



BOARD ADOPTED BUDGET

FISCAL YEAR 2006-2007

KEIZER URBAN RENEWAL DISTRICT  
MARION COUNTY, OREGON

CITY OF KEIZER

2006-2007 AGENCY BUDGET

Lore Christopher  
Chair

Members of the Budget Committee

Board Members:

Lore Christopher, Mayor  
Charles Lee  
David McKane  
Jacque Moir  
Troy Nichols  
James Taylor  
Richard Walsh, President

Public Members:

James Bradshaw  
Cathy Clark  
Terry Gordon  
Nick Marshall  
Stephen Johnston  
Donna Bradley  
Jim Gores

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  
Susan Gahlsdorf, Finance Director  
Dianne Hunt, Human Resources Director  
Rob Kissler, Public Works Director

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

## DEMOCRACY

If liberty and equality, as is thought by some, are chiefly to be found in democracy, they will be best attained when all persons alike share in government to the utmost.

- Aristotle

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Many forms of Government have been tried, and will be tried in this world of sin and woe. No one pretends that democracy is perfect or all-wise. Indeed, it has been said that democracy is the worst form of Government except all those others that have been tried from time to time.

- Winston Churchill

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## *BUDGET OVERVIEW*

Welcome to Keizer Urban Renewal Agency's fiscal year 2006-2007 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. Personal 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*

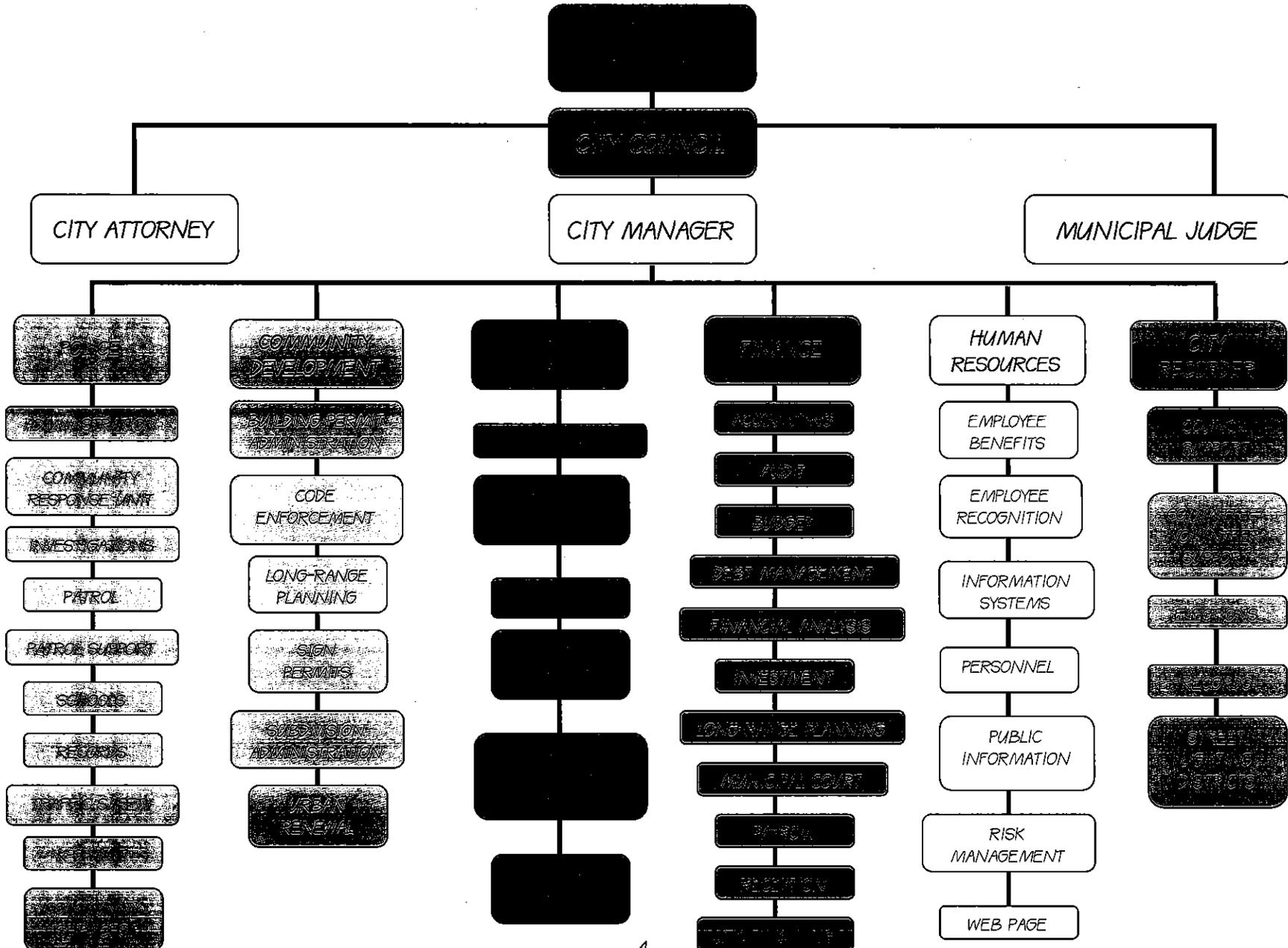
This document was prepared under the guidelines set forth under Oregon's Local Budget Law. This law establishes the standard procedures for preparing, presenting, and administering the budget. It also requires citizen involvement in the preparation and public disclosure before final adoption. Staff works 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 2006-07 BUDGET CALENDAR

