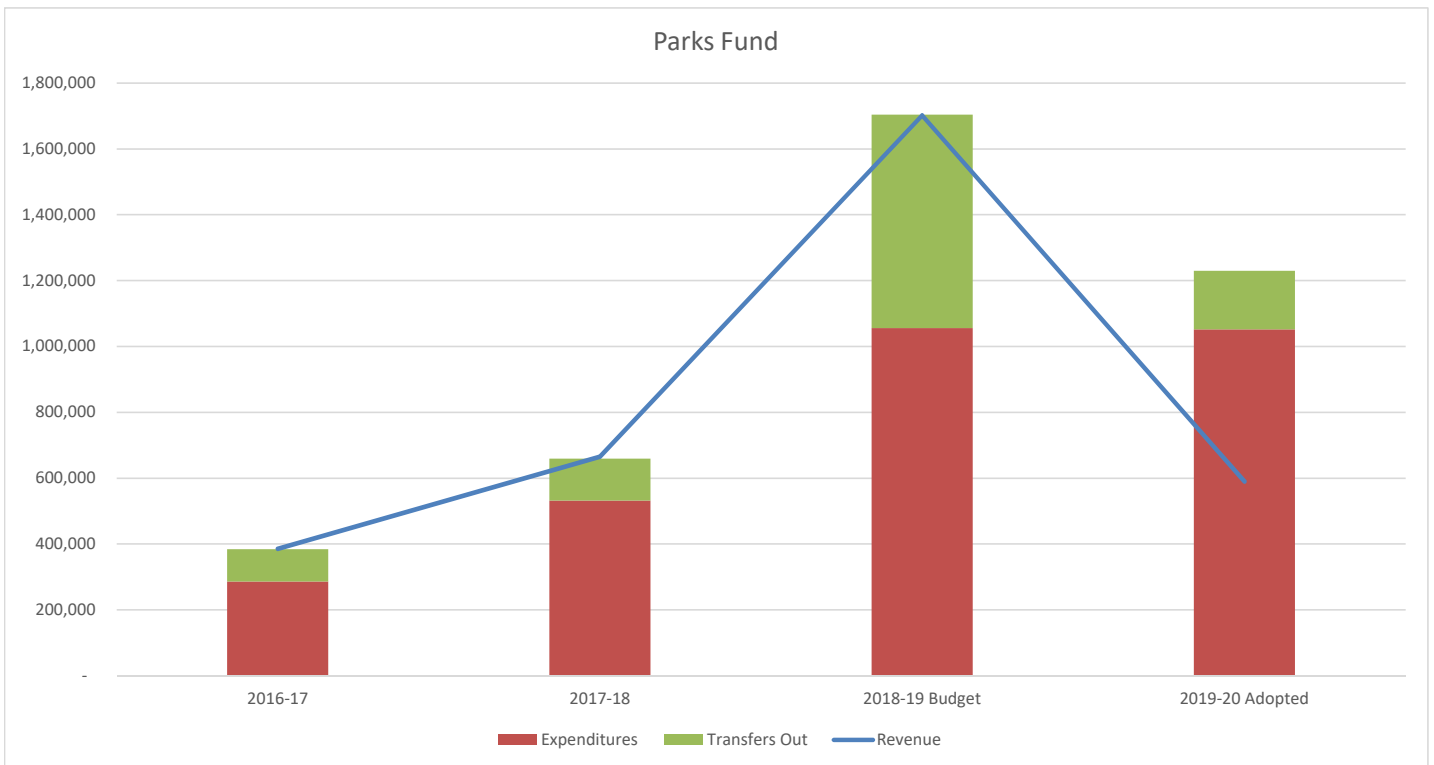
Staff includes Utility Worker II, Utility Worker I (1.5), Programming Specialist, Event Coordinator.

Budget Summary:

	Preceding		Adopted	Budget For Fiscal Year 2019 - 2020		
	2016-17	2017-18	Budget 2018-19	Proposed	Approved	Adopted
Operations	286,492	529,792	453,000	483,667	483,667	483,667
Programming	-	-	308,700	338,333	338,333	314,273
Non-Departmental	-	2,406	295,000	265,000	265,000	255,000
Transfers	98,900	127,650	648,000	702,000	702,000	177,000
Contingency	-	-	158,100	737,340	737,340	-
Total	385,392	659,848	1,862,800	2,526,340	2,526,340	1,229,940

Parks Fund

	Preceding 2016-17	Preceding 2017-18	Adopted 2018-19 Budget	2018-19 Estimate	2019-20 Proposed	2019-20 Approved	2019-20 Adopted
Revenue	385,392	665,438	1,702,000	1,637,000	1,886,400	1,886,400	590,000
Expenditures	286,492	532,198	1,056,700	875,000	1,087,000	1,087,000	1,052,940
Transfers Out	98,900	127,650	648,000	127,650	702,000	702,000	177,000
Annual Operating Surplus / (Shortfall)	-	5,590	(2,700)	634,350	97,400	97,400	(639,940)
Beginning Fund Balance	-	-	2,700	5,590	639,940	639,940	639,940
Ending Fund Balance / Contingency	-	5,590	-	639,940	737,340	737,340	-



Parks Fund

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Resources							
Beginning Fund Balance	\$ -	\$ -	\$ 2,700	\$ 5,590	\$ 639,940	\$ 639,940	\$ 639,940
Property Taxes	-	-	1,577,000	1,520,000	1,626,400	1,626,400	-
Intergovernmental	264,748	135,838	-	-	-	-	-
User Related	-	-	30,000	30,000	30,000	30,000	30,000
Program Fees	-	-	50,000	7,000	10,000	10,000	10,000
Event Revenue	-	-	45,000	80,000	70,000	70,000	70,000
Grant Revenue	-	-	-	-	150,000	150,000	150,000
Misc Revenue	-	9,600	-	-	-	-	-
Transfer In - from General Fund	120,644	520,000	-	-	-	-	330,000
Total Resources	<u>385,392</u>	<u>665,438</u>	<u>1,704,700</u>	<u>1,642,590</u>	<u>2,526,340</u>	<u>2,526,340</u>	<u>1,229,940</u>

Parks Fund - Operations

Requirements	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Personnel Services							
FTE Positions	2.0	2.0	2.5	2.0	2.5	2.5	2.5
Wages	88,510	84,190	119,700	90,000	135,400	135,400	135,400
Benefits	60,914	40,040	70,300	51,000	70,267	70,267	70,267
Total Personnel Services	149,424	124,230	190,000	141,000	205,667	205,667	205,667
Materials and Services							
Park Supplies	14,216	16,326	20,000	15,000	20,000	20,000	20,000
Professional Development	1,106	9,887	8,000	8,000	8,000	8,000	8,000
Utilities	22,263	26,363	35,000	27,000	30,000	30,000	30,000
Vehicle Operation & Maint.	2,177	3,846	10,000	2,000	5,000	5,000	5,000
Repairs & Maintenance	48,912	60,317	90,000	60,000	65,000	65,000	65,000
Contract Services	48,394	288,823	100,000	90,000	150,000	150,000	150,000
Grant Expenditure	-	-	-	-	-	-	-
Total Materials and Services	137,068	405,562	263,000	202,000	278,000	278,000	278,000
Total Operations	286,492	529,792	453,000	343,000	483,667	483,667	483,667

Parks Fund - Programming

Requirements	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Personnel Services							
FTE Positions	-	-	2.0	2.0	2.0	2.0	2.0
Wages	-	-	120,200	102,000	130,000	130,000	130,000
Benefits	-	-	78,800	62,000	73,333	73,333	73,333
Total Personnel Services	-	-	199,000	164,000	203,333	203,333	203,333
Materials and Services							
Program Supplies	-	-	5,000	1,000	10,000	10,000	5,940
Community Events	-	-	79,700	80,000	90,000	90,000	90,000
Professional Development	-	-	5,000	2,000	5,000	5,000	5,000
Program Services	-	-	20,000	15,000	20,000	20,000	10,000
Contract Services	-	-	-	-	10,000	10,000	-
Total Materials and Services	-	-	109,700	98,000	135,000	135,000	110,940
Total Programming	-	-	308,700	262,000	338,333	338,333	314,273

Parks Fund - Non-Departmental, Transfers, and Contingency

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Public Outreach	-	2,406	15,000	-	15,000	15,000	5,000
Legal	-	-	280,000	270,000	250,000	250,000	250,000
Capital Outlay	-	-	-	-	-	-	-
Contract Services	-	-	-	-	-	-	-
Total Non-departmental	-	2,406	295,000	270,000	265,000	265,000	255,000
Transfers							
To General Fund	98,900	127,650	133,000	127,650	177,000	177,000	177,000
To Parks Res for Replacement	-	-	425,000	-	425,000	425,000	-
To Park Capital Fund	-	-	90,000	-	100,000	100,000	-
Total Transfers	98,900	127,650	648,000	127,650	702,000	702,000	177,000
Contingency	-	-	-	-	737,340	737,340	-

Parks Fund - Total by Department

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Operations	286,492	529,792	453,000	343,000	483,667	483,667	483,667
Programming	-	-	308,700	262,000	338,333	338,333	314,273
Non-Departmental	-	2,406	295,000	270,000	265,000	265,000	255,000
Transfers	98,900	127,650	648,000	127,650	702,000	702,000	177,000
Contingency	-	-	-	-	737,340	737,340	-
Total Parks Fund Requirements	385,392	659,848	1,704,700	1,002,650	2,526,340	2,526,340	1,229,940
Annual operating surplus/(deficit)	-	5,590	(2,700)	634,350	(639,940)	(639,940)	(639,940)
Ending Fund Balance	-	5,590	-	639,940	-	-	-
Contingency % (incl transfers out)	-	-	-	-	29%	29%	0%



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Parks Fund

Resources

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

Property Tax Revenue: Property tax revenue received through the Parks operating levy.

Intergovernmental Revenue: Revenue from other municipalities or governmental agencies.

User Related – Fees paid for park reservations.

Program Fees – Enrollment fees for recreation programming.

Grant Revenue: Grant Revenue received from other entities.

Event Revenue: Event sponsorships and event vendor fees.

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 (1.5), Programming Specialist, Event Coordinator.

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, and disability 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



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Parks Fund

Expenditures (continued)

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.

Public Outreach: Costs associated with the production of educational and promotional material, social media, and events associated with park operations.

Grant Expenditures: Expenditures related to grant received from other entities.

Contract Services: Project engineering for park system projects. Programming instructors.

Program Supplies: Supplies used for running recreation programs.

Community Events – Cost associated with planning and running community events.

Transfers Out:

To General Fund: Amount calculated with cost allocation plan to cover administrative overhead costs. Included in these costs are city administration, finance, payroll, accounts payable, human resources, city recorder, overall administrative costs related to running the city.



