



2020-21
City of Happy Valley
Adopted Budget



City of Happy Valley Fiscal Year 2020 - 2021 Budget

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City of Happy Valley Organization Chart

Population 21,700

Citizens of Happy Valley



Mayor and Council

City Attorney

City Manager

Municipal Judge

**Assistant
City Manager**

Library

Admin

Finance

Public Works

**Community
Services**

**Community
Development**

Circulation

**City
Recorder**

**Financial
Reporting/Budgeting**

Streets

**Community
Services**

**Economic
Development**

**Adult
Services**

IT

**Accounts
Payable**

Parks

**Code
Enforcement**

**Planning
Division**

**Youth
Services**

HR

Payroll

**Facility
Maintenance**

**Municipal
Court**

**Engineering
Division**

**Technical
Services**

**Fleet
Services**

HV Police

**Building
Division**



City of Happy Valley
Fiscal Year 2020 - 2021 Budget

Budget Committee

Council Members

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

Citizen Members

Avi Patel
John Shepherd
Grant Roper
Ana Sarish
Anh Lê



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Happy Valley
Oregon**

For the Fiscal Year Beginning

July 1, 2019

Christopher P. Morill

Executive Director



City of Happy Valley Fiscal Year 2020 - 2021 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 2020-21 fiscal year budget. The total for this budget is \$91.3 million and includes \$85.0 million of resources excluding transfers between funds and \$70.8 million of expenditures excluding transfers, contingency, and reserves for future expenditures. This budget increased overall by 45% from the 2019-20 budget of \$63.1 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 major projects completed during the 2019-20 fiscal year which resulted in increased beginning fund balance and capital outlay appropriations in the SDC funds. The parks settlement payment of \$14.3 million from the North Clackamas Parks and Recreation District (NCPRD) was received in March 2020 which boosted the resources in the Parks SDC and Parks Capital Projects Funds. Additionally, through General Fund savings over the past several years and including this proposed budget, the City has transferred \$9.7 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 2019-20 budget to the 2020-21 budget by fund and category as well as the total budget changes by category.

Economic Outlook

The 2019-20 fiscal year has been a robust year when it comes to economic development and building activity. As we were going through the five-year projection this January, we had planned on continued robust development revenue and associated revenues for the general fund. We had to completely rethink these projections as we were thrust into the global Covid-19 pandemic. At this moment, while experts predict the pandemic will eventually subside, it is difficult to imagine something with more devastating ramifications for government leaders everywhere. While our volatile revenue streams related to development have been scaled back, we are more fortunate now than ever that the City has used prudent and conservative financial planning over the last decade so that we are in a solid position to weather this storm without cutbacks to service levels. The combination of well-funded reserves and zero debt allow us flexibility in the short term and buy us time to fully understand the reality our position going forward.

Development activity has continued to 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





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for the foreseeable future. This budget includes PERS rates for Tier1/Tier 2 at 24.26 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. However, the City's impact will be reduced as a result of funding a PERS side account in 2019 which will lessen the increased costs over the next several decades. 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

Covid-19 / Recession Impact

The assumptions driving the City's revenue projections quickly changed from our five-year projection to what we have presented in this budget. Primarily effected is development related revenue, including building, planning and engineering fees, and systems development charges. Parks user and event revenue has been decreased as well as state shared gas tax as demand for gas has plummeted. See the chart below for revenue estimates from year one of the five-year projection, which was compiled in February, compared to this budget. Fortunately, the City doesn't rely on certain revenues that make a big impact on other Cities General Fund such as sales taxes, tourism revenue, and hotel room taxes for example. Additionally, Property Taxes which drive the General, Library, Parks and Public Safety Fund will not be negatively impacted in 2020-21 as they are based off assessed values as of January 2020. We should still see a healthy increase in Property Taxes.

Impacted Revenues

| | Estimate 2019-20 | Five-year projection 2020-21 | Budget 2020-21 | Decrease |
|---------------------------|----------------------|------------------------------------|---------------------|-----------------------|
| General Fund | | | | |
| Building Fees | \$ 3,300,000 | \$ 2,000,000 | \$ 1,000,000 | \$ (1,000,000) |
| Planning Fees | 300,000 | 250,000 | 175,000 | (75,000) |
| Engineering Fees | 700,000 | 450,000 | 275,000 | (175,000) |
| Street Fund | | | | |
| State Shared Gas Tax | 1,600,000 | 1,760,000 | 1,600,000 | (160,000) |
| Local Gas Tax | 120,000 | 132,300 | 100,000 | (32,300) |
| Parks Fund | | | | |
| User Related | 18,000 | 50,000 | 40,000 | (10,000) |
| Event Revenue | 20,000 | 90,000 | 20,000 | (70,000) |
| Transportation SDC | 4,500,000 | 2,000,000 | 1,500,000 | (500,000) |
| Parks SDC | 4,800,000 | 2,000,000 | 1,500,000 | (500,000) |
| | | | | - |
| | <u>\$ 15,358,000</u> | <u>\$ 8,732,300</u> | <u>\$ 6,210,000</u> | <u>\$ (2,522,300)</u> |
| | | | | - |



City of Happy Valley Fiscal Year 2020 - 2021 Budget

Urban Renewal

In July of 2019, City Council approved the City's first ever Urban Renewal District to fund much needed infrastructure projects in the East Happy Valley area. The District is expected to generate nearly \$150 million in Tax Incremental Revenues over a 25-year period. See the attached appendix for further details on the Happy Valley Urban Renewal District.

Parks and Recreation

Now that the Parks litigation is behind us, we have turned our full attention towards building a successful Parks and Recreation program. We have funding in place through our parks operating levy that will enable us to hit the ground running from a parks maintenance prospective and recreation programming. On the capital side, we are building up our Parks SDC balance which will enable the City to begin acquiring land for new parks, open spaces, and facilities.

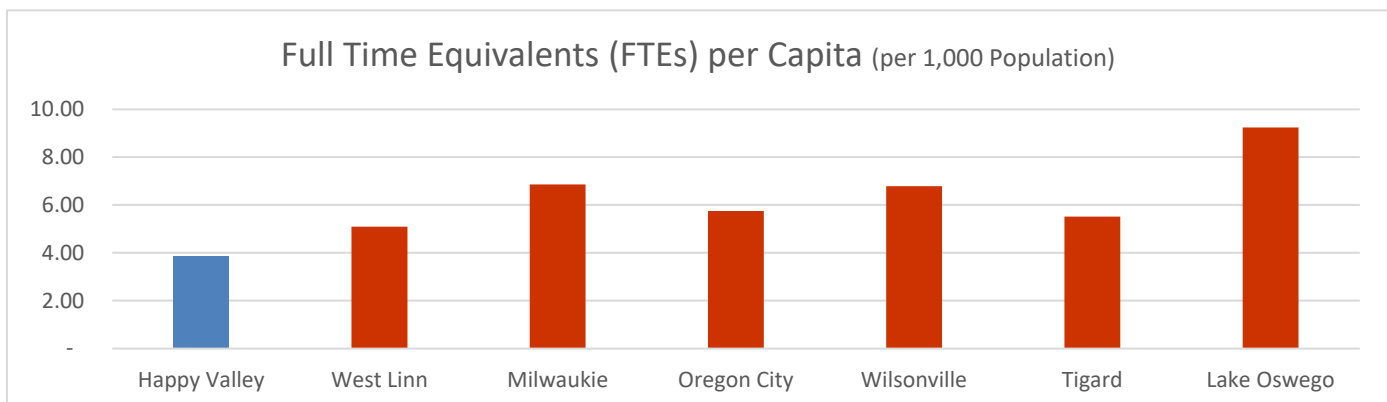
Reserves

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 5.5 overall from the previous budget. This increase consists of 2.0 FTE in General Fund – Economic and Community Development, 1.0 FTE increase in the Library Fund, 1.0 in the Street Maintenance Fund, and an increase of 1.5 FTE in the Parks 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.



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.



City of Happy Valley Fiscal Year 2020 - 2021 Budget

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

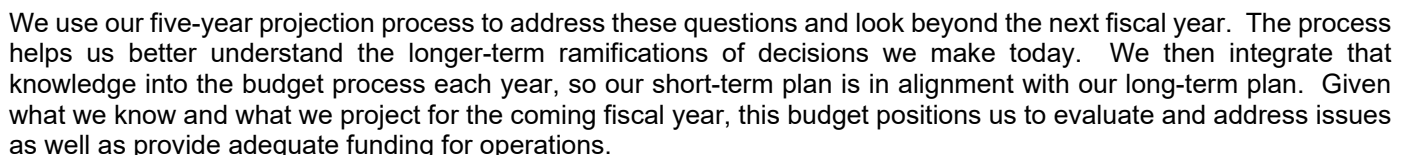
1. **Downtown** / Plan for a downtown core that will provide the future community with opportunities to gather, recreate, and support local business.
2. **City Facilities** / Evaluate and plan for future city facilities to meet growing service demands.
3. **Public Safety** / Collaborate with community and regional partners to ensure a safe community.
4. **Smart Growth** / Be forward-thinking in how we manage and plan for growth and ensure our policies and plans align with community needs and values.
5. **Park System Development + Programming** / Provide excellent park and recreation facilities and programs for the Happy Valley community.
6. **Transportation / Plan** and provide varying modes of transportation to keep Happy Valley moving as we continue to grow.
7. **Diversity, Equity, and Inclusion (DEI)** / Support and foster a community and organizational culture that embraces and supports DEI.

Of course, these projects are in addition to the critical tasks of keeping our City clean, well-run, fiscally responsible, and family oriented. 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

While economic uncertainty is at the forefront of our minds, we must still 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.



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, ICMA-CM
City Manager and Budget Officer



City of Happy Valley Fiscal Year 2020 - 2021 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 21,000 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 2019 annual budget from the GFOA, making this the 4th 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.



City of Happy Valley Fiscal Year 2020 - 2021 Budget

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. See excerpt from five-year projection after personnel overview.

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.

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



City of Happy Valley Fiscal Year 2020 - 2021 Budget

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 long range planning for priority infrastructure projects, some of which will likely require some level of debt funding.

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.



City of Happy Valley Fiscal Year 2020 - 2021 Budget

Capital Expenditures

The City is currently in the process of creating a Capital Improvement Projects plan (CIP) which will be included in future budgets and serve as a planning document. These infrastructure and parks projects will be paid for primarily out of the SDC funds, and newly created Happy Valley Urban Renewal District. Additionally, it is expected that Debt Service funds will be necessary to fund some of these projects. Below is a summary of high priority projects.

Transportation

172nd Avenue – Widen 172nd Avenue to a 5-lane facility between Sunnyside Road and 190th Drive connector and a 3-lane facility between the 190th Drive connector and the county line. Construct to major arterial standards as specified in the City Transportation System Plan (“TSP”) to 190th Drive and to minor arterial standards north of 190th Drive.

Existing Conditions: North of Sunnyside Road, 172nd Avenue is presently a two-lane Clackamas County roadway that has seen partial 5-lane major arterial improvements along development frontages, but overall does not meet major arterial standards nor does it have the capacity to allow for significant new development in the Plan Area. This project is identified in the TSP on Tables 8-12 and 8-14, and Figure 8-9.

Sunnyside Road East Extension – Extend Sunnyside Road to a 5-lane major arterial facility and 2-lane roundabout between 172nd Avenue and 177th Avenue. Construct to major arterial standards as specified in the TSP.

Existing Conditions: East of 172nd Avenue, Sunnyside Road is presently a two-lane road that does not meet major arterial standards nor does it have the capacity to allow for significant new development in the Plan Area. This project is identified in the TSP on Tables 8-12 and 8-14, and Figure 8-9.

162nd Avenue South – Construct a 3-lane collector facility, bridge and traffic signals between 157th Avenue (Taralon) and Highway 212. Construct to collector standards as specified in the TSP.

Existing Conditions: South of 157th Avenue, this roadway has seen partial development north of Rock Creek Boulevard, for the remainder of the alignment, this roadway does not exist. It is shown on Figure 8-10, Tables 8-12 and 8-14 in the TSP.

Rock Creek Employment Center Collectors – Construct 3-lane collector facilities south of Rock Creek Boulevard and north of Highway 212 and an improved intersection at 172nd Avenue and Highway 212. Construct to collector standards as specified in the TSP.

Existing Conditions: These roadways do not exist. They are shown on Figure 8-10 and Table 8-12 in the TSP.

Rock Creek Boulevard East – Construct a 5-lane major arterial facility from 162nd Avenue to 172nd Avenue. Construct to major arterial standards as specified in the TSP.

Existing Conditions: East of 162nd Avenue, partial improvements to this roadway have been completed to 172nd Avenue, for the remainder of the alignment, this road does not exist. It is shown on Figure 8-10 and Tables 8-12 and 8-14 in the TSP.

Rock Creek Boulevard East Extension – Construct a 3-lane collector facility between 172nd Avenue and 177th Avenue. Construct to collector standards as specified in the TSP.



City of Happy Valley Fiscal Year 2020 - 2021 Budget

Existing Conditions: This road does not exist. It is shown on Figure 8-10 and Table 8-12 in the TSP.

Misty Drive/Vogel Road East Extension – Construct a 3-lane collector facility and traffic signal between 162nd Avenue and 177th Avenue. Construct to collector standards as specified in the TSP.

Existing Conditions: East of 169th Avenue, full improvements to this roadway have been completed to 172nd Avenue, for the remainder of the alignment, this road does not exist. It is shown on Figure 8-10 and Table 8-12 in the TSP.

Scouters Mountain Road – Construct a 2 to 3-lane collector facility between 147th Avenue and 177th Avenue. Construct to collector standards as specified in the TSP.

Existing Conditions: East of 147th Avenue, full improvements to a portion of this roadway exist within an under-construction subdivision, for the remainder of the alignment, this road does not exist. It is shown on Figure 8-13 and Tables 8-12 and 8-14 in the TSP.

Acquisition

Downtown – Acquire property for a future downtown in Happy Valley. Work with developers for re-sale of the property and development of the “downtown”.

Existing Conditions: The City does not have an acquisition program for property for a future “downtown”.

Park – Acquire property for a future community park in accordance with the Happy Valley Parks, Recreation & Open Space Plan (“Parks Master Plan”).

Existing Conditions: There are Parks System Development Charges (“PSDCs”) available for park acquisition, but the amount of the PSDCs do not meet the identified need for parks in the Parks Master Plan adopted in December of 2017.

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 2020-21 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.



City of Happy Valley Fiscal Year 2020 - 2021 Budget

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.

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.



City of Happy Valley Fiscal Year 2020 - 2021 Budget

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, 2020 and ending June 30, 2021 totals \$65.2 million. This is an increase of 20% over the 2018-19 fiscal year budget which totaled \$54.2 million.

In this 2020-21 budget, personnel services represent 14% of total budgeted expenditures at \$8.8 million, up from \$8.0 million budgeted in 2019-20. 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.

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 2019-20 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 2019-20, 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 2019-20 budget.



City of Happy Valley Fiscal Year 2020 - 2021 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 2020-21.

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 2020-21 Budget

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed Budget 2020-21 | Approved Budget 2020-21 | Adopted Budget 2020-21 |
|---|----------------------|----------------------|------------------------------|---------------------|-------------------------------|-------------------------------|------------------------------|
| Resources | | | | | | | |
| Beginning Fund Balance | 18,520,037 | 28,146,508 | 35,944,292 | 35,986,691 | 61,314,707 | 60,859,707 | 60,859,707 |
| Property Taxes | 5,375,507 | 7,532,788 | 6,451,800 | 6,300,000 | 8,422,000 | 8,422,000 | 8,422,000 |
| Licenses, Permits, & Fees | 11,618,406 | 7,727,801 | 7,509,850 | 16,228,000 | 7,086,350 | 7,086,350 | 7,086,350 |
| Intergovernmental | 5,006,826 | 5,492,353 | 6,039,000 | 15,014,530 | 6,330,000 | 6,330,000 | 6,330,000 |
| Fines and Court Related | 730,074 | 634,947 | 750,000 | 600,000 | 750,000 | 750,000 | 750,000 |
| Transfers from other Funds | 7,505,460 | 7,018,000 | 5,430,702 | 5,430,702 | 6,297,000 | 5,797,000 | 5,797,000 |
| Miscellaneous | 754,004 | 1,362,105 | 968,000 | 1,088,000 | 1,123,500 | 1,123,500 | 1,123,500 |
| Total Resources | 49,510,314 | 57,914,502 | 63,093,644 | 80,647,923 | 91,323,557 | 90,368,557 | 90,368,557 |
| Requirements | | | | | | | |
| Personnel Services | 6,912,170 | 7,198,114 | 8,837,932 | 7,740,820 | 9,470,300 | 9,470,300 | 9,470,300 |
| Materials & Services | 6,166,338 | 6,497,811 | 11,503,540 | 7,810,000 | 9,744,000 | 10,094,000 | 10,344,000 |
| Operations | 13,078,508 | 13,695,925 | 20,341,472 | 15,550,820 | 19,214,300 | 19,564,300 | 19,814,300 |
| Transfers to Other Funds | 7,444,070 | 7,018,000 | 5,430,702 | 5,430,702 | 6,297,000 | 5,797,000 | 5,797,000 |
| Capital Outlay | 766,313 | 1,213,886 | 23,821,638 | 2,074,525 | 51,537,891 | 51,037,891 | 51,037,891 |
| Operations, Transfers, Capital | 8,210,383 | 8,231,886 | 29,252,340 | 7,505,227 | 57,834,891 | 56,834,891 | 56,834,891 |
| Contingency | - | - | 6,605,573 | - | 6,923,844 | 6,618,844 | 6,368,844 |
| Reserved for Future Expenditures | - | - | 6,894,259 | - | 7,350,522 | 7,350,522 | 7,350,522 |
| Ending Fund Balance | 28,221,423 | 35,986,691 | - | 60,862,346 | - | - | - |
| Ending Fund Balance, Reserves, and Contingency | 28,221,423 | 35,986,691 | 13,499,832 | 60,862,346 | 14,274,366 | 13,969,366 | 13,719,366 |
| Total Requirements | 49,510,314 | 57,914,502 | 63,093,644 | 83,918,393 | 91,323,557 | 90,368,557 | 90,368,557 |
| Budget Positions | 64.63 | 66.00 | 70.00 | 66.00 | 71.50 | 71.50 | 71.50 |
| Monthly Operating Costs per Capita | \$62 | \$62 | \$70 | \$62 | \$74 | \$75 | \$76 |

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Adopted Budget 2021-21 | Change from Adopted 2019-20 | |
|---|----------------------|----------------------|------------------------------|---------------------|------------------------------|--------------------------------|---------------|
| | | | | | | \$ | % |
| General Fund | | | | | | | |
| Beginning Fund Balance | 5,169,882 | 5,882,314 | 5,156,314 | 5,140,301 | 6,142,301 | 985,987 | 19.1% |
| Property Taxes | 1,769,484 | 2,026,951 | 2,175,000 | 2,100,000 | 2,220,000 | 45,000 | 2.1% |
| Intergovernmental | 838,775 | 954,218 | 1,029,000 | 1,130,000 | 950,000 | (79,000) | -7.7% |
| Fees and charges | 5,631,337 | 4,865,629 | 4,618,500 | 7,150,000 | 4,475,000 | (143,500) | -3.1% |
| Misc | 307,414 | 304,828 | 290,000 | 340,000 | 300,000 | 10,000 | 3.4% |
| Transfers In | 1,482,775 | 1,218,000 | 1,350,000 | 1,350,000 | 1,397,000 | 47,000 | 3.5% |
| Resources Total | 15,199,667 | 15,251,940 | 14,618,814 | 17,210,301 | 15,484,301 | 865,487 | 5.9% |
| Requirements | | | | | | | |
| Administration | | | | | | | |
| Personnel Services | 1,484,072 | 1,424,968 | 1,813,700 | 1,470,000 | 1,855,900 | 42,200 | 2.3% |
| Materials and Services | 1,036,588 | 955,634 | 1,770,000 | 1,480,000 | 1,405,000 | (365,000) | -20.6% |
| Administration Total | 2,520,660 | 2,380,602 | 3,583,700 | 2,950,000 | 3,260,900 | (322,800) | -9.0% |
| Com Svcs & Public Safety | | | | | | | |
| Personnel Services | 1,084,331 | 1,039,694 | 1,195,000 | 1,135,000 | 1,258,900 | 63,900 | 5.3% |
| Materials and Services | 61,650 | 52,407 | 76,500 | 58,000 | 86,500 | 10,000 | 13.1% |
| Com Svcs & Public Safety Total | 1,145,981 | 1,092,101 | 1,271,500 | 1,193,000 | 1,345,400 | 73,900 | 5.8% |
| Economic and Com Dev | | | | | | | |
| Personnel Services | 2,081,350 | 2,164,234 | 2,746,400 | 2,360,000 | 2,846,200 | 99,800 | 3.6% |
| Materials and Services | 375,041 | 646,591 | 649,000 | 727,500 | 665,000 | 16,000 | 2.5% |
| Economic and Com Dev Total | 2,456,391 | 2,810,825 | 3,395,400 | 3,087,500 | 3,511,200 | 115,800 | 3.4% |
| Public Works | | | | | | | |
| Personnel Services | 474,718 | 482,877 | 572,200 | 515,000 | 610,500 | 38,300 | 6.7% |
| Materials and Services | 249,603 | 145,234 | 202,000 | 122,500 | 202,000 | - | 0.0% |
| Public Works Total | 724,321 | 628,111 | 774,200 | 637,500 | 812,500 | 38,300 | 4.9% |
| NonDepartmental | 32,786 | - | - | - | - | - | N/A |
| Transfers Out | 2,470,000 | 3,200,000 | 3,200,000 | 3,200,000 | 3,500,000 | 300,000 | 9.4% |
| Contingency | - | - | 2,394,014 | - | 3,054,301 | 660,287 | 27.6% |
| | 9,350,139 | 10,111,639 | 14,618,814 | 11,068,000 | 15,484,301 | 865,487 | 5.9% |
| Parks Fund | | | | | | | |
| Resources | 665,438 | 1,687,662 | 1,229,940 | 1,113,470 | 2,062,331 | 832,391 | 67.7% |
| Requirements | | | | | | | |
| Operations | | | | | | | |
| Personnel Services | 124,230 | 152,372 | 205,667 | 156,000 | 281,800 | 76,133 | 37.0% |
| Materials and Services | 234,475 | 149,850 | 278,000 | 266,000 | 370,000 | 92,000 | 33.1% |
| Operations Total | 358,705 | 302,222 | 483,667 | 422,000 | 651,800 | 168,133 | 34.8% |
| Programming | | | | | | | |
| Personnel Services | - | 139,939 | 203,333 | 166,000 | 295,700 | 92,367 | 45.4% |
| Materials and Services | - | 93,924 | 110,940 | 73,500 | 188,000 | 77,060 | 69.5% |
| Programming Total | - | 233,863 | 314,273 | 239,500 | 483,700 | 169,427 | 53.9% |
| Non-Departmental | | | | | | | |
| Other | 173,493 | 283,107 | 255,000 | 245,000 | 65,000 | (190,000) | -74.5% |
| Capital Outlay | - | - | - | - | - | - | N/A |
| Non-Departmental Total | 173,493 | 283,107 | 255,000 | 245,000 | 65,000 | (190,000) | -74.5% |
| Transfers Out | 127,650 | 133,000 | 177,000 | 177,000 | 477,000 | 300,000 | 169.5% |
| Contingency | - | - | - | - | 384,831 | 384,831 | N/A |
| | 659,848 | 952,192 | 1,229,940 | 1,083,500 | 2,062,331 | 832,391 | 67.7% |

