

City of Amity
Adopted
Annual Budget
Fiscal Year July 1, 2023 – June 30, 2024
www.cityofamityoregon.org



Budget Committee Members

Council

Mayor Rachel King	<u>Term Expires</u> December 2024
Council President April Dyche (5)	December 2024
Councilor Melissa Bojorquez (3)	December 2024
Councilor Sandy McArthur (1)	December 2024
Councilor Caleb Shields (2)	December 2026
Councilor Alice Thomson (4)	December 2026
Vacant (6)	December 2026

Members

Sean Fitzgerald	December 2024
Rose Lorenzen	December 2024
Richard Lorenzen	December 2024
Vacant	December 2024
Vacant	December 2024
Vacant	December 2024
Vacant	December 2024

Budget Officer & Finance Department

Rob Daykin, City Administrator
Natasha Johnson, City Recorder/Treasurer

Department Heads

Greg Binks, Public Works Superintendent
Anne Jenkins, Head Librarian

Mission Statement

The City of Amity will cultivate a sense of community and improved quality of life. The City will provide municipal services with quality customer service, proactive management, mindful stewardship, and fiscal responsibility.

Our Vision

The City of Amity is a welcoming community where people choose to live and visit. The City has a diverse mixture of thriving businesses supporting the residents and regional industry. Citizens are actively engaged in government and community activities/events. The City provides infrastructure to support continued growth and maintains strong and stable funding and reserves. Neighborhoods are family-friendly, walkable, and well-maintained. The City is recognized for its sense of community, parks, public art, and wine. Amity continues to be known for being friendly.

Adopted June 7, 2017 by the Amity City Council

2023 CITY OF AMITY COUNCIL GOALS

1. INFRASTRUCTURE

- Water Infrastructure Improvements:
 - Finish the on-going water system project by 2024
 - Complete 8" loop on Goucher by 2024
 - Replace 8" transmission pipe to reservoir by 2024
- Sewer Infrastructure Improvements:
 - Create improvement timeline based on WFPP by June 2024
- Street & Sidewalk Repair:
 - Create inventory & assessment of all streets by 2024
 - Continue pothole repair while evaluating cost analysis of repaving
 - Increase street lighting
 - Public outreach on PGE info
- Sidewalks Infrastructure Improvements:
 - Educate homeowners responsibilities
 - Develop sidewalk plan & policies by 2024
- Storm Drainage Infrastructure Improvements:
 - Continue to educate homeowners responsibilities

2. COMMUNITY & BUSINESS ENGAGEMENT

- Improve Community Outreach
 - Add fact section to Newsletter
 - Professional upgrade city website by January 2025
 - Twice yearly town hall meetings & quarterly informal meet & greet
- Online Volunteer Outreach by 2024
- Amity Day Planning for 2024:
 - Conduct interest survey
 - Follow up with in person community meeting
 - Pick location, date and theme

3. PUBLIC SAFETY

- Negotiate YCSO Contract:

- Explore options to add additional part time officer and/or code enforcement/public safety officer
- Increased interaction w/and visibility of YCSO within community

Continue 2023 City of Amity Council Goals

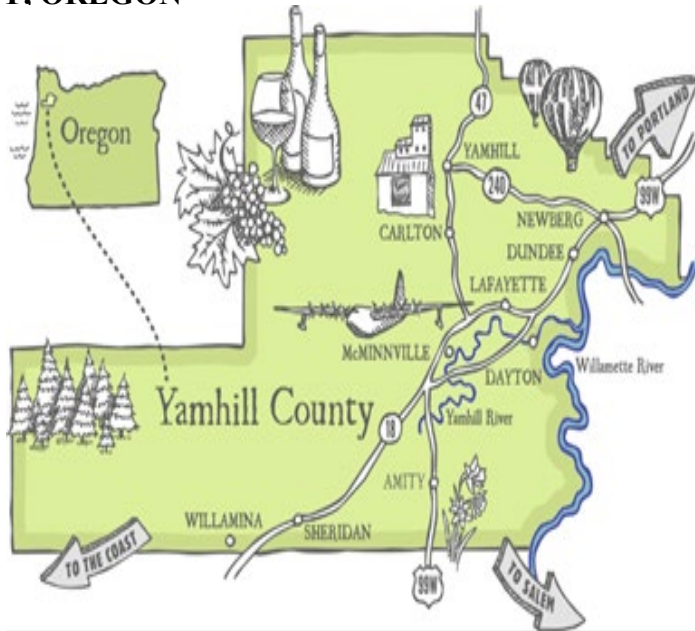
4. PARKS & PUBLIC SPACES:

- Establish dog waste stations throughout town
- Install additional public trash cans
- Establish list of all city owned real property
- Work with local & regional partners to add/create new park spaces in Amity in the next 3-5 years
- Written assessment of all city owned trees by 2025
- Acquire leash law signs for park (2-4)

5. CITY SERVICES

- Improve Library
 - Submit CDBG Grant by July 1, 2023
 - Seek grant funding for Library interior & accessories
 - Expand “borrowable” internet Access
- Provide continued community education about city services & utilities
- Establish heating & cooling center during extreme weather

AMITY, OREGON



Amity is a charming rural town that offers local artisan shops, great restaurants and wine tasting. Amity is a place where friendships begin and where residents enjoy the simplicity of a relaxed lifestyle in small town Oregon.

COMMUNITY HIGHLIGHT

Established in 1848 by two brothers who immigrated to the Willamette Valley in Yamhill County. Amity prides itself for community and friendship. The City is nestled within the Eola-Amity Hills American Viticultural Area (AVA) and is located about an hour away from both Portland and the Oregon Coast. Eola-Amity Hills AVA is famous for its warm days and ocean breeze cooled nights that help produce ultra-premium pinot noir grapes. Amity offers a unique mix of dining options, whether you are looking for local specialties or a casual dining experience.

QUICK FACTS

Population (est. 2021).....	1,789
Labor Force.....	900
Median Household Income.....	\$73,977
Median Home Value.....	\$220,292
High School Graduates.....	90.0%
Bachelor's Degree or Higher.....	8.6%
Total Housing Units.....	700

Source: Portland State University and 2021 U.S. Census Bureau information

DISTANCES TO CITY

McMinnville	7 miles
Salem	18 miles
Monmouth	19 miles
Oregon Coast	45 miles
Corvallis	40 miles
Portland	54 miles
Eugene	86 miles
Seattle, WA	215 miles

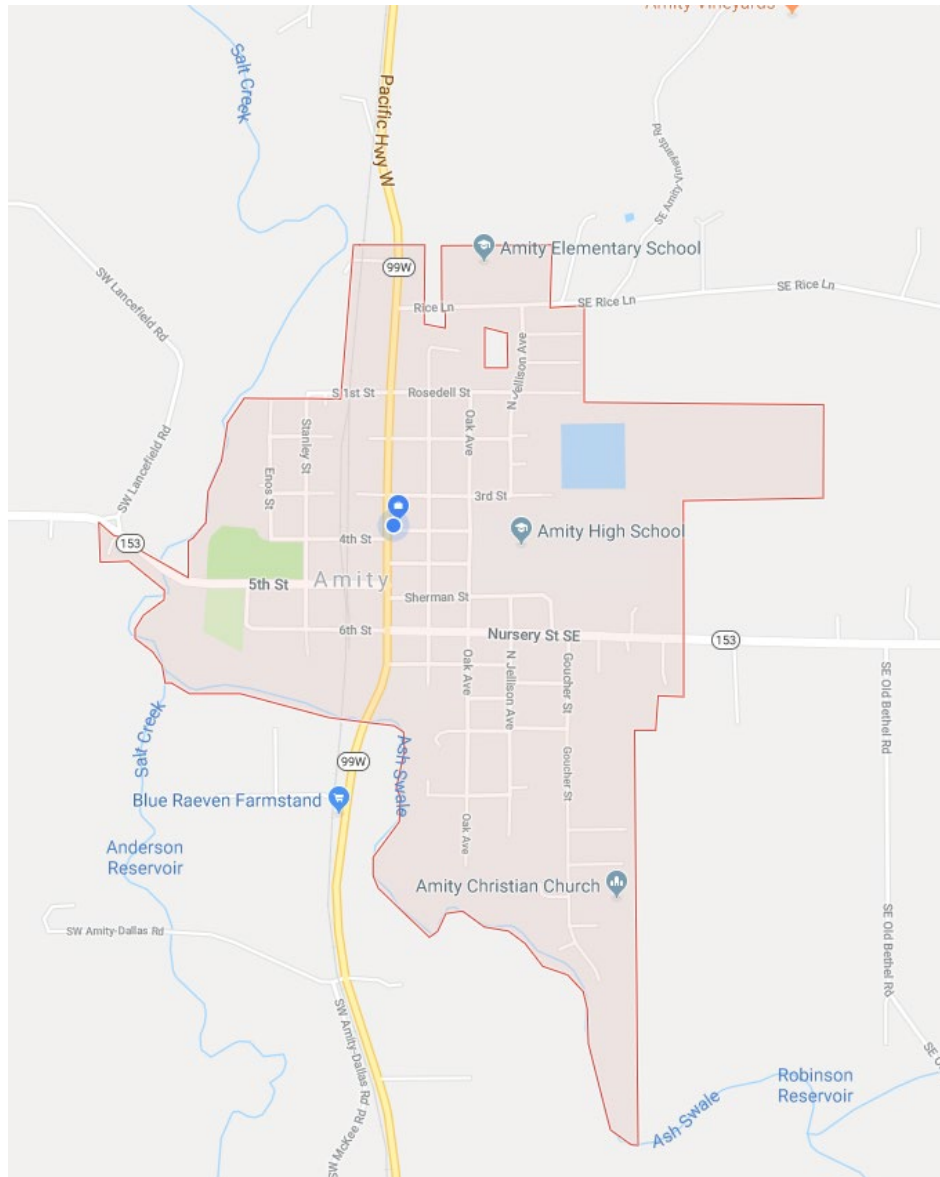
ACCESS

Automobile and truck transportation is the dominant method of mobility in the area. Highway 99W provides access to Portland, Interstate 5 and other points to the south. The Newberg Dundee Bypass has been completed and reduces travel time between Yamhill County and Portland.

- Air: Portland International Airport (PDX) provides commercial air service. McMinnville Municipal Airport (MMV) serves General Aviation and Corporate Jet Aircraft.
- Ground: Passenger rail service by Amtrak is available in Portland and Salem. Willamette and Pacific Railroad provides freight services and a number of motor freight and truck lines service the area.
- Transit: Yamhill County Transit Area (YCTA) provides bus service throughout Yamhill County with Link Routes to Hillsboro/MAX, Sherwood/TriMet and Salem/SAMT.