**City of Happy Valley
Fiscal Year 2019 - 2020 Budget**

Public Safety Fund



City of Happy Valley Fiscal Year 2019 - 2020 Budget

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:

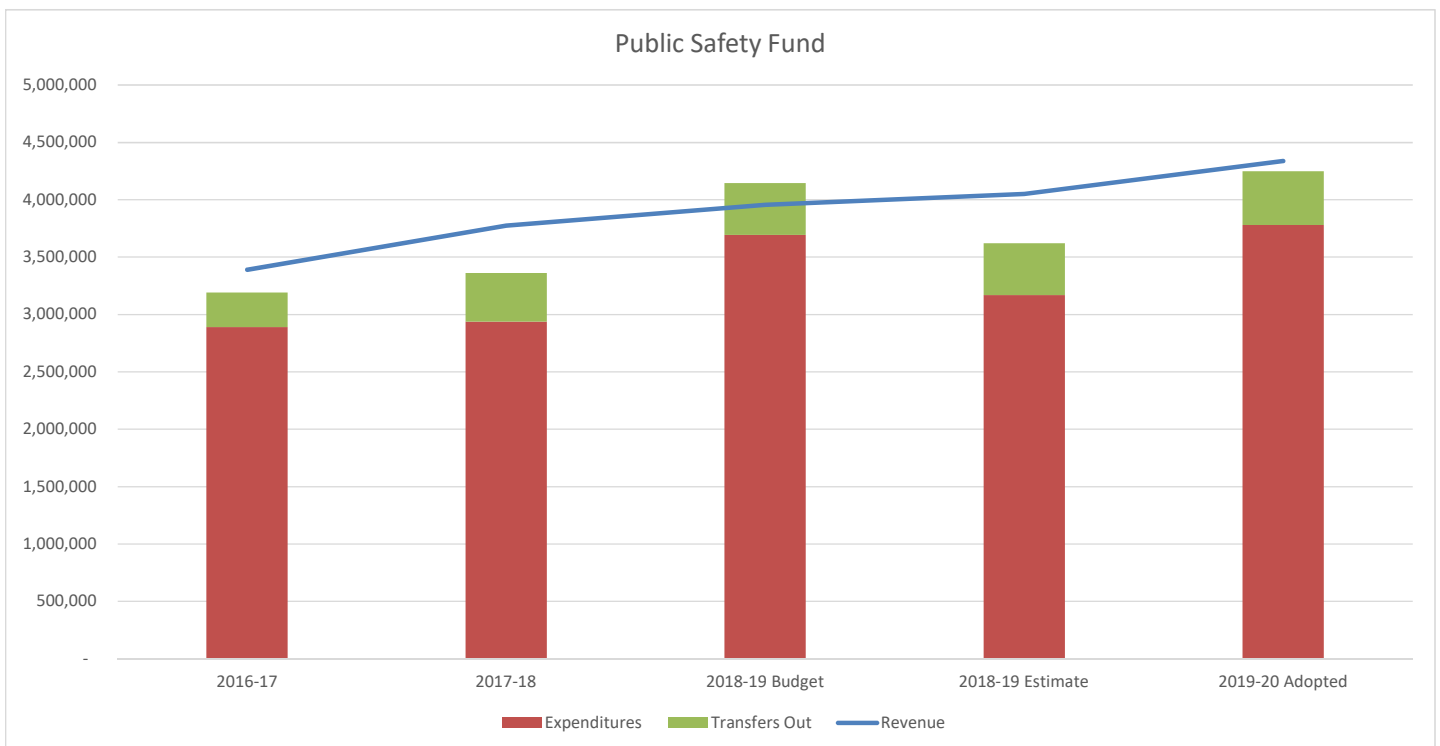
	Preceding		Budget			
	2016-17	2017-18	2017-18	Proposed	Approved	Adopted
Material and Services	2,890,512	3,250,000	3,692,000	3,768,600	3,768,600	3,768,600
Capital Outlay	-	10,000	10,000	10,000	10,000	10,000
Transfers	301,450	424,840	452,000	468,000	468,000	468,000
Contingency	-	909,011	1,151,224	2,010,482	2,010,482	2,010,482
Total	3,191,962	4,593,851	5,305,224	6,257,082	6,257,082	6,257,082

Goals and Priorities

- Add another deputy for the cover shift to better coverage 7 days/week
- Start the process for assembling a police task force to look at policing goals for 2019 levy process
- Educate residents about funding for police
- Improve the Police Department's webpage, making it more interactive and useful for residents
- Develop a five-year plan for policing.
- Complete a study on traffic crashes related to intersections on SE Sunnyside Road; make recommendations to Clackamas County Transportation
- Complete videos with Sheriff's Office showing our unique partnership

Public Safety Fund

	Preceding 2016-17	Preceding 2017-18	Adopted 2018-19 Budget	2018-19 Estimate	2019-20 Proposed	2019-20 Approved	2019-20 Adopted
Revenue	3,390,084	3,773,727	3,955,000	4,050,000	4,336,800	4,336,800	4,336,800
Expenditures	2,890,512	2,936,919	3,692,000	3,168,100	3,778,600	3,778,600	3,778,600
Transfers Out	301,450	424,840	452,000	452,000	468,000	468,000	468,000
Annual Operating Surplus / (Shortfall)	198,122	411,968	(189,000)	429,900	90,200	90,200	90,200
Beginning Fund Balance	916,492	1,114,614	1,350,224	1,526,582	1,920,282	1,920,282	1,920,282
Ending Fund Balance / Contingency	1,114,614	1,526,582	1,161,224	1,956,482	2,010,482	2,010,482	2,010,482



Public Safety Fund

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Resources							
Beginning Fund Balance	\$ 916,492	\$ 1,114,614	\$ 1,350,224	\$ 1,526,582	\$ 1,920,282	\$ 1,920,282	\$ 1,920,282
Property Taxes	3,295,313	3,606,023	3,925,000	3,960,000	4,276,800	4,276,800	4,276,800
Misc Revenue	94,771	105,704	30,000	90,000	60,000	60,000	60,000
Transfer - from Res for Repl	-	62,000	-	-	-	-	-
Total Resources	<u>4,306,576</u>	<u>4,888,341</u>	<u>5,305,224</u>	<u>5,576,582</u>	<u>6,257,082</u>	<u>6,257,082</u>	<u>6,257,082</u>
Requirements							
Materials and Services							
PS Supplies	5,521	12,597	14,000	5,000	14,000	14,000	14,000
Professional Development	13,126	17,220	20,000	17,000	20,000	20,000	20,000
Utilities	26,578	25,497	30,000	26,000	30,000	30,000	30,000
Vehicle Operation & Maint.	10,225	5,019	6,000	6,000	7,000	7,000	7,000
Repairs & Maintenance	19,789	27,817	30,000	20,000	30,000	30,000	30,000
Public Outreach	9,557	10,795	25,000	25,000	30,000	30,000	30,000
Contract Services	18,525	28,729	27,000	35,000	50,000	50,000	50,000
Police Contract - M&S	891,901	870,866	1,097,400	940,571	987,600	987,600	987,600
Police Contract - Personnel	1,895,290	1,938,379	2,442,600	2,093,529	2,600,000	2,600,000	2,600,000
Total Materials and Services	<u>2,890,512</u>	<u>2,936,919</u>	<u>3,692,000</u>	<u>3,168,100</u>	<u>3,768,600</u>	<u>3,768,600</u>	<u>3,768,600</u>
Capital Outlay							
Equip over \$5,000	-	-	47,000	36,200	10,000	10,000	10,000
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>47,000</u>	<u>36,200</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Transfers							
To General Fund	301,450	424,840	452,000	452,000	468,000	468,000	468,000
Total Transfers	<u>301,450</u>	<u>424,840</u>	<u>452,000</u>	<u>452,000</u>	<u>468,000</u>	<u>468,000</u>	<u>468,000</u>
Contingency	-	-	1,114,224	-	2,010,482	2,010,482	2,010,482
Total Requirements	<u>3,191,962</u>	<u>3,361,759</u>	<u>5,305,224</u>	<u>3,656,300</u>	<u>6,257,082</u>	<u>6,257,082</u>	<u>6,257,082</u>
Ending Fund Balance	1,114,614	1,526,582	-	1,920,282	-	-	-



City of Happy Valley Fiscal Year 2019 - 2020 Budget

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 five 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. Prior to the 2018-19 budget, this also included revenue from the reconciliation process between the City and Clackamas County regarding the actual services provided compared to the services outlined in the contract. The County now bills based on actuals so there will be no reconciliation revenue.

Transfer In: Transfer from Reserve for Replacement Fund. The decision was made to split the Reserve for Replacement Fund into separate funds associated with the respective funds of origin. That analysis determined the Public Safety Fund does not have enough high dollar items to warrant a separate reserve fund.

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.

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 (7), Non-sworn Community Services Officer.



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Public Safety Fund

Expenditures (continued)

Capital Outlay:

Equipment over \$5,000: Items associated with the maintenance and upkeep of the Community Policing Station and items to be used in connection with public safety.

Transfers:

To General Fund: Amount calculated with cost allocation plan to cover administrative overhead costs. Included in these costs are city administration, finance, payroll, accounts payable, human resources, city recorder, overall administrative costs related to running the city.

To Reserve for Replacement Fund: No longer used. Shown for historical purposes.

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 20% in Contingency for the Public Safety Fund.



**City of Happy Valley
Fiscal Year 2019 - 2020 Budget**

Library Fund



City of Happy Valley Fiscal Year 2019 - 2020 Budget

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. Staff provide adult and children's programming, reference and circulations services, cataloging of materials, and management of the Library Fund. Internet stations, public access computers and WiFi access equipment and software are provided for public use. Books, DVDs, audio books, compact discs, magazines, ebooks, and other electronic resources are purchased and processed for use by the public.

Budget Summary:

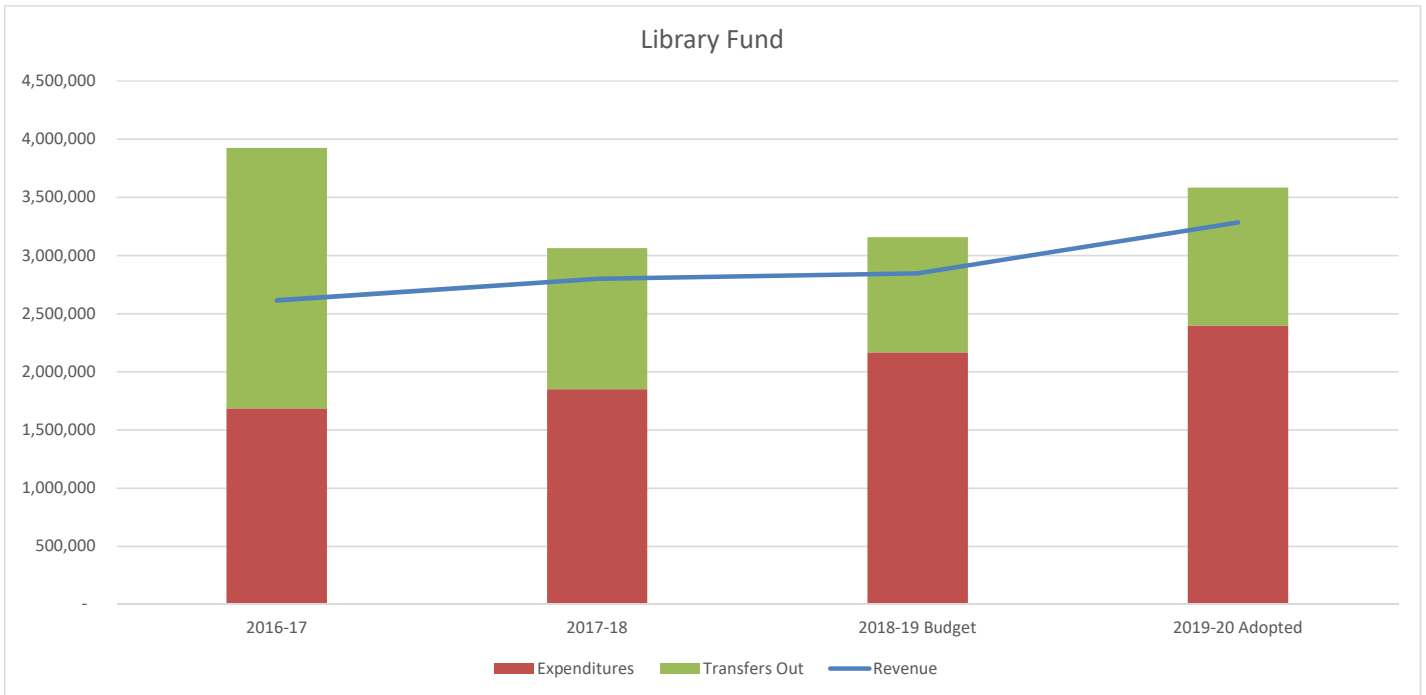
	Preceding		Adopted	Budget For Fiscal Year 2019 - 2020		
	2016-17	2017-18	2018-19	Proposed	Approved	Adopted
Personnel Services	1,263,162	1,374,191	1,557,200	1,746,032	1,746,032	1,746,032
Material and Services	421,973	474,824	608,000	652,000	652,000	652,000
Transfers	2,239,600	1,213,925	990,000	1,184,000	1,184,000	1,184,000
Contingency	-	-	786,302	1,089,924	1,089,924	1,089,924
Total	3,924,735	3,062,940	3,941,502	4,671,956	4,671,956	4,671,956

