

BOARD ADOPTED BUDGET

Fiscal Year 2008-2009



Keizer Urban Renewal District
Marion County, Oregon



KEIZER URBAN RENEWAL AGENCY

FISCAL YEAR 2008-2009

Lore Christopher
Chair

Members of the Budget Committee

Board Members:

Lore Christopher, Mayor
Cathy Clark
David McKane
Jacque Moir
Brandon Smith
James Taylor
Richard Walsh, President

Public Members:

Ronald Bersin
Michael Lopez
Terry Gordon
David Lapof
Donna Bradley
Jim Gores
Vacant

Chris Eppley, City Manager
Shannon Johnson, City Attorney

Management Team:

H. Marc Adams, Chief of Police
Nathan Brown, Community Development Director
Tracy Davis, City Recorder
Machell DePina, Human Resources Director
Susan Gahlsdorf, Finance Director
Rob Kissler, Public Works Director
Kevin Watson, Assistant to the City Manager

"We're Building a Better Community - Together!"

DEMOCRACY

Democracy means government by discussion, but it is only effective if you can stop people talking.

- Clement Atlee

Always vote for principle, though you may vote alone, and you may cherish the sweetest reflection that your vote is never lost.

- John Quincy Adams

Your representative owes you, not his industry only, but his judgment; and he betrays, instead of serving you, if he sacrifices it to your sole opinion.

- Edmond Burke

Democracy is two wolves and a lamb voting on what to have for lunch. Liberty is a well-armed lamb contesting the vote!

- Benjamin Franklin

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BUDGET OVERVIEW

Welcome to Keizer Urban Renewal Agency's Fiscal Year 2008-2009 Budget Document. This document was prepared to assist you in understanding the Financial Plan and Operation of the Agency. It is the financial tool which enables the Agency to allocate its resources, a policy tool to communicate decisions to the staff and citizens, and a communication tool to express the goals and priorities for the next fiscal year. The staff uses the budget document as an accounting tool to ensure financial integrity and as a management audit tool to measure performance. In summary, this budget document will serve many purposes.

BASIS OF BUDGETING

The budget is prepared on a line-item basis. However, the budget is adopted by object within all funds (e.g. Personnel Services, Materials & Services, Capital Outlay, Debt Service). Generally, the budget is prepared on a modified accrual basis. Revenues are recognized when they become measurable and available, and Expenditures are recognized when they are incurred. While the Agency reserves funds to replace equipment,

depreciation is not shown in the budget, although the full price of equipment and Capital Improvements is and the purchase of Capital Improvements is depreciated in the Annual Financial Report. All appropriations lapse at fiscal year-end to the extent that they have not been expended or lawfully re-budgeted.

The Agency adopts the budget on a fund basis; therefore, cash disbursements of a fund may not legally exceed that fund's appropriations for cash disbursements. Public hearings before a Budget Committee and the Board as well as formal newspaper publications of certain budgetary information must be conducted prior to the formal adoption of the budget by Agency Resolution. The Board may amend the budget to expend unforeseen receipts by Supplemental Appropriations. Supplemental Budgets require public hearings, newspaper publications and approval by the Board prior to enactment. All Supplemental Appropriations are included in the budget comparison statements. Appropriations lapse at year-end and may not be carried over. Appropriations are made by object for all funds.

BUDGET OVERVIEW

Continued

BUDGET PROCESS

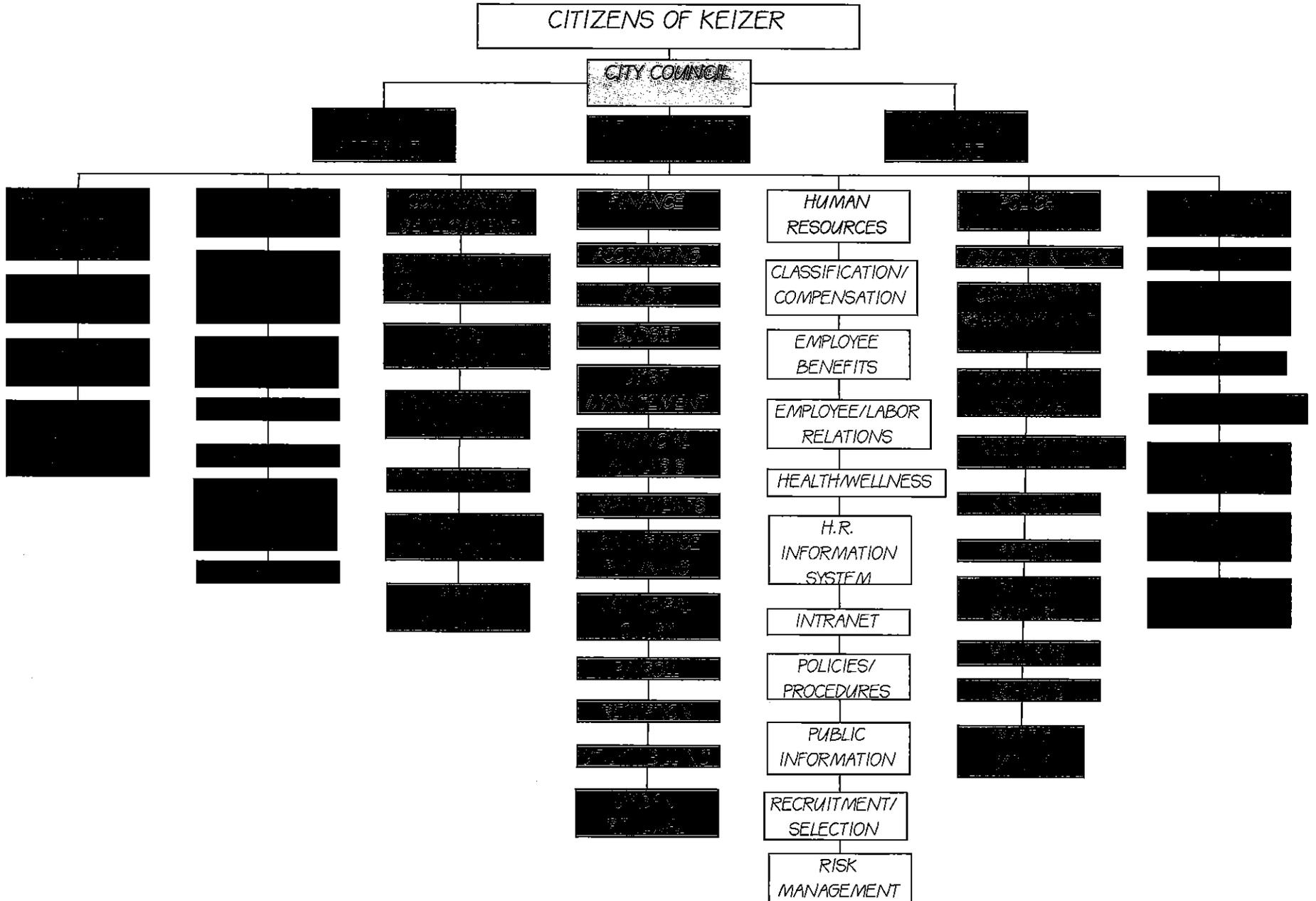
This document was prepared under the guidelines set forth under Oregon's Local Budget Law. This law establishes the standard procedures for preparing, presenting, and administering the budget. It also requires citizen involvement in the preparation and public disclosure before final adoption. Staff works together

with the City Manager to develop the annual City Manager's Recommended Budget taking into consideration the projects specified in the Urban Renewal Plan. Once complete, the document is presented to the Budget Committee for deliberation and approval, as amended.