Amity City Map

Population: 1,809

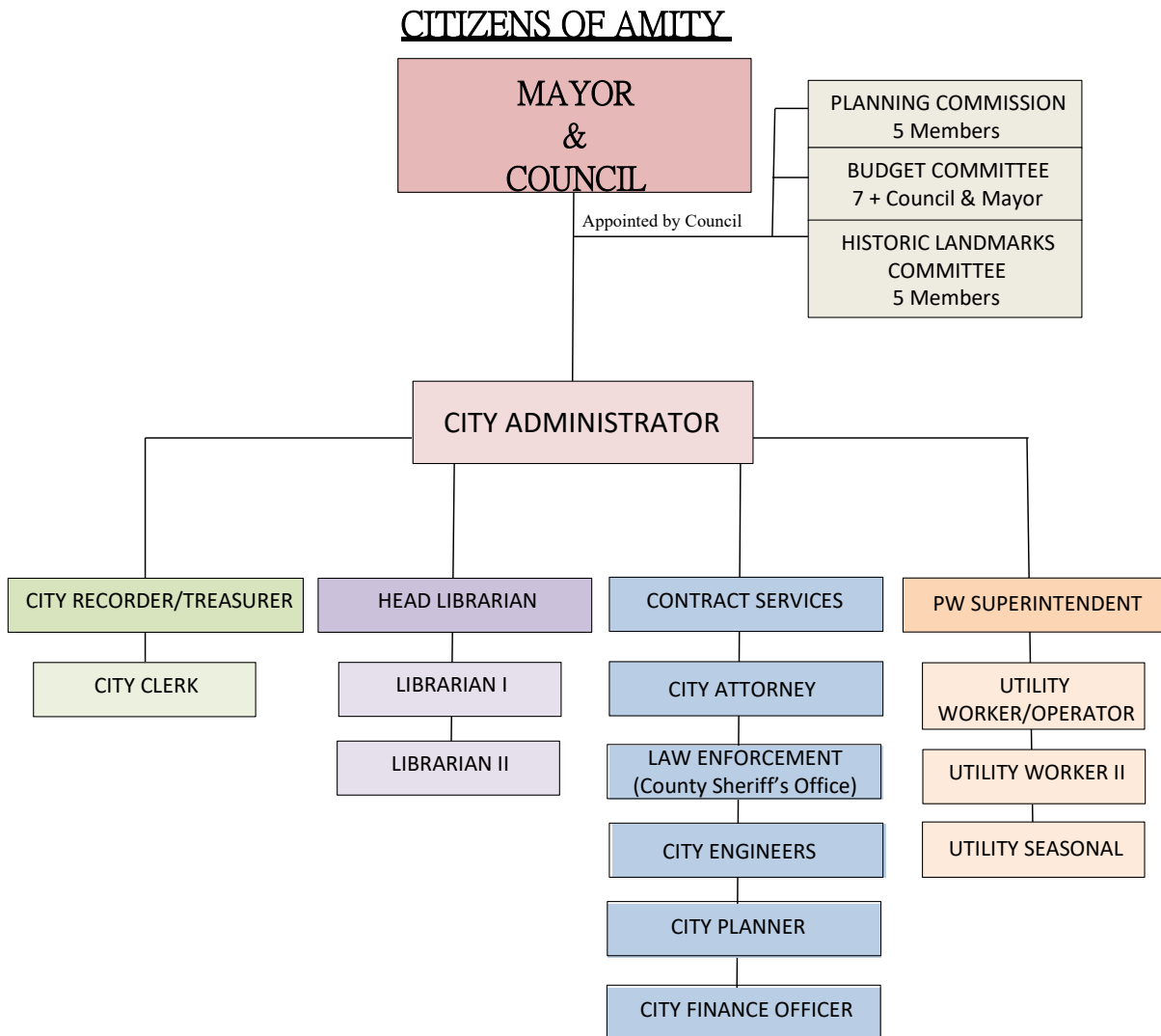


POPULATION

Population has moderately increased in Amity. According to Portland State University's Center for Population Research and the City's 2021 US Census data, Amity's population estimate is 1,809. This is another increase in population from last year. Considering that infill is regularly occurring (development of

vacant lots within a built-up area) and the number of pre-application discussions held with builders it is anticipated that population will experience another uptick during FY 2022-2023. We expect new housing to continue to be built in the UGB, including a new subdivision, along with growing business and commercial development. We expect an increase in population of another 1 – 3% during FY 2022-2023. Population affects estimates for state shared revenues (cigarette and liquor taxes) and state gas taxes which are distributed on a per capita basis.

Organizational Chart



Budget Message

To: Budget Committee Members and Citizens

From: Rob Daykin, Budget Officer and City Administrator

Date: June 1, 2023

Memorandum: Budget Message for the Adopted Budget for Fiscal Year 2023-24

We are pleased to present to you the adopted budget for fiscal year (FY) 2023-24 for your consideration. The purpose of the budget message is to provide a summary of the next fiscal year's budget proposal and to advise the Council and Budget Committee of the City's state of fiscal affairs. This proposal was composed after completing a thorough evaluation of the City's projected expenses and revenue for the current fiscal year as well as analyzing the estimates for proposed projects and services for FY 2023-24. As required by Chapter 294, Sections 294.305 to 294.565 of Oregon Revised Statutes, the 2023-2024 Budget is presented. Total appropriations for all funds combined in the proposed budget are about \$18.2 million, about \$3.4 million more than the current fiscal year as follows:

	<u>FY 2022-23</u>	<u>FY 2023-24</u>	<u>\$ Change</u>	<u>% Change</u>
Personnel Services	593,363	601,097	7,734	1.3%
Materials & Services	1,076,100	1,149,400	73,300	6.8%
Capital Outlay	11,325,250	8,778,500	(2,546,750)	(22.5%)
Debt Service	231,400	6,954,700	6,723,300	
Transfers	0	118,800	118,800	
Contingency	1,575,845	550,000	(1,025,845)	(65.1%)
Totals	14,801,958	18,152,497	3,350,539	22.6%

Personnel Services were inadvertently over-budget in FY 2022-23 by \$59,404 for the following reasons: 1) \$24,600 in Workers' Comp was duplicated due to a change in the method of allocation, and 2) \$34,800 were over-allocated to the Street Fund for Admin Payroll and PW Payroll. If total personnel services in the current budget were adjusted to the collected amount, then the increase in the proposed budget is \$67,138 or 12.6%. The decline in Capital Outlay is mainly due to Water Fund projects. The Salt Creek Bridge water line relocation project in the current budget was \$1.2 million, however, most of those expenditures took place in the prior fiscal year. Also, just over a third of the \$9.767 million appropriation for water treatment plant improvements will be expended in the current fiscal year, and most of the work will be completed in FY 2023-24. Debt Service include a one-time payoff (\$6,717,700) of the interim financing plus interest with proceeds from the two Rural Development loans for the water treatment plant improvements project. Transfers represent the use of Park SDCs and Street SDCs as a match to grant funding for capital improvements. In recent years the City budgeted its ending fund balance for the General Fund, Street Fund, Water Fund, and Sewer Fund as Contingency. The bulk of the contingency in FY 2022-23 represents the unexpended grants in the Water Fund.

Budget Highlights:

Personnel Services

Personnel Services accounts for the City Administrator, City Recorder, City Clerk, Public Works Superintendent, and two Utility Workers, and three part-time positions: Librarian I (450 hours), Librarian II (450 hours), and Public Works Seasonal (600 hours). One position re-introduced in the proposed budget is Librarian III (250 hours). The proposed budget includes a 5% COLA for the full-time positions and assumes 2% step increases for eligible employees, however, the actual change to the salary schedule that goes into effect July 1 is currently under negotiations with the Union. Medical insurance is provided to the full-time positions through the Union, of which the monthly premium of \$1,180 per covered employee will not change. A significant increase to Personnel Services is due to the change in the biennium PERS contribution rates for Amity as follows:

	<u>7/1/21 – 6/30/23</u>	<u>7/1/23 – 6/30/25</u>
Tier 1/Tier2	10.28%	19.48%
OPSRP	3.98%	13.42%

In addition to the above, the city pays the employees' 6% of payroll to the IAP (Individual Account Program) managed by PERS. The next change to the PERS employer contribution rates will go into effect July 1, 2025.

The City Council is in the process of hiring a new City Administrator and an interim part-time City Administrator was contracted through the Mid-Willamette Valley Council of Governments (COG) since March 6. The COG is also assisting with the recruitment process. While the budget assumes the high end of the salary range for budgeting purposes, the actual compensation package negotiated between the City Council and the new City Administrator may be different.

Law Enforcement

The city entered into a new law enforcement services agreement with the Yamhill County Sherriff that continues the same level of services with two deputies assigned to Amity. The contract amount of

\$325,667 is for FY 2023-24 only since negotiations for a successor collective agreement have not been concluded. This is \$23,534 or 7.8% more than the current agreement priced at \$302,133. The increase includes a 3% salary increase and step increases for the two deputies. The City Council looked at expanding law enforcement services to include a third deputy, however, the additional personal, vehicle, and other related cost elevated the annual fee to \$502,000 and that amount was determined to be beyond the budget's capacity at this time.

Park Improvement

The City submitted an application to the Oregon State Parks Local Government Grant program for \$75,000 in grant assistance to be used for rehabilitation of the main loop of the existing walking path at Amity City Park with a compacted crushed gravel surface contained by edging material. The total cost of the project is estimated at \$93,800 and \$18,800 in Park SDCs will be used as the local match. This annual grant program is very competitive, about half of the projects submitted are funded. If the City's grant application is awarded, it is anticipated that the grant agreement will be executed in the fall of 2023, and that the project would be constructed prior to June 30, 2024.

SCA Grant Project

Amity was awarded a \$250,000 grant from the Special City Allotment (SCA) program managed by ODOT. The SCA is funded annually from a portion of state gas taxes in the amount of \$1 million from which cities under the population of 5,000 may apply up to \$250,000 for street and/or sidewalk improvement projects. Amity's project includes sidewalk improvements on the south side of Rice Lane, including some widening, curbs, storm facilities, and a receiving ADA ramp on the north side of Rice Lane at Jellison Street. The City Engineer provided a low (\$241,400), median (\$284,000), and high (\$340,800) estimate for construction of the improvements. The proposed budget includes an appropriation of \$350,000 for this project and includes a local match of \$100,000 from Street SDCs. It is anticipated that this project will go out to bid in late fall 2023 and be completed prior to August 2024 so the City is eligible to make application for a new SCA grant.

Water Treatment Plant Improvements

This project involves construction of a new water intake, new transmission line, and water treatment plant improvements. This \$11.9 million project is being financed with a combination of grants and loans as follows:

CDBG Grant	\$2,129,242
Rural Development Loan 1	1,635,000
Rural Development Grant 1	1,793,611
Rural Development Loan 2	24,838,000
Rural Development Grant 2	1,500,000
City of Amity Water Revenue	<u>22,000</u>
Total Project Funding	\$11,917,853

The CDBG Grant and City Water Revenues have already been applied to the project. Per the terms of the Rural Development loan program, the City issued a Bond Anticipation Note (BAN) in the prior fiscal year for the amount of \$6,473,000 representing the combination of the two Rural Development Loans. Rural Development approves the monthly draws against the BAN proceeds and Rural Development will authorize replacing the BAN with the Rural Development loans when the amount of the

drawdowns against the BAN are equivalent to the loan amounts. The proposed budget anticipates repayment of the BAN principal and \$244,700 in accumulated interest. Loan 1 for \$1,635,000, 2.75% fixed, 40 year term is expected to be issued in July 2023 and Loan 2 for \$4,838,000, 2.00% fixed, 40 year term is expected to be issued around late fall 2023.¹ The two Rural Development grants to fund the remainder of the project will start once the two loans have been issued. The construction project is expected to be completed prior to the end of the next fiscal year ending June 30, 2024.

Water Line Replacement

The City of Amity received a \$2 million grant from the Coronavirus State Fiscal Recovery Fund in the prior fiscal year. The grant is for replacement of approximately 1,000 linear feet of water transmission line from the reservoir to the main water distribution main, and replacement of approximately one mile of the water transmission line in Goucher Street, including replacement of four fire hydrants. The project is currently being designed and is expected to go out to bid next fiscal year. The completion deadline for this project is June 30, 2024. Should pricing be favorable to the City, there is the option for the City to complete additional water system improvements to fully use up the grant. Also, the City has the option to reimburse itself (capped at \$200,000) for administering the grant.

¹ The annual debt service for the two loans will start in the FY 2024-25 budget as follows: Loan 1 \$67,918 and Loan 2 \$176,878. Also, for the first ten years the City is obligated to set aside an annual amount as a loan reserve in the amounts of \$6,792 and \$17,687 for Loan 1 and Loan 2 respectively.

Water Line Relocation

The City entered into an agreement with ODOT for the relocation of the City water line attached to the Salt Creek Bridge which was to be replaced with a new structure. The City paid a deposit of \$954,800 to ODOT that was based on the estimated costs for the water line work. This project will be completed prior to the end of 2023 and any amount of the deposit not used will be refunded to the City. However, if the final costs exceed the deposit, then the City will be invoiced for the difference. Due to favorable bid pricing, it is anticipated that a refund will be due, however, it may take ODOT months after substantial completion to fully close out the project and provide the documentation to support the final outcome.

I & I Maintenance

Based on a recent wastewater facilities study prepared by the City Engineer, the proposed budget includes a \$35,000 appropriation for an Inflow and Infiltration (I&I) maintenance program for the sewer collection system. Inflow involves improper connections to the sewer system, for example storm drains, and infiltration involves movement of surface and sub-surface water into the collection system via defects in the collection system. It appears that much of the problem that has been plaguing the sewer treatment facilities with excess water was resolved earlier this year when City crews found the treated water outfall pipe was penetrated by an unknown cable/line near the corner of Jellison

and Rosedell. Staff believe this condition has been in place for many years and the ensuing erosion around the pipe eventually led to catastrophic failure. Treated effluent found its way to a nearby manhole, which then re-entered the collection system to recycle over and over into the treatment facilities. Since completion of the repairs the "I&I" problem has significantly decreased. The \$35,000 may be used to complete video scoping of suspect portions of the collection system to get a better handle on repair options.