Friday April 14 <sup>th</sup>	<p>Notice of Budget Committee meeting on City Budget to Keizertimes for publication on April 21<sup>st</sup> &amp; April 28<sup>th</sup> for meeting Tuesday, May 8<sup>th</sup> at 5:30 p.m.</p> <p>Notice of Budget Committee meeting on Urban Renewal Budget to Keizertimes for publication on April 21<sup>st</sup> &amp; April 28<sup>th</sup> for meeting Monday, May 22<sup>nd</sup> at 5:30 p.m.</p>
Monday May 1 <sup>st</sup>	City Budget Document distributed to Budget Committee
Monday May 8 <sup>th</sup> - 5:30 p.m.	<p>Budget Committee Meeting</p> <ul style="list-style-type: none"> <li>◆ Introductions</li> <li>◆ Election of Budget Committee Chair</li> <li>◆ Approval of Budget Calendar</li> <li>◆ Public Testimony (suggested 3 minutes @)</li> <li>◆ Presentation of Budget Message for City Budget</li> <li>◆ Staff presentations - General Fund Programs &amp; Revenue Sharing</li> </ul>
Tuesday May 9 <sup>th</sup> - 5:30 p.m.	<p>Budget Committee Meeting</p> <ul style="list-style-type: none"> <li>◆ Public Testimony (suggested 3 minutes @)</li> <li>◆ Committee Deliberation of General Fund Budget</li> <li>◆ Staff presentation of Public Works Funds</li> <li>◆ Committee Deliberation of Public Works Funds</li> <li>◆ Committee Recommendation to Council for City Budget</li> </ul>
Monday May 22 <sup>nd</sup> - 5:30 p.m.	<p>Budget Committee Meeting</p> <ul style="list-style-type: none"> <li>◆ Public Testimony (suggested 3 minutes @)</li> <li>◆ Staff presentation of Budget Message Urban Renewal Budget</li> <li>◆ Committee Deliberation of Urban Renewal Agency Budget</li> <li>◆ Committee Recommendation to Council for Urban Renewal Budget</li> </ul>
Wednesday May 24 <sup>th</sup> - 5:30 p.m.	Alternate meeting to complete City or Urban Renewal Agency Budgets (if needed)
Friday June 2 <sup>nd</sup>	City Financial Summary and notice of City and Urban Renewal budget hearings in Keizertimes for publication on June 9 <sup>th</sup>
Monday June 19 <sup>th</sup> - 7:00 p.m.	<p>Public hearing on City Budget. Council adoption of City Budget and necessary Resolutions.</p> <p>Public hearing and adoption of Urban Renewal Budget</p>

# ORGANIZATIONAL STRUCTURE



## *FINANCIAL POLICIES*

- ◆ The City shall keep City government costs and services to a minimum by providing City services to the community in a coordinated, efficient and least cost fashion.
- ◆ The City shall commit existing resources to continue developing a proactive Police Department with a strong Community Policing philosophy.
- ◆ The City shall commit approximately 2.5% of General Fund Revenues (net grants and other dedicated revenues) to the operation and maintenance of its Park system.
- ◆ The City shall aggressively seek Federal funding and local donations to support its public safety initiatives.
- ◆ Due to the unpredictable long-term nature of Revenue Sharing Funds, Council has elected to appropriate one-time only Capital Outlay Expenditures to these funds.
- ◆ All 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 City'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 City Council via the Budget Committee. If, at the end of a fiscal year, the fund balance falls below the target amount in a given fund, then the City shall develop a plan to restore the fund balance within the five year planning period.
- ◆ The City shall maintain a strong system of Internal Controls.
- ◆ All revenue forecasts shall be conservative.

\* Where applicable, the City of Keizer's financial policies are adhered to in administering the Keizer Urban Renewal Agency

## FINANCIAL POLICIES

*Continued*

- ◆ 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."
- ◆ General Obligation Debt issued by the City shall not exceed three percent of the total assessed value property in the City, in accordance with Oregon State law (ORS 287.004).
- ◆ The City shall collect revenues aggressively, including past due bills of any type.
- ◆ The City shall follow State adopted guidelines in setting fines and forfeiture amounts.

\* Where applicable, the City of Keizer's financial policies are adhered to in administering the Keizer Urban Renewal Agency

## 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 12<sup>th</sup> largest city in Oregon with a population of 19,650.

Presently, at a population of greater than 35,000, Keizer is the 14<sup>th</sup> 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,

## CITY OF KEIZER HISTORY

*Continued*

Community Development, Municipal Court and Police Services.