Goals and Priorities

- Track and analyze space needs and capacity issues of the facility
- Track and analyze staffing needs and capacity for customer service, programming, and outreach
- Meet with representatives of retirement and assisted living facilities to discuss library service needs of their residents
- Work with consortium partners to advocate for centralized Homebound service to address the needs of that underserved segment of our population
- Implement E-pass. E-pass is an online cultural pass reservation program
- Assist the City with the Clackamas County Library Taskforce

Library Fund

	Preceding 2016-17	Preceding 2017-18	Adopted 2018-19 Budget	2018-19 Estimate	2019-20 Proposed	2019-20 Approved	2019-20 Adopted
Revenue	2,614,179	2,800,119	2,846,000	3,151,000	3,284,350	3,284,350	3,284,350
Expenditures	1,685,135	1,849,015	2,165,200	1,986,000	2,398,032	2,398,032	2,398,032
Transfers Out	2,239,600	1,213,925	990,000	990,000	1,184,000	1,184,000	1,184,000
Annual Operating Surplus / (Shortfall)	(1,310,556)	(262,821)	(309,200)	175,000	(297,682)	(297,682)	(297,682)
Beginning Fund Balance	2,785,983	1,475,427	1,095,502	1,212,606	1,387,606	1,387,606	1,387,606
Ending Fund Balance / Contingency	1,475,427	1,212,606	786,302	1,387,606	1,089,924	1,089,924	1,089,924



Library Fund

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Resources							
Beginning Fund Balance	\$ 2,785,983	\$ 1,475,427	\$ 1,095,502	\$ 1,212,606	\$ 1,387,606	\$ 1,387,606	\$ 1,387,606
District Revenue	2,520,489	2,670,792	2,730,000	2,980,000	3,130,000	3,130,000	3,130,000
User Related	44,019	46,311	43,000	43,000	46,350	46,350	46,350
Grant Revenue	-	-	8,000	8,000	8,000	8,000	8,000
Misc Revenue	49,671	83,016	65,000	120,000	100,000	100,000	100,000
Total Resources	<u>5,400,162</u>	<u>4,275,546</u>	<u>3,941,502</u>	<u>4,363,606</u>	<u>4,671,956</u>	<u>4,671,956</u>	<u>4,671,956</u>
Requirements							
Personnel Services							
FTE Positions	14.6	15.0	17.0	17.0	18.0	18.0	18.0
Wages	878,365	928,934	1,027,700	980,000	1,110,700	1,110,700	1,110,700
Benefits	384,797	445,257	529,500	505,000	635,332	635,332	635,332
Total Personnel Services	<u>1,263,162</u>	<u>1,374,191</u>	<u>1,557,200</u>	<u>1,485,000</u>	<u>1,746,032</u>	<u>1,746,032</u>	<u>1,746,032</u>
Materials and Services							
Office Supplies	39,669	41,807	56,000	56,000	70,000	70,000	70,000
Professional Development	2,005	2,504	5,000	7,000	8,000	8,000	8,000
Library Media	257,973	278,992	317,000	290,000	345,000	345,000	345,000
Utilities	28,820	31,622	38,000	38,000	40,000	40,000	40,000
Repairs & Maintenance	8,739	14,218	36,000	10,000	39,000	39,000	39,000
Facility and Office Contracts	84,767	105,681	156,000	100,000	150,000	150,000	150,000
Total Materials and Services	<u>421,973</u>	<u>474,824</u>	<u>608,000</u>	<u>501,000</u>	<u>652,000</u>	<u>652,000</u>	<u>652,000</u>
Transfers							
To General Fund	389,600	513,925	440,000	440,000	484,000	484,000	484,000
To Lib Reserve for Replacement Func	1,850,000	700,000	550,000	550,000	700,000	700,000	700,000
Total Transfers	<u>2,239,600</u>	<u>1,213,925</u>	<u>990,000</u>	<u>990,000</u>	<u>1,184,000</u>	<u>1,184,000</u>	<u>1,184,000</u>
Contingency	<u>-</u>	<u>-</u>	<u>786,302</u>	<u>-</u>	<u>1,089,924</u>	<u>1,089,924</u>	<u>1,089,924</u>
Total Requirements	<u>3,924,735</u>	<u>3,062,940</u>	<u>3,941,502</u>	<u>2,976,000</u>	<u>4,671,956</u>	<u>4,671,956</u>	<u>4,671,956</u>
Ending Fund Balance	1,475,427	1,212,606	-	1,387,606	-	-	-



City of Happy Valley Fiscal Year 2019 - 2020 Budget

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.

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, and disability insurance, payments into the PERS system for both the employer percentage and the 6% pick up employee portion.



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Library Fund

Expenditures (continued)

Materials and Services:

Office Supplies: General office supplies, postage, Ready to Read grant expenditures, program expenditures, and cleaning supplies for the Library building and systems.

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, and computer and technology items less than \$5,000.

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

Transfers:

To General Fund: Amount calculated with cost allocation plan to cover administrative overhead costs. Included in these costs are city administration, finance, payroll, accounts payable, human resources, city recorder, overall administrative costs related to running the city.

To Library Reserve for Replacement Fund: Transfer to accumulate funds for purchases per the Library 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 24% in Contingency for the Library Fund.



**City of Happy Valley
Fiscal Year 2019 - 2020 Budget**

Street Maintenance Fund



City of Happy Valley Fiscal Year 2019 - 2020 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. Also included is revenue from City gas tax from any gas station operating within city boundaries.

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. Contracted WES Street Sweeping.

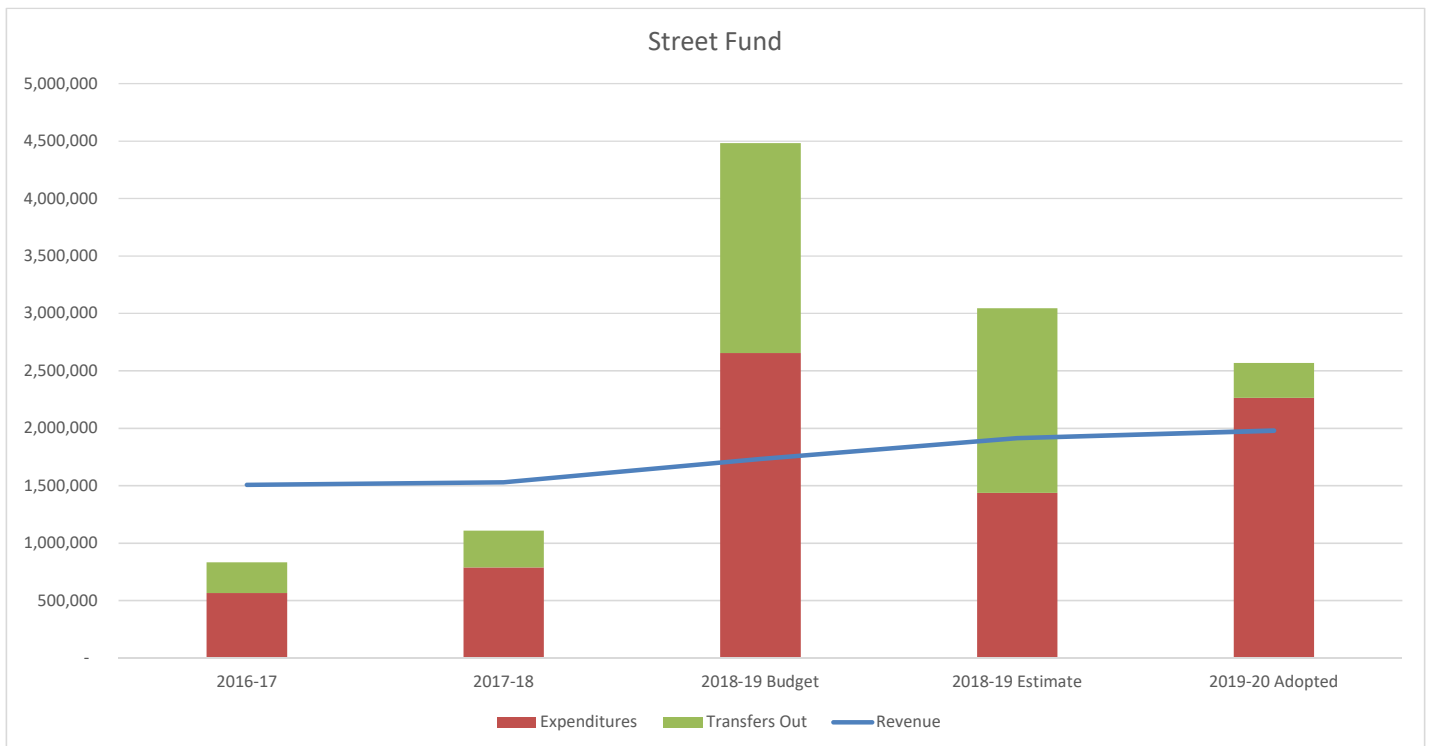
Budget Summary:

			Adopted Budget	Budget for Fiscal Year 2019 - 2020		
	2016-17	2017-18	2018-19	Proposed	Approved	Adopted
Personnel Services	273,021	301,700	394,500	355,600	355,600	355,600
Material and Services	266,154	348,500	426,500	411,500	411,500	411,500
Capital Outlay	27,722	486,128	1,835,514	1,500,000	1,500,000	1,500,000
Transfers	267,470	320,000	1,825,000	303,000	303,000	303,000
Contingency	-	-	-	1,111,153	1,111,153	1,111,153
Total	834,367	1,456,328	4,481,514	3,681,253	3,681,253	3,681,253
Reserve for Future Expenditures	1,145,945	1,145,945	1,415,223	-	-	-

Street Fund

	Preceding 2016-17	Preceding 2017-18	Adopted 2018-19 Budget	2018-19 Estimate	2019-20 Proposed	2019-20 Approved	2019-20 Adopted
Revenue	1,508,456	1,530,342	1,734,150	1,915,000	1,980,000	1,980,000	1,980,000
Expenditures	566,897	790,559	2,656,514	1,439,000	2,267,100	2,267,100	2,267,100
Transfers Out	267,470	320,000	1,825,000	1,605,894	303,000	303,000	303,000
Annual Operating Surplus / (Shortfall)	674,089	419,783	(2,747,364)	(1,129,894)	(590,100)	(590,100)	(590,100)
Beginning Fund Balance	1,737,275	2,411,364	2,747,364	2,831,147	1,701,253	1,701,253	1,701,253
Ending Fund Balance (fee in lieu of contruction)	2,411,364	2,831,147	-	1,701,253	1,111,153	1,111,153	1,111,153

2018-19 Spike is from the transfer out of Fee in Lieu, and increased Capital Outlay appropriation.