Vehicle Replacement

The proposed budget includes \$10,000; \$5,000 each in the Water Fund and Sewer Fund for Utility Vehicle Replacement. The Public Works Department requires a variety of vehicles and equipment to perform work for the City. They include three pick-up trucks, a dump truck, excavator, riding mower, tractor with attachments. Consideration should be given to setting up an Equipment Reserve Fund authorized under the Oregon Budget Law to receive annual transfers from the departments and/or funds benefiting from the use of the equipment. The schedule would take into consideration the amount of accumulated funds, their estimated replacement date and cost, trade-in allowance, and any other factors that are relevant to ensure consistent accumulation of funds for the timely replacement of vehicles and equipment.

Contingency

In recent years the amount of contingency identified in the adopting budget resolution represented the otherwise unappropriated amount that the budget document identified as ending fund balance. Having an appropriate amount of contingency is important to address unexpected expenses that may result in going over the statutory adopted maximum appropriations. Note: New resources, such as a grant, that

require expenditures not accommodated in the budget do not require the use of contingency. Contingency is an appropriation that when required must be redirected to the appropriate expenditure account and must be passed by resolution of the Council. Excess resources not budgeted (or expended) will be identified as ending fund balance (or in next year's budget, beginning fund balance). It is appropriate to show ending fund balances in the operating funds, especially with the General Fund.

Until property taxes are received in November, the General Fund typically operates at a deficit. It is estimated that Amity needs about \$130,000 on July 1 to bridge that period. In the Street Fund, Water Fund, and Sewer Fund, the unexpended ending fund balance provides the opportunity to accumulate funds for expenditure of specific capital projects in future years. Based on the aforementioned, the proposed budget shows both amounts for contingency and ending fund balance.

Respectfully submitted,

Rob Daykin

Interim City Administrator/Budget Officer

EXPLANATION OF BUDGET DOCUMENT

A budget as defined by Oregon State Law is a “financial plan containing estimates of revenues and requirements for a single fiscal year.” Local governments have the option of budgeting on a 24-month biennial budget period, or by fiscal year. The City of Amity operates on a fiscal year beginning on July 1 and ending the following June 30. Budgeting is critical to cities because it requires local governments to evaluate plans and establish priorities in relation to available financial resources. Also, under ORS, a legally adopted budget is necessary to establish and justify a given rate and or amount of property taxes to be levied on a property within the city.

It is important to note that while past budgets were audited using a “modified cash” method of accounting, the City plans its budgets and runs its finances on a modified accrual basis. This budget and all of those going forward will be on a modified accrual basis and audited as such. This aligns the City with the most current accounting practices and will make the audit and budget cycle smoother in the long term.

The City’s budget is an annual business plan. It organizes the City’s activities according to costs and allocates available resources among those activities. The overall purpose of a budget is to communicate and document how the city intends to use the financial resources entrusted to it by the people. The budget consists of 5 funds: General Funds (General and Streets), Enterprise Funds (Water and Sewer), and System Development Charge Funds, also known as, SDC Funds.

Enterprise funds are funds established to account for operations that are financed and operated similarly to private businesses where the intent is the service is self-sufficient, with all costs supported predominantly by user charges. The City maintains two enterprise funds established for Water and Sewer activities. Enterprise fund revenues are restricted to be spent only on enterprise activities relating to their revenue source. For example, water rate revenue can only be spent on water activities and projects. Fiscal requirements for these funds include operation, administration, maintenance, system betterments and expansion of the system.

The City’s basic budget structure is organized into the following programs:

GENERAL FUND: The General Fund comprises one fund, and provides for expenditures of general government, including Administration, Law Enforcement through the County, Municipal Court, Parks, Library, Community Development and Building. The General Fund has multiple revenue sources, but it is the only fund which includes property taxes.

STREET FUND: This fund provides for the maintenance, repair or reconstruction of streets, sidewalks, streetlights, and street sweeping. Its primary source of revenue is the State gasoline tax distribution.

WATER FUND: The Water Fund is our main enterprise fund; handling expenditures for the City’s water infrastructure. This includes the treatment, storage and distribution system, daily operations, maintenance, regulatory compliance, facility expansion and replacement, and capital reserves pertaining to our water service. The primary revenue source for the Water Fund is user fees.

SEWER FUND: The Sewer Fund comprises the other enterprise fund in the budget. This fund covers the expenditures for the City's sewer treatment and disposal system, including daily operations, maintenance, regulatory compliance, facility expansion and replacement and capital reserves. The primary revenue source for the Sewer Fund is user fees.

SDC FUND: This fund was established for the purpose of tracking and controlling money collected under the system development charges ordinance to be used for capital improvements to the Park System, Street System, Storm System, Water System, Sewer System. This fund is funded directly by the income received from, Park SDCs, Street SDCs, Storm SDCs, Water SDCs and Sewer SDCs.

Budget Process

The financial integrity of Amity City government is very important. City government is accountable to its citizens for the use of public dollars. Resources should be used wisely to ensure adequate funding for the services, public facilities and infrastructure necessary to meet the community's present and future needs.

The City will prepare an annual budget with the participation of all city departments. All budgetary procedures will conform to existing state and local regulations. Oregon Budget Law requires each local government to prepare a balanced budget and Oregon Administrative Rules state: 1) the budget must be constructed in such a manner that the total resources in a fund equal the total of expenditures and requirements for that fund and 2) the total of all resources of the budget must equal the total of all expenditures and all requirements.

Budget Document

City staff works from January through March to compile the proposed budget. The Department Heads draft department material & services along with capital outlay figures. The City Recorder/Treasure prepares personnel services, debt services and transfers. Capital projects expenditures planned during the fiscal year are incorporated into the budget. With input from individual Department Heads, the Budget Officer writes department narratives. The City Recorder/Treasurer compiles the budget document.

The initial draft is reviewed by the Budget Officer, who directs any changes needed. The Budget Officer makes sure the budget document is consistent with Council goals, priorities, and policies. The operating budget shall serve as the annual financial plan for the City. It will serve as the policy document of the City Council for implementing Council goals and objectives. The budget shall provide staff the resources necessary to accomplish City Council determined service levels. The Budget Officer shall annually prepare and present a proposed operating budget to the Budget Committee no later than May 30 of each year. Funds may not be expended or encumbered for the following fiscal year until the budget has been adopted by the City Council. The City's annual budget will be presented by fund, with a logical breakdown of programs and expenditures. The budget will focus on policy issues and will summarize expenditures at the Personnel, Materials & Services, Capital, Debt Service, and Interfund Transfer levels.

Adopting Budget

Once the proposed budget is approved by the Budget Committee, it is forwarded to the City Council for adoption and a budget hearing is held. A “Notice of Budget Hearing” is published in the local newspaper. The City Council will hold the Budget Hearing on the date specified on the public notice and must allow for public testimony. City Council has the discretion to adopt the approved budget or to make changes. The budget must be adopted no later than June 30 of each year. The budget and tax levy certification are then filed with the County.

Budget Changes after Adoption

Oregon Law requires all City funds to be appropriated. Appropriations may be changed during the fiscal year, within the limitations imposed by budget law. City staff monitors actual events and recommends changes as needed. The City Council makes changes by resolution transfers or supplemental budgets.

A resolution transfer decreases an existing appropriation and increases another by the same amount. A supplemental budget typically creates a new appropriation, funded by increased revenues. Supplemental budgets are used for occurrences or conditions which were not known at the time the budget was prepared which require a change in financial planning. Supplemental budgets require a public hearing; resolution transfers do not. Department Heads may amend their budgets for individual accounts without Council approval so long as appropriations at the legal level of control are not changed.

Beginning and Ending Fund Balance – Budgetary Only

Beginning fund balance is equal to the prior year’s ending fund balance.

Ending fund balance is the difference between total estimated sources and total estimated uses. Ending fund balance is budgeted in three categories:

1. *Operating Contingency* is budgeted into the General, Street, Sewer, and Water Funds. The General and Street Funds are set at 9% and Water at 14% based on the financial condition of the fund and the economic trends in the City, County, and State. The Sewer fund has not historically possessed a contingency, but it is now also set at 9%. Contingency Funds can be spent once authorized by a supplemental budget or transfer appropriation.
2. *Un-appropriated* ending fund balance can only be spent in an emergency created by civil disturbance or natural disaster.
3. *Reserved for future years* are total sources less total expenses, contingency, and un-appropriated ending balance. Reserved for future years funds can only be spent if authorized by a supplemental budget.

Budget Calendar

Appoint Budget Officer (January)	
City Council Goal-Setting Session (February)	<ul style="list-style-type: none"> • Council reviews Annual Survey • Council sets goals for upcoming year
Budget Preparation (Jan-March)	<ul style="list-style-type: none"> • Forecasts Updated • Department Head meets with Budget Officer • Finance will create proposed budget document for Budget Committee
Appoint Budget Committee Members (7) (Early April)	<ul style="list-style-type: none"> • If any applications are received and meet requirements, the Council will appoint Budget Committee Members.
Budget Committee Meets (Apr-May)	<ul style="list-style-type: none"> • Distribute Proposed Budget • Committee Deliberates • Committee Approves Budget
Adopt Budget (June)	<ul style="list-style-type: none"> • Budget Hearing • City Council Adopts Budget

Service Fees

The City currently charges services fees for the water, sewer, waterline replacement, street maintenance, and public safety. The water and sewer fees are charged to customers based on usage of the systems. The rates collected for each fund can only be used to support that individual fund's operational and capital needs. Annual revenue projections are based on historical average increases, while considering any planned rate increases.

Property Taxes

Each local government's tax rate was determined by the state. Amity's permanent property tax rate is \$3.6105 per \$1000 of assessed value. No action of the City can increase the permanent tax rate.

System Development Charges

A System Development Charge (SDC) is a one-time fee imposed on new development and some types of redevelopment. The fee is intended to recover the costs of existing and planned future improvements to the water, sewer, storm water, transportation, and park systems that provide capacity needed to serve new growth. Oregon law (ORS 223.27-223.314) defines SDCs and specifies how they shall be calculated, applied, and accounted for by local government.

Franchise Fees/Privilege Taxes

Fees are collected from utilities (Water and Sewer Funds) as compensation for use of the City's rights of way. These fees are based on utility revenue, so they generally increase with population growth. Franchise fee revenue is estimated based on prior year actuals plus an inflationary increase. These are currently running 5%.

Fines and Forfeitures

These fines are for traffic infractions and municipal code violations. Revenue estimates are based on the prior year actuals.

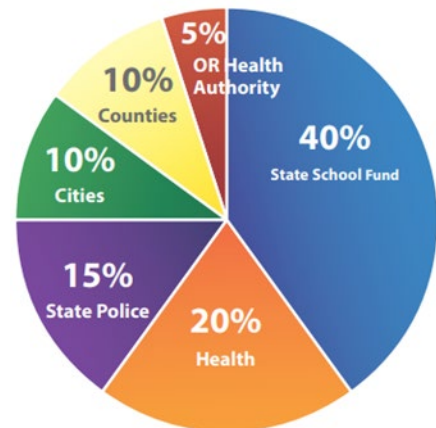
Intergovernmental Revenue

These include fees and taxes that are collected by other government agencies and passed through to the City.

- State shared revenue, marijuana, liquor, and cigarette tax estimates are provided by the State.
- County distribution of gas tax
- Federal and State grants

Marijuana Revenue Distributions to Cities

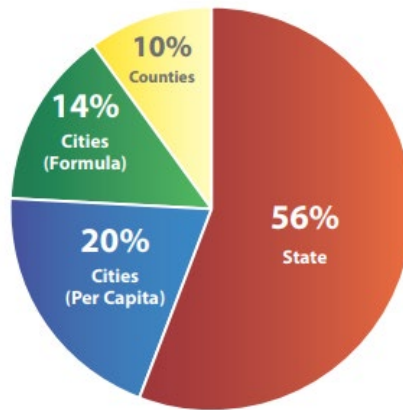
Actual and Projected State Marijuana Tax Disbursements to Cities				
Estimates	Total City Revenues	City Distribution 75% (Opt-In for Per Capita Distribution)	City Distribution: Per Capita Opt-Ins	Licensees 25% (Opt-In Cities)
2020-21	\$4,500,000	\$3,375,000	\$1.29	\$1,125,000
2021-22	\$4,500,000	\$3,375,000	\$1.26	\$1,125,000
2022-23	\$4,500,000	\$3,375,000	\$1.25	\$1,125,000
2023-24	\$4,500,000	\$3,375,000	\$1.23	\$1,125,001



NOTE: The State's marijuana sales tax is currently distributed as seen here. Local governments can add a marijuana sales tax of up to 3%. While this municipal tax will not change, the State sales tax that has been going to cities and counties has been reduced to ~4% to help fund Measures 109 and 110, so when that ~4% portion is divided up among all the cities and counties, each city and county will see a significant revenue shortage in the coming fiscal year(s).

