



2021-22
City of Happy Valley
Adopted Budget



City of Happy Valley Fiscal Year 2021 - 2022 Budget

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City of Happy Valley Organization Chart

Population 22,400

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 2021 - 2022 Budget

Budget Committee

Council Members

Tom Ellis – Mayor
David Golobay – Council President
Brett Sherman – Councilor
Markley Drake – 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 01, 2020

Christopher P. Morill

Executive Director



City of Happy Valley Fiscal Year 2021 - 2022 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 2021-22 fiscal year budget. The total for this budget is \$105 million and includes \$98 million of resources excluding transfers between funds and \$81 million of expenditures excluding transfers, contingency, and reserves for future expenditures. This budget increased overall by 16% from the 2020-21 budget of \$90 million. This change is due to increases in capital outlay expenditures and reserves as the City collect systems development charges. There were no major SDC projects completed during the 2020-21 fiscal year which resulted in increased beginning fund balance and capital outlay appropriations in the SDC funds. The General Fund is set to receive nearly \$2.5 million in American Rescue Plan dollars which will boost intergovernmental revenue significantly. Additionally, through General Fund savings over the past several years and including this proposed budget, the City has transferred \$12.7 million to the Facilities Capital Projects Fund, all of which was appropriated as contract services and capital outlay expenditures.

Economic Outlook

The 2020-21 fiscal year has been a robust year when it comes to economic development and building activity. While the COVID pandemic has changed the way we work, it has not slowed down our progress or list of priority projects. This year, we have weathered the storms both literally and figuratively and remain well positioned going forward. While our volatile revenue streams related to development can be challenging to project, especially during times of uncertainty, 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 move forward without cutbacks to service levels. The combination of well-funded reserves and zero debt provide us financial flexibility on large crucial projects and allow us to think big when planning for the future.

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 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. The rates for the 2021-23 biennium will be 21.02% for Tier1/Tier 2 and 17.52% for OPSRP. Due to the statewide unfunded actuarial liability, we can almost guarantee further rate increases for each biennium for the foreseeable future. However,





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the City's impact will be reduced as a result of funding a PERS side account in 2019 which will lessen the increased costs or hold steady 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

In March, the entire world was affected by the COVID-19 pandemic. In compliance with Governor's Orders and Centers for Disease Control guidelines, the City closed all city facilities. However, the City's work continued. In many ways, several employees took on additional responsibilities. While the Annual Report typically begins with an overview on the status of City Council goals and priorities, it's important to acknowledge the elephant in the room. For several months, the work of the City was dominated by our response to COVID-19. Below are just some of the programs, tasks, and duties that the City completed in response to the global pandemic.

- Established an Emergency Operations Center.
- Declared a State of Emergency.
- Created a Business Task Force and Recreation Task Force consisting of business leaders, city councilors, and city staff members.
- Provided three rounds of business assistance grants offering over \$600,000 in funding.
- Established a list of businesses that remained open during the pandemic and maintained status on the City's website.
- Conducted regular business and construction site checks related to COVID-19 compliance.
- Developed a list of recreation activities for residents to keep them engaged in the community.
- Closed, modified, and re-opened park facilities in compliance with guidance from the Oregon Health Authority.
- Created a park ambassador position to seek compliance with guidelines from the Oregon Health Authority.
- Communicated extensively with the public to provide update on city facilities, activities, programs available, etc.
- Provided resources to the public on ways to protect themselves.
- Transitioned library services to virtual programs and curbside pickups.
- Established a Wi-Fi network at Village Green Park so that community members still had public internet access while the library is closed.
- Established new workplace policies in compliance with new federal leave laws regarding COVID-19.
- Processed numerous leave requests for employees to care for children while schools were/are closed.
- Supported IT needs for a newly remote workforce, including virtual City Council and advisory committee meetings.
- Tracked expenses related to COVID resulting in over \$1M in reimbursement.
- Developed a Re-Entry Plan for the various stages of opening city facilities.
- Implemented phase I of the Re-Entry Plan within each building occupied by staff.
- Provided permanent cubicle modifications within Happy Valley City Hall that will be used as a long-range approach to better health and safety.
- Developed workplace safety protocols in compliance with new OR-OSHA rules.
- Tracked over 30 League of Oregon Cities disaster conference calls, 19 Metro Economic Response Team calls, 10 Clackamas County Listening Sessions, and 2 Business Oregon Emergency Business Relief Grants.



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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 Increment 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 enabled 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.

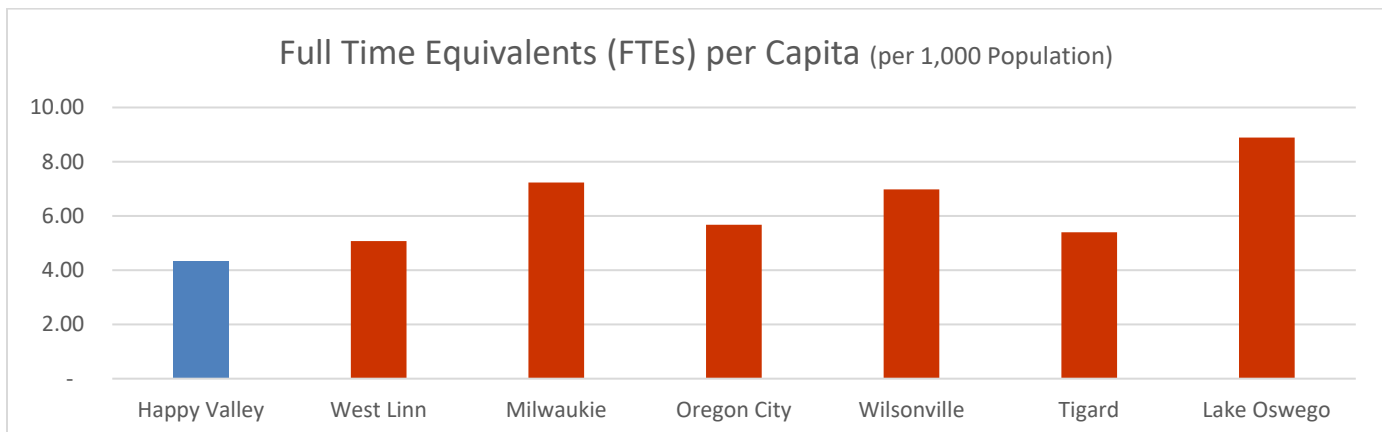
Reserves

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 1.0 overall from the previous budget. This increase consists of 1.0 FTE in General Fund – Administration, a 1.0 FTE increase in the General Fund – Economic and Community Development, and a 1.0 FTE decrease in the Library Fund.

The City continues to maintain a lean and efficient staff of 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.



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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.

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 Happy Valley 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.

We use our five-year projection process to address these questions and look beyond the next fiscal year. The process helps us better understand the longer-term ramifications of decisions we make today. We then integrate that knowledge into the budget process each year, so our short-term plan is in alignment with our long-term plan. Given



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what we know and what we project for the coming fiscal year, this budget positions us to evaluate and address issues as well as provide adequate funding for operations.

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

Respectfully submitted,

Jason Tuck, ICMA-CM
City Manager and Budget Officer



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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.



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Budget Phases and Calendar

Pre-budget – Long Term Planning December – February

Update the five-year financial projection. This process is completed each year prior to the beginning of the budget process. Long term issues and ideas are discussed and reviewed during the five-year projection process.

The projection is prepared by the Finance Department under the guidance of the City Manager. Projection assumptions are reviewed, updated and then applied to the current year forecast. The updated projection is reviewed by the management team.

After adjustments are made, the draft projection is presented to the Council at a work session. Changes from the Council are incorporated into the projection and a final version is then presented at the next available regular session for acceptance of the projection. The first year of the finalized projection is used as the basis for the annual budget. 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



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and deferred inflows of resources and are a way to measure the City's financial health. Over time, increases or decreases in the City's net position are indicators of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the City, one must consider additional non-financial factors such as the City's tax base, local and statewide economic and legislative climate, as well as many other factors.

Fund Balance

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



Financial Policies

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

Budget

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

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

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

Asset Investment

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

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



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

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

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

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

Revenue

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

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

Debt

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

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

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

Accounting

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



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

Reserve and Contingency

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

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



Long Term Debt

In August 2007, Happy Valley issued \$5,000,000 of full faith and credit obligation bonds to provide funds for the construction of a new city hall building. Interest coupon rates range from 4% to 4.25%. The bonds are direct obligations and pledge the full faith and credit of the City. They were issued as 20-year serial bonds with increasing principal amounts due each year. During the 2016-17 budget period, the City paid off the remaining callable principal balance of \$3,530,000. Paying off the balance 10 years early saved the City nearly \$900,000 in interest payments. As there is no remaining long term debt, the Reserve for Debt Service Fund is shown in this budget for historical purposes only.

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

Pursuant to Oregon Revised Statute 287.004, outstanding general obligation debt for cities in Oregon cannot exceed three percent of the real market value of all properties within the city limits. For Happy Valley, this maximum is \$102 million as of June 2017. The city has not issued debt subject to this limitation.

Currently the city has no plan to issue any debt however, we are in the midst of 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 2021 - 2022 Budget

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 2021-22 fiscal year budget

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

Description of Funds

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

Street Fund – accounts for shared state highway revenues and expenditures authorized by the Oregon Constitution to be made from those revenues. This fund also accounts for other revenue sources so expenditures are also made from this fund based on those revenue sources.

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

Parks Fund – accounts for maintenance of Happy Valley parks, city trail systems, and the recreation program. Revenues are from the Parks operating levy (if passed), event sponsorships, vendor fees, and user fees.

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

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

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



City of Happy Valley Fiscal Year 2021 - 2022 Budget

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

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

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

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

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

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

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

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

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

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

Highlights

The budget for the fiscal year beginning July 1, 2021 and ending June 30, 2022 totals \$104.5 million. This is an increase of 16% over the 2020-21 fiscal year budget which totaled \$91.3 million.

In this 2021-22 budget, personnel services represent 10% of total budgeted expenditures at \$10.1 million, up from \$9.5 million budgeted in 2020-21. This increase was due to added staff in the General Fund.



City of Happy Valley Fiscal Year 2021 - 2022 Budget

Materials and services represent 14% of the total at \$15.1 million, this increased from \$10.3 million in the previous budget. Capital outlay is 54% of total budgeted expenditures at \$56 million compared to 56% and \$51 million in the 2020-21 budget. Most of this increase was due the increase of appropriations in the Transportation, Parks SDC Funds, and Parks Capital Projects Fund. An additional \$3.5 million was transferred to the Facility Capital Projects Fund and appropriated as Capital Outlay for the construction of a new facility.

The remaining \$23 million is made up of transfers, contingency, and reserved for future expenditures. Transfers of \$6.9 million were greater than the \$5.8 million budgeted in 2020-21, contingency of \$7.1 million is up from the \$5.1 million in the previous budget and reserved for future expenditures at \$9.2 million increased from \$7.4 million in the 2020-21 budget.

Transfers primarily consisted of \$3.5 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, \$12.7 million is budgeted for SDC projects. The City budgeted \$1.0 million in Transportation SDC revenue for 2021-22.

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	Reserve for Rplcmnt Funds	Total Interfund Transfers
Transfers In	1,478,000	-	-	-	-	-	-	3,500,000	1,900,000	6,878,000
Transfers Out	(4,000,000)	(895,000)	(296,000)	(1,115,000)	(550,000)	(22,000)	-	-	-	(6,878,000)
Total by Fund	(2,522,000)	(895,000)	(296,000)	(1,115,000)	(550,000)	(22,000)	-	3,500,000	1,900,000	-

The reserved for future expenditures went from \$5.1 million in the previous budget to \$7.1 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 2021-22 Budget

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2021-22	Approved Budget 2021-22	Adopted Budget 2021-22
Resources							
Beginning Fund Balance	28,146,508	35,986,691	60,859,707	62,142,498	69,248,048	69,248,048	69,248,048
Property Taxes	7,532,788	6,233,986	8,422,000	8,480,000	8,956,500	8,956,500	8,956,500
Licenses, Permits, & Fees	7,727,801	16,713,062	7,061,350	11,882,110	8,395,000	8,395,000	8,395,000
Intergovernmental	5,492,353	21,143,447	6,330,000	6,387,000	9,156,000	9,156,000	9,156,000
Fines and Court Related	634,947	637,548	750,000	535,000	650,000	650,000	650,000
Transfers from other Funds	7,018,000	5,439,166	5,797,000	5,830,000	6,878,000	6,878,000	6,878,000
Miscellaneous	1,409,758	1,028,143	1,123,500	1,638,800	1,218,000	1,218,000	1,218,000
Total Resources	57,962,155	87,182,043	90,343,557	96,895,408	104,501,548	104,501,548	104,501,548
Requirements							
Personnel Services	7,198,114	7,720,157	9,470,300	7,963,010	10,085,400	10,085,400	10,085,400
Materials & Services	6,497,811	8,392,278	10,344,000	8,629,850	15,076,000	15,076,000	15,076,000
Operations	13,695,925	16,112,435	19,814,300	16,592,860	25,161,400	25,161,400	25,161,400
Transfers to Other Funds	7,018,000	5,430,702	5,797,000	5,797,000	6,878,000	6,878,000	6,878,000
Capital Outlay	1,213,886	1,918,657	51,037,891	5,287,500	56,212,260	56,212,260	56,212,260
Operations, Transfers, Capital	8,231,886	7,349,359	56,834,891	11,084,500	63,090,260	63,090,260	63,090,260
Contingency	-	-	6,368,844	-	7,040,040	7,040,040	7,040,040
Reserved for Future Expenditures	-	-	7,350,522	-	9,209,848	9,209,848	9,209,848
Ending Fund Balance	36,034,344	63,720,249	(25,000)	69,218,048	-	-	-
Ending Fund Balance, Reserves, and Contingency	36,034,344	63,720,249	13,694,366	69,218,048	16,249,888	16,249,888	16,249,888
Total Requirements	57,962,155	87,182,043	90,343,557	96,895,408	104,501,548	104,501,548	104,501,548
Budget Positions	64.63	66.00	70.00	66.00	77.00	77.00	77.00
Monthly Operating Costs per Capita	\$65	\$72	\$70	\$66	\$96	\$96	\$96

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Adopted Budget 2021-22	Change from Adopted 2020-21	
						\$	%
General Fund							
Beginning Fund Balance	5,882,314	5,140,301	6,142,301	7,336,926	7,077,726	935,425	15.2%
Property Taxes	2,026,951	2,039,816	2,220,000	2,180,000	2,278,500	58,500	2.6%
Intergovernmental	954,218	2,286,057	950,000	1,177,000	3,510,000	2,560,000	269.5%
Fees and charges	4,865,629	7,533,393	4,450,000	6,585,000	5,640,000	1,190,000	26.7%
Misc	304,828	308,221	300,000	95,000	150,000	(150,000)	-50.0%
Transfers In	1,218,000	1,350,000	1,397,000	1,397,000	1,478,000	81,000	5.8%
Resources Total	15,251,940	18,657,788	15,459,301	18,770,926	20,134,226	4,674,925	30.2%
Requirements							
Administration							
Personnel Services	1,424,968	1,504,540	1,855,900	1,670,000	2,003,000	147,100	7.9%
Materials and Services	955,634	1,585,307	1,405,000	1,534,000	3,875,000	2,470,000	175.8%
Administration Total	2,380,602	3,089,847	3,260,900	3,204,000	5,878,000	2,617,100	80.3%
Com Svcs & Public Safety							
Personnel Services	1,039,694	1,139,900	1,258,900	1,129,650	1,300,400	41,500	3.3%
Materials and Services	52,407	47,630	86,500	42,800	169,000	82,500	95.4%
Com Svcs & Public Safety Total	1,092,101	1,187,530	1,345,400	1,172,450	1,469,400	124,000	9.2%
Economic and Com Dev							
Personnel Services	2,164,234	2,369,137	2,846,200	2,442,400	3,200,900	354,700	12.5%
Materials and Services	646,591	805,410	665,000	727,200	845,000	180,000	27.1%
Economic and Com Dev Total	2,810,825	3,174,547	3,511,200	3,169,600	4,045,900	534,700	15.2%
Public Works							
Personnel Services	482,877	503,003	610,500	511,150	648,900	38,400	6.3%
Materials and Services	145,234	165,935	202,000	166,000	232,000	30,000	14.9%
Public Works Total	628,111	668,938	812,500	677,150	880,900	68,400	8.4%
NonDepartmental	-	-	-	-	-	-	N/A
Transfers Out	3,200,000	3,200,000	3,500,000	3,500,000	4,000,000	500,000	14.3%
Contingency	-	-	3,054,301	-	3,860,026	805,725	26.4%
	10,111,639	11,320,862	15,484,301	11,723,200	20,134,226	4,649,925	30.0%
Parks Fund							
Resources	1,687,662	1,100,154	2,062,331	1,784,881	2,876,321	813,990	39.5%
Requirements							
Operations							
Personnel Services	152,372	146,914	281,800	167,280	303,000	21,200	7.5%
Materials and Services	149,850	269,522	370,000	355,000	622,000	252,000	68.1%
Operations Total	302,222	416,436	651,800	522,280	925,000	273,200	41.9%
Programming							
Personnel Services	139,939	166,989	295,700	188,830	308,900	13,200	4.5%
Materials and Services	93,924	93,776	188,000	29,850	210,000	22,000	11.7%
Programming Total	233,863	260,765	483,700	218,680	518,900	35,200	7.3%
Non-Departmental							
Other	283,107	241,133	65,000	-	30,000	(35,000)	-53.8%
Capital Outlay	-	-	-	-	-	-	N/A
Non-Departmental Total	283,107	241,133	65,000	-	30,000	(35,000)	-53.8%
Transfers Out	133,000	177,000	477,000	477,000	895,000	418,000	87.6%
Contingency	-	-	384,831	-	507,421	122,590	N/A
	952,192	1,095,334	2,062,331	1,217,960	2,876,321	813,990	39.5%