Street Fund

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Resources							
Beginning Fund Balance	\$ 1,737,275	\$ 2,411,364	\$ 2,747,364	\$ 2,831,147	\$ 1,701,253	\$ 1,701,253	\$ 1,701,253
State Shared Revenues	1,090,431	1,262,946	1,448,150	1,550,000	1,630,000	1,630,000	1,630,000
Intergovernmental Revenue	69,793	98,475	141,000	160,000	150,000	150,000	150,000
Local Gas Tax Revenue	53,268	108,369	110,000	125,000	130,000	130,000	130,000
Misc Revenue	294,964	60,552	35,000	80,000	70,000	70,000	70,000
Transfer from General Fund	-	-	-	-	-	-	-
Total Resources	3,245,731	3,941,706	4,481,514	4,746,147	3,681,253	3,681,253	3,681,253
Requirements							
Personnel Services							
FTE Positions	3.0	3.0	3.5	3.0	3.0	3.0	3.0
Wages	152,360	166,497	227,000	180,000	199,100	199,100	199,100
Benefits	120,661	122,781	167,500	130,000	156,500	156,500	156,500
Total Personnel Services	273,021	289,278	394,500	310,000	355,600	355,600	355,600
Materials and Services							
Supplies	1,050	1,914	8,000	2,000	5,000	5,000	5,000
Professional Development	5,826	3,825	6,500	5,000	6,500	6,500	6,500
Utilities	7,142	7,538	12,000	12,000	15,000	15,000	15,000
Vehicle Operation & Maint.	28,579	37,644	40,000	28,000	35,000	35,000	35,000
Repairs and Maintenance	180,006	160,232	210,000	190,000	200,000	200,000	200,000
Contract Services	43,551	118,295	150,000	100,000	150,000	150,000	150,000
Total Materials and Services	266,154	329,448	426,500	337,000	411,500	411,500	411,500
Capital Outlay							
Street Reconstruction	27,722	171,833	1,835,514	792,000	1,500,000	1,500,000	1,500,000
Total Capital Outlay	27,722	171,833	1,835,514	792,000	1,500,000	1,500,000	1,500,000
Transfers							
To General Fund	167,470	220,000	175,000	175,000	203,000	203,000	203,000
To Street Reserve for Replacement Fund	100,000	100,000	1,650,000	1,430,894	100,000	100,000	100,000
Total Transfers	267,470	320,000	1,825,000	1,605,894	303,000	303,000	303,000
Contingency	-	-	-	-	1,111,153	1,111,153	1,111,153
Total Requirements	834,367	1,110,559	4,481,514	3,044,894	3,681,253	3,681,253	3,681,253
Reserved for Future Expenditures	-	-	-	-	-	-	-
Ending Fund Balance	2,411,364	2,831,147	-	1,701,253	-	-	-



City of Happy Valley Fiscal Year 2019 - 2020 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.

Transportation Maintenance Fee (TMF) Revenue: Revenue collected from residents for maintenance of streets within city boundaries if passed by council.

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:

Wages: Utility Worker II (2), Utility Worker I (1.5)

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 2019 - 2020 Budget

Street Maintenance Fund

Materials and Services: (continued)

Repairs and Maintenance: Maintenance and repairs of non-vehicular equipment. 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.

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 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. Included in these costs are city administration, finance, payroll, accounts payable, human resources, city recorder, overall administrative costs related to running the city.

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

Other:

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



**City of Happy Valley
Fiscal Year 2019 - 2020 Budget**

***Storm Utility System Development Charges
Fund***



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Storm Utility 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. ORS 223.307 sets authorized expenditure of SDC's. 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 SDC's be deposited into accounts designated for such monies and an annual accounting of these funds is to be made.

Revenue

Storm Drain SDCs, interest, miscellaneous revenue.

Expenditures

Storm Drain SDCs

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

Contract Services

Used to complete Storm and Sewer Master Plans.

Budget Summary:

	Preceding		Adopted Budget 2018-19	Budget for Fiscal Year 2019-20		
	2016-17	2017-18		Proposed	Approved	Adopted
Materials and Services	-	100,000	200,000	200,000	200,000	200,000
Capital Outlay	1,770	798,000	791,000	920,451	920,451	920,451
Transfers	-	-	400,000	80,702	80,702	80,702
Total	1,770	898,000	1,391,000	1,201,153	1,201,153	1,201,153
Reserve for Future Expenditures	-	-	100,000	-	-	-

Storm Utility System Development Charges (SDC) Fund

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Resources							
Beginning Fund Balance	\$ 835,458	\$ 925,741	\$ 1,295,000	\$ 1,395,153	\$ 1,105,153	\$ 1,105,153	\$ 1,105,153
SDC - Storm Drainage	73,112	64,007	90,000	60,000	90,000	90,000	90,000
SDC - Parks	-	480,702	-	-	-	-	-
Misc Revenue	18,941	18,766	6,000	50,000	6,000	6,000	6,000
Total Resources	<u>927,511</u>	<u>1,489,216</u>	<u>1,391,000</u>	<u>1,505,153</u>	<u>1,201,153</u>	<u>1,201,153</u>	<u>1,201,153</u>
Requirements							
Materials and Services							
Contract Services	-	94,063	200,000	-	200,000	200,000	200,000
Total Materials and Services	<u>-</u>	<u>94,063</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Capital Outlay							
SDC Projects - Storm Drain	1,770	-	791,000	-	920,451	920,451	920,451
Total Capital Outlay	<u>1,770</u>	<u>-</u>	<u>791,000</u>	<u>-</u>	<u>920,451</u>	<u>920,451</u>	<u>920,451</u>
Transfers							
To General Fund	-	-	-	-	-	-	-
To Parks SDC Fund	-	-	400,000	400,000	80,702	80,702	80,702
Total Transfers	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>400,000</u>	<u>80,702</u>	<u>80,702</u>	<u>80,702</u>
Total Requirements	<u>1,770</u>	<u>94,063</u>	<u>1,391,000</u>	<u>400,000</u>	<u>1,201,153</u>	<u>1,201,153</u>	<u>1,201,153</u>
Reserve for Future Expenditures	-	-	-	-	-	-	-
Ending Fund Balance	925,741	1,395,153	-	1,105,153	-	-	-



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Storm Utility 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.

SDC – Storm Drain: SDC's collected on building permits to fund the City's CIP for storm drainage.

Expenditures

Capital Outlay:

Planned projects for Storm Drain

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 No. 1 (CCSD#1).



**City of Happy Valley
Fiscal Year 2019 - 2020 Budget**

***Transportation System Development
Charges Fund***



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Transportation 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. ORS 223.307 sets authorized expenditure of SDC's. 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

Transportation SDCs, interest, miscellaneous revenue.

Expenditures

Completion of Capital Transportation Projects as identified in the City's Transportation System Plan (TSP) and Capital Improvement Plan (CIP). Also includes an SDC methodology and administrative documents.

Budget Summary:

	Preceding		Adopted	Budget for Fiscal Year 2019-20		
	2016-17	2017-18	2018-19	Proposed	Approved	Adopted
Materials and Services	-	50,000	300,000	300,000	300,000	300,000
Capital Outlay	-	-	5,980,000	9,765,734	9,765,734	9,765,734
Transfers	-	150,000	-	-	-	-
Total	-	200,000	6,280,000	10,065,734	10,065,734	10,065,734
Reserve for Future Expenditures	-	-	2,805,000	-	-	-

Transportation System Development Charges (SDC) Fund

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Resources							
Beginning Fund Balance	\$ -	\$ -	\$ 4,908,000	\$ 5,845,734	\$ 7,915,734	\$ 7,915,734	\$ 7,915,734
SDC - Transportation	-	5,955,784	1,300,000	1,900,000	2,000,000	2,000,000	2,000,000
Misc Revenue	-	39,950	72,000	170,000	150,000	150,000	150,000
Total Resources	<u>-</u>	<u>5,995,734</u>	<u>6,280,000</u>	<u>7,915,734</u>	<u>10,065,734</u>	<u>10,065,734</u>	<u>10,065,734</u>
Requirements							
Materials and Services							
Contract Services	-	-	300,000	-	300,000	300,000	300,000
Total Materials and Services	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Capital Outlay							
SDC Projects	-	-	5,980,000	50,000	9,765,734	9,765,734	9,765,734
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>5,980,000</u>	<u>50,000</u>	<u>9,765,734</u>	<u>9,765,734</u>	<u>9,765,734</u>
Transfers							
To General Fund	-	150,000	-	-	-	-	-
Total Transfers	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Requirements	<u>-</u>	<u>150,000</u>	<u>6,280,000</u>	<u>-</u>	<u>10,065,734</u>	<u>10,065,734</u>	<u>10,065,734</u>
Reserve for Future Expenditures	-	-	-	-	-	-	-
Ending Fund Balance	-	5,845,734	-	7,915,734	-	-	-



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Transportation System Development Charges Fund

Resources

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

SDC – Transportation (TSDC's): TSDC's collected on building permits to fund the City's CIP for transportation.

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

Expenditures

Materials and Services:

Contract Services: Completion of the Capital Improvement Plan (CIP), SDC methodology, and administrative documents.

Transfers Out:

To General Fund: Administrative fees collected to fund the TSDC Program Manager in the Economic and Community Development Department (Engineering Division).

Other:

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



**City of Happy Valley
Fiscal Year 2019 - 2020 Budget**

Parks System Development Charges Fund



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Parks 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. ORS 223.307 sets authorized expenditure of SDC's. 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

Parks SDCs, interest, miscellaneous revenue.

Expenditures

Completion of Capital Parks Projects as identified in the City's Parks Master Plan and Capital Improvement Plan (CIP). Also includes an SDC methodology and administrative documents.

Budget Summary:

	Preceding		Adopted	Budget for Fiscal Year 2019-20		
	2016-17	2017-18	Budget 2018-19	Proposed	Approved	Adopted
Materials and Services	-	-	200,000	200,000	200,000	200,000
Capital Outlay	-	-	1,410,000	2,590,702	2,590,702	2,590,702
Transfers	-	-	-	-	-	-
Total	-	-	1,610,000	2,790,702	2,790,702	2,790,702
Reserve for Future Expenditures	-	-	-	-	-	-

Parks System Development Charges (SDC) Fund

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Resources							
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
SDC - Parks	-	-	1,200,000	1,100,000	1,200,000	1,200,000	1,200,000
Misc Revenue	-	-	10,000	-	10,000	10,000	10,000
Transfer In	-	-	400,000	400,000	80,702	80,702	80,702
Total Resources	<u>-</u>	<u>-</u>	<u>1,610,000</u>	<u>1,500,000</u>	<u>2,790,702</u>	<u>2,790,702</u>	<u>2,790,702</u>
Requirements							
Materials and Services							
Contract Services	-	-	200,000	-	200,000	200,000	200,000
Total Materials and Services	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Capital Outlay							
SDC Projects	-	-	1,410,000	-	2,590,702	2,590,702	2,590,702
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>1,410,000</u>	<u>-</u>	<u>2,590,702</u>	<u>2,590,702</u>	<u>2,590,702</u>
Transfers							
To General Fund	-	-	-	-	-	-	-
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Requirements	<u>-</u>	<u>-</u>	<u>1,610,000</u>	<u>-</u>	<u>2,790,702</u>	<u>2,790,702</u>	<u>2,790,702</u>
Reserve for Future Expenditures	-	-	-	-	-	-	-
Ending Fund Balance	-	-	-	1,500,000	-	-	-



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Parks System Development Charges Fund

Resources

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

SDC – Parks (PSDC's): PSDC's collected on building permits to fund the City's CIP for Parks.