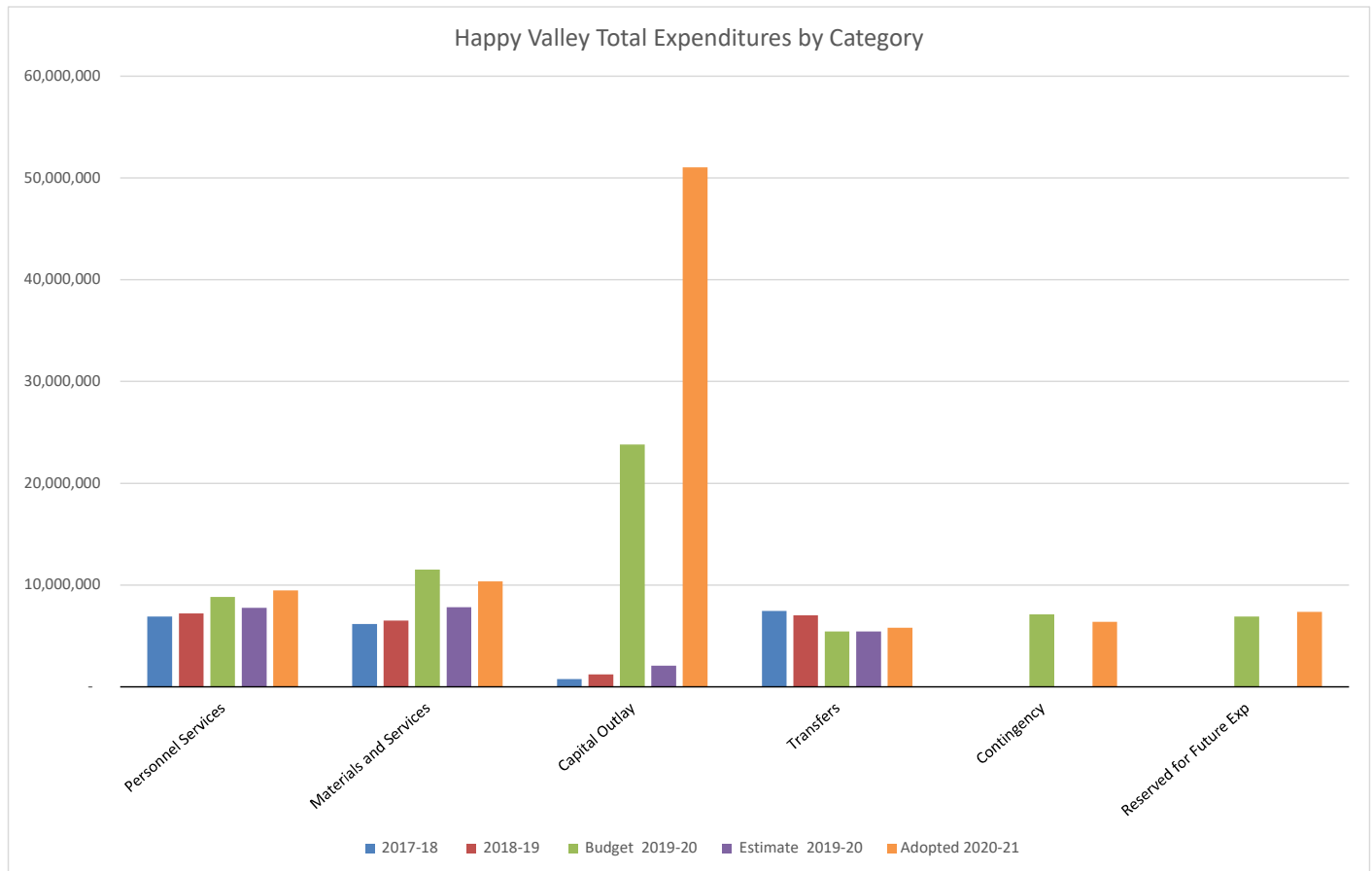
| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Adopted Budget 2021-21 | Change from Adopted 2019-20 | |
|--------------------------------|----------------------|----------------------|------------------------------|---------------------|------------------------------|--------------------------------|---------------|
| | | | | | | \$ | % |
| Public Safety Fund | | | | | | | |
| Resources | 4,888,341 | 5,589,918 | 6,257,082 | 6,143,427 | 6,556,427 | 299,345 | 4.8% |
| Requirements | | | | | | | |
| Materials and Services | 2,936,919 | 3,238,424 | 3,768,600 | 3,661,000 | 4,493,000 | 724,400 | 19.2% |
| Capital Outlay | - | 46,067 | 10,000 | - | 30,000 | 20,000 | 200.0% |
| Transfers Out | 301,450 | 452,000 | 468,000 | 468,000 | 502,000 | 34,000 | 7.3% |
| Contingency | - | - | 2,010,482 | - | 1,531,427 | (479,055) | -23.8% |
| | <u>3,238,369</u> | <u>3,736,491</u> | <u>6,257,082</u> | <u>4,129,000</u> | <u>6,556,427</u> | <u>299,345</u> | <u>4.8%</u> |
| Library Fund | | | | | | | |
| Resources | 4,275,546 | 4,300,753 | 4,671,956 | 4,518,825 | 4,515,855 | (156,101) | -3.3% |
| Requirements | | | | | | | |
| Personnel Services | 1,374,191 | 1,491,525 | 1,746,032 | 1,610,820 | 1,880,400 | 134,368 | 7.7% |
| Materials and Services | 474,824 | 478,403 | 652,000 | 563,000 | 734,500 | 82,500 | 12.7% |
| Transfers Out | 1,213,925 | 990,000 | 1,184,000 | 1,184,000 | 1,000,000 | (184,000) | -15.5% |
| Contingency | - | - | 1,089,924 | - | 900,955 | (188,969) | -17.3% |
| | <u>3,062,940</u> | <u>2,959,928</u> | <u>4,671,956</u> | <u>3,357,820</u> | <u>4,515,855</u> | <u>(156,101)</u> | <u>-3.3%</u> |
| Street Maintenance Fund | | | | | | | |
| Resources | 3,941,706 | 4,668,937 | 3,681,253 | 3,054,730 | 2,854,230 | (827,023) | -22.5% |
| Requirements | | | | | | | |
| Personnel Services | 289,278 | 302,505 | 355,600 | 328,000 | 440,900 | 85,300 | 24.0% |
| Materials and Services | 329,448 | 322,660 | 411,500 | 299,500 | 420,000 | 8,500 | 2.1% |
| Capital Outlay | 171,833 | 779,042 | 1,500,000 | 1,200,000 | 1,200,000 | (300,000) | -20.0% |
| Transfers Out | 320,000 | 1,825,000 | 303,000 | 303,000 | 296,000 | (7,000) | -2.3% |
| Contingency | - | - | 1,111,153 | - | 497,330 | (613,823) | N/A |
| | <u>1,110,559</u> | <u>3,229,207</u> | <u>3,681,253</u> | <u>2,130,500</u> | <u>2,854,230</u> | <u>(827,023)</u> | <u>-22.5%</u> |
| Reserved - Future Expenditures | - | - | - | - | - | - | 0.0% |
| Storm Utility SDC Fund | | | | | | | |
| Resources | 1,489,216 | 1,507,709 | 1,201,153 | 1,262,709 | 1,262,007 | 60,854 | 5.1% |
| Requirements | | | | | | | |
| Materials and Services | 94,063 | - | 200,000 | - | 200,000 | - | 0.0% |
| Capital Outlay | - | - | 920,451 | - | 1,062,007 | 141,556 | 15.4% |
| Transfers Out | - | 400,000 | 80,702 | 80,702 | - | (80,702) | -100.0% |
| | <u>94,063</u> | <u>400,000</u> | <u>1,201,153</u> | <u>80,702</u> | <u>1,262,007</u> | <u>60,854</u> | <u>5.1%</u> |
| Reserved - Future Expenditures | - | - | - | - | - | - | 0.0% |
| Transportation SDC Fund | | | | | | | |
| Resources | 5,995,734 | 7,979,524 | 10,065,734 | 12,586,284 | 13,686,284 | 3,620,550 | 36.0% |
| Requirements | | | | | | | |
| Materials and Services | - | 38,176 | 300,000 | 200,000 | 300,000 | - | 0.0% |
| Capital Outlay | - | 55,064 | 9,765,734 | 350,000 | 13,386,284 | 3,620,550 | 37.1% |
| Transfers Out | 150,000 | - | - | - | - | - | N/A |
| | <u>150,000</u> | <u>93,240</u> | <u>10,065,734</u> | <u>550,000</u> | <u>13,686,284</u> | <u>3,620,550</u> | <u>N/A</u> |
| Reserved - Future Expenditures | - | - | - | - | - | - | N/A |
| Parks SDC Fund | | | | | | | |
| Resources | - | 1,514,632 | 2,790,702 | 15,844,864 | 17,404,864 | 14,614,162 | 523.7% |
| Requirements | | | | | | | |
| Materials and Services | - | - | 200,000 | - | 200,000 | - | 0.0% |
| Capital Outlay | - | - | 2,590,702 | - | 17,204,864 | 14,614,162 | 564.1% |
| | <u>-</u> | <u>-</u> | <u>2,790,702</u> | <u>-</u> | <u>17,404,864</u> | <u>14,614,162</u> | <u>523.7%</u> |

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Adopted Budget 2021-21 | Change from Adopted 2019-20 | |
|---|----------------------|----------------------|------------------------------|---------------------|------------------------------|--------------------------------|---------------|
| | | | | | | \$ | % |
| Pedestrian Improvement Projects Fund | | | | | | | |
| Resources | 887,771 | 899,314 | 905,000 | 975,803 | 1,345,803 | 440,803 | 48.7% |
| Requirements | | | | | | | |
| Materials and Services | 8,000 | - | 30,000 | 20,000 | 30,000 | - | 0.0% |
| Capital Outlay | 54,245 | 25,511 | 857,000 | 12,000 | 1,293,803 | 436,803 | 51.0% |
| Transfers Out | 46,360 | 18,000 | 18,000 | 18,000 | 22,000 | 4,000 | 22.2% |
| | <u>108,605</u> | <u>43,511</u> | <u>905,000</u> | <u>50,000</u> | <u>1,345,803</u> | <u>440,803</u> | <u>48.7%</u> |
| Reserved - Future Expenditures | - | - | - | - | - | - | 0.0% |
| Reserve for General Operations | | | | | | | |
| Resources | 2,198,974 | 2,498,974 | 2,498,974 | 2,498,974 | 838,974 | (1,660,000) | -66.4% |
| Requirements | | | | | | | |
| Materials and Services | - | - | 1,660,000 | 1,660,000 | - | - | 0.0% |
| Reserved - Future Expenditures | - | - | 838,974 | - | 838,974 | - | 0.0% |
| | <u>-</u> | <u>-</u> | <u>2,498,974</u> | <u>-</u> | <u>838,974</u> | <u>(1,660,000)</u> | <u>-66.4%</u> |
| General Reserve for Replacement | | | | | | | |
| Resources | 4,909,054 | 2,001,633 | 2,439,500 | 2,273,085 | 2,413,085 | (26,415) | -1.1% |
| Requirements | | | | | | | |
| Materials and Services | 149,534 | 48,461 | 665,000 | 65,000 | 650,000 | (15,000) | -2.3% |
| Capital Outlay | 540,235 | 275,087 | 900,000 | 390,000 | 900,000 | - | 0.0% |
| Transfers Out | 2,814,685 | - | - | - | - | - | N/A |
| | <u>3,504,454</u> | <u>323,548</u> | <u>1,565,000</u> | <u>455,000</u> | <u>1,550,000</u> | <u>(15,000)</u> | <u>-1.0%</u> |
| Reserved - Future Expenditures | - | - | 874,500 | - | 863,085 | (11,415) | -1.3% |
| Street Reserve for Replacement | | | | | | | |
| Resources | 452,771 | 2,541,721 | 2,292,751 | 2,681,463 | 2,845,463 | 552,712 | 24.1% |
| Requirements | | | | | | | |
| Materials and Services | 9,914 | 3,042 | 125,000 | 18,000 | 125,000 | - | 0.0% |
| Capital Outlay | - | 17,216 | 507,751 | 18,000 | 1,020,463 | 512,712 | 101.0% |
| | <u>9,914</u> | <u>20,258</u> | <u>632,751</u> | <u>36,000</u> | <u>1,145,463</u> | <u>512,712</u> | <u>81.0%</u> |
| Reserved - Future Expenditures | - | - | 1,660,000 | - | 1,700,000 | 1,700,000 | N/A |
| Library Reserve for Replacement | | | | | | | |
| Resources | 3,121,785 | 3,671,785 | 4,270,785 | 4,313,988 | 4,698,463 | 427,678 | 10.0% |
| Requirements | | | | | | | |
| Materials and Services | - | 41,898 | 150,000 | 11,000 | 150,000 | - | 0.0% |
| Capital Outlay | - | 15,899 | 600,000 | 104,525 | 600,000 | - | 0.0% |
| | <u>-</u> | <u>57,797</u> | <u>750,000</u> | <u>115,525</u> | <u>750,000</u> | <u>-</u> | <u>0.0%</u> |
| Reserved - Future Expenditures | - | - | 3,520,785 | - | 3,948,463 | 427,678 | 12.1% |
| Parks Reserve for Replacement | | | | | | | |
| Resources | - | - | - | - | 300,000 | 300,000 | N/A |
| Requirements | | | | | | | |
| Materials and Services | - | - | - | - | 60,000 | 60,000 | N/A |
| Capital Outlay | - | - | - | - | 240,000 | 240,000 | N/A |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>300,000</u> | <u>300,000</u> | <u>N/A</u> |
| Reserved - Future Expenditures | - | - | - | - | - | - | N/A |
| Facility Capital Projects Fund | | | | | | | |
| Resources | 1,500,000 | 3,800,000 | 6,170,000 | 6,170,000 | 9,170,000 | 3,000,000 | 48.6% |
| Requirements | | | | | | | |
| Capital Outlay | - | - | 6,170,000 | - | 9,170,000 | 3,000,000 | 48.6% |
| | <u>-</u> | <u>-</u> | <u>6,170,000</u> | <u>-</u> | <u>9,170,000</u> | <u>3,000,000</u> | <u>48.6%</u> |

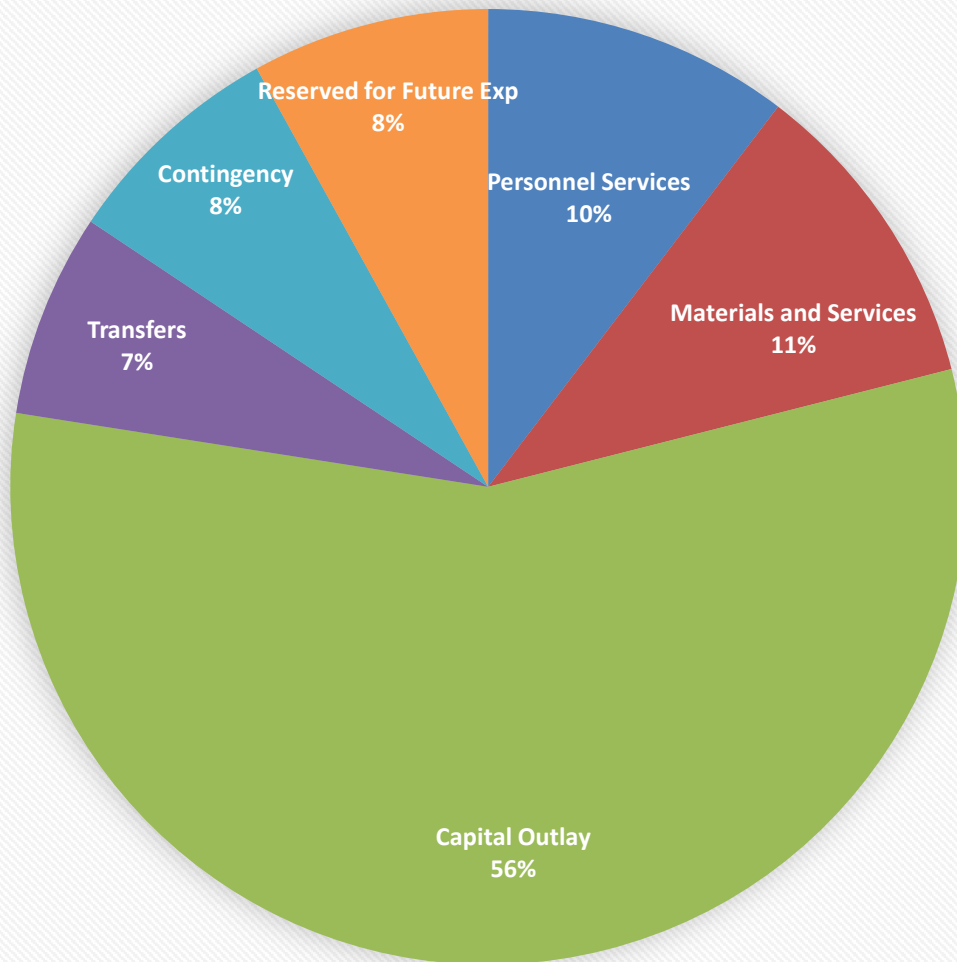
| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Adopted Budget 2021-21 | Change from Adopted 2019-20 | |
|------------------------------------|----------------------|----------------------|------------------------------|---------------------|------------------------------|--------------------------------|--------|
| | | | | | | \$ | % |
| Parks Capital Projects Fund | | | | | | | |
| Resources | - | - | - | 4,930,470 | 4,930,470 | 4,930,470 | N/A |
| Requirements | | | | | | | |
| Capital Outlay | - | - | - | - | 4,930,470 | 4,930,470 | N/A |
| | - | - | - | - | 4,930,470 | 4,930,470 | N/A |
| Total Budget | | | | | | | |
| Resources | 49,526,003 | 57,914,502 | 63,093,644 | 85,578,393 | 90,368,557 | 27,274,913 | 43.2% |
| Requirements | | | | | | - | |
| Personnel Services | 6,912,170 | 7,198,114 | 8,837,932 | 7,740,820 | 9,470,300 | 632,368 | 7.2% |
| Materials and Services | 5,960,059 | 6,214,704 | 11,248,540 | 7,565,000 | 10,279,000 | (969,540) | -8.6% |
| Capital Outlay | 766,313 | 1,213,886 | 23,821,638 | 2,074,525 | 51,037,891 | 27,216,253 | 114.3% |
| Non-Departmental | 206,279 | 283,107 | 255,000 | 245,000 | 65,000 | (190,000) | N/A |
| Transfers | 7,444,070 | 7,018,000 | 5,430,702 | 5,430,702 | 5,797,000 | 366,298 | 6.7% |
| Contingency | - | - | 6,605,573 | - | 6,368,844 | (236,729) | -3.6% |
| Reserve for Future Exp | - | - | 6,894,259 | - | 7,350,522 | 456,263 | 6.6% |
| | 21,288,891 | 21,927,811 | 63,093,644 | 23,056,047 | 90,368,557 | 27,274,913 | 43.2% |

Summary by Category - Happy Valley Expenditures

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed 2020-21 | Approved 2020-21 | Adopted 2020-21 |
|---------------------------|----------------------|----------------------|------------------------------|---------------------|---------------------|---------------------|--------------------|
| Personnel Services | 6,912,170 | 7,198,114 | 8,837,932 | 7,740,820 | 9,470,300 | 9,470,300 | 9,470,300 |
| Materials and Services | 6,166,338 | 6,497,811 | 11,503,540 | 7,810,000 | 9,744,000 | 10,094,000 | 10,344,000 |
| Capital Outlay | 766,313 | 1,213,886 | 23,821,638 | 2,074,525 | 51,537,891 | 51,037,891 | 51,037,891 |
| Transfers | 7,444,070 | 7,018,000 | 5,430,702 | 5,430,702 | 6,297,000 | 5,797,000 | 5,797,000 |
| Contingency | - | - | 7,105,573 | - | 6,923,844 | 6,618,844 | 6,368,844 |
| Reserved for Future Exp | - | - | 6,894,259 | - | 7,350,522 | 7,350,522 | 7,350,522 |
| Total Requirements | 21,288,891 | 21,927,811 | 63,593,644 | 23,056,047 | 91,323,557 | 90,368,557 | 90,368,557 |

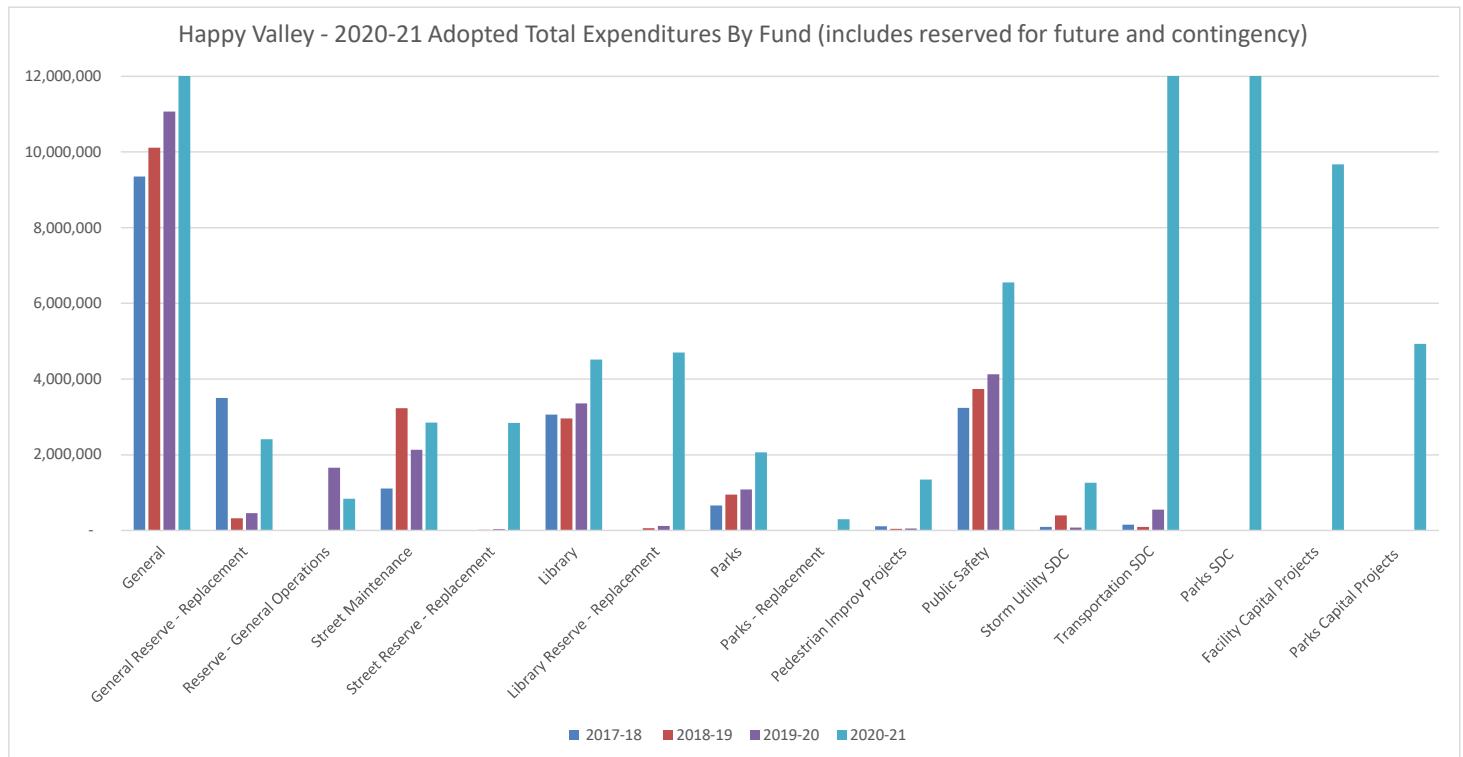


Happy Valley - 2020-21 Adopted Budget Expenditure Percentage by Category



Summary by Fund - Happy Valley Expenditures

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed 2020-21 | Approved 2020-21 | Adopted 2020-21 |
|-------------------------------|----------------------|----------------------|------------------------------|---------------------|---------------------|---------------------|--------------------|
| General | 9,350,139 | 10,111,639 | 14,618,814 | 11,068,000 | 15,939,301 | 15,484,301 | 15,484,301 |
| General Reserve - Replacement | 3,504,454 | 323,548 | 2,439,500 | 455,000 | 2,413,085 | 2,413,085 | 2,413,085 |
| Reserve - General Operations | - | - | 2,498,974 | 1,660,000 | 838,974 | 838,974 | 838,974 |
| Street Maintenance | 1,110,559 | 3,229,207 | 3,681,253 | 2,130,500 | 2,854,230 | 2,854,230 | 2,854,230 |
| Street Reserve - Replacement | 9,914 | 20,258 | 2,292,751 | 36,000 | 2,845,463 | 2,845,463 | 2,845,463 |
| Library | 3,062,940 | 2,959,928 | 4,671,956 | 3,357,820 | 4,515,855 | 4,515,855 | 4,515,855 |
| Library Reserve - Replacement | - | 57,797 | 4,270,785 | 115,525 | 4,698,463 | 4,698,463 | 4,698,463 |
| Parks | 659,848 | 952,192 | 1,229,940 | 1,086,139 | 2,062,331 | 2,062,331 | 2,062,331 |
| Parks - Replacement | - | - | - | - | 300,000 | 300,000 | 300,000 |
| Pedestrian Improv Projects | 108,605 | 43,511 | 905,000 | 50,000 | 1,345,803 | 1,345,803 | 1,345,803 |
| Public Safety | 3,238,369 | 3,736,491 | 6,257,082 | 4,129,000 | 6,556,427 | 6,556,427 | 6,556,427 |
| Storm Utility SDC | 94,063 | 400,000 | 1,201,153 | 80,702 | 1,262,007 | 1,262,007 | 1,262,007 |
| Transportation SDC | 150,000 | 93,240 | 10,065,734 | 550,000 | 13,686,284 | 13,686,284 | 13,686,284 |
| Parks SDC | - | - | 2,790,702 | - | 17,404,864 | 17,404,864 | 17,404,864 |
| Facility Capital Projects | - | - | 6,170,000 | - | 9,670,000 | 9,170,000 | 9,170,000 |
| Parks Capital Projects | - | - | - | - | 4,930,470 | 4,930,470 | 4,930,470 |
| Total Requirements | 21,288,891 | 21,927,811 | 63,093,644 | 24,718,686 | 91,323,557 | 90,368,557 | 90,368,557 |





City of Happy Valley Fiscal Year 2020 - 2021 Budget

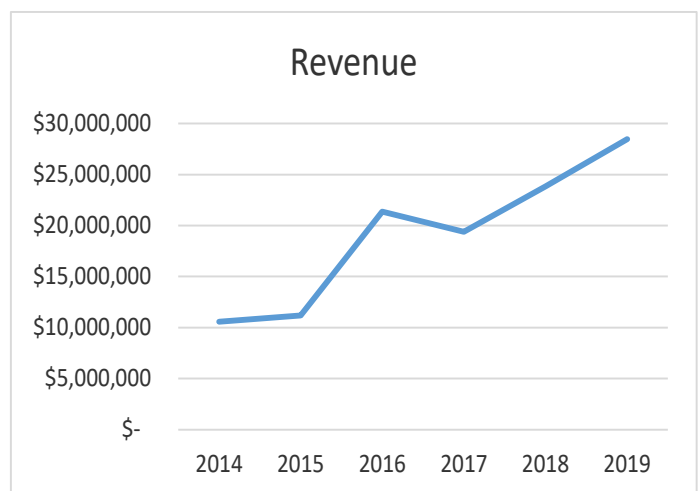
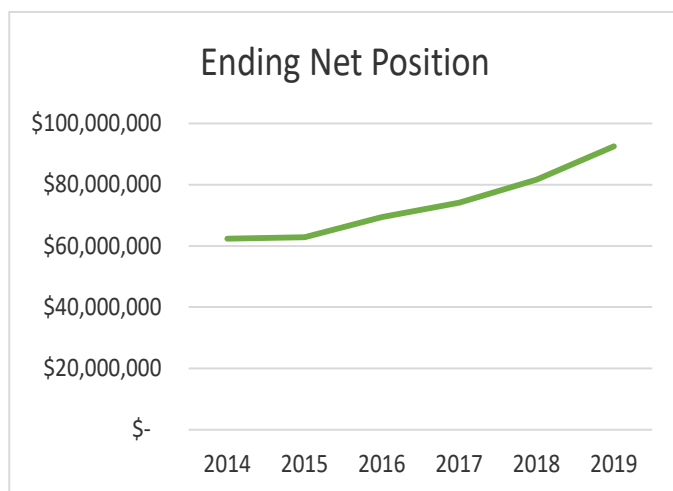
Demographics and Financial Trend Information

The charts and graphs below illustrate the positive economic cycle we are currently experiencing. We continued 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. Projections going forward are unclear but less optimistic as a pending recession seems to be a strong possibility.

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.