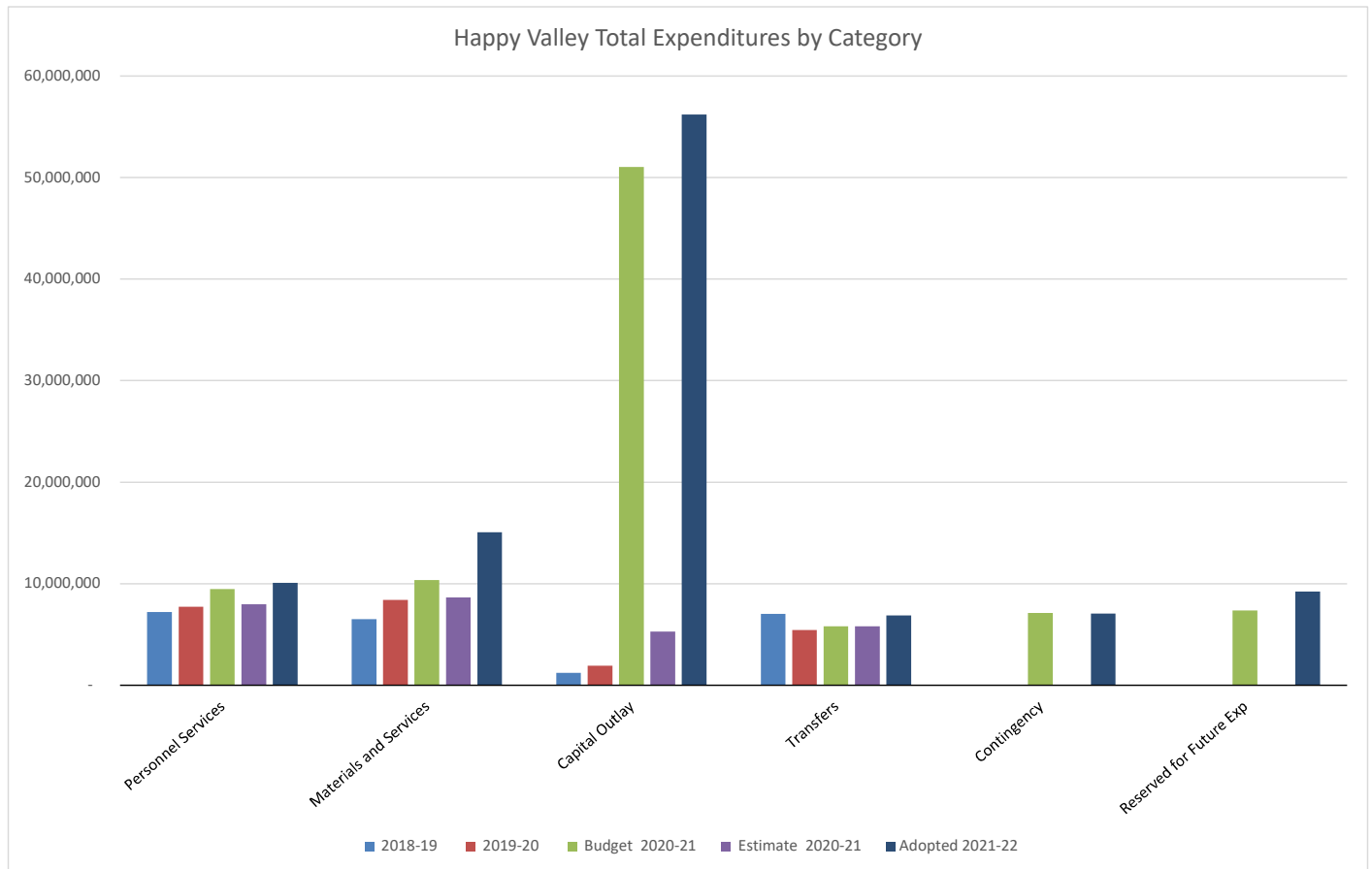
	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Adopted Budget 2021-22	Change from Adopted 2020-21	
						\$	%
Public Safety Fund							
Resources	5,589,918	6,123,404	6,556,427	6,268,877	6,520,977	(35,450)	-0.5%
Requirements							
Materials and Services	3,238,424	3,962,941	4,493,000	4,239,000	4,654,000	161,000	3.6%
Capital Outlay	46,067	1,086	30,000	10,500	10,000	(20,000)	-66.7%
Transfers Out	452,000	468,000	502,000	502,000	550,000	48,000	9.6%
Contingency	-	-	1,531,427	-	1,306,977	(224,450)	-14.7%
	<u>3,736,491</u>	<u>4,432,027</u>	<u>6,556,427</u>	<u>4,751,500</u>	<u>6,520,977</u>	<u>(35,450)</u>	<u>-0.5%</u>
Library Fund							
Resources	4,300,753	4,464,441	4,515,855	4,539,335	4,933,635	417,780	9.3%
Requirements							
Personnel Services	1,491,525	1,569,785	1,880,400	1,531,700	1,851,800	(28,600)	-1.5%
Materials and Services	478,403	463,183	734,500	448,000	734,000	(500)	-0.1%
Transfers Out	990,000	1,184,000	1,000,000	1,000,000	1,115,000	115,000	11.5%
Contingency	-	-	900,955	-	1,232,835	331,880	36.8%
	<u>2,959,928</u>	<u>3,216,968</u>	<u>4,515,855</u>	<u>2,979,700</u>	<u>4,933,635</u>	<u>417,780</u>	<u>9.3%</u>
Street Maintenance Fund							
Resources	4,668,937	3,106,852	2,854,230	2,718,281	2,587,281	(266,949)	-9.4%
Requirements							
Personnel Services	302,505	319,889	440,900	322,000	468,500	27,600	6.3%
Materials and Services	322,660	380,774	420,000	563,000	490,000	70,000	16.7%
Capital Outlay	779,042	1,174,908	1,200,000	1,310,000	1,200,000	-	0.0%
Transfers Out	1,825,000	303,000	296,000	296,000	296,000	-	0.0%
Contingency	-	-	497,330	-	132,781	(364,549)	N/A
	<u>3,229,207</u>	<u>2,178,571</u>	<u>2,854,230</u>	<u>2,491,000</u>	<u>2,587,281</u>	<u>(266,949)</u>	<u>-9.4%</u>
Reserved - Future Expenditures	-	-	-	-	-	-	0.0%
Storm Utility SDC Fund							
Resources	1,507,709	1,270,585	1,262,007	1,349,883	1,469,883	207,876	16.5%
Requirements							
Materials and Services	-	-	200,000	-	200,000	-	0.0%
Capital Outlay	-	-	1,062,007	-	1,269,883	207,876	19.6%
Transfers Out	400,000	80,702	-	-	-	-	#DIV/0!
	<u>400,000</u>	<u>80,702</u>	<u>1,262,007</u>	<u>-</u>	<u>1,469,883</u>	<u>207,876</u>	<u>16.5%</u>
Reserved - Future Expenditures	-	-	-	-	-	-	0.0%
Transportation SDC Fund							
Resources	7,979,524	12,571,604	13,686,284	14,955,862	12,735,862	(950,422)	-6.9%
Requirements							
Materials and Services	38,176	258,610	300,000	370,000	1,000,000	700,000	233.3%
Capital Outlay	55,064	357,132	13,386,284	3,000,000	11,735,862	(1,650,422)	-12.3%
Transfers Out	-	-	-	-	-	-	N/A
	<u>93,240</u>	<u>615,742</u>	<u>13,686,284</u>	<u>3,370,000</u>	<u>12,735,862</u>	<u>(950,422)</u>	<u>N/A</u>
Reserved - Future Expenditures	-	-	-	-	-	-	N/A
Parks SDC Fund							
Resources	1,514,632	16,059,168	17,404,864	19,654,668	21,114,668	3,709,804	21.3%
Requirements							
Materials and Services	-	-	200,000	40,000	500,000	300,000	150.0%
Capital Outlay	-	4,500	17,204,864	600,000	20,614,668	3,409,804	19.8%
	<u>-</u>	<u>4,500</u>	<u>17,404,864</u>	<u>640,000</u>	<u>21,114,668</u>	<u>3,709,804</u>	<u>21.3%</u>

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Adopted Budget 2021-22	Change from Adopted 2020-21	
						\$	%
Pedestrian Improvement Projects Fund							
Resources	899,314	981,642	1,345,803	1,353,931	1,481,931	136,128	10.1%
Requirements							
Materials and Services	-	-	30,000	-	30,000	-	0.0%
Capital Outlay	25,511	16,911	1,293,803	60,000	1,429,931	136,128	10.5%
Transfers Out	18,000	18,000	22,000	22,000	22,000	-	0.0%
	<u>43,511</u>	<u>34,911</u>	<u>1,345,803</u>	<u>82,000</u>	<u>1,481,931</u>	<u>136,128</u>	<u>10.1%</u>
Reserved - Future Expenditures	-	-	-	-	-	-	0.0%
Reserve for General Operations							
Resources	2,498,974	2,498,974	838,974	838,974	838,974	-	0.0%
Requirements							
Materials and Services	-	-	-	-	-	-	0.0%
Reserved - Future Expenditures	-	-	838,974	-	838,974	-	0.0%
	<u>-</u>	<u>-</u>	<u>838,974</u>	<u>-</u>	<u>838,974</u>	<u>-</u>	<u>0.0%</u>
General Reserve for Replacement							
Resources	2,001,633	2,244,230	2,413,085	2,456,290	2,761,290	348,205	14.4%
Requirements							
Materials and Services	48,461	85,510	650,000	45,000	650,000	-	0.0%
Capital Outlay	275,087	272,430	900,000	220,000	900,000	-	0.0%
Transfers Out	-	-	-	-	-	-	N/A
	<u>323,548</u>	<u>357,940</u>	<u>1,550,000</u>	<u>265,000</u>	<u>1,550,000</u>	<u>-</u>	<u>0.0%</u>
Reserved - Future Expenditures	-	-	863,085	-	1,211,290	348,205	40.3%
Street Reserve for Replacement							
Resources	2,541,721	2,680,279	2,845,463	3,068,446	3,203,446	357,983	12.6%
Requirements							
Materials and Services	3,042	11,833	125,000	65,000	125,000	-	0.0%
Capital Outlay	17,216	-	1,020,463	-	1,078,446	57,983	5.7%
	<u>20,258</u>	<u>11,833</u>	<u>1,145,463</u>	<u>65,000</u>	<u>1,203,446</u>	<u>57,983</u>	<u>5.1%</u>
Reserved - Future Expenditures	-	-	1,700,000	-	2,000,000	2,000,000	N/A
Library Reserve for Replacement							
Resources	3,671,785	4,313,988	4,698,463	4,701,584	5,286,584	588,121	12.5%
Requirements							
Materials and Services	41,898	20,714	150,000	-	150,000	-	0.0%
Capital Outlay	15,899	91,690	600,000	15,000	600,000	-	0.0%
	<u>57,797</u>	<u>112,404</u>	<u>750,000</u>	<u>15,000</u>	<u>750,000</u>	<u>-</u>	<u>0.0%</u>
Reserved - Future Expenditures	-	-	3,948,463	-	4,536,584	588,121	14.9%
Parks Reserve for Replacement							
Resources	-	-	300,000	300,000	923,000	623,000	N/A
Requirements							
Materials and Services	-	-	60,000	5,000	60,000	-	N/A
Capital Outlay	-	-	240,000	72,000	240,000	-	N/A
	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>77,000</u>	<u>300,000</u>	<u>-</u>	<u>N/A</u>
Reserved - Future Expenditures	-	-	-	-	623,000	623,000	N/A
Facility Capital Projects Fund							
Resources	3,800,000	6,170,000	9,170,000	9,170,000	12,670,000	3,500,000	38.2%
Requirements							
Materials and Services	-	-	-	-	500,000	-	0.0%
Capital Outlay	-	-	9,170,000	-	12,170,000	3,000,000	32.7%
	<u>-</u>	<u>-</u>	<u>9,170,000</u>	<u>-</u>	<u>12,670,000</u>	<u>3,000,000</u>	<u>38.2%</u>

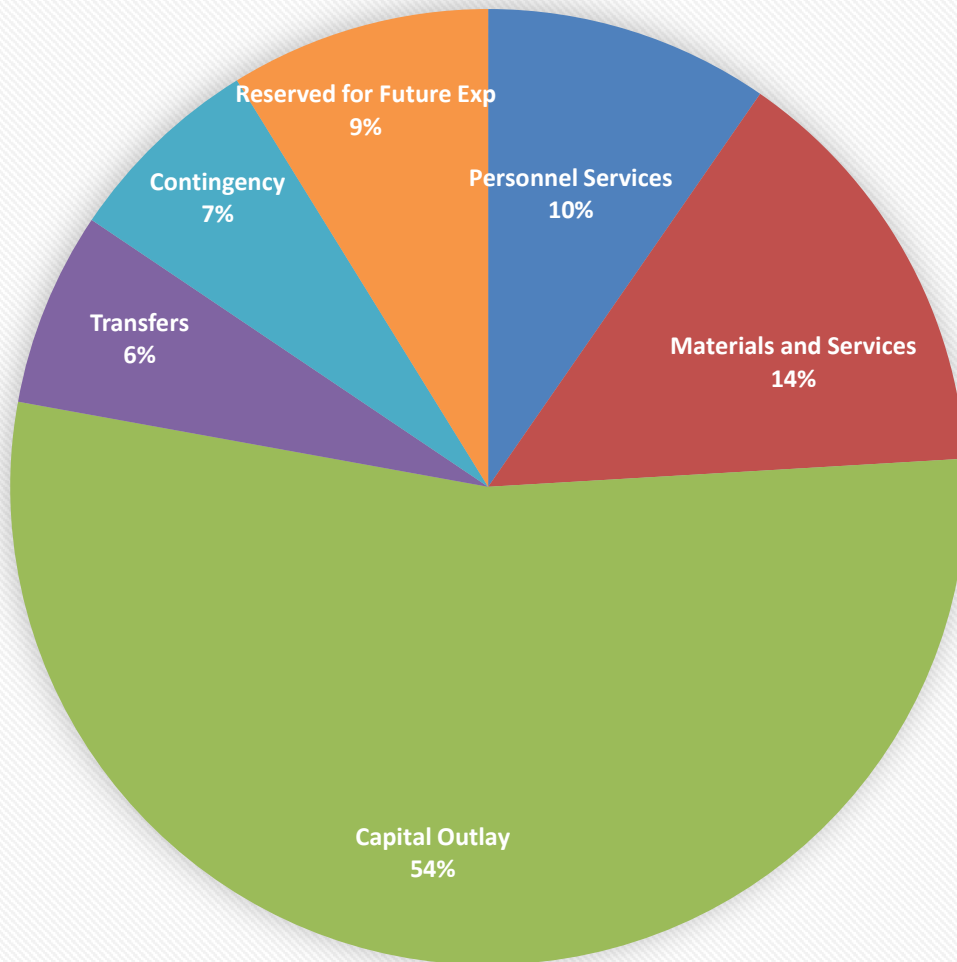
	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Adopted Budget 2021-22	Change from Adopted 2020-21	
						\$	%
Parks Capital Projects Fund							
Resources	-	4,938,934	4,930,470	4,963,470	4,963,470	33,000	N/A
Requirements							
Capital Outlay	-	-	4,930,470	-	4,963,470	33,000	N/A
	-	-	4,930,470	-	4,963,470	33,000	N/A
Total Budget							
Resources	57,914,502	87,182,043	90,343,557	96,895,408	104,501,548	14,157,991	15.7%
Requirements						-	
Personnel Services	7,198,114	7,720,157	9,470,300	7,963,010	10,085,400	615,100	6.5%
Materials and Services	6,214,704	8,151,145	10,279,000	8,629,850	15,046,000	4,767,000	46.4%
Capital Outlay	1,213,886	1,918,657	51,037,891	5,287,500	56,212,260	5,174,369	10.1%
Non-Departmental	283,107	241,133	65,000	-	30,000	(35,000)	N/A
Transfers	7,018,000	5,430,702	5,797,000	5,797,000	6,878,000	1,081,000	18.6%
Contingency	-	-	6,368,844	-	7,040,040	671,196	10.5%
Reserve for Future Exp	-	-	7,350,522	-	9,209,848	1,859,326	25.3%
	21,927,811	23,461,794	90,368,557	27,677,360	104,501,548	14,132,991	15.6%

Summary by Category - Happy Valley Expenditures

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed 2021-22	Approved 2021-22	Adopted 2021-22
Personnel Services	7,198,114	7,720,157	9,470,300	7,963,010	10,085,400	10,085,400	10,085,400
Materials and Services	6,497,811	8,392,278	10,344,000	8,629,850	15,076,000	15,076,000	15,076,000
Capital Outlay	1,213,886	1,918,657	51,037,891	5,287,500	56,212,260	56,212,260	56,212,260
Transfers	7,018,000	5,430,702	5,797,000	5,797,000	6,878,000	6,878,000	6,878,000
Contingency	-	-	7,105,573	-	7,040,040	7,040,040	7,040,040
Reserved for Future Exp	-	-	7,350,522	-	9,209,848	9,209,848	9,209,848
Total Requirements	21,927,811	23,461,794	91,105,286	27,677,360	104,501,548	104,501,548	104,501,548

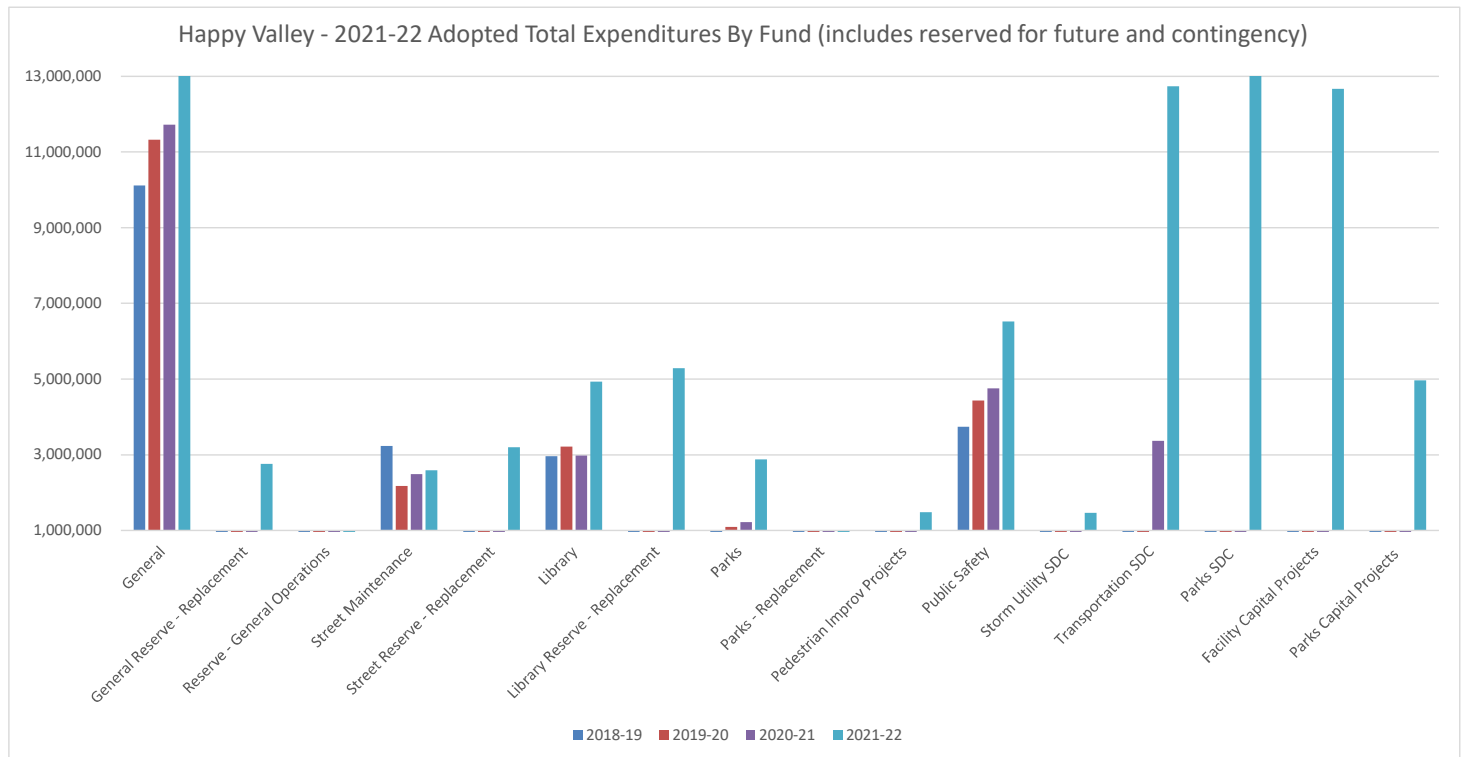


Happy Valley - 2021-22 Adopted Budget Expenditure Percentage by Category



Summary by Fund - Happy Valley Expenditures

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed 2021-22	Approved 2021-22	Adopted 2021-22
General	10,111,639	11,320,862	15,484,301	11,723,200	20,134,226	20,134,226	20,134,226
General Reserve - Replacement	323,548	357,940	2,413,085	265,000	2,761,290	2,761,290	2,761,290
Reserve - General Operations	-	-	838,974	-	838,974	838,974	838,974
Street Maintenance	3,229,207	2,178,571	2,854,230	2,491,000	2,587,281	2,587,281	2,587,281
Street Reserve - Replacement	20,258	11,833	2,845,463	65,000	3,203,446	3,203,446	3,203,446
Library	2,959,928	3,216,968	4,515,855	2,979,700	4,933,635	4,933,635	4,933,635
Library Reserve - Replacement	57,797	112,404	4,698,463	15,000	5,286,584	5,286,584	5,286,584
Parks	952,192	1,097,973	2,062,331	1,217,960	2,876,321	2,876,321	2,876,321
Parks - Replacement	-	-	300,000	77,000	923,000	923,000	923,000
Pedestrian Improv Projects	43,511	34,911	1,345,803	82,000	1,481,931	1,481,931	1,481,931
Public Safety	3,736,491	4,432,027	6,556,427	4,751,500	6,520,977	6,520,977	6,520,977
Storm Utility SDC	400,000	80,702	1,262,007	-	1,469,883	1,469,883	1,469,883
Transportation SDC	93,240	615,742	13,686,284	3,370,000	12,735,862	12,735,862	12,735,862
Parks SDC	-	4,500	17,404,864	640,000	21,114,668	21,114,668	21,114,668
Facility Capital Projects	-	-	9,170,000	-	12,670,000	12,670,000	12,670,000
Parks Capital Projects	-	-	4,930,470	-	4,963,470	4,963,470	4,963,470
Total Requirements	21,927,811	23,464,433	90,368,557	27,677,360	104,501,548	104,501,548	104,501,548





City of Happy Valley Fiscal Year 2021 - 2022 Budget

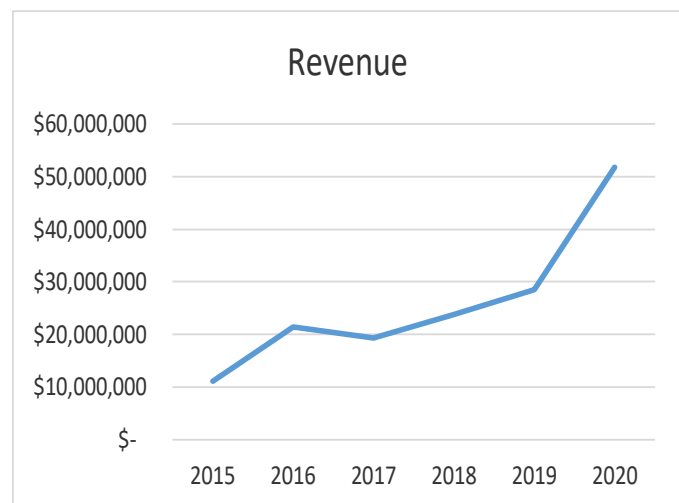
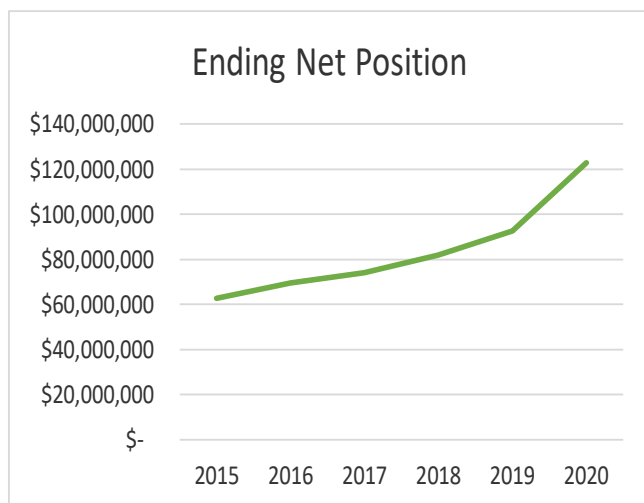
Demographics and Financial Trend Information

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.