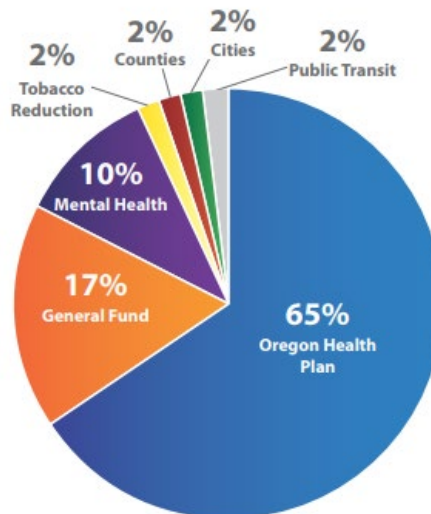
Liquor Revenue Estimated Disbursements

Distribution of Liquor Tax Revenues



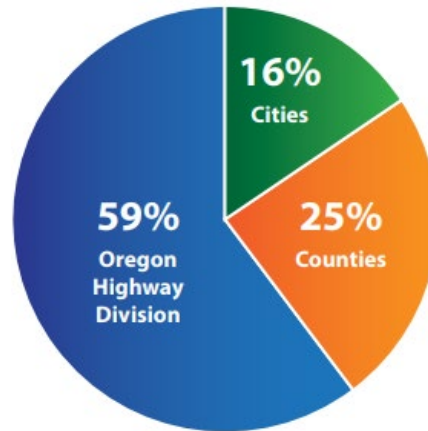
Cigarette Tax Revenue Estimated Disbursements

Distribution of Cigarette Tax Revenues



Gas Tax Revenue Estimated Disbursements

**Distribution of Highway Trust
Fund Revenues**



Charges for Services/Other Revenue

- Building and Planning revenue estimates are based on projected development activity.
- Business and liquor license revenue estimates are based on prior year actuals.
- Other revenue consists of interest earned on bank accounts, recreation fees, donations, local grants, and unperceived income. The increase in this fiscal year is from the Special City Allotment Grant for street improvements and SIPP Grant to conduct a leak detection study and GIS mapping of City infrastructure.

Transfers

Transfers in from other funds.

Capital Outlay

Capital outlay is recorded in the General Street, Water, and Sewer Fund.

Capital projects are for the acquisition and construction of major capital projects. The principal revenue sources are bond sale proceeds, and intergovernmental grants.

Debt Service

The City's debt is separated into two categories: governmental activities and business-type activities.

Governmental activities include general obligation debt for the purchase of 407 S. Trade Street property in Amity.

Business-type activities include obligations for a 2002 Safe Drinking Water Revolving Fund, a 2009 Water/Wastewater Revolving Fund for improvements to the sewer treatment plant, and a Full Faith and Credit Refunding Obligation to refund the City's outstanding Oregon Bond Bank Loan, dated December 4, 2002. In the future, the City will be obligated to repay the debt incurred for the Water System Improvement Project, this repayment will begin in the Fiscal Year after completion of the project.

	Jul 2021- Jun 2022	Adopted Budget FY 22-23	Estimate FY 22-23	Proposed Budget FY 23-24	Change	Approved Budget FY 23-24	Adopted Budget FY 23-24
20 General Fund	-	-	-	-	-	-	-
1 Revenue	922,291	700,730	1,004,273	862,350	10,000	872,350	872,350
1 Revenue Transfer In	-	-	-	18,800		18,800	18,800
2 Expense	(695,859)	(713,063)	(699,592)	(848,135)		(848,135)	(848,135)
2 Expense Transfer out	(300,000)	-	-	-		-	-
3 Fund Balance, beg	202,433	128,865	128,865	433,546		433,546	433,546
3 Fund Balance, ending	(128,865)	(116,532)	(433,546)	(466,561)	(10,000)	(476,561)	(476,561)
30 Street Fund	-	-	-	-		-	-
1 Revenue	159,371	255,000	248,408	405,000		405,000	405,000
1 Revenue Transfer In	-	-	-	100,000		100,000	100,000
2 Expense	(171,352)	(271,450)	(250,030)	(504,943)		(504,943)	(504,943)
3 Fund Balance, beg	172,977	199,812	160,996	159,374		159,374	159,374
3 Fund Balance, ending	(160,996)	(183,362)	(159,374)	(159,431)		(159,431)	(159,431)
40 Water Fund	-	-	-	-		-	-
1 Revenue	10,103,775	11,506,500	911,326	10,316,500		10,316,500	10,316,500
1 Revenue Transfer In	200,000	-	-	-		-	-
2 Expense	(1,820,581)	(11,657,350)	(4,155,541)	(15,532,405)		(15,532,405)	(15,532,405)
3 Fund Balance, beg	414,314	1,267,772	8,897,508	5,653,293		5,653,293	5,653,293
3 Fund Balance, ending	(8,897,508)	(1,116,922)	(5,653,293)	(437,388)		(437,388)	(437,388)
50 Sewer Fund	-	-	-	-		-	-
1 Revenue	604,609	594,500	593,500	594,500		594,500	594,500
1 Revenue Transfer In	100,000	-	-	-		-	-
2 Expense	(552,412)	(583,250)	(493,822)	(598,214)		(598,214)	(598,214)
3 Fund Balance, beg	243,690	174,236	395,887	495,565		495,565	495,565
3 Fund Balance, ending	(395,887)	(185,486)	(495,565)	(491,851)		(491,851)	(491,851)
75 Govt SDC	-	-	-	-		-	-
1 Revenue	52,843	45,000	11,294	41,355		41,355	41,355
2 Expense Transfer out	-	-	-	(118,800)		(118,800)	(118,800)
3 Fund Balance, beg	401,489	454,332	499,332	510,626		510,626	510,626
3 Fund Balance, ending	(454,332)	(499,332)	(510,626)	(433,181)		(433,181)	(433,181)
76 Enterprise SDC	-	-	-	-		-	-
1 Revenue	18,446	35,000	18,222	64,795		64,795	64,795
3 Fund Balance, beg	357,711	376,157	376,157	394,379		394,379	394,379
3 Fund Balance, ending	(376,157)	(411,157)	(394,379)	(459,174)		(459,174)	(459,174)
Grand Total	-	-	-	-	-	-	-

	Jul 2021- Jun 2022	Adopted Budget FY 22-23	Estimate FY 22-23	Proposed Budget FY 23-24	Change	Approved Budget FY 23-24	Adopted Budget FY 23-24
20 General Fund	-	-	-	-	-	-	-
1 Revenue	922,291	700,730	1,004,273	862,350	10,000	872,350	872,350
20 Revenue	595,719	566,500	678,000	668,100		668,100	668,100
20 4006 Property Tax Current	323,274	315,000	332,500	342,000		342,000	342,000
20 4007 Property Tax Prior	9,606	10,000	6,000	7,000		7,000	7,000
20 4011 State Revenue Sharing	24,854	25,000	25,000	25,000		25,000	25,000
20 4015 Liquor Tax	32,702	32,000	32,000	32,000		32,000	32,000
20 4016 Cigarette Tax	1,470	2,000	2,000	1,400		1,400	1,400
20 4018 Marijuana Tax	1,714	3,000	3,000	1,700		1,700	1,700
20 4031 Franchise Fee NW Natural Gas	10,587	10,000	13,000	13,000		13,000	13,000
20 4032 Franchise Fee Comcast	14,434	14,000	14,000	14,000		14,000	14,000
20 4033 Franchise Fee Recology	8,514	6,000	12,000	12,000		12,000	12,000
20 4034 Franchise Fee Public Works 5%	60,000	55,000	55,000	55,000		55,000	55,000
20 4035 Franchise Fees PGE	66,694	61,000	70,000	70,000		70,000	70,000
20 4036 Franchise Fee Zipley	3,150	2,000	2,000	2,000		2,000	2,000
20 4037 Franchise Fee Telecom	-	500	500	500		500	500
20 4038 Franchise Fee Hunter	2,691	2,500	2,500	2,500		2,500	2,500
20 4051 Business License	5,020	2,500	2,500	2,500		2,500	2,500
20 4081 Rental Income 407 S Trade	13,620	15,000	15,000	16,500		16,500	16,500
20 4084 Gen Other Income	1,431	1,000	1,000	1,000		1,000	1,000
20 4085 Gen Interest Income	15,958	10,000	90,000	70,000		70,000	70,000
23 Public Safety	97,049	95,250	98,750	85,250	10,000	95,250	95,250
23 4362 Public Safety Fee	81,161	80,000	80,000	70,000	10,000	80,000	80,000
23 4364 Public Safety Restitution	1,073	250	750	250		250	250
23 4366 Municipal Court Fines	14,815	15,000	18,000	15,000		15,000	15,000

	Jul 2021- Jun 2022	Adopted Budget FY 22-23	Estimate FY 22-23	Proposed Budget FY 23-24	Change	Approved Budget FY 23-24	Adopted Budget FY 23-24
24 Library	2,070	2,000	2,000	1,500		1,500	1,500
24 4473 Grants Ready-to-read	1,205	1,000	1,000	1,000		1,000	1,000
24 4481 Library Donations & Fees	865	1,000	1,000	500		500	500
25 Community Center	12,769	9,980	12,260	10,500		10,500	10,500
25 4576 Chemeketa Community College	9,674	8,480	8,480	8,000		8,000	8,000
25 4577 Community Center Rentals	3,095	1,500	3,780	2,500		2,500	2,500
25 Park	1,440	1,000	1,000	1,000		1,000	1,000
25 4571 Park User Fees	1,440	1,000	1,000	1,000		1,000	1,000
26 City Development	15,509	21,000	15,800	16,000		16,000	16,000
26 4650 Dev Building Permits	4,253	8,000	5,000	5,000		5,000	5,000
26 4670 Dev Planning Fees	10,656	12,000	10,000	10,000		10,000	10,000
26 4681 Dev Community Donations	600	1,000	800	1,000		1,000	1,000
27 Travel - Promotion	6,272	5,000	5,000	5,000		5,000	5,000
27 4701 Transient Lodging Tax	6,272	5,000	5,000	5,000		5,000	5,000
28 Grant	191,463	-	191,463	75,000		75,000	75,000
20 4801 Grant - Park State OPRD	-	-	-	75,000		75,000	75,000
28 4870 Grant Income Oregon CRF	191,463	-	191,463	-		-	-
1 Revenue Transfer In	-	-	-	18,800		18,800	18,800
25 Park SDC Transfer In	-	-	-	18,800		18,800	18,800
25 7400 Transfer in from PARK SDC	-	-	-	18,800		18,800	18,800
2 Expense	(695,859)	(713,063)	(699,592)	(848,135)		(848,135)	(848,135)
20 Admin	(223,461)	(226,013)	(224,326)	(236,177)		(236,177)	(236,177)
20 5010 Adm Shared Payroll Expense	(138,117)	(130,313)	(130,313)	(149,177)		(149,177)	(149,177)
20 5590 Adm Workers Comp	-	(200)	-	-		-	-
20 6010 Adm Shared Expense	(60,186)	(55,000)	(49,513)	(55,000)		(55,000)	(55,000)
20 6270 Adm Materials & Supplies	(4,254)	(3,500)	(4,000)	(4,000)		(4,000)	(4,000)
20 6280 Adm Repair & Maintenance	(6,087)	(5,000)	(4,000)	(5,000)		(5,000)	(5,000)
20 6281 Adm Donations	(600)	(1,000)	(1,000)	(1,000)		(1,000)	(1,000)
20 6282 Adm Employee Recruitment	-	(15,000)	(15,000)	-		-	-