FISCAL YEAR 2008-09 BUDGET CALENDAR

Friday, April 18 th	Notice of Budget Committee Meeting on Urban Renewal Budget to Keizertimes for publication on April 25 th and May 2 nd for meeting on Tuesday, May 13 th at 5:45 p.m.
Tuesday, May 6 th	Urban Renewal Budget Document distributed to Budget Committee
Tuesday May 13 th - 5:45 p.m.	Budget Committee Meeting <ul style="list-style-type: none"> ◆ Election of Urban Renewal Budget Committee Chair ◆ Approval of Urban Renewal Budget Calendar ◆ Public Testimony ◆ Presentation of Keizer Urban Renewal District Budget Message ◆ Discussion of Urban Renewal Agency Budget
Thursday, May 22 nd - 5:45 p.m.	Alternate meeting to complete Urban Renewal Agency Budget (if needed)
Friday, May 30 th	Financial Summary and notice of budget hearing in Keizertimes for publication on June 6 th
Monday June 16 th - 6:30 p.m.	Public hearing on Urban Renewal Budget. Board adoption of Budget.

ORGANIZATIONAL STRUCTURE



FINANCIAL POLICIES

- ◆ The Agency shall keep Government Costs and Services to a minimum by providing services to the community in a coordinated, efficient and least cost fashion.
- ◆ Operating Funds will maintain an unrestricted and undesignated balance equal to Annual Revenue of at least 5% percent. This is the minimum needed to maintain the Agency's creditworthiness. At June 30 of each year sufficient reserves shall exist to adequately cover the cash flow needs of the fund and to adequately provide for economic uncertainties for the upcoming year. Should the fund balance fall below the targeted amount in a given fund, a plan for expenditure reductions and/or revenue increases shall be submitted to the Urban Renewal Board via the Budget Committee. If, at the end of a fiscal year, the fund balance falls below the target, then the Agency shall develop a plan to restore the fund balance.
- ◆ The City manages the Urban Renewal District and it is the City's policy to maintain a strong system of Internal Controls over its accounting functions.
- ◆ All revenue forecasts shall be conservative.
- ◆ In accordance with Oregon State law, an independent Annual Audit shall be performed by a public accounting firm, which shall issue an opinion on the Annual Financial Statements and present a management letter detailing areas for improvement.
- ◆ The City shall invest funds subject to arbitrage regulations, Bond Indenture Requirements, and the Prudent Person Rule which states that "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."
- ◆ The Agency shall collect revenues aggressively, including past due bills of any type.

CITY OF KEIZER HISTORY

On November 2, 1982 an unincorporated area of Marion County – north of the City of Salem – 4713 acres or 7.36 square miles – was incorporated at the General Election. The seventh and final attempt resulted in a successful vote of 4440 to 3341. The City of Keizer became the 12th largest city in Oregon with a population of 19,650.

Presently, at a population of greater than 35,000, Keizer is the 14th largest city in Oregon. It is nestled in the center of the Willamette Valley and is recognized as the "Iris Capital of the World." The City is bordered on the western edge by the Willamette River, southern edge by the City of Salem, eastern edge by Interstate 5, and the northern edge by rural portions of Marion County. In the 1990's, the City experienced a rapid amount of new residential building and growth, establishing Keizer as one of the fastest growing cities in Oregon. In spite of this growth, the community continues to preserve its small-town pride by supporting the largest volunteer Little League Organization in Oregon and community-wide events, such as the Keizer Iris Festival and the Annual Miracle of Christmas Lighting Display. Opening for the first season in 1997, the Keizer Stadium is home to the Volcanoes, a Minor League baseball team affiliated with the San Francisco Giants.

The City of Keizer has 19 community and neighborhood parks, which includes the Keizer Little League Park. In

addition, the City, in conjunction with Marion County, the City of Salem and other regional partners are in the process of developing a large regional park along the banks of the Willamette that will provide incredible opportunities for residents to recreate and connect with this Heritage River. In the summer of 1999 a 20,000 square foot skate park was opened. The Carlson Skate Park was constructed largely by volunteer labor and donations. Neighborhood volunteers maintain several of the parks in the community and Keizer Rotary club often donates time and materials to construct park shelters, big toys, and the like throughout our park system.

The City of Keizer operates under a Council-Manager form of government. The City Council consists of a Mayor and six Councilors. The City Manager is the Administrative Head of City government and is appointed by the City Council. There are 86 City employees working in seven departments: Administration, Finance, Human Resources, Public Works, Community Development, Municipal Court and Police Services.

The water supply for the City of Keizer is provided by 16 underground wells. Keizer sits on one of the largest aquifers on the Northwest coast. Since 1983, water service connections have grown from 5,200 to nearly 10,000 services and in 1998 the first water reservoir was

CITY OF KEIZER HISTORY

Continued

constructed. On an average, the City uses approximately 3 million gallons of water per day. In 1997, the City of Keizer was given an award for the "Best Tasting Ground Water in Oregon."

The Keizer Fire District and Marion County Fire District #1 provide Fire and Emergency Services for the City.

One of the more recent volunteer projects is the development of an off-leash dog park and an amphitheatre at Keizer Rapids Park. This park encompasses nearly 130-acres along the Willamette River in West Keizer. The bulk of the land for this great amenity has come from both a long-term lease for \$1/year from Oregon State Parks and Recreation Department and grants from the State of Oregon and Marion County.

The projected combined value of the dog park and amphitheatre is approximately \$300,000, with volunteer efforts, materials and cash contributions making up 90% of the cost. It is truly a portrait of "Community Pride, Spirit and Volunteerism", the City's motto.

The citizens of Keizer can be proud of the progress of this great community. "Pride, Spirit, and Volunteerism" are alive and well in the City of Keizer.

"PRIDE, SPIRIT, AND VOLUNTEERISM"

Motto of the City of Keizer

Volunteers are the foundation of the Keizer community. Many volunteers assist the City in performing a multitude of duties, often providing services that would be reduced or non-existent. Beginning with the citizens of this former rural area who tried seven times at incorporation to the many individuals who serve in various volunteer positions today, volunteerism has served as a successful basis for our City. These volunteer efforts grow out of the leadership of creative, committed people who believe in working together to solve issues for the betterment of our community.

Some of the most prevalent and dedicated volunteers are the members of the City Council. Each of these seven elected officials volunteer numerous hours attending City Council meetings, work sessions, committee meetings, community gatherings, as well as meeting with residents to discuss concerns, ideas, and other important issues facing the community. As one Council member noted, "We really don't view ourselves as politicians, only neighbors who care about the community, working together as a team to do what is best for the citizens." During our 24-year history, Keizer has elected 5 Mayors and 33 individuals to serve as Councilors.

Assisting the City Council in setting policy and guiding the future development of the community are many volunteers who serve on the various boards and commissions. Such volunteers are members of the Planning Commission, Budget Committee, Keizer Urban Renewal Board, Bikeways Committee, Volunteer Coordinating Committee, Traffic Safety Commission, River Road Renaissance Advisory Committee, Keizer Points of Interest Committee, and Parks Advisory Board. Most of these boards

meet on a monthly basis gathering information and forming recommendations to assist the City Council in guiding the City.

The City of Keizer is also fortunate to have a variety of volunteers who assist the City staff in the daily operations of the City. These volunteer hours save the City thousands of dollars in additional personnel costs. Some examples of these volunteer efforts include the citizens who assist in the Police Records Department, enforce the handicap parking laws within the City, and review/oversee the Emergency Operations Plan.