	2015	2016	2017	2018	2019	2020
Revenue	\$ 11,183,982	\$ 21,360,412	\$ 19,387,830	\$ 23,821,866	\$ 28,462,144	\$ 51,732,802
Expenditures	(9,639,269)	(14,761,718)	(14,703,089)	(16,253,007)	(17,668,727)	(21,423,177)
Change in Net Position	1,544,713	6,598,694	4,684,741	7,568,859	10,793,417	30,309,625
Beginning Net Position	62,318,899	62,830,427	69,429,121	74,113,862	81,682,721	92,476,138
Prior Period Adjustment	(1,033,185)	-	-	-	-	-
Ending Net Position	\$ 62,830,427	\$ 69,429,121	\$ 74,113,862	\$ 81,682,721	\$ 92,476,138	\$ 122,785,763



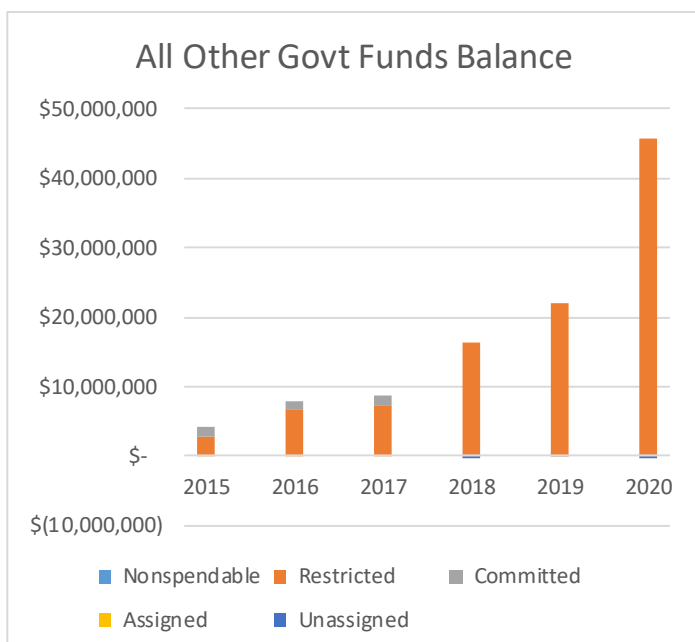
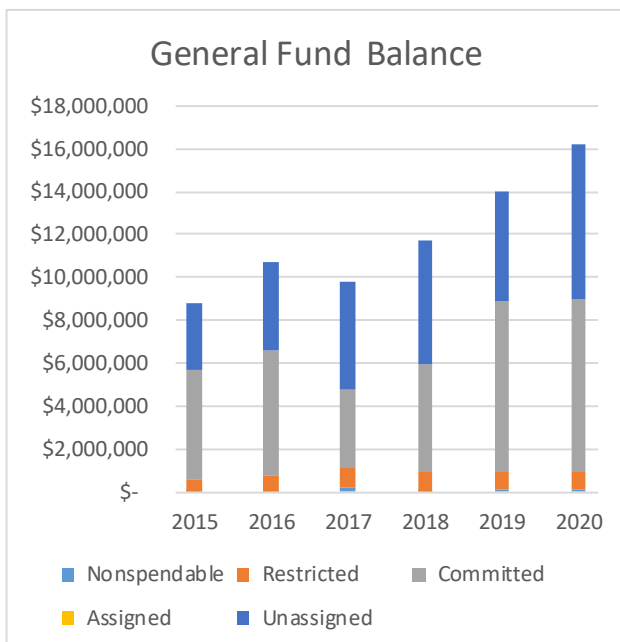


City of Happy Valley Fiscal Year 2021 - 2022 Budget

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					
	2015	2016	2017	2018	2019	2020
Nonspendable	\$ 46,655	\$ 20,054	\$ 152,186	\$ 42,773	\$ 60,998	\$ 68,139
Restricted	526,381	677,784	919,791	917,259	879,969	846,032
Committed	5,132,372	5,860,117	3,688,533	4,965,481	7,952,893	8,058,724
Assigned	-	-	-	-	-	-
Unassigned	3,059,652	4,186,913	5,017,696	5,839,541	5,079,303	7,268,787
Total General Fund	\$ 8,765,060	\$ 10,744,868	\$ 9,778,206	\$ 11,765,054	\$ 13,973,163	\$ 16,241,682

	Fiscal Year					
	2015	2016	2017	2018	2019	2020
Nonspendable	\$ -	\$ -	\$ -	\$ 30,739	\$ 16,964	\$ 5,500
Restricted	2,947,266	6,856,183	7,326,609	16,373,527	21,996,564	45,821,739
Committed	1,145,945	1,145,945	1,415,222	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	(22,812)	-	(1,819)
Total All Other Govt Funds	\$ 4,093,211	\$ 8,002,128	\$ 8,741,831	\$ 16,381,454	\$ 22,013,528	\$ 45,825,420





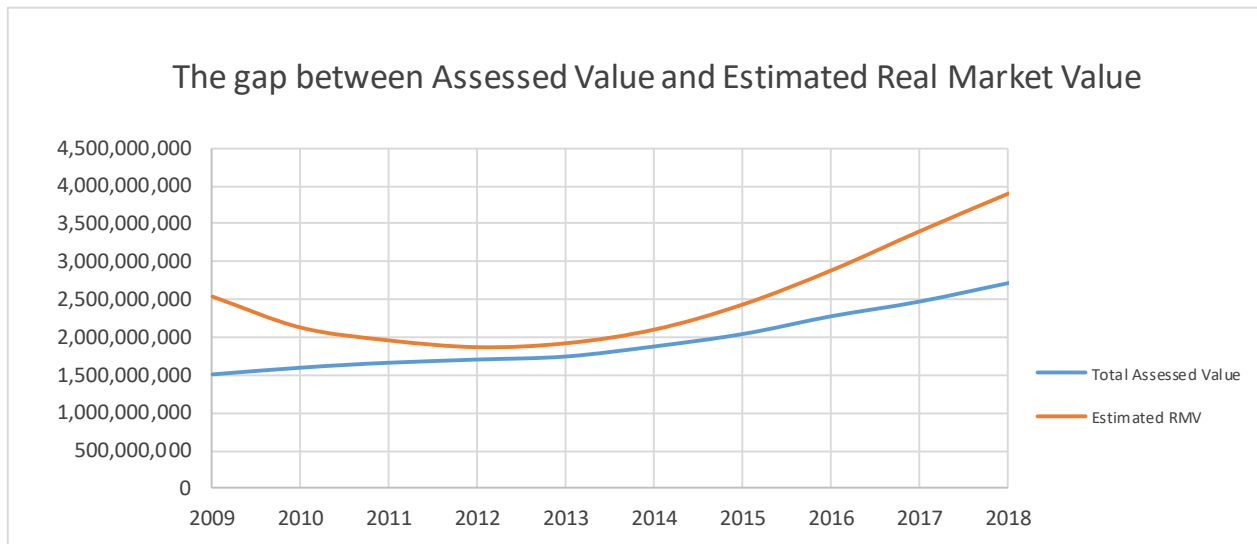
City of Happy Valley Fiscal Year 2021 - 2022 Budget

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)	
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%
2020	3,047,960,020	20,162,975	3,120,309	51,435,000	3,122,678,304	2.05	4,651,611,326	67%

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 2021 - 2022 Budget

Demographic and economic statistics

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	20,945	38	111,066	44,761	6,838	3.8
2020	21,700	37	114,111	47,713	7,918	8.3

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>2020</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Fred Meyer	350	1	11%
New Seasons Market	150	2	5%
Camp Withycombe	100	3	3%
Providence Medical Group Happy Valley	80	4	3%
City of Happy Valley	72	5	2%
McDonald's	62	6	2%
Abundent Life	48	7	2%
Glenmoore	38	8	1%
Hops n Drops	32	9	1%
La Costita	28	10	1%
	960		31%

Source: City business licenses

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Economic and Community Development										
Building										
Residential Building permits issued	158	276	350	274	418	190	135	164	393	446
Commercial Building permits issued	16	2	2	5	14	9	8	9	6	10
Planning										
Planning Permits	128	147	174	226	261	260	232	244	152	153
Engineering										
Erosion Control Permits	*	*	*	*	*	13	30	17	12	19
Minor Grading Permits	*	*	*	*	1	7	8	3	4	5
Site Development Permits	*	*	*	*	*	15	31	13	13	18
Right of Way Permits	*	*	*	*	*	122	139	109	122	120
Public Works:										
Street Sweeping:										
Number of miles swept	2,500	3,000	2,200	2,500	1,800	1,592	1,493	2,297	1,431	1,412
Volume of material removed (cubic yards)	285	379	757	900	900	762	648	954	663	989
Winter Storms:										
Sand applied (cubic yards)	*	26	78	8	100	206	66	50	0	125
Sand picked up after storms	*	16	50	4	60	180	35	29	0	111
Magnesium chloride/De-icing (gallons)	4,125	2,100	7,500	900	2,750	8,735	5,575	4,930	2,500	2,000
Landscape Maintenance:										
Fertilizers (lbs)	*	150	1,110	2,239	0	0	4,746	22,856	22,944	15,890
Herbicides (ounces)	*	56	190	135	480	934	2080 / 195	1605 / 211	1637 / 124	1399 / 497
Park Reservations:										
Reservations coordinated	153	172	214	210	225	255	231	228	137	90
Number of people served	*	6,078	8,218	9,207	9,722	10,315	9,849	9,079	7,395	2,644
Trees planted	*	*	3,150	925	92	1,000	793	1,279	278	770
Services performed on fleet vehicles	*	80	146	170	190	190	250	280	240	300
Crack seal applied on roadways (sq. yd.)**	4	2.25	6.60	4.50	13.75	7.50	7.50	168,200	158,974	125,381
Signs cleaned and adjusted	*	*	869	920	1,148	50	1,200	200	912	566
Community Services										
Passports issued	1,339	1,690	1,882	2,316	2,592	3,377	3,566	3,474	2,444	1,550
Public Safety:										
Code Enforcement / Animal Control Cases	2,023	2,768	2,453	2,108	3,168	3,042	2,148	2,346	3,140	4,719
Parking violations	547	637	389	306	461	585	1,048	643	745	536
Number dispatched calls for service	3,159	3,251	3,471	3,517	4,361	4,466	4,591	4,604	4,318	3,941
Number of traffic violations	2,158	1,849	2,145	2,588	3,079	2,623	4,364	2,821	2,632	2,598
Number of "other" self initiated activities	2,158	1,801	1,396	1,521	1,982	2,901	6,828	5,304	2,598	4,676
Number of traffic stops	3,301	3,582	3,887	4,111	4,545	3,949	4,293	3,699	3,165	3,275
Library										
Circulation	654,150	707,958	762,069	800,944	793,476	787,888	824,836	829,880	630,753	460,570
Number of Reference Inquiries	19,580	17,930	17,452	17,868	27,219	26,889	31,528	33,387	16,084	11,292
Number of Youth Programs	87	214	225	299	401	398	618	719	367	112
Youth Program Attendance	4,145	7,581	9,807	14,127	16,163	19,051	24,887	26,645	13,704	2,418
Number of Adult Programs	3	48	91	180	197	241	195	225	179	128
Adult Program Attendance	331	587	877	2,103	2,892	3,730	3,718	4,317	3,832	1,110

Source: Various City departments

* Information unavailable at this time.

** Crack seal conversion to square yards from tons.



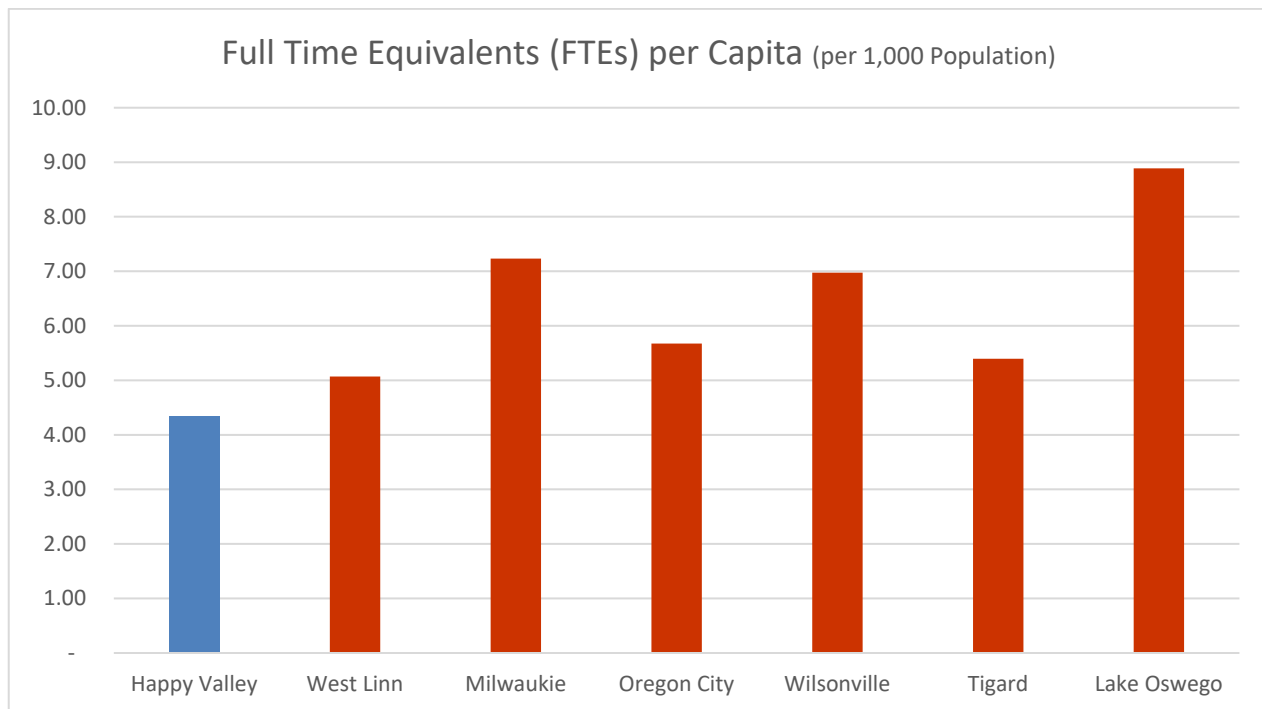
City of Happy Valley Fiscal Year 2021 - 2022 Budget

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 1.0 from the previous budget. This increase consists of 1.0 FTE in General Fund – Administration, a 1.0 FTE increase in the General Fund – Economic and Community Development, and a 1.0 FTE decrease in the Library Fund. Total FTE increased from 77 FTE in the 2020-21 budget to 78 FTE in this budget.

As the following chart shows, we continue to run a lean organization. The City operates with just over 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 2021 - 2022 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 OPSPR 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.

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

2021-22 Adopted Budget - Positions

Department and Position	2018-19	2019-20	Adopted		Proposed	Approved	Adopted
			Budget 2020-21	Estimate 2020-21	Budget 2021-22	Budget 2021-22	Budget 2021-22
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	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	1.00	1.00
Information Technology							
IT Administrator	1.00	1.00	1.00	1.00	1.00	1.00	1.00
ISS Specialist	-	-	-	-	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	12.00	12.00	13.00	13.00	13.00
Economic and Community Development							
Community Development 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
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	1.00
Engineer Admin	-	-	1.00	1.00	1.00	1.00	1.00
Project Engineer	-	-	-	-	1.00	1.00	1.00

2021-22 Adopted Budget - Positions

			Adopted		Proposed	Approved	Adopted
Department and Position	2018-19	2019-20	Budget 2020-21	Estimate 2020-21	Budget 2021-22	Budget 2021-22	Budget 2021-22
Building Inspection							
Building Official	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Building Official	1.00	-	-	-	-	-	-
Administrative Assistant I	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Permit Technician	2.00	2.00	3.00	3.00	3.00	3.00	3.00
Building Inspector I	1.00	1.00	2.00	2.00	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
	19.00	18.00	22.00	22.00	23.00	23.00	23.00
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	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
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	10.00	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	2.00	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	1.00
Programming Specialist/ Tech	-	1.00	2.00	1.00	2.00	2.00	2.00
	2.00	4.00	6.00	4.00	6.00	6.00	6.00

2021-22 Adopted Budget - Positions

Department and Position	2018-19	2019-20	Adopted	Estimate	Proposed	Approved	Adopted
			Budget 2020-21	2020-21	Budget 2021-22	Budget 2021-22	Budget 2021-22
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	2.00	1.00	2.00	2.00	2.00
	3.00	3.00	4.00	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	5.00	5.00	5.00	5.00	5.00
Library Assistant I	2.00	2.00	3.00	3.00	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	5.80	5.80	5.80	5.80	4.80	4.80	4.80
Regular Limited Status positions	1.20	1.20	1.20	1.20	1.20	1.20	1.20
	17.00	17.00	19.00	19.00	18.00	18.00	18.00
Total FTE	66.00	66.00	77.00	74.00	78.00	78.00	78.00
Total Full Time Positions	59.00	59.00	70.00	67.00	72.00	72.00	72.00
Total Part Time Positions	7.00	7.00	7.00	7.00	6.00	6.00	6.00
Total FTE	66.00	66.00	77.00	74.00	78.00	78.00	78.00
General Fund FTE	44.00	42.00	48.00	48.00	50.00	50.00	50.00
Other FTE	22.00	24.00	29.00	26.00	28.00	28.00	28.00
Total FTE	66.00	66.00	77.00	74.00	78.00	78.00	78.00



City of Happy Valley Fiscal Year 2021 - 2022 Budget

Five-Year Projection Excerpt

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

Financial Projection – Citywide

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

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

General Fund

In this projection, the General Fund has an operating deficit, difference between annual revenues and annual expenditures, for four out of five year. 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 \$800 thousand in years two through three. Under this scenario, there would be \$13.2 million available for a project in the Facility Capital Project Fund after year 1, including previous year transfers.

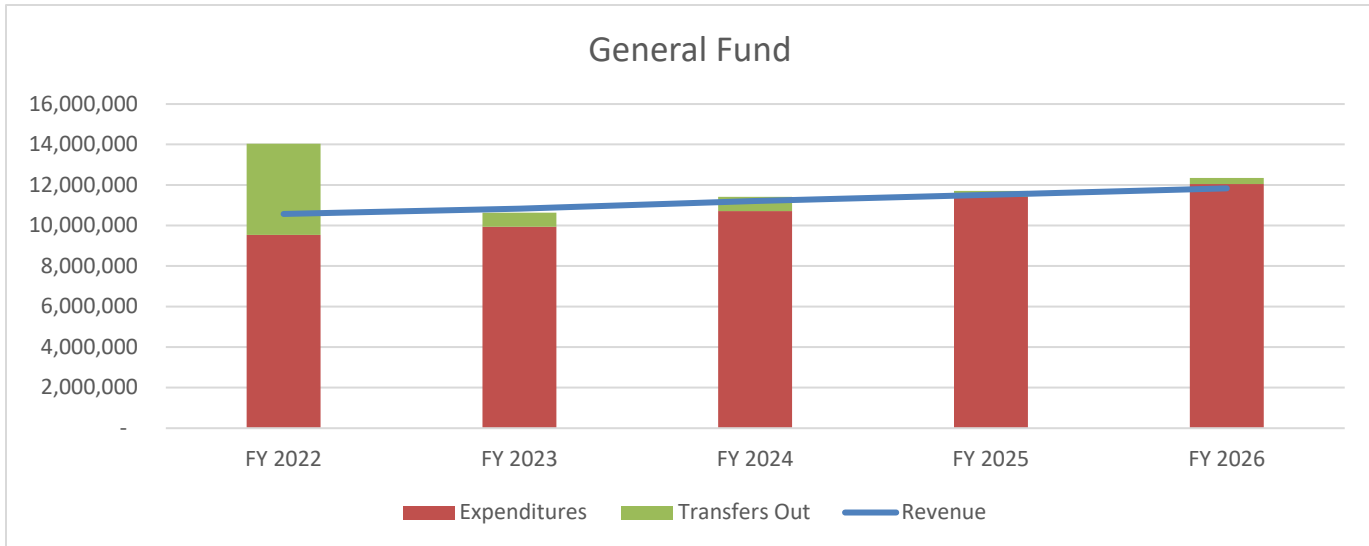
One primary long-term concern is the predicted increase of PERS rates. The City has taken a proactive approach to this by creating a PERS side account which will curb future PERS rate increases. Through State legislation that passed in 2019, the City took advantage available of matching funds to create 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 began in 2020-21 and will 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. Given that the revenue line is higher than the expenditures portion of the bar adjustments could be made to create an operating surplus for all years of this projection if the amount of transfers was decreased.