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

Expenditures

Materials and Services:

Contract Services: Completion of the Capital Improvement Plan (CIP), SDC methodology, and administrative documents.

Capital Outlay:

SDC Projects: Capital expenditures on SDC eligible projects.

Other:

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



**City of Happy Valley
Fiscal Year 2019 - 2020 Budget**

Pedestrian Improvement Projects Fund



City of Happy Valley Fiscal Year 2019 - 2020 Budget

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 allocated annually for Traffic and Public Safety projects as well as for boulevard sidewalk maintenance. Amounts used for matching when grants are awarded to the City.

Budget Summary:

	Preceding		Adopted	Budget For Fiscal Year 2019 - 2020		
	2016-17	2017-18	Budget 2018-19	Proposed	Approved	Adopted
Material and Services	-	-	10,000	30,000	30,000	30,000
Capital Outlay	39,375	109,875	925,708	857,000	857,000	857,000
Transfers	33,352	36,900	46,360	18,000	18,000	18,000
Total	72,727	146,775	982,068	905,000	905,000	905,000

Pedestrian Improvement Projects (PIP) Fund

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Resources							
Beginning Fund Balance	\$ 751,284	\$ 814,968	\$ 875,068	\$ 776,051	\$ 790,000	\$ 790,000	\$ 790,000
Misc Revenue	4,443	7,858	7,000	20,000	15,000	15,000	15,000
Privilege Tax	131,968	-	-	-	-	-	-
Vehicle Registration Fee	-	-	-	-	100,000	100,000	100,000
Transfer In - From General Fund	-	100,000	100,000	100,000	-	-	-
Total Resources	<u>887,695</u>	<u>922,826</u>	<u>982,068</u>	<u>896,051</u>	<u>905,000</u>	<u>905,000</u>	<u>905,000</u>
Requirements							
Materials and Services							
Contract Engineering	-	-	10,000	-	30,000	30,000	30,000
Total Materials and Services	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
Capital Outlay							
Pedestrian Pathways	39,375	109,875	185,708	50,000	857,000	857,000	857,000
Grant Match	-	-	740,000	-	-	-	-
Total Capital Outlay	<u>39,375</u>	<u>109,875</u>	<u>925,708</u>	<u>50,000</u>	<u>857,000</u>	<u>857,000</u>	<u>857,000</u>
Transfers							
To General Fund	33,352	36,900	46,360	46,360	18,000	18,000	18,000
Total Transfers	<u>33,352</u>	<u>36,900</u>	<u>46,360</u>	<u>46,360</u>	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>
Total Requirements	<u>72,727</u>	<u>146,775</u>	<u>982,068</u>	<u>96,360</u>	<u>905,000</u>	<u>905,000</u>	<u>905,000</u>
Reserved for Future Expenditures	-	-	-	-	-	-	-
Ending Fund Balance	814,968	776,051	-	799,691	-	-	-



City of Happy Valley Fiscal Year 2019 - 2020 Budget

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. Also \$10,000 per budget cycle for the maintenance of boulevard street sidewalks.

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. Included in these costs are city administration, finance, payroll, accounts payable, human resources, city recorder, overall administrative costs related to running the city.



**City of Happy Valley
Fiscal Year 2019 - 2020 Budget**

Facility Capital Projects Fund



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Facility Capital Projects Fund

Manager: Travis Warneke, CPA

This fund was created for the construction of new facilities including but not limited to a public works facility and a police station. The timing of these projects is uncertain but the eventual purchase of land and construction of the facilities will be accounted for in this fund.

Revenue

Transfers from the General Fund.

Expenditures

Purchase of land and expenditures related to the construction of facilities.

Budget Summary:

	Preceding		Adopted Budget 2018-19	Budget For Fiscal Year 2019 - 2020		
	2016-17	2017-18		Proposed	Approved	Adopted
Capital Outlay	-	-	3,800,000	6,500,000	6,500,000	6,170,000
Total	-	-	3,800,000	6,500,000	6,500,000	6,170,000

Facility Capital Projects Fund

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Resources							
Beginning Fund Balance	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000	\$ 3,800,000	\$ 3,800,000	\$ 3,800,000
Transfers In	-	1,500,000	2,300,000	2,300,000	2,700,000	2,700,000	2,370,000
Total Resources	<u>-</u>	<u>1,500,000</u>	<u>3,800,000</u>	<u>3,800,000</u>	<u>6,500,000</u>	<u>6,500,000</u>	<u>6,170,000</u>
Requirements							
Capital Outlay							
Land	-	-	3,800,000	-	6,500,000	6,500,000	6,170,000
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>3,800,000</u>	<u>-</u>	<u>6,500,000</u>	<u>6,500,000</u>	<u>6,170,000</u>
Total Requirements	<u>-</u>	<u>-</u>	<u>3,800,000</u>	<u>-</u>	<u>6,500,000</u>	<u>6,500,000</u>	<u>6,170,000</u>
Reserved for Future Expenditures	-	-	-	-	-	-	-
Ending Fund Balance	-	1,500,000	-	3,800,000	-	-	-



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Facility Capital Projects Fund

Resources

Transfer from General Fund: Amounts from the General Fund to allow for the construction of facilities.

Expenditures

Capital Outlay:

Land: Purchase of land for future facility location.



**City of Happy Valley
Fiscal Year 2019 - 2020 Budget**

Parks Capital Projects Fund



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Parks Capital Projects Fund

Manager: Travis Warneke, CPA

The Parks Capital Projects Fund resources consist of a transfer from the Parks Fund. These resources will be available to supplement a Parks SDC project when the time comes. Not all SDC projects are 100% SDC eligible so having dedicated funds set aside will help get a project off the ground smoothly.

Revenue

Transfers from the Parks Fund.

Expenditures

Capital expenditures for parks facilities.

Budget Summary:

	Preceding		Adopted Budget 2018-19	Budget For Fiscal Year 2019 - 2020		
	2016-17	2017-18		Proposed	Approved	Adopted
Capital Outlay	-	-	90,000	100,000	100,000	-
Total	-	-	90,000	100,000	100,000	-

Parks Capital Projects Fund

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Resources							
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	-	-	90,000	-	100,000	100,000	-
Total Resources	<u>-</u>	<u>-</u>	<u>90,000</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Requirements							
Capital Outlay							
SDC Match	-	-	90,000	-	100,000	100,000	-
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>90,000</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total Requirements	<u>-</u>	<u>-</u>	<u>90,000</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Reserved for Future Expenditures	-	-	-	-	-	-	-
Ending Fund Balance	-	-	-	-	-	-	-



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Parks Capital Projects Fund

Resources

Transfer from Parks Fund: Amounts from the Parks Fund to supplement Parks SDC eligible projects.

Expenditures

Capital Outlay:

SDC Match: Capital expenditures for parks facilities.



**City of Happy Valley
Fiscal Year 2019 - 2020 Budget**

Reserve for General Operations Fund



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Reserve for General Operations Fund

Manager: Travis Warneke, 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 based on Policy 13-04 – Budget Reserves & Contingency.

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 2019 - 2020		
	2016-17	2017-18	Budget 2018-19	Proposed	Approved	Adopted
Reserve for Future Expenditures	2,198,974	2,198,974	2,498,974	2,498,974	2,498,974	2,498,974
Total	2,198,974	2,198,974	2,498,974	2,498,974	2,498,974	2,498,974

Reserve for General Operations Fund

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Resources							
Beginning Fund Balance	\$ 2,000,000	\$ 2,198,974	\$ 2,198,974	\$ 2,198,974	\$ 2,498,974	\$ 2,498,974	\$ 2,498,974
Transfer from General Fund	198,974	-	300,000	300,000	-	-	-
Total Resources	<u>2,198,974</u>	<u>2,198,974</u>	<u>2,498,974</u>	<u>2,498,974</u>	<u>2,498,974</u>	<u>2,498,974</u>	<u>2,498,974</u>
Total Reserved for Future Expenditures	<u>2,198,974</u>	<u>2,198,974</u>	<u>2,498,974</u>	<u>2,498,974</u>	<u>2,498,974</u>	<u>2,498,974</u>	<u>2,498,974</u>

Months of General Fund Operations	Proposed 4.4	2019-20 monthly 564,083
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City of Happy Valley Fiscal Year 2019 - 2020 Budget

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.



**City of Happy Valley
Fiscal Year 2019 - 2020 Budget**

General Reserve for Replacement Fund



City of Happy Valley Fiscal Year 2019 - 2020 Budget

General Reserve for Replacement Fund

Manager: Travis Warneke, 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. This fund allows the City to save for replacement of all major capital items without having dramatic swings in the General Fund and makes for clear and relevant analysis of operating trends.

Revenue

Transfers from the General Fund, PEG revenue, interest.

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. The transfers out are the Library and Street reserve balances to create their own reserve funds. The Public Safety reserve balance was transferred back to the Public Safety fund.

Budget Summary:

	Preceding		Adopted Budget 2018-19	Budget For Fiscal Year 2019 - 2020		
	2016-17	2017-18		Proposed	Approved	Adopted
Material and Services	159,608	149,534	665,000	665,000	665,000	665,000
Capital Outlay	775,579	540,235	900,000	900,000	900,000	900,000
Transfers Out	-	2,814,685	-	-	-	-
Total	935,187	3,504,454	1,565,000	1,565,000	1,565,000	1,565,000
Reserved for Future Expenditures	-	-	461,100	874,500	874,500	874,500

General Reserve for Replacement Fund

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Resources							
Beginning Fund Balance	\$ 2,831,266	\$ 4,447,884	\$ 1,500,000	\$ 1,404,500	\$ 1,869,500	\$ 1,869,500	\$ 1,869,500
PEG revenue	176,495	61,970	65,000	60,000	65,000	65,000	65,000
Misc Revenue	25,310	49,100	5,000	35,000	5,000	5,000	5,000
Transfers In	2,350,000	350,000	500,000	500,000	500,000	500,000	500,000
Total Resources	<u>5,383,071</u>	<u>4,908,954</u>	<u>2,070,000</u>	<u>1,999,500</u>	<u>2,439,500</u>	<u>2,439,500</u>	<u>2,439,500</u>
Requirements							
Materials and Services							
Equipment - under \$5,000	120,384	80,069	150,000	30,000	150,000	150,000	150,000
Repairs and Maintenance	39,224	69,465	500,000	-	500,000	500,000	500,000
Education Benefits	-	-	15,000	-	15,000	15,000	15,000
Total Materials and Services	<u>159,608</u>	<u>149,534</u>	<u>665,000</u>	<u>30,000</u>	<u>665,000</u>	<u>665,000</u>	<u>665,000</u>
Capital Outlay							
Vehicles	3,750	273,275	300,000	-	300,000	300,000	300,000
Equipment - over \$5,000	90,723	69,644	400,000	50,000	400,000	400,000	400,000
Park Improvements	603,503	87,773	-	-	-	-	-
Facility Improvements	77,603	109,543	100,000	-	100,000	100,000	100,000
PEG Grants	-	-	100,000	50,000	100,000	100,000	100,000
Total Capital Outlay	<u>775,579</u>	<u>540,235</u>	<u>900,000</u>	<u>100,000</u>	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>
Transfers							
To Street Reserve Fund	-	330,900	-	-	-	-	-
To Public Safety Fund	-	62,000	-	-	-	-	-
To Library Reserve Fund	-	2,421,785	-	-	-	-	-
Total Transfers	<u>-</u>	<u>2,814,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Requirements	<u>935,187</u>	<u>3,504,454</u>	<u>1,565,000</u>	<u>130,000</u>	<u>1,565,000</u>	<u>1,565,000</u>	<u>1,565,000</u>
Reserved for Future Expenditures	-	-	461,100	-	874,500	874,500	874,500
Ending Fund Balance	4,447,884	1,404,500	43,900	1,869,500	-	-	-



City of Happy Valley Fiscal Year 2019 - 2020 Budget

General Reserve for Replacement Fund

Resources

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

PEG Revenue: Cable PEG fees collected for Public, Educational and Governmental access.