Additionally, volunteerism has enriched our community in a number of other ways. Volunteers from national, regional, and local partners from public and private organizations have been working extremely hard on the development of a community park along the Willamette River; Keizer Rapids Park. The park was officially opened on July 26th, 2007. Current projects include the construction of an off-leash dog park, trail systems – including a BMX trail, and an amphitheatre. The first annual Keizer River Fair will be held at the park in the summer 2008. The River Road Renaissance Committee continues to pursue beautification projects along River Road. Several meandering sidewalks, benches, and water features have been placed along the City's main thoroughfare. It is projects such as these that truly show the pride, spirit and volunteerism of our community. These are just a few examples current volunteer projects.

A heartfelt thanks to all of those volunteers who have built a community that each and every resident should be proud to be a part of. Volunteerism in the City of Keizer is alive, healthy and growing. **THANK YOU KEIZER VOLUNTEERS!!!!**



Keizer Urban Renewal Agency

May 6, 2008

Honorable Chair Christopher, Board Members, Budget Committee, and Citizens of Keizer:

We are pleased to submit to you the Manager Recommended Budget for FY 2008-09. This budget will continue to strengthen the overall economic health of the commercial corridors, and enhance the aesthetic appeal and safety within the district.

The Urban Renewal Agency is managed and operated by the City of Keizer. The Agency Board is comprised of the City Council members. The budget of the City of Keizer is disclosed in a separate document. Detailed Financial Policies, compiled in a separate section of this document, set forth the basic framework of the overall Fiscal management of the Agency.

Urban Renewal Districts in the state of Oregon are required to establish a maximum indebtedness which is the total cost to complete all of the projects in the Urban Renewal Plan. Once it reaches its maximum indebtedness the District has theoretically completed its purpose and stops collecting Tax Increment Revenue for new projects. After the outstanding debt has been repaid, the District dissolves. The District reached its maximum indebtedness of \$22,390,384 in FY 2004-05. In FY 2005-06 the District collected a sufficient amount of Tax Increment Revenue to pay off its existing debt.

In November 2005, the City Council passed the sixth amendment to the Keizer Urban Renewal District which increased the maximum indebtedness an additional \$23,500,000 extending the life of the District through FY 2011-12 (estimated). The sixth amendment also removed approximately one-third of the property values from the District boundaries, reducing the Tax Increment Revenue an estimated \$1.6 million. The two projects provided for in the sixth amendment include (1) a new Civic Center which is scheduled for completion in January 2009 and (2) River Road Renaissance Projects which will likely take several years to accomplish

The following information highlights the major changes from the FY 2007-08 Budget:

PROJECT FUND

Revenues

Loan proceeds equal the FY 2008-09 Tax Increment Revenues available for projects. The District plans to issue bonds to finance a portion of the Civic Center. The District expects to receive sufficient Tax Increment Revenues within the next five years to repay this debt.

Expenditures

Personnel Services

The City anticipates a 5% increase in Personnel Services over FY 2007-08. This increase includes:

- ◆ Cost-of-living increases (3.0% based on the Portland Consumer Price Index for wage earners).
- ◆ Annual merit increases.
- ◆ Salary adjustments based on the Compensation Study conducted in FY 2007-08.
- ◆ An 11% increase in Health Insurance Premiums and an 4% increase in Dental Insurance Premiums. The City pays 95% of these premiums as part of its Employee Benefit Package.

Materials and Services

Materials & Services have decreased 6% over FY 2007-08 budgeted amounts primarily because Engineering Services have moved to Capital Outlay and are included in the Budget Projections for specific line-items. Legal Services have increased over the FY 2007-08 budget to more accurately reflex these costs.

Additional information for Materials and Services line-items is located in the "Staffing and Shared Costs" section of the budget document.

Capital Outlay

The Capital Outlay projects for FY 2008-09 support the 6th Amendment Project Activities as follows:

- ◆ Grant Program Expenses are matching funds to local businesses who participate in property enhancements such as landscaping.
- ◆ River Road Renaissance Projects include entryway, monumentation and gateway enhancements and enhancements to the five Renaissance Districts.
- ◆ A new Civic Center facility

TAX INCREMENT FUND

Revenues

Tax Increment Revenues estimates are based on FY 2007-08 actuals projected out to year-end, plus 3% assessed value increases and 4% for growth, primarily as a result of the Keizer Station Development. Revenues declined from FY 2005-06 to FY 2006-07 because the City removed approximately one-third of the District's property value as provided for in the District's 6th Amendment. Revenues have steadily increased since that time.

Expenditures

Tax Increment Fund moneys are restricted for debt service payments. The loan payment in this fund is to pay off the overnight debt issued to bring cash into the Project Fund.

Summary

The FY 2008-09 Manager's Recommended Budget projects \$16,320,100 in revenues and \$1,174,300 as Working Capital Carryover. These resources will be used to fund projects expected to cost \$12,875,100 and to pay debt service of \$3,404,100.

We are pleased to recommend this budget for your consideration and adoption. We would like to compliment and thank everyone involved in the development of the FY 2008-09 Manager Recommended Budget. We appreciate the thoughtfulness that the Chair, Board Members, and Budget Committee take in reviewing this document, the important questions they ask and the requests for details needed to understand and appreciate the Agency services and to provide a document that is easily read by the citizens we serve.

On behalf of the entire staff of the City of Keizer, we pledge to you our very best efforts to help the Agency operate effectively and efficiently during the next fiscal year.

Respectfully submitted,

Chris Eppley
City Manager

Susan Gahlsdorf
Budget Officer

KEIZER URBAN RENEWAL AGENCY
2008-2009 Tax Increment Revenue Estimates

Urban Renewal Tax Increment Revenues

Assessed Value inside Keizer's Plan Area

Assessed Value (frozen)

Increment Value

Tax Rate per \$1,000 Increment Value

Adjustments

Division of Tax Revenues

Uncollectables and Discounts (6.5%)

Net Anticipated Tax Collected

	<i>Maximum</i>	
	<i>Assessed</i>	<i>\$10,264,654</i>
	<i>Value Increase</i>	<i>New Construction</i>
	<i>3%</i>	<i>4%</i>
\$280,624,559		
45,328,593		
\$235,295,966	\$242,354,845	\$252,619,499
\$15.3097	\$15.3097	\$15.3097
\$3,518,602	\$3,710,380	\$3,867,529
(227,302)	(239,691)	(249,843)
\$3,291,300	\$3,470,689	\$3,617,686