City of Happy Valley Fiscal Year 2021 - 2022 Budget

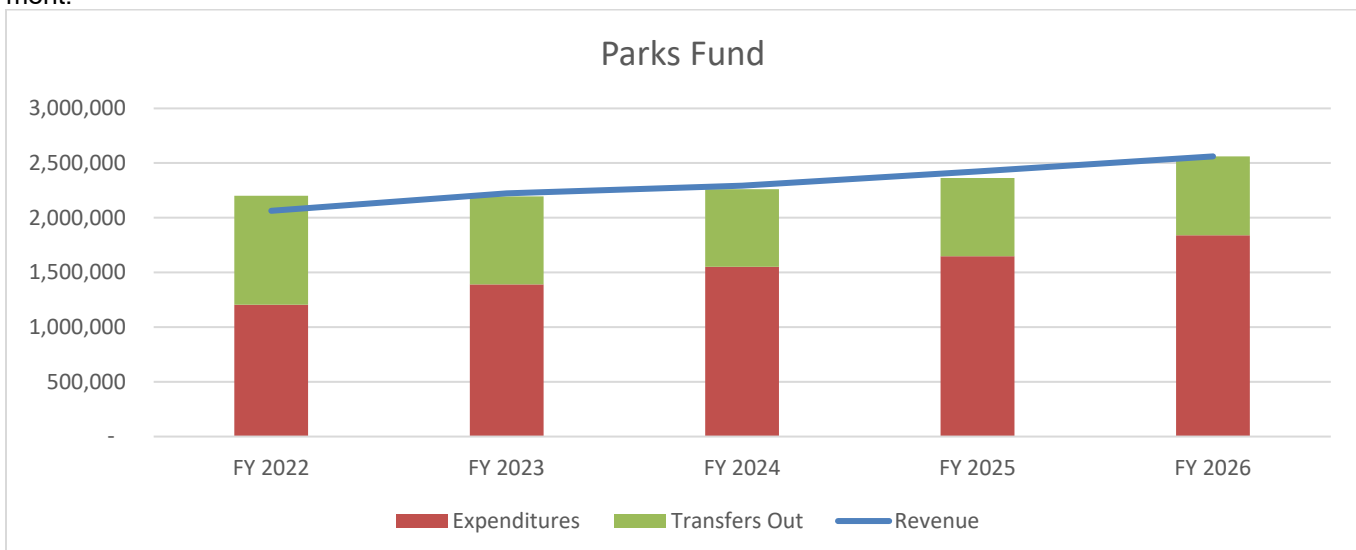


Parks Fund

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 2 of the projection. This projection assumes another levy is passed at the same rate which would cover years 3-5.

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 \$2.9 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.



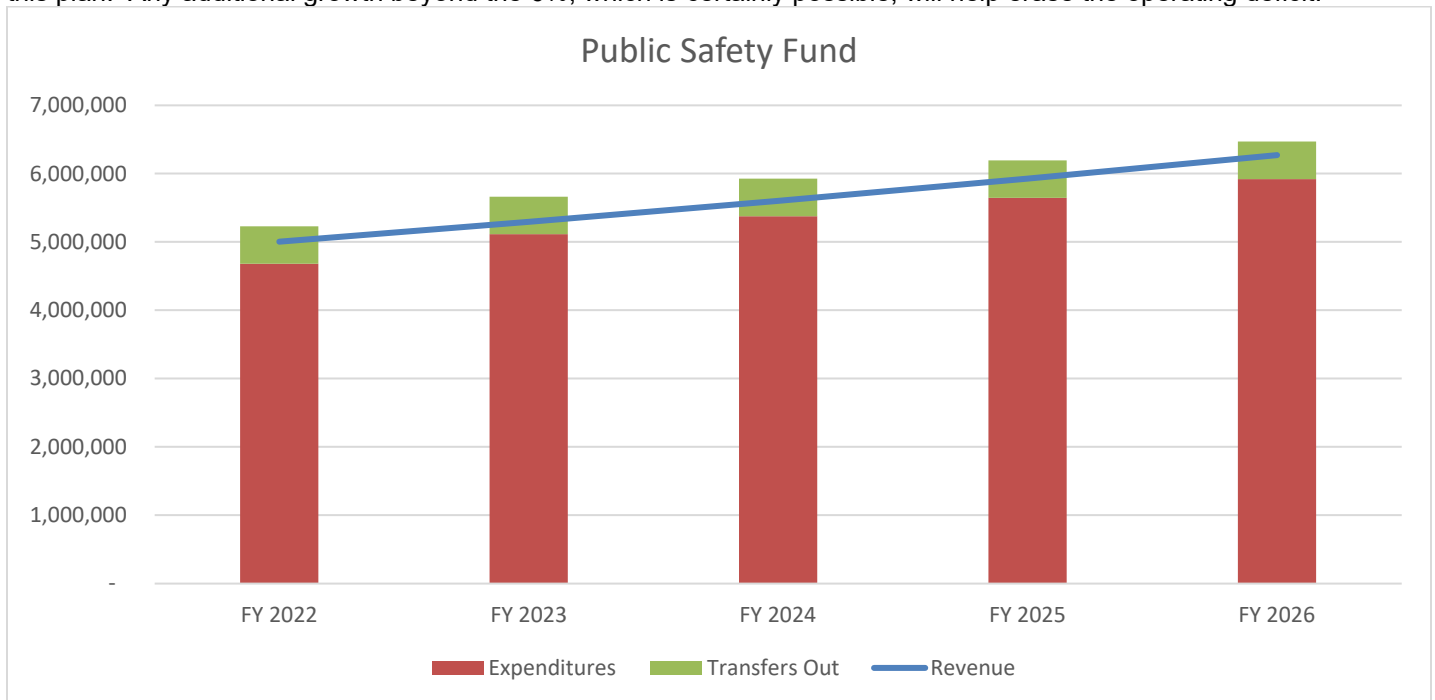


City of Happy Valley Fiscal Year 2021 - 2022 Budget

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 second year of the projection and remains at 17 FTE thereafter. 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

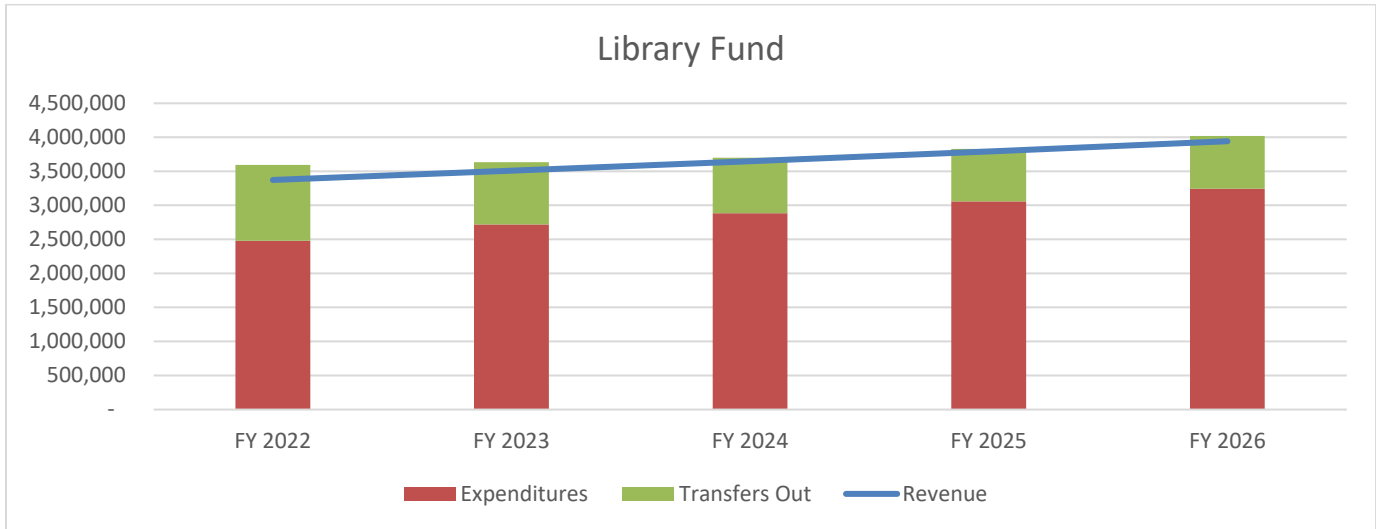
The projection shows an operating deficit in all 5 years, but that deficit is due to the amount transferred from the Library Fund to the Reserve for Replacement Fund.

The Library has 35 total employees, many of whom are used only on an 'on call' basis to fill in scheduling gaps. In year two 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 \$1.8 million to the Library Reserve for Replacement Fund.



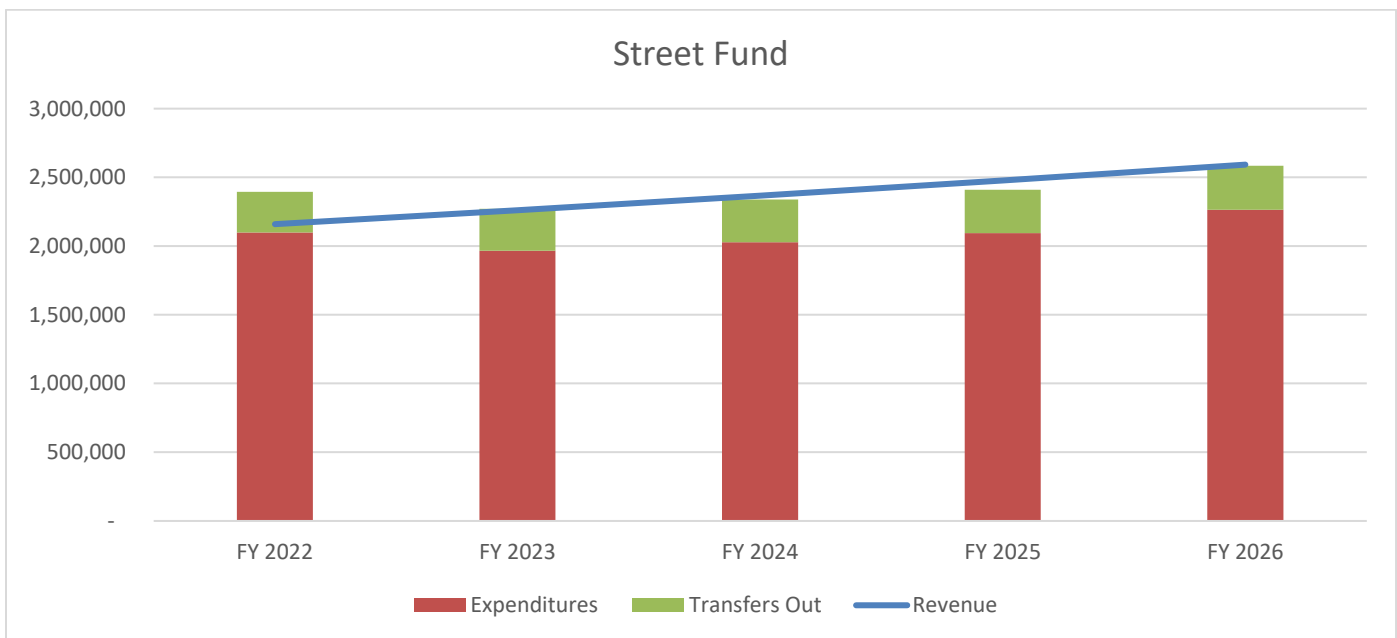
City of Happy Valley Fiscal Year 2021 - 2022 Budget



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 the first year and \$1 million in years 2 through 5. This puts the City short of the target for maintaining its current average of 82 paving quality index. 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.



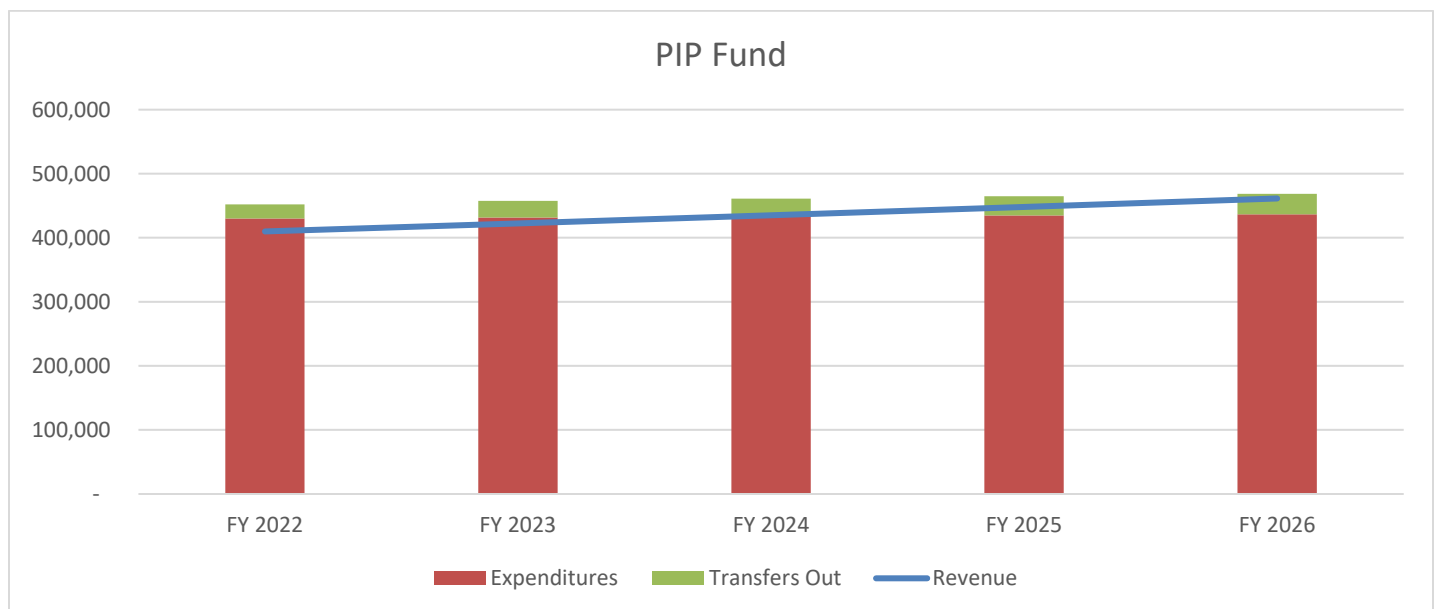


City of Happy Valley Fiscal Year 2021 - 2022 Budget

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 began receiving this revenue in the 2019-20 fiscal year.

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



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

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

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

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

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



City of Happy Valley Fiscal Year 2021 - 2022 Budget

General Fund



City of Happy Valley Fiscal Year 2021 - 2022 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.

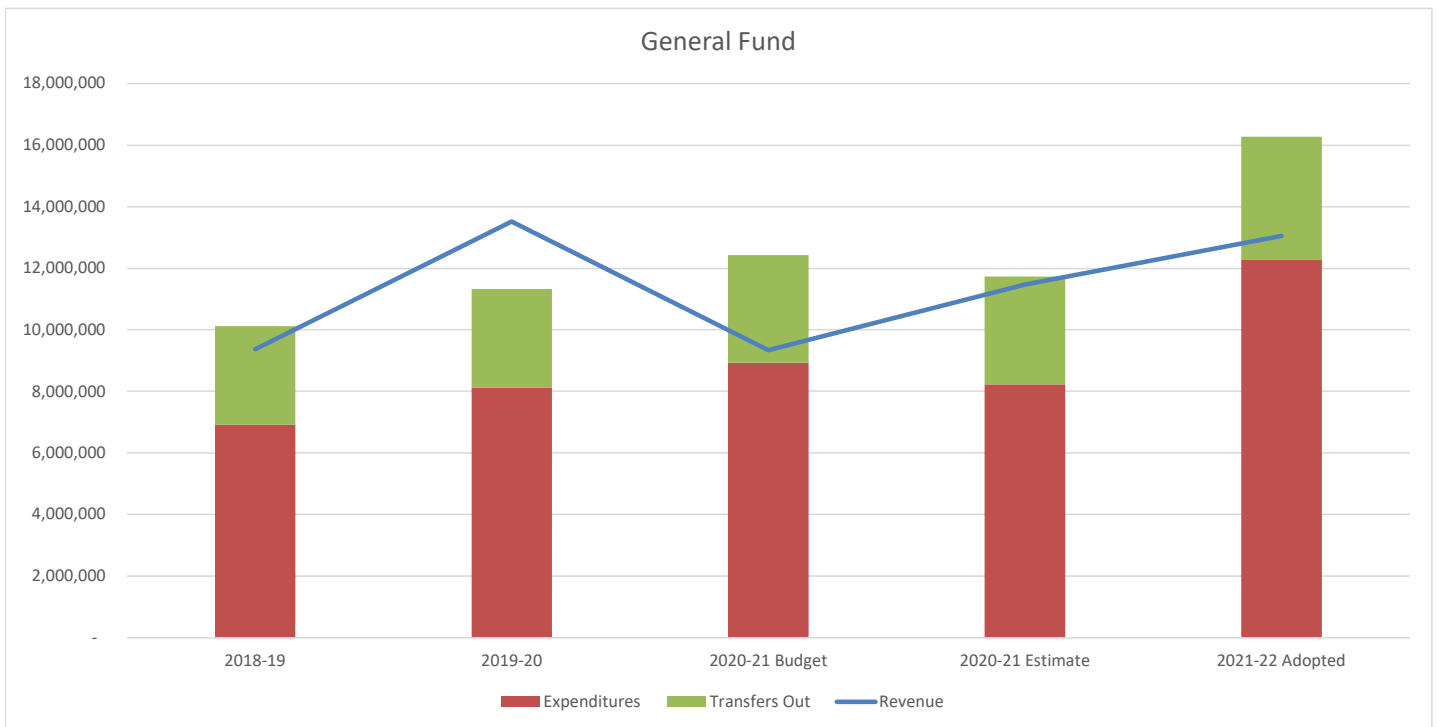
Expenditures

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 2021 - 2022					
	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Proposed	Approved	Adopted
Administration	2,380,602	3,089,847	3,260,900	5,878,000	5,878,000	5,878,000
Community Services and Public Safety	1,092,101	1,187,530	1,345,400	1,449,400	1,449,400	1,449,400
Economic and Community Development	2,810,825	3,174,547	3,511,200	4,045,900	4,045,900	4,045,900
Public Works	628,111	668,938	812,500	880,900	880,900	880,900
Parks	-	-	-	-	-	-
Non-Departmental	-	-	-	-	-	-
Transfers	3,200,000	3,200,000	3,500,000	4,000,000	4,000,000	4,000,000
Contingency	-	-	3,054,301	3,880,026	3,880,026	3,880,026
Total	10,111,639	11,320,862	15,484,301	20,134,226	20,134,226	20,134,226

General Fund

	Preceding 2018-19	Preceding 2019-20	Adopted 2020-21 Budget	2020-21 Estimate	2021-22 Proposed	2021-22 Approved	2021-22 Adopted
Revenue	9,369,626	13,517,487	9,342,000	11,464,000	13,056,500	13,056,500	13,056,500
Expenditures	6,911,639	8,120,862	8,930,000	8,223,200	12,274,200	12,274,200	12,274,200
Transfers Out	3,200,000	3,200,000	3,500,000	3,500,000	4,000,000	4,000,000	4,000,000
Annual Operating Surplus / (Shortfall)	(742,013)	2,196,625	(3,088,000)	(259,200)	(3,217,700)	(3,217,700)	(3,217,700)
Beginning Fund Balance	5,882,314	5,140,301	6,142,301	7,336,926	7,077,726	7,077,726	7,077,726
Ending Fund Balance / Contingency	5,140,301	7,336,926	3,054,301	7,077,726	3,860,026	3,860,026	3,860,026





**City of Happy Valley
Fiscal Year 2021 - 2022 Budget**

**General Fund
Resources**

General Fund

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2021-22	Approved Budget 2021-22	Adopted Budget 2021-22
Resources							
Beginning Fund Balance	5,882,314	5,140,301	6,142,301	7,336,926	7,077,726	7,077,726	7,077,726
Property Taxes	2,026,951	2,039,816	2,220,000	2,180,000	2,278,500	2,278,500	2,278,500
State Shared Rev	667,868	752,799	750,000	870,000	810,000	810,000	810,000
ROW Use Fee	1,660,257	1,803,351	1,750,000	1,800,000	1,850,000	1,850,000	1,850,000
User Related Fees	373,049	403,731	300,000	300,000	400,000	400,000	400,000
Building Fees	1,420,471	3,449,472	1,000,000	2,900,000	2,000,000	2,000,000	2,000,000
Planning Fees	251,775	49,018	175,000	150,000	150,000	150,000	150,000
Engineering Fees	374,045	694,769	275,000	600,000	300,000	300,000	300,000
SDC Compliance	151,085	495,504	200,000	300,000	250,000	250,000	250,000
Urban Renewal Admin Fee	-	-	25,000	30,000	40,000	40,000	40,000
Traffic Fines	545,858	490,446	650,000	425,000	550,000	550,000	550,000
Court Related Fees	89,089	147,102	100,000	110,000	100,000	100,000	100,000
Intergovernmental	286,350	1,533,258	200,000	307,000	200,000	200,000	200,000
Misc Revenue	304,828	308,221	300,000	95,000	150,000	150,000	150,000
American Rescue Plan	-	-	-	-	2,500,000	2,500,000	2,500,000
Transfers In	1,218,000	1,350,000	1,397,000	1,397,000	1,478,000	1,478,000	1,478,000
Total Revenues	9,369,626	13,517,487	9,342,000	11,464,000	13,056,500	13,056,500	13,056,500
Total Resources	15,251,940	18,657,788	15,484,301	18,800,926	20,134,226	20,134,226	20,134,226



City of Happy Valley Fiscal Year 2021 - 2022 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 2021 - 2022 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 2021 - 2022 Budget**

**General Fund
Administration**



City of Happy Valley Fiscal Year 2021 - 2022 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 2021 - 2022 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. Information Systems Specialist

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, Accounting & Grant Supervisor, Accounting Specialist, Financial Analyst.