Misc Revenue: Includes interest income from cash in the Local Government Investment Pool.

Transfers In: Amounts from the General Fund 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.

Other:

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



**City of Happy Valley
Fiscal Year 2019 - 2020 Budget**

Library Reserve for Replacement Fund



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Library Reserve for Replacement Fund

Manager: Travis Warneke, CPA

Created to provide a long-term approach to funding the purchase and replacement of equipment and major facility maintenance expenditures associated with the Library. 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 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 the Library Fund. Any unexpended balance is not required to be held for subsequent expenditure for the purposes for which this fund was established.

This fund allows the City to save for replacement of all major library capital items without having dramatic swings in the operating Library Fund and makes for clear and relevant analysis of operating trends.

Revenue

Transfers from the Library Fund and interest earned on amounts invested in the Local Government Investment Pool and other investments.

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 2018-19	Budget For Fiscal Year 2019 - 2020		
	2016-17	2017-18		Proposed	Approved	Adopted
Material and Services	-	-	150,000	150,000	150,000	150,000
Capital Outlay	-	-	600,000	600,000	600,000	600,000
Total	-	-	750,000	750,000	750,000	750,000
Reserved for Future Expenditures	-	-	2,925,785	3,520,785	3,520,785	3,520,785

Library Reserve for Replacement Fund

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Resources							
Beginning Fund Balance	\$ -	\$ -	\$ 3,121,785	\$ 3,121,785	\$ 3,566,785	\$ 3,566,785	\$ 3,566,785
Misc Revenue	-	-	4,000	-	4,000	4,000	4,000
Transfers In	-	3,121,785	550,000	500,000	700,000	700,000	700,000
Total Resources	<u>-</u>	<u>3,121,785</u>	<u>3,675,785</u>	<u>3,621,785</u>	<u>4,270,785</u>	<u>4,270,785</u>	<u>4,270,785</u>
Requirements							
Materials and Services							
Equipment - under \$5,000	-	-	50,000	-	50,000	50,000	50,000
Repairs and Maintenance	-	-	100,000	40,000	100,000	100,000	100,000
Total Materials and Services	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>40,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Capital Outlay							
Equipment - over \$5,000	-	-	500,000	15,000	500,000	500,000	500,000
Facility Improvements	-	-	100,000	-	100,000	100,000	100,000
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>600,000</u>	<u>15,000</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>
Total Requirements	<u>-</u>	<u>-</u>	<u>750,000</u>	<u>55,000</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>
Reserved for Future Expenditures	-	-	2,925,785	-	3,520,785	3,520,785	3,520,785
Ending Fund Balance	-	3,121,785	-	3,566,785	-	-	-



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Library Reserve for Replacement Fund

Resources

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

Transfers In: Amounts from the Library Fund per the replacement schedule.

Expenditures

Materials and Services:

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

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

Capital Outlay:

Vehicles: Vehicles per replacement schedules.

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

Facility Improvements: Facility improvements per replacement schedules.

Other:

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



**City of Happy Valley
Fiscal Year 2019 - 2020 Budget**

Street Reserve for Replacement Fund



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Street Reserve for Replacement Fund

Manager: Travis Warneke, CPA

Created to provide a long-term approach to funding the purchase and replacement of equipment and major facility maintenance expenditures associated with the street maintenance. 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 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 the Street Fund. Any unexpended balance is not required to be held for subsequent expenditure for the purposes for which this fund was established.

This fund allows the City to save for replacement of all major street capital equipment items without having dramatic swings in the Street Maintenance Fund and makes for clear and relevant analysis of operating trends.

Revenue

Transfers from the Street Fund and interest earned on amounts invested in the Local Government Investment Pool and other investments.

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 2018-19	Budget For Fiscal Year 2019 - 2020		
	2016-17	2017-18		Proposed	Approved	Adopted
Material and Services	-	9,914	125,000	125,000	125,000	125,000
Capital Outlay	-	-	500,900	507,751	507,751	507,751
Total	-	9,914	625,900	632,751	632,751	632,751
Reserved for Future Expenditures	-	-	1,550,000	1,660,000	1,660,000	1,660,000

Street Reserve for Replacement Fund

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Resources							
Beginning Fund Balance	\$ -	\$ -	\$ 425,900	\$ 442,857	\$ 2,092,751	\$ 2,092,751	\$ 2,092,751
Misc Revenue	-	21,871	100,000	240,000	100,000	100,000	100,000
Transfers In	-	430,900	1,650,000	1,430,894	100,000	100,000	100,000
Total Resources	<u>-</u>	<u>452,771</u>	<u>2,175,900</u>	<u>2,113,751</u>	<u>2,292,751</u>	<u>2,292,751</u>	<u>2,292,751</u>
Requirements							
Materials and Services							
Equipment - under \$5,000	-	9,914	25,000	3,000	25,000	25,000	25,000
Repairs and Maintenance	-	-	100,000	-	100,000	100,000	100,000
Total Materials and Services	<u>-</u>	<u>9,914</u>	<u>125,000</u>	<u>3,000</u>	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>
Capital Outlay							
Vehicles	-	-	80,000	-	80,000	80,000	80,000
Equipment - over \$5,000	-	-	420,900	18,000	427,751	427,751	427,751
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>500,900</u>	<u>18,000</u>	<u>507,751</u>	<u>507,751</u>	<u>507,751</u>
Total Requirements	<u>-</u>	<u>9,914</u>	<u>625,900</u>	<u>21,000</u>	<u>632,751</u>	<u>632,751</u>	<u>632,751</u>
Reserved for Future Expenditures							
Fee in Lieu	-	-	1,550,000	-	1,660,000	1,660,000	1,660,000
Ending Fund Balance	-	442,857	-	2,092,751	-	-	-



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Street Reserve for Replacement Fund

Resources

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

Transfers In: Amounts from the Street Fund per the replacement schedule.

Expenditures

Materials and Services:

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

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

Capital Outlay:

Vehicles: Vehicles per replacement schedules.

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



**City of Happy Valley
Fiscal Year 2019 - 2020 Budget**

Parks Reserve for Replacement Fund



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Parks Reserve for Replacement Fund

Manager: Travis Warneke, CPA

Created to provide a long-term approach to funding the purchase and replacement of equipment and major facility maintenance expenditures associated with park maintenance. 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 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 the Parks Fund. Any unexpended balance is not required to be held for subsequent expenditure for the purposes for which this fund was established.

This fund allows the City to save for replacement of all major park capital equipment items without having dramatic swings in the Parks Fund and makes for clear and relevant analysis of operating trends.

Revenue

Transfers from the Parks Fund and interest earned on amounts invested in the Local Government Investment Pool and other investments.

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 2018-19	Budget For Fiscal Year 2019 - 2020		
	2016-17	2017-18		Proposed	Approved	Adopted
Material and Services	-	-	150,000	150,000	150,000	-
Capital Outlay	-	-	275,000	275,000	275,000	-
Total	-	-	425,000	425,000	425,000	-
Reserved for Future Expenditures	-	-	-	-	-	-

Parks Reserve for Replacement Fund

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Resources							
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Misc Revenue	-	-	-	-	-	-	-
Transfers In	-	-	425,000	-	425,000	425,000	-
Total Resources	<u>-</u>	<u>-</u>	<u>425,000</u>	<u>-</u>	<u>425,000</u>	<u>425,000</u>	<u>-</u>
Requirements							
Materials and Services							
Equipment - under \$5,000	-	-	50,000	-	50,000	50,000	-
Repairs and Maintenance	-	-	100,000	-	100,000	100,000	-
Total Materials and Services	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Capital Outlay							
Equipment - over \$5,000	-	-	200,000	-	200,000	200,000	-
Facility Improvements	-	-	75,000	-	75,000	75,000	-
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>275,000</u>	<u>-</u>	<u>275,000</u>	<u>275,000</u>	<u>-</u>
Total Requirements	<u>-</u>	<u>-</u>	<u>425,000</u>	<u>-</u>	<u>425,000</u>	<u>425,000</u>	<u>-</u>
Reserved for Future Expenditures	-	-	-	-	-	-	-
Ending Fund Balance	-	-	-	-	-	-	-



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Parks Reserve for Replacement Fund

Resources

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

Transfers In: Amounts from the Parks Fund per the replacement schedule.

Expenditures

Materials and Services:

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

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

Capital Outlay:

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

Facility Improvements: Facility improvements per replacement schedules.



**City of Happy Valley
Fiscal Year 2019 - 2020 Budget**

Reserve for Debt Service Fund



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Reserve for Debt Service Fund

Manager: Travis Warneke, CPA

Created to pay debt payments for City of Happy Valley, Oregon Full Faith and Credit Obligations Series 2007 issued August 15, 2007. The final transfer from the General Fund was made with the 2016-17 budget. The total outstanding balance of the debt obligations was paid March 27, 2017. This fund will no longer be used but will be shown for historical purposes.

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.

Budget Summary:

	Preceding		Adopted Budget 2018-19	Budget For Fiscal Year 2019 - 2020		
	2016-17	2017-18		Proposed	Approved	Adopted
Debt Service	3,603,513	-	-	-	-	-
Total Expenditures	3,603,513	-	-	-	-	-
Reserve for Future Expenditures	-	-	-	-	-	-
Total	3,603,513	-	-	-	-	-

Reserve for Debt Service Fund

	Preceding 2016-17	Preceding 2017-18	Adopted Budget 2018-19	Estimate 2018-19	Proposed Budget 2019-20	Approved Budget 2019-20	Adopted Budget 2019-20
Resources							
Beginning Fund Balance	\$ 2,618,487	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from General Fund	985,026	-	-	-	-	-	-
Total Resources	<u>3,603,513</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Requirements							
Debt Service							
Principal Payment	3,530,000	-	-	-	-	-	-
Interest Payment	73,513	-	-	-	-	-	-
Total Debt Service	<u>3,603,513</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Requirements	<u>3,603,513</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Fund Balance	-	-	-	-	-	-	-



City of Happy Valley Fiscal Year 2019 - 2020 Budget

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. Final payment was made in March 2017.

Interest Payment: Interest payment due on repayment of debt per schedule. Final payment was made in March 2017.

Other:

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



**City of Happy Valley
Fiscal Year 2019 - 2020 Budget**

Notices and Resolutions

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AFFIDAVIT OF PUBLICATION

State of Oregon, County of Clackamas, SS I, Charlotte Allsop, being the first duly sworn, depose and say that I am the Accounting Manager of the **Clackamas Review, Estacada News, Oregon City News**, a newspaper of general circulation, serving Clackamas, Estacada, 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
on May 6th, 2019 at 6:00 PM.