	Jul 2021- Jun 2022	Adopted Budget FY 22-23	Estimate FY 22-23	Proposed Budget FY 23-24	Change	Approved Budget FY 23-24	Adopted Budget FY 23-24
20 6283 Adm YC Transit Authority	-	(2,000)	(2,000)	(2,000)		(2,000)	(2,000)
20 6290 Adm Utilities	(7,832)	(6,000)	(10,000)	(10,000)		(10,000)	(10,000)
20 6292 Adm Council & Staff Expense	(6,385)	(8,000)	(8,500)	(10,000)		(10,000)	(10,000)
23 Court	(7,763)	(11,000)	(11,150)	(11,100)		(11,100)	(11,100)
23 6345 Court Interpreter	(440)	(500)	(600)	(600)		(600)	(600)
23 6350 Court Judge	(2,688)	(4,000)	(4,000)	(4,000)		(4,000)	(4,000)
23 6355 Court Assessments	(4,535)	(6,000)	(6,000)	(6,000)		(6,000)	(6,000)
23 6385 Court Refunds	(100)	(500)	(550)	(500)		(500)	(500)
23 Public Safety	(316,766)	(325,000)	(321,641)	(345,000)		(345,000)	(345,000)
23 6304 Ps Yamhill Deputy Contract	(299,008)	(305,000)	(305,000)	(325,000)		(325,000)	(325,000)
23 6305 Ps YCOM Dispatch Service	(17,758)	(20,000)	(16,641)	(20,000)		(20,000)	(20,000)
24 Library	(17,194)	(20,000)	(24,250)	(24,531)		(24,531)	(24,531)
24 5724 Library Shared Payroll Expense	(13,403)	(13,500)	(19,500)	(18,031)		(18,031)	(18,031)
24 6450 Lib Ready to Read Purchases	(606)	(1,000)	(1,000)	(1,000)		(1,000)	(1,000)
24 6470 Lbr Materials & Supplies	(2,329)	(2,500)	(2,500)	(2,500)		(2,500)	(2,500)
24 6475 Library Grant Expense	-	-	(500)	-		-	-
24 6480 Lbr Repair & Maintenance	(856)	(2,500)	(500)	(2,500)		(2,500)	(2,500)
24 6492 Lbr Staff Expense	-	(500)	(250)	(500)		(500)	(500)
25 Community Center	(2,087)	(2,500)	(2,300)	(3,000)		(3,000)	(3,000)
25 5677 Community Center Refund	(2,060)	(1,500)	(1,800)	(2,000)		(2,000)	(2,000)
25 5679 Com Center Maintenance	(27)	(1,000)	(500)	(1,000)		(1,000)	(1,000)
25 Park	(46,186)	(41,350)	(36,625)	(136,527)		(136,527)	(136,527)
25 5501 Parks PW Shared Payroll	(26,339)	(21,400)	(22,875)	(22,777)		(22,777)	(22,777)
25 5560 Prk Contract Labor	-	(1,000)	-	(1,000)		(1,000)	(1,000)
25 5563 Prk Maintenance	-	(1,000)	-	-		-	-
25 6135 Prk Utilities	(5,704)	(5,000)	(5,000)	(5,000)		(5,000)	(5,000)
25 6296 Prk Equipment	(7,927)	(7,500)	(2,500)	(7,500)		(7,500)	(7,500)
25 6570 Prk Material & Supplies	(762)	(750)	(750)	(750)		(750)	(750)
25 6580 Prk Repair & Maintenance	(4,554)	(3,500)	(4,500)	(4,500)		(4,500)	(4,500)
25 6585 Prk Rental Refunds	(900)	(1,200)	(1,000)	(1,200)		(1,200)	(1,200)
25 7200 Cap Prj Park Improvements	-	-		(93,800)		(93,800)	(93,800)

	Jul 2021- Jun 2022	Adopted Budget FY 22-23	Estimate FY 22-23	Proposed Budget FY 23-24	Change	Approved Budget FY 23-24	Adopted Budget FY 23-24
26 City Development	(65,706)	(62,000)	(61,500)	(66,500)		(66,500)	(66,500)
20 6260 Adm Contract Services	(11,413)	(10,000)	(10,000)	(10,000)		(10,000)	(10,000)
20 6261 Adm Rental Exp 407 S Trade	(236)	(5,000)	(1,500)	(5,000)		(5,000)	(5,000)
20 6265 Special Project - Code Codification	(3,714)	-	-	-		-	-
26 6661 Dev Planner	(19,885)	(20,000)	(20,000)	(20,000)		(20,000)	(20,000)
26 6662 Dev Consulting	(27,036)	(17,500)	(25,000)	(20,000)		(20,000)	(20,000)
26 6668 Dev City-Wide Clean-Up	(488)	(500)	(500)	(1,000)		(1,000)	(1,000)
26 6669 Dev Community Events	(2,062)	(3,000)	(2,500)	(3,000)		(3,000)	(3,000)
26 6670 Dev Materials & Supplies	(872)	(500)	(1,000)	(1,000)		(1,000)	(1,000)
26 6685 Dev Refunds	-	(500)	-	(500)		(500)	(500)
26 6705 Nuisance Abatement/Community Asst.	-	(5,000)	(1,000)	(6,000)		(6,000)	(6,000)
27 Travel - Promotion	(2,339)	(10,000)	(2,500)	(10,000)		(10,000)	(10,000)
27 6727 Tourism Expense	(2,339)	(10,000)	(2,500)	(10,000)		(10,000)	(10,000)
28 General Debt Service	(14,358)	(15,200)	(15,300)	(15,300)		(15,300)	(15,300)
28 8810 General Principal 407 S Trade	(10,000)	(10,000)	(10,000)	(10,000)		(10,000)	(10,000)
28 8812 General Interest 407 S Trade	(4,178)	(4,500)	(4,500)	(4,500)		(4,500)	(4,500)
28 8814 General Trustee Fee 407 S Trade	(180)	(700)	(800)	(800)		(800)	(800)
29 Allocated Admin Payroll	-	-	-	-		-	-
29 5002 Admin Payroll2	(169,714)	(178,200)	(182,478)	(198,749)		(198,749)	(198,749)
29 5006 Admin Payroll Tax2	(13,175)	(14,050)	(14,050)	(15,413)		(15,413)	(15,413)
29 5007 Admin PERS	(20,947)	(25,000)	(21,000)	(41,711)		(41,711)	(41,711)
29 5008 Admin Benefits2	(42,500)	(44,550)	(37,775)	(42,480)		(42,480)	(42,480)
29 5009 Admin Workers Comp	(5,265)	(5,500)	(4,400)	(5,000)		(5,000)	(5,000)
29 5099 Admin Allocated Payroll	251,601	267,300	259,703	303,353		303,353	303,353
29 Allocated Lib Payroll	-	-	-	-		-	-
29 5042 Library Payroll	(12,430)	(12,000)	(18,000)	(16,720)		(16,720)	(16,720)
29 5044 Lib Payroll Tax	(973)	(1,000)	(1,500)	(1,311)		(1,311)	(1,311)
29 5049 Lib Allocated Payroll	13,403	13,000	19,500	18,031		18,031	18,031

	Jul 2021- Jun 2022	Adopted Budget FY 22-23	Estimate FY 22-23	Proposed Budget FY 23-24	Change	Approved Budget FY 23-24	Adopted Budget FY 23-24
29 Allocated Pub Works Payroll	-	-	-	-		-	-
29 5405 Pub Works Payroll	(162,600)	(182,000)	(135,321)	(189,475)		(189,475)	(189,475)
29 5406 Pub Works Payroll Tax	(12,639)	(14,000)	(14,000)	(14,737)		(14,737)	(14,737)
29 5407 Pub Works PERS	(17,810)	(23,000)	(23,000)	(38,020)		(38,020)	(38,020)
29 5408 Pub Works Benefits2	(42,513)	(45,000)	(35,000)	(42,480)		(42,480)	(42,480)
29 5409 Pub Works Workers Comp	(5,265)	-	(4,400)	(5,000)		(5,000)	(5,000)
29 5499 Pub Works Allocated Payroll	240,828	264,000	211,721	289,712		289,712	289,712
29 Allocated Shared Expense	-	-	-	-		-	-
29 6102 Shared Contract Labor	(6,876)	(10,000)	(25,000)	(10,000)		(10,000)	(10,000)
29 6110 Shared Organizational Dues	(4,374)	(7,000)	(7,000)	(7,000)		(7,000)	(7,000)
29 6115 Shared Telecom	(3,591)	(3,000)	(3,000)	(3,000)		(3,000)	(3,000)
29 6155 Shared Attorney	(10,557)	(15,000)	(5,000)	(15,000)		(15,000)	(15,000)
29 6160 Shared Audit	(37,750)	(20,000)	(10,625)	(15,000)		(15,000)	(15,000)
29 6170 Shared Materials & Supplies	(5,990)	(10,000)	(6,000)	(10,000)		(10,000)	(10,000)
29 6185 Shared Business Insurance	(34,751)	(40,000)	(42,400)	(45,000)		(45,000)	(45,000)
29 6199 Shared Expense Allocated	103,889	105,000	99,025	105,000		105,000	105,000
2 Expense Transfer out	(300,000)	-	-	-		-	-
29 General Transfer Out	(300,000)	-	-	-		-	-
29 9940 Gen Transfer Out to Water	(200,000)	-	-	-		-	-
29 9950 Gen Transfer Out to Sewer	(100,000)	-	-	-		-	-
3 Fund Balance, beg	202,433	128,865	128,865	433,546		433,546	433,546
General	202,433	128,865	128,865	433,546		433,546	433,546
20 9020 General, Beg Fund Balance	202,433	128,865	128,865	433,546		433,546	433,546
3 Fund Balance, ending	(128,865)	(116,532)	(433,546)	(466,561)	(10,000)	(476,561)	(476,561)
General	(128,865)	(116,532)	(433,546)	(466,561)	(10,000)	(476,561)	(476,561)
20 9510 General, Ending Fund Balance	(128,865)	(116,532)	(433,546)	(166,561)	(10,000)	(176,561)	(176,561)
20 9520 General, Contingency	-			(300,000)		(300,000)	(300,000)

	Jul 2021- Jun 2022	Adopted Budget FY 22-23	Estimate FY 22-23	Proposed Budget FY 23-24	Change	Approved Budget FY 23-24	Adopted Budget FY 23-24
30 Street Fund	-	-	-	-		-	-
1 Revenue	159,371	255,000	248,408	405,000		405,000	405,000
30 Street Revenue	159,371	255,000	248,408	405,000		405,000	405,000
30 4340 Str Street Fee	19,025	20,000	20,000	20,000		20,000	20,000
30 4360 Str State Gas Tax	140,346	135,000	135,000	135,000		135,000	135,000
30 4804 Str Grant Income SCA	-	100,000	93,408	250,000		250,000	250,000
1 Revenue Transfer In	-	-	-	100,000		100,000	100,000
30 Street Transfer In	-	-	-	100,000		100,000	100,000
30 4800Transfer in from STR SDC	-	-	-	100,000		100,000	100,000
2 Expense	(171,352)	(271,450)	(250,030)	(504,943)		(504,943)	(504,943)
30 Street Operations	(132,504)	(171,450)	(156,622)	(154,943)		(154,943)	(154,943)
30 5009 Str Pub Works Payroll	(42,252)	(51,000)	(39,321)	(25,625)		(25,625)	(25,625)
30 5010 Str Admin Payroll	(17,507)	(20,150)	(19,450)	(14,918)		(14,918)	(14,918)
30 5090 Str Workers Comp	-	(4,900)	-	-		-	-
30 6100 Str Shared Expense	(6,225)	(5,500)	(4,951)	(5,500)		(5,500)	(5,500)
30 6360 Str Contract Services	(9,030)	(6,200)	(6,200)	(6,200)		(6,200)	(6,200)
30 6361 Str Engineer	(6,224)	(5,000)	(9,000)	(5,000)		(5,000)	(5,000)
30 6370 Str Materials & Supplies	(1,620)	(1,500)	(1,500)	(1,500)		(1,500)	(1,500)
30 6373 Str Repair & Maintenance	(36,519)	(61,200)	(61,200)	(61,200)		(61,200)	(61,200)
30 6376 Str Sidewalk Maintenance/Storm Drains	-	(9,000)		(20,000)		(20,000)	(20,000)
30 6390 Str Utilities/Street Lighting	(13,127)	(7,000)	(15,000)	(15,000)		(15,000)	(15,000)
31 Street Capital Outlay	(38,848)	(100,000)	(93,408)	(350,000)		(350,000)	(350,000)
30 7001 Str Grant Expense SCA	(38,848)	(100,000)	(93,408)	(350,000)		(350,000)	(350,000)
3 Fund Balance, beg	172,977	199,812	160,996	159,374		159,374	159,374
Streets	172,977	199,812	160,996	159,374		159,374	159,374
30 9030 Streets, Beg Fund Balance	172,977	199,812	160,996	159,374		159,374	159,374
3 Fund Balance, ending	(160,996)	(183,362)	(159,374)	(159,431)		(159,431)	(159,431)
Streets	(160,996)	(183,362)	(159,374)	(159,431)		(159,431)	(159,431)
30 9530 Streets, Ending Fund Balance	(160,996)	(183,362)	(159,374)	(109,431)		(109,431)	(109,431)
30 9531 Streets, Contingency	-	-		(50,000)		(50,000)	(50,000)