Budget Summary:

	Preceding		Adopted Budget 2020-21	Budget For Fiscal Year 2021 - 2022		
	2018-19	2019-20		Proposed	Approved	Adopted
Personnel Services	1,424,968	1,504,540	1,855,900	2,003,000	2,003,000	2,003,000
Material and Services	955,634	1,585,307	1,405,000	3,875,000	3,875,000	3,875,000
Total	2,380,602	3,089,847	3,260,900	5,878,000	5,878,000	5,878,000



City of Happy Valley Fiscal Year 2021 - 2022 Budget

Goals and Priorities

General Administration

- Continue partnership with the City's lobbyist to monitor upcoming legislative session and engage with local legislators.
- Implement and track progress on the DEI Strategic Plan.
- Finalize Municipal Code updates regarding anti-camping laws.
- Participate on the Cities Workgroup for the Clackamas County Climate Action Plan.
- Complete the Community Center Feasibility Study.
- Continue to pursue land acquisition for Community Center and future downtown.
- Complete the design for the Library expansion and Village Green Park renovation.
- Coordinate with Public Works Department and Metro to finalize transfer of miscellaneous properties at Mt. Talbert.
- Finalize Intergovernmental Agreement with Metro to receive "local share" dollars as part of the Parks and Nature Bond Measure.
- Develop short-term rental regulation options for City Council.

Information Technology

- Move all city staff to Microsoft Teams Phone and implement new direct dial numbers.
- Work with all departments on roll out of Energov.
- Continue to evaluate security options and upgrades as needed.
- Explore options of using JIRA for project management.
- Transition Incode Finance, HR, and Court to a Tyler hosted solutions.
- Work with finance to create a new budget process for IT going forward.
- Expand use of cloud management tools to help manage IT resources when staff are not in the office.
- Review options for staff news and information using Office 365.
- Replace all city buildings access control and security systems with a new system.

Finance

- 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.
- Complete software implementation projects for Energov and Activenet (Parks and Rec programming software).

Human Resources, City Recorder, Risk Management

- Complete consolidation of 457 retirement account options to lower administrative costs to sole provider.
- Complete a full Job Description Review and Equal Pay Analysis.
- Complete adding DEI related job responsibilities to all Job Descriptions.
- Finalize new employee onboarding process, integrate electronic process.
- Finalize programming for regular training programs.
- Move all employee files to Laserfiche.
- Continue to develop and grow diverse and qualified applicant pools for vacant positions.

General Fund - Administration

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2021-22	Approved Budget 2021-22	Adopted Budget 2021-22
Personnel Services							
FTE Positions	10.5	11.0	12.0	11.0	13.0	13.0	13.0
Wages	\$ 905,139	\$ 979,060	\$ 1,150,600	\$ 1,070,000	\$ 1,241,800	\$ 1,241,800	\$ 1,241,800
Benefits	519,829	525,480	705,300	600,000	761,200	761,200	761,200
Total Personnel Services	<u>1,424,968</u>	<u>1,504,540</u>	<u>1,855,900</u>	<u>1,670,000</u>	<u>2,003,000</u>	<u>2,003,000</u>	<u>2,003,000</u>
Materials and Services							
Office Supplies	85,845	126,561	95,000	160,000	130,000	130,000	130,000
Professional Development	155,782	108,560	160,000	100,000	160,000	160,000	160,000
Utilities	143,198	115,754	155,000	105,000	155,000	155,000	155,000
Public Accountability	25,039	30,483	40,000	24,000	40,000	40,000	40,000
Repairs & Maintenance	9,358	36,502	20,000	10,000	-	-	-
Facility & Office Service Contracts	153,118	222,917	220,000	320,000	220,000	220,000	220,000
Public Outreach	61,311	535,464	75,000	420,000	80,000	80,000	80,000
General Operating	132,780	183,040	190,000	215,000	190,000	190,000	190,000
Legal	60,849	103,996	150,000	40,000	150,000	150,000	150,000
Contract Services	128,354	122,030	300,000	140,000	250,000	250,000	250,000
American Rescue Plan	-	-	-	-	2,500,000	2,500,000	2,500,000
Total Materials and Services	<u>955,634</u>	<u>1,585,307</u>	<u>1,405,000</u>	<u>1,534,000</u>	<u>3,875,000</u>	<u>3,875,000</u>	<u>3,875,000</u>
Total Administration	<u>\$ 2,380,602</u>	<u>\$ 3,089,847</u>	<u>\$ 3,260,900</u>	<u>\$ 3,204,000</u>	<u>\$ 5,878,000</u>	<u>\$ 5,878,000</u>	<u>\$ 5,878,000</u>



City of Happy Valley Fiscal Year 2021 - 2022 Budget

General Fund

Expenditures, Administration

Personnel:

Wages: City Manager, Assistant City Manager, Finance Director, Human Resources Manager, City Recorder/Policy Analyst, Executive Assistant, Accounting & Grant Supervisor, Accounting Specialist, 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 2021 - 2022 Budget**

General Fund

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



City of Happy Valley Fiscal Year 2021 - 2022 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 2021 - 2022 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 2020-21	Budget For Fiscal Year 2021- 2022		
	2018-19	2019-20		Proposed	Approved	Adopted
Personnel Services	1,039,694	1,139,900	1,258,900	1,280,400	1,280,400	1,280,400
Material and Services	52,407	47,630	86,500	169,000	169,000	169,000
Total	1,092,101	1,187,530	1,345,400	1,449,400	1,449,400	1,449,400



City of Happy Valley Fiscal Year 2021 - 2022 Budget

General Fund

Expenditures, Community Services and Public Safety

Goals and Priorities

Community Services

- Continue to increase communication efforts through use of video on social media and City website.
- Participate in social media training focusing on industry standards for government messaging.
- Research and develop prospective programs that may be utilized in Happy Valley to bolster Community Safety (Lock Box program) and Parks and Recreation marketing (Marketing Brand Representatives).
- Continue working with finance to initiate online dog/business/alarm licensing and permitting with Energov.
- Implement the new Parks and Recreation software system called ACTIVE Net allowing residents to create a profile portal, register for classes, camps and make park reservations and sports field reservations.
- Enhance recreation programming and continue building programming for youth, adults, and seniors in the City.
- Build Meals on Wheels fundraising opportunities and increase brand recognition through communication.

Code Enforcement

- Conduct a park safety audit for all parks in the city.
- Obtain Animal Abuse Investigator Certification for Staff.
- Obtain current information on HOA's and boards. Create and keep a database with updated information bi-annually.
- Establish an alarm system management program for alerting residents on false alarms and no permit. The program will reduce the number of false alarms freeing up police patrols.
- Establish a park patrol plan using information from the park safety audit.
- Establish a park/neighborhood watch program.
- Work as a liaison between property owners, police and social services to provide resources for people experiencing houselessness.
- Create partnership with local veterinarians to provide dog licenses to residents.

Court

- Research and possibly implement Tyler Incode Virtual Court.
- Finalize E-Conviction project.
- Re-visit electronic parking solution.
- Look into digitizing historical court files.

General Fund - Community Services and Public Safety

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2021-22	Approved Budget 2021-22	Adopted Budget 2021-22
Personnel Services							
FTE Positions	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Wages	\$ 655,555	\$ 695,711	\$ 755,300	\$ 700,100	\$ 788,200	\$ 788,200	\$ 788,200
Benefits	384,139	444,189	503,600	429,550	512,200	512,200	512,200
Total Personnel Services	<u>1,039,694</u>	<u>1,139,900</u>	<u>1,258,900</u>	<u>1,129,650</u>	<u>1,300,400</u>	<u>1,300,400</u>	<u>1,300,400</u>
Materials and Services							
CSPS Supplies	2,280	2,839	6,500	2,000	4,000	4,000	4,000
Professional Development	11,234	17,017	30,000	4,500	25,000	25,000	25,000
Public Safety Related	38,893	27,774	40,000	33,000	40,000	40,000	40,000
Contract Services	-	-	10,000	3,300	100,000	100,000	100,000
Total Materials and Services	<u>52,407</u>	<u>47,630</u>	<u>86,500</u>	<u>42,800</u>	<u>169,000</u>	<u>169,000</u>	<u>169,000</u>
Total Community Services and Public Safety	<u>\$ 1,092,101</u>	<u>\$ 1,187,530</u>	<u>\$ 1,345,400</u>	<u>\$ 1,172,450</u>	<u>\$ 1,469,400</u>	<u>\$ 1,469,400</u>	<u>\$ 1,469,400</u>



City of Happy Valley Fiscal Year 2021 - 2022 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 2021 - 2022 Budget**

General Fund

***Economic and Community Development
Department***



City of Happy Valley Fiscal Year 2021 - 2022 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 2021 - 2022 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 2021 - 2022		
	2018-19	2018-19	Budget 2020-21	Proposed	Approved	Adopted
Personnel Services	2,164,234	2,369,137	2,846,200	3,200,900	3,200,900	3,200,900
Material and Services	646,591	805,410	665,000	845,000	845,000	845,000
Total	2,810,825	3,174,547	3,511,200	4,045,900	4,045,900	4,045,900



City of Happy Valley Fiscal Year 2021 - 2022 Budget

General Fund

Economic and Community Development

Goals and Priorities

Planning and Economic Development Divisions

- Adopt the Pleasant Valley / North Carver Comprehensive Plan
- Adopt the Land Development Code amendments in conformance with HB2001 (Middle Housing)
- Create and adopt a downtown district overlay for the East Happy Valley Comprehensive Plan and Land Development Code.
- Complete the City Council directed Land Development Code audit for development standards and tree preservation.
- 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 by working with internal staff, including Planning and Building, to utilize new technologies for electronic plan submittals, improve on efficiencies in review and inspections, and continually provide communication and feedback throughout the project.
- Continue work on Transportation and Parks SDC credit applications, Reimbursement Districts and extensive construction plan review and inspections.
- Continue to plan and manage the design and construction of the CIP paving and maintenance projects.
- Continue to work with Clackamas County on the future 172nd Avenue Capital Improvement Project and provide engineering support to other capital projects including the 129th Ave./King Rd. compact roundabout and the future public works facility.

Building Division

- Continue to move “all things digital” in our permitting, plan review and inspection processes.
- Provide training for builders to better understand and use the ePermitting system.
- Develop online training tools explaining the residential building process for builders. Basically, “how to get from house plan submittals to final occupancy.”
- Provide additional training for our staff and builders for the newly adopted 2021 Residential Building Code

General Fund - Economic & Community Development

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2021-22	Approved Budget 2021-22	Adopted Budget 2021-22
Personnel Services							
FTE Positions	18.0	20.0	22.0	22.0	23.0	23.0	23.0
Wages	\$ 1,393,984	\$ 1,530,744	\$ 1,764,600	\$ 1,580,800	\$ 1,984,500	\$ 1,984,500	\$ 1,984,500
Benefits	770,250	838,393	1,081,600	861,600	1,216,400	1,216,400	1,216,400
Total Personnel Services	<u>2,164,234</u>	<u>2,369,137</u>	<u>2,846,200</u>	<u>2,442,400</u>	<u>3,200,900</u>	<u>3,200,900</u>	<u>3,200,900</u>
Materials and Services							
ECD Supplies	6,020	2,518	5,000	200	5,000	5,000	5,000
Professional Development	28,613	37,934	60,000	17,000	40,000	40,000	40,000
Contract Services	611,958	764,958	550,000	710,000	800,000	800,000	800,000
Contract Services - Metro Grant	-	-	50,000	-	-	-	-
Total Materials and Services	<u>646,591</u>	<u>805,410</u>	<u>665,000</u>	<u>727,200</u>	<u>845,000</u>	<u>845,000</u>	<u>845,000</u>
Total Economic & Community Development	<u>2,810,825</u>	<u>3,174,547</u>	<u>3,511,200</u>	<u>3,169,600</u>	<u>4,045,900</u>	<u>4,045,900</u>	<u>4,045,900</u>



City of Happy Valley Fiscal Year 2021 - 2022 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 2021 - 2022 Budget**

General Fund

Public Works Department



City of Happy Valley Fiscal Year 2021 - 2022 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 2021 - 2022		
	2018-19	2018-19	Budget 2020-21	Proposed	Approved	Adopted
Personnel Services	482,877	503,003	610,500	648,900	648,900	648,900
Material and Services	145,234	165,935	202,000	232,000	232,000	232,000
Total	628,111	668,938	812,500	880,900	880,900	880,900

General Fund - Public Works

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2021-22	Approved Budget 2021-22	Adopted Budget 2021-22
Personnel Services							
FTE Positions	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Wages	\$ 298,822	\$ 306,855	\$ 366,300	\$ 325,650	\$ 389,300	\$ 389,300	\$ 389,300
Benefits	184,055	196,148	244,200	185,500	259,600	259,600	259,600
Total Personnel Services	<u>482,877</u>	<u>503,003</u>	<u>610,500</u>	<u>511,150</u>	<u>648,900</u>	<u>648,900</u>	<u>648,900</u>
Materials and Services							
Public Works Supplies	11,112	21,083	20,000	20,000	22,000	22,000	22,000
Professional Development	12,603	7,096	12,000	12,000	15,000	15,000	15,000
Vehicle Operation & Main.	37,941	45,093	50,000	45,000	55,000	55,000	55,000
Repairs & Maintenance	44,648	66,998	50,000	44,000	70,000	70,000	70,000
Contract Services	38,930	25,665	70,000	45,000	70,000	70,000	70,000
Total Materials and Services	<u>145,234</u>	<u>165,935</u>	<u>202,000</u>	<u>166,000</u>	<u>232,000</u>	<u>232,000</u>	<u>232,000</u>
Total Public Works	<u>628,111</u>	<u>668,938</u>	<u>812,500</u>	<u>677,150</u>	<u>880,900</u>	<u>880,900</u>	<u>880,900</u>



City of Happy Valley Fiscal Year 2021 - 2022 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 2021 - 2022 Budget**

General Fund

Transfers

Contingency

Total Requirements

General Fund - Non-Departmental, Transfers, and Contingency

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2021-22	Approved Budget 2021-22	Adopted Budget 2021-22
Personnel							
Personnel costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking	-	-	-	-	-	-	-
Total Non- departmental	-	-	-	-	-	-	-
To Parks Fund	-	330,000	-	-	-	-	-
To Pedestrian Improvement Project I	100,000	-	-	-	-	-	-
To Reserve for Gen Op Fund	300,000	-	-	-	-	-	-
To Gen Res for Replacement Fund	500,000	500,000	500,000	500,000	500,000	500,000	500,000
To Facility Cap Project Fund	2,300,000	2,370,000	3,000,000	3,000,000	3,500,000	3,500,000	3,500,000
To Debt Service Fund	-	-	-	-	-	-	-
Total Transfers	3,200,000	3,200,000	3,500,000	3,500,000	4,000,000	4,000,000	4,000,000
Contingency	-	-	3,054,301	-	3,860,026	3,860,026	3,860,026

General Fund - Total by Department

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2021-22	Approved Budget 2021-22	Adopted Budget 2021-22
Administration	\$ 2,380,602	\$ 3,089,847	\$ 3,260,900	\$ 3,204,000	\$ 5,878,000	\$ 5,878,000	\$ 5,878,000
Community Services / Public Safety	1,092,101	1,187,530	1,345,400	1,172,450	1,469,400	1,469,400	1,469,400
Economic & Community Development	2,810,825	3,174,547	3,511,200	3,169,600	4,045,900	4,045,900	4,045,900
Public Works	628,111	668,938	812,500	677,150	880,900	880,900	880,900
Non-Departmental	-	-	-	-	-	-	-
Transfers	3,200,000	3,200,000	3,500,000	3,500,000	4,000,000	4,000,000	4,000,000
Contingency	-	-	3,054,301	-	3,860,026	3,860,026	3,860,026
Total General Fund Requirements	10,111,639	11,320,862	15,484,301	11,723,200	20,134,226	20,134,226	20,134,226
Ending Fund Balance	5,140,301	7,336,926	-	7,077,726	-	-	-



City of Happy Valley Fiscal Year 2021 - 2022 Budget

General Fund

Transfers, Contingency

Manager: Jason Tuck, ICMA-CM

Transfers:

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

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

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

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

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

Other:

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

General Fund Department Totals:

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



City of Happy Valley Fiscal Year 2021 - 2022 Budget

Parks Fund



City of Happy Valley Fiscal Year 2021 - 2022 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.

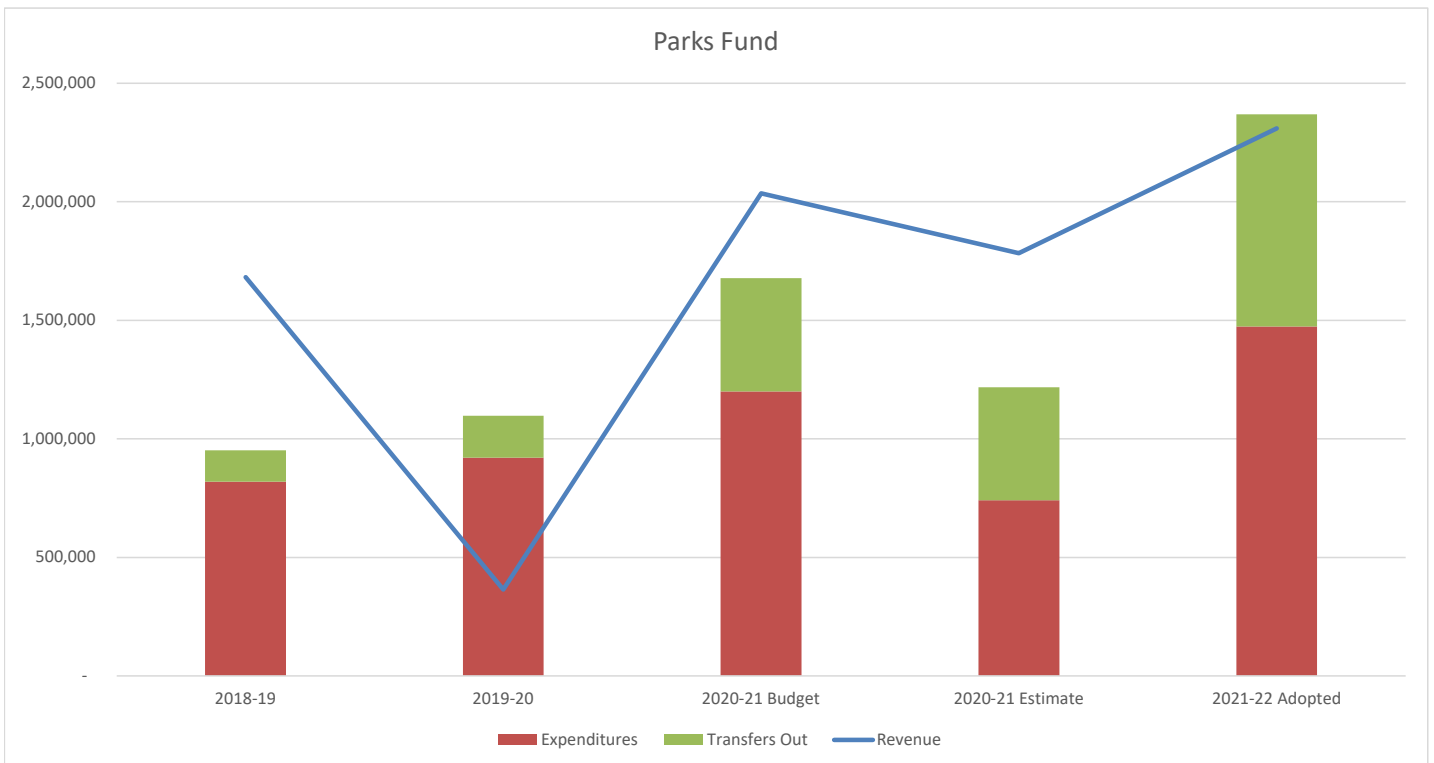
Staff includes Utility Worker II, Utility Worker I (1.5), Programming Specialist, Event Coordinator.