Ad#: 105152

A copy of which is hereto annexed, was published in the entire issue of said newspaper(s) for 1 week(s) in the following issue(s):
04/24/2019, 04/25/2019

Charlotte Allsop

Charlotte Allsop (Accounting Manager)

Subscribed and sworn to before me this
04/25/2019.

[Signature]

NOTARY PUBLIC FOR OREGON

Acct #: 112191
Attn: Travis Warneke
HAPPY VALLEY, CITY OF
16000 SE MISTY DR
HAPPY VALLEY, OR 97086

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, 2019 to June 30, 2020 will be held at City Hall, 16000 SE Misty Drive, Happy Valley, OR 97086. The meeting will take place on May 6th, 2019 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 30, 2019 at City Hall, 16000 SE Misty Drive, Happy Valley during normal business hours. This notice and the proposed budget for fiscal year 2019-20 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 April 24, 2019 CLK105152



A public meeting of the City of Happy Valley will be held on June 4, 2019 at 7:00pm at City Hall, 16000 SE Miety Drive, Happy Valley, Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2019 as approved by the City of Happy Valley Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at City Hall, 16000 SE Miety Drive, Happy Valley, OR between the hours of 8:30 a.m. and 4:30 p.m. or online at www.happyvalleyor.gov. This budget is for an annual budget period. This budget was prepared on a basis of accounting that is the same as the preceding year.

Contact: Travis Warneke, Finance Director

Telephone: 503-783-3800 Email: travisw@happyvalleyor.gov

FINANCIAL SUMMARY - RESOURCES			
TOTAL OF ALL FUNDS	Actual Amount 2017-18	Adopted Budget This Year 2018-19	Approved Budget Next Year 2019-20
Beginning Fund Balance/Net Working Capital	18,558,854	25,954,606	35,944,292
Fees, Licenses, Permits, Fines, Assessments & Other Service Charges	12,348,480	7,366,000	8,259,850
Federal, State and all Other Grants, Gifts, Allocations and Donations	5,006,826	5,299,150	6,039,000
Interfund Transfers / Internal Service Reimbursements	7,505,460	7,533,000	5,955,702
All Other Resources Except Current Year Property Taxes	703,831	530,000	968,000
Current Year Property Taxes Estimated to be Received	5,375,507	7,487,000	8,078,200
Total Resources	49,498,958	54,169,756	65,245,044

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION			
Personnel Services	6,912,170	8,019,900	8,837,932
Materials and Services	6,125,552	9,294,700	9,527,600
Capital Outlay	821,943	17,044,414	24,526,638
Debt Service	0	0	0
Interfund Transfers	7,558,000	7,533,000	5,955,702
Contingencies	0	4,797,983	7,842,913
Unappropriated Ending Balance and Reserved for Future Expenditure	28,081,293	7,479,759	8,554,259
Total Requirements	49,498,958	54,169,756	65,245,044

FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM *			
Name of Organizational Unit or Program			
FTE for that unit or program			
General Administration	2,520,660	2,840,100	3,083,700
FTE	10.00	11.00	12.00
Community Services / Public Safety	1,145,981	1,175,400	1,271,500
FTE	11.00	10.00	10.00
Economic & Community Development	2,456,391	3,128,700	3,395,400
FTE	18.00	20.00	20.00
Public Works	724,321	773,600	774,200
FTE	4.00	4.00	4.00
Parks	659,848	2,204,700	2,526,340
FTE	2.00	4.50	4.50
Streets	1,120,473	6,657,414	5,974,004
FTE	3.00	3.50	3.50
Library	3,062,940	7,617,287	8,942,741
FTE	15.00	17.00	18.00
Not Allocated to Organizational Unit or Program	37,808,344	29,772,555	39,277,159
FTE	0.00	0.00	0.00
Total Requirements	49,498,958	54,169,756	65,245,044
Total FTE	63.00	70.00	72.00

STATEMENT OF CHANGES IN ACTIVITIES AND SOURCES OF FINANCING *

There were no new funds added in this budget. The total for this budget is \$65.2 million and includes \$59.3 million of resources excluding transfers between funds and \$42.9 million of expenditures excluding transfers, contingency, and reserves for future expenditures. This budget increased overall by 20% from the 2018-19 budget of \$54.2 million. This change is due to increases in capital outlay expenditures as the City is now in control of its own Parks and Transportation Systems Development Charges (SDC) programs. There were no SDC projects completed during the 2018-19 fiscal year which resulted in increased beginning fund balance and capital outlay appropriations in the SDC funds. Additionally, through General Fund savings over the past several years and including this proposed budget, the City has transferred \$6.5 million to the Facilities Capital Projects Fund, all of which was appropriated as capital outlay expenditures. We continue to experience robust activity so this budget adds staff positions and increases our reserve funds to maintain a balance between spending on current needs and reserving money for the future. FTE increased 1.5 overall from the previous budget. This increase consists of 1.0 FTE in General Fund Administration Department, 1.0 FTE increase in the Library Fund, a decrease 0.5 FTE in the Street Maintenance Fund.

PROPERTY TAX LEVIES			
	Rate or Amount Imposed 2017-18	Rate or Amount Imposed This Year 2018-19	Rate or Amount Approved Next Year 2019-20
Permanent Rate Levy (rate limit 67.1 cents per \$1,000)	0.671	0.671	0.671
Local Option Levy - Public Safety	1.380	1.380	1.380
Local Option Levy - Parks	0.540	0.540	0.540
Levy For General Obligation Bonds	0	0	0

STATEMENT OF INDEBTEDNESS		
LONG TERM DEBT	Estimated Debt Outstanding on July 1.	Estimated Debt Authorized, But Not Incurred on July 1
General Obligation Bonds	\$0	\$0
Other Bonds	\$0	\$0
Other Borrowings	\$0	\$0
Total	\$0	\$0

Publish May 22, 2019.

CLK109710

**CITY OF HAPPY VALLEY
RESOLUTION NO. 19-13**

**RESOLUTION ADOPTING THE BUDGET FOR FISCAL YEAR 2019-20,
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 2019-2020 now on file at City Hall in the sum of \$63,093,644.*

MAKING APPROPRIATIONS

BE IT RESOLVED the amounts for the fiscal year beginning July 1, 2019, and for the purposes shown below are hereby appropriated as follows:

GENERAL FUND

Administration	3,083,700
Community Services & Public Safety	1,271,500
Economic & Community Development	3,395,400
Public Works	774,200
Transfers	3,200,000
Contingency	2,894,014
FUND TOTAL	14,618,814

PARKS FUND

Operations	483,667
Programming	314,273
Non-Departmental	255,000
Transfers	177,000
FUND TOTAL	1,229,940

STREET FUND

Personal Services	355,600
Materials & Services	411,500
Capital Outlay	1,500,000
Transfers	303,000
Contingency	1,111,153
FUND TOTAL	3,681,253

PUBLIC SAFETY FUND

Materials & Services	3,768,600
Capital Outlay	10,000
Transfers	468,000
Contingency	2,010,482
FUND TOTAL	6,257,082

**CITY OF HAPPY VALLEY
RESOLUTION NO. 19-13**

MAKING APPROPRIATIONS, CONTINUED:

LIBRARY FUND

Personal Services	1,746,032
Materials & Services	652,000
Transfers	1,184,000
Contingency	1,089,924
FUND TOTAL	4,671,956

STORM UTILITY SDC FUND

Materials & Services	200,000
Capital Outlay	920,451
Transfers	80,702
FUND TOTAL	1,201,153

TRANSPORTATION SDC FUND

Materials & Services	300,000
Capital Outlay	9,765,734
FUND TOTAL	10,065,734

PARKS SDC FUND

Materials & Services	200,000
Capital Outlay	2,590,702
FUND TOTAL	2,790,702

PEDESTRIAN IMPROVEMENT PROJECTS FUND

Materials & Services	30,000
Capital Outlay	857,000
Transfers	18,000
FUND TOTAL	905,000

FACILITY CAPITAL PROJECTS FUND

Capital Outlay	6,170,000
FUND TOTAL	6,170,000

**CITY OF HAPPY VALLEY
RESOLUTION NO. 19-13**

MAKING APPROPRIATIONS, CONTINUED:

GENERAL RESERVE FOR REPLACEMENT FUND

Materials & Services	665,000
Capital Outlay	900,000
<hr/>	
FUND TOTAL	1,565,000

LIBRARY RESERVE FOR REPLACEMENT FUND

Materials & Services	150,000
Capital Outlay	600,000
<hr/>	
FUND TOTAL	750,000

STREET RESERVE FOR REPLACEMENT FUND

Materials & Services	125,000
Capital Outlay	507,751
<hr/>	
FUND TOTAL	632,751

TOTAL APPROPRIATIONS ALL FUNDS 54,539,385 *

* Note the total appropriation amount is not equal to the amount of the total adopted budget. This is due to a total of \$8,554,259 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.

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 Public Safety five year local option levy; and that these taxes are hereby imposed and categorized for tax year 2019-2020 upon the assessed value of all taxable property within the City.

**CITY OF HAPPY VALLEY
RESOLUTION NO. 19-13**

*Subject to the
General Government
Limitation*

*Excluded from
the Limitation*

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

\$-0-
\$-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 4th day of June 2019.

APPROVED by the Mayor this 4th day of June 2019.



Tom Ellis, Mayor

ATTEST: 

Kara Kerpan, City Recorder

**CITY OF HAPPY VALLEY
RESOLUTION NO. 19-12**

**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 2019-2020.


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

Passed by the City Council this 4th day of June 2019.

Approved by the Mayor this 4th day of June 2019.




Tom Ellis, Mayor

ATTEST: 

Kara Kerpan
City Recorder

I certify that a public hearing before the Budget Committee was held on Monday, May 6, 2019 and a public hearing before the City Council was held on Tuesday, June 4, 2019, giving citizens an opportunity to comment on the use of State Revenue Sharing.



Kara Kerpan, City Recorder

CITY OF HAPPY VALLEY

RESOLUTION NO. 19-11

**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
Parks

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

PASSED by the City Council this 4th day of June 2019.

APPROVED by the Mayor this 4th day of June 2019.