SPECIAL REVENUE FUNDS
URBAN RENEWAL AGENCY

	ACTUAL 2005-06	ACTUAL 2006-07	AMENDED 2007-08	PROJECTED 2007-08		MANAGER RECOMMENDED	COMMITTEE APPROVED	BOARD ADOPTED
RESOURCES								
1	\$ 2,709,375	\$ 1,852,354	\$ 3,887,900	\$ 3,690,100	Working Capital Carryforward	\$ 1,174,300	\$ 1,174,300	\$ 1,174,300
2								
3	TAXES & ASSESSMENTS							
4	3,814,634	2,791,901	3,097,800	3,291,300	Tax Increment Revenue	3,617,700	3,617,700	3,617,700
5	160,601	146,524	133,400	103,500	Prior Year Taxes	103,500	103,500	103,500
6	\$ 3,975,235	\$ 2,938,425	\$ 3,231,200	\$ 3,394,800	TOTAL TAXES & ASSESSMENTS	\$ 3,721,200	\$ 3,721,200	\$ 3,721,200
7								
8	BOND PROCEEDS							
9	1,000,000	-	6,707,100	6,539,000	Bond & Loan Proceeds	2,835,400	2,835,400	2,835,400
10	-	-	-	-	Bond Proceeds	9,505,700	9,505,700	9,505,700
11	\$ 1,000,000	\$ -	\$ 6,707,100	\$ 6,539,000	TOTAL DEBT PROCEEDS	\$ 12,341,100	\$ 12,341,100	\$ 12,341,100
12								
13	MISCELLANEOUS							
14	118,074	154,008	141,400	154,000	Interest	257,800	257,800	257,800
15	-	-	-	-	Miscellaneous	-	-	-
16	\$ 118,074	\$ 154,008	\$ 141,400	\$ 154,000	TOTAL MISCELLANEOUS	\$ 257,800	\$ 257,800	\$ 257,800
17								
18	TRANSFERS IN							
19	1,126,953	103,392	-	-	Transfers In	-	-	-
20	\$ 8,929,637	\$ 5,048,179	\$ 13,967,600	\$ 13,777,900	TOTAL RESOURCES	\$ 17,494,400	\$ 17,494,400	\$ 17,494,400
21								
22	REQUIREMENTS							
23	EXPENDITURES							
24	\$ 237,496	\$ 255,630	\$ 295,100	\$ 279,400	Personnel Services	\$ 310,000	\$ 310,000	\$ 310,000
25	199,501	102,231	98,900	93,200	Materials & Services	92,700	92,200	92,200
26	1,995,398	997,352	6,372,500	5,690,900	Capital Outlay	12,411,500	12,411,500	12,411,500
27	4,644,887	-	6,707,100	6,540,100	Debt Service	3,404,100	3,404,100	3,404,100
28	-	-	100,000	-	Contingency	40,300	40,300	40,300
29	\$ 7,077,282	\$ 1,355,213	\$ 13,573,600	\$ 12,603,600	TOTAL EXPENDITURES	\$ 16,258,600	\$ 16,258,100	\$ 16,258,100
30								
31	SPECIAL PAYMENTS							
32	-	2,806	-	-	Transfer to City Hall Facility Fund	20,600	20,600	20,600
33								
34	FUND BALANCE							
35	-	-	-	-	Debt Reserve	812,500	812,500	812,500
36	1,852,355	3,690,160	394,000	1,174,300	Unappropriated Ending Fund Balance	402,700	403,200	403,200
37	\$ 8,929,637	\$ 5,048,179	\$ 13,967,600	\$ 13,777,900	TOTAL REQUIREMENTS	\$ 17,494,400	\$ 17,494,400	\$ 17,494,400

SPECIAL REVENUE FUND

URBAN RENEWAL PROJECT FUND

	ACTUAL 2005-06	ACTUAL 2006-07	AMENDED 2007-08	PROJECTED 2007-08		MANAGER RECOMMENDED	COMMITTEE APPROVED	BOARD ADOPTED
RESOURCES								
1	\$ 1,712,800	\$ 1,473,449	\$ 500,600	\$ 265,000	<i>Working Capital Carryforward</i>	\$ 786,700	\$ 786,700	\$ 786,700
2								
3					DEBT PROCEEDS			
4	1,000,000	-	6,707,100	6,539,000	Loan Proceeds	2,835,400	2,835,400	2,835,400
5	-	-	-	-	Bond Proceeds	9,505,700	9,505,700	9,505,700
6	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ 6,707,100</u>	<u>\$ 6,539,000</u>	TOTAL DEBT PROCEEDS	<u>\$ 12,341,100</u>	<u>\$ 12,341,100</u>	<u>\$ 12,341,100</u>
7								
8					MISCELLANEOUS			
9	66,091	46,221	52,800	46,200	Interest	150,000	150,000	150,000
10	-	-	-	-	Miscellaneous	-	-	-
11	<u>\$ 66,091</u>	<u>\$ 46,221</u>	<u>\$ 52,800</u>	<u>\$ 46,200</u>	TOTAL MISCELLANEOUS	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>
12								
13					TRANSFERS IN			
14	1,126,953	103,392	-	-	Transfer from Keizer Station LID Fund	-	-	-
15								
16	<u>\$ 3,905,844</u>	<u>\$ 1,623,062</u>	<u>\$ 7,260,500</u>	<u>\$ 6,850,200</u>	TOTAL RESOURCES	<u>\$ 13,277,800</u>	<u>\$ 13,277,800</u>	<u>\$ 13,277,800</u>

Notes:

- 4 Tax Increment Fund moneys are restricted for debt service payments. Each year overnight debt is issued to bring cash into the Project Fund. The debt is then paid from the Tax Increment Fund.
- 5 The District plans to issue bonds to finance a portion of the cost of the Civic Center. The District expects to receive sufficient tax increment revenues within the next 5 years to repay the debt.

SPECIAL REVENUE FUND

URBAN RENEWAL PROJECT FUND

	ACTUAL 2005-06	ACTUAL 2006-07	AMENDED 2007-08	PROJECTED 2007-08		MANAGER RECOMMENDED	COMMITTEE APPROVED	BOARD ADOPTED
	REQUIREMENTS							
	<i>PERSONNEL SERVICES</i>							
17								
18	\$ 48,013	\$ 50,648	\$ 54,800	\$ 54,800	City Manager	\$ 58,100	\$ 58,100	\$ 58,100
19	-	-	16,800	2,800	Assistant to City Manager	18,200	18,200	18,200
20	18,296	18,771	14,500	14,500	Public Works Director	15,700	15,700	15,700
21	3,582	3,677	4,000	4,000	Public Works Superintendent	4,100	4,100	4,100
22	6,502	6,670	6,900	6,900	City Recorder	7,100	7,100	7,100
23	29,289	31,857	35,100	35,100	Community Development Director	37,300	37,300	37,300
24	-	-	4,600	4,600	Assistant Planner	4,900	4,900	4,900
25	6,904	5,735	5,700	5,700	Senior Planner	6,000	6,000	6,000
26	22,480	25,132	30,900	30,900	Administrative Support Staff	31,900	31,900	31,900
27	7,142	7,577	4,300	4,300	Permit Specialists	4,400	4,400	4,400
28	1,396	1,475	1,800	1,800	Network Administrator	1,700	1,700	1,700
29	2,489	2,553	2,700	3,300	Human Resources Director	2,400	2,400	2,400
30	20,771	24,469	24,600	24,600	Finance Director	24,900	24,900	24,900
31	3,409	3,603	3,900	3,900	Facility Maintenance Worker	4,100	4,100	4,100
32	4	26	500	500	Overtime	500	500	500
33	2,100	2,100	1,600	1,600	Vehicle Allowance	2,100	2,100	2,100
34	2,500	2,500	2,500	2,500	Education/Tuition Assistance	2,500	2,500	2,500
35	2,676	2,860	3,300	3,300	Medicare	3,500	3,500	3,500
36	37,231	40,436	43,100	40,800	Retirement	45,800	45,800	45,800
37	22,215	25,143	32,400	32,400	Insurance Benefits	34,100	34,100	34,100
38	497	398	1,100	1,100	Workers Compensation	700	700	700
39	\$ 237,496	\$ 255,630	\$ 295,100	\$ 279,400	TOTAL PERSONNEL SERVICES	\$ 310,000	\$ 310,000	\$ 310,000

Notes:

36 Sworn Police Officers, the City Manager, and the Public Works Director participate in the Oregon Public Employee's Retirement System (PERS). Employer contribution rates decreased from 16.65% in FY06 and FY07 to 13.32% for FY08 and FY09. All other employees participate in a private 401(a) plan at 12% for management staff and 11% for all other regular employees.