Budget Summary:

	Preceding		Adopted	Budget For Fiscal Year 2021 - 2022		
	2018-19	2019-20	Budget 2020-21	Proposed	Approved	Adopted
Operations	302,222	416,436	651,800	925,000	925,000	925,000
Programming	233,863	260,765	483,700	518,900	518,900	518,900
Non-Departmental	283,107	243,772	65,000	30,000	30,000	30,000
Transfers	133,000	177,000	477,000	895,000	895,000	895,000
Contingency	-	-	-	507,421	507,421	507,421
Total	952,192	1,097,973	1,677,500	2,876,321	2,876,321	2,876,321

Parks Fund

	Preceding 2018-19	Preceding 2019-20	Adopted 2020-21 Budget	2020-21 Estimate	2021-22 Proposed	2021-22 Approved	2021-22 Adopted
Revenue	1,682,072	364,684	2,035,000	1,782,700	2,309,400	2,309,400	2,309,400
Expenditures	819,192	920,973	1,200,500	740,960	1,473,900	1,473,900	1,473,900
Transfers Out	133,000	177,000	477,000	477,000	895,000	895,000	895,000
Annual Operating Surplus / (Shortfall)	729,880	(733,289)	357,500	564,740	(59,500)	(59,500)	(59,500)
Beginning Fund Balance	5,590	735,470	27,331	2,181	566,921	566,921	566,921
Ending Fund Balance / Contingency	735,470	2,181	384,831	566,921	507,421	507,421	507,421



Parks Fund

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2021-22	Approved Budget 2021-22	Adopted Budget 2021-22
Resources							
Beginning Fund Balance	\$ 5,590	735,470	\$ 27,331	2,181	\$ 566,921	\$ 566,921	\$ 566,921
Property Taxes	1,525,613	-	1,750,000	1,740,000	1,844,400	1,844,400	1,844,400
Intergovernmental	-	-	30,000	-	20,000	20,000	20,000
User Related	43,674	14,284	40,000	10,000	40,000	40,000	40,000
Program Fees	6,983	-	30,000	2,000	15,000	15,000	15,000
Event Revenue	82,967	20,315	20,000	-	20,000	20,000	20,000
Grant Revenue	22,835	85	20,000	10,700	350,000	350,000	350,000
Misc Revenue	-	-	145,000	20,000	20,000	20,000	20,000
Transfer In - from General Fund	-	330,000	-	-	-	-	-
Total Resources	<u>1,687,662</u>	<u>1,100,154</u>	<u>2,062,331</u>	<u>1,784,881</u>	<u>2,876,321</u>	<u>2,876,321</u>	<u>2,876,321</u>

Parks Fund - Operations

Requirements	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2021-22	Approved Budget 2021-22	Adopted Budget 2021-22
Personnel Services							
FTE Positions	2.0	2.0	3.0	2.0	3.0	3.0	3.0
Wages	80,521	93,511	174,700	100,800	187,800	187,800	187,800
Benefits	71,851	53,403	107,100	66,480	115,200	115,200	115,200
Total Personnel Services	<u>152,372</u>	<u>146,914</u>	<u>281,800</u>	<u>167,280</u>	<u>303,000</u>	<u>303,000</u>	<u>303,000</u>
Materials and Services							
Park Supplies	15,845	16,244	30,000	20,000	30,000	30,000	30,000
Professional Development	9,047	2,316	10,000	2,000	12,000	12,000	12,000
Utilities	23,075	31,203	55,000	35,000	45,000	45,000	45,000
Vehicle Operation & Maint.	1,921	323	5,000	3,000	5,000	5,000	5,000
Repairs & Maintenance	54,625	66,115	70,000	95,000	110,000	110,000	110,000
Contract Services	45,337	153,321	200,000	200,000	420,000	420,000	420,000
Total Materials and Services	<u>149,850</u>	<u>269,522</u>	<u>370,000</u>	<u>355,000</u>	<u>622,000</u>	<u>622,000</u>	<u>622,000</u>
Total Operations	<u>302,222</u>	<u>416,436</u>	<u>651,800</u>	<u>522,280</u>	<u>925,000</u>	<u>925,000</u>	<u>925,000</u>

Parks Fund - Recreation

Requirements	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2021-22	Approved Budget 2021-22	Adopted Budget 2021-22
Personnel Services							
FTE Positions	2.0	2.5	3.0	2.0	3.0	3.0	3.0
Wages	100,689	99,137	177,400	111,450	185,300	185,300	185,300
Benefits	39,250	67,852	118,300	77,380	123,600	123,600	123,600
Total Personnel Services	<u>139,939</u>	<u>166,989</u>	<u>295,700</u>	<u>188,830</u>	<u>308,900</u>	<u>308,900</u>	<u>308,900</u>
Materials and Services							
Program Supplies	40	154	20,000	1,600	20,000	20,000	20,000
Community Events	84,674	75,498	80,000	20,000	100,000	100,000	100,000
Professional Development	949	402	10,000	400	20,000	20,000	20,000
Program Services	8,261	17,722	50,000	7,850	50,000	50,000	50,000
Contract Services	-	-	10,000	-	10,000	10,000	10,000
Public Outreach	-	-	18,000	-	10,000	10,000	10,000
Total Materials and Services	<u>93,924</u>	<u>93,776</u>	<u>188,000</u>	<u>29,850</u>	<u>210,000</u>	<u>210,000</u>	<u>210,000</u>
Total Programming	<u>233,863</u>	<u>260,765</u>	<u>483,700</u>	<u>218,680</u>	<u>518,900</u>	<u>518,900</u>	<u>518,900</u>

Parks Fund - Non-Departmental, Transfers, and Contingency

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2021-22	Approved Budget 2021-22	Adopted Budget 2021-22
Public Outreach	-	-	15,000	-	20,000	20,000	20,000
Legal	283,107	241,133	50,000	-	10,000	10,000	10,000
Contract Services	-	2,639	-	-	-	-	-
Total Non-departmental	283,107	243,772	65,000	-	30,000	30,000	30,000
Transfers							
To General Fund	133,000	177,000	177,000	177,000	195,000	195,000	195,000
To Parks Res for Replacement	-	-	300,000	300,000	700,000	700,000	700,000
Total Transfers	133,000	177,000	477,000	477,000	895,000	895,000	895,000
Contingency	-	-	384,831	-	507,421	507,421	507,421

Parks Fund - Total by Department

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2021-22	Approved Budget 2021-22	Adopted Budget 2021-22
Operations	302,222	416,436	651,800	522,280	925,000	925,000	925,000
Programming	233,863	260,765	483,700	218,680	518,900	518,900	518,900
Non-Departmental	283,107	243,772	65,000	-	30,000	30,000	30,000
Transfers	133,000	177,000	477,000	477,000	895,000	895,000	895,000
Contingency	-	-	384,831	-	507,421	507,421	507,421
Total Parks Fund Requirements	952,192	1,097,973	2,062,331	1,217,960	2,876,321	2,876,321	2,876,321
Annual operating surplus/(deficit)	729,880	(733,289)	(27,331)	564,740	(566,921)	(566,921)	(566,921)
Ending Fund Balance	735,470	2,181	-	566,921	-	-	-
Contingency % (incl transfers out)	-	-	-	-	18%	18%	18%



City of Happy Valley Fiscal Year 2021 - 2022 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 2021 - 2022 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 2021 - 2022 Budget**

Public Safety Fund



City of Happy Valley Fiscal Year 2021 - 2022 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:

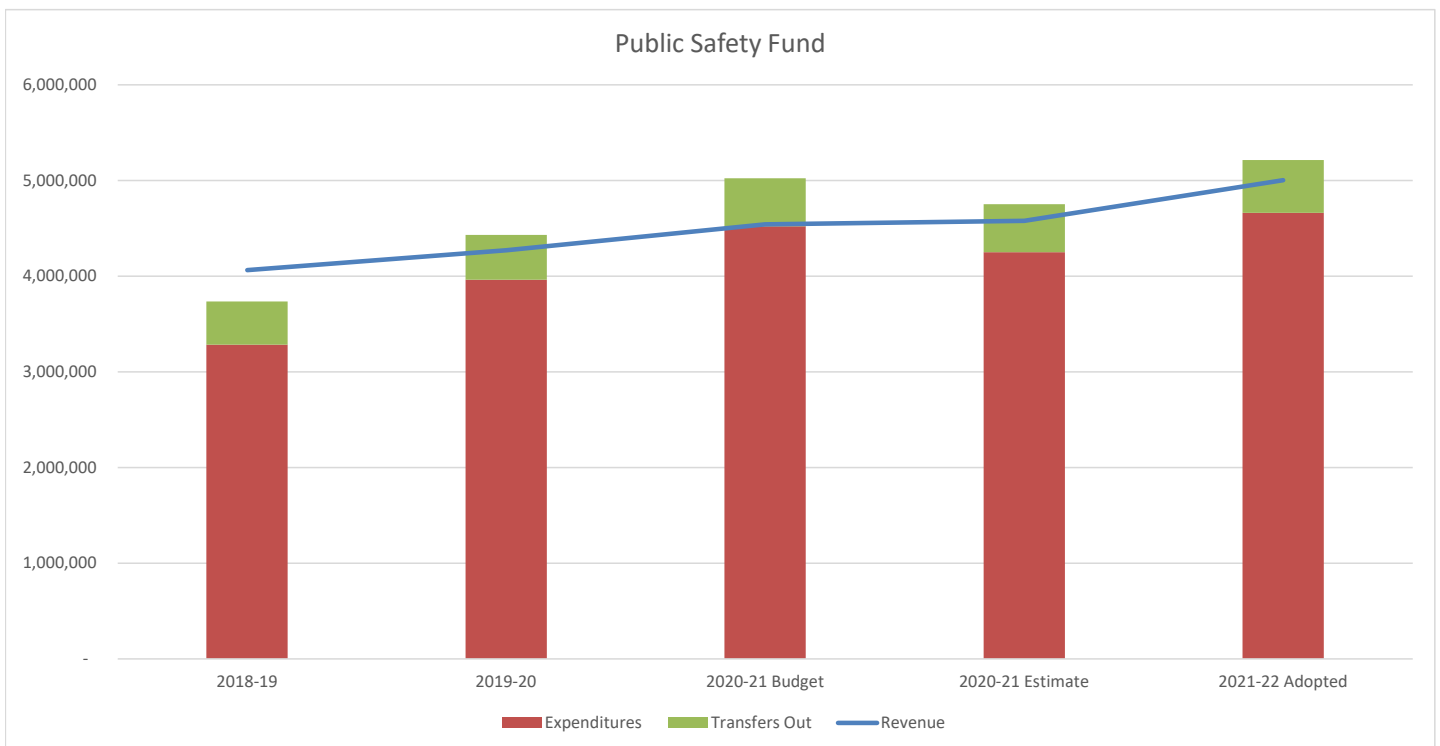
	Preceding		Adopted Budget 2020-21	Budget For Fiscal Year 2021-22		
	2018-19	2019-20		Proposed	Approved	Adopted
Material and Services	3,238,424	3,962,941	4,493,000	4,654,000	4,654,000	4,654,000
Capital Outlay	46,067	1,086	30,000	10,000	10,000	10,000
Transfers	452,000	468,000	502,000	550,000	550,000	550,000
Contingency	-	-	1,531,427	1,306,977	1,306,977	1,306,977
Total	3,736,491	4,432,027	6,556,427	6,520,977	6,520,977	6,520,977

Goals and Priorities

- Create an alarm system management program to reduce false alarms.
- Work with apartment managers to develop a landlord – tenant program.
- Conduct a study to determine the best approach for police staffing.
- Review data to create boundaries for two patrol districts.
- Explore adding an additional Sergeant to allow better direct supervision throughout the continuous operation work week.
- Continue to review crime and safety data and analyze growth to maintain effective staffing levels, consistent with the 5-year staffing plan.
- Provide workplace violence training for city staff.

Public Safety Fund

	Preceding 2018-19	Preceding 2019-20	Adopted 2020-21 Budget	2020-21 Estimate	2021-22 Proposed	2021-22 Approved	2021-22 Adopted
Revenue	4,063,336	4,269,977	4,542,000	4,577,500	5,003,600	5,003,600	5,003,600
Expenditures	3,284,491	3,964,027	4,523,000	4,249,500	4,664,000	4,664,000	4,664,000
Transfers Out	452,000	468,000	502,000	502,000	550,000	550,000	550,000
Annual Operating Surplus / (Shortfall)	326,845	(162,050)	(483,000)	(174,000)	(210,400)	(210,400)	(210,400)
Beginning Fund Balance	1,526,582	1,853,427	2,014,427	1,691,377	1,517,377	1,517,377	1,517,377
Ending Fund Balance / Contingency	1,853,427	1,691,377	1,531,427	1,517,377	1,306,977	1,306,977	1,306,977



Public Safety Fund

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2021-22	Approved Budget 2021-22	Adopted Budget 2021-22
Resources							
Beginning Fund Balance	\$ 1,526,582	\$ 1,853,427	\$ 2,014,427	\$ 1,691,377	\$ 1,517,377	\$ 1,517,377	\$ 1,517,377
Property Taxes	3,980,224	4,194,170	4,452,000	4,560,000	4,833,600	4,833,600	4,833,600
Misc Revenue	83,112	75,807	90,000	17,500	170,000	170,000	170,000
Transfer - from Res for Repl	-	-	-	-	-	-	-
Total Resources	<u>5,589,918</u>	<u>6,123,404</u>	<u>6,556,427</u>	<u>6,268,877</u>	<u>6,520,977</u>	<u>6,520,977</u>	<u>6,520,977</u>
Requirements							
Materials and Services							
PS Supplies	11,182	5,508	15,000	3,000	10,000	10,000	10,000
Professional Development	19,487	17,957	30,000	6,000	20,000	20,000	20,000
Utilities	21,071	18,789	30,000	23,000	24,000	24,000	24,000
Vehicle Operation & Maint.	5,757	10,703	8,000	8,000	10,000	10,000	10,000
Repairs & Maintenance	19,419	24,110	30,000	14,000	20,000	20,000	20,000
Public Outreach	19,020	23,620	30,000	6,000	10,000	10,000	10,000
Contract Services	34,498	67,043	50,000	79,000	60,000	60,000	60,000
Police Contract - M&S	963,477	1,176,515	1,050,000	1,000,000	1,100,000	1,100,000	1,100,000
Police Contract - Personnel	2,144,513	2,618,696	3,250,000	3,100,000	3,400,000	3,400,000	3,400,000
Total Materials and Services	<u>3,238,424</u>	<u>3,962,941</u>	<u>4,493,000</u>	<u>4,239,000</u>	<u>4,654,000</u>	<u>4,654,000</u>	<u>4,654,000</u>
Capital Outlay							
Equip over \$5,000	46,067	1,086	30,000	10,500	10,000	10,000	10,000
Total Capital Outlay	<u>46,067</u>	<u>1,086</u>	<u>30,000</u>	<u>10,500</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Transfers							
To General Fund	452,000	468,000	502,000	502,000	550,000	550,000	550,000
Total Transfers	<u>452,000</u>	<u>468,000</u>	<u>502,000</u>	<u>502,000</u>	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>
Contingency	-	-	1,531,427	-	1,306,977	1,306,977	1,306,977
Total Requirements	<u>3,736,491</u>	<u>4,432,027</u>	<u>6,556,427</u>	<u>4,751,500</u>	<u>6,520,977</u>	<u>6,520,977</u>	<u>6,520,977</u>
Ending Fund Balance	1,853,427	1,691,377	-	1,517,377	-	-	-



City of Happy Valley Fiscal Year 2021 - 2022 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 2021 - 2022 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 2021 - 2022 Budget**

Library Fund



City of Happy Valley Fiscal Year 2021 - 2022 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:

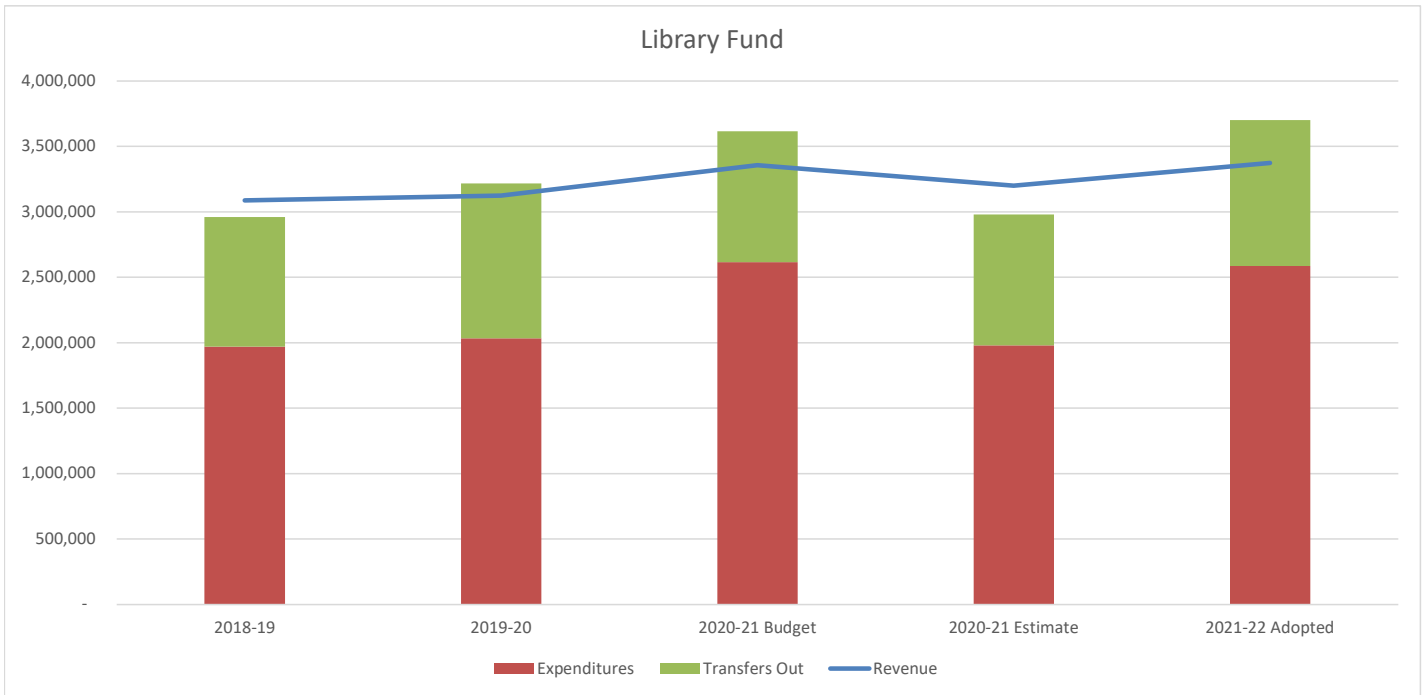
	Preceding		Adopted	Budget For Fiscal Year 2021 - 2022		
	2018-19	2019-20	2020-21	Proposed	Approved	Adopted
Personnel Services	1,491,525	1,569,785	1,880,400	1,851,800	1,851,800	1,851,800
Material and Services	478,403	463,183	734,500	734,000	734,000	734,000
Transfers	990,000	1,184,000	1,000,000	1,115,000	1,115,000	1,115,000
Contingency	-	-	-	1,232,835	1,232,835	1,232,835
Total	2,959,928	3,216,968	3,614,900	4,933,635	4,933,635	4,933,635

Goals and Priorities

- Balance public and staff safety while maintaining a high level of customer service and a cautious return to in-person programming.
- Work with Parks and Recreation on space planning Village Green Park and a Library expansion.
- Continue to develop partnership with Parks & Recreation for collaboration on programs and services.
- Continue our commitment to equity, diversity and inclusion in our programs, services, and collection.