	Jul 2021- Jun 2022	Adopted Budget FY 22-23	Estimate FY 22-23	Proposed Budget FY 23-24	Change	Approved Budget FY 23-24	Adopted Budget FY 23-24
40 Water Fund	-	-	-	-		-	-
1 Revenue	10,103,775	11,506,500	911,326	10,316,500		10,316,500	10,316,500
40 Water Revenue	10,103,775	11,506,500	911,326	10,316,500		10,316,500	10,316,500
40 4440 Wtr Fees	596,546	535,000	535,000	535,000		535,000	535,000
40 4450 Wtr Line Replacement Fee	6,608	-	-	-		-	-
40 4460 Wtr Deposits	4,830	3,500	3,500	3,500		3,500	3,500
40 4484 Wtr Misc Income	4,105	1,000	-	1,000		1,000	1,000
40 4850 Wtr USDA RUS Interim Loan	-	3,294,000	-	-		-	-
40 4851 Wtr USDA Grant Proceeds	-	-	-	3,294,000		3,294,000	3,294,000
40 4852 Wtr CDBG Grant Proceeds	346,498	-	-	-		-	-
40 4853 WTR SDWRLF Grant Proceeds	671,313	1,200,000	362,826	-		-	-
40 4854 Wtr USDA Loan	6,473,000	6,473,000	-	6,473,000		6,473,000	6,473,000
40 4856 WTR Grant Water Line	2,000,000	-	-	-		-	-
40 4859 Wtr Grant Interest Income	875		10,000	10,000		10,000	10,000
1 Revenue Transfer In	200,000	-	-	-		-	-
40 Water Transfer in	200,000	-	-	-		-	-
40 4940 Transfer in from General	200,000	-	-	-		-	-
2 Expense	(1,820,581)	(11,657,350)	(4,155,541)	(15,532,405)		(15,532,405)	(15,532,405)
40 Water Operations	(336,583)	(421,350)	(359,241)	(431,505)		(431,505)	(431,505)
40 5004 Wtr Pub Works Payroll	(108,423)	(119,200)	(93,345)	(130,967)		(130,967)	(130,967)
40 5010 Wtr Admin Payroll	(62,900)	(65,200)	(69,340)	(74,588)		(74,588)	(74,588)
40 5090 Wtr Workers Comp	-	(11,800)	-	-		-	-
40 6100 Wtr Shared Expense	(23,912)	(26,100)	(24,756)	(26,100)		(26,100)	(26,100)
40 6405 Wtr Analysis	(2,145)	(3,700)	(3,700)	(4,000)		(4,000)	(4,000)
40 6408 Wtr Utility Postage	(2,627)	(3,100)	(3,100)	(3,100)		(3,100)	(3,100)
40 6415 Wtr License/Permit/Cert	(4,723)	(6,000)	(6,000)	(6,000)		(6,000)	(6,000)
40 6450 Wtr Meter Reading	(475)	-	-	-		-	-
40 6451 Wtr Meter Replacement	-	(1,000)	5,000	(1,000)		(1,000)	(1,000)
40 6460 Wtr Contract Services	9,166	(16,000)	(20,000)	(16,000)		(16,000)	(16,000)

	Jul 2021- Jun 2022	Adopted Budget FY 22-23	Estimate FY 22-23	Proposed Budget FY 23-24	Change	Approved Budget FY 23-24	Adopted Budget FY 23-24
40 6470 Wtr Materials & Supplies	(3,083)	(4,500)	(7,000)	(5,000)		(5,000)	(5,000)
40 6471 Wtr Chemicals	(21,079)	(27,500)	(27,500)	(27,500)		(27,500)	(27,500)
40 6480 Wtr Repair & Maintenance	(16,233)	(16,500)	(16,500)	(16,500)		(16,500)	(16,500)
40 6482 Wtr System Maintance	(33,901)	(52,000)	(25,000)	(52,000)		(52,000)	(52,000)
40 6485 Wtr Deposit Refunds	(2,080)	(1,500)	(1,500)	(1,500)		(1,500)	(1,500)
40 6490 Wtr Utilities	(32,053)	(37,000)	(37,000)	(37,000)		(37,000)	(37,000)
40 6492 Wtr Staff Expense	(1,615)	(2,750)	(2,000)	(2,750)		(2,750)	(2,750)
40 6495 Wtr Franchise Fee	(30,500)	(27,500)	(27,500)	(27,500)		(27,500)	(27,500)
41 Water Capital Outlay	(1,430,996)	(11,183,000)	(3,743,300)	(8,329,700)		(8,329,700)	(8,329,700)
40 7001 Wtr System	(13,404)	(200,000)	(75,000)	(200,000)		(200,000)	(200,000)
40 7008 Wtr Capital	(4,284)	(4,000)	-	(4,000)		(4,000)	(4,000)
40 7009 Wtr Salt Creek Bridge	(1,036,676)	(1,200,000)	(10,000)	-		-	-
40 7010 Wtr Capital CDBG Grant Exp	(9,279)	-	-	-		-	-
40 7012 Wtr Capital USDA Loan Expense	(167,338)	(9,767,000)	(3,558,300)	(6,208,700)		(6,208,700)	(6,208,700)
40 7040 Wtr ARPA Water Lines	-	-	(100,000)	(1,900,000)		(1,900,000)	(1,900,000)
40 7042 Wtr Property	(1,504)	(12,000)	-	(12,000)		(12,000)	(12,000)
40 7045 Wtr Meters	(198,511)	-	-	-		-	-
40 7055 Wtr Utility Vehicle/Equipment	-	-	-	(5,000)		(5,000)	(5,000)
42 Water Debt Service	(53,002)	(53,000)	(53,000)	(6,771,200)		(6,771,200)	(6,771,200)
40 8235 Wtr S99008 Safe Drkg Wtr Principal	(47,037)	(47,500)	(47,500)	(48,500)		(48,500)	(48,500)
40 8236 Wtr S99008 Safe Drkg Wtr Interest	(5,965)	(5,500)	(5,500)	(5,000)		(5,000)	(5,000)
40 8237 Wtr First Interstate Loan Principal	-	-	-	(6,473,000)		(6,473,000)	(6,473,000)
40 8238 Wtr First Interstate Loan Interest	-	-	-	(244,700)		(244,700)	(244,700)
3 Fund Balance, beg	414,314	1,267,772	8,897,508	5,653,293		5,653,293	5,653,293
Water	414,314	1,267,772	8,897,508	5,653,293		5,653,293	5,653,293
40 9040 Water, Beg Fund Balance	414,314	1,267,772	8,897,508	5,653,293		5,653,293	5,653,293
3 Fund Balance, ending	(8,897,508)	(1,116,922)	(5,653,293)	(437,388)		(437,388)	(437,388)
Water	(8,897,508)	(1,116,922)	(5,653,293)	(437,388)		(437,388)	(437,388)
40 9540 Water, Contingency	-	-		(100,000)		(100,000)	(100,000)
40 9540 Water, Ending Fund Balance	(8,897,508)	(1,116,922)	(5,653,293)	(337,388)		(337,388)	(337,388)

	Jul 2021- Jun 2022	Adopted Budget FY 22-23	Estimate FY 22-23	Proposed Budget FY 23-24	Change	Approved Budget FY 23-24	Adopted Budget FY 23-24
50 Sewer Fund	-	-	-	-		-	-
1 Revenue	604,609	594,500	593,500	594,500		594,500	594,500
50 Sewer Revenue	604,609	594,500	593,500	594,500		594,500	594,500
50 4550 Swr User Fees	599,329	590,000	590,000	590,000		590,000	590,000
50 4560 Swr Deposits	5,280	3,500	3,500	3,500		3,500	3,500
50 4584 Swr Misc Income	-	1,000	-	1,000		1,000	1,000
1 Revenue Transfer In	100,000	-	-	-		-	-
51 Sewer Transfer In	100,000	-	-	-		-	-
50 4991 Swr Transfer in from Swr SDC	-	-	-	-		-	-
50 4992 Swr Transfer in from General	100,000	-	-	-		-	-
2 Expense	(552,412)	(583,250)	(493,822)	(598,214)		(598,214)	(598,214)
50 Sewer Operations	(326,847)	(377,800)	(318,635)	(425,014)		(425,014)	(425,014)
50 5005 Swr Pub Works Payroll	(60,813)	(95,900)	(51,780)	(105,343)		(105,343)	(105,343)
50 5010 Swr Admin Payroll	(33,076)	(52,100)	(36,200)	(59,671)		(59,671)	(59,671)
50 5090 Swr Workers Comp	-	(7,700)	-	-		-	-
50 6100 Swr Shared Expense	(13,567)	(20,900)	(19,805)	(20,900)		(20,900)	(20,900)
50 6275 Swr Lift Station Maint	(11,995)	(12,000)	(12,000)	(12,000)		(12,000)	(12,000)
50 6505 Swr Analysis	(1,592)	(2,750)	(2,750)	(2,750)		(2,750)	(2,750)
50 6508 Swr Utility Postage	(2,626)	(3,100)	(3,100)	(3,100)		(3,100)	(3,100)
50 6515 Swr License/Permit/Cert	(1,354)	(3,150)	(1,000)	(3,150)		(3,150)	(3,150)
50 6560 Swr Contract Services	(8,613)	(7,500)	(12,000)	(10,000)		(10,000)	(10,000)
50 6570 Swr Materials & Supplies	(5,987)	(7,700)	(7,700)	(7,700)		(7,700)	(7,700)
50 6571 Swr Chemicals	(6,685)	(10,500)	(11,500)	(11,500)		(11,500)	(11,500)
50 6580 Swr Repair & Maintenance	(9,593)	(17,500)	(25,000)	(17,500)		(17,500)	(17,500)
50 6582 Swr System Maintenance	(33,846)	(50,500)	(50,500)	(50,500)		(50,500)	(50,500)
50 6584 Swr I&I Maintenance	-	-		(35,000)		(35,000)	(35,000)
50 6585 Swr Deposit Refund	(2,310)	(2,600)	(2,000)	(2,000)		(2,000)	(2,000)
50 6590 Swr Utilities	(60,897)	(53,800)	(53,800)	(53,800)		(53,800)	(53,800)
50 6592 Swr Staff Expense	(1,624)	(2,600)	(2,000)	(2,600)		(2,600)	(2,600)

	Jul 2021- Jun 2022	Adopted Budget FY 22-23	Estimate FY 22-23	Proposed Budget FY 23-24	Change	Approved Budget FY 23-24	Adopted Budget FY 23-24
51 Sewer Capital Outlay	(60,018)	(42,250)	(7,500)	(5,000)		(5,000)	(5,000)
50 7000 Sewer Capital Outlay	(42,769)					-	-
50 7020 Swr Rate Study	-	(7,500)	(7,500)	-		-	-
50 7055 Swr Utility Vehicle/Equipment	-	-	-	(5,000)		(5,000)	(5,000)
50 7510 Swr Master Plan	(38,181)	(34,750)	-	-		-	-
50 7511 Swr Billing System	(7,037)	-	-	-		-	-
56 7130 Rsw Equipment Replacement	(14,800)	-	-	-		-	-
52 Sewer Debt Service	(165,547)		(167,687)	(168,200)		(168,200)	(168,200)
50 8245 Swr G03001 OECDD Principal	(105,000)	(105,000)	(110,000)	(110,000)		(110,000)	(110,000)
50 8246 Swr G03001 OECDD Interest	(25,081)	(22,500)	(21,987)	(22,500)		(22,500)	(22,500)
50 8335 Swr Y10001 OECDD Principal	(19,254)	(20,000)	(20,000)	(20,000)		(20,000)	(20,000)
50 8336 Swr Y10001 OECDD Interest	(16,212)	(15,700)	(15,700)	(15,700)		(15,700)	(15,700)
3 Fund Balance, beg	243,690	174,236	395,887	495,565		495,565	495,565
Sewer	243,690	174,236	395,887	495,565		495,565	495,565
50 9050 Sewer, Beg Fund Balance	243,690	174,236	395,887	495,565		495,565	495,565
3 Fund Balance, ending	(395,887)	(185,486)	(495,565)	(491,851)		(491,851)	(491,851)
Sewer	(395,887)	(185,486)	(495,565)	(491,851)		(491,851)	(491,851)
50 9550 Sewer, Contingency	-	-		(100,000)		(100,000)	(100,000)
50 9550 Sewer, Ending Fund Balance	(395,887)	(185,486)	(495,565)	(391,851)		(391,851)	(391,851)
75 Govt SDC	-	-	-	-		-	-
1 Revenue	52,843	45,000	11,294	41,355		41,355	41,355
75 Governmental SDC Revenue	52,843	45,000	11,294	41,355		41,355	41,355
75 4002 Park SDC Revenue	2,701	10,000	2,686	10,135		10,135	10,135
75 4003 Street SDC Revenue	47,698	25,000	6,572	23,885		23,885	23,885
75 4004 Storm SDC Revenue	2,444	10,000	2,036	7,335		7,335	7,335
2 Expense Transfer out	-	-	-	(118,800)		(118,800)	(118,800)
75 SDC Transfer Out	-	-	-	(118,800)		(118,800)	(118,800)
75 9025 Transfer Out Parks SDC to Parks	-	-	-	(18,800)		(18,800)	(18,800)
75 9030 Transfer Out Street SDC to Street				(100,000)		(100,000)	(100,000)