37 Beginning in FY07 the City budget provides for 95% of insurance premiums to be paid by the City and 5% to be paid by the employee. In FY09, the City's health and dental insurance premiums are expected to increase approximately 11% and 4% respectively. In FY06, the City began paying the full cost of life insurance premiums (\$60,000 in coverage per employee) which are not expected to increase in FY09.

SPECIAL REVENUE FUND

URBAN RENEWAL PROJECT FUND

	ACTUAL 2005-06	ACTUAL 2006-07	AMENDED 2007-08	PROJECTED 2007-08		MANAGER RECOMMENDED	COMMITTEE APPROVED	BOARD ADOPTED
40					<i>MATERIALS & SERVICES</i>			
41	\$ 2,496	\$ 1,700	\$ 2,000	1,800	Materials & Supplies	\$ 2,000	\$ 2,000	\$ 2,000
42	-	161	100	100	Safety and Wellness*	100	100	100
43	7,513	1,430	1,500	1,400	Postage & Printing*	1,600	1,600	1,600
44	1,083	1,225	1,400	1,400	Association Memberships*	1,800	1,800	1,800
45	-	-	-	-	Association Memberships* - Ethics Commission	300	300	300
46	5,283	3,916	8,700	5,600	Training & Travel*	7,900	7,900	7,900
47	110	200	200	300	Board Expenses*	200	200	200
48	1,148	776	1,100	1,100	Advertising	1,100	1,100	1,100
49	38,354	35,287	33,400	45,300	Legal Services*	45,300	45,300	45,300
50	-	281	300	500	Labor Attorney*	500	500	500
51	34,168	18,569	5,800	5,900	Contractual Services*	5,900	5,900	5,900
52	8,251	6,291	5,200	11,300	Audit*	9,200	9,200	9,200
53	930	1,101	1,100	1,300	Janitorial*	1,600	1,600	1,600
54	719	691	800	800	Gas & Electricity*	800	800	800
55	1,083	923	1,100	1,700	Telephone*	1,700	1,700	1,700
56	284	275	400	500	Liability Insurance*	400	400	400
57	5,434	4,177	8,200	7,700	Computer Software*	5,000	5,000	5,000
58	1,005	649	800	800	Equipment Maintenance	800	800	800
59	769	655	1,100	500	Facility Maintenance*	1,100	600	600
60	2,200	-	-	-	City Hall Improvements	-	-	-
61	82,234	23,371	25,000	2,300	Engineering	2,500	2,500	2,500
62	35	20	100	-	Medical Testing	100	100	100
63	6,393	527	600	2,800	Bond Issue Costs - Overnight Debt	2,800	2,800	2,800
64	9	6	-	100	Miscellaneous	-	-	-
65	\$ 199,501	\$ 102,231	\$ 98,900	\$ 93,200	TOTAL MATERIALS & SERVICES	\$ 92,700	\$ 92,200	\$ 92,200

Notes:

* Indicates a city-wide shared cost based on a pre-established allocation. Most allocations are based on FTE in each operating fund. See City-Wide Shared Costs in the Supplemental Information section of the document for details.

48 Advertising costs are for legal notices for budget hearings and property improvement issues.

49 Legal Services are for basic and hourly services provided by the City Attorney.

SPECIAL REVENUE FUND

URBAN RENEWAL PROJECT FUND

	ACTUAL 2005-06	ACTUAL 2006-07	AMENDED 2007-08	PROJECTED 2007-08		MANAGER RECOMMENDED	COMMITTEE APPROVED	BOARD ADOPTED
66					<i>CAPITAL OUTLAY</i>			
67	\$ 323,124	\$ 528	\$ -	\$ -	- Street Improvements	\$ -	\$ -	\$ -
68	-	(330)	50,000	-	- Gateway/Signage (RRR)	50,000	50,000	50,000
69	-	-	25,000	15,000	- Crosswalks - ADA Standards	-	-	-
70	118	4	200	-	- Office Furniture & Equipment*	-	-	-
71	58	-	-	-	- Aerial Photos	-	-	-
72	7,190	3,095	3,300	3,300	- Computer Hardware*	5,000	5,000	5,000
73	5,884	153,470	200,000	90,000	- Grant Programs (RRR)	200,000	200,000	200,000
74	1,058,226	262,531	-	100	- Property Acquisition & Development	-	-	-
75	614,235	-	-	-	- Keizer Station Property	-	-	-
76	60,556	127,346	500,000	162,000	- River Road Renaissance Projects	300,000	300,000	300,000
77	6,110	7,008	-	7,200	- Master Plans	-	-	-
78	(80,103)	-	-	-	- Sewer System Infrastructure	-	-	-
79	-	443,700	5,594,000	5,413,300	- Civic Center	11,856,500	11,856,500	11,856,500
80	<u>\$ 1,995,398</u>	<u>\$ 997,352</u>	<u>\$ 6,372,500</u>	<u>\$ 5,690,900</u>	TOTAL CAPITAL OUTLAY	<u>\$ 12,411,500</u>	<u>\$ 12,411,500</u>	<u>\$ 12,411,500</u>
81								
82	-	-	100,000	-	- Contingency	40,300	40,300	40,300
83								
84					<i>SPECIAL PAYMENTS</i>			
85	-	2,806	-	-	- Intergovernmental Transfer to City Hall Facility Fund*	20,600	20,600	20,600
86								
87					<i>FUND BALANCE</i>			
88	1,473,449	265,043	394,000	786,700	- Unappropriated Ending Fund Balance	402,700	403,200	403,200
89								
90	<u>\$ 3,905,844</u>	<u>\$ 1,623,062</u>	<u>\$ 7,260,500</u>	<u>\$ 6,850,200</u>	TOTAL REQUIREMENTS	<u>\$ 13,277,800</u>	<u>\$ 13,277,800</u>	<u>\$ 13,277,800</u>

Notes:

* Indicates a city-wide shared cost based on a pre-established allocation. See City-Wide Shared Costs in the Supplemental Information section of the document for details.

68&73 Gateway/Signage and Grant Expenditures are part of the River Road Renaissance Project Costs.

79 The Civic Center is expected to be completed January 2009.

82 Contingency is 10% of Operating Costs (Personnel Services and Materials & Services) and is only to be used for unanticipated Operating Costs that were not known at the time the budget was adopted.