Library Fund

	Preceding 2018-19	Preceding 2019-20	Adopted 2020-21 Budget	2020-21 Estimate	2021-22 Proposed	2021-22 Approved	2021-22 Adopted
Revenue	3,088,147	3,123,616	3,354,850	3,198,510	3,374,000	3,374,000	3,374,000
Expenditures	1,969,928	2,032,968	2,614,900	1,979,700	2,585,800	2,585,800	2,585,800
Transfers Out	990,000	1,184,000	1,000,000	1,000,000	1,115,000	1,115,000	1,115,000
Annual Operating Surplus / (Shortfall)	128,219	(93,352)	(260,050)	218,810	(326,800)	(326,800)	(326,800)
Beginning Fund Balance	1,212,606	1,340,825	1,161,005	1,340,825	1,559,635	1,559,635	1,559,635
Ending Fund Balance / Contingency	1,340,825	1,247,473	900,955	1,559,635	1,232,835	1,232,835	1,232,835



Library Fund

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2021-22	Approved Budget 2021-22	Adopted Budget 2021-22
Resources							
Beginning Fund Balance	\$ 1,212,606	\$ 1,340,825	\$ 1,161,005	\$ 1,340,825	\$ 1,559,635	\$ 1,559,635	\$ 1,559,635
District Revenue	2,909,367	2,970,704	3,200,000	3,150,000	3,276,000	3,276,000	3,276,000
User Related	47,653	33,744	46,350	110	40,000	40,000	40,000
Grant Revenue	-	-	8,500	8,400	8,000	8,000	8,000
Misc Revenue	131,127	119,168	100,000	40,000	50,000	50,000	50,000
Total Resources	4,300,753	4,464,441	4,515,855	4,539,335	4,933,635	4,933,635	4,933,635
Requirements							
Personnel Services							
FTE Positions	17.0	18.0	19.0	18.0	18.0	18.0	18.0
Wages	981,844	1,035,128	1,203,400	1,007,550	1,185,100	1,185,100	1,185,100
Benefits	509,681	534,657	677,000	524,150	666,700	666,700	666,700
Total Personnel Services	1,491,525	1,569,785	1,880,400	1,531,700	1,851,800	1,851,800	1,851,800
Materials and Services							
Office Supplies (inc- State Aid Grant)	49,985	33,730	88,500	25,000	88,000	88,000	88,000
Professional Development	4,034	1,447	13,000	2,000	13,000	13,000	13,000
Library Media	284,843	281,922	375,000	270,000	375,000	375,000	375,000
Utilities	33,070	30,371	43,000	30,000	43,000	43,000	43,000
Repairs & Maintenance	10,442	9,015	30,000	11,000	30,000	30,000	30,000
Facility and Office Contracts	96,029	106,698	185,000	110,000	185,000	185,000	185,000
Total Materials and Services	478,403	463,183	734,500	448,000	734,000	734,000	734,000
Transfers							
To General Fund	440,000	484,000	500,000	500,000	515,000	515,000	515,000
To Lib Reserve for Replacement Func	550,000	700,000	500,000	500,000	600,000	600,000	600,000
Total Transfers	990,000	1,184,000	1,000,000	1,000,000	1,115,000	1,115,000	1,115,000
Contingency	-	-	900,955	-	1,232,835	1,232,835	1,232,835
Total Requirements	2,959,928	3,216,968	4,515,855	2,979,700	4,933,635	4,933,635	4,933,635
Ending Fund Balance	1,340,825	1,247,473	-	1,559,635	-	-	-



City of Happy Valley Fiscal Year 2021 - 2022 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 2021 - 2022 Budget**

Street Maintenance Fund



City of Happy Valley Fiscal Year 2021 - 2022 Budget

Street Maintenance Fund

Manager: Chris Randall

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

Revenue

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

Expenditures

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

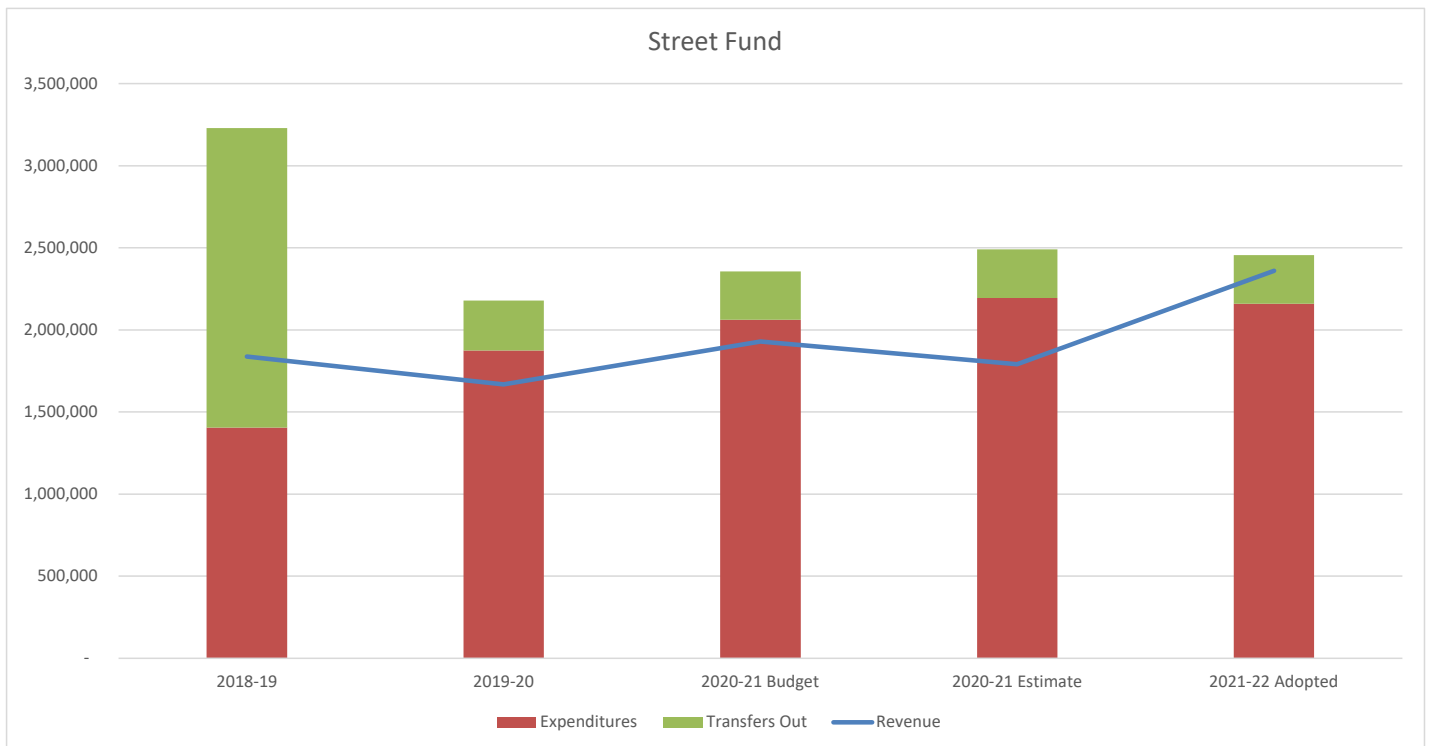
Budget Summary:

			Adopted Budget	Budget for Fiscal Year 2021 - 2022		
	2018-19	2019-20	2020-21	Proposed	Approved	Adopted
Personnel Services	302,505	319,889	440,900	468,500	468,500	468,500
Material and Services	322,660	380,774	420,000	490,000	490,000	490,000
Capital Outlay	779,042	1,174,908	1,200,000	1,200,000	1,200,000	1,200,000
Transfers	1,825,000	303,000	296,000	296,000	296,000	296,000
Contingency	-	-	497,330	132,781	132,781	132,781
Total	3,229,207	2,178,571	2,854,230	2,587,281	2,587,281	2,587,281

Street Fund

	Preceding 2018-19	Preceding 2019-20	Adopted 2020-21 Budget	2020-21 Estimate	2021-22 Proposed	2021-22 Approved	2021-22 Adopted
Revenue	1,837,790	1,667,122	1,930,000	1,790,000	2,360,000	2,360,000	2,360,000
Expenditures	1,404,207	1,875,571	2,060,900	2,195,000	2,158,500	2,158,500	2,158,500
Transfers Out	1,825,000	303,000	296,000	296,000	296,000	296,000	296,000
Annual Operating Surplus / (Shortfall)	(1,391,417)	(511,449)	(426,900)	(701,000)	(94,500)	(94,500)	(94,500)
Beginning Fund Balance	2,831,147	1,439,730	924,230	928,281	227,281	227,281	227,281
Ending Fund Balance / contingency	1,439,730	928,281	497,330	227,281	132,781	132,781	132,781

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



Street Fund

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2021-22	Approved Budget 2021-22	Adopted Budget 2021-22
Resources							
Beginning Fund Balance	2,831,147	1,439,730	\$ 924,230	\$ 928,281	\$ 227,281	\$ 227,281	\$ 227,281
State Shared Revenues	1,506,599	1,465,576	1,600,000	1,620,000	1,800,000	1,800,000	1,800,000
Intergovernmental Revenue	122,169	13,953	150,000	40,000	150,000	150,000	150,000
Local Gas Tax Revenue	126,824	111,983	100,000	110,000	130,000	130,000	130,000
Vehicle Registration Fee	-	-	-	-	200,000	200,000	200,000
Misc Revenue	82,198	75,610	80,000	20,000	80,000	80,000	80,000
Total Resources	4,668,937	3,106,852	2,854,230	2,718,281	2,587,281	2,587,281	2,587,281
Requirements							
Personnel Services							
FTE Positions	3.0	3.0	4.0	3.0	4.0	4.0	4.0
Wages	173,800	185,902	246,900	189,100	271,700	271,700	271,700
Benefits	128,705	133,987	194,000	132,900	196,800	196,800	196,800
Total Personnel Services	302,505	319,889	440,900	322,000	468,500	468,500	468,500
Materials and Services							
Supplies	787	422	5,000	1,000	5,000	5,000	5,000
Professional Development	6,272	7,731	10,000	6,000	10,000	10,000	10,000
Utilities	10,426	4,946	15,000	11,000	15,000	15,000	15,000
Vehicle Operation & Maint.	30,829	34,147	40,000	35,000	40,000	40,000	40,000
Repairs and Maintenance	158,402	91,340	200,000	270,000	200,000	200,000	200,000
Contract Services	115,944	242,188	150,000	240,000	220,000	220,000	220,000
Total Materials and Services	322,660	380,774	420,000	563,000	490,000	490,000	490,000
Capital Outlay							
Street Reconstruction	779,042	1,174,908	1,200,000	1,310,000	1,200,000	1,200,000	1,200,000
Total Capital Outlay	779,042	1,174,908	1,200,000	1,310,000	1,200,000	1,200,000	1,200,000
Transfers							
To General Fund	175,000	203,000	196,000	196,000	196,000	196,000	196,000
To Street Reserve for Replacement Fund	1,650,000	100,000	100,000	100,000	100,000	100,000	100,000
Total Transfers	1,825,000	303,000	296,000	296,000	296,000	296,000	296,000
Contingency	-	-	497,330	-	132,781	132,781	132,781
Total Requirements	3,229,207	2,178,571	2,854,230	2,491,000	2,587,281	2,587,281	2,587,281
Reserved for Future Expenditures	-	-	-	-	-	-	-
Ending Fund Balance	1,439,730	928,281	-	227,281	-	-	-



City of Happy Valley Fiscal Year 2021 - 2022 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 2021 - 2022 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 2021 - 2022 Budget**

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



City of Happy Valley Fiscal Year 2021 - 2022 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 2021-22		
	2018-19	2019-20	2020-21	Proposed	Approved	Adopted
Materials and Services	-	-	200,000	200,000	200,000	200,000
Capital Outlay	-	-	1,062,007	1,269,883	1,269,883	1,269,883
Transfers	400,000	80,702	-	-	-	-
Total	400,000	80,702	1,262,007	1,469,883	1,469,883	1,469,883

Storm Utility System Development Charges (SDC) Fund

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2021-22	Approved Budget 2021-22	Adopted Budget 2021-22
Resources							
Beginning Fund Balance	\$ 1,395,153	\$ 1,107,709	\$ 1,182,007	\$ 1,189,883	\$ 1,349,883	\$ 1,349,883	\$ 1,349,883
SDC - Storm Drainage	59,482	131,077	60,000	150,000	100,000	100,000	100,000
Misc Revenue	53,074	31,799	20,000	10,000	20,000	20,000	20,000
Total Resources	<u>1,507,709</u>	<u>1,270,585</u>	<u>1,262,007</u>	<u>1,349,883</u>	<u>1,469,883</u>	<u>1,469,883</u>	<u>1,469,883</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 - Storm Drain	-	-	1,062,007	-	1,269,883	1,269,883	1,269,883
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>1,062,007</u>	<u>-</u>	<u>1,269,883</u>	<u>1,269,883</u>	<u>1,269,883</u>
Transfers							
To General Fund	-	-	-	-	-	-	-
To Parks SDC Fund	400,000	80,702	-	-	-	-	-
Total Transfers	<u>400,000</u>	<u>80,702</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Requirements	<u>400,000</u>	<u>80,702</u>	<u>1,262,007</u>	<u>-</u>	<u>1,469,883</u>	<u>1,469,883</u>	<u>1,469,883</u>
Reserve for Future Expenditures	-	-	-	-	-	-	-
Ending Fund Balance	1,107,709	1,189,883	-	1,349,883	-	-	-



City of Happy Valley Fiscal Year 2021 - 2022 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 2021 - 2022 Budget**

***Transportation System Development
Charges Fund***



City of Happy Valley Fiscal Year 2021 - 2022 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 2020-21	Budget for Fiscal Year 2021-22		
	2018-19	2019-20		Proposed	Approved	Adopted
Materials and Services	38,176	258,610	300,000	1,000,000	1,000,000	1,000,000
Capital Outlay	55,064	357,132	13,386,284	11,735,862	11,735,862	11,735,862
Transfers	-	-	-	-	-	-
Total	93,240	615,742	13,686,284	12,735,862	12,735,862	12,735,862

Transportation System Development Charges (SDC) Fund

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2020-22	Approved Budget 2020-22	Adopted Budget 2020-22
Resources							
Beginning Fund Balance	\$ 5,845,734	\$ 7,886,284	\$ 12,036,284	\$ 11,955,862	\$ 11,585,862	\$ 11,585,862	\$ 11,585,862
SDC - Transportation	1,952,938	4,455,494	1,500,000	2,000,000	1,000,000	1,000,000	1,000,000
Misc Revenue	180,852	229,826	150,000	1,000,000	150,000	150,000	150,000
Total Resources	<u>7,979,524</u>	<u>12,571,604</u>	<u>13,686,284</u>	<u>14,955,862</u>	<u>12,735,862</u>	<u>12,735,862</u>	<u>12,735,862</u>
Requirements							
Materials and Services							
Contract Services	38,176	258,610	300,000	370,000	1,000,000	1,000,000	1,000,000
Total Materials and Services	<u>38,176</u>	<u>258,610</u>	<u>300,000</u>	<u>370,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Capital Outlay							
SDC Projects	55,064	357,132	13,386,284	3,000,000	11,735,862	11,735,862	11,735,862
Total Capital Outlay	<u>55,064</u>	<u>357,132</u>	<u>13,386,284</u>	<u>3,000,000</u>	<u>11,735,862</u>	<u>11,735,862</u>	<u>11,735,862</u>
Transfers							
To General Fund	-	-	-	-	-	-	-
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Requirements	<u>93,240</u>	<u>615,742</u>	<u>13,686,284</u>	<u>3,370,000</u>	<u>12,735,862</u>	<u>12,735,862</u>	<u>12,735,862</u>
Reserve for Future Expenditures	-	-	-	-	-	-	-
Ending Fund Balance	7,886,284	11,955,862	-	11,585,862	-	-	-



City of Happy Valley Fiscal Year 2021 - 2022 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 2021 - 2022 Budget**

Parks System Development Charges Fund



City of Happy Valley Fiscal Year 2021 - 2022 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 2020-21	Budget for Fiscal Year 2021-22		
	2018-19	2019-20		Proposed	Approved	Adopted
Materials and Services	-	-	200,000	500,000	500,000	500,000
Capital Outlay	-	-	17,204,864	20,614,668	20,614,668	20,614,668
Total	-	-	17,404,864	21,114,668	21,114,668	21,114,668

Parks System Development Charges (SDC) Fund

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2021-22	Approved Budget 2021-22	Adopted Budget 2021-22
Resources							
Beginning Fund Balance	\$ -	\$ 1,514,632	\$ 15,844,864	\$ 16,054,668	\$ 19,014,668	\$ 19,014,668	\$ 19,014,668
SDC - Parks	1,114,632	4,999,326	1,500,000	3,500,000	2,000,000	2,000,000	2,000,000
Intergovernmental	-	9,369,530	-	-	-	-	-
Misc Revenue	-	94,978	60,000	100,000	100,000	100,000	100,000
Transfer In	400,000	80,702	-	-	-	-	-
Total Resources	<u>1,514,632</u>	<u>16,059,168</u>	<u>17,404,864</u>	<u>19,654,668</u>	<u>21,114,668</u>	<u>21,114,668</u>	<u>21,114,668</u>
Requirements							
Materials and Services							
Contract Services	-	-	200,000	40,000	500,000	500,000	500,000
Total Materials and Services	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>40,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Capital Outlay							
SDC Projects	-	4,500	17,204,864	600,000	20,614,668	20,614,668	20,614,668
Total Capital Outlay	<u>-</u>	<u>4,500</u>	<u>17,204,864</u>	<u>600,000</u>	<u>20,614,668</u>	<u>20,614,668</u>	<u>20,614,668</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>4,500</u>	<u>17,404,864</u>	<u>640,000</u>	<u>21,114,668</u>	<u>21,114,668</u>	<u>21,114,668</u>
Reserve for Future Expenditures	-	-	-	-	-	-	-
Ending Fund Balance	1,514,632	16,054,668	-	19,014,668	-	-	-



City of Happy Valley Fiscal Year 2021 - 2022 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 2021 - 2022 Budget**

Pedestrian Improvement Projects Fund



City of Happy Valley Fiscal Year 2021 - 2022 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 2021 - 2022		
	2018-19	2018-19	Budget 2020-21	Proposed	Approved	Adopted
Material and Services	-	-	30,000	30,000	30,000	30,000
Capital Outlay	25,511	16,911	1,293,803	1,429,931	1,429,931	1,429,931
Transfers	18,000	18,000	22,000	22,000	22,000	22,000
Total	43,511	34,911	1,345,803	1,481,931	1,481,931	1,481,931

Pedestrian Improvement Projects (PIP) Fund

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2021-22	Approved Budget 2021-22	Adopted Budget 2021-22
Resources							
Beginning Fund Balance	\$ 779,166	\$ 855,803	\$ 925,803	\$ 946,731	\$ 1,271,931	\$ 1,271,931	\$ 1,271,931
Misc Revenue	20,148	18,682	20,000	7,200	10,000	10,000	10,000
Vehicle Registration Fee	-	107,157	400,000	400,000	200,000	200,000	200,000
Transfer In - From General Fund	100,000	-	-	-	-	-	-
Total Resources	<u>899,314</u>	<u>981,642</u>	<u>1,345,803</u>	<u>1,353,931</u>	<u>1,481,931</u>	<u>1,481,931</u>	<u>1,481,931</u>
Requirements							
Materials and Services							
Contract Engineering	-	-	30,000	-	30,000	30,000	30,000
Total Materials and Services	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
Capital Outlay							
Pedestrian Pathways	25,511	16,911	1,293,803	60,000	1,429,931	1,429,931	1,429,931
Total Capital Outlay	<u>25,511</u>	<u>16,911</u>	<u>1,293,803</u>	<u>60,000</u>	<u>1,429,931</u>	<u>1,429,931</u>	<u>1,429,931</u>
Transfers							
To General Fund	18,000	18,000	22,000	22,000	22,000	22,000	22,000
Total Transfers	<u>18,000</u>	<u>18,000</u>	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>
Total Requirements	<u>43,511</u>	<u>34,911</u>	<u>1,345,803</u>	<u>82,000</u>	<u>1,481,931</u>	<u>1,481,931</u>	<u>1,481,931</u>
Reserved for Future Expenditures	-	-	-	-	-	-	-
Ending Fund Balance	855,803	946,731	-	1,271,931	-	-	-



City of Happy Valley Fiscal Year 2021 - 2022 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 2021 - 2022 Budget**

Facility Capital Projects Fund



City of Happy Valley Fiscal Year 2021 - 2022 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		Budget			
	2018-19	2019-20	2020-21	Proposed	Approved	Adopted
Materials and Services	-	-	-	500,000	500,000	500,000
Capital Outlay	-	-	9,170,000	12,170,000	12,170,000	12,170,000
Total	-	-	9,170,000	12,670,000	12,170,000	12,170,000

Facility Capital Projects Fund

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2021-22	Approved Budget 2021-22	Adopted Budget 2021-22
Resources							
Beginning Fund Balance	\$ 1,500,000	\$ 3,800,000	\$ 6,170,000	\$ 6,170,000	\$ 9,170,000	\$ 9,170,000	\$ 9,170,000
Transfers In	2,300,000	2,370,000	3,000,000	3,000,000	3,500,000	3,500,000	3,500,000
Total Resources	<u>3,800,000</u>	<u>6,170,000</u>	<u>9,170,000</u>	<u>9,170,000</u>	<u>12,670,000</u>	<u>12,670,000</u>	<u>12,670,000</u>
Requirements							
Materials and Services							
Contract Services	-	-	-	-	500,000	500,000	500,000
Total Materials and Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Capital Outlay							
Project Contruction	-	-	-	-	9,170,000	9,170,000	9,170,000
Land	-	-	9,170,000	-	3,000,000	3,000,000	3,000,000
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>9,170,000</u>	<u>-</u>	<u>12,170,000</u>	<u>12,170,000</u>	<u>12,170,000</u>
Total Requirements	<u>-</u>	<u>-</u>	<u>9,170,000</u>	<u>-</u>	<u>12,670,000</u>	<u>12,670,000</u>	<u>12,670,000</u>
Reserved for Future Expenditures	-	-	-	-	-	-	-
Ending Fund Balance	3,800,000	6,170,000	-	9,170,000	-	-	-



City of Happy Valley Fiscal Year 2021 - 2022 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 2021 - 2022 Budget**

Parks Capital Projects Fund



City of Happy Valley Fiscal Year 2021 - 2022 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 2020-21	Budget For Fiscal Year 2021 - 2022		
	2018-19	2019-20		Proposed	Approved	Adopted
Capital Outlay	-	-	4,930,470	4,963,470	4,963,470	4,963,470
Total	-	-	4,930,470	4,963,470	4,963,470	4,963,470

