

CITY OF PRINEVILLE,
OREGON



ADOPTED BIENNIAL BUDGET
JULY 1, 2019 -
JUNE 30, 2021



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Attention

If you are reading this budget in its PDF format, there are links included within the document to make navigation easier.

- Page numbers and headings within the table of contents are linked to take readers to the appropriate page
- Starting in the “City Manager’s Budget Message” section, a table of contents button is located on the upper right hand corner of each page to take readers back to the table
- Referenced pages within body text are linked to their stated page numbers
- Each icon representing a Prineville City Council goal is linked to take readers back to page 22 within the “Strategic Planning” section that explains the goal
- Bookmarks are utilized in the document for all major headings and topics. If a bookmark has a + next to it, it can be clicked to open up a list of subheadings for that section
- Several external links are included to items referenced within the document, such as a YouTube video and regional rate comparisons

If you wish to skip to information on individual funds and departments but first want information on how to read these sections, please see the included documentation on the format on pages 141 – 146.

Tip: If readers want to move back to the original page they were on before clicking a link and don’t want to have to scroll back, it is helpful to enable the previous view button within Adobe Acrobat. If it isn’t available on the navigation bar within the program, it can be enabled by right clicking the bar and selecting “page navigation” and clicking on “previous view.” A new button on the bar will appear that can be clicked to return to the previous view. Alternatively, pressing Alt + Left Arrow (Windows) or Command + Left Arrow (Mac OS) will accomplish the same thing.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Prineville
Oregon**

For the Fiscal Year Beginning

July 1, 2018

Christopher P. Morill

Executive Director



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City of Prineville Elected Officials

Mission Statement

Adopted February 9, 2016

The City of Prineville provides quality municipal services and programs which contribute to our reputation as a desirable place to live, work and play.

We strive to improve our quality of life through transparency; open communication; investment in essential infrastructure; public safety; community programs; and business, while staying within the constraints of fiscally responsible government.



Mayor Steve Uffelman



Councilor Jason Beebe



Councilor Janet Hutchison



Councilor Patricia Jungmann



Councilor Gail Merritt



Councilor Jeff Papke



Councilor Teresa Rodriguez

City of Prineville Budget Committee



Citizen members of the budget committee from left to right: Greg Munn, Casey Daly, Dr. Paul Slater, Marty Bailey, Henry Hartley and Bruce Peet. Not pictured: Caroline Ervin.

The City of Prineville would like to thank its city councilors and citizen members of the budget committee for their participation in the budget process for the BN 2020 – 2021. Without their time and input, crafting a budget with citizens' best interests in mind would not be possible.

Special Thanks

A special thanks goes to the Crook County Historical Society and the A.R. Bowman Memorial Museum for generously providing many of the photographs illustrating the history and growth of Prineville shown within this document. Citizens can visit the A.R. Bowman Memorial Museum at 246 North Main Street.



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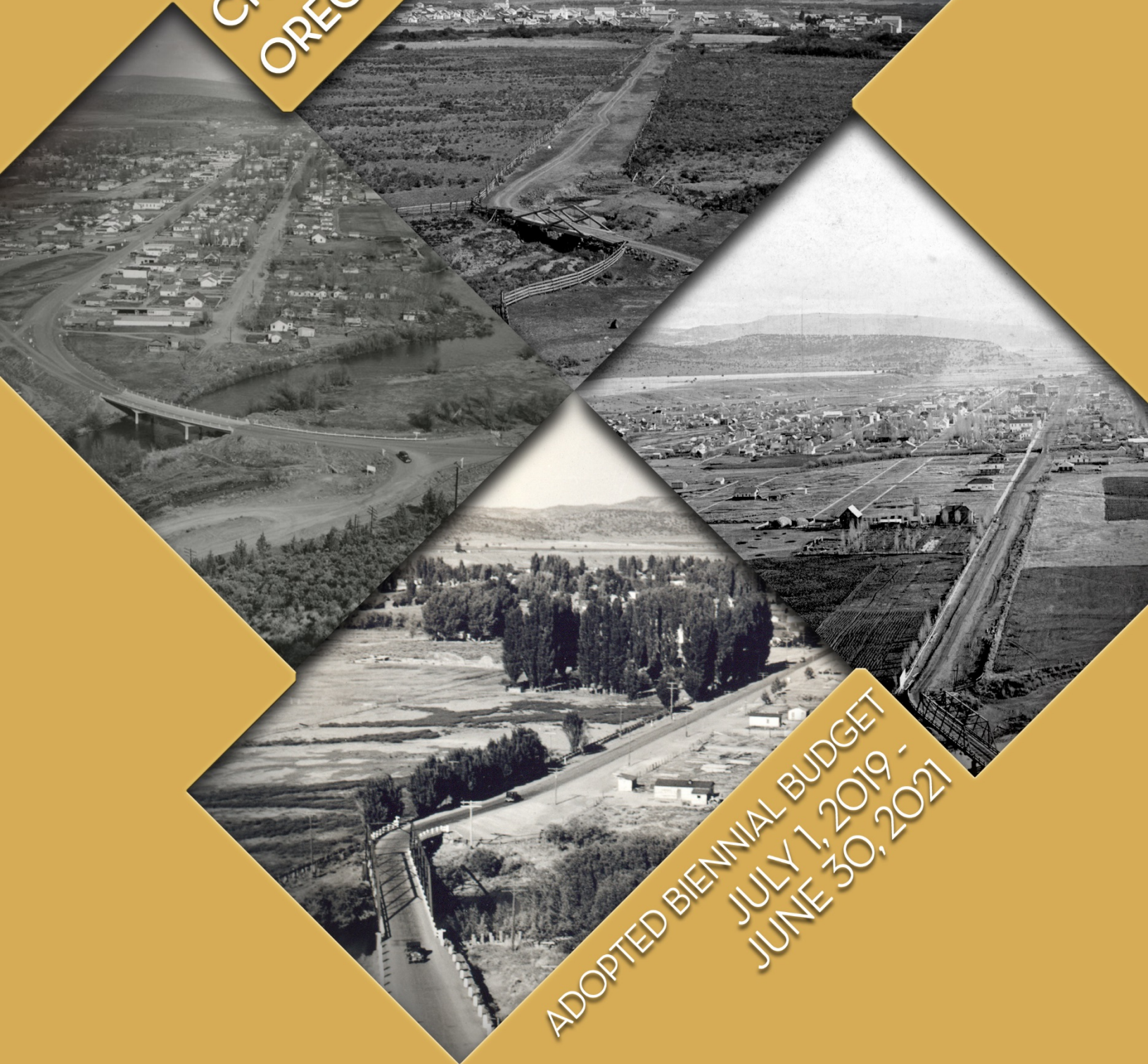
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CITY OF PRINEVILLE,
OREGON