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Revenue | \$ 10,567,581 | \$ 11,183,982 | \$ 21,360,412 | \$ 19,387,830 | \$ 23,821,866 | \$ 28,462,144 |
| Expenditures | (9,667,612) | (9,639,269) | (14,761,718) | (14,703,089) | (16,253,007) | (17,668,727) |
| Change in Net Position | 899,969 | 1,544,713 | 6,598,694 | 4,684,741 | 7,568,859 | 10,793,417 |
| Beginning Net Position | 61,418,930 | 62,318,899 | 62,830,427 | 69,429,121 | 74,113,862 | 81,682,721 |
| Prior Period Adjustment | - | (1,033,185) | - | - | - | - |
| Ending Net Position | \$ 62,318,899 | \$ 62,830,427 | \$ 69,429,121 | \$ 74,113,862 | \$ 81,682,721 | \$ 92,476,138 |



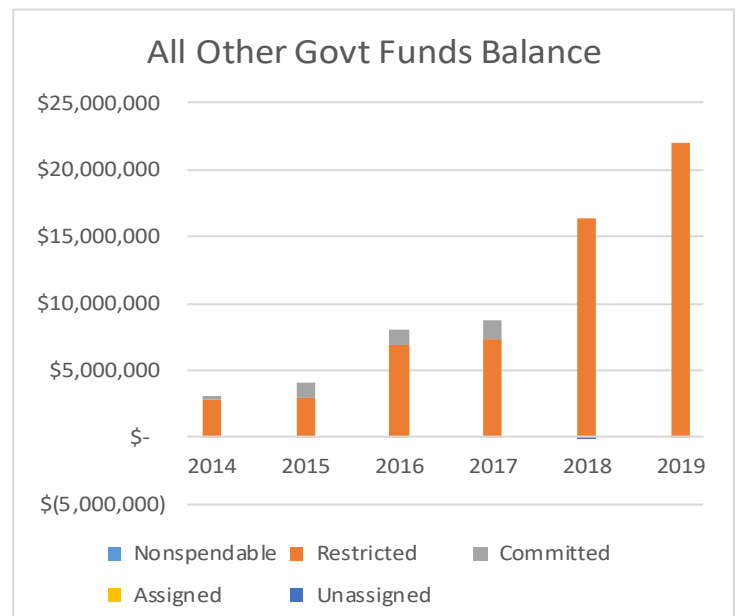
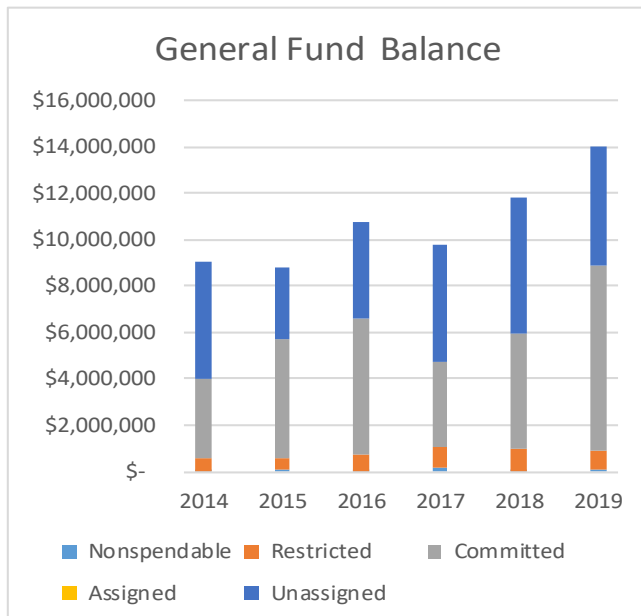


City of Happy Valley Fiscal Year 2020 - 2021 Budget

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 2014 – 2019. The General Fund – Committed increases represented reserves for capital replacement and maintenance and amounts to counter the next economic downturn.

| | Fiscal Year | | | | | |
|---------------------------|---------------------|---------------------|----------------------|---------------------|----------------------|----------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Nonspendable | \$ 20,963 | \$ 46,655 | \$ 20,054 | \$ 152,186 | \$ 42,773 | \$ 60,998 |
| Restricted | 574,984 | 526,381 | 677,784 | 919,791 | 917,259 | 879,969 |
| Committed | 3,413,463 | 5,132,372 | 5,860,117 | 3,688,533 | 4,965,481 | 7,952,893 |
| Assigned | - | - | - | - | - | - |
| Unassigned | 5,048,990 | 3,059,652 | 4,186,913 | 5,017,696 | 5,839,541 | 5,079,303 |
| Total General Fund | \$ 9,058,400 | \$ 8,765,060 | \$ 10,744,868 | \$ 9,778,206 | \$ 11,765,054 | \$ 13,973,163 |

| | Fiscal Year | | | | | |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Nonspendable | \$ - | \$ - | \$ - | \$ - | \$ 30,739 | \$ 16,964 |
| Restricted | 2,761,530 | 2,947,266 | 6,856,183 | 7,326,609 | 16,373,527 | 21,996,564 |
| Committed | 313,914 | 1,145,945 | 1,145,945 | 1,415,222 | - | - |
| Assigned | - | - | - | - | - | - |
| Unassigned | - | - | - | - | (22,812) | - |
| Total All Other Govt Funds | \$ 3,075,444 | \$ 4,093,211 | \$ 8,002,128 | \$ 8,741,831 | \$ 16,381,454 | \$ 22,013,528 |





City of Happy Valley Fiscal Year 2020 - 2021 Budget

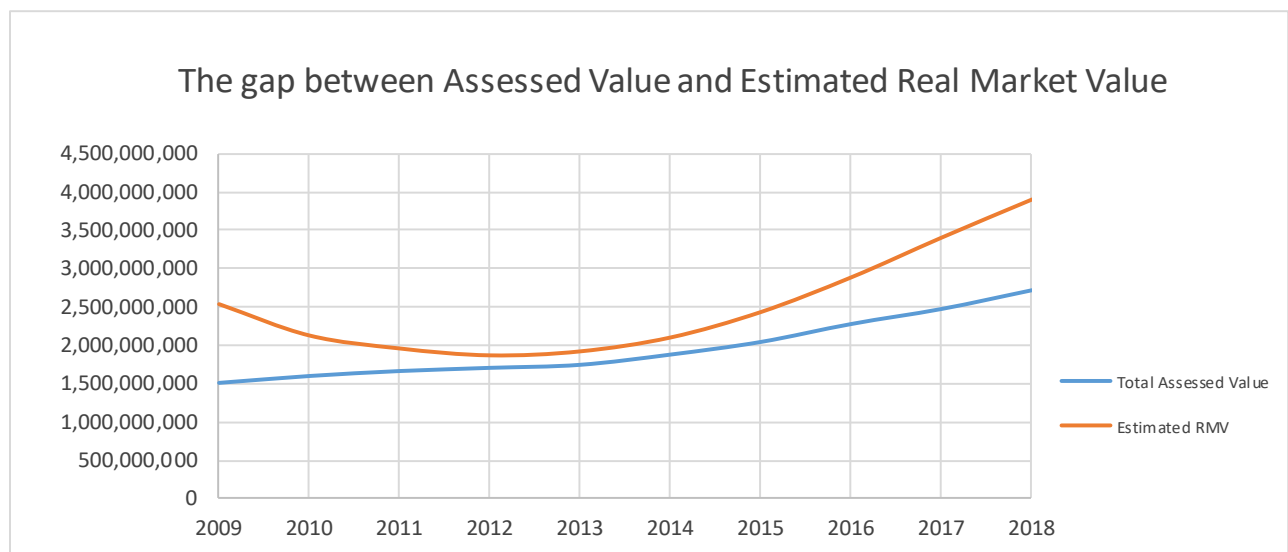
Also included are various charts and graphs as added information. Included are property values with a chart to illustrate the gap between assessed value and estimated real market value, tax rates including overlapping rates, ratios of outstanding debt, direct and overlapping activities debt, legal debt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

ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY

| Fiscal Year Ended June 30 | Assessed Value | | | | | Total direct tax rate | RMV | Assessed value as percentage of RMV |
|---------------------------------|------------------|----------------------|----------------------|-------------------|----------------------------|-----------------------------|---|--|
| | Real property | Personal property | Manuf'd structure | Public utility | Total assessed value | | Estimated real market value (RMV) | |
| 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% |
| 2019 | 2,852,512,294 | 22,198,356 | 3,261,749 | 48,955,700 | 2,926,928,099 | 2.59 | 4,320,368,740 | 68% |

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 2020 - 2021 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) |
|-------------|---------------|---------------|------------------|-----------------------|------------------------------|----------------------|
| 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 |
| 2019 | 21,700 | 38 | 111,066 | 44,761 | 6,838 | 3.8 |

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> | <u>2019</u> | | |
|---------------------------------------|------------------|-------------|--|
| | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> |
| Fred Meyer | 262 | 1 | 8% |
| New Seasons Market | 145 | 2 | 5% |
| Camp Withycombe | 100 | 3 | 3% |
| City of Happy Valley | 88 | 4 | 3% |
| Providence Medical Group Happy Valley | 70 | 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% |
| | 878 | | 26% |

Source: City business licenses

CITY OF HAPPY VALLEY, OREGON
Operating Indicators by Function
Last Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|---|-------------|---------|---------|---------|---------|---------|---------|---------|------------|------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Governmental Activities | | | | | | | | | | |
| Economic and Community Development | | | | | | | | | | |
| Building | | | | | | | | | | |
| Residential Building permits issued | 91 | 110 | 158 | 276 | 350 | 274 | 418 | 190 | 135 | 164 |
| Commercial Building permits issued | * | 0 | 16 | 2 | 2 | 5 | 14 | 9 | 8 | 3 |
| Planning | | | | | | | | | | |
| Planning Permits | * | * | 128 | 147 | 174 | 226 | 261 | 260 | 232 | 244 |
| Engineering | | | | | | | | | | |
| Erosion Control Permits | * | * | * | * | * | * | * | 13 | 30 | 17 |
| Site Development Permits | * | * | * | * | * | * | * | 15 | 31 | 13 |
| Right of Way Permits | * | * | * | * | * | * | * | 122 | 139 | 109 |
| Public Works: | | | | | | | | | | |
| Street Sweeping: | | | | | | | | | | |
| Number of miles swept | * | * | 2,500 | 3,000 | 2,200 | 2,500 | 1,800 | 1,592 | 1,493 | 2,297 |
| Volume of material removed (cubic yards) | * | * | 285 | 379 | 757 | 900 | 900 | 762 | 648 | 954 |
| Winter Storms: | | | | | | | | | | |
| Sand applied (cubic yards) | * | * | * | 26 | 78 | 8 | 100 | 206 | 66 | 50 |
| Sand picked up after storms | * | * | * | 16 | 50 | 4 | 60 | 180 | 35 | 29 |
| Magnesium chloride/De-icing (gallons) | * | * | 4,125 | 2,100 | 7,500 | 900 | 2,750 | 8,735 | 5,575 | 4,930 |
| Landscape Maintenance: | | | | | | | | | | |
| Fertilizers (lbs) | * | * | * | 150 | 1,110 | 2,239 | 0 | 0 | 4,746 | 22,856 |
| Herbicides (ounces) | * | * | * | 56 | 190 | 135 | 480 | 934 | 2080 / 195 | 1605 / 211 |
| Park Reservations: | | | | | | | | | | |
| Reservations coordinated | * | * | 153 | 172 | 214 | 210 | 225 | 255 | 231 | 228 |
| Number of people served | * | * | * | 6,078 | 8,218 | 9,207 | 9,722 | 10,315 | 9,849 | 9,079 |
| Trees planted | * | * | * | * | 3,150 | 925 | 92 | 1,000 | 793 | 1,279 |
| Services performed on fleet vehicles | * | * | * | 80 | 146 | 170 | 190 | 190 | 250 | 280 |
| Crack seal applied on roadways (sq. yd.)** | * | * | 4.25 | 2.25 | 6.60 | 4.50 | 13.75 | 7.50 | 7.50 | 168,200 |
| Signs cleaned and adjusted | * | * | * | * | 869 | 920 | 1,148 | 50 | 1,200 | 200 |
| Community Services | | | | | | | | | | |
| Passports issued | 803 | 1,935 | 1,339 | 1,690 | 1,882 | 2,316 | 2,592 | 3,377 | 3,566 | 3,474 |
| Public Safety: | | | | | | | | | | |
| Code Enforcement / Animal Control Cases | 1,543 | 1,855 | 2,023 | 2,768 | 2,453 | 2,108 | 3,168 | 3,042 | 2,148 | 2,346 |
| Parking violations | 131 | 293 | 547 | 637 | 389 | 306 | 461 | 585 | 1,048 | 643 |
| Number dispatched calls for service | 2,871 | 3,110 | 3,159 | 3,251 | 3,471 | 3,517 | 4,361 | 4,466 | 4,591 | 4,604 |
| Number of traffic violations | 1,878 | 2,199 | 2,158 | 1,849 | 2,145 | 2,588 | 3,079 | 2,623 | 4,364 | 2,821 |
| Number of "other" self initiated activities | 2,151 | 2,497 | 2,158 | 1,801 | 1,396 | 1,521 | 1,982 | 2,901 | 6,828 | 5,304 |
| Number of traffic stops | 3,374 | 3,643 | 3,301 | 3,582 | 3,887 | 4,111 | 4,545 | 3,949 | 4,293 | 3,699 |
| Library | | | | | | | | | | |
| Circulation | 574,645 | 642,790 | 654,150 | 707,958 | 762,069 | 800,944 | 793,476 | 787,888 | 824,836 | 829,880 |
| Number of Reference Inquiries | 16,420 | 19,580 | 19,580 | 17,930 | 17,452 | 17,868 | 27,219 | 26,889 | 31,528 | 33,387 |
| Number of Youth Programs | 63 | 62 | 87 | 214 | 225 | 299 | 401 | 398 | 618 | 719 |
| Youth Program Attendance | 2,425 | 2,887 | 4,145 | 7,581 | 9,807 | 14,127 | 16,163 | 19,051 | 24,887 | 26,645 |
| Number of Adult Programs | 0 | 0 | 3 | 48 | 91 | 180 | 197 | 241 | 195 | 225 |
| Adult Program Attendance | 0 | 0 | 331 | 587 | 877 | 2,103 | 2,892 | 3,730 | 3,718 | 4,317 |

Source: Various City departments

* Information unavailable at this time.

** Crack seal conversion to square yards from tons.



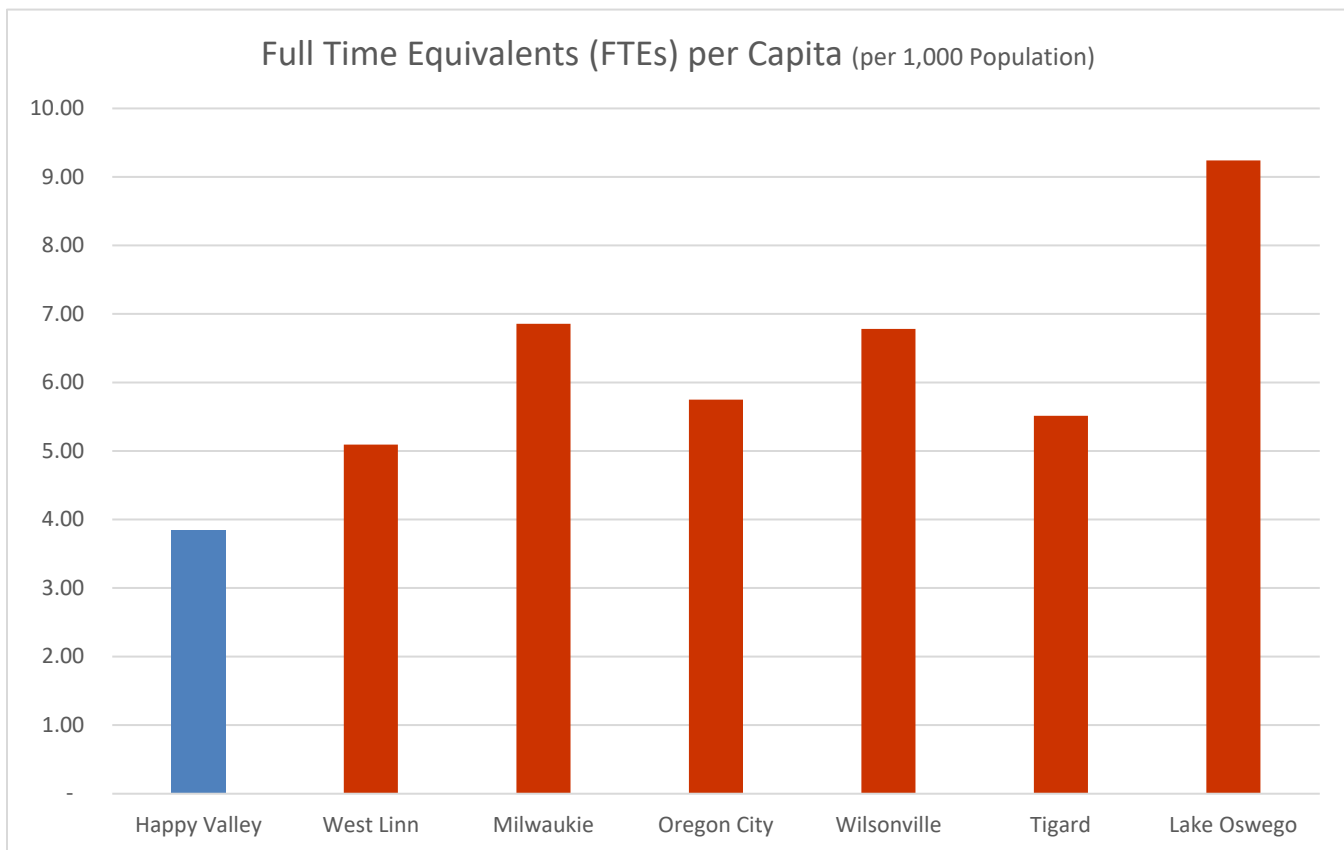
City of Happy Valley Fiscal Year 2020 - 2021 Budget

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.

Overall budgeted FTE increased 5.5 from the previous budget. This increase consists of 2.0 FTE in General Fund – Economic and Community Development, a 2.0 FTE increase in the Parks Fund, a 0.5 FTE increase in the Street Fund, and a 1.0 FTE increase in the Library Fund. Total FTE increased from 71.5 FTE in the 2019-20 budget to 77 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.





City of Happy Valley Fiscal Year 2020 - 2021 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. 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% and the OPSRP rate is 18.53% up from 20.07% and 14.02% respectively in the previous biennium.

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.

2019-20 Adopted Budget - Positions

| Department and Position | 2017-18 | 2018-19 | Adopted | Estimate | Proposed | Approved | Adopted |
|---|---------|---------|---------|----------|----------|----------|---------|
| | | | Budget | 2019-20 | Budget | Budget | Budget |
| | | | 2019-20 | 2019-20 | 2020-21 | 2020-21 | 2020-21 |
| 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 |
| Financial Analyst | 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 | - | - | - | - |
| 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 |
| Engineer Admin | - | - | - | - | 1.00 | 1.00 | 1.00 |

2019-20 Adopted Budget - Positions

| | | | Adopted | | Proposed | Approved | Adopted |
|---|---------|---------|---------|----------|----------|----------|---------|
| | | | Budget | Estimate | Budget | Budget | Budget |
| Department and Position | 2017-18 | 2018-19 | 2019-20 | 2019-20 | 2020-21 | 2020-21 | 2020-21 |
| 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 | 3.00 | 3.00 | 3.00 |
| Building Inspector I | 1.00 | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 | 2.00 |
| 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 | 22.00 | 22.00 | 22.00 |
| 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 | 2.00 | 2.00 | 2.00 |
| 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 | 2.00 | 2.00 | 2.00 |
| | 2.00 | 2.00 | 4.50 | 4.00 | 6.00 | 6.00 | 6.00 |

2019-20 Adopted Budget - Positions

| Department and Position | 2017-18 | 2018-19 | Adopted | Estimate | Proposed | Approved | Adopted |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | Budget | 2019-20 | Budget | Budget | Budget |
| | | | 2019-20 | 2019-20 | 2020-21 | 2020-21 | 2020-21 |
| 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 | 2.00 | 2.00 | 2.00 |
| | 3.00 | 3.00 | 3.50 | 3.00 | 4.00 | 4.00 | 4.00 |
| 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 | 3.00 | 3.00 | 3.00 |
| 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 | 19.00 | 19.00 | 19.00 |
| Total FTE | 64.63 | 66.00 | 70.00 | 66.00 | 77.00 | 77.00 | 77.00 |
| Total Full Time Positions | 60.00 | 59.00 | 63.00 | 59.00 | 70.00 | 70.00 | 70.00 |
| 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 | 77.00 | 77.00 | 77.00 |
| General Fund FTE | 45.00 | 44.00 | 45.00 | 42.00 | 48.00 | 48.00 | 48.00 |
| Other FTE | 19.63 | 22.00 | 25.00 | 24.00 | 29.00 | 29.00 | 29.00 |
| Total FTE | 64.63 | 66.00 | 70.00 | 66.00 | 77.00 | 77.00 | 77.00 |



City of Happy Valley Fiscal Year 2020 - 2021 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 there are currently many available residential lots. However, it is difficult to pinpoint when this will happen, so we are showing steady 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 all 5 years. The operating deficit is largest in year one of the projection because of a \$4 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 \$4 million transfer to the Facility Cap Project Fund in year one and a total of \$1.9 million in years two through four. Under this scenario, there would be \$12 million available for a project in the Facility Capital Project Fund including previous year transfers.

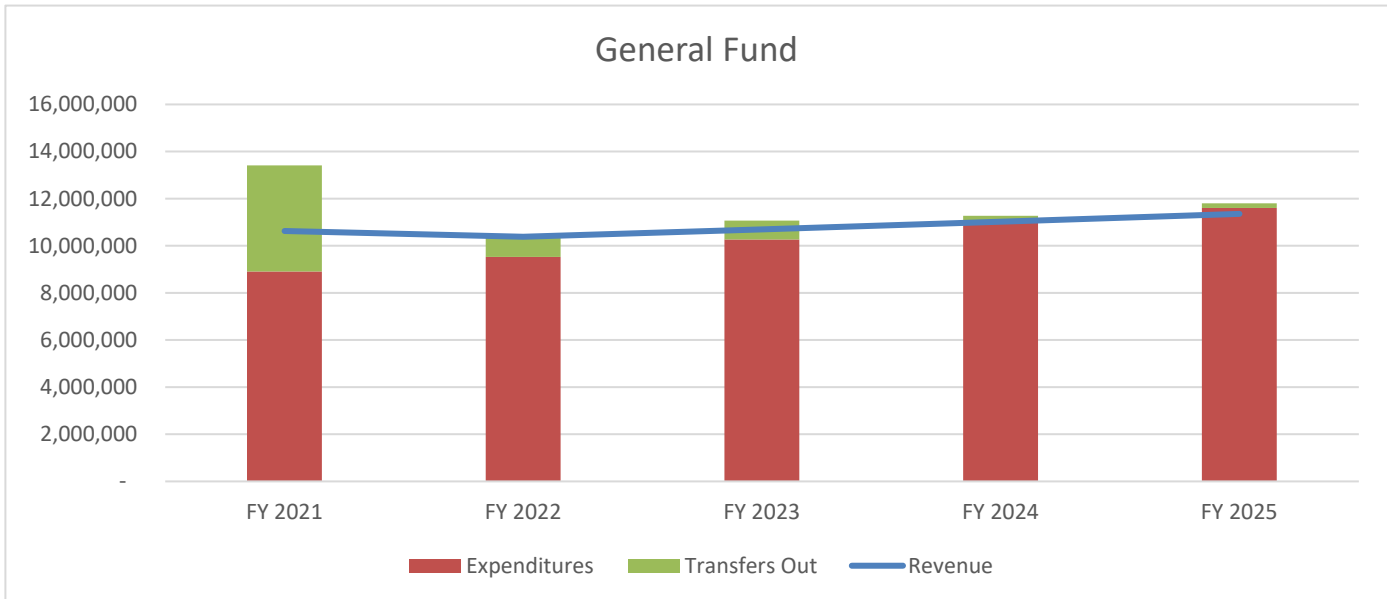
One primary long-term concern is the predicted increase of PERS rates. The City has taken a proactive approach to this by creating a PERS side account which will curb future PERS rate increases. Through State legislation that passed in 2019, the City took advantage available of matching funds to create a \$2 million PERS side account. The City's portion of this (\$1.6 million) came from the General Operations Reserve Fund.

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 will begin in 2020-21 and steadily increase as the Urban Renewal area grows in assessed value. The purpose of this fee is to cover the cost of running the Urban Renewal District programs including associated staff.

The chart on page 19 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 are based on Council Policy 13.04 Budget Reserves & Contingency.



City of Happy Valley Fiscal Year 2020 - 2021 Budget

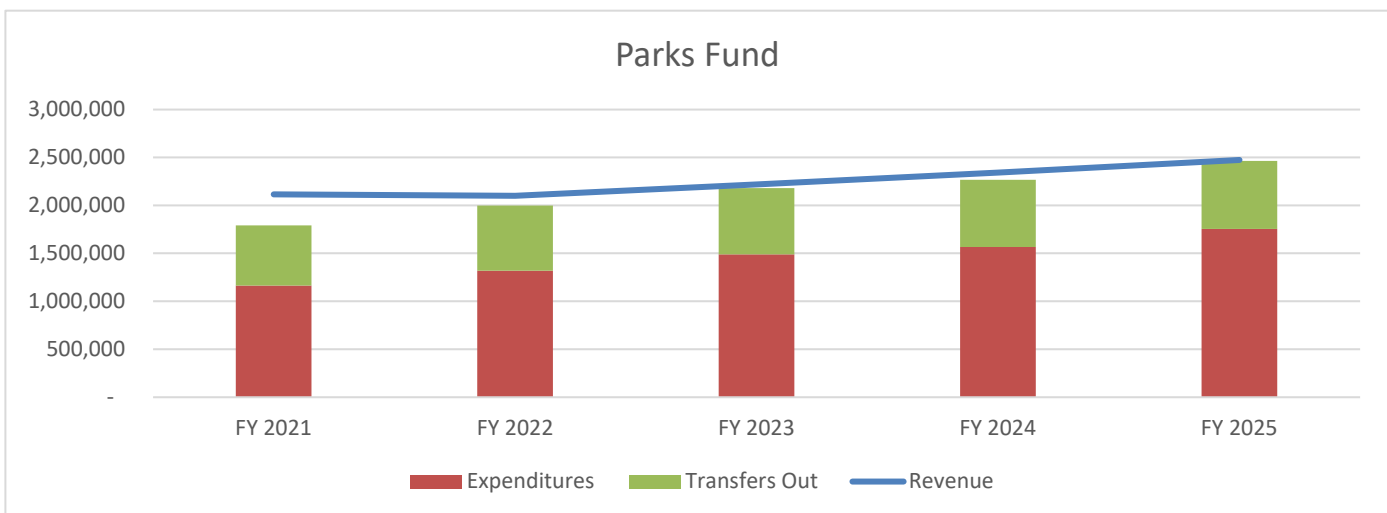


Parks Fund

This projection includes the parks operating levy property tax at \$0.54 per \$1,000 of assessed value. The current voter approved Parks Levy runs through Year 3 of the projection. This projection assumes another levy is passed at the same rate which would cover years 4-5.

The operations department (parks maintenance) has FTE's added in year 1, 3 and 5 which would bring the total FTE for the department up to 5.0. The recreation department has FTE's added in year 1 and 2 which would bring the total FTE for the department up to 4.0.

Under this scenario, the Parks Fund is able to transfer \$2.5 million to the Parks Reserve for Replacement Fund which will begin funding what is currently a large backlog of capital items that will eventually come due for replacement.