The water supply for the City of Keizer is provided by 15 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 9,100 services and in 1998 the first water reservoir was 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 was the development of Keizer Corner in 2005. This area, located at the intersection of River Road and Chemawa Road, was once the site of a gas station. In the late 1990's, the City of Keizer purchased this property using Urban Renewal Funds. What was once a barren lot now features beautiful trees, a water display, flags, and a plaza. This \$157,000 improvement project was the result of countless hours of volunteer time, cash, materials, and service from the community. The plaza area was named Newton-McGee Plaza in honor of two long time volunteers for their dedicated service to the Keizer City government. The water feature includes the City's motto. It is truly a portrait of Community Pride, Spirit and Volunteerism.

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 23-year history, Keizer has elected 5 Mayors and 32 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, assist in filing and clerical duties at City Hall, and enforce the handicap parking laws within the City.

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 creation and development of a community park along the Willamette River. Diligent work by these volunteers will open the gate to the 119 acre Keizer Rapids Park, offering continuous public access along the Willamette River. It is projects such as these that truly show the pride, spirit and volunteerism of our community.

A heartfelt thank you 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.



## *Keizer Urban Renewal Agency*

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*May 8, 2006*

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

*We are pleased to submit to you the Manager Recommended fiscal year 2006-07 budget. 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 has been paid off, the district dissolves. The District reached its maximum indebtedness of \$22,390,384 in fiscal year 2004-05. In fiscal year 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 fiscal year 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. A list of projects approved in the sixth amendment is on the page immediately following this budget message.

The following information highlights the major changes from the fiscal year 2005-06 budget:

## PROJECT FUND

### Revenues

Loan proceeds equal total resources from the Tax Increment Fund. By law, 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.

### Expenditures

#### Personal Services

The City anticipates a nine-percent increase in Personal Services over FY06. This increase includes:

- ◆ cost-of-living increases (2.6% based on the Portland Consumer Price Index for wage earners).
- ◆ increases in medical benefits as a result of an arbitration ruling, which settled the Keizer Police Association union contract requiring the City to pay 95% of medical insurance premium benefits. It has been the city's policy to provide comparable benefits to all its employees.
- ◆ annual merit increases
- ◆ workers compensation costs. These costs are expected to increase between 10-15% over FY06 according to the City's insurance carrier. The Manager's Recommended Budget projects increases at 15% to provide a conservative estimate.

#### Materials and Services

Materials and Services are approximately one-half of the amount budgeted for FY06. Costs in FY07 primarily reflect city-wide shared costs. Contractual services and Engineering Service costs are included in the capital outlay section of the budget within the project line-items. These costs have previously been budgeted as Materials & Services line-items.

Costs for legal services were under-budgeted approximately \$15,000 in FY06. The FY07 budget reflects a more reasonable expectation for both basic service and hourly charges.

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 FY07 support the 6<sup>th</sup> Amendment Project Activities as follows:

- The Keizer Urban Renewal Board passed a motion requesting that \$1,000,000 be appropriated in FY07 for property acquisition.
- River Road Renaissance projects include \$100,000 for signs, banners, landscaping and building design for the five renaissance districts, \$225,000 for three intersection enhancements, and \$25,000 for entryway, monumentation and gateway enhancements.

## TAX INCREMENT FUND

### Revenues

As mentioned previously, the 6<sup>th</sup> Amendment Plan removed approximately one-third of the property values from the Urban Renewal District. Consequently, tax increment revenues will be less in FY07. This reduction is mitigated by a 3% increase in assessed value and an additional 9% increase for growth, primarily as a result of the Keizer Station Development.

### 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 fiscal year 2007 Manager's Recommended Budget projects \$5,910,200 in revenues and \$630,900 as working capital carryover. These resources will be used to fund projects expected to cost \$5,933,000.

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 FY07 Manager Recommended Budget. We appreciate the thoughtfulness in which the Chair, Board Members, and Budget Committee take in reviewing this document, the important questions they ask and the requests for detail 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 DISTRICT  
 SIXTH AMENDMENT PROJECT ACTIVITIES  
 North River Road Urban Renewal Plan

	<u>Estimated Total Cost</u>	<u>Renewal Share</u>
Property acquisition to support transportation system improvements, City Hall and police facility	\$ 1,345,000	\$ 1,345,000
City Hall and police facility	10,000,000	6,000,000
Recreation/Expo/Community Center	14,000,000	6,000,000
River Road Renaissance Project street improvements, bicycle and pedestrian improvements, gateways, focal points and streetscape improvements	11,710,000	4,910,000
Loans and grants for property rehabilitation	700,000	700,000
Administration	2,500,000	2,500,000
Inflation for City Hall and police facility, property acquisition and loans and grants		\$ 2,045,000
<b>Total cost of 6th amendment projects</b>	<b><u>\$ 40,255,000</u></b>	<b><u>\$ 23,500,000</u></b>

*KEIZER URBAN RENEWAL AGENCY  
2006-2007 Tax Increment Revenue Estimates*

Urban Renewal Property Tax 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 (6.9%)