Parks Capital Projects Fund

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2021-22	Approved Budget 2021-22	Adopted Budget 2021-22
Resources							
Beginning Fund Balance	\$ -	\$ -	\$ 4,930,470	\$ 4,930,470	\$ 4,963,470	\$ 4,963,470	\$ 4,963,470
Intergovernmental	-	4,930,470	-	-	-	-	-
Misc Revenue	-	8,464	-	33,000	-	-	-
Total Resources	<u>-</u>	<u>4,938,934</u>	<u>4,930,470</u>	<u>4,963,470</u>	<u>4,963,470</u>	<u>4,963,470</u>	<u>4,963,470</u>
Requirements							
Capital Outlay							
Land	-	-	4,930,470	-	4,963,470	4,963,470	4,963,470
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>4,930,470</u>	<u>-</u>	<u>4,963,470</u>	<u>4,963,470</u>	<u>4,963,470</u>
Total Requirements	<u>-</u>	<u>-</u>	<u>4,930,470</u>	<u>-</u>	<u>4,963,470</u>	<u>4,963,470</u>	<u>4,963,470</u>
Reserved for Future Expenditures	-	-	-	-	-	-	-
Ending Fund Balance	-	4,938,934	-	4,963,470	-	-	-



City of Happy Valley Fiscal Year 2021 - 2022 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 2021 - 2022 Budget**

Reserve for General Operations Fund



City of Happy Valley Fiscal Year 2021 - 2022 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 2020-21	Budget For Fiscal Year 2021 - 2022		
	2018-19	2019-20		Proposed	Approved	Adopted
Materials and Services	-	1,660,000	-	-	-	-
Reserve for Future Expenditures	-	-	838,974	838,974	838,974	838,974
Total	-	1,660,000	838,974	838,974	838,974	-

Reserve for General Operations Fund

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2021-22	Approved Budget 2021-22	Adopted Budget 2021-22
Resources							
Beginning Fund Balance	\$ 2,198,974	\$ 2,498,974	\$ 838,974	\$ 838,974	\$ 838,974	\$ 838,974	\$ 838,974
Transfer from General Fund	300,000	-	-	-	-	-	-
Total Resources	<u>2,498,974</u>	<u>2,498,974</u>	<u>838,974</u>	<u>838,974</u>	<u>838,974</u>	<u>838,974</u>	<u>838,974</u>
Requirements							
Materials and Services	-	1,660,000	-	-	-	-	-
Total Requirements	<u>-</u>	<u>1,660,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reserved for Future Expenditures	-	-	838,974	-	838,974	838,974	838,974
Ending Fund Balance	<u>2,498,974</u>	<u>838,974</u>	<u>-</u>	<u>838,974</u>	<u>-</u>	<u>-</u>	<u>-</u>



City of Happy Valley Fiscal Year 2021 - 2022 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 2021 - 2022 Budget**

General Reserve for Replacement Fund



City of Happy Valley Fiscal Year 2021 - 2022 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 2020-21	Budget For Fiscal Year 2021 - 2022		
	2018-19	2019-20		Proposed	Approved	Adopted
Material and Services	48,461	85,510	650,000	650,000	650,000	650,000
Capital Outlay	275,087	272,430	900,000	900,000	900,000	900,000
Transfers Out	-	-	-	-	-	-
Total	323,548	357,940	1,550,000	1,550,000	1,550,000	1,550,000
Reserved for Future Expenditures	-	-	863,085	1,211,290	1,211,290	1,211,290

General Reserve for Replacement Fund

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2021-22	Approved Budget 2021-22	Adopted Budget 2021-22
Resources							
Beginning Fund Balance	\$ 1,404,600	\$ 1,678,085	\$ 1,818,085	\$ 1,886,290	\$ 2,191,290	\$ 2,191,290	\$ 2,191,290
PEG revenue	61,966	50,994	65,000	60,000	60,000	60,000	60,000
Misc Revenue	35,067	15,151	30,000	10,000	10,000	10,000	10,000
Transfers In	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total Resources	<u>2,001,633</u>	<u>2,244,230</u>	<u>2,413,085</u>	<u>2,456,290</u>	<u>2,761,290</u>	<u>2,761,290</u>	<u>2,761,290</u>
Requirements							
Materials and Services							
Equipment - under \$5,000	43,961	85,510	150,000	40,000	150,000	150,000	150,000
Repairs and Maintenance	4,500	-	500,000	5,000	500,000	500,000	500,000
Total Materials and Services	<u>48,461</u>	<u>85,510</u>	<u>650,000</u>	<u>45,000</u>	<u>650,000</u>	<u>650,000</u>	<u>650,000</u>
Capital Outlay							
Vehicles	-	-	300,000	-	300,000	300,000	300,000
Equipment - over \$5,000	33,167	272,430	400,000	180,000	400,000	400,000	400,000
Park Improvements	28,002	-	-	-	-	-	-
Facility Improvements	114,662	-	100,000	-	100,000	100,000	100,000
PEG Grants	99,256	-	100,000	40,000	100,000	100,000	100,000
Total Capital Outlay	<u>275,087</u>	<u>272,430</u>	<u>900,000</u>	<u>220,000</u>	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>
Transfers							
To Street Reserve Fund	-	-	-	-	-	-	-
To Public Safety Fund	-	-	-	-	-	-	-
To Library Reserve Fund	-	-	-	-	-	-	-
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Requirements	<u>323,548</u>	<u>357,940</u>	<u>1,550,000</u>	<u>265,000</u>	<u>1,550,000</u>	<u>1,550,000</u>	<u>1,550,000</u>
Reserved for Future Expenditures	-	-	863,085	-	1,211,290	1,211,290	1,211,290
Ending Fund Balance	1,678,085	1,886,290	-	2,191,290	-	-	-



City of Happy Valley Fiscal Year 2021 - 2022 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 2021 - 2022 Budget**

Library Reserve for Replacement Fund



City of Happy Valley Fiscal Year 2021 - 2022 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 2020-21	Budget For Fiscal Year 2021 - 2022		
	2018-19	2019-20		Proposed	Approved	Adopted
Material and Services	41,898	20,714	150,000	150,000	150,000	150,000
Capital Outlay	15,899	91,690	600,000	600,000	600,000	600,000
Total	57,797	112,404	750,000	750,000	750,000	750,000
Reserved for Future Expenditures	-	-	3,948,463	4,536,584	4,536,584	4,536,584

Library Reserve for Replacement Fund

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2021-22	Approved Budget 2021-22	Adopted Budget 2021-22
Resources							
Beginning Fund Balance	\$ 3,121,785	\$ 3,613,988	\$ 4,198,463	\$ 4,201,584	\$ 4,686,584	\$ 4,686,584	\$ 4,686,584
Transfers In	550,000	700,000	500,000	500,000	600,000	600,000	600,000
Total Resources	<u>3,671,785</u>	<u>4,313,988</u>	<u>4,698,463</u>	<u>4,701,584</u>	<u>5,286,584</u>	<u>5,286,584</u>	<u>5,286,584</u>
Requirements							
Materials and Services							
Equipment - under \$5,000	41,898	16,003	50,000	-	50,000	50,000	50,000
Repairs and Maintenance	-	4,711	100,000	-	100,000	100,000	100,000
Total Materials and Services	<u>41,898</u>	<u>20,714</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Capital Outlay							
Equipment - over \$5,000	15,899	19,165	500,000	15,000	500,000	500,000	500,000
Facility Improvements	-	72,525	100,000	-	100,000	100,000	100,000
Total Capital Outlay	<u>15,899</u>	<u>91,690</u>	<u>600,000</u>	<u>15,000</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>
Total Requirements	<u>57,797</u>	<u>112,404</u>	<u>750,000</u>	<u>15,000</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>
Reserved for Future Expenditures	-	-	3,948,463	-	4,536,584	4,536,584	4,536,584
Ending Fund Balance	3,613,988	4,201,584	-	4,686,584	-	-	-



City of Happy Valley Fiscal Year 2021 - 2022 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:

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 2021 - 2022 Budget**

Street Reserve for Replacement Fund



City of Happy Valley Fiscal Year 2021 - 2022 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 2020-21	Budget For Fiscal Year 2021 - 2022		
	2018-19	2019-20		Proposed	Approved	Adopted
Material and Services	3,042	11,833	125,000	125,000	125,000	125,000
Capital Outlay	17,216	-	1,020,463	1,078,446	1,078,446	1,078,446
Total	20,258	11,833	1,145,463	1,203,446	1,203,446	1,203,446
Reserved for Future Expenditures	-	-	1,700,000	2,000,000	2,000,000	2,000,000

Street Reserve for Replacement Fund

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2021-22	Approved Budget 2021-22	Adopted Budget 2021-22
Resources							
Beginning Fund Balance	\$ 442,857	\$ 2,521,463	\$ 2,645,463	\$ 2,668,446	\$ 3,003,446	\$ 3,003,446	\$ 3,003,446
Misc Revenue	448,864	58,816	100,000	300,000	100,000	100,000	100,000
Transfers In	1,650,000	100,000	100,000	100,000	100,000	100,000	100,000
Total Resources	<u>2,541,721</u>	<u>2,680,279</u>	<u>2,845,463</u>	<u>3,068,446</u>	<u>3,203,446</u>	<u>3,203,446</u>	<u>3,203,446</u>
Requirements							
Materials and Services							
Equipment - under \$5,000	3,042	-	25,000	-	25,000	25,000	25,000
Repairs and Maintenance	-	11,833	100,000	65,000	100,000	100,000	100,000
Total Materials and Services	<u>3,042</u>	<u>11,833</u>	<u>125,000</u>	<u>65,000</u>	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>
Capital Outlay							
Vehicles	-	-	520,463	-	500,000	500,000	500,000
Equipment - over \$5,000	17,216	-	500,000	-	578,446	578,446	578,446
Total Capital Outlay	<u>17,216</u>	<u>-</u>	<u>1,020,463</u>	<u>-</u>	<u>1,078,446</u>	<u>1,078,446</u>	<u>1,078,446</u>
Total Requirements	<u>20,258</u>	<u>11,833</u>	<u>1,145,463</u>	<u>65,000</u>	<u>1,203,446</u>	<u>1,203,446</u>	<u>1,203,446</u>
Reserved for Future Expenditures							
Fee in Lieu	-	-	1,700,000	-	2,000,000	2,000,000	2,000,000
Ending Fund Balance	2,521,463	2,668,446	-	3,003,446	-	-	-



City of Happy Valley Fiscal Year 2021 - 2022 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 2021 - 2022 Budget**

Parks Reserve for Replacement Fund



City of Happy Valley Fiscal Year 2021 - 2022 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 2020-21	Budget For Fiscal Year 2021 - 2022		
	2018-19	2019-20		Proposed	Approved	Adopted
Material and Services	-	-	60,000	60,000	60,000	60,000
Capital Outlay	-	-	240,000	240,000	240,000	240,000
Total	-	-	300,000	300,000	300,000	300,000

Parks Reserve for Replacement Fund

	Preceding 2018-19	Preceding 2019-20	Adopted Budget 2020-21	Estimate 2020-21	Proposed Budget 2021-22	Approved Budget 2021-22	Adopted Budget 2021-22
Resources							
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 223,000	\$ 223,000	\$ 223,000
Transfers In	-	-	300,000	300,000	700,000	700,000	700,000
Total Resources	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>	<u>923,000</u>	<u>923,000</u>	<u>923,000</u>
Requirements							
Materials and Services							
Equipment - under \$5,000	-	-	10,000	5,000	10,000	10,000	10,000
Repairs and Maintenance	-	-	50,000	-	50,000	50,000	50,000
Total Materials and Services	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>5,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>
Capital Outlay							
Equipment - over \$5,000	-	-	150,000	72,000	150,000	150,000	150,000
Facility Improvements	-	-	90,000	-	90,000	90,000	90,000
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>240,000</u>	<u>72,000</u>	<u>240,000</u>	<u>240,000</u>	<u>240,000</u>
Total Requirements	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>77,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Reserved for Future Expenditures	-	-	-	-	623,000	623,000	623,000
Ending Fund Balance	-	-	-	223,000	-	-	-



City of Happy Valley Fiscal Year 2021 - 2022 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 2021 - 2022 Budget**

Notices and Resolutions

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, 2021 to June 30, 2022 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 17th, 2021 at 5:30 PM. The purpose of the meeting is to receive the budget message and to receive comment from the public on the budget. A copy of the budget document may be inspected or obtained on or after May 10th, 2021 on the City's website. This notice and the proposed budget for fiscal year 2021-22 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 5, 2021

CLK200216

Notice of Budget Committee Meeting

April 23, 2021

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, 2021 to June 30, 2022 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 17th, 2021 at 5:30 PM. The purpose of the meeting is to receive the budget message and to receive comment from the public on the budget. A copy of the budget document may be inspected or obtained on or after May 10th, 2021 on the City's website. This notice and the proposed budget for fiscal year 2021-22 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.

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, 2021 to June 30, 2022 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 17th, 2021 at 5:30 PM. The purpose of the meeting is to receive the budget message and to receive comment from the public on the budget. A copy of the budget document may be inspected or obtained on or after May 10th, 2021 on the City's website. This notice and the proposed budget for fiscal year 2021-22 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.

FORM LB-1

NOTICE OF BUDGET HEARING

A public meeting of the City of Happy Valley will be held on June 15, 2021 at 7:00pm via virtual online conference (see City website for link). The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2021 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 Milay Drive, Happy Valley, OR between the hours of 8:30 a.m. and 4:30 p.m. or online at www.happyvalleyor.gov. This budget is for an annual budget period. This budget was prepared on a basis of accounting that is the same as the preceding year.

Contact: Travis Warneke, Finance Director

Telephone: 503-783-3800

Email: travisw@happyvalleyor.gov

FINANCIAL SUMMARY - RESOURCES

TOTAL OF ALL FUNDS	Actual Amount 2019-20	Adopted Budget This Year 2020-21	Approved Budget Next Year 2021-22
Beginning Fund Balance/Net Working Capital	35,986,691	60,859,707	69,915,548
Fees, Licenses, Permits, Fines, Assessments & Other Service Charges	18,054,475	7,811,350	9,045,000
Federal, State and all Other Grants, Gifts, Allocations and Donations	19,570,714	6,330,000	9,156,000
Interfund Transfers / Internal Service Reimbursements	5,430,702	5,797,000	6,878,000
All Other Resources Except Current Year Property Taxes	1,914,967	1,123,500	1,218,000
Current Year Property Taxes Estimated to be Received	6,233,986	8,422,000	8,956,500
Total Resources	87,181,535	90,343,557	105,169,048

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION

Personnel Services	7,720,157	9,470,300	10,085,400
Materials and Services	10,044,917	10,344,000	15,076,000
Capital Outlay	1,918,657	51,037,891	56,212,260
Debt Service	0	0	0
Interfund Transfers	5,430,702	5,797,000	6,878,000
Contingencies	0	5,984,013	7,180,014
Unappropriated Ending Balance and Reserved for Future Expenditure	62,067,102	7,710,353	9,737,374
Total Requirements	87,181,535	90,343,557	105,169,048

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	3,089,847	3,260,900	5,878,000
FTE	11.00	12.00	12.00
Community Services / Public Safety	5,619,557	7,901,827	7,990,377
FTE	10.00	10.00	10.00
Economic & Community Development	3,174,547	3,511,200	4,045,900
FTE	20.00	20.00	22.00
Public Works	668,938	812,500	880,900
FTE	4.00	4.00	4.00
Parks	1,097,973	1,977,500	3,176,321
FTE	4.50	4.50	6.00
Streets	2,190,404	3,999,693	3,790,727
FTE	3.00	3.00	4.00
Library	3,329,372	5,265,855	5,683,635
FTE	18.00	18.00	19.00
Not Allocated to Organizational Unit or Program	68,010,897	63,614,082	73,723,188
FTE	0.00	0.00	0.00
Total Requirements	87,181,535	90,343,557	105,169,048
Total FTE	66.00	71.50	77.00

STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING *

There were no new funds added in this budget. The total for this budget is \$105 million and includes \$98 million of resources excluding transfers between funds and \$81 million of expenditures excluding transfers, contingency, and reserves for future expenditures. This budget increased overall by 16% from the 2020-21 budget of \$90 million. This change is due to increases in capital outlay expenditures and reserves as the City collects System Development Charges. There were no SDC major projects completed during the 2020-21 fiscal year which resulted in increased beginning fund balance and capital outlay appropriations in the SDC funds. The General Fund is set to receive nearly \$2.5 million in American Rescue Plan dollars which will boost intergovernmental revenue significantly. Additionally, through General Fund savings over the past several years and including in this approved budget, the City has transferred \$12.7 million to the Facilities Capital Projects Fund, all of which was appropriated as contract services and capital outlay expenditures.

PROPERTY TAX LEVIES

	Rate or Amount Imposed 2019-20	Rate or Amount Imposed This Year 2020-21	Rate or Amount Approved Next Year 2021-22
Permanent Rate Levy (rate limit 67.1 cents per \$1,000)	0.671	0.671	0.671
Local Option Levy - Public Safety	1.380	1.380	1.380
Local Option Levy - Parks	0	.540	0.540
Levy For General Obligation Bonds	0	0	0

STATEMENT OF INDEBTEDNESS

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

Publish June 9, 2021

CLK204826

**CITY OF HAPPY VALLEY
RESOLUTION NO. 21-15**

**RESOLUTION ADOPTING THE BUDGET FOR FISCAL YEAR 2021-22,
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 2021-2022 now on file at City Hall in the sum of \$104,501,548.*

MAKING APPROPRIATIONS

BE IT RESOLVED the amounts for the fiscal year beginning July 1, 2021, and for the purposes shown below are hereby appropriated as follows:

GENERAL FUND

Administration	5,878,000
Community Services & Public Safety	1,469,400
Economic & Community Development	4,045,900
Public Works	880,900
Transfers	4,000,000
Contingency	3,860,026
FUND TOTAL	20,134,226

PARKS FUND

Operations	925,000
Programming	518,900
Non-Departmental	30,000
Transfers	895,000
Contingency	507,421
FUND TOTAL	2,876,321

STREET FUND

Personal Services	468,500
Materials & Services	490,000
Capital Outlay	1,200,000
Transfers	296,000
Contingency	132,781
FUND TOTAL	2,587,281

PUBLIC SAFETY FUND

Materials & Services	4,654,000
Capital Outlay	10,000
Transfers	550,000
Contingency	1,306,977
FUND TOTAL	6,520,977

**CITY OF HAPPY VALLEY
RESOLUTION NO. 21-15**

MAKING APPROPRIATIONS, CONTINUED:

LIBRARY FUND

Personal Services	1,851,800
Materials & Services	734,000
Transfers	1,115,000
Contingency	1,232,835
FUND TOTAL	4,933,635

STORM UTILITY SDC FUND

Materials & Services	200,000
Capital Outlay	1,269,883
FUND TOTAL	1,469,883

TRANSPORTATION SDC FUND

Materials & Services	1,000,000
Capital Outlay	11,735,862
FUND TOTAL	12,735,862

PARKS SDC FUND

Materials & Services	500,000
Capital Outlay	20,614,668
FUND TOTAL	21,114,668

PEDESTRIAN IMPROVEMENT PROJECTS FUND

Materials & Services	30,000
Capital Outlay	1,429,931
Transfers	22,000
FUND TOTAL	1,481,931

FACILITY CAPITAL PROJECTS FUND

Materials & Services	500,000
Capital Outlay	12,170,000
FUND TOTAL	12,670,000

PARKS CAPITAL PROJECTS FUND

Capital Outlay	4,963,470
FUND TOTAL	4,963,470

**CITY OF HAPPY VALLEY
RESOLUTION NO. 21-15**

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	1,078,446
FUND TOTAL	1,203,446

PARKS RESERVE FOR REPLACEMENT FUND

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

TOTAL APPROPRIATIONS ALL FUNDS 95,291,700 *

* Note the total appropriation amount is not equal to the amount of the total adopted budget. This is due to a total of \$9,209,848 categorized as Reserved for Future Expenditures in five 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 2021-2022 upon the assessed value of all taxable property within the City.

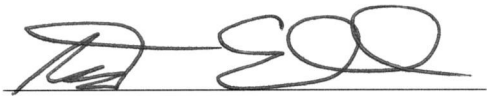
**CITY OF HAPPY VALLEY
RESOLUTION NO. 21-15**

	<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 15th day of June 2021.

APPROVED by the Mayor this 15th day of June 2021.



Tom Ellis, Mayor

ATTEST: 

Kara Kerpan, City Recorder

**CITY OF HAPPY VALLEY
RESOLUTION NO. 21-14**

**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 2021-2022.

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

Passed by the City Council this 15th day of June 2021.

Approved by the Mayor this 15th day of June 2021.


Tom Ellis, Mayor

ATTEST: 
Kara Kerpan
City Recorder

I certify that a public hearing before the Budget Committee was held on Monday, May 17, 2021 and a public hearing before the City Council was held on Tuesday, June 15, 2021, giving citizens an opportunity to comment on the use of State Revenue Sharing.


Kara Kerpan, City Recorder

CITY OF HAPPY VALLEY

RESOLUTION NO. 21-13

**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 15th day of June 2021.

APPROVED by the Mayor this 15th day of June 2021.


Tom Ellis, Mayor

ATTEST:


Kara Kerpan, City Recorder



City of Happy Valley Fiscal Year 2021 - 2022 Budget

Glossary



City of Happy Valley Fiscal Year 2021 - 2022 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.



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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)].



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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].