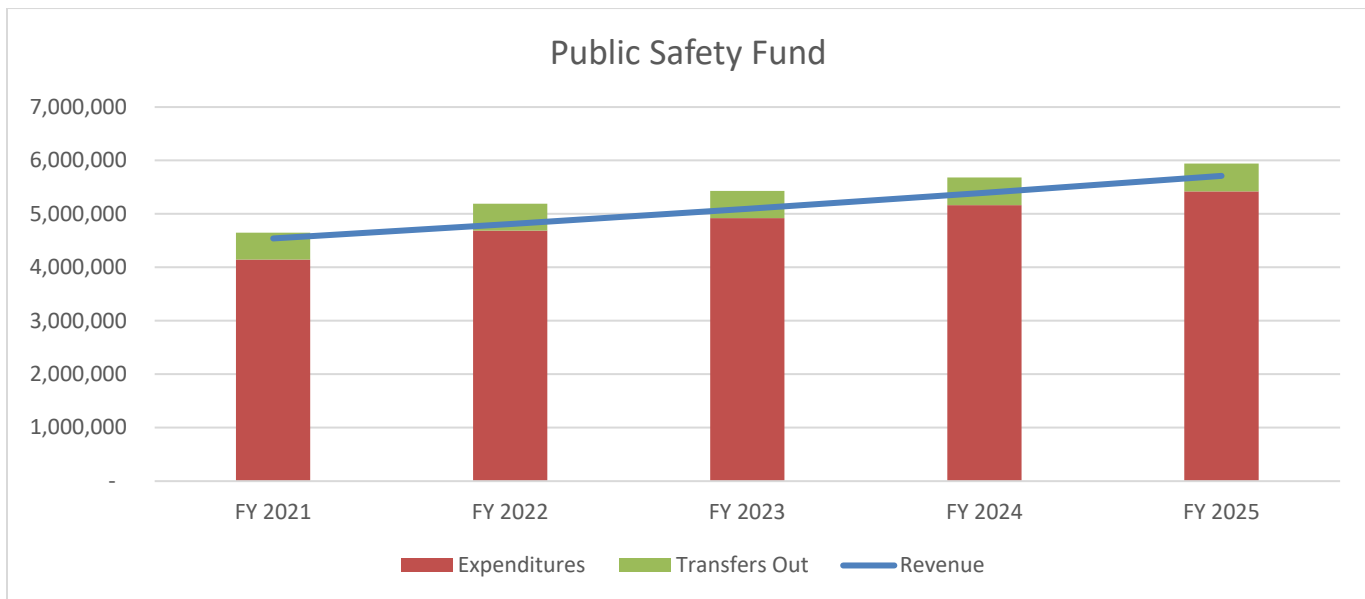


City of Happy Valley Fiscal Year 2020 - 2021 Budget

Public Safety Fund

The Public Safety fund 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 2019. This projection increases the FTE level by 1.0 in the first year of the projection and 2.0 in the following year. 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 all five years of the projection. This means that if assessed value grows at the 6% rate shown in this plan, the City would have to consider holding off on additional FTE in the later years of this plan. Any additional growth beyond the 6%, which is certainly possible, will help erase the operating deficit.



Library Fund

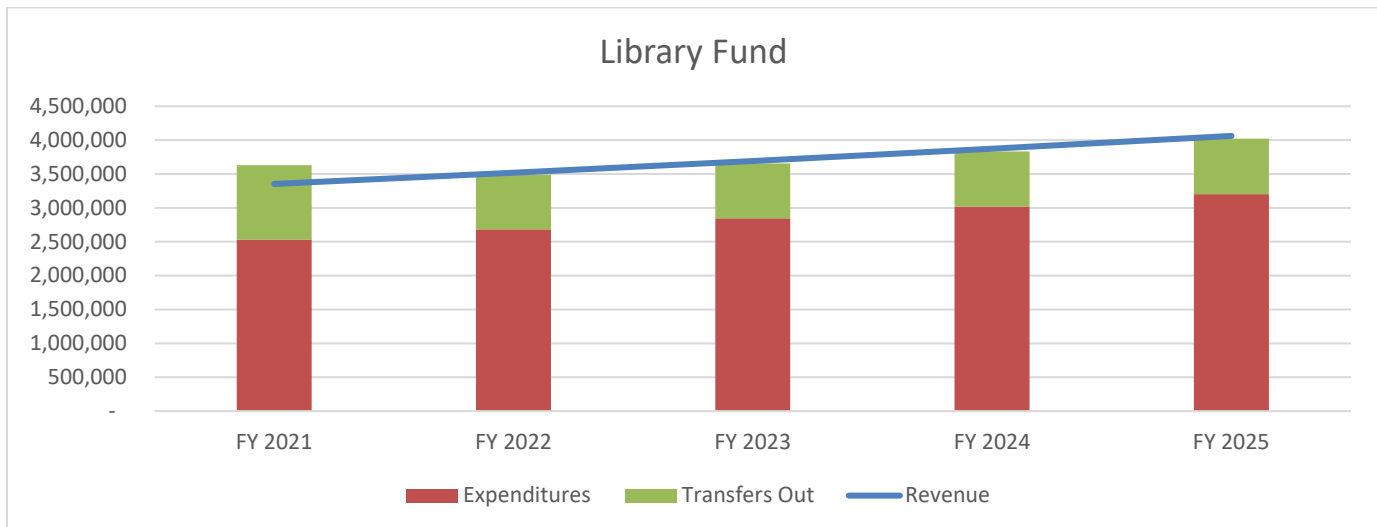
The projection shows an operating deficit in all 5 years, but that deficit is due to the amount transferred from the Library Fund to the Reserve for Replacement Fund.

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.

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 \$1.9 million to the Library Reserve for Replacement Fund.



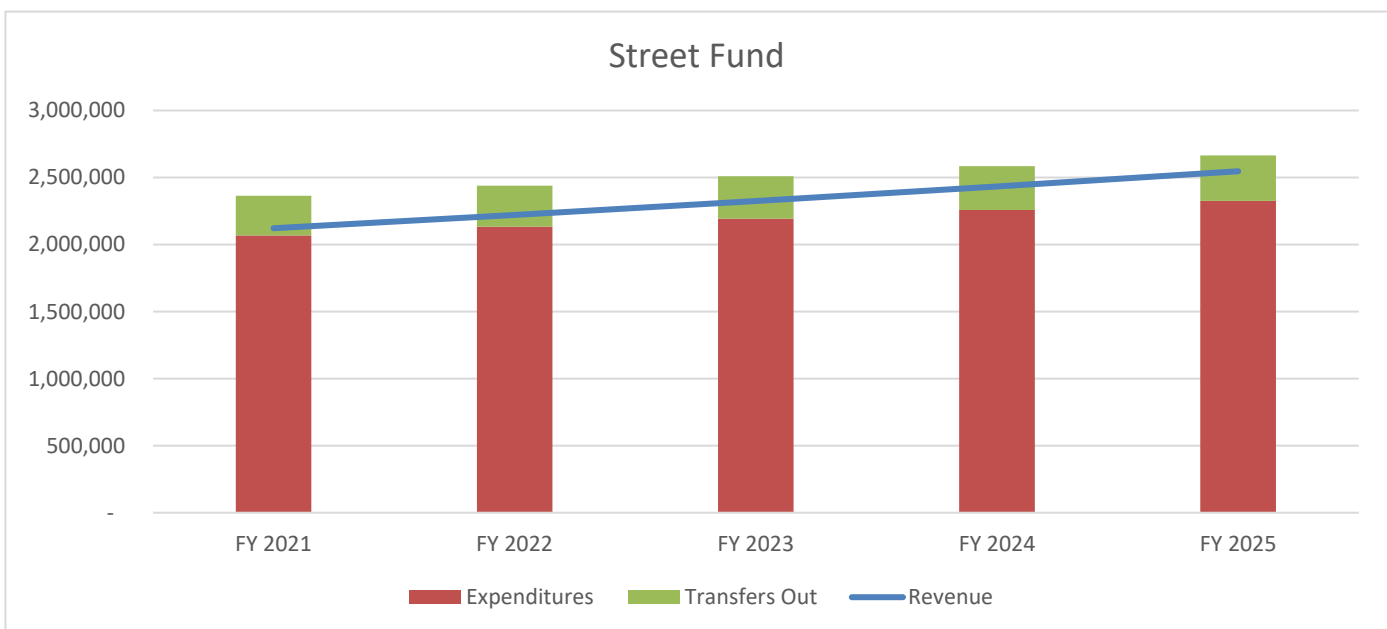
City of Happy Valley Fiscal Year 2020 - 2021 Budget



Street Fund

With the passage of HB 1717, 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. However, this projection does include the spending down of fund balance. To remain at the \$1.2 level of street reconstruction spending (under stated assumptions), the City would need to consider supplementing this funds revenue with another source.



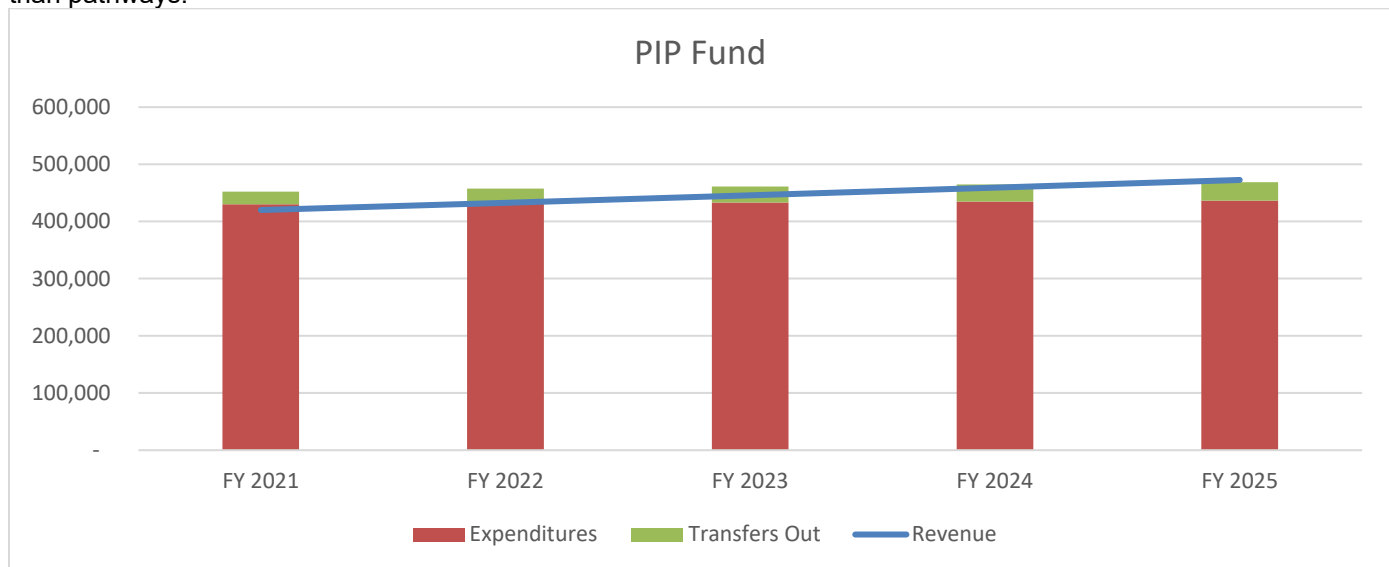


City of Happy Valley Fiscal Year 2020 - 2021 Budget

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 Spring 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.



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.



**City of Happy Valley
Fiscal Year 2020 - 2021 Budget**

General Fund



City of Happy Valley Fiscal Year 2020 - 2021 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.

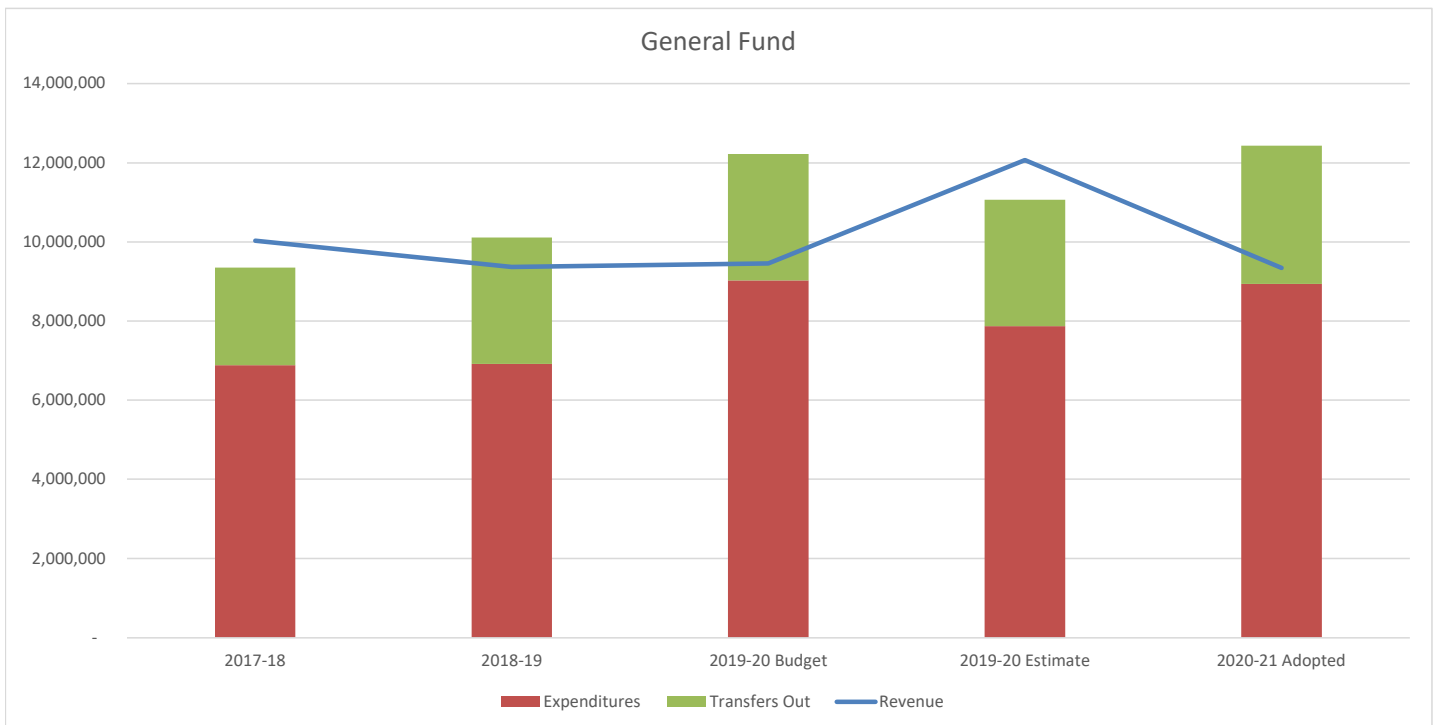
Expenditures

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 2020 - 2021 | | | | | |
|--------------------------------------|------------------------------------|------------|------------------------------|------------|------------|------------|
| | Preceding 2017-18 | 2018-19 | Adopted Budget 2019-20 | Proposed | Approved | Adopted |
| Administration | 2,520,660 | 2,380,602 | 3,083,700 | 3,110,900 | 3,260,900 | 3,260,900 |
| Community Services and Public Safety | 1,145,981 | 1,092,101 | 1,271,500 | 1,345,400 | 1,345,400 | 1,345,400 |
| Economic and Community Development | 2,456,391 | 2,810,825 | 3,395,400 | 3,511,200 | 3,511,200 | 3,511,200 |
| Public Works | 724,321 | 628,111 | 774,200 | 812,500 | 812,500 | 812,500 |
| Non-Departmental | 32,786 | - | - | - | - | - |
| Transfers | 2,470,000 | 3,200,000 | 3,200,000 | 4,000,000 | 3,500,000 | 3,500,000 |
| Contingency | - | - | 2,894,014 | 3,159,301 | 3,054,301 | 3,054,301 |
| Total | 9,350,139 | 10,111,639 | 14,618,814 | 15,939,301 | 15,484,301 | 15,484,301 |

General Fund

| | Preceding 2017-18 | Preceding 2018-19 | Adopted 2019-20 Budget | 2019-20 Estimate | 2020-21 Proposed | 2020-21 Approved | 2020-21 Adopted |
|--|----------------------|----------------------|------------------------------|---------------------|---------------------|---------------------|--------------------|
| Revenue | 10,029,785 | 9,369,626 | 9,462,500 | 12,070,000 | 9,342,000 | 9,342,000 | 9,342,000 |
| Expenditures | 6,880,139 | 6,911,639 | 9,024,800 | 7,868,000 | 8,780,000 | 8,930,000 | 8,930,000 |
| Transfers Out | 2,470,000 | 3,200,000 | 3,200,000 | 3,200,000 | 4,000,000 | 3,500,000 | 3,500,000 |
| Annual Operating Surplus / (Shortfall) | 679,646 | (742,013) | (2,762,300) | 1,002,000 | (3,438,000) | (3,088,000) | (3,088,000) |
| Beginning Fund Balance | 5,169,882 | 5,882,314 | 5,156,314 | 5,140,301 | 6,597,301 | 6,142,301 | 6,142,301 |
| Ending Fund Balance / Contingency | 5,849,528 | 5,140,301 | 2,394,014 | 6,142,301 | 3,159,301 | 3,054,301 | 3,054,301 |





**City of Happy Valley
Fiscal Year 2020 - 2021 Budget**

**General Fund
Resources**

General Fund

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed Budget 2020-21 | Approved Budget 2020-21 | Adopted Budget 2020-21 |
|----------------------------|----------------------|----------------------|------------------------------|---------------------|-------------------------------|-------------------------------|------------------------------|
| Resources | | | | | | | |
| Beginning Fund Balance | 5,169,882 | 5,882,314 | 5,156,314 | 5,140,301 | 6,597,301 | 6,142,301 | 6,142,301 |
| Property Taxes | 1,769,484 | 2,026,951 | 2,175,000 | 2,100,000 | 2,220,000 | 2,220,000 | 2,220,000 |
| State Shared Rev | 650,011 | 667,868 | 720,000 | 730,000 | 750,000 | 750,000 | 750,000 |
| ROW Use Fee | 1,613,475 | 1,660,257 | 1,699,500 | 1,700,000 | 1,750,000 | 1,750,000 | 1,750,000 |
| User Related Fees | 329,125 | 373,049 | 309,000 | 310,000 | 300,000 | 300,000 | 300,000 |
| Building Fees | 1,429,884 | 1,420,471 | 1,250,000 | 3,300,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Planning Fees | 452,210 | 251,775 | 200,000 | 40,000 | 175,000 | 175,000 | 175,000 |
| Engineering Fees | 980,587 | 374,045 | 250,000 | 700,000 | 275,000 | 275,000 | 275,000 |
| SDC Compliance | 95,982 | 151,085 | 160,000 | 500,000 | 200,000 | 200,000 | 200,000 |
| Urban Renewal Admin Fee | - | - | - | - | 25,000 | 25,000 | 25,000 |
| Traffic Fines | 635,949 | 545,858 | 650,000 | 450,000 | 650,000 | 650,000 | 650,000 |
| Court Related Fees | 94,125 | 89,089 | 100,000 | 150,000 | 100,000 | 100,000 | 100,000 |
| Intergovernmental | 188,764 | 286,350 | 309,000 | 400,000 | 200,000 | 200,000 | 200,000 |
| Misc Revenue | 307,414 | 304,828 | 290,000 | 340,000 | 300,000 | 300,000 | 300,000 |
| Transfers In | 1,482,775 | 1,218,000 | 1,350,000 | 1,350,000 | 1,397,000 | 1,397,000 | 1,397,000 |
| Total Revenues | 10,029,785 | 9,369,626 | 9,462,500 | 12,070,000 | 9,342,000 | 9,342,000 | 9,342,000 |
| Total Resources | 15,199,667 | 15,251,940 | 14,618,814 | 17,210,301 | 15,939,301 | 15,484,301 | 15,484,301 |



City of Happy Valley Fiscal Year 2020 - 2021 Budget

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.



City of Happy Valley Fiscal Year 2020 - 2021 Budget

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.

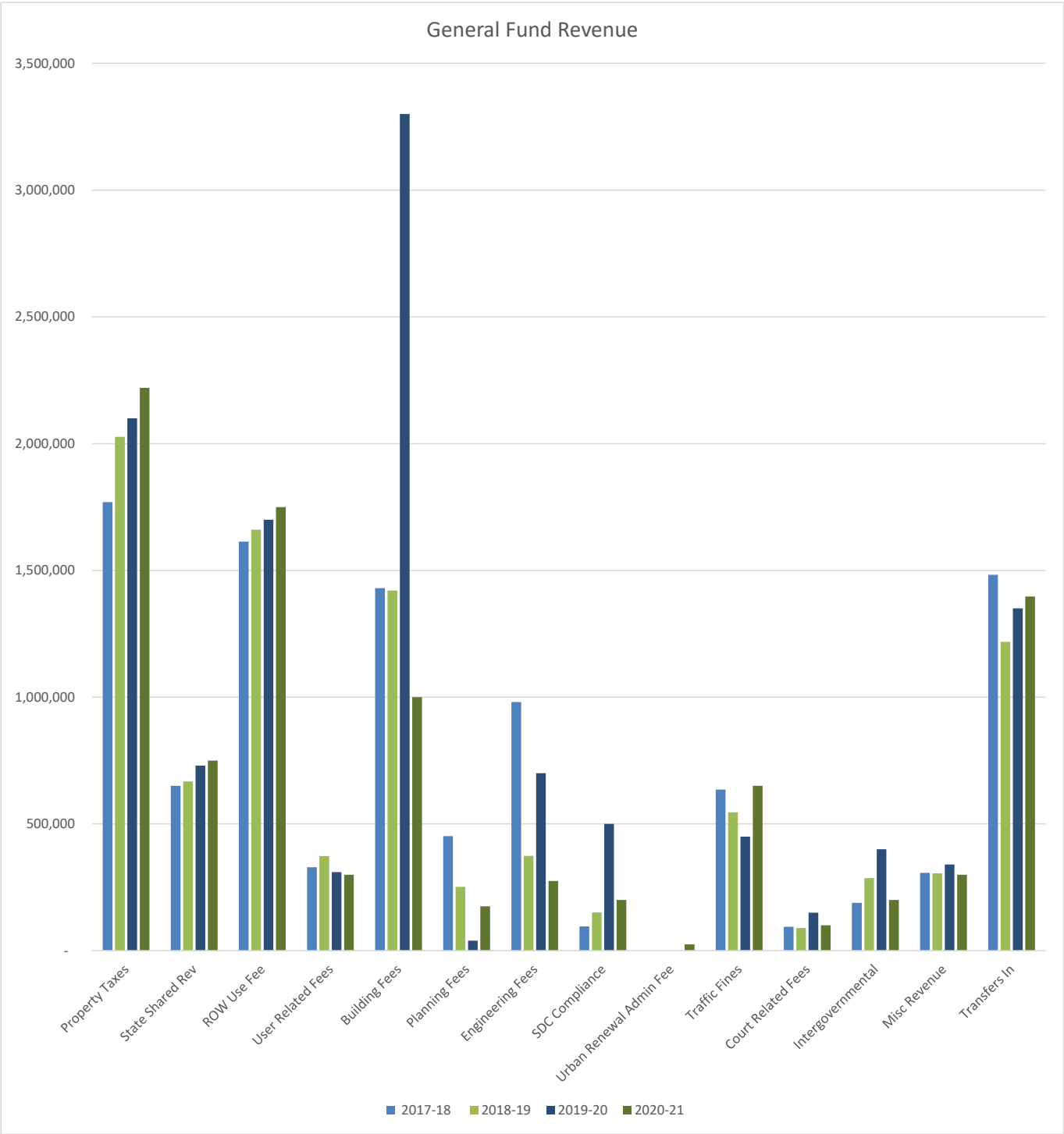
Traffic Fines: Fines imposed in the Happy Valley Municipal Traffic Court.

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 2020 - 2021 Budget**

**General Fund
Administration**



City of Happy Valley Fiscal Year 2020 - 2021 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 2020 - 2021 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, Financial Analyst.

Budget Summary:

| | Preceding | | Adopted | Budget For Fiscal Year 2020 - 2021 | | |
|-----------------------|-----------|-----------|-----------|------------------------------------|-----------|-----------|
| | 2017-18 | 2018-19 | 2019-20 | Proposed | Approved | Adopted |
| Personnel Services | 1,484,072 | 1,424,968 | 1,813,700 | 1,855,900 | 1,855,900 | 1,855,900 |
| Material and Services | 1,036,588 | 955,634 | 1,270,000 | 1,255,000 | 1,405,000 | 1,405,000 |
| Total | 2,520,660 | 2,380,602 | 3,083,700 | 3,110,900 | 3,260,900 | 3,260,900 |



City of Happy Valley Fiscal Year 2020 - 2021 Budget

Goals and Priorities

General Administration

- Lead the efforts on Diversity, Equity, and Inclusion
- Complete the Climate Action Plan Toolkit/Scoping
- Support ongoing response to COVID-19 pandemic

Information Technology

- Exploring new phone systems that better accommodate remote workers.
- Begin annual cyber security training for city staff.
- Upgrade council room AV to allow for remote joining of members.
- Work with finance to create a new budget process for IT going forward.
- Evaluate virtual desktop options vs traditional desktops for some workers.
- Implement a solution for staff news and information using Office 365.
- Look into a token-based login for access to local computers (multi factor).
- Continue to evaluate solutions with Teams for departments and divisions.

Finance

- Complete new PCI (payment card industry) compliance policy that will guide our internal policies as it relates to collecting credit card payments.
- Create comprehensive internal control document and review all financial policies and compare to GFOA best practices.
- Create a Capital Improvement Plan (CIP) as it relates to each Reserve for Replacement Fund to become part of the budget document.
- Complete an annual SDC report to illustrate SDC balances and current project expenditures on an annual basis that doesn't get buried in the vast CAFR.
- Transition accounts payable vendors to ACH electronic payments cut down on checks and paper processes. This allows for quicker payments to vendors.
- Get the Energov project started and potentially completed depending on timeline provided by Tyler Technologies.

Human Resources, City Recorder, Risk Management

- Complete consolidation of 457 retirement account options to lower administrative costs. (in progress)
- Complete a full Job Description Review and Equal Pay Analysis. (in progress)
- Finalize new employee onboarding process. (in progress)
- Finalize programming for regular training programs. (in progress)
- Complete staff training for DEI.
- Continue to work with staff to digitize current and historical records and automate processes.
- Establish public records training as a part of the onboarding process.
- Begin coursework towards Master Municipal Clerk designation.