SPECIAL REVENUE FUND

URBAN RENEWAL TAX INCREMENT FUND

	ACTUAL 2005-06	ACTUAL 2006-07	AMENDED 2007-08	PROJECTED 2007-08		MANAGER RECOMMENDED	COMMITTEE APPROVED	BOARD ADOPTED
RESOURCES								
1	\$ 996,575	\$ 378,905	\$ 3,387,300	\$ 3,425,100	Working Capital Carryforward	\$ 387,600	\$ 387,600	\$ 387,600
2								
3					TAXES & ASSESSMENTS			
4	3,814,634	2,791,901	3,097,800	3,291,300	Tax Increment Revenue	3,617,700	3,617,700	3,617,700
5	160,601	146,524	133,400	103,500	Prior Year Taxes	103,500	103,500	103,500
6	<u>3,975,235</u>	<u>2,938,425</u>	<u>3,231,200</u>	<u>3,394,800</u>	TOTAL TAXES & ASSESSMENTS	<u>3,721,200</u>	<u>3,721,200</u>	<u>3,721,200</u>
7								
8					MISCELLANEOUS			
9	51,983	107,787	88,600	107,800	Interest	107,800	107,800	107,800
10								
11	<u>\$ 5,023,793</u>	<u>\$ 3,425,117</u>	<u>\$ 6,707,100</u>	<u>\$ 6,927,700</u>	TOTAL RESOURCES	<u>\$ 4,216,600</u>	<u>\$ 4,216,600</u>	<u>\$ 4,216,600</u>
12								
13					REQUIREMENTS			
14								
15					DEBT SERVICE			
16	\$ 3,445,000	\$ -	\$ -	\$ -	Principal	\$ -	\$ -	\$ -
17	199,887	-	-	1,100	Interest	568,700	568,700	568,700
18	1,000,000	-	6,707,100	6,539,000	Loan Payment	2,835,400	2,835,400	2,835,400
19	<u>\$ 4,644,887</u>	<u>\$ -</u>	<u>\$ 6,707,100</u>	<u>\$ 6,540,100</u>	TOTAL DEBT SERVICE	<u>\$ 3,404,100</u>	<u>\$ 3,404,100</u>	<u>\$ 3,404,100</u>
20								
21					FUND BALANCE			
22	\$ -	\$ -	\$ -	\$ -	Debt Reserve	\$ 812,500	\$ 812,500	\$ 812,500
23	378,906	3,425,117	-	387,600	Unappropriated Ending Fund Balance	-	-	-
24								
25	<u>\$ 5,023,793</u>	<u>\$ 3,425,117</u>	<u>\$ 6,707,100</u>	<u>\$ 6,927,700</u>	TOTAL REQUIREMENTS	<u>\$ 4,216,600</u>	<u>\$ 4,216,600</u>	<u>\$ 4,216,600</u>

- Notes:
- 4 FY09 estimates are based on FY08 actuals projected out to year-end, plus 3% assessed value increases and 4% for growth. Revenues are less than in FY05-06 because the City removed approximately one-third of the District's property value as provided for in the District's 6th Amendment.
 - 5 Delinquent tax payments from property taxpayers increase each year with the amount of Tax Increment Revenue apportioned to Urban Renewal.
 - 18 Tax Increment Fund moneys are restricted for debt service payments. Each year overnight debt is issued to bring cash into the Project Fund. The debt is paid from the Tax Increment Fund.

BUDGET NOTES

TAX INCREMENT FUND

Revenues

Each year the Agency is required to assess taxes at least equal to upcoming debt service regardless of the cash balances in the fund.

Debt Service

Tax Increment Funds shall only be used for payment of debt service.

Reserves

Reserve amounts are provided for in the bond documents and must be fully funded until extinguishment of the related debt if any.

PROJECT FUND

Each year it is Council policy to give employees a cost-of-living increase equal to the Portland Consumer Price index for urban wage earners and clerical workers.

STAFFING HISTORY - FULL TIME EQUIVALENTS

	Actual 2004-05	Actual 2005-06	Actual 2006-07	Actual 2007-08	Budgeted 2008-09
CITY MANAGER					
City Manager	1.0	1.0	1.0	1.0	1.0
Assistant to City Manager	0.0	0.0	0.0	1.0	1.0
Network Administrator	1.0	1.0	1.0	1.0	1.0
<i>Total</i>	2.0	2.0	2.0	3.0	3.0
HUMAN RESOURCES					
Human Resources Director	1.0	1.0	1.0	1.0	1.0
* Administrative Staff	1.0	1.0	1.0	1.0	1.0
<i>Total</i>	2.0	2.0	2.0	2.0	2.0
FINANCE					
Finance Director	1.0	1.0	1.0	1.0	1.0
* Accountant	1.0	1.0	1.0	1.0	1.0
* Accounting Technician	1.0	1.0	1.0	1.0	1.0
* Utility Billing Technician	1.0	1.0	1.0	1.0	1.0
* Utility Billing Clerks	3.0	3.0	3.0	3.0	3.0
Court Clerk I (previously Clerical Specialist)	0.5	0.5	0.5	1.0	1.0
Court Clerk II - Lead	1.0	1.0	1.0	1.0	1.0
* Receptionist	1.0	1.0	1.0	1.0	1.0
<i>Total</i>	9.5	9.5	9.5	10.0	10.0
CITY RECORDER					
City Recorder	1.0	1.0	1.0	1.0	1.0
* Deputy City Recorder	1.0	1.0	1.0	1.0	1.0
<i>Total</i>	2.0	2.0	2.0	2.0	2.0

STAFFING HISTORY - FULL TIME EQUIVALENTS

	Actual 2004-05	Actual 2005-06	Actual 2006-07	Actual 2007-08	Budgeted 2008-09
COMMUNITY DEVELOPMENT					
Community Development Director	1.0	1.0	1.0	1.0	1.0
Senior Planner	1.0	1.0	1.0	1.0	1.0
Associate Planner	0.0	0.5	0.0	0.0	0.0
Assistant Planner	0.0	0.0	1.0	1.0	1.0
Code Enforcement/Zoning Technician	1.5	1.5	1.0	1.0	1.0
Permit Specialist	1.0	1.0	1.0	1.0	1.0
<i>Total</i>	4.5	5.0	5.0	5.0	5.0
PUBLIC WORKS					
Public Works Director	1.0	1.0	1.0	1.0	1.0
Public Works Superintendent	1.0	1.0	1.0	1.0	1.0
Municipal Utility/ Parks	1.0	1.0	1.0	2.0	2.0
Municipal Utility/ Streets	1.0	1.0	1.0	1.0	1.0
Municipal Utility/ Water	9.0	11.0	11.0	11.0	11.0
Municipal Utility/ Storm	0.0	0.0	0.0	3.0	3.0
Storm Water Program Specialist	0.0	0.0	0.0	1.0	1.0
Facility Maintenance	1.0	1.0	1.0	1.0	1.0
Permit Specialist	1.0	1.0	1.0	1.0	1.0
<i>Total</i>	15.0	17.0	17.0	22.0	22.0

STAFFING HISTORY - FULL TIME EQUIVALENTS

	Actual 2004-05	Actual 2005-06	Actual 2006-07	Actual 2007-08	Budgeted 2008-09
POLICE					
Chief	1.0	1.0	1.0	1.0	1.0
Captain(s)	2.0	2.0	2.0	2.0	2.0
Sergeants	7.0	7.0	7.0	7.0	7.0
** Police Officers	22.0	22.0	24.0	24.0	24.0
Detectives	4.0	4.0	4.0	4.0	4.0
School Resource Officers	3.0	3.0	3.0	3.0	3.0
<i>Total Sworn Positions</i>	39.0	39.0	41.0	41.0	41.0
Community Services Specialist	1.0	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0	1.0
Police Support Supervisor	1.0	1.0	1.0	1.0	1.0
Police Support Specialists	4.0	4.0	4.0	4.0	4.0
Community Services Officer	1.0	1.0	1.0	1.0	1.0
<i>Total Non-sworn Positions</i>	8.0	8.0	8.0	8.0	8.0
<i>Total</i>	47.0	47.0	49.0	49.0	49.0
<i>Grand Total</i>	82.0	84.5	86.5	93.0	93.0

* Administrative Support Staff

** One Police Officer position was held vacant from FY01 through FY05 because of funding constraints. This position was put back into the budget beginning in