Net Anticipated Tax Collected

	<i>Maximum Assessed</i>	<i>Value Increase 3%</i>	<i>15,746,519 New Construction 9%</i>
\$205,871,995			
39,721,940			
\$166,150,055	\$171,134,557		\$186,881,076
\$15.3885	\$15.3885		\$15.3885
\$2,556,800	\$2,633,504		\$2,875,819
(176,205)	(181,491)		(198,191)
\$2,380,595	\$2,452,013		\$2,677,629

SPECIAL REVENUE FUNDS

**URBAN RENEWAL AGENCY**

ACTUAL 2007-04	ACTUAL 2004-05	ADOPTED 2005-06		MANAGER RECOMMENDED	COMMITTEE APPROVED	BOARD ADOPTED
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**RESOURCES**

1	\$ 5,379,793	\$ 6,015,362	\$ 4,898,700	Working Capital Carryforward	\$ 630,900	\$ 630,900	\$ 565,900
2	3,330,884	3,637,352	3,812,800	Tax Increment Revenue	2,677,600	2,677,600	2,677,600
3	156,169	89,724	126,800	Prior Year Taxes	146,700	146,700	146,700
4	5,225,000	2,514,912	-	Bond & Loan Proceeds	2,976,300	2,976,300	2,976,300
5	-	919,779	-	Land Sale Proceeds	-	-	-
6	74,320	113,846	70,700	Interest & Miscellaneous Revenue	109,600	109,600	109,600
7	<b>\$ 14,166,166</b>	<b>\$ 13,290,975</b>	<b>\$ 8,909,000</b>	<b>TOTAL RESOURCES</b>	<b>\$ 6,541,100</b>	<b>\$ 6,541,100</b>	<b>\$ 6,476,100</b>

**EXPENDITURES**

12	\$ 191,213	\$ 225,619	\$ 234,600	Personnel Services	\$ 254,700	\$ 254,700	\$ 254,700
13	263,859	1,039,372	154,600	Materials & Services	63,600	63,600	63,600
14	1,506,104	4,734,521	3,452,300	Capital Outlay	2,629,300	2,629,300	2,787,800
15	6,189,631	3,455,136	933,400	Debt Service	2,976,300	2,976,300	2,976,300
16	<b>\$ 8,150,807</b>	<b>\$ 9,454,648</b>	<b>\$ 4,774,900</b>	<b>TOTAL EXPENDITURES</b>	<b>\$ 5,923,900</b>	<b>\$ 5,923,900</b>	<b>\$ 6,082,400</b>

**TRANSFERS**

19	\$ -	\$ -	\$ -	Transfer to City Hall Facility Fund	\$ 9,100	\$ 9,100	\$ 9,100
22	<b>\$ 8,150,807</b>	<b>\$ 9,454,648</b>	<b>\$ 4,774,900</b>	<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>\$ 5,933,000</b>	<b>\$ 5,933,000</b>	<b>\$ 6,091,500</b>

**FUND BALANCE**

25	\$ -	\$ -	\$ 585,200	Debt Service Reserves	\$ -	\$ -	\$ -
26	-	-	3,296,800	Contingency	31,800	31,800	31,800
27	6,015,359	3,836,327	252,100	Undesignated Fund Balance	576,300	576,300	352,800
29	<b>\$ 14,166,166</b>	<b>\$ 13,290,975</b>	<b>\$ 8,909,000</b>	<b>TOTAL EXPENDITURES &amp; FUND BALANCE</b>	<b>\$ 6,541,100</b>	<b>\$ 6,541,100</b>	<b>\$ 6,476,100</b>

SPECIAL REVENUE FUNDS

**URBAN RENEWAL PROJECT FUND**

ACTUAL 2003-04	ACTUAL 2004-05	ADOPTED 2005-06		MANAGER RECOMMENDED	COMMITTEE APPROVED	BOARD ADOPTED
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RESOURCES

1	\$ 2,028,650	\$ 5,328,572	\$ 4,056,400	Working Capital Carryforward	\$ 520,300	\$ 520,300	\$ 455,300
2	5,225,000	2,514,912	-	Loan Proceeds	2,976,300	2,976,300	2,976,300
3	-	919,779	-	Land Sale Proceeds	-	-	-
4	36,097	76,002	37,200	Interest & Miscellaneous Revenue	68,200	68,200	68,200
5	<b>\$ 7,289,747</b>	<b>\$ 8,839,265</b>	<b>\$ 4,093,600</b>	<b>TOTAL RESOURCES</b>	<b>\$ 3,564,800</b>	<b>\$ 3,564,800</b>	<b>\$ 3,499,800</b>

Notes:

- 2 By law, 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.
- 4 Interest Revenue is based on FY06 earnings through 2/28/06 projected out to 6/30/06.