ADOPTED BIENNIAL BUDGET
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CITY MANAGER'S BUDGET MESSAGE



ADOPTED BIENNIAL BUDGET
JULY 1, 2019 -
JUNE 30, 2021



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City Manager's Budget Message

Mayor Uffelman, Prineville City Council members, Citizen Budget Committee members, and Citizens of Prineville,

On behalf of the City of Prineville's management team, Finance Director Liz Schuette and her team, and every City of Prineville team member, I present biennial budget for the City of Prineville. Beginning with FY 2020 and FY 2021, the City of Prineville started using a biennial budgeting process. A biennial budget period is a 24-month period beginning July 1 and ending June 30 of the second succeeding year. For this biennial budget, the period commences July 1, 2019 and ends June 30 2021. The budget is presented by fund and department categories for a biennial (two-year) period, during the transition from fiscal year budget to biennial budget the detail sheets will show a mixture of single-year budget data and two-year budget data, and the actual or estimated data from fiscal year budgets. Our team has worked to develop the financial stability that allows us to move to a two-year format, allowing more effective use of staff time to focus on long-range strategic planning and modeling, processes and policy, and being able to extend project timing into a second year. .



City Manager Steve Forrester

The City's budget is a working document utilized each day that provides our team with guidance to efficiently leverage every taxpayer dollar for the benefit of our community. We use the budget to measure efficiency, effectiveness, and financial performance, strategic planning and continuous improvement opportunities. We compare our budget to the best award winning budgets in the country to learn about what has worked well for others in our efforts to develop "best practices" for the City of Prineville. We are very pleased to announce we received the Governmental Finance Officers Association (GFOA) Distinguished Budget Presentation Award for the 13th consecutive year, and we also received special recognition for our capital presentation for the first time. In addition, the City has also received the prestigious "Certificate of Achievement for Excellence in Financial Reporting" for the second year consecutively. The adopted Biennial Budget for 2020-2021 (BN 21) totals \$84,823,512. The General Fund total for BN 21 is \$15,410,486.

Each year the City Council and city staff update the City's mission, principles and council goals, which serve as the foundation for strategic planning and our long-term financial modeling. We review our successes and build upon them and learn from our failures as we continuously improve processes to prepare for our future.

Strategic Planning Process

The City's strategic planning process is developed from input and policies coming from the following committees:

- Finance
- Public Works
- Downtown Strategic Planning
- Railroad
- Public Safety
- Transportation
- Air Quality
- Economic Development
- Planning
- Community Fund

Our committees are made up of citizens, city staff and council members. Each committee reports directly to the City Council with recommendations. The City Council then develops strategic policy, goals and project priorities. Each city department aligns their resources with our City Council's goals. In addition to our committees, the City works strategically with Crook County, Crook County Fire and Rescue, Ochoco Irrigation District and many local nonprofit agencies. This year the City of Prineville has added a strategic planning section to our budget that goes in to detail our process. Please see pages 17-18.