Tom Ellis, Mayor

ATTEST:



Kara Kerpan, City Recorder

City of Happy Valley
Fiscal Year 2019 - 2020 Budget

Total Assessed Value	2,926,912,490
Average Education	5.68
Average Gen Gov	8.46
Average Taxes	16.89

Summary of Tax Rates by Tax Code

Tax Code	012-149	012-158	012-188	012-194	012-195	012-196
Assessed Valuation	\$ 2,364,430,704	\$ 254,235,568	\$ 70,125,546	\$ 69,358,348	\$ 6,795,677	\$ 15,181,218
M-50 Consolidated Tax Rate	17.2564	17.2564	17.2564	17.2564	17.2564	17.2564
Clackamas Community College	0.5545	0.5545	0.5545	0.5545	0.5545	0.5545
ESD Clackamas	0.3668	0.3668	0.3668	0.3668	0.3668	0.3668
N Clackamas SD #12	4.7852	4.7852	4.7852	4.7852	4.7852	4.7852
Total Education	5.7065	5.7065	5.7065	5.7065	5.7065	5.7065
City of Happy Valley Permanent Rate	0.6710	0.6710	0.6710	0.6710	0.6710	0.6710
City of Happy Valley Loc Opt	1.9200	1.9200	1.9200	1.9200	1.9200	1.9200
Clackamas County	2.4032	2.4032	2.4032	2.4032	2.4032	2.4032
County Extension & 4H	0.0498	0.0498	0.0498	0.0498	0.0498	0.0498
County Library	0.3955	0.3955	0.3955	0.3955	0.3955	0.3955
County Public Safety Loc Opt 2006	0.2480	0.2480	0.2480	0.2480	0.2480	0.2480
County Soil Cons	0.0498	0.0498	0.0498	0.0498	0.0498	0.0498
FD #1	2.3748	2.3748	2.3748	2.3748	2.3748	2.3748
N Clackamas Parks	-	-	-	-	-	-
Port of Portland	0.0698	0.0698	0.0698	0.0698	0.0698	0.0698
Service District 2 Metro	0.0960	0.0960	0.0960	0.0960	0.0960	0.0960
Service District 2 Metro Loc Opt 2013	0.0960	0.0960	0.0960	0.0960	0.0960	0.0960
Urban Renewal	0.1220	0.1220	0.1220	0.1220	0.1220	0.1220
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	8.5274	8.5274	8.5274	8.5274	8.5274	8.5274
Community College Bond CCC	0.1395	0.1395	0.1395	0.1395	0.1395	0.1395
Community College Bond CCC #2	0.0457	0.0457	0.0457	0.0457	0.0457	0.0457
County Emergency Radio Bond 20	0.0982	0.0982	0.0982	0.0982	0.0982	0.0982
FD #1 Bond	0.0913	0.0913	0.0913	0.0913	0.0913	0.0913
N Clackamas SD #12 Bond	2.3677	2.3677	2.3677	2.3677	2.3677	2.3677
N Clackamas SD #12 Bond 2006	-	-	-	-	-	-
Service #2 Metro Bond 2006	0.2801	0.2801	0.2801	0.2801	0.2801	0.2801
Total Excluded From Limitations	3.0225	3.0225	3.0225	3.0225	3.0225	3.0225
Total Rate	17.2564	17.2564	17.2564	17.2564	17.2564	17.2564

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

City of Happy Valley
Fiscal Year 2019 - 2020 Budget

Total Assessed Value 2,926,912,490
Average Education 5.68
Average Gen Gov 8.46
Average Taxes 16.89

Summary of Tax Rates by Tax Code

Tax Code	012-235	012-236	012-237	012-243	012-250	012-255
Assessed Valuation	\$ 30,179,368	\$ 455,977	\$ 1,210,340	\$ 8,610,383	\$ 944,078	\$ 2,358
M-50 Consolidated Tax Rate	17.2564	17.2564	17.2564	17.2564	17.2564	17.2564
Clackamas Community College	0.5545	0.5545	0.5545	0.5545	0.5545	0.5545
Mt. Hood Community College	0.3668	0.3668	0.3668	0.3668	0.3668	0.3668
ESD Clackamas	4.7852	4.7852	4.7852	4.7852	4.7852	4.7852
Total Education	5.7065	5.7065	5.7065	5.7065	5.7065	5.7065
City of Happy Valley Permanent Rate	0.6710	0.6710	0.6710	0.6710	0.6710	0.6710
City of Happy Valley Loc Opt	1.9200	1.9200	1.9200	1.9200	1.9200	1.9200
Clackamas County	2.4032	2.4032	2.4032	2.4032	2.4032	2.4032
County Extension & 4H	0.0498	0.0498	0.0498	0.0498	0.0498	0.0498
County Library	0.3955	0.3955	0.3955	0.3955	0.3955	0.3955
County Public Safety Loc Opt 2006	0.2480	0.2480	0.2480	0.2480	0.2480	0.2480
County Soil Cons	0.0498	0.0498	0.0498	0.0498	0.0498	0.0498
FD #1	2.3748	2.3748	2.3748	2.3748	2.3748	2.3748
N Clackamas Parks	-	-	-	-	-	-
Port of Portland	0.0698	0.0698	0.0698	0.0698	0.0698	0.0698
Service District 2 Metro	0.0960	0.0960	0.0960	0.0960	0.0960	0.0960
Service District 2 Metro Loc Opt 2013	0.0960	0.0960	0.0960	0.0960	0.0960	0.0960
Urban Renewal	0.1220	0.1220	0.1220	0.1220	0.1220	0.1220
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	8.5274	8.5274	8.5274	8.5274	8.5274	8.5274
Community College Bond CCC	0.1395	0.1395	0.1395	0.1395	0.1395	0.1395
Community College Bond CCC #2	0.0457	0.0457	0.0457	0.0457	0.0457	0.0457
County Emergency Radio Bond 20	0.0982	0.0982	0.0982	0.0982	0.0982	0.0982
FD #1 Bond	0.0913	0.0913	0.0913	0.0913	0.0913	0.0913
N Clackamas SD #12 Bond	2.3677	2.3677	2.3677	2.3677	2.3677	2.3677
N Clackamas SD #12 Bond 2006	-	-	-	-	-	-
Service #2 Metro Bond 2006	0.2801	0.2801	0.2801	0.2801	0.2801	0.2801
Total Excluded From Limitations	3.0225	3.0225	3.0225	3.0225	3.0225	3.0225
Total Rate	17.2564	17.2564	17.2564	17.2564	17.2564	17.2564

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

City of Happy Valley
Fiscal Year 2019 - 2020 Budget

Total Assessed Value 2,926,912,490
Average Education 5.68
Average Gen Gov 8.46
Average Taxes 16.89

Summary of Tax Rates by Tax Code

Tax Code	012-263	012-266	012-268	012-269	012-270	026-034
Assessed Valuation	\$ 1,186,628	\$ 418,150	\$ 1,724,769	\$ 322,926	\$ 795,444	\$ 12,689,741
M-50 Consolidated Tax Rate	16.7837	16.7837	16.7804	16.7837	16.7837	17.1243
Clackamas Community College	0.5545	0.5545	0.5545	0.5545	0.5545	-
Mt Hood Community College	-	-	-	-	-	0.4917
ESD Clackamas	0.3668	0.3668	0.3668	0.3668	0.3668	-
ESD Multnomah	-	-	-	-	-	0.4576
N Clackamas SD #12	4.7852	4.7852	4.7852	4.7852	4.7852	-
Gresham-Barlow SD	-	-	-	-	-	4.5268
Total Education	5.7065	5.7065	5.7065	5.7065	5.7065	5.4761
City of Happy Valley Permanent Rate	0.6710	0.6710	0.6710	0.6710	0.6710	0.6710
City of Happy Valley Loc Opt	1.9200	1.9200	1.3800	1.9200	1.9200	1.9200
Clackamas County	2.4032	2.4032	2.4033	2.4032	2.4032	2.4032
County Extension & 4H	0.0498	0.0498	0.0498	0.0498	0.0498	0.0498
County Library	0.3955	0.3955	0.3956	0.3955	0.3955	0.3955
County Public Safety Loc Opt 2006	0.2480	0.2480	0.2480	0.2480	0.2480	0.2480
County Soil Cons	0.0498	0.0498	0.0498	0.0498	0.0498	0.0498
FD #1	2.3748	2.3748	2.3765	2.3748	2.3748	2.3748
N Clackamas Parks	-	-	0.5296	-	-	-
Port of Portland	0.0698	0.0698	0.0698	0.0698	0.0698	0.0698
Service District 2 Metro	-	-	-	-	-	0.0960
Service District 2 Metro Local Option	-	-	-	-	-	0.0960
Urban Renewal County SP	0.1214	0.1214	0.1349	0.1214	0.1214	0.0306
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	8.3348	8.3348	8.3398	8.3348	8.3348	8.4360
Community College Bond CCC	0.1395	0.1395	0.1409	0.1395	0.1395	-
Community College Bond 2015	0.0457	0.0457	0.0456	0.0457	0.0457	-
County Emergency Radio Bond 20	0.0982	0.0982	0.1000	0.0982	0.0982	0.0982
FD #1 Bond	0.0913	0.0913	0.1063	0.0913	0.0913	0.0913
N Clackamas SD #12 Bond	-	-	0.7798	-	-	-
N Clackamas SD #12 Bond 2006	2.3677	2.3677	1.5615	2.3677	2.3677	-
GBSD Bond	-	-	-	-	-	0.8810
GBSD Bond 2017	-	-	-	-	-	1.8616
Service #2 Metro Bond 2006	-	-	-	-	-	0.2801
Total Excluded From Limitations	2.7424	2.7424	2.7341	2.7424	2.7424	3.2122
Total Rate	16.7837	16.7837	16.7804	16.7837	16.7837	17.1243

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

City of Happy Valley
Fiscal Year 2019 - 2020 Budget

Total Assessed Value	2,926,912,490
Average Education	5.68
Average Gen Gov	8.46
Average Taxes	16.89

Summary of Tax Rates by Tax Code

Tax Code	026-035	302-015	302-016	302-020	302-021	
Assessed Valuation	\$ 1,142,152	\$ 31,949,662	\$ -	\$ 8,179,600	\$ 46,973,853	
M-50 Consolidated Tax Rate	17.1243	15.7819	15.7819	15.7819	15.7819	
Mt. Hood Community College	0.4917	0.4917	0.4917	0.4917	0.4917	
ESD Multnomah Co	0.4576	0.4576	0.4576	0.4576	0.4576	
Gresham-Barlow SD	4.5268					
Centennial SD #302	-	4.7448	4.7448	4.7448	4.7448	
Total Education	5.4761	5.6941	5.6941	5.6941	5.6941	
City of Happy Valley Permanent Rate	0.6710	0.6710	0.6710	0.6710	0.6710	
City of Happy Valley Loc Opt	1.9200	1.9200	1.9200	1.9200	1.9200	
Clackamas County	2.4032	2.4032	2.4032	2.4032	2.4032	
County Extension & 4H	0.0498	0.0498	0.0498	0.0498	0.0498	
County Library	0.3955	0.3955	0.3955	0.3955	0.3955	
County Public Safety Loc Opt 2006	0.2480	0.2480	0.2480	0.2480	0.2480	
County Soil Cons	0.0498	0.0498	0.0498	0.0498	0.0498	
FD #1	2.3748	2.3748	2.3748	2.3748	2.3748	
N Clackamas Parks	-	-	-	-	-	
Port of Portland	0.0698	0.0698	0.0698	0.0698	0.0698	
Service District 2 Metro - Zoo	0.0960	0.0960	0.0960	0.0960	0.0960	
Urban Renewal County SP	0.0960	0.0960	0.0960	0.0960	0.0960	
Urban Renewal	0.0306	0.0306	0.0306	0.0306	0.0306	
Vector Control	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	
Total General Government	8.4360	8.4360	8.4360	8.4360	8.4360	
County Emergency Radio Bond 20	0.0982	0.0982	0.0982	0.0982	0.0982	
FD #1 Bond	0.0913	0.0913	0.0913	0.0913	0.0913	
GBSD Bond	0.8810	-	-	-	-	
GBSD Bond 2017	1.8616	-	-	-	-	
Centennial SD #302 Bond	-	1.1822	1.1822	1.1822	1.1822	
Service #2 Metro Bond 2006	0.2801	0.2801	0.2801	0.2801	0.2801	
Total Excluded From Limitations	3.2122	1.6518	1.6518	1.6518	1.6518	
Total Rate	17.1243	15.7819	15.7819	15.7819	15.7819	-

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



City of Happy Valley Fiscal Year 2019 - 2020 Budget

Glossary



City of Happy Valley Fiscal Year 2019 - 2020 Budget

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.



City of Happy Valley Fiscal Year 2019 - 2020 Budget

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)].



City of Happy Valley Fiscal Year 2019 - 2020 Budget

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)].



City of Happy Valley Fiscal Year 2019 - 2020 Budget

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)].



City of Happy Valley Fiscal Year 2019 - 2020 Budget

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)].



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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].