SPECIAL REVENUE FUNDS

**URBAN RENEWAL PROJECT FUND**

	ACTUAL 2003-04	ACTUAL 2004-05	ADOPTED 2005-06		MANAGER RECOMMENDED	COMMITTEE APPROVED	BOARD ADOPTED
	<b>EXPENDITURES</b>						
	<b>PERSONNEL SERVICES</b>						
6							
7							
8							
9							
10							
11	\$ 43,465	\$ 47,203	\$ 48,000	City Manager	\$ 50,700	\$ 50,700	\$ 50,700
12	17,612	18,659	18,300	Public Works Director	18,800	18,800	18,800
13	3,093	3,477	3,600	Public Works Superintendent	3,700	3,700	3,700
13	6,258	6,601	6,500	City Recorder	6,700	6,700	6,700
14	20,104	28,842	29,300	Community Development Director	31,000	31,000	31,000
15	-	-	2,900	Associate Planner	2,700	2,700	2,700
16	-	4,755	4,500	Senior Planner	5,400	5,400	5,400
17	24,243	22,651	22,800	Administrative Support Staff	24,400	24,400	24,400
18	1,326	6,893	7,100	Permit Specialists	7,700	7,700	7,700
19	870	1,279	1,400	Network Administrator	1,500	1,500	1,500
20	2,324	2,524	2,500	Human Resources Director	2,600	2,600	2,600
21	19,970	21,104	20,800	Finance Director	21,300	21,300	21,300
22	3,092	3,240	3,400	Facility Maintenance Worker	3,700	3,700	3,700
23	-	6	500	Overtime	500	500	500
24	-	1,925	-	Vehicle Allowance	1,600	1,600	1,600
25	-	-	-	Education/Tuition Assistance	2,500	2,500	2,500
26	2,196	2,593	2,600	Medicare	2,900	2,900	2,900
27	28,659	34,192	37,400	Retirement	40,300	40,300	40,300
28	17,437	19,248	22,300	Insurance Benefits	26,100	26,100	26,100
29	564	427	700	Workers Compensation	600	600	600
30	\$ 191,213	\$ 225,619	\$ 234,600	TOTAL PERSONNEL SERVICES	\$ 254,700	\$ 254,700	\$ 254,700

Notes:

28 Effective FY07 the City budget provides for 95% of insurance premiums to be paid by the City and 5% to be paid by the employee. The City's health and dental insurance premiums are expected to increase approximately 10%. In FY06, the City began paying the full cost of life insurance premiums (\$60,000 in coverage per employee) and the full cost of long-term disability with a maximum annual increase for these benefits equal to the Portland CPI-W.

29 Workers Compensation costs are expected to increase between 10%-15% in FY07.

SPECIAL REVENUE FUNDS

**URBAN RENEWAL PROJECT FUND**

	ACTUAL 2003-04	ACTUAL 2004-05	ADOPTED 2005-06		MANAGER RECOMMENDED	COMMITTEE APPROVED	BOARD ADOPTED
31							
32				<b>MATERIALS &amp; SERVICES</b>			
33							
34	\$ 1,949	\$ 1,489	\$ 2,600	Materials & Supplies	\$ 2,500	\$ 2,500	\$ 2,500
35	-	19	-	Safety and Wellness*	100	100	100
36	816	1,477	1,200	Postage & Printing*	2,100	2,100	2,100
37	1,102	1,237	1,300	Association Memberships*	1,300	1,300	1,300
38	4,725	3,907	7,300	Training & Travel*	7,000	7,000	7,000
39	155	200	200	Board Expenses*	200	200	200
40	432	685	1,200	Advertising	1,200	1,200	1,200
41	157,276	94,998	15,600	Legal Services*	30,000	30,000	30,000
42	-	-	-	Labor Attorney*	300	300	300
43	9,884	21,358	36,700	Contractual Services*	700	700	700
44	4,095	3,114	6,900	Audit*	6,700	6,700	6,700
45	1,087	1,032	1,100	Janitorial*	1,100	1,100	1,100
46	393	676	700	Gas & Electricity*	800	800	800
47	1,694	1,825	1,200	Telephone*	1,300	1,300	1,300
48	370	414	300	Insurance*	300	300	300
49	8	-	100	Gasoline	100	100	100
50	1,258	2,694	5,800	Computer Software*	5,000	5,000	5,000
51	532	1,107	1,300	Equipment Maintenance	1,200	1,200	1,200
52	1,124	1,225	1,100	Facility Maintenance*	1,100	1,100	1,100
53	69,963	85,571	70,000	Engineering	-	-	-
54	-	48	-	- Medical Testing	100	100	100
55	6,985	500	-	- Bond Issue Costs - Overnight Debt	500	500	500
56	11	35	-	- Miscellaneous	-	-	-
57	-	815,761	-	- Keizer Station Improvements	-	-	-
58	<b>\$ 263,859</b>	<b>\$ 1,039,372</b>	<b>\$ 154,600</b>	<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>\$ 63,600</b>	<b>\$ 63,600</b>	<b>\$ 63,600</b>

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.
- 39 Costs include travel & training; misc. office supplies; meetings during mealtimes. These costs were previously charged to the Training & Travel line-item.
- 40 Advertising costs are for legal notices for budget hearings and property improvement issues.
- 41 Legal Services are for basic and hourly services provided by the City Attorney.
- 48 The City's insurance carrier projects a 4% increase in rates. Projections are based on FY06 actual costs.