General Fund - Administration

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed Budget 2020-21 | Approved Budget 2020-21 | Adopted Budget 2020-21 |
|-------------------------------------|----------------------|----------------------|------------------------------|---------------------|-------------------------------|-------------------------------|------------------------------|
| Personnel Services | | | | | | | |
| FTE Positions | 10.0 | 10.5 | 12.0 | 11.0 | 12.0 | 12.0 | 12.0 |
| Wages | \$ 943,790 | \$ 905,139 | \$ 1,088,200 | \$ 945,000 | \$ 1,150,600 | \$ 1,150,600 | \$ 1,150,600 |
| Benefits | 540,282 | 519,829 | 725,500 | 525,000 | 705,300 | 705,300 | 705,300 |
| Total Personnel Services | <u>1,484,072</u> | <u>1,424,968</u> | <u>1,813,700</u> | <u>1,470,000</u> | <u>1,855,900</u> | <u>1,855,900</u> | <u>1,855,900</u> |
| Materials and Services | | | | | | | |
| Office Supplies | 74,938 | 85,845 | 80,000 | 85,000 | 95,000 | 95,000 | 95,000 |
| Professional Development | 128,067 | 155,782 | 160,000 | 105,000 | 160,000 | 160,000 | 160,000 |
| Utilities | 131,178 | 143,198 | 155,000 | 145,000 | 155,000 | 155,000 | 155,000 |
| Public Accountability | 35,010 | 25,039 | 40,000 | 25,000 | 40,000 | 40,000 | 40,000 |
| Repairs & Maintenance | 3,156 | 9,358 | 25,000 | 15,000 | 20,000 | 20,000 | 20,000 |
| Facility & Office Service Contracts | 190,569 | 153,118 | 210,000 | 200,000 | 220,000 | 220,000 | 220,000 |
| Public Outreach | 172,321 | 61,311 | 60,000 | 70,000 | 75,000 | 75,000 | 75,000 |
| Business Grants | - | - | 500,000 | 455,000 | - | - | - |
| General Operating | 152,591 | 132,780 | 190,000 | 160,000 | 190,000 | 190,000 | 190,000 |
| Legal | 69,490 | 60,849 | 200,000 | 90,000 | 150,000 | 150,000 | 150,000 |
| Contract Services | 79,268 | 128,354 | 150,000 | 130,000 | 150,000 | 300,000 | 300,000 |
| Total Materials and Services | <u>1,036,588</u> | <u>955,634</u> | <u>1,770,000</u> | <u>1,480,000</u> | <u>1,255,000</u> | <u>1,405,000</u> | <u>1,405,000</u> |
| Total Administration | <u>\$ 2,520,660</u> | <u>\$ 2,380,602</u> | <u>\$ 3,583,700</u> | <u>\$ 2,950,000</u> | <u>\$ 3,110,900</u> | <u>\$ 3,260,900</u> | <u>\$ 3,260,900</u> |



City of Happy Valley Fiscal Year 2020 - 2021 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, Financial Analyst, 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 2020 - 2021 Budget**

General Fund

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



City of Happy Valley Fiscal Year 2020 - 2021 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 2020 - 2021 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 2020- 2021 | | |
|-----------------------|-----------|-----------|-----------|-----------------------------------|-----------|-----------|
| | 2017-18 | 2018-19 | 2019-20 | Proposed | Approved | Adopted |
| Personnel Services | 1,084,331 | 1,039,694 | 1,195,000 | 1,258,900 | 1,258,900 | 1,258,900 |
| Material and Services | 61,650 | 52,407 | 76,500 | 86,500 | 86,500 | 86,500 |
| Total | 1,145,981 | 1,092,101 | 1,271,500 | 1,345,400 | 1,345,400 | 1,345,400 |

Goals and Priorities

Community Services

- Continue to increase communication efforts through use of video on platforms including social media and City website.
- Participate in social media training focusing on industry standards for government messaging.
- Work with Public Safety Director to utilize City's local radio station as a more regular communication platform.
- Continue working with finance to initiate online dog/business/alarm licensing and permitting.
- Further develop and administer recreation software for resident portal.
- Enhance recreation programming and continue building programming for youth, adults, and seniors in the City.



City of Happy Valley Fiscal Year 2020 - 2021 Budget

General Fund

Community Services and Public Safety

- Work in partnership with the HBA to present/host the 2021 Street of Dreams.
- Work with community leaders and DEI task force to develop an annual event that continues to promote diversity, equity, and inclusion.

Community Services

- Increase Crime Prevention through Neighborhood Watch Programs.
- CERT Training & Planning for Online Certification.
- Obtain Animal Abuse Investigator Certification for Staff.

Municipal Court

- Research and possibly implement Tyler Incode Virtual Court.
- Finalize E-Conviction project.
- Re-visit electronic parking solution.

General Fund - Community Services and Public Safety

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed Budget 2020-21 | Approved Budget 2020-21 | Adopted Budget 2020-21 |
|---|----------------------|----------------------|------------------------------|---------------------|-------------------------------|-------------------------------|------------------------------|
| Personnel Services | | | | | | | |
| FTE Positions | 11.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| Wages | \$ 690,194 | \$ 655,555 | \$ 717,000 | \$ 685,000 | \$ 755,300 | \$ 755,300 | \$ 755,300 |
| Benefits | 394,137 | 384,139 | 478,000 | 450,000 | 503,600 | 503,600 | 503,600 |
| Total Personnel Services | <u>1,084,331</u> | <u>1,039,694</u> | <u>1,195,000</u> | <u>1,135,000</u> | <u>1,258,900</u> | <u>1,258,900</u> | <u>1,258,900</u> |
| Materials and Services | | | | | | | |
| CSPS Supplies | 3,333 | 2,280 | 6,500 | 4,000 | 6,500 | 6,500 | 6,500 |
| Professional Development | 29,402 | 11,234 | 30,000 | 22,000 | 30,000 | 30,000 | 30,000 |
| Public Safety Related | 28,915 | 38,893 | 35,000 | 32,000 | 40,000 | 40,000 | 40,000 |
| Contract Services | - | - | 5,000 | - | 10,000 | 10,000 | 10,000 |
| Total Materials and Services | <u>61,650</u> | <u>52,407</u> | <u>76,500</u> | <u>58,000</u> | <u>86,500</u> | <u>86,500</u> | <u>86,500</u> |
| Total Community Services and Public Safety | <u>\$ 1,145,981</u> | <u>\$ 1,092,101</u> | <u>\$ 1,271,500</u> | <u>\$ 1,193,000</u> | <u>\$ 1,345,400</u> | <u>\$ 1,345,400</u> | <u>\$ 1,345,400</u> |



City of Happy Valley Fiscal Year 2020 - 2021 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 2020 - 2021 Budget**

General Fund

***Economic and Community Development
Department***



City of Happy Valley Fiscal Year 2020 - 2021 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 2020 - 2021 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), Building Permit Technicians (3), and Administrative Assistant.

Budget Summary:

| | Preceding | | Adopted | Budget For Fiscal Year 2020 - 2021 | | |
|-----------------------|-----------|-----------|-------------------|------------------------------------|-----------|-----------|
| | 2017-18 | 2018-19 | Budget 2019-20 | Proposed | Approved | Adopted |
| Personnel Services | 2,081,350 | 2,164,234 | 2,746,400 | 2,846,200 | 2,846,200 | 2,846,200 |
| Material and Services | 375,041 | 646,591 | 649,000 | 665,000 | 665,000 | 665,000 |
| Total | 2,456,391 | 2,810,825 | 3,395,400 | 3,511,200 | 3,511,200 | 3,511,200 |



City of Happy Valley Fiscal Year 2020 - 2021 Budget

General Fund

Economic and Community Development

Goals and Priorities

Planning and Economic Development Divisions

- Complete the Pleasant Valley North Carver Comprehensive Plan and receive Planning Commission and City Council approval.
- Become more proficient with web-based tools to improve development tracking and enhance coordination and communication between divisions/departments.
- Utilize new technologies that help disseminate information to the public and allows for a more efficient electronic submittal process that makes it easier to coordinate with applicants.

Engineering Division

- Continue to provide excellent customer service levels and quality of work on development related projects.
- Continue to plan and manage the design and construction of the CIP paving and maintenance projects and begin early work on future Urban Renewal Plan projects.
- Construction of the 129th Avenue Sidewalk and Bike Lanes Project.

Building Division

- Continue to streamline our permitting process which will improve our efficiency and turn-a-round times.
- Provide training for builders to better understand and use the ePermitting system we use.
- Develop a handout explaining the residential building process for builders. Basically, "how to get from house plans to final occupancy."

General Fund - Economic & Community Development

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed Budget 2020-21 | Approved Budget 2020-21 | Adopted Budget 2020-21 |
|---|----------------------|----------------------|------------------------------|---------------------|-------------------------------|-------------------------------|------------------------------|
| Personnel Services | | | | | | | |
| FTE Positions | 18.0 | 18.0 | 20.0 | 22.0 | 22.0 | 22.0 | 22.0 |
| Wages | \$ 1,343,032 | \$ 1,393,984 | \$ 1,647,800 | \$ 1,530,000 | \$ 1,764,600 | \$ 1,764,600 | \$ 1,764,600 |
| Benefits | 738,318 | 770,250 | 1,098,600 | 830,000 | 1,081,600 | 1,081,600 | 1,081,600 |
| Total Personnel Services | <u>2,081,350</u> | <u>2,164,234</u> | <u>2,746,400</u> | <u>2,360,000</u> | <u>2,846,200</u> | <u>2,846,200</u> | <u>2,846,200</u> |
| Materials and Services | | | | | | | |
| ECD Supplies | 1,192 | 6,020 | 9,000 | 2,500 | 5,000 | 5,000 | 5,000 |
| Professional Development | 34,831 | 28,613 | 40,000 | 55,000 | 60,000 | 60,000 | 60,000 |
| Contract Services | 339,018 | 611,958 | 350,000 | 400,000 | 550,000 | 550,000 | 550,000 |
| Contract Services - Metro Grant | - | - | 250,000 | 270,000 | 50,000 | 50,000 | 50,000 |
| Total Materials and Services | <u>375,041</u> | <u>646,591</u> | <u>649,000</u> | <u>727,500</u> | <u>665,000</u> | <u>665,000</u> | <u>665,000</u> |
| Total Economic & Community Development | <u>2,456,391</u> | <u>2,810,825</u> | <u>3,395,400</u> | <u>3,087,500</u> | <u>3,511,200</u> | <u>3,511,200</u> | <u>3,511,200</u> |



City of Happy Valley Fiscal Year 2020 - 2021 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 2020 - 2021 Budget**

General Fund

Public Works Department



City of Happy Valley Fiscal Year 2020 - 2021 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 2020 - 2021 | | |
|-----------------------|-----------|---------|-------------------|------------------------------------|----------|---------|
| | 2017-18 | 2018-19 | Budget 2019-20 | Proposed | Approved | Adopted |
| Personnel Services | 474,718 | 482,877 | 572,200 | 610,500 | 610,500 | 610,500 |
| Material and Services | 249,603 | 145,234 | 202,000 | 202,000 | 202,000 | 202,000 |
| Total | 724,321 | 628,111 | 774,200 | 812,500 | 812,500 | 812,500 |

Goals and Priorities

- Bring forward a final draft of the Happy Valley Park Feasibility Study to include costs, concept designs and public outreach.
- Present a draft of the Community Center feasibility study to be used as a phase I approach to understanding what options exist for moving this project forward (cost recovery/operation/size/price/layout/public engagement).
- Identify and purchase a property for a Public Works Yard setting a formal design in motion for consideration.
- Continue to maintain current pavement maintenance funding given impacts to estimated losses in gas tax revenue associated with Covid-19 restrictions on travel.
- Work with fleet to replace our existing 5-yard dump truck with a much needed 10-yard capacity vehicle.
- Continue to provide staff support for the Parks Advisory Committee in all aspects of park and recreation planning, design, construction, and operation.

General Fund - Public Works

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed Budget 2020-21 | Approved Budget 2020-21 | Adopted Budget 2020-21 |
|-------------------------------------|-----------------------|-----------------------|------------------------------|-----------------------|-------------------------------|-------------------------------|------------------------------|
| Personnel Services | | | | | | | |
| FTE Positions | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | - |
| Wages | \$ 294,579 | \$ 298,822 | \$ 343,300 | \$ 310,000 | \$ 366,300 | \$ 366,300 | \$ - |
| Benefits | 180,139 | 184,055 | 228,900 | 205,000 | 244,200 | 244,200 | - |
| Total Personnel Services | <u>474,718</u> | <u>482,877</u> | <u>572,200</u> | <u>515,000</u> | <u>610,500</u> | <u>610,500</u> | <u>-</u> |
| Materials and Services | | | | | | | |
| Public Works Supplies | 17,422 | 11,112 | 20,000 | 20,000 | 20,000 | 20,000 | - |
| Professional Development | 7,489 | 12,603 | 12,000 | 7,500 | 12,000 | 12,000 | - |
| Vehicle Operation & Main. | 46,475 | 37,941 | 50,000 | 45,000 | 50,000 | 50,000 | - |
| Repairs & Maintenance | 116,114 | 44,648 | 50,000 | 20,000 | 50,000 | 50,000 | - |
| Contract Services | 62,103 | 38,930 | 70,000 | 30,000 | 70,000 | 70,000 | - |
| Total Materials and Services | <u>249,603</u> | <u>145,234</u> | <u>202,000</u> | <u>122,500</u> | <u>202,000</u> | <u>202,000</u> | <u>-</u> |
| Total Public Works | <u><u>724,321</u></u> | <u><u>628,111</u></u> | <u><u>774,200</u></u> | <u><u>637,500</u></u> | <u><u>812,500</u></u> | <u><u>812,500</u></u> | <u><u>-</u></u> |



City of Happy Valley Fiscal Year 2020 - 2021 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 2020 - 2021 Budget**

General Fund

Transfers

Contingency

Total Requirements

General Fund - Non-Departmental, Transfers, and Contingency

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed Budget 2020-21 | Approved Budget 2020-21 | Adopted Budget 2020-21 |
|-------------------------------------|----------------------|----------------------|------------------------------|---------------------|-------------------------------|-------------------------------|------------------------------|
| Banking | \$ 32,786 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Non- departmental | <u>32,786</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| To Parks Fund | 520,000 | - | - | - | - | - | - |
| To Pedestrian Improvement Project I | 100,000 | 100,000 | 100,000 | 100,000 | - | - | - |
| To Reserve for Gen Op Fund | - | 300,000 | 300,000 | 300,000 | - | - | - |
| To Gen Res for Replacement Fund | 350,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| To Facility Cap Project Fund | 1,500,000 | 2,300,000 | 2,300,000 | 2,300,000 | 3,500,000 | 3,000,000 | 3,000,000 |
| To Debt Service Fund | - | - | - | - | - | - | - |
| Total Transfers | <u>2,470,000</u> | <u>3,200,000</u> | <u>3,200,000</u> | <u>3,200,000</u> | <u>4,000,000</u> | <u>3,500,000</u> | <u>3,500,000</u> |
| Contingency | <u>-</u> | <u>-</u> | <u>2,394,014</u> | <u>-</u> | <u>3,159,301</u> | <u>3,054,301</u> | <u>3,054,301</u> |

General Fund - Total by Department

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed Budget 2020-21 | Approved Budget 2020-21 | Adopted Budget 2020-21 |
|---|----------------------|----------------------|------------------------------|---------------------|-------------------------------|-------------------------------|------------------------------|
| Administration | \$ 2,520,660 | \$ 2,380,602 | \$ 3,583,700 | \$ 2,950,000 | \$ 3,110,900 | \$ 3,260,900 | \$ 3,260,900 |
| Community Services / Public Safety | 1,145,981 | 1,092,101 | 1,271,500 | 1,193,000 | 1,345,400 | 1,345,400 | 1,345,400 |
| Economic & Community Development | 2,456,391 | 2,810,825 | 3,395,400 | 3,087,500 | 3,511,200 | 3,511,200 | 3,511,200 |
| Public Works | 724,321 | 628,111 | 774,200 | 637,500 | 812,500 | 812,500 | 812,500 |
| Non-Departmental | 32,786 | - | - | - | - | - | - |
| Transfers | 2,470,000 | 3,200,000 | 3,200,000 | 3,200,000 | 4,000,000 | 3,500,000 | 3,500,000 |
| Contingency | - | - | 2,394,014 | - | 3,159,301 | 3,054,301 | 3,054,301 |
| Total General Fund Requirements | <u>9,350,139</u> | <u>10,111,639</u> | <u>14,618,814</u> | <u>11,068,000</u> | <u>15,939,301</u> | <u>15,484,301</u> | <u>15,484,301</u> |
| Ending Fund Balance | 5,849,528 | 5,140,301 | - | 6,142,301 | - | - | - |



City of Happy Valley Fiscal Year 2020 - 2021 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.

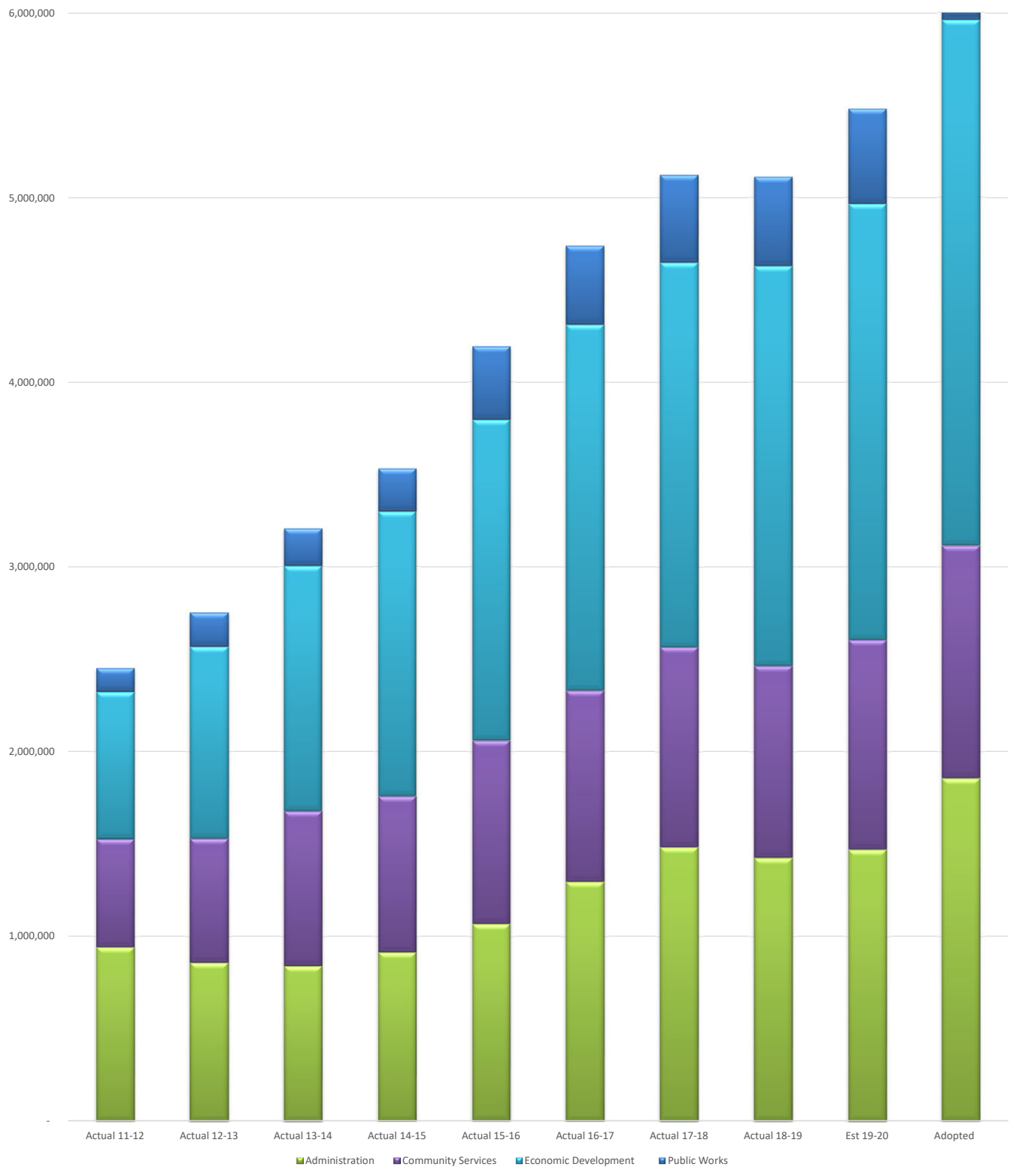
Other:

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.

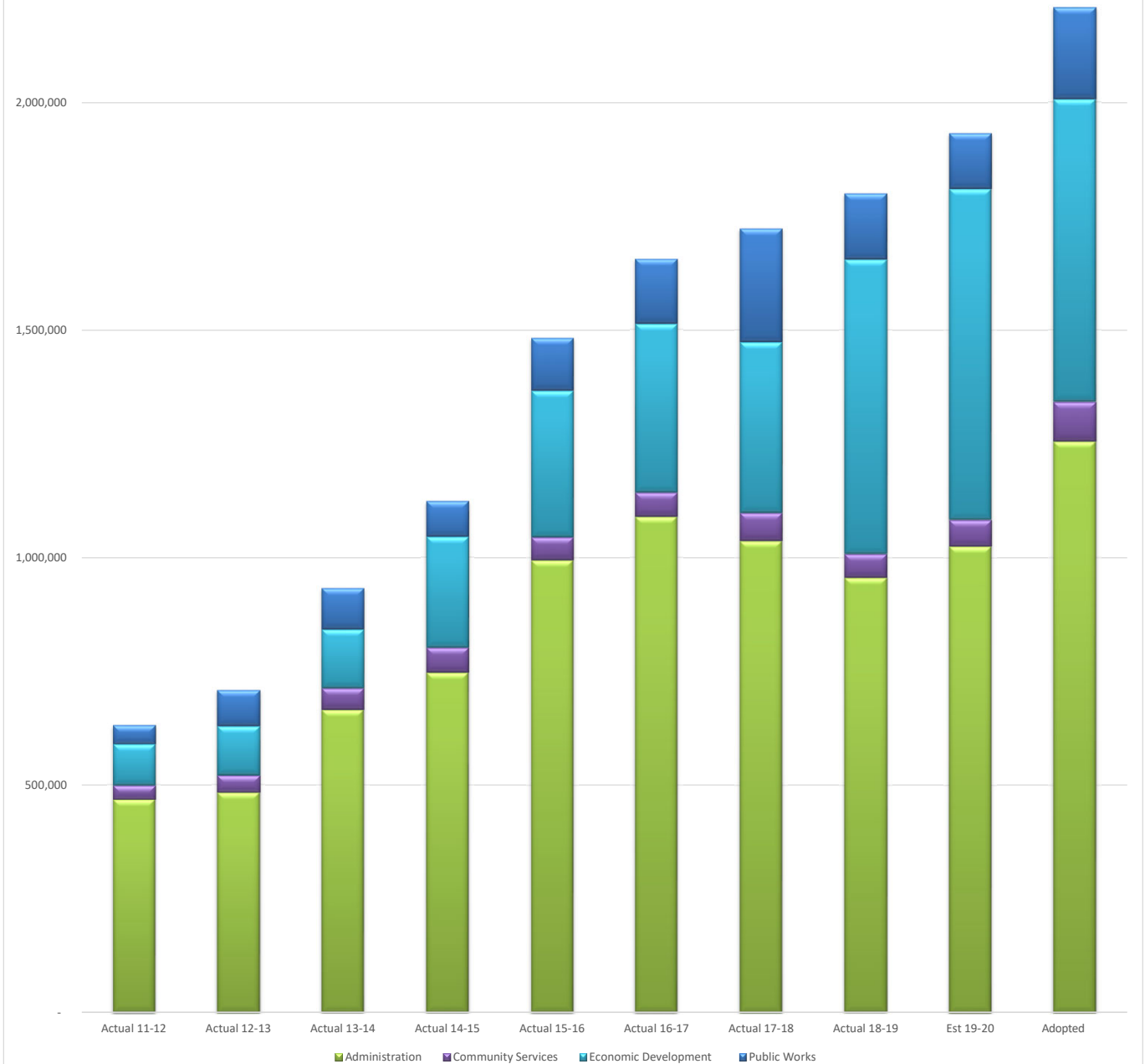
General Fund Department Totals:

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

General Fund - Personnel Services



General Fund - Materials and Services





City of Happy Valley Fiscal Year 2020 - 2021 Budget

Parks Fund



City of Happy Valley Fiscal Year 2020 - 2021 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.

Prior to the 2016-17 fiscal year the park operation was a department within the General Fund. Please see the General Fund for financial information prior to the 2016-17 fiscal 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.

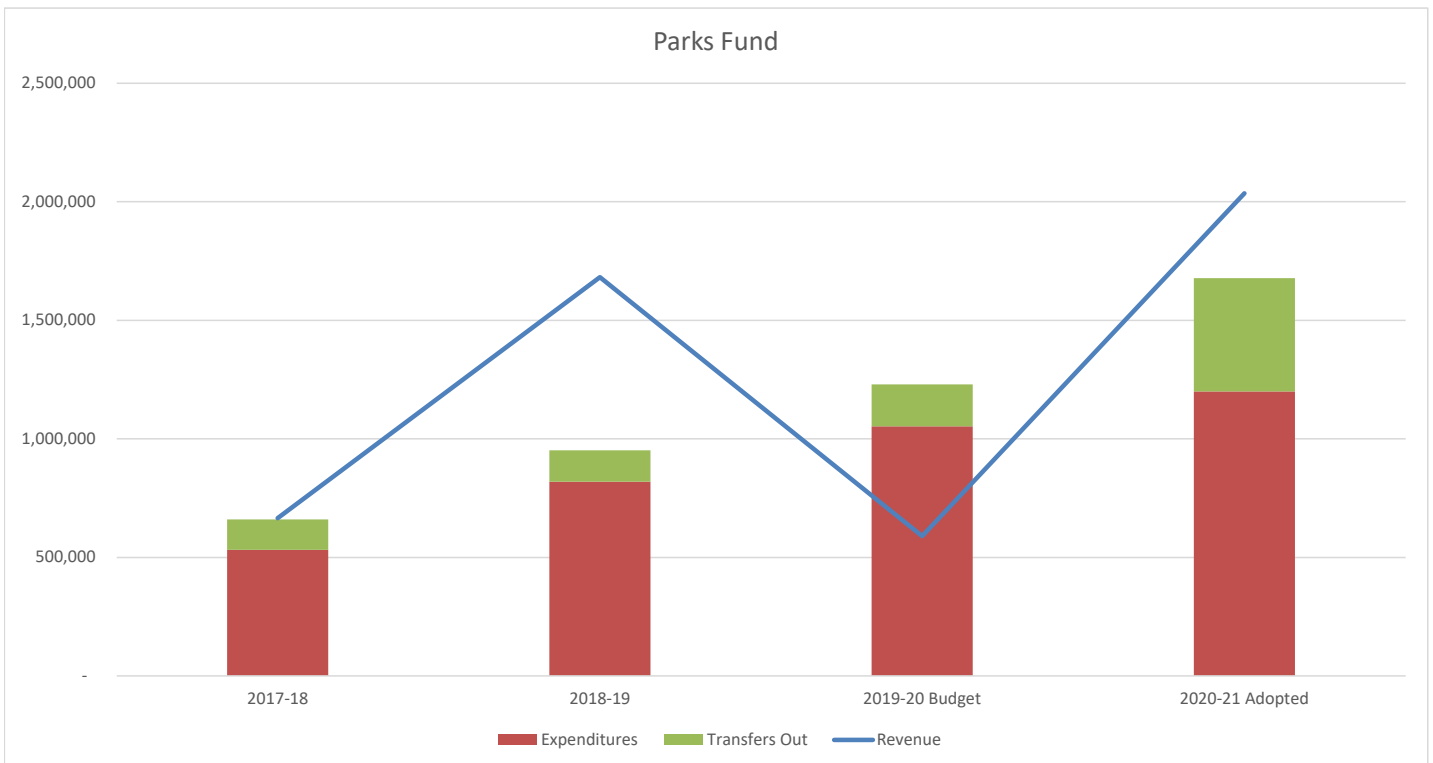
Staff includes Utility Worker II, Utility Worker I (1.5), Programming Specialist, Event Coordinator.