	Jul 2021- Jun 2022	Adopted Budget FY 22-23	Estimate FY 22-23	Proposed Budget FY 23-24	Change	Approved Budget FY 23-24	Adopted Budget FY 23-24
3 Fund Balance, beg	401,489	454,332	499,332	510,626		510,626	510,626
SDC Govt	401,489	454,332	499,332	510,626		510,626	510,626
75 9270 SDC Govt, Park, Beg Fund Balance	112,315	115,016	125,016	127,702		127,702	127,702
75 9270 SDC Govt, Storm, Beg Fund Balance	99,624	102,068	112,068	114,104		114,104	114,104
75 9270 SDC Govt, Street, Beg Fund Balance	189,550	237,248	262,248	268,820		268,820	268,820
3 Fund Balance, ending	(454,332)	(499,332)	(510,626)	(433,181)		(433,181)	(433,181)
SDC Govt	(454,332)	(499,332)	(510,626)	(433,181)		(433,181)	(433,181)
75 9570 SDC Govt, Park, Ending Fund	(115,016)	(125,016)	(127,702)	(100,237)		(100,237)	(100,237)
75 9570 SDC Govt, Storm, Ending Fund Balance	(102,068)	(112,068)	(114,104)	(121,439)		(121,439)	(121,439)
75 9570 SDC Govt, Street, Ending Fund Balance	(237,248)	(262,248)	(268,820)	(211,505)		(211,505)	(211,505)
76 Enterprise SDC	-	-	-	-		-	-
1 Revenue	18,446	35,000	18,222	64,795		64,795	64,795
76 Enterprise SDC Revenue	18,446	35,000	18,222	64,795		64,795	64,795
76 4101 Sewer SDC Revenue	13,946	10,000	11,556	41,995		41,995	41,995
76 4104 Water SDC Revenue	4,500	25,000	6,666	22,800		22,800	22,800
3 Fund Balance, beg	357,711	376,157	376,157	394,379		394,379	394,379
SDC Enterprise	357,711	376,157	376,157	394,379		394,379	394,379
76 9270 SDC Entrprs, Sewer, Beg Fund	27,100	41,046	41,046	52,602		52,602	52,602
76 9270 SDC Entrprs, Water, Beg Fund	330,611	335,111	335,111	341,777		341,777	341,777
3 Fund Balance, ending	(376,157)	(411,157)	(394,379)	(459,174)		(459,174)	(459,174)
SDC Enterprise	(376,157)	(411,157)	(394,379)	(459,174)		(459,174)	(459,174)
76 9570 SDC Entrprs, Sewer, Ending Fund Balance	(41,046)	(51,046)	(52,602)	(94,597)		(94,597)	(94,597)
76 9570 SDC Entrprs, Water, Ending Fund Balance	(335,111)	(360,111)	(341,777)	(364,577)		(364,577)	(364,577)
Grand Total	-	-	-	-	-	-	-

Appendix

Financial Management Policies

I. PURPOSE

These Comprehensive Financial Management Policies are the tools used to ensure that the City of Amity is financially able to meet its current and future service needs. The policies contained herein set a basis for both the financial planning, reporting and internal financial management of the City.

Municipal resources must be wisely used to ensure adequate funding for the services, operations, public facilities, and infrastructure necessary to meet immediate and long-term needs of the City. These policies safeguard the fiscal stability required to achieve the City Council's objectives and ensure the long-term financial health of the City.

These policies are adopted by City Council as the basic framework for overall financial management of the City, to guide day-to-day and long-range fiscal planning and decision making, and to achieve the following general financial goals.

1. Provide an adequate financial base to sustain a sufficient level of municipal services to maintain the social well-being and physical conditions of the City.
2. Deliver cost effective and efficient services to citizens.
3. Provide and maintain essential services, public facilities, utilities, and capital equipment.
4. Provide the financial stability needed to navigate through economic downturns, adjust to changes in the service requirements of the community and respond to other changes as they affect the city's residents.
5. Protect and enhance the City's credit rating so as to obtain the lowest cost of borrowing and also to assure taxpayers and the financial community that the City is well managed and financially sound.
6. Adhere to the highest standards of financial management and reporting practices as set by the Government Finance Officers Association, the Governmental Accounting Standards Board and other professional standards.
7. Fully comply with finance related legal mandates, laws and regulations including Oregon Revised Statutes and Oregon Budget Law.

To achieve these goals, fiscal policies generally cover areas of revenue management, operating and capital budgeting, financial planning and forecasting, investment and asset management, debt management, accounting and financial reporting, reserves and internal controls. These policies shall be reviewed every year as part of the annual budget preparation process.

II. OBJECTIVES

1. To guide the City Council and management policy decisions that has significant fiscal impact.
2. To employ balanced revenue policies that provides adequate funding for services and service levels.
3. To maintain appropriate financial capacity for present and future needs.
4. To maintain sufficient reserves so as to maintain services levels during periods of economic downturn.
5. To promote sound financial management by providing accurate and timely information on the City's financial condition.
6. To ensure the legal use of financial resources through an effective system of internal controls.
7. To protect the City's credit rating and provide for adequate resources to meet the provisions of the City's debt obligation on all municipal debt.
8. To promote cooperation and coordination with other governments and the private sector in financing and delivery of services.

III. MANAGEMENT OF FISCAL POLICY

The City Administrator is responsible for overseeing the management of the City's fiscal policies and monitor compliance. If the City Administrator discovers a material variation from policy, the City Administrator shall report it in writing to the City Council in a timely manner. The report will explain the impact of the material variation on the City's operations, service levels and/or finances and substantive impact of all recommendations to changes in fiscal policy.

As a part of the City's annual budget document, the City Administrator's budget message will identify (a) all major changes in policy since the previous budget year and (b) any material variations from policy in the ensuing year's budget. Fiscal policies and changes in policies will be approved by the City Council and adopted by resolution.

IV. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICY

The City will maintain accounting practices in accordance with state and federal law and regulations, and financial reporting that conforms to Generally Accepted Accounting Principles (GAAP). Provide for, prepare and present regular reports that analyze and evaluate the City's financial performance and economic condition.

1. Accounting Practices and Principles

The City will maintain accounting practices in accordance with state and federal law and regulations, and annual financial reporting that conforms to GAAP as set forth by the Governmental Accounting Standards Board (GASB), the authoritative standard setting body for units of local government. The City's monthly financial reports will be reported on the budgetary basis. At year-end, the general ledger and financials will be adjusted to GAAP, and the annual financial reports and continuing disclosure statements will meet these standards.

2. A system of internal controls and procedures will be maintained to provide reasonable assurance of the safeguarding of assets and proper recording of financial transactions and compliance with applicable laws and regulations. When staffing limitations require it, staff duties will be assigned to maximize a system of financial checks and balances.

3. Annual Audit

- a. Pursuant to state law, the City will have an annual financial and compliance audit, and prepare financial statements based on the audited financial information. The audit will be performed by a certified public accounting (CPA) firm, licensed to practice as Municipal Auditors in the State of Oregon. The annual financial report, including the auditor's opinion and specific reports as required by Oregon state regulations, will be filed no later than six (6) months following the end of the fiscal year and will be presented to the City Council in that same time frame. The audit firm will also provide a Single Audit of Federal and State grants, when necessary. The City Administrator will be responsible for establishing a process to ensure timely resolution of audit recommendations, if any.
- b. As required by the Securities and Exchange Commission (SEC) Rule 15c2-12, when the City issues bonds with a principal amount greater than \$1 million, the City will provide certain annual financial information to the Municipal Securities Rulemaking Board (MSRB). This will include any periodic materials event notices as required by the MSRB or SEC. This requirement allows investors to have current information about issuers in order to decide whether to hold, sell or buy securities on the secondary market.

4. Financial and Management Reporting

- a. Monthly financial reports will be provided to the City Council, the City Administrator and department heads. These reports will include department revenues and expenditures actual to date with comparison to the budget. These reports will be distributed within thirty working days of the end of each month.
- b. A goal of the City is to eventually prepare a comprehensive annual financial report subjected to independent audit and prepared in a format that conforms to the standards of the Government Finance Officers Association *Certificate of Achievement for Excellence in Financial Reporting*. The report shall be shared with the City Administrator, City Council, Budget Committee and the Secretary of State. In accordance with state law the report shall be distributed no later than December 31st of the following fiscal year.

V. REVENUE POLICY

1. The City will estimate its annual revenues by an objective, analytical process. Because most revenues are sensitive to conditions outside the City's control, estimates will be conservative.
2. The City should take advantage of every revenue-generating opportunity authorized by Oregon Revised Statutes and the Oregon Constitution.
3. The City shall pursue an aggressive policy of collecting delinquent accounts, including the use of collection agencies as authorized by the City Council.
4. Charges provided utility services will be sufficient to finance all operating, capital outlay and debt service expenses including operating contingency and reserve requirements. Rates will be adjusted as needed to account for major changes in consumption, capital improvements and cost increases.
5. System development charges will be established to pay for new capacity in infrastructure systems such as street, water, sewer, parks and stormwater facilities.
6. User fees and charges will be established for services provided that benefit specific individuals or organizations. User fees and charges will be set at a level sufficient to recover the full cost of service whenever practical to minimize subsidization by taxpayers. The City will systematically review user fees and charges to take into account the effects of additional service costs and inflation.
7. The City will maintain a current schedule of fees which will be reviewed annually and adopted by resolution.

VI. EXPENDITURE POLICY

Expenditures will be controlled through appropriate internal controls, procedures, and regular monitoring of monthly budget reports. Management must ensure expenditures comply with the legally adopted budget. Each department head will be responsible for the administration of their department program budget. This includes accomplishing the goals and objectives incorporated into the budget and monitoring each department program budget for compliance with spending limitations.

1. The City Council will approve the budget by fund at the category or program level. Expenditures anticipated to be in excess of these levels require approval of the City Council resolution (i.e. supplemental budget process).
2. The City will follow the employee compensation practices that are consistent with the City's adopted Personnel Handbook and approved collective bargaining agreements.
3. The operation of City utilities and streets and City property maintenance must have adequate funds to procure needed supplies and parts.
4. The City will maintain a purchasing ordinance for public procurements and improvements and set expenditure authorization levels for City staff.
5. Vendor expenditures must be reviewed and approved by the City Administrator, and/or the appropriate department head. Supporting documents, such as invoices, contracts, credit card charge receipt, debt agreements, will be available in either electronic or paper form. After approval, payments may be issued electronically via the bank or authorized service provider or paper check. Two signatures are currently required on City checks if an amount that exceeds \$999.99, but we intend to raise this limit.

The following disbursements are handled as direct bank withdrawals and will be included on the list of vendor expenditures above, but no paper check will be issued:

- Employee compensation will be direct deposited into employee authorized accounts. Paper checks may be requested and would be included for signature with vendor payable above.
 - Payroll tax payments
 - Automatic withdrawal for contractual payments such as debt service
 - Bank fees
 - Insurance payments
 - Other contractual withdrawals.
6. The City will make every effort to control expenditures to ensure City services and programs provided to its citizens and taxpayers are cost effective and efficient.

7. Physical assets such as land, building, equipment, and vehicles with a useful life exceeding three years and costing \$5,000 or more may be budgeted and accounted as capital outlay and shall be tracked in the City's fixed assets records. Significant repair or maintenance that extends the useful life of existing assets will be included here provided the dollar threshold is met. The \$5,000 limit will apply to individual items unless a group of items are intended to function together as a unified system.