SPECIAL REVENUE FUNDS

**URBAN RENEWAL PROJECT FUND**

	ACTUAL 2003-04	ACTUAL 2004-05	ADOPTED 2005-06		MANAGER RECOMMENDED	COMMITTEE APPROVED	BOARD ADOPTED
59				<u>CAPITAL OUTLAY</u>			
60							
61	\$ 228,146	\$ 371,839	\$ 1,000,000	Street Improvements	\$ -	\$ -	\$ -
62	-	1,434	-	- Gateway/Signage	50,000	50,000	50,000
63	-	-	25,000	Crosswalks - ADA Standards	25,000	25,000	25,000
64	-	3,599	-	- Telephone System	-	-	-
65	411	73	400	Office Furniture & Equipment*	400	400	400
66	16,488	2,524	-	- Aerial Photos	-	-	-
67	2,085	1,724	7,500	Computer Equipment*	3,900	3,900	3,900
68	209,068	-	-	- Traffic Signals	-	-	-
69	46,892	18,209	100,000	Grant Programs	200,000	200,000	200,000
70	877,593	215,030	-	- Property Acquisition & Development	1,000,000	1,000,000	1,000,000
71	53,357	-	-	- Street Realignment	-	-	-
72	-	867,141	-	- Keizer Station Property	-	-	-
73	2,202	-	-	- Focal Point	-	-	-
74	69,862	-	-	- Trail Avenue Widening	-	-	-
75	-	-	250,000	River Road Renaissance Projects	350,000	350,000	508,500
76	-	-	75,000	Master Plans	-	-	-
77	-	-	-	- City Hall and Police Facility	1,000,000	1,000,000	1,000,000
78	-	3,252,948	1,994,400	Keizer Station Improvements	-	-	-
79	\$ 1,506,104	\$ 4,734,521	\$ 3,452,300	<b>TOTAL CAPITAL OUTLAY</b>	\$ 2,629,300	\$ 2,629,300	\$ 2,787,800

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.

70 The 6th Amendment to the Urban Renewal Plan provides for \$1,345,000 for property acquisition, of this \$320,000 was spent in FY06. The Keizer Urban Renewal Board passed a motion requesting that \$1,000,000 be appropriated in FY07 for property acquisition.

75 River Road Renaissance projects include \$100,000 for signs, banners, landscaping and building design for the five renaissance districts, \$225,000 for 3 intersection enhancements, and \$25,000 for entryway, monumentation and gateway enhancements.

77 Civic center costs are for engineering and design of a new civic center contingent upon successful passage of the ballot measure in November 2006.

SPECIAL REVENUE FUNDS

**URBAN RENEWAL PROJECT FUND**

	ACTUAL 2003-04	ACTUAL 2004-05	ADOPTED 2005-06		MANAGER RECOMMENDED	COMMITTEE APPROVED	BOARD ADOPTED
79							
80				<b>TRANSFERS</b>			
81							
82	\$ -	\$ -	\$ -	- Transfer to City Hall Facility Fund	\$ 9,100	\$ 9,100	\$ 9,100
83							
84							
85	<u>\$ 1,961,176</u>	<u>\$ 5,999,512</u>	<u>\$ 3,841,500</u>	<b>TOTAL EXPENDITURES</b>	<u>\$ 2,956,700</u>	<u>\$ 2,956,700</u>	<u>\$ 3,115,200</u>
86							
87							
88				<b>FUND BALANCE</b>			
89							
90	-	-	-	- Contingency	31,800	31,800	31,800
91	5,328,571	2,839,753	252,100	Undesignated Fund Balance	576,300	576,300	352,800
92							
93	<u>\$ 7,289,747</u>	<u>\$ 8,839,265</u>	<u>\$ 4,093,600</u>	<b>TOTAL EXPENDITURE &amp; FUND BALANCE</b>	<u>\$ 3,564,800</u>	<u>\$ 3,564,800</u>	<u>\$ 3,499,800</u>

Notes:

- 82 The transfer in FY07 is for remodeling the lobby area of City Hall and to replace the roof at the auditorium. The transfer represents the Urban Renewal District's share of the cost.
- 90 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 FUNDS

**URBAN RENEWAL TAX INCREMENT FUND**

ACTUAL 2003-04	ACTUAL 2004-05	ADOPTED 2005-06		MANAGER RECOMMENDED	COMMITTEE APPROVED	BOARD ADOPTED
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**RESOURCES**

1	\$ 3,351,143	\$ 686,790	\$ 842,300	Working Capital Carryforward	\$ 110,600	\$ 110,600	\$ 110,600
2	3,330,884	3,637,352	3,812,800	Tax Increment Revenue	2,677,600	2,677,600	2,677,600
3	156,169	89,724	126,800	Prior Year Taxes	146,700	146,700	146,700
4	38,223	37,844	33,500	Interest	41,400	41,400	41,400
5	<u>\$ 6,876,419</u>	<u>\$ 4,451,710</u>	<u>\$ 4,815,400</u>	<b>TOTAL RESOURCES</b>	<u>\$ 2,976,300</u>	<u>\$ 2,976,300</u>	<u>\$ 2,976,300</u>