**CITY OF KEIZER
SALARY ALLOCATION
FY08-09 BUDGET**

TITLE	General Funds						Other Funds					TOTAL
	Admin	Parks	Comm Dev	Police	Muni Court	Street	Utility	Water	SLD	Storm Water	Urban Renewal	
	102	106	108	111	115	102	010	042	013	046	050	
CITY MANAGER												
City Manager	28%					5%	1%	10%	1%	5%	50%	100%
Assistant to City Manager	40%					8%	2%	15%	2%	8%	25%	100%
Network Administrator	68%					3%	3%	16%	1%	6%	3%	100%
HUMAN RESOURCES												
Human Resources Director	68%					3%	3%	16%	1%	6%	3%	100%
Administrative Assistant	68%					3%	3%	16%	1%	6%	3%	100%
FINANCE												
Finance Director	20%					5%	21%	21%	5%	3%	25%	100%
Accountant	35%					5%	19%	25%	5%	1%	10%	100%
Accounting Technician	35%					5%	19%	25%	5%	1%	10%	100%
Utility Billing Technician							48%	49%		3%		100%
Utility Billing Clerks							48%	49%		3%		100%
Court Clerk I					100%							100%
Court Clerk II - Lead					100%							100%
Receptionist/Administrative Assistant	18%				25%	4%	8%	11%	2%	4%	28%	100%
CITY RECORDER												
City Recorder	65%					10%	2%	2%	10%	1%	10%	100%
Deputy City Recorder	27%	10%	20%	5%		3%	3%	3%	3%	1%	25%	100%
COMMUNITY DEVELOPMENT												
Community Development Director			58%			5%		2%			35%	100%
Senior Planner			90%								10%	100%
Assistant Planner			90%								10%	100%
Permit Specialist			90%								10%	100%
Code Enforcement/Zoning Technician			90%			10%						100%

CITY OF KEIZER
SALARY ALLOCATION
FY08-09 BUDGET

TITLE	General Fund					Other Funds						TOTAL
	Admin	Parks	Comm Dev	Police	Muni Court	Street	Utility	Water	SLD	Storm Water	Urban Renewal	
	102	106	108	111	115	012	040	042	043	046	050	
POLICE DEPARTMENT												
Chief				100%								100%
Captains				100%								100%
Sergeants				100%								100%
Police Officers				100%								100%
Detectives				100%								100%
School Resource Officers				100%								100%
Community Services Coordinator				100%								100%
Community Services Specialist				100%								100%
Administrative Assistant				100%								100%
Police Support Specialists				100%								100%
Community Services Officer				100%								100%
PUBLIC WORKS												
Public Works Director		2%				43%	3%	27%	5%	5%	15%	100%
Public Works Superintendent		5%				30%	5%	45%	5%	5%	5%	100%
Permit Specialist						43%	12%	30%	10%	5%		100%
Facility Maintenance	20%			20%		20%	5%	15%	5%	5%	10%	100%
Municipal Utility III - Streets, Water, Storm Water						25%		65%		10%		100%
Municipal Utility I - Streets/Storm						75%				25%		100%
Municipal Utility III - Storm/Streets						30%				70%		100%
Municipal Utility I - Parks		100%										100%
Municipal Utility - Water								100%				100%
Municipal Utility I - Storm										100%		100%
Storm Water Program Specialist										100%		100%

CITY OF KEIZER
 CHANGES IN SALARY ALLOCATION
 FY08-09 BUDGET

TITLE	Budgeted FY08-09								Budgeted FY07-08							
	General Fund	Street	Utility	Water	SLD	Storm Water	Urban Renewal		General Fund	Street	Utility	Water	SLD	Storm Water	Urban Renewal	
	010	012	040	042	043	046	050	TOTAL	010	012	040	042	043	046	050	TOTAL
Human Resources Director	68%	3%	3%	16%	1%	6%	3%	100%	70%	4%	3%	17%	1%	2%	3%	100%
Administrative Assistant	68%	3%	3%	16%	1%	6%	3%	100%	70%	4%	3%	17%	1%	2%	3%	100%
Network Administrator	68%	3%	3%	16%	1%	6%	3%	100%	70%	4%	3%	17%	1%	2%	3%	100%

ALLOCATION OF SHARED COSTS
Fiscal Year 2008-09

	General Fund					Revenue Sharing Fund	Street Fund	Sewer Fund	Water Fund	SLD Fund	Storm Fund	Urban Renewal Fund	Total	FY 2007-08
	Admin	Parks	Com Dev	Police	Court									
1 Association Memberships	41,300						2,500	1,800	10,600	600	3,100	1,800	61,700	45,600
2 Audit	8,100						2,700	5,100	2,500	500	300	9,200	28,400	23,200
3 City Council Expenses	5,500						300	200	1,400	100	400	200	8,100	8,000
4 Computer & Software Maintenance	64,400						2,700	7,600	12,000	1,800	2,100	5,000	95,600	97,000
5 Computer Hardware						49,900	3,600	7,200	13,500	1,100	2,900	5,000	83,200	78,600
6 Facility Maintenance	25,100						1,500	1,100	6,300	400	1,900	1,100	37,400	37,300
7 Gas & Electricity	4,100	2,400		19,600			800	800	195,800	200	1,400	800	225,900	206,900
8 Insurance - Liability	9,300			83,900			15,500	13,600	57,900	400	800	400	181,800	175,200
9 Janitorial	7,500			28,500			2,200	1,600	11,900	500	2,700	1,600	56,500	36,000
10 Labor Attorney	10,700	1,100		15,000			1,200	500	8,200	200	1,900	500	39,300	33,900
11 Legal Services	35,900						22,000	2,400	10,300	1,000	6,000	45,300	122,900	108,100
12 Office Furniture & Equipment	459,700						27,400	20,600	116,600	6,900	34,300	20,600	686,100	26,000
13 Postage & Printing	35,300	500	5,300	15,200			2,100	21,300	28,700	500	7,100	1,600	117,600	121,000
14 Safety & Wellness	2,400						100	100	600	100	200	100	3,600	3,600
15 Telephone	2,500	2,500	700	29,000			1,800	800	16,500	300	400	1,700	56,200	56,400
16 Travel & Training	15,100	1,300	5,800	34,200	7,400		6,100	5,100	21,500	1,100	6,500	7,900	112,000	110,200

Notes:

- 1 Association Memberships include such organizations as the Council of Governments, League of Oregon Cities, Chamber of Commerce, International City/County Management Association, & local newspaper subscriptions. The increase over FY08 includes increases in membership costs plus \$2,800 for the Iris Festival, \$7,500 for hosting the League of Oregon Cities Annual Conference, and \$650 for a new Ethic Commission fee.
- 2 Audit Costs are allocated based on projected FY08 Expenditures in each operating fund. Costs have increased due to new auditing requirements.
- 3 City Council Expenses include travel & training, miscellaneous office supplies & meetings during mealtimes.
- 4 Computer & Software Maintenance costs are primarily for maintaining existing systems.
- 5 Computer Hardware costs primarily include replacement equipment and equipment for new positions.
- 6 Facility Maintenance costs are allocated based on FTE City-wide. Staff plan to move into the new Civic Center in January 2009 and recommend a status quo budget until maintenance needs in the new facility can be assessed.
- 7 City-wide gas & electric costs are for City Hall Facilities. Costs in the Parks Fund include power to run the irrigation system and the Parks facility. The Water Fund includes costs to run water facilities such as pump stations. Portland General Electric anticipates a 7%-9% increase in rates in January 2009.
- 8 The City's insurance carrier projects a 4% increase in rates. Projections are based on the FY08 budgeted amount.
- 9 Janitorial Costs are allocated based on FTE city-wide except the Police Department pays costs directly associated with the Police Department Facility and the Water Fund pays costs directly related to the Public Works Shop area. Staff anticipate janitorial cost will double with the new Civic Center beginning January 2009.
- 10 Labor Attorney Costs include employee dispute resolution, personnel policy review and related consultation matters. In addition, both the KPA and Local 320 (Municipal Utility Workers) contracts are up for renewal July 1, 2009, therefore negotiation costs are included in the FY09 budget.
- 11 Legal Services are based on projected FY08 actual costs.
- 12 Office Furniture and Equipment includes furnishings for the new Civic Center. The cost is shared by each operating fund and shows up as a transfer in each fund.
- 13 The US Postal Service increased postage costs an average 2% beginning in May 2008. Costs for all programs and funds include some direct costs for related programs and activities.
- 14 Safety and Wellness includes \$300 for the First Aid Station; \$1,300 for industrial hearing tests, \$500 for publications, \$1,000 for the Health & Wellness Fair and \$500 for miscellaneous expenses.
- 15 Telephone Costs include both land-lines and cell phones City-wide.
- 16 Travel & Training Costs are budgeted by position and allocated based on each position's salary allocation. FY09 budgeted Expenditures are consistent with FY08 budgeted Expenditures.