Budget Summary:

| | Preceding | | Adopted | Budget For Fiscal Year 2020 - 2021 | | |
|------------------|-----------|---------|-------------------|------------------------------------|-----------|-----------|
| | 2017-18 | 2018-19 | Budget 2019-20 | Proposed | Approved | Adopted |
| Operations | 529,792 | 302,222 | 483,667 | 651,800 | 651,800 | 651,800 |
| Programming | - | 233,863 | 314,273 | 483,700 | 483,700 | 483,700 |
| Non-Departmental | 2,406 | 283,107 | 255,000 | 65,000 | 65,000 | 65,000 |
| Transfers | 127,650 | 133,000 | 177,000 | 477,000 | 477,000 | 477,000 |
| Contingency | - | - | | 384,831 | 384,831 | 384,831 |
| Total | 659,848 | 952,192 | 1,229,940 | 2,062,331 | 2,062,331 | 2,062,331 |

Parks Fund

| | Preceding 2017-18 | Preceding 2018-19 | Adopted 2019-20 Budget | 2019-20 Estimate | 2020-21 Proposed | 2020-21 Approved | 2020-21 Adopted |
|--|----------------------|----------------------|------------------------------|---------------------|---------------------|---------------------|--------------------|
| Revenue | 665,438 | 1,682,072 | 590,000 | 378,000 | 2,035,000 | 2,035,000 | 2,035,000 |
| Expenditures | 532,198 | 819,192 | 1,052,940 | 909,139 | 1,200,500 | 1,200,500 | 1,200,500 |
| Transfers Out | 127,650 | 133,000 | 177,000 | 177,000 | 477,000 | 477,000 | 477,000 |
| Annual Operating Surplus / (Shortfall) | 5,590 | 729,880 | (639,940) | (708,139) | 357,500 | 357,500 | 357,500 |
| Beginning Fund Balance | - | 5,590 | 639,940 | 735,470 | 27,331 | 27,331 | 27,331 |
| Ending Fund Balance / Contingency | 5,590 | 735,470 | - | 27,331 | 384,831 | 384,831 | 384,831 |



Parks Fund

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed Budget 2020-21 | Approved Budget 2020-21 | Adopted Budget 2020-21 |
|---------------------------------|----------------------|----------------------|------------------------------|---------------------|-------------------------------|-------------------------------|------------------------------|
| Resources | | | | | | | |
| Beginning Fund Balance | \$ - | \$ 5,590 | \$ 639,940 | \$ 735,470 | \$ 27,331 | \$ 27,331 | \$ 27,331 |
| Property Taxes | - | 1,525,613 | - | - | 1,750,000 | 1,750,000 | 1,750,000 |
| Intergovernmental | 135,838 | - | - | - | 30,000 | 30,000 | 30,000 |
| User Related | - | 43,674 | 30,000 | 18,000 | 40,000 | 40,000 | 40,000 |
| Program Fees | - | 6,983 | 10,000 | - | 30,000 | 30,000 | 30,000 |
| Event Revenue | - | 82,967 | 70,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Grant Revenue | 9,600 | 22,835 | - | 10,000 | 145,000 | 145,000 | 145,000 |
| Misc Revenue | - | - | 150,000 | - | 20,000 | 20,000 | 20,000 |
| Transfer In - from General Fund | 520,000 | - | 330,000 | 330,000 | - | - | - |
| Total Resources | <u>665,438</u> | <u>1,687,662</u> | <u>1,229,940</u> | <u>1,113,470</u> | <u>2,062,331</u> | <u>2,062,331</u> | <u>2,062,331</u> |

Parks Fund - Operations

| Requirements | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed Budget 2020-21 | Approved Budget 2020-21 | Adopted Budget 2020-21 |
|-------------------------------------|----------------------|----------------------|------------------------------|---------------------|-------------------------------|-------------------------------|------------------------------|
| Personnel Services | | | | | | | |
| FTE Positions | 2.0 | 2.0 | 2.5 | 2.0 | 3.0 | 3.0 | 3.0 |
| Wages | 84,190 | 80,521 | 135,400 | 100,000 | 174,700 | 174,700 | 174,700 |
| Benefits | 40,040 | 71,851 | 70,267 | 56,000 | 107,100 | 107,100 | 107,100 |
| Total Personnel Services | <u>124,230</u> | <u>152,372</u> | <u>205,667</u> | <u>156,000</u> | <u>281,800</u> | <u>281,800</u> | <u>281,800</u> |
| Materials and Services | | | | | | | |
| Park Supplies | 16,326 | 15,845 | 20,000 | 20,000 | 30,000 | 30,000 | 30,000 |
| Professional Development | 9,887 | 9,047 | 8,000 | 4,000 | 10,000 | 10,000 | 10,000 |
| Utilities | 26,363 | 23,075 | 30,000 | 30,000 | 55,000 | 55,000 | 55,000 |
| Vehicle Operation & Maint. | 3,846 | 1,921 | 5,000 | 2,000 | 5,000 | 5,000 | 5,000 |
| Repairs & Maintenance | 60,317 | 54,625 | 65,000 | 60,000 | 70,000 | 70,000 | 70,000 |
| Contract Services | 117,736 | 45,337 | 150,000 | 150,000 | 200,000 | 200,000 | 200,000 |
| Total Materials and Services | <u>234,475</u> | <u>149,850</u> | <u>278,000</u> | <u>266,000</u> | <u>370,000</u> | <u>370,000</u> | <u>370,000</u> |
| Total Operations | <u>358,705</u> | <u>302,222</u> | <u>483,667</u> | <u>422,000</u> | <u>651,800</u> | <u>651,800</u> | <u>651,800</u> |

Parks Fund - Recreation

| Requirements | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed Budget 2020-21 | Approved Budget 2020-21 | Adopted Budget 2020-21 |
|-------------------------------------|----------------------|----------------------|------------------------------|---------------------|-------------------------------|-------------------------------|------------------------------|
| Personnel Services | | | | | | | |
| FTE Positions | - | 2.0 | 2.0 | 2.0 | 3.0 | 3.0 | 3.0 |
| Wages | - | 100,689 | 130,000 | 100,000 | 177,400 | 177,400 | 177,400 |
| Benefits | - | 39,250 | 73,333 | 66,000 | 118,300 | 118,300 | 118,300 |
| Total Personnel Services | <u>-</u> | <u>139,939</u> | <u>203,333</u> | <u>166,000</u> | <u>295,700</u> | <u>295,700</u> | <u>295,700</u> |
| Materials and Services | | | | | | | |
| Program Supplies | - | 40 | 5,940 | 500 | 20,000 | 20,000 | 20,000 |
| Community Events | - | 84,674 | 90,000 | 60,000 | 80,000 | 80,000 | 80,000 |
| Professional Development | - | 949 | 5,000 | 3,000 | 10,000 | 10,000 | 10,000 |
| Program Services | - | 8,261 | 10,000 | 10,000 | 50,000 | 50,000 | 50,000 |
| Contract Services | - | - | - | - | 10,000 | 10,000 | 10,000 |
| Public Outreach | - | - | - | - | 18,000 | 18,000 | 18,000 |
| Total Materials and Services | <u>-</u> | <u>93,924</u> | <u>110,940</u> | <u>73,500</u> | <u>188,000</u> | <u>188,000</u> | <u>188,000</u> |
| Total Programming | <u>-</u> | <u>233,863</u> | <u>314,273</u> | <u>239,500</u> | <u>483,700</u> | <u>483,700</u> | <u>483,700</u> |

Parks Fund - Non-Departmental, Transfers, and Contingency

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed Budget 2020-21 | Approved Budget 2020-21 | Adopted Budget 2020-21 |
|-------------------------------|----------------------|----------------------|------------------------------|---------------------|-------------------------------|-------------------------------|------------------------------|
| Public Outreach | 2,406 | - | 5,000 | - | 15,000 | 15,000 | 15,000 |
| Legal | 171,087 | 283,107 | 250,000 | 245,000 | 50,000 | 50,000 | 50,000 |
| Capital Outlay | - | - | - | - | - | - | - |
| Contract Services | - | - | - | 2,639 | - | - | - |
| Total Non-departmental | 173,493 | 283,107 | 255,000 | 247,639 | 65,000 | 65,000 | 65,000 |
| Transfers | | | | | | | |
| To General Fund | 127,650 | 133,000 | 177,000 | 177,000 | 177,000 | 177,000 | 177,000 |
| To Parks Res for Replacement | - | - | - | - | 300,000 | 300,000 | 300,000 |
| Total Transfers | 127,650 | 133,000 | 177,000 | 177,000 | 477,000 | 477,000 | 477,000 |
| Contingency | - | - | - | - | 384,831 | 384,831 | 384,831 |

Parks Fund - Total by Department

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed Budget 2020-21 | Approved Budget 2020-21 | Adopted Budget 2020-21 |
|--------------------------------------|----------------------|----------------------|------------------------------|---------------------|-------------------------------|-------------------------------|------------------------------|
| Operations | 358,705 | 302,222 | 483,667 | 422,000 | 651,800 | 651,800 | 651,800 |
| Programming | - | 233,863 | 314,273 | 239,500 | 483,700 | 483,700 | 483,700 |
| Non-Departmental | 173,493 | 283,107 | 255,000 | 247,639 | 65,000 | 65,000 | 65,000 |
| Transfers | 127,650 | 133,000 | 177,000 | 177,000 | 477,000 | 477,000 | 477,000 |
| Contingency | - | - | - | - | 384,831 | 384,831 | 384,831 |
| Total Parks Fund Requirements | 659,848 | 952,192 | 1,229,940 | 1,086,139 | 2,062,331 | 2,062,331 | 2,062,331 |
| Annual operating surplus/(deficit) | 5,590 | 729,880 | (639,940) | (708,139) | (27,331) | (27,331) | (27,331) |
| Ending Fund Balance | 5,590 | 735,470 | - | 27,331 | - | - | - |
| Contingency % (incl transfers out) | - | - | - | - | 19% | 19% | 19% |



City of Happy Valley Fiscal Year 2020 - 2021 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 2020 - 2021 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 2020 - 2021 Budget**

Public Safety Fund



City of Happy Valley Fiscal Year 2020 - 2021 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:

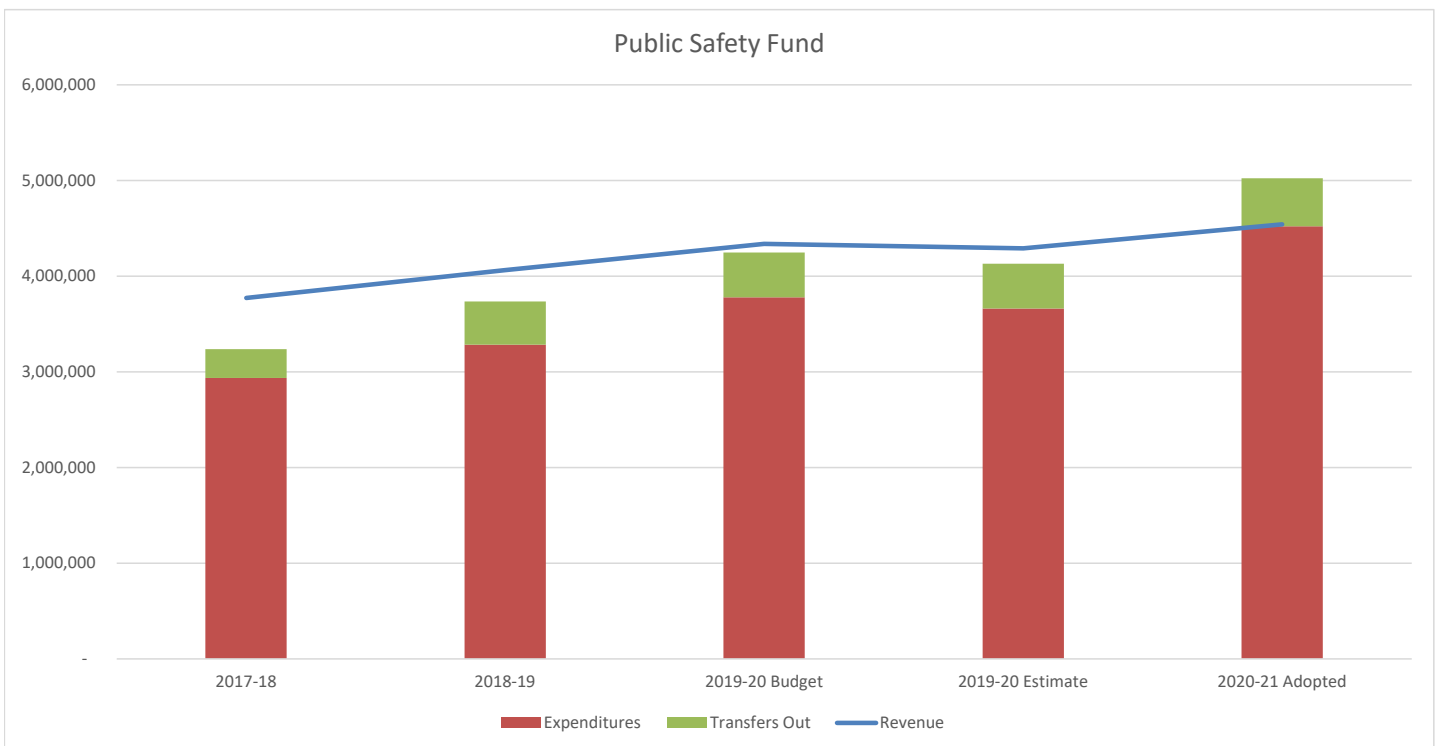
| | Preceding | | Adopted Budget 2019-20 | Budget For Fiscal Year 2020-21 | | |
|-----------------------|-----------|-----------|------------------------------|--------------------------------|-----------|-----------|
| | 2017-18 | 2018-19 | | Proposed | Approved | Adopted |
| Material and Services | 2,936,919 | 3,238,424 | 3,768,600 | 4,043,000 | 4,243,000 | 4,493,000 |
| Capital Outlay | - | 46,067 | 10,000 | 30,000 | 30,000 | 30,000 |
| Transfers | 301,450 | 452,000 | 468,000 | 502,000 | 502,000 | 502,000 |
| Contingency | - | - | 2,010,482 | 1,981,427 | 1,781,427 | 1,531,427 |
| Total | 3,238,369 | 3,736,491 | 6,257,082 | 6,556,427 | 6,556,427 | 6,556,427 |

Goals and Priorities

- Revamp the alarm response protocols and revise the alarm ordinance.
- Review data to create boundaries for two patrol districts.
- Continue to review crime and safety data and analyze growth to maintain effective staffing levels, consistent with the 5 year staffing plan.
- Add a School Resource Officer to provide service to Adrienne C Nelson HS.
- Provide workplace violence training for city staff.
- Build on the relationships developed during the social injustice protests to create a meaningful, recurring community event that will continue to improve community relations and promote diversity, equity, inclusion.
- Continue to help citizens navigate executive orders related to COVID and prepare for a return to "normal".

Public Safety Fund

| | Preceding 2017-18 | Preceding 2018-19 | Adopted 2019-20 Budget | 2019-20 Estimate | 2020-21 Proposed | 2020-21 Approved | 2020-21 Adopted |
|---|----------------------|----------------------|------------------------------|---------------------|---------------------|---------------------|--------------------|
| Revenue | 3,773,727 | 4,063,336 | 4,336,800 | 4,290,000 | 4,542,000 | 4,542,000 | 4,542,000 |
| Expenditures | 2,936,919 | 3,284,491 | 3,778,600 | 3,661,000 | 4,073,000 | 4,273,000 | 4,523,000 |
| Transfers Out | 301,450 | 452,000 | 468,000 | 468,000 | 502,000 | 502,000 | 502,000 |
| Annual Operating Surplus / (Shortfall) | 535,358 | 326,845 | 90,200 | 161,000 | (33,000) | (233,000) | (483,000) |
| Beginning Fund Balance | 1,114,614 | 1,526,582 | 1,920,282 | 1,853,427 | 2,014,427 | 2,014,427 | 2,014,427 |
| Ending Fund Balance / Contingency | 1,649,972 | 1,853,427 | 2,010,482 | 2,014,427 | 1,981,427 | 1,781,427 | 1,531,427 |



Public Safety Fund

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed Budget 2020-21 | Approved Budget 2020-21 | Adopted Budget 2020-21 |
|-------------------------------------|----------------------|----------------------|------------------------------|---------------------|-------------------------------|-------------------------------|------------------------------|
| Resources | | | | | | | |
| Beginning Fund Balance | \$ 1,114,614 | \$ 1,526,582 | \$ 1,920,282 | \$ 1,853,427 | \$ 2,014,427 | \$ 2,014,427 | \$ 2,014,427 |
| Property Taxes | 3,606,023 | 3,980,224 | 4,276,800 | 4,200,000 | 4,452,000 | 4,452,000 | 4,452,000 |
| Misc Revenue | 105,704 | 83,112 | 60,000 | 90,000 | 90,000 | 90,000 | 90,000 |
| Transfer - from Res for Repl | 62,000 | - | - | - | - | - | - |
| Total Resources | <u>4,888,341</u> | <u>5,589,918</u> | <u>6,257,082</u> | <u>6,143,427</u> | <u>6,556,427</u> | <u>6,556,427</u> | <u>6,556,427</u> |
| Requirements | | | | | | | |
| Materials and Services | | | | | | | |
| PS Supplies | 12,597 | 11,182 | 14,000 | 7,000 | 15,000 | 15,000 | 15,000 |
| Professional Development | 17,220 | 19,487 | 20,000 | 20,000 | 30,000 | 30,000 | 30,000 |
| Utilities | 25,497 | 21,071 | 30,000 | 23,000 | 30,000 | 30,000 | 30,000 |
| Vehicle Operation & Maint. | 5,019 | 5,757 | 7,000 | 6,000 | 8,000 | 8,000 | 8,000 |
| Repairs & Maintenance | 27,817 | 19,419 | 30,000 | 20,000 | 30,000 | 30,000 | 30,000 |
| Public Outreach | 10,795 | 19,020 | 30,000 | 25,000 | 30,000 | 30,000 | 30,000 |
| Contract Services | 28,729 | 34,498 | 50,000 | 60,000 | 50,000 | 50,000 | 50,000 |
| Police Contract - M&S | 870,866 | 963,477 | 987,600 | 1,000,000 | 1,050,000 | 1,050,000 | 1,050,000 |
| Police Contract - Personnel | 1,938,379 | 2,144,513 | 2,600,000 | 2,500,000 | 2,800,000 | 3,000,000 | 3,250,000 |
| Total Materials and Services | <u>2,936,919</u> | <u>3,238,424</u> | <u>3,768,600</u> | <u>3,661,000</u> | <u>4,043,000</u> | <u>4,243,000</u> | <u>4,493,000</u> |
| Capital Outlay | | | | | | | |
| Equip over \$5,000 | - | 46,067 | 10,000 | - | 30,000 | 30,000 | 30,000 |
| Total Capital Outlay | <u>-</u> | <u>46,067</u> | <u>10,000</u> | <u>-</u> | <u>30,000</u> | <u>30,000</u> | <u>30,000</u> |
| Transfers | | | | | | | |
| To General Fund | 301,450 | 452,000 | 468,000 | 468,000 | 502,000 | 502,000 | 502,000 |
| Total Transfers | <u>301,450</u> | <u>452,000</u> | <u>468,000</u> | <u>468,000</u> | <u>502,000</u> | <u>502,000</u> | <u>502,000</u> |
| Contingency | - | - | 2,010,482 | - | 1,981,427 | 1,781,427 | 1,531,427 |
| Total Requirements | <u>3,238,369</u> | <u>3,736,491</u> | <u>6,257,082</u> | <u>4,129,000</u> | <u>6,556,427</u> | <u>6,556,427</u> | <u>6,556,427</u> |
| Ending Fund Balance | 1,649,972 | 1,853,427 | - | 2,014,427 | - | - | - |



City of Happy Valley Fiscal Year 2020 - 2021 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 2020 - 2021 Budget

Public Safety Fund

Expenditures

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 2020 - 2021 Budget**

Library Fund



City of Happy Valley Fiscal Year 2020 - 2021 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:

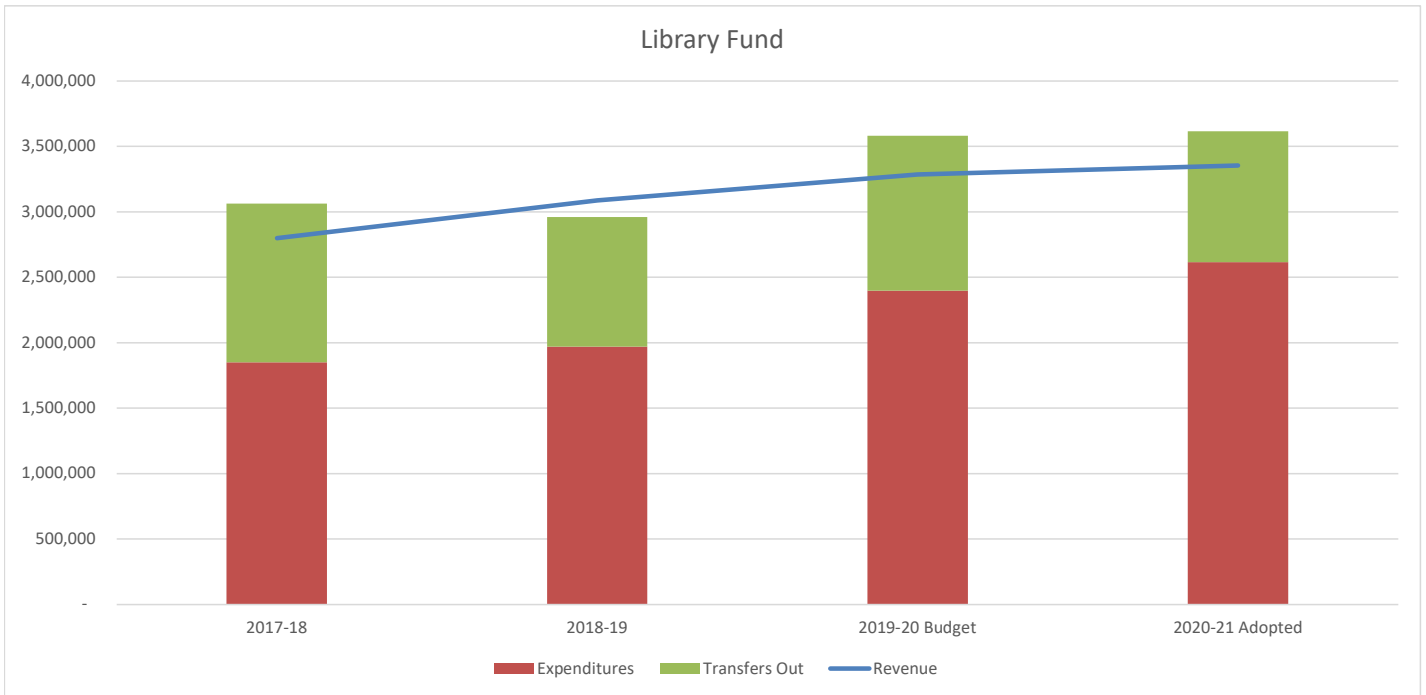
| | Preceding | | Adopted | Budget For Fiscal Year 2020 - 2021 | | |
|-----------------------|-----------|-----------|-----------|------------------------------------|-----------|-----------|
| | 2017-18 | 2018-19 | 2019-20 | Proposed | Approved | Adopted |
| Personnel Services | 1,374,191 | 1,491,525 | 1,746,032 | 1,880,400 | 1,880,400 | 1,880,400 |
| Material and Services | 474,824 | 478,403 | 652,000 | 734,500 | 734,500 | 734,500 |
| Transfers | 1,213,925 | 990,000 | 1,184,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Contingency | - | - | 1,089,924 | 900,955 | 900,955 | 900,955 |
| Total | 3,062,940 | 2,959,928 | 4,671,956 | 4,515,855 | 4,515,855 | 4,515,855 |

Goals and Priorities

- Open the library building to the public and provide in person service in a safe and secure manner and in compliance with Oregon Health Authority guidelines.
- Explore and implement alternative service provisions during this time.
- Continue to analyze, investigate, and implement objectives on the Library's Strategic Plan.
- Improve outreach, scope of programs and services to diverse and underserved segments of our community.
- Work on the Library District Task Force and significant work on the strategic plan has been delayed because of the current events. Once we are able, the library will resume the work on these projects.

Library Fund

| | Preceding 2017-18 | Preceding 2018-19 | Adopted 2019-20 Budget | 2019-20 Estimate | 2020-21 Proposed | 2020-21 Approved | 2020-21 Adopted |
|--|----------------------|----------------------|------------------------------|---------------------|---------------------|---------------------|--------------------|
| Revenue | 2,800,119 | 3,088,147 | 3,284,350 | 3,178,000 | 3,354,850 | 3,354,850 | 3,354,850 |
| Expenditures | 1,849,015 | 1,969,928 | 2,398,032 | 2,173,820 | 2,614,900 | 2,614,900 | 2,614,900 |
| Transfers Out | 1,213,925 | 990,000 | 1,184,000 | 1,184,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Annual Operating Surplus / (Shortfall) | (262,821) | 128,219 | (297,682) | (179,820) | (260,050) | (260,050) | (260,050) |
| Beginning Fund Balance | 1,475,427 | 1,212,606 | 1,387,606 | 1,340,825 | 1,161,005 | 1,161,005 | 1,161,005 |
| Ending Fund Balance / Contingency | 1,212,606 | 1,340,825 | 1,089,924 | 1,161,005 | 900,955 | 900,955 | 900,955 |



Library Fund

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed Budget 2020-21 | Approved Budget 2020-21 | Adopted Budget 2020-21 |
|--|----------------------|----------------------|------------------------------|---------------------|-------------------------------|-------------------------------|------------------------------|
| Resources | | | | | | | |
| Beginning Fund Balance | \$ 1,475,427 | \$ 1,212,606 | \$ 1,387,606 | \$ 1,340,825 | \$ 1,161,005 | \$ 1,161,005 | \$ 1,161,005 |
| District Revenue | 2,670,792 | 2,909,367 | 3,130,000 | 3,010,000 | 3,200,000 | 3,200,000 | 3,200,000 |
| User Related | 46,311 | 47,653 | 46,350 | 40,000 | 46,350 | 46,350 | 46,350 |
| Grant Revenue | - | - | 8,000 | 8,000 | 8,500 | 8,500 | 8,500 |
| Misc Revenue | 83,016 | 131,127 | 100,000 | 120,000 | 100,000 | 100,000 | 100,000 |
| Total Resources | <u>4,275,546</u> | <u>4,300,753</u> | <u>4,671,956</u> | <u>4,518,825</u> | <u>4,515,855</u> | <u>4,515,855</u> | <u>4,515,855</u> |
| Requirements | | | | | | | |
| Personnel Services | | | | | | | |
| FTE Positions | 15.0 | 17.0 | 18.0 | 18.0 | 19.0 | 19.0 | 19.0 |
| Wages | 928,934 | 981,844 | 1,110,700 | 1,066,320 | 1,203,400 | 1,203,400 | 1,203,400 |
| Benefits | 445,257 | 509,681 | 635,332 | 544,500 | 677,000 | 677,000 | 677,000 |
| Total Personnel Services | <u>1,374,191</u> | <u>1,491,525</u> | <u>1,746,032</u> | <u>1,610,820</u> | <u>1,880,400</u> | <u>1,880,400</u> | <u>1,880,400</u> |
| Materials and Services | | | | | | | |
| Office Supplies (inc- State Aid Grant) | 41,807 | 49,985 | 70,000 | 50,000 | 88,500 | 88,500 | 88,500 |
| Professional Development | 2,504 | 4,034 | 8,000 | 3,000 | 13,000 | 13,000 | 13,000 |
| Library Media | 278,992 | 284,843 | 345,000 | 330,000 | 375,000 | 375,000 | 375,000 |
| Utilities | 31,622 | 33,070 | 40,000 | 35,000 | 43,000 | 43,000 | 43,000 |
| Repairs & Maintenance | 14,218 | 10,442 | 39,000 | 20,000 | 30,000 | 30,000 | 30,000 |
| Facility and Office Contracts | 105,681 | 96,029 | 150,000 | 125,000 | 185,000 | 185,000 | 185,000 |
| Total Materials and Services | <u>474,824</u> | <u>478,403</u> | <u>652,000</u> | <u>563,000</u> | <u>734,500</u> | <u>734,500</u> | <u>734,500</u> |
| Transfers | | | | | | | |
| To General Fund | 513,925 | 440,000 | 484,000 | 484,000 | 500,000 | 500,000 | 500,000 |
| To Lib Reserve for Replacement Func | 700,000 | 550,000 | 700,000 | 700,000 | 500,000 | 500,000 | 500,000 |
| Total Transfers | <u>1,213,925</u> | <u>990,000</u> | <u>1,184,000</u> | <u>1,184,000</u> | <u>1,000,000</u> | <u>1,000,000</u> | <u>1,000,000</u> |
| Contingency | <u>-</u> | <u>-</u> | <u>1,089,924</u> | <u>-</u> | <u>900,955</u> | <u>900,955</u> | <u>900,955</u> |
| Total Requirements | <u>3,062,940</u> | <u>2,959,928</u> | <u>4,671,956</u> | <u>3,357,820</u> | <u>4,515,855</u> | <u>4,515,855</u> | <u>4,515,855</u> |
| Ending Fund Balance | 1,212,606 | 1,340,825 | - | 1,161,005 | - | - | - |



City of Happy Valley Fiscal Year 2020 - 2021 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 2020 - 2021 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 2020 - 2021 Budget**

Street Maintenance Fund



City of Happy Valley Fiscal Year 2020 - 2021 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.