Notes:

- 2 FY07 estimates are based on FY06 actuals projected out to year-end, less removal of approximately one-third of the district's property value as provided for in the District's 6th amendment, plus 3% assessed value increases and 9% for growth, primarily as a result of the Keizer Station Development.
- 3 Delinquent tax payments from property taxpayers increase each year with the amount of Tax Increment Revenue apportioned to Urban Renewal. FY07 estimates are based on FY06 actuals.
- 4 Interest Revenue is based on FY06 earnings through 2/28/06 projected out to 6/30/06.

SPECIAL REVENUE FUNDS

**URBAN RENEWAL TAX INCREMENT FUND**

ACTUAL 2003-04	ACTUAL 2004-05	ADOPTED 2005-06		MANAGER RECOMMENDED	COMMITTEE APPROVED	BOARD ADOPTED
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**EXPENDITURES**

**DEBT SERVICE**

\$ 740,000	\$ 750,000	\$ 780,000	Principal	\$ -	\$ -	\$ -
224,050	190,224	153,400	Interest	-	-	-
5,225,581	2,514,912	-	Loan Payment	2,976,300	2,976,300	2,976,300
<b>\$ 6,189,631</b>	<b>\$ 3,455,136</b>	<b>\$ 933,400</b>	<b>TOTAL DEBT SERVICE</b>	<b>\$ 2,976,300</b>	<b>\$ 2,976,300</b>	<b>\$ 2,976,300</b>

**FUND BALANCE**

\$ -	\$ -	\$ 3,296,800	Contingency	\$ -	\$ -	\$ -
-	-	585,200	TOTAL RESERVES	-	-	-
686,788	996,574	-	ENDING FUND BALANCE	-	-	-
<b>\$ 6,876,419</b>	<b>\$ 4,451,710</b>	<b>\$ 4,815,400</b>	<b>TOTAL EXPENDITURE &amp; FUND BALANCE</b>	<b>\$ 2,976,300</b>	<b>\$ 2,976,300</b>	<b>\$ 2,976,300</b>

Notes:

<sup>13</sup> By law, 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. The Agency defeased its long-term debt shortly after the 6th amendment passed, consequently there are no reserve requirements in FY07.

## *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.*

### *VOLCANOS BASEBALL STADIUM PROJECT*

*The Urban Renewal Agency funded the Volcano Stadium parking lot project using 1996 Series B bonded debt proceeds. These proceeds and the parking lot construction expenditures are accounted for in the Project Fund. The tax increment fund pays the debt service on all bonds. The Stadium Operation program budget is included in the City of Keizer's General Fund and is therefore disclosed in a separate document.*

## STAFFING HISTORY - FULL TIME EQUIVALENTS

	Actual 2002-03	Actual 2003-04	Actual 2004-05	Actual 2005-06	Budgeted 2006-07
<b>ADMINISTRATION</b>					
City Manager	1.0	1.0	1.0	1.0	1.0
<b>HUMAN RESOURCES</b>					
Human Resources Director	1.0	1.0	1.0	1.0	1.0
* Clerical Specialist	1.0	2.0	1.0	1.0	1.0
Information Systems Technician		1.0	1.0	1.0	1.0
<i>Total</i>	2.0	4.0	3.0	3.0	3.0
<b>FINANCE</b>					
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
* Utility Billing Technician	1.0	1.0	1.0	1.0	1.0
* Utility Billing Clerks	4.0	3.0	3.0	3.0	3.0
Court Clerk			1.0	1.0	1.0
* Clerical Specialist			1.5	1.5	1.5
<i>Total</i>	7.0	7.0	9.5	9.5	9.5
<b>CITY RECORDER</b>					
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 2002-03	Actual 2003-04	Actual 2004-05	Actual 2005-06	Budgeted 2006-07
<b>COMMUNITY DEVELOPMENT</b>					
Community Development Director		1.0	1.0	1.0	1.0
Planning Director	1.0				
Senior Planner	1.0	1.0	1.0	1.0	1.0
Associate Planner	1.0	1.0		0.5	0.5
Code Enforcement/Zoning Technician	1.0	1.0			
Code Enforcement			0.5	0.5	0.5
Zoning Technician			1.0	1.0	1.0
Permit Specialist	0.5	0.5	1.0	1.0	1.0
<i>Total</i>	4.5	4.5	4.5	5.0	5.0
<b>PUBLIC WORKS</b>					
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	1.0	1.0
Municipal Utility/ Streets	1.0	1.0	1.0	1.0	1.0
Municipal Utility/ Water	8.0	9.0	9.0	11.0	11.0
Facility Maintenance	1.0	1.0	1.0	1.0	1.0
Permit Specialist		1.0	1.0	1.0	1.0
<i>Total</i>	13.0	15.0	15.0	17.0	17.0