GLOSSARY OF COMMON BUDGET TERMS

Administration: The group of departments and positions including the City Manager, the Finance Department and the Human Resources Director.

Adopted Budget: The financial plan adopted by the City Council which forms the basis and limits for appropriations for the fiscal year.

Approved Budget: The budget recommended by the Budget Committee and reviewed by the City Council prior to adoption.

Appropriation: The legal authorization granted by the City Council to spend specific amounts of public funds for specific purposes during specific periods of time.

Arbitrage: The investment of proceeds, of a relatively low interest rate state or municipal obligation, in taxable market securities which bear a higher interest rate.

Assessed Value: The portion of value of real or personal property which is taxable. It is the lesser of the property's real market value or the constitutional value limit (Maximum Assessed Value - MAV). The value limit may increase 3% annually unless qualifying improvements or changes are made to the property. These improvements or changes allow the value limit to increase by more than 3%.

Audit: A review of City accounts by an independent auditing firm to substantiate year-end fund balances, reserves and cash in hand.

Bonds: A written promise to pay a sum of money, called principal or face value at future date, called the maturity date, along with periodic interest paid at the specified percentage of the principal (interest rate). Bonds are typically used to finance long-term Capital Improvements.

Budget: Written report showing the local government's Comprehensive Financial Plan for one fiscal year. Must include a balanced statement of actual revenues and expenditures during each of the last two years, estimated revenues and expenditures for the current and upcoming year.

Budget Committee: The fiscal planning board of the agency, consisting of the Mayor and City Council plus an equal number of legal voters from the district.

Budget Message: An explanation of the budget and the City's financial priorities. Prepared by or under the direction of the City Manager.

Budget Officer: Person appointed by the City Council to be responsible for assembling the budget. For City of Keizer, the Finance Director serves this role.

GLOSSARY OF COMMON BUDGET TERMS

Budget Resolution: The budget is adopted each year by the City Council through passage of a Resolution. This Budget Resolution is the guiding document for compliance with budget law and for any necessary adjustments during the fiscal year.

Capital Outlay: Items which generally have a useful life of one or more years, such as machinery, land, furniture, computers and other equipment, and buildings.

Contingency: A special amount set aside for necessary unforeseen and unplanned expenses. Contingencies may not be spent without City Council approval via a Transfer Resolution or Supplemental Budget.

Debt Service: The payment of general long-term debt, consisting of principal and interest payments.

Debt Service Fund: Accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Department: An organizational unit of the City.

Enterprise Fund: A fund established to account for operations financed and operated in a manner similar to private business enterprises (e.g., water and utilities).

CONTINUED

Expenditure: The payment for goods and services, debt service, and Capital Outlay from a governmental fund.

Expenses: The payment for goods and services from a Proprietary Fund.

Fiscal Year: The twelve months beginning July 1 and ending June 30 of the following year.

Franchise Fee: A fee charged each year to utilities as a payment in lieu of permit fees for the use of City streets. The fee is generally based on a percentage of revenues.

Fund: A fiscal and accounting entity with balancing revenues and appropriations.

Fund Balance: The difference between fund assets and fund liabilities of governmental and similar trust funds.

FTE: An abbreviation for full-time equivalent employees. Staffing levels are measured in FTE to give consistent comparison from year to year.

General Fund: Accounts for all financial resources except those required to be accounted for in another fund.

GLOSSARY OF COMMON BUDGET TERMS

Line-Item Budget: The traditional form of budgeting, where proposed expenditures are based on individual objects of expense within a department or division.

Materials & Services: An object classification which includes contractual and other services, materials and supplies and other charges.

Net Working Capital: Funds which allow the City to meet current cash flow requirements, shortfalls in revenues or unexpected demands until Tax Revenues or other major revenues are available.

Ordinance: Written directive or act of a governing body. Has the full force and effect of law within the local government's boundaries, provided it does not conflict with a State Statute or Constitutional Provision. See "Resolution."

Personnel Services: Costs associated with employees, including salaries, overtime and fringe benefit costs.

Property Taxes: Amounts imposed on taxable property by a local government within its operating rate limit, levied under local option authority, or levied to repay bonded debt.

CONTINUED

Proposed Budget: The Proposed Budget is the one proposed by the City Manager and is reviewed by the Budget Committee.

Proprietary Fund: A fund classification used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector (i.e., Enterprise Funds).

Rate Limit: A district's permanent ad valorem property tax rate for operating purposes. This rate levied against the assessed value of property raises taxes for general operations. Permanent tax rate limits were either computed by the Department of Revenue for districts existing prior to 1997-1998 or are voter-approved for districts formed in 1997-1998 and later.

Real Market Value: Value set on real and personal property as a basis for imposing tax.

Reserve Fund: Established to accumulate money from one fiscal year to another for a specific purpose.

Reserves: An accumulation of funds for a specific future purpose. Reserves may only be spent during the fiscal year with City Council approval through a Transfer Resolution or a Supplemental Budget.

GLOSSARY OF COMMON BUDGET TERMS

Resolution: An order of a governing body. Requires less legal formality and has lower legal status than an Ordinance. Statutes or Charter will specify which actions must be by Ordinance and which may be by Resolution. (For cities, revenue raising measures such as taxes, special assessments and service charges always require Ordinances.) See "Ordinance."

Resources: Total funds available which include the estimated balances on hand at the beginning of the fiscal year plus all revenues anticipated being collected during the year.

Revenue: Moneys received during the year to finance City services.

Special Assessments: A way to finance a local improvement which allows benefited property owners to pay the City back over time. Special assessments may be bonded through a special bond or unbonded.

Special Revenue Fund: Accounts for the proceeds of specific revenue sources (other than expendable trusts or for major Capital Projects) that are legally restricted to expenditure for specified purposes.

CONTINUED

Supplemental Budget: An amendment to the Adopted Budget that is prepared to meet unexpected needs or to appropriate revenues not anticipated at the time the budget was adopted. The Supplemental Budget may not increase the tax levy.

Tax Levy: The total amount of property taxes required by the City to meet requirements.

Tax Rate: The amount of tax stated in terms of a unit of the district's assessed value. For example, the City of Keizer's tax rate is \$2.0838 per \$1,000 of assessed value of taxable property.

Transfer: An amount distributed from one fund to finance activities in another fund. It is shown as an expenditure in the originating fund and a resource in the receiving fund.

Unappropriated Ending Fund Balance: An amount set aside to be used as cash carry-over for the next fiscal year's budget.