VII. CAPITAL IMPROVEMENT POLICY

The City will prepare a five-year Capital Improvement Plan (CIP) encompassing all City facilities annually with the budget. The CIP will be composed of projects identified in the City's adopted facility master plans (e.g. parks, sewer, stormwater, transportation, water). The five-year CIP will be incorporated into the City's budget and long-range financial planning processes.

1. The City will maintain its physical assets at a level adequate to protect the City's capital investment and to minimize future operating maintenance and replacement costs. The City recognizes that deferred maintenance increases future capital costs, thus placing a burden on future residents. Therefore, the budget will provide for adequate maintenance and the orderly replacement of capital plant and equipment from current revenues when possible.
2. The City will determine the least costly funding method for its capital projects and will obtain grants, contributions and low-cost state or federal loans whenever possible.
3. The City will establish capital equipment reserves to provide for funding of vehicles and equipment. The City will also establish major repairs and replacement reserves to provide for funding of major repairs and replacements.
4. The City may utilize "pay-as-you-go" funding for capital improvements when current revenues and adequate fund balances are available for when issuing debt would adversely affect the City's credit rating or put the City in violation of its debt limitation provision in the City Charter.
5. The City will consider the use of debt financing for capital projects under the following circumstances:
 - a. When the project's useful life will exceed the terms of the financing.
 - b. When resources are deemed sufficient and reliable to service the long-term debt.
 - c. When market conditions present favorable interest rates for City financing.
 - d. When the issuance of debt will not adversely affect the City's credit rating, coverage ratios or City Charter limitation.
6. Special funds dedicated for capital improvements will be segregated in the accounting system and used only for the intended capital purposes.

VIII. OPERATING BUDGET POLICY

The City will prepare an annual budget with the participation of all City departments. All budgetary procedures will conform to existing state and local regulations. Oregon Budget Law requires each local government to prepare a balanced budget and Oregon Administrative Rules state: 1) the budget must be constructed in such a manner that the total resources in a fund equal the total of expenditures and requirements for that fund and 2) the total of all resources of the budget must equal the total of all expenditures and all requirements.

1. A Budget Committee will be appointed in conformance with the City Charter and state statutes. The Budget Committee's chief purpose is to review the City Administrator's proposed budget and recommend a budget and tax levy for the City Council to adopt.
2. The City budget will support City Council goals and priorities and long-range needs of the City.
3. The City budget process will incorporate the proposed Capital Improvement Plan for the upcoming fiscal year.
4. Multi-year projections may be prepared in conjunction with the proposed budget to determine if adjustments in expenditures or revenues are needed.
5. The City will manage each fund as an independent entity in accordance with applicable statutes and with generally accepted accounting principles.
6. The City will allocate direct and administrative costs to each fund based upon the cost of providing these services.
7. The City will take immediate corrective action if at any time during the fiscal year financial monitoring indicates that an operating fund's anticipated expenditure are expected to exceed its anticipated revenues.
8. The use of fund balance, which is a one-time revenue source, may be used to fund an annual operating deficit only with approval of a plan to replenish the fund balance if its brought down below policy level (See Reserve Policy).
9. The City will work towards the goal of preparing a budget document which complies with the standards necessary to obtain the *Award for Distinguished Budget Presentation* from the Government Finance Officers Association (GFOA). The City will submit its budget for award consideration annually.

IX. LONG-RANGE FINANCIAL PLANNING POLICY

The City should prepare a long-term financial plan to promote responsible planning for the use of its resources. The long-term financial plan will protect revenues, expenditures and reserve balances for the next five years. The analysis will incorporate the City's approved Capital Improvement Plan.

Long-term projections of revenues and expenditures will be realistic, conservative and based on best practices established by the Government Finance Officers Association.

X. DEBT MANAGEMENT POLICY

1. Capital projects, financed through the issuance of bonds or other notes, will be financed for a period not to exceed the useful life of the project.
2. The City will use the most prudent methods of acquiring capital outlay items, including the use of lease-purchase agreements.
3. The City will not use long-term debt to fund current operations, to balance the budget or to fund projects that can be funded from current resources.
4. All bond issuances and promissory notes will be authorized by resolution of the City Council.
5. The City will comply with all statutory debt limitations imposed by the Oregon Revised Statutes and the City Charter.
6. The City will maintain its bond rating at the highest level fiscally prudent, so that future borrowing costs are minimized and access to the credit market is preserved.
7. The City will obtain and maintain a good credit rating.

XI. RESERVE AND CONTINGENCY POLICY

Reserves and contingencies are an important indicator of the City's financial position and its ability to withstand adverse events. Maintaining reserves and contingencies are a prudent management practice. The following are examples of their use:

Operating Contingency – A budgetary account used to appropriate resources that can be used to address events or services needs that were unanticipated during budget development.

Capital Asset Reserve – A reserve established to accumulate resources that will be used to replace capital assets and to provide for major customer service enhancements, where procurement will be budgeted in a future year. The City will maintain equipment and infrastructure capital reserves sufficient to replace assets at the end of their useful lives.

Debt Service Reserve – A reserve established as a requirement of a bond covenant, or covenant in another debt instrument.

The City will maintain sufficient contingency and reserves in each fund to be able to:

1. Mitigate short-term volatility in revenue.
2. Absorb unanticipated operating needs that arise during the fiscal year but were not anticipated during the budget process.
3. Sustain City services in the event of an emergency.
4. Meet operating cash flow requirements before the collection of property taxes, grant proceeds and other operating revenues.
5. Meet major facility and equipment repair and maintain needs.
6. Meet future capital projects needs so as to minimize future debt obligations and burden on future citizens.

The City will maintain a contingency of no less than 15% of total operating expenses for the General Fund and no less than 15% of total operating expenses for the other operational (Sewer, Street, and Water) funds.

In the event that reserves and contingencies decrease to levels below the levels established by this policy, the City will develop a plan to restore reserves and contingencies to the required levels.

XII. INVESTMENTS

All City funds shall be invested to provide safety of principal and a sufficient level to meet cash flow needs. One hundred percent of all idle cash will be continuously invested in the Local Government Investment Pool maintained by the State Treasurer.

Appendix

Glossary and Acronyms

(Adapted from the Local Budgeting Manual published by the Oregon Department of Revenue. Oregon Revised Statutes (ORS) are referenced here and are available on line at www.oregon.gov.

Adopted budget. Financial plan that is the basis for appropriations. It is adopted by the governing body (ORS 294.435).

Ad valorem tax. A property tax computed as a percentage of the assessed value of taxable property.

Appropriation. Authorization to spend 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 is approved by the budget committee. The data from the approved budget is published in the Financial Summary before the budget hearing (ORS 294.406).

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.

Assessment date. The date on which the value of property is set, January 1 (ORS 308.210, 308.250)

Audit. The annual review and appraisal of a municipal corporation's accounts and fiscal affairs conducted by an accountant under contract (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.

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(4)].

Budget committee. Fiscal planning board of a local government, consisting of the governing body plus an equal number of legal voters appointed from the city (ORS 294.336).

Budget message. Written explanation of the budget and the local government's financial priorities. It is prepared and presented by the executive officer or chairperson of the governing body (ORS 294.391).

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

Capital outlay. Items which generally have a useful life of one or more years, such as machinery, land, furniture, equipment, or buildings [ORS 294.352(6)].

Capital projects fund. A fund used to account for resources, such as bond sale proceeds, 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)]. The City of Amity uses cash basis accounting.

Cash Carryover. The accumulated unspent resources carried forward from the prior year into the next fiscal year. These can be used to support the appropriations for the next fiscal year.

Consolidated billing tax rate. The combined total of the billing rates for all taxing Districts in a code area. 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 in each category of limitation (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 294.352)

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

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.

Education category. The category for taxes that will be used to support the public school system and are not used to pay exempt bonded indebtedness [ORS 310.150(2)].

Encumbrance. An obligation chargeable to an appropriation and for which part of the appropriation is reserved [ORS 294.311(10)].

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)].

Estimate. (v) To arrive at a rough calculation or an opinion formed from imperfect data. (n) The resulting amount.

Excluded from limitation category. The category for taxes used to pay principal and interest on exempt bonded indebtedness [ORS 310.150(2)].

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(15)].

Expenditures. Total amount incurred if accounts are kept on an accrual basis; total amount paid if accounts are kept on a cash basis [ORS 294.311(16)].

Fiscal year (FY). 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 fund equity of government funds.

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) and ORS 280.100].

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 category for taxes used to support general government operations other than schools that are not for the purposes of paying exempt bonded indebtedness [ORS 310.150(1)].

Good Faith. The standard for estimating budget resources and requirements. Good faith estimates are reasonable and are reasonably likely to prove accurate, based on the known facts at the time.

Governing body. County court, 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(15)].

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(19)].

Interfund loans. Loans made by one fund to another and authorized by resolution or ordinance (ORS 294.460).

Interfund transfer. Transfer from an existing appropriation category in one fund to another existing appropriation category in another fund. (ORS 294.450)

Intrafund transfer. Transfer from one existing appropriation category to another within the same fund. (ORS 294.450)

Internal service fund. A fund used to account for fiscal activities when goods or services are provided by one department or agency to other departments or agencies on a cost-reimbursement basis (ORS 294.470).

Legal opinion. The opinion as to legality rendered by an authorized official, such as the Oregon attorney general or city attorney.

Levy. (v) To impose a property tax. (n) Ad valorem tax certified by a local government.

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.

Local government. Any city, county, port, school district, education service district, community college, special district, public or quasi-public corporation (including a municipal utility or dock commission) operated by a separate board or commission; a municipality or municipal corporation under ORS 294.311(25).

Local option tax. Voter-approved taxing authority 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. It is limited to five years unless it is for a capital project, then it is limited to the useful life of the project or 10 years, whichever is less [Art. XI, section 11(4)].

Maximum assessed value (MAV). A constitutional limitation on the taxable value of real or personal property. 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.

Measure 5. A constitutional amendment (Art. XI, section 11b) passed in 1990 that limits the amount of operating tax that can be imposed on a property to \$5 per \$1,000 of real market value for education and \$10 per 1,000 for general government.

Measure 50. A constitutional amendment (Art. XI, section 11) passed in 1997 that limits the growth in a property's assessed value to 3% per year. It also limits a local government's taxing authority by creating permanent rate limits.

Object classification. A grouping of expenditures, such as personal services, materials and services, capital outlay, debt services, and other types of requirements [ORS 294.311(28)].

Operating rate. The rate determined by dividing the local government's operating tax amount by the estimated assessed value of the local government. This rate is needed when a local government wants to impose less tax than its permanent rate will raise.

Ordinance. A formal legislative enactment by the governing board of a local government.

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(30)].

Personal services expenses. 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 change a permanent rate limit.

Principal act. The Oregon Revised Statutes that describe how a certain type of municipal corporation is formed and selects its governing body, and the powers it may exercise and the types of taxing authority that its voters may authorize.

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

Property taxes. Ad valorem tax certified to the county assessor by a local government unit.

Proposed budget. Financial plan prepared by the budget officer. All funds must balance. 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 within the boundaries of the local government; and hand delivery to each street address within the boundaries of the local government [ORS 294.311(34)].

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. For most properties, the value used to test the constitutional limits (ORS 308.205).

Reserve fund. Established to accumulate money from year to year for a specific purpose, such as purchase of new equipment (ORS 294.525).

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.

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 urban renewal plan on the entire municipality that adopted the plan. It is not a result of a division of tax.

Special revenue fund. A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditure for specific purposes [OAR 150-294.352(1)].

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

State revenue sharing. A share of certain State revenues that is distributed to the City for general purposes as provided in this section. [Adapted from ORS 221.770]

Supplemental budget. A financial plan adopted during a budget period to meet unexpected needs or to appropriate revenues not anticipated when the regular budget was adopted. It cannot be used to authorize a tax (ORS 294.480).

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 by dividing the taxes of local governments.

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(1)].

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 listing of 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. An amount set aside in the budget to be used as a cash carryover to the next year's budget to provide needed cash flow until other money is received.

Unappropriated ending fund balance. Amount set aside in the budget to be carried over to the next year's budget. It provides the local government with cash until tax money or other revenues are received later in the year. This amount cannot be transferred by resolution or used through a supplemental budget, unless necessitated by a qualifying emergency (ORS 294.398, renumbered from 294.371; ORS 294.481, renumbered from 294.455).