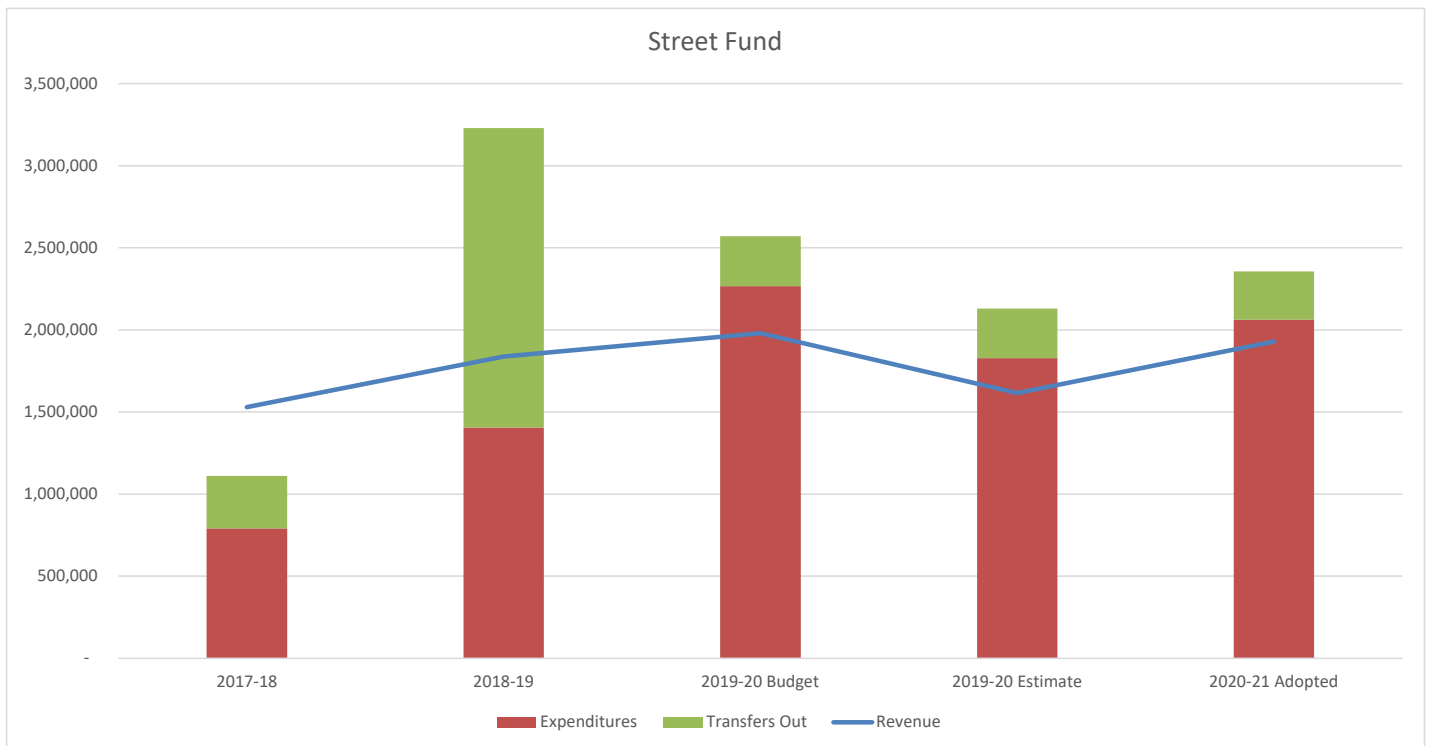
Budget Summary:

| | 2017-18 | 2018-19 | Adopted Budget 2019-20 | Budget for Fiscal Year 2020 - 2021 | | |
|-----------------------|-----------|-----------|------------------------------|------------------------------------|-----------|-----------|
| | | | | Proposed | Approved | Adopted |
| Personnel Services | 289,278 | 302,505 | 355,600 | 440,900 | 440,900 | 440,900 |
| Material and Services | 329,448 | 322,660 | 411,500 | 420,000 | 420,000 | 420,000 |
| Capital Outlay | 171,833 | 779,042 | 1,500,000 | 1,200,000 | 1,200,000 | 1,200,000 |
| Transfers | 320,000 | 1,825,000 | 303,000 | 296,000 | 296,000 | 296,000 |
| Contingency | - | - | 1,111,153 | 497,330 | 497,330 | 497,330 |
| Total | 1,110,559 | 3,229,207 | 3,681,253 | 2,854,230 | 2,854,230 | 2,854,230 |

Street Fund

| | Preceding 2017-18 | Preceding 2018-19 | Adopted 2019-20 Budget | 2019-20 Estimate | 2020-21 Proposed | 2020-21 Approved | 2020-21 Adopted |
|--|----------------------|----------------------|------------------------------|---------------------|---------------------|---------------------|--------------------|
| Revenue | 1,530,342 | 1,837,790 | 1,980,000 | 1,615,000 | 1,930,000 | 1,930,000 | 1,930,000 |
| Expenditures | 790,559 | 1,404,207 | 2,267,100 | 1,827,500 | 2,060,900 | 2,060,900 | 2,060,900 |
| Transfers Out | 320,000 | 1,825,000 | 303,000 | 303,000 | 296,000 | 296,000 | 296,000 |
| Annual Operating Surplus / (Shortfall) | 419,783 | (1,391,417) | (590,100) | (515,500) | (426,900) | (426,900) | (426,900) |
| Beginning Fund Balance | 2,411,364 | 2,831,147 | 1,701,253 | 1,439,730 | 924,230 | 924,230 | 924,230 |
| Ending Fund Balance / contingency | 2,831,147 | 1,439,730 | 1,111,153 | 924,230 | 497,330 | 497,330 | 497,330 |

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



Street Fund

| | Preceding 2017-18 | Preceding 2017-18 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed Budget 2020-21 | Approved Budget 2020-21 | Adopted Budget 2020-21 |
|--|----------------------|----------------------|------------------------------|---------------------|-------------------------------|-------------------------------|------------------------------|
| Resources | | | | | | | |
| Beginning Fund Balance | 2,411,364 | 2,831,147 | \$ 1,701,253 | \$ 1,439,730 | \$ 924,230 | \$ 924,230 | \$ 924,230 |
| State Shared Revenues | 1,262,946 | 1,506,599 | 1,630,000 | 1,400,000 | 1,600,000 | 1,600,000 | 1,600,000 |
| Intergovernmental Revenue | 98,475 | 122,169 | 150,000 | 5,000 | 150,000 | 150,000 | 150,000 |
| Local Gas Tax Revenue | 108,369 | 126,824 | 130,000 | 120,000 | 100,000 | 100,000 | 100,000 |
| Misc Revenue | 60,552 | 82,198 | 70,000 | 90,000 | 80,000 | 80,000 | 80,000 |
| Total Resources | 3,941,706 | 4,668,937 | 3,681,253 | 3,054,730 | 2,854,230 | 2,854,230 | 2,854,230 |
| Requirements | | | | | | | |
| Personnel Services | | | | | | | |
| FTE Positions | 3.0 | 3.0 | 3.0 | 3.0 | 4.0 | 4.0 | 4.0 |
| Wages | 166,497 | 173,800 | 199,100 | 190,000 | 246,900 | 246,900 | 246,900 |
| Benefits | 122,781 | 128,705 | 156,500 | 138,000 | 194,000 | 194,000 | 194,000 |
| Total Personnel Services | 289,278 | 302,505 | 355,600 | 328,000 | 440,900 | 440,900 | 440,900 |
| Materials and Services | | | | | | | |
| Supplies | 1,914 | 787 | 5,000 | 1,000 | 5,000 | 5,000 | 5,000 |
| Professional Development | 3,825 | 6,272 | 6,500 | 8,500 | 10,000 | 10,000 | 10,000 |
| Utilities | 7,538 | 10,426 | 15,000 | 10,000 | 15,000 | 15,000 | 15,000 |
| Vehicle Operation & Maint. | 37,644 | 30,829 | 35,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| Repairs and Maintenance | 160,232 | 158,402 | 200,000 | 90,000 | 200,000 | 200,000 | 200,000 |
| Contract Services | 118,295 | 115,944 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| Total Materials and Services | 329,448 | 322,660 | 411,500 | 299,500 | 420,000 | 420,000 | 420,000 |
| Capital Outlay | | | | | | | |
| Street Reconstruction | 171,833 | 779,042 | 1,500,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 |
| Total Capital Outlay | 171,833 | 779,042 | 1,500,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 |
| Transfers | | | | | | | |
| To General Fund | 220,000 | 175,000 | 203,000 | 203,000 | 196,000 | 196,000 | 196,000 |
| To Street Reserve for Replacement Fund | 100,000 | 1,650,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Total Transfers | 320,000 | 1,825,000 | 303,000 | 303,000 | 296,000 | 296,000 | 296,000 |
| Contingency | - | - | 1,111,153 | - | 497,330 | 497,330 | 497,330 |
| Total Requirements | 1,110,559 | 3,229,207 | 3,681,253 | 2,130,500 | 2,854,230 | 2,854,230 | 2,854,230 |
| Reserved for Future Expenditures | - | - | - | - | - | - | - |
| Ending Fund Balance | 2,831,147 | 1,439,730 | - | 924,230 | - | - | - |



City of Happy Valley Fiscal Year 2020 - 2021 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 2020 - 2021 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 2020 - 2021 Budget**

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



City of Happy Valley Fiscal Year 2020 - 2021 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 for Fiscal Year 2020-21 | | |
|------------------------|-----------|---------|-----------|--------------------------------|-----------|-----------|
| | 2017-18 | 2018-19 | 2019-20 | Proposed | Approved | Adopted |
| Materials and Services | 94,063 | - | 200,000 | 200,000 | 200,000 | 200,000 |
| Capital Outlay | - | - | 920,451 | 1,062,007 | 1,062,007 | 1,062,007 |
| Transfers | - | 400,000 | 80,702 | - | - | - |
| Total | 94,063 | 400,000 | 1,201,153 | 1,262,007 | 1,262,007 | 1,262,007 |

Storm Utility System Development Charges (SDC) Fund

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed Budget 2020-21 | Approved Budget 2020-21 | Adopted Budget 2020-21 |
|-------------------------------------|----------------------|----------------------|------------------------------|---------------------|-------------------------------|-------------------------------|------------------------------|
| Resources | | | | | | | |
| Beginning Fund Balance | \$ 925,741 | \$ 1,395,153 | \$ 1,105,153 | \$ 1,107,709 | \$ 1,182,007 | \$ 1,182,007 | \$ 1,182,007 |
| SDC - Storm Drainage | 64,007 | 59,482 | 90,000 | 120,000 | 60,000 | 60,000 | 60,000 |
| SDC - Parks | 480,702 | - | - | - | - | - | - |
| Misc Revenue | 18,766 | 53,074 | 6,000 | 35,000 | 20,000 | 20,000 | 20,000 |
| Total Resources | <u>1,489,216</u> | <u>1,507,709</u> | <u>1,201,153</u> | <u>1,262,709</u> | <u>1,262,007</u> | <u>1,262,007</u> | <u>1,262,007</u> |
| Requirements | | | | | | | |
| Materials and Services | | | | | | | |
| Contract Services | 94,063 | - | 200,000 | - | 200,000 | 200,000 | 200,000 |
| Total Materials and Services | <u>94,063</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 - Storm Drain | - | - | 920,451 | - | 1,062,007 | 1,062,007 | 1,062,007 |
| Total Capital Outlay | <u>-</u> | <u>-</u> | <u>920,451</u> | <u>-</u> | <u>1,062,007</u> | <u>1,062,007</u> | <u>1,062,007</u> |
| Transfers | | | | | | | |
| To General Fund | - | - | - | - | - | - | - |
| To Parks SDC Fund | - | 400,000 | 80,702 | 80,702 | - | - | - |
| Total Transfers | <u>-</u> | <u>400,000</u> | <u>80,702</u> | <u>80,702</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Requirements | <u>94,063</u> | <u>400,000</u> | <u>1,201,153</u> | <u>80,702</u> | <u>1,262,007</u> | <u>1,262,007</u> | <u>1,262,007</u> |
| Reserve for Future Expenditures | - | - | - | - | - | - | - |
| Ending Fund Balance | 1,395,153 | 1,107,709 | - | 1,182,007 | - | - | - |



City of Happy Valley Fiscal Year 2020 - 2021 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 2020 - 2021 Budget**

***Transportation System Development
Charges Fund***



City of Happy Valley Fiscal Year 2020 - 2021 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 2020-21 | | |
|------------------------|-----------|---------|------------|--------------------------------|------------|------------|
| | 2017-18 | 2018-19 | 2019-20 | Proposed | Approved | Adopted |
| Materials and Services | - | 38,176 | 300,000 | 300,000 | 300,000 | 300,000 |
| Capital Outlay | - | 55,064 | 9,765,734 | 13,386,284 | 13,386,284 | 13,386,284 |
| Transfers | 150,000 | - | - | - | - | - |
| Total | 150,000 | 93,240 | 10,065,734 | 13,686,284 | 13,686,284 | 13,686,284 |

Transportation System Development Charges (SDC) Fund

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed Budget 2020-21 | Approved Budget 2020-21 | Adopted Budget 2020-21 |
|-------------------------------------|----------------------|----------------------|------------------------------|---------------------|-------------------------------|-------------------------------|------------------------------|
| Resources | | | | | | | |
| Beginning Fund Balance | \$ - | \$ 5,845,734 | \$ 7,915,734 | \$ 7,886,284 | \$ 12,036,284 | \$ 12,036,284 | \$ 12,036,284 |
| SDC - Transportation | 5,955,784 | 1,952,938 | 2,000,000 | 4,500,000 | 1,500,000 | 1,500,000 | 1,500,000 |
| Misc Revenue | 39,950 | 180,852 | 150,000 | 200,000 | 150,000 | 150,000 | 150,000 |
| Total Resources | <u>5,995,734</u> | <u>7,979,524</u> | <u>10,065,734</u> | <u>12,586,284</u> | <u>13,686,284</u> | <u>13,686,284</u> | <u>13,686,284</u> |
| Requirements | | | | | | | |
| Materials and Services | | | | | | | |
| Contract Services | - | 38,176 | 300,000 | 200,000 | 300,000 | 300,000 | 300,000 |
| Total Materials and Services | <u>-</u> | <u>38,176</u> | <u>300,000</u> | <u>200,000</u> | <u>300,000</u> | <u>300,000</u> | <u>300,000</u> |
| Capital Outlay | | | | | | | |
| SDC Projects | - | 55,064 | 9,765,734 | 350,000 | 13,386,284 | 13,386,284 | 13,386,284 |
| Total Capital Outlay | <u>-</u> | <u>55,064</u> | <u>9,765,734</u> | <u>350,000</u> | <u>13,386,284</u> | <u>13,386,284</u> | <u>13,386,284</u> |
| Transfers | | | | | | | |
| To General Fund | 150,000 | - | - | - | - | - | - |
| Total Transfers | <u>150,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Requirements | <u>150,000</u> | <u>93,240</u> | <u>10,065,734</u> | <u>550,000</u> | <u>13,686,284</u> | <u>13,686,284</u> | <u>13,686,284</u> |
| Reserve for Future Expenditures | - | - | - | - | - | - | - |
| Ending Fund Balance | 5,845,734 | 7,886,284 | - | 12,036,284 | - | - | - |



City of Happy Valley Fiscal Year 2020 - 2021 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 2020 - 2021 Budget**

Parks System Development Charges Fund



City of Happy Valley Fiscal Year 2020 - 2021 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 2020-21 | | |
|------------------------|-----------|---------|-----------|--------------------------------|------------|------------|
| | 2017-18 | 2018-19 | 2019-20 | Proposed | Approved | Adopted |
| Materials and Services | - | - | 200,000 | 200,000 | 200,000 | 200,000 |
| Capital Outlay | - | - | 2,590,702 | 17,204,864 | 17,204,864 | 17,204,864 |
| Total | - | - | 2,790,702 | 17,404,864 | 17,404,864 | 17,404,864 |

Parks System Development Charges (SDC) Fund

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed Budget 2020-21 | Approved Budget 2020-21 | Adopted Budget 2020-21 |
|-------------------------------------|----------------------|----------------------|------------------------------|---------------------|-------------------------------|-------------------------------|------------------------------|
| Resources | | | | | | | |
| Beginning Fund Balance | \$ - | \$ - | \$ 1,500,000 | \$ 1,514,632 | \$ 15,844,864 | \$ 15,844,864 | \$ 15,844,864 |
| SDC - Parks | - | 1,114,632 | 1,200,000 | 4,800,000 | 1,500,000 | 1,500,000 | 1,500,000 |
| Intergovernmental | - | - | - | 9,369,530 | - | - | - |
| Misc Revenue | - | - | 10,000 | 80,000 | 60,000 | 60,000 | 60,000 |
| Transfer In | - | 400,000 | 80,702 | 80,702 | - | - | - |
| Total Resources | <u>-</u> | <u>1,514,632</u> | <u>2,790,702</u> | <u>15,844,864</u> | <u>17,404,864</u> | <u>17,404,864</u> | <u>17,404,864</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 | - | - | 2,590,702 | - | 17,204,864 | 17,204,864 | 17,204,864 |
| Total Capital Outlay | <u>-</u> | <u>-</u> | <u>2,590,702</u> | <u>-</u> | <u>17,204,864</u> | <u>17,204,864</u> | <u>17,204,864</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>2,790,702</u> | <u>-</u> | <u>17,404,864</u> | <u>17,404,864</u> | <u>17,404,864</u> |
| Reserve for Future Expenditures | - | - | - | - | - | - | - |
| Ending Fund Balance | - | 1,514,632 | - | 15,844,864 | - | - | - |



City of Happy Valley Fiscal Year 2020 - 2021 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 2020 - 2021 Budget**

Pedestrian Improvement Projects Fund



City of Happy Valley Fiscal Year 2020 - 2021 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 2020 - 2021 | | |
|-----------------------|-----------|---------|-------------------|------------------------------------|-----------|-----------|
| | 2017-18 | 2018-19 | Budget 2019-20 | Proposed | Approved | Adopted |
| Material and Services | 8,000 | - | 30,000 | 30,000 | 30,000 | 30,000 |
| Capital Outlay | 54,245 | 25,511 | 857,000 | 1,293,803 | 1,293,803 | 1,293,803 |
| Transfers | 46,360 | 18,000 | 18,000 | 22,000 | 22,000 | 22,000 |
| Total | 108,605 | 43,511 | 905,000 | 1,345,803 | 1,345,803 | 1,345,803 |

Pedestrian Improvement Projects (PIP) Fund

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed Budget 2020-21 | Approved Budget 2020-21 | Adopted Budget 2020-21 |
|-------------------------------------|----------------------|----------------------|------------------------------|---------------------|-------------------------------|-------------------------------|------------------------------|
| Resources | | | | | | | |
| Beginning Fund Balance | \$ 776,051 | \$ 779,166 | \$ 790,000 | \$ 855,803 | \$ 925,803 | \$ 925,803 | \$ 925,803 |
| Misc Revenue | 11,720 | 20,148 | 15,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Privilege Tax | - | - | - | - | - | - | - |
| Vehicle Registration Fee | - | - | 100,000 | 100,000 | 400,000 | 400,000 | 400,000 |
| Transfer In - From General Fund | 100,000 | 100,000 | - | - | - | - | - |
| Total Resources | <u>887,771</u> | <u>899,314</u> | <u>905,000</u> | <u>975,803</u> | <u>1,345,803</u> | <u>1,345,803</u> | <u>1,345,803</u> |
| Requirements | | | | | | | |
| Materials and Services | | | | | | | |
| Contract Engineering | 8,000 | - | 30,000 | 20,000 | 30,000 | 30,000 | 30,000 |
| Total Materials and Services | <u>8,000</u> | <u>-</u> | <u>30,000</u> | <u>20,000</u> | <u>30,000</u> | <u>30,000</u> | <u>30,000</u> |
| Capital Outlay | | | | | | | |
| Pedestrian Pathways | 54,245 | 25,511 | 857,000 | 12,000 | 1,293,803 | 1,293,803 | 1,293,803 |
| Grant Match | - | - | - | - | - | - | - |
| Total Capital Outlay | <u>54,245</u> | <u>25,511</u> | <u>857,000</u> | <u>12,000</u> | <u>1,293,803</u> | <u>1,293,803</u> | <u>1,293,803</u> |
| Transfers | | | | | | | |
| To General Fund | 46,360 | 18,000 | 18,000 | 18,000 | 22,000 | 22,000 | 22,000 |
| Total Transfers | <u>46,360</u> | <u>18,000</u> | <u>18,000</u> | <u>18,000</u> | <u>22,000</u> | <u>22,000</u> | <u>22,000</u> |
| Total Requirements | <u>108,605</u> | <u>43,511</u> | <u>905,000</u> | <u>50,000</u> | <u>1,345,803</u> | <u>1,345,803</u> | <u>1,345,803</u> |
| Reserved for Future Expenditures | - | - | - | - | - | - | - |
| Ending Fund Balance | 779,166 | 855,803 | - | 925,803 | - | - | - |



City of Happy Valley Fiscal Year 2020 - 2021 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 2020 - 2021 Budget**

Facility Capital Projects Fund



City of Happy Valley Fiscal Year 2020 - 2021 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 For Fiscal Year 2020 - 2021 | | |
|----------------|-----------|---------|-----------|------------------------------------|-----------|-----------|
| | 2017-18 | 2018-19 | 2019-20 | Proposed | Approved | Adopted |
| Capital Outlay | - | - | 6,170,000 | 9,770,000 | 9,170,000 | 9,170,000 |
| Total | - | - | 6,170,000 | 9,770,000 | 9,170,000 | 9,170,000 |

Facility Capital Projects Fund

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed Budget 2020-21 | Approved Budget 2020-21 | Adopted Budget 2020-21 |
|----------------------------------|----------------------|----------------------|------------------------------|---------------------|-------------------------------|-------------------------------|------------------------------|
| Resources | | | | | | | |
| Beginning Fund Balance | \$ - | \$ 1,500,000 | \$ 3,800,000 | \$ 3,800,000 | \$ 6,170,000 | \$ 6,170,000 | \$ 6,170,000 |
| Transfers In | 1,500,000 | 2,300,000 | 2,370,000 | 2,370,000 | 3,500,000 | 3,000,000 | 3,000,000 |
| Total Resources | <u>1,500,000</u> | <u>3,800,000</u> | <u>6,170,000</u> | <u>6,170,000</u> | <u>9,670,000</u> | <u>9,170,000</u> | <u>9,170,000</u> |
| Requirements | | | | | | | |
| Capital Outlay | | | | | | | |
| Land | - | - | 6,170,000 | - | 9,670,000 | 9,170,000 | 9,170,000 |
| Total Capital Outlay | <u>-</u> | <u>-</u> | <u>6,170,000</u> | <u>-</u> | <u>9,670,000</u> | <u>9,170,000</u> | <u>9,170,000</u> |
| Total Requirements | <u>-</u> | <u>-</u> | <u>6,170,000</u> | <u>-</u> | <u>9,670,000</u> | <u>9,170,000</u> | <u>9,170,000</u> |
| Reserved for Future Expenditures | - | - | - | - | - | - | - |
| Ending Fund Balance | 1,500,000 | 3,800,000 | - | 6,170,000 | - | - | - |



City of Happy Valley Fiscal Year 2020 - 2021 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 2020 - 2021 Budget**

Parks Capital Projects Fund



City of Happy Valley Fiscal Year 2020 - 2021 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 2019-20 | Budget For Fiscal Year 2020 - 2021 | | |
|----------------|-----------|---------|------------------------------|------------------------------------|-----------|-----------|
| | 2017-18 | 2018-19 | | Proposed | Approved | Adopted |
| Capital Outlay | - | - | - | 4,930,470 | 4,930,470 | 4,930,470 |
| Total | - | - | - | 4,930,470 | 4,930,470 | 4,930,470 |

Parks Capital Projects Fund

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed Budget 2020-21 | Approved Budget 2020-21 | Adopted Budget 2020-21 |
|----------------------------------|----------------------|----------------------|------------------------------|---------------------|-------------------------------|-------------------------------|------------------------------|
| Resources | | | | | | | |
| Beginning Fund Balance | \$ - | \$ - | \$ - | \$ - | \$ 4,930,470 | \$ 4,930,470 | \$ 4,930,470 |
| Intergovernmental | - | - | - | 4,930,470 | - | - | - |
| Transfers In | - | - | - | - | - | - | - |
| Total Resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,930,470</u> | <u>4,930,470</u> | <u>4,930,470</u> | <u>4,930,470</u> |
| Requirements | | | | | | | |
| Capital Outlay | | | | | | | |
| Land | - | - | - | - | 4,930,470 | 4,930,470 | 4,930,470 |
| Total Capital Outlay | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,930,470</u> | <u>4,930,470</u> | <u>4,930,470</u> |
| Total Requirements | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,930,470</u> | <u>4,930,470</u> | <u>4,930,470</u> |
| Reserved for Future Expenditures | - | - | - | - | - | - | - |
| Ending Fund Balance | - | - | - | 4,930,470 | - | - | - |