## STAFFING HISTORY - FULL TIME EQUIVALENTS

	Actual 2002-03	Actual 2003-04	Actual 2004-05	Actual 2005-06	Budgeted 2006-07
<b>POLICE</b>					
Chief	1.0	1.0	1.0	1.0	1.0
Captain(s)	2.0	1.0	2.0	2.0	2.0
Sergeants	8.0	8.0	7.0	7.0	7.0
** Police Officers	21.0	22.0	22.0	22.0	22.0
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	39.0	39.0	39.0
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 Specialists	5.0	5.0	5.0	5.0	5.0
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	47.0	47.0	47.0
<i>Grand Total</i>	76.5	80.5	82.0	84.5	84.5

\* 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 FY06.

**ALLOCATION OF SHARED COSTS**  
**Fiscal Year 2006-07**

	General Fund					Revenue Sharing Fund	Street Fund	Sewer Fund	Water Fund	SLD Fund	Urban Renewal Fund	Total	FY 2005-06
	Admin	Parks	Planning	Police	Court								
1 Association Memberships	29,900						1,300	1,700	8,700	400	1,300	43,300	42,400
2 Audit	5,600						1,600	3,400	1,500	400	6,700	19,200	19,300
3 City Council Expenses	4,800						200	300	1,400	100	200	7,000	7,000
4 Computer & Software Maintenance	53,400						3,100	10,800	15,300	1,100	5,000	88,700	67,900
5 Computer Hardware						69,300	3,500	5,200	20,000	1,100	3,900	103,000	257,400
6 Facility Maintenance	25,700						1,100	1,500	7,500	400	1,100	37,300	37,300
7 Gas & Electricity	4,500	1,000		16,700			1,100	400	167,400	200	800	192,100	173,700
8 Insurance - Liability	8,600			78,200			15,100	13,200	54,000	300	300	169,700	163,200
9 Janitorial	5,400			19,400			1,100	1,400	7,200	400	1,100	36,000	35,900
10 Labor Attorney	6,900	500		17,500			800	400	6,100	100	300	32,600	NA
11 Legal Services	55,000						30,000	4,000	11,000	200	30,000	130,200	181,600
12 Office Furniture & Equipment						8,300	400	500	5,400	100	400	15,100	13,600
13 Postage & Printing	23,600	1,500	2,700	16,000			3,200	24,100	33,400	500	2,100	107,100	81,300
14 Safety & Wellness	2,600						100	200	800	100	100	3,900	0
15 Telephone	9,700	700	1,000	26,500			1,700	600	25,700	300	1,300	67,600	61,900
16 Travel & Training	12,000	500	5,200	30,100	1,900		2,000	4,600	6,700	900	7,000	71,000	74,500

**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.
- 2 Audit costs are allocated based on audited FY05 expenditures in each operating fund.
- 3 City Council Expenses include travel & training, miscellaneous office supplies & meetings during mealtimes.
- 4 Computer & Software Maintenance costs increased primarily due do new maintenance costs for the electronic ticketing system, Web system support, Geographic Informations System (GIS) support and enhancements to the utility billing software.
- 5 Computer hardware costs in FY06 included \$110,000 for equipment for patrol cars funded with a one-time federal grant.
- 6 Facility Maintenance costs are allocated based on FTE city-wide.
- 7 City-wide gas and electric costs include gas and electricity for city facilities. Costs in the Parks Fund include power to run the irrigation system and the Parks facility. Additional costs in the Water Fund cover costs to run water facilities such as pump stations. Portland General Electric anticipates a 8.7% increase in rates in January 2007.
- 8 The City's insurance carrier projects a 4% increase in rates. Projections are based on FY06 actual costs.
- 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.
- 10 Labor Attorney costs were included in Legal Services in FY06. These costs are separated to better track costs associated with union negotiations which tend to increase in years when contracts renew. Both the KPA and Local 320 (Municipal Utility Workers) contracts are up for renewal July 1, 2007.
- 11 Legal services decreased in FY07 because labor attorney costs are now budgeted separately.
- 12 Office furniture includes upgrades for the front lobby at City Hall, a new transcription machine, chairs for the utility billing staff and a new codification system.
- 13 Postage & Printing costs have increased to cover the cost of the Keizer Quarterly newsletter. Additionally, the US postal service increased postage 5% beginning in January 2006. Costs for all programs and funds include some direct costs for related programs and activities.
- 14 Safety and Wellness includes 3 defibrillators at \$1,100 each; one to be located at City Hall and two to be located at the Police Department plus \$500 for the Wellness related costs.
- 15 Telephone costs increased for increases in the number of Nextel cell phone users.
- 16 Travel & Training costs are budgeted by position and allocated based on each position's salary allocation.

## 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

CONTINUED

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).

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.

## GLOSSARY OF COMMON BUDGET TERMS

CONTINUED

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

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."

Personal 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.

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.

## GLOSSARY OF COMMON BUDGET TERMS

CONTINUED

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.

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.

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.