City of Happy Valley Fiscal Year 2020 - 2021 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 2020 - 2021 Budget**

Reserve for General Operations Fund



City of Happy Valley Fiscal Year 2020 - 2021 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 2019-20 | Budget For Fiscal Year 2020 - 2021 | | |
|---------------------------------|-----------|---------|------------------------------|------------------------------------|----------|---------|
| | 2017-18 | 2018-19 | | Proposed | Approved | Adopted |
| Materials and Services | - | - | 1,660,000 | - | - | - |
| Reserve for Future Expenditures | - | - | 838,974 | 838,974 | 838,974 | 838,974 |
| Total | - | - | 2,498,974 | 838,974 | 838,974 | 838,974 |

Reserve for General Operations Fund

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed Budget 2020-21 | Approved Budget 2020-21 | Adopted Budget 2020-21 |
|----------------------------------|----------------------|----------------------|------------------------------|---------------------|-------------------------------|-------------------------------|------------------------------|
| Resources | | | | | | | |
| Beginning Fund Balance | \$ 2,198,974 | \$ 2,198,974 | \$ 2,498,974 | \$ 2,498,974 | \$ 838,974 | \$ 838,974 | \$ 838,974 |
| Transfer from General Fund | - | 300,000 | - | - | - | - | - |
| Total Resources | <u>2,198,974</u> | <u>2,498,974</u> | <u>2,498,974</u> | <u>2,498,974</u> | <u>838,974</u> | <u>838,974</u> | <u>838,974</u> |
| Requirements | | | | | | | |
| Materials and Services | - | - | 1,660,000 | 1,660,000 | - | - | - |
| Total Requirements | <u>-</u> | <u>-</u> | <u>1,660,000</u> | <u>1,660,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Reserved for Future Expenditures | - | - | 838,974 | - | 838,974 | 838,974 | 838,974 |
| Ending Fund Balance | <u>2,198,974</u> | <u>2,498,974</u> | <u>-</u> | <u>838,974</u> | <u>-</u> | <u>-</u> | <u>-</u> |



City of Happy Valley Fiscal Year 2020 - 2021 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 2020 - 2021 Budget**

General Reserve for Replacement Fund



City of Happy Valley Fiscal Year 2020 - 2021 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 2019-20 | Budget For Fiscal Year 2020 - 2021 | | |
|----------------------------------|-----------|---------|------------------------------|---|-----------|-----------|
| | 2017-18 | 2018-19 | | Proposed | Approved | Adopted |
| Material and Services | 149,534 | 48,461 | 665,000 | 650,000 | 650,000 | 650,000 |
| Capital Outlay | 540,235 | 275,087 | 900,000 | 900,000 | 900,000 | 900,000 |
| Transfers Out | 2,814,685 | - | - | - | - | - |
| Total | 3,504,454 | 323,548 | 1,565,000 | 1,550,000 | 1,550,000 | 1,550,000 |
| Reserved for Future Expenditures | - | - | 874,500 | 863,085 | 863,085 | 863,085 |

General Reserve for Replacement Fund

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed Budget 2020-21 | Approved Budget 2020-21 | Adopted Budget 2020-21 |
|-------------------------------------|----------------------|----------------------|------------------------------|---------------------|-------------------------------|-------------------------------|------------------------------|
| Resources | | | | | | | |
| Beginning Fund Balance | \$ 4,447,984 | \$ 1,404,600 | \$ 1,869,500 | \$ 1,678,085 | \$ 1,818,085 | \$ 1,818,085 | \$ 1,818,085 |
| PEG revenue | 61,970 | 61,966 | 65,000 | 60,000 | 65,000 | 65,000 | 65,000 |
| Misc Revenue | 49,100 | 35,067 | 5,000 | 35,000 | 30,000 | 30,000 | 30,000 |
| Transfers In | 350,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| Total Resources | <u>4,909,054</u> | <u>2,001,633</u> | <u>2,439,500</u> | <u>2,273,085</u> | <u>2,413,085</u> | <u>2,413,085</u> | <u>2,413,085</u> |
| Requirements | | | | | | | |
| Materials and Services | | | | | | | |
| Equipment - under \$5,000 | 80,069 | 43,961 | 150,000 | 60,000 | 150,000 | 150,000 | 150,000 |
| Repairs and Maintenance | 69,465 | 4,500 | 500,000 | 5,000 | 500,000 | 500,000 | 500,000 |
| Education Benefits | - | - | 15,000 | - | - | - | - |
| Total Materials and Services | <u>149,534</u> | <u>48,461</u> | <u>665,000</u> | <u>65,000</u> | <u>650,000</u> | <u>650,000</u> | <u>650,000</u> |
| Capital Outlay | | | | | | | |
| Vehicles | 273,275 | - | 300,000 | - | 300,000 | 300,000 | 300,000 |
| Equipment - over \$5,000 | 69,644 | 33,167 | 400,000 | 150,000 | 400,000 | 400,000 | 400,000 |
| Park Improvements | 87,773 | 28,002 | - | 110,000 | - | - | - |
| Facility Improvements | 109,543 | 114,662 | 100,000 | 30,000 | 100,000 | 100,000 | 100,000 |
| PEG Grants | - | 99,256 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Total Capital Outlay | <u>540,235</u> | <u>275,087</u> | <u>900,000</u> | <u>390,000</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>2,814,685</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Requirements | <u>3,504,454</u> | <u>323,548</u> | <u>1,565,000</u> | <u>455,000</u> | <u>1,550,000</u> | <u>1,550,000</u> | <u>1,550,000</u> |
| Reserved for Future Expenditures | - | - | 874,500 | - | 863,085 | 863,085 | 863,085 |
| Ending Fund Balance | 1,404,600 | 1,678,085 | - | 1,818,085 | - | - | - |



City of Happy Valley Fiscal Year 2020 - 2021 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 2020 - 2021 Budget**

Library Reserve for Replacement Fund



City of Happy Valley Fiscal Year 2020 - 2021 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 2019-20 | Budget For Fiscal Year 2020 - 2021 | | |
|----------------------------------|-----------|---------|------------------------------|------------------------------------|-----------|-----------|
| | 2017-18 | 2018-19 | | Proposed | Approved | Adopted |
| Material and Services | - | 41,898 | 150,000 | 150,000 | 150,000 | 150,000 |
| Capital Outlay | - | 15,899 | 600,000 | 600,000 | 600,000 | 600,000 |
| Total | - | 57,797 | 750,000 | 750,000 | 750,000 | 750,000 |
| Reserved for Future Expenditures | - | - | 3,520,785 | 3,948,463 | 3,948,463 | 3,948,463 |

Library Reserve for Replacement Fund

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed Budget 2020-21 | Approved Budget 2020-21 | Adopted Budget 2020-21 |
|-------------------------------------|----------------------|----------------------|------------------------------|---------------------|-------------------------------|-------------------------------|------------------------------|
| Resources | | | | | | | |
| Beginning Fund Balance | \$ - | \$ 3,121,785 | \$ 3,566,785 | \$ 3,613,988 | \$ 4,198,463 | \$ 4,198,463 | \$ 4,198,463 |
| Misc Revenue | - | - | 4,000 | - | - | - | - |
| Transfers In | 3,121,785 | 550,000 | 700,000 | 700,000 | 500,000 | 500,000 | 500,000 |
| Total Resources | <u>3,121,785</u> | <u>3,671,785</u> | <u>4,270,785</u> | <u>4,313,988</u> | <u>4,698,463</u> | <u>4,698,463</u> | <u>4,698,463</u> |
| Requirements | | | | | | | |
| Materials and Services | | | | | | | |
| Equipment - under \$5,000 | - | 41,898 | 50,000 | 2,000 | 50,000 | 50,000 | 50,000 |
| Repairs and Maintenance | - | - | 100,000 | 9,000 | 100,000 | 100,000 | 100,000 |
| Total Materials and Services | <u>-</u> | <u>41,898</u> | <u>150,000</u> | <u>11,000</u> | <u>150,000</u> | <u>150,000</u> | <u>150,000</u> |
| Capital Outlay | | | | | | | |
| Equipment - over \$5,000 | - | 15,899 | 500,000 | 32,000 | 500,000 | 500,000 | 500,000 |
| Facility Improvements | - | - | 100,000 | 72,525 | 100,000 | 100,000 | 100,000 |
| Total Capital Outlay | <u>-</u> | <u>15,899</u> | <u>600,000</u> | <u>104,525</u> | <u>600,000</u> | <u>600,000</u> | <u>600,000</u> |
| Total Requirements | <u>-</u> | <u>57,797</u> | <u>750,000</u> | <u>115,525</u> | <u>750,000</u> | <u>750,000</u> | <u>750,000</u> |
| Reserved for Future Expenditures | - | - | 3,520,785 | - | 3,948,463 | 3,948,463 | 3,948,463 |
| Ending Fund Balance | 3,121,785 | 3,613,988 | - | 4,198,463 | - | - | - |



City of Happy Valley Fiscal Year 2020 - 2021 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 2020 - 2021 Budget**

Street Reserve for Replacement Fund



City of Happy Valley Fiscal Year 2020 - 2021 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 2019-20 | Budget For Fiscal Year 2020 - 2021 | | |
|----------------------------------|-----------|---------|------------------------------|------------------------------------|-----------|-----------|
| | 2017-18 | 2018-19 | | Proposed | Approved | Adopted |
| Material and Services | 9,914 | 3,042 | 125,000 | 125,000 | 125,000 | 125,000 |
| Capital Outlay | - | 17,216 | 507,751 | 1,020,463 | 20,463 | 20,463 |
| Total | 9,914 | 20,258 | 632,751 | 1,145,463 | 145,463 | 145,463 |
| Reserved for Future Expenditures | - | - | 1,660,000 | 1,700,000 | 1,700,000 | 1,700,000 |

Street Reserve for Replacement Fund

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed Budget 2020-21 | Approved Budget 2020-21 | Adopted Budget 2020-21 |
|-------------------------------------|----------------------|----------------------|------------------------------|---------------------|-------------------------------|-------------------------------|------------------------------|
| Resources | | | | | | | |
| Beginning Fund Balance | \$ - | \$ 442,857 | \$ 2,092,751 | \$ 2,521,463 | \$ 2,645,463 | \$ 2,645,463 | \$ 2,645,463 |
| Misc Revenue | 21,871 | 448,864 | 100,000 | 60,000 | 100,000 | 100,000 | 100,000 |
| Transfers In | 430,900 | 1,650,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Total Resources | <u>452,771</u> | <u>2,541,721</u> | <u>2,292,751</u> | <u>2,681,463</u> | <u>2,845,463</u> | <u>2,845,463</u> | <u>2,845,463</u> |
| Requirements | | | | | | | |
| Materials and Services | | | | | | | |
| Equipment - under \$5,000 | 9,914 | 3,042 | 25,000 | 3,000 | 25,000 | 25,000 | 25,000 |
| Repairs and Maintenance | - | - | 100,000 | 15,000 | 100,000 | 100,000 | 100,000 |
| Total Materials and Services | <u>9,914</u> | <u>3,042</u> | <u>125,000</u> | <u>18,000</u> | <u>125,000</u> | <u>125,000</u> | <u>125,000</u> |
| Capital Outlay | | | | | | | |
| Vehicles | - | - | 80,000 | - | 520,463 | 520,463 | 520,463 |
| Equipment - over \$5,000 | - | 17,216 | 427,751 | 18,000 | 500,000 | 500,000 | 500,000 |
| Total Capital Outlay | <u>-</u> | <u>17,216</u> | <u>507,751</u> | <u>18,000</u> | <u>1,020,463</u> | <u>1,020,463</u> | <u>1,020,463</u> |
| Total Requirements | <u>9,914</u> | <u>20,258</u> | <u>632,751</u> | <u>36,000</u> | <u>1,145,463</u> | <u>1,145,463</u> | <u>1,145,463</u> |
| Reserved for Future Expenditures | | | | | | | |
| Fee in Lieu | - | - | 1,660,000 | - | 1,700,000 | 1,700,000 | 1,700,000 |
| Ending Fund Balance | 442,857 | 2,521,463 | - | 2,645,463 | - | - | - |



City of Happy Valley Fiscal Year 2020 - 2021 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 2020 - 2021 Budget**

Parks Reserve for Replacement Fund



City of Happy Valley Fiscal Year 2020 - 2021 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 2019-20 | Budget For Fiscal Year 2020 - 2021 | | |
|-----------------------|-----------|---------|------------------------------|------------------------------------|----------|---------|
| | 2017-18 | 2018-19 | | Proposed | Approved | Adopted |
| Material and Services | - | - | - | 60,000 | 60,000 | 60,000 |
| Capital Outlay | - | - | - | 240,000 | 240,000 | 240,000 |
| Total | - | - | - | 300,000 | 300,000 | 300,000 |

Parks Reserve for Replacement Fund

| | Preceding 2017-18 | Preceding 2018-19 | Adopted Budget 2019-20 | Estimate 2019-20 | Proposed Budget 2020-21 | Approved Budget 2020-21 | Adopted Budget 2020-21 |
|-------------------------------------|----------------------|----------------------|------------------------------|---------------------|-------------------------------|-------------------------------|------------------------------|
| Resources | | | | | | | |
| Beginning Fund Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfers In | - | - | - | - | 300,000 | 300,000 | 300,000 |
| Total Resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>300,000</u> | <u>300,000</u> | <u>300,000</u> |
| Requirements | | | | | | | |
| Materials and Services | | | | | | | |
| Equipment - under \$5,000 | - | - | - | - | 10,000 | 10,000 | 10,000 |
| Repairs and Maintenance | - | - | - | - | 50,000 | 50,000 | 50,000 |
| Total Materials and Services | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>60,000</u> | <u>60,000</u> | <u>60,000</u> |
| Capital Outlay | | | | | | | |
| Equipment - over \$5,000 | - | - | - | - | 150,000 | 150,000 | 150,000 |
| Facility Improvements | - | - | - | - | 90,000 | 90,000 | 90,000 |
| Total Capital Outlay | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>240,000</u> | <u>240,000</u> | <u>240,000</u> |
| Total Requirements | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>300,000</u> | <u>300,000</u> | <u>300,000</u> |
| Reserved for Future Expenditures | - | - | - | - | - | - | - |
| Ending Fund Balance | - | - | - | - | - | - | - |



City of Happy Valley Fiscal Year 2020 - 2021 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 2020 - 2021 Budget**

Notices and Resolutions



6605 SE Lake Road, Portland, OR 97222
PO Box 22109 Portland, OR 97269-2169
Phone: 503-684-0360 Fax: 503-620-3433
E-mail: legals@commnewspapers.com

AFFIDAVIT OF PUBLICATION

State of Oregon, County of Clackamas, SS I, Charlotte Allsop, being the first duly sworn, depose and say that I am 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 20th, 2020 at 6:00 PM
Ad#: 163891

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):
05/13/2020, 05/14/2020

Charlotte Allsop

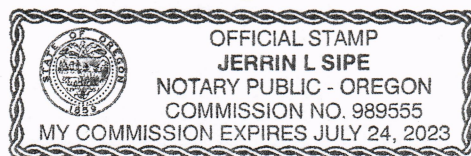
Charlotte Allsop (Accounting Manager)

Subscribed and sworn to before me this
05/14/2020.

Jerrin L. Sipe

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, 2020 to June 30, 2021 will be held at City Hall, 16000 SE Misty Drive, Happy Valley, OR 97086. To comply with social distancing guidelines, this meeting will be open to the public via an online Zoom meeting format. The meeting link and information will be available on the City website. The meeting will take place on May 20th, 2020 at 6:00 PM followed by another meeting on May 26th, 2020 at 6:00 PM, if necessary. 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 May 14th, 2020 on the City's website. This notice and the proposed budget for fiscal year 2020-21 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 May 13, 2020

GLK163891



Finance

NOTICE OF BUDGET COMMITTEE MEETING

A public meeting of the Budget Committee of the **Happy Valley Urban Renewal Agency**, Clackamas County, State of Oregon, to discuss the budget for fiscal year July 1, 2020 to June 30, 2021 will be held at City Hall, 16000 SE Misty Drive, Happy Valley, OR 97086. To comply with social distancing guidelines, this meeting will be open to the public via an online Zoom meeting format. The meeting link and information will be available on the City website. The meeting will take place on May 20th, 2020 at 6:00 PM followed by another meeting on May 26th, 2020 at 6:00 PM, if necessary. 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 May 14th, 2020 on the City's website. This notice and the proposed budget for fiscal year 2020-21 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.

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Government Finance Officers Association (GFOA) & Distinguished Budget Presentation Award

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Financial reports and budgets are crucial for tracking the financial strength of our city.

Pamplin MediaGroup

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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 Hearing on June 16,
2020 at 7:00 p.m. LB-1
Ad#: 167551

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):
06/10/2020, 06/11/2020

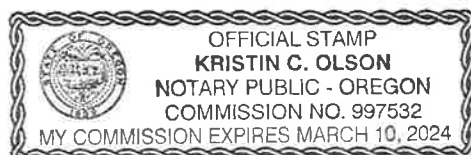
Charlotte Allsop

Charlotte Allsop (Accounting Manager)

Subscribed and sworn to before me this
06/11/2020.

Kristin C. Olson
NOTARY PUBLIC FOR OREGON

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



NOTICE OF BUDGET HEARING

A public meeting of the City of Happy Valley will be held on June 16, 2020 at 7:00pm via video conference (see City website for link). The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2020. A copy of the budget is being provided to you. A copy of the budget may be inspected or reviewed at any time prior to the meeting at the City of Happy Valley, 16000 SE Misty Drive, Happy Valley, OR between the hours of 10:30 a.m. and 4:00 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: 503-263-3800 Email: travis@happyvalleyor.gov

| TOTAL OF ALL FUNDS | FINANCIAL SUMMARY - RESOURCES | | Approved Budget Next Year 2020-21 |
|---|-------------------------------|-------------------------------------|--------------------------------------|
| | Actual Amount 2018-19 | Adopted Budget This Year 2019-20 | |
| Beginning Fund Balance/Net Working Capital | 28,146,508 | 35,944,292 | 10,859,707 |
| Fees, Licenses, Permits, Taxes, Assessments & Other Service Charges | 3,302,748 | 4,259,810 | 7,836,361 |
| Federal, State and all Other Grants, Gifts, Allocations and Donations | 5,492,553 | 6,039,000 | 6,330,000 |
| Interfund Transfers / Internal Service Reimbursements | 7,018,000 | 5,430,702 | 5,797,000 |
| All Other Resources Except Current Year Property Taxes | 1,392,105 | 968,000 | 1,123,500 |
| Current Year Property Taxes Estimated to be Received | 7,532,788 | 6,451,800 | 6,451,800 |
| Total Resources | 57,914,502 | 63,093,644 | 30,368,357 |
| FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION | | | |
| Personnel Services | 7,198,114 | 8,837,942 | 9,470,300 |
| Materials and Supplies | 6,497,811 | 11,503,540 | 10,094,000 |
| Capital Outlay | 1,213,886 | 23,821,638 | 5,102,891 |
| Debt Service | 0 | 0 | 0 |
| Interfund Transfers | 7,018,000 | 5,430,702 | 5,797,000 |
| Contingencies | 0 | 6,605,973 | 6,605,973 |
| Unappropriated Ending Balance and Reserved for Future Expenditure | 35,986,691 | 6,451,800 | 7,250,522 |
| Total Requirements | 57,914,502 | 63,093,644 | 30,368,357 |
| 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 | 2,380,602 | 3,583,200 | 3,260,900 |
| FTE | 10.50 | 12.00 | 13.00 |
| Community Services / Public Safety | 4,328,592 | 7,526,582 | 7,901,927 |
| FTE | 10.00 | 10.00 | 10.00 |
| Economic & Community Development | 2,810,625 | 3,395,400 | 3,511,260 |
| FTE | 18.00 | 20.00 | 22.00 |
| Public Works | 628,111 | 770,200 | 812,500 |
| FTE | 4.00 | 4.00 | 4.00 |
| Parks | 952,102 | 1,229,940 | 2,362,331 |
| FTE | 4.00 | 1.50 | 6.00 |
| Streets | 3,249,405 | 4,314,004 | 3,999,693 |
| FTE | 10.00 | 3.00 | 4.00 |
| Library | 3,017,725 | 5,421,956 | 5,265,855 |
| FTE | 17.00 | 18.00 | 19.00 |



Finance

PUBLIC NOTICE

A public meeting of the City of Happy Valley will be held on June 16, 2020 at 6:00pm via virtual online conference ([click for instructions to join meeting](#)). The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2020 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 Misty 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.

[Form-1b-1 2020-21](#)

A public meeting of the Happy Valley Urban Renewal Agency will be held on June 16, 2020 at 6:30pm via virtual online conference ([click for instructions to join meeting](#)). The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2020 as approved by the Happy Valley Urban Renewal Agency 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 Misty 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 modified accrual accounting.

[Form UR-1 2020-21 UR](#)

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Financial reports and budgets are crucial for tracking the financial strength of our city.

Overview

**CITY OF HAPPY VALLEY
RESOLUTION NO. 20-21**

**RESOLUTION ADOPTING THE BUDGET FOR FISCAL YEAR 2020-21,
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 2020-2021 now on file at City Hall in the sum of \$90,368,557.*

MAKING APPROPRIATIONS

BE IT RESOLVED the amounts for the fiscal year beginning July 1, 2020, and for the purposes shown below are hereby appropriated as follows:

GENERAL FUND

| | |
|------------------------------------|-------------------|
| Administration | 3,260,900 |
| Community Services & Public Safety | 1,345,400 |
| Economic & Community Development | 3,511,200 |
| Public Works | 812,500 |
| Transfers | 3,500,000 |
| Contingency | 3,054,301 |
| FUND TOTAL | 15,484,301 |

PARKS FUND

| | |
|-------------------|------------------|
| Operations | 651,800 |
| Programming | 483,700 |
| Non-Departmental | 65,000 |
| Transfers | 477,000 |
| Contingency | 384,831 |
| FUND TOTAL | 2,062,331 |

STREET FUND

| | |
|----------------------|------------------|
| Personal Services | 440,900 |
| Materials & Services | 420,000 |
| Capital Outlay | 1,200,000 |
| Transfers | 296,000 |
| Contingency | 497,330 |
| FUND TOTAL | 2,854,230 |

PUBLIC SAFETY FUND

| | |
|----------------------|------------------|
| Materials & Services | 4,493,000 |
| Capital Outlay | 30,000 |
| Transfers | 502,000 |
| Contingency | 1,531,427 |
| FUND TOTAL | 6,556,427 |

**CITY OF HAPPY VALLEY
RESOLUTION NO. 20-21**

MAKING APPROPRIATIONS, CONTINUED:

LIBRARY FUND

| | |
|----------------------|-----------|
| Personal Services | 1,880,400 |
| Materials & Services | 734,500 |
| Transfers | 1,000,000 |
| Contingency | 900,955 |

FUND TOTAL 4,515,855

STORM UTILITY SDC FUND

| | |
|----------------------|-----------|
| Materials & Services | 200,000 |
| Capital Outlay | 1,062,007 |

FUND TOTAL 1,262,007

TRANSPORTATION SDC FUND

| | |
|----------------------|------------|
| Materials & Services | 300,000 |
| Capital Outlay | 13,386,284 |

FUND TOTAL 13,686,284

PARKS SDC FUND

| | |
|----------------------|------------|
| Materials & Services | 200,000 |
| Capital Outlay | 17,204,864 |

FUND TOTAL 17,404,864

PEDESTRIAN IMPROVEMENT PROJECTS FUND

| | |
|----------------------|-----------|
| Materials & Services | 30,000 |
| Capital Outlay | 1,293,803 |
| Transfers | 22,000 |

FUND TOTAL 1,345,803

FACILITY CAPITAL PROJECTS FUND

| | |
|----------------|-----------|
| Capital Outlay | 9,170,000 |
|----------------|-----------|

FUND TOTAL 9,170,000

PARKS CAPITAL PROJECTS FUND

| | |
|----------------|-----------|
| Capital Outlay | 4,930,470 |
|----------------|-----------|

FUND TOTAL 4,930,470

**CITY OF HAPPY VALLEY
RESOLUTION NO. 20-21**

MAKING APPROPRIATIONS, CONTINUED:

GENERAL RESERVE FOR REPLACEMENT FUND

| | |
|----------------------|------------------|
| Materials & Services | 650,000 |
| Capital Outlay | 900,000 |
| FUND TOTAL | 1,550,000 |

LIBRARY RESERVE FOR REPLACEMENT FUND

| | |
|----------------------|----------------|
| Materials & Services | 150,000 |
| Capital Outlay | 600,000 |
| FUND TOTAL | 750,000 |

STREET RESERVE FOR REPLACEMENT FUND

| | |
|----------------------|------------------|
| Materials & Services | 125,000 |
| Capital Outlay | 1,020,463 |
| FUND TOTAL | 1,145,463 |

PARKS RESERVE FOR REPLACEMENT FUND

| | |
|----------------------|----------------|
| Materials & Services | 60,000 |
| Capital Outlay | 240,000 |
| FUND TOTAL | 300,000 |

TOTAL APPROPRIATIONS ALL FUNDS 83,018,035 *

* Note the total appropriation amount is not equal to the amount of the total adopted budget. This is due to a total of \$7,350,522 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, 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 at the rate of \$0.5400 per \$1,000 of the assessed value for operations for the Parks five year local option levy; and that these taxes are hereby imposed and categorized for tax year 2020-2021 upon the assessed value of all taxable property within the City.


**CITY OF HAPPY VALLEY
RESOLUTION NO. 20-21**

| | <i>Subject to the General Government Limitation</i> | <i>Excluded from the Limitation</i> |
|--------------------|---|---|
| GENERAL FUND | \$0.6710/\$1,000 | \$-0- |
| PUBLIC SAFETY FUND | \$1.3800/\$1,000 | \$-0- |
| PARKS FUND | \$0.5400/\$1,000 | \$-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 16th day of June 2020.

APPROVED by the Mayor this 16th day of June 2020.



Tom Ellis, Mayor

ATTEST: 

Kara Kerpan, City Recorder

**CITY OF HAPPY VALLEY
RESOLUTION NO. 20-20**

**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 2020-2021.

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

Passed by the City Council this 16th day of June 2020.

Approved by the Mayor this 16th day of June 2020.



Tom Ellis, Mayor

ATTEST: 
Kara Kerpan
City Recorder

I certify that a public hearing before the Budget Committee was held on Monday, May 20, 2020 and a public hearing before the City Council was held on Tuesday, June 16, 2020, giving citizens an opportunity to comment on the use of State Revenue Sharing.



Kara Kerpan, City Recorder

CITY OF HAPPY VALLEY

RESOLUTION NO. 20-19

**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 16th day of June 2020.

APPROVED by the Mayor this 16th day of June 2020.


Tom Ellis, Mayor

ATTEST:


Kara Kerpan, City Recorder



City of Happy Valley Fiscal Year 2020 - 2021 Budget

Glossary



City of Happy Valley Fiscal Year 2020 - 2021 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 2020 - 2021 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 2020 - 2021 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)].



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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)].



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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].