Mission Statement

The City of Prineville provides quality municipal services and programs which contribute to our reputation as a desirable place to live, work and play.

We strive to improve quality of life through transparency, open communication, investment in essential infrastructure, public safety, community programs and business, all while staying within the constraints of a fiscally responsible government.

Council Goals

- Fiscal responsibility
- Quality municipal services and programs
- Transparency and effective communication
- Position the City to meet future demands
- Community safety

State of Local Economy

Our local economy is stable and growing, benefiting from the strength of the growth in the Central Oregon region and the continued investment of businesses in Crook County. Our city and county, along with all of Central Oregon, continues to be one of the fastest growing regions in the nation. Locally, our unemployment remains consistently near 6 percent, close to pre-recession levels. We remain focused on strengthening our business environment to recruit new businesses, and retain and grow existing businesses bringing new family wage job opportunities. The following metrics serve our economic indicators for Prineville.

1. Recent estimates place direct employment from data center operations at more than 450 jobs with average compensation exceeding \$60,000 per year – approximately 150 percent above the county average. Currently, there are over 1,200 active construction jobs tied to data center expansion over and above operational jobs.
2. The City of Prineville Railway completed its fifth consecutive year of financial stability allowing for reinvestment into capital.
3. The Prineville-Crook County Airport has secured a contract with the United States Forest Service (USFS) to build out a new helibase facility bringing full-time jobs and increasing airport activity. Supporting infrastructure construction is underway with the project completion expected in by summer of 2020.
4. Brightwood Corporation, one of central Oregon's largest employers in the secondary forest products sector purchased an underutilized mill operation in Prineville and is expanding and investing in local operations.
5. Facebook has begun construction of yet another large data hall – their largest yet – bringing construction commerce and future employment.
6. The City experienced an 82 percent increase in dwelling approvals from FY 18 (114) to FY 19 with 208 new dwelling applications permitted.
7. Value of local commercial/industrial investment in the city/county from July 1, 2018 to May 14, 2019 totaled \$366,618,351 up by \$54,194,179 from previous year.
8. Average home sales list price remained steady at \$250,000 in 2018 to \$265,000 in March 2019, representing a 6 percent increase.

City Financial Condition

For the biennial budget 2020-2021, 12 out of 13 funds fully funded to policy levels in working capital and 11 out of 14 funds meeting other emergency appropriation, capital project and debt service reserves. The City of Prineville's financial condition is based in stability and strength. In FY 15, the City was given a credit rating of A+ from Standard and Poor's, since that time we have refunded or paid off most of the City debt with private funding. Our lending institution has commented they are impressed with financial management and high credit quality. We remain committed to financial responsibility across all funds. We measure, compare and adjust as needed throughout the year.

Financial Policies

The Prineville City Council approved changes to the financial policies in FY 19. No changes are being made to the policies for BN 21. In FY 19, we increased reserve policies in the General Fund from five months working capital to six months and raised the 10 percent emergency reserve to 20 percent. We also added debt service reserve requirements to all funds with debt service payments equal to one full year's debt service. Fund balance and reserve policies are an important indicator of the City's financial position. The policies establish the amounts the City will strive to reach and maintain. These amounts are expressed as goals, recognizing that fund balance levels can fluctuate from year to year in the normal course of operations for any local government. A more detailed description of policy reserve requirements can be found on page 52.

Policy Analysis - Reserves by Fund for BN 21

Fund	Adopted Budget Reserves Amount	Working Capital Reserve Amount	Adopted Budget/Over (Under) Policy	Meets Working Capital Reserve Requirements	Five Percent Appropriation Reserve Amount	Debt Service Reserve	Total Policy Reserve Amount	Adopted Budget/Over (Under) Policy	Meets both Working and Appropriation Reserve
General *	2,097,486	1,186,550	910,936	Yes	1,390,460	N/A	2,577,010	-479,524	No
Transportation	239,958	146,750	93,208	Yes	87,010	N/A	233,760	6,198	Yes
Emergency Dispatch	306,356	215,413	90,944	Yes	88,915	N/A	304,328	2,028	Yes
Planning	56,358	51,500	4,858	Yes	N/A	N/A	51,500	4,858	Yes
PERS/POB Fund	1,254,291	N/A	N/A	N/A	N/A	299,200	299,200	955,091	Yes
Transportation SDC	1,075,186	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water SDC	336,823	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wastewater SDC	157,992	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Railroad *	1,189,993	779,800	410,193	Yes	402,159	N/A	1,181,959	8,034	Yes
Airport *	6,215	126,400	-120,185	No	37,920	N/A	164,320	-158,105	No
Water *	1,112,870	328,717	784,153	Yes	184,709	194,600	708,025	404,845	Yes
Wastewater *	2,028,116	470,317	1,557,799	Yes	485,866	1,014,800	1,970,982	57,134	Yes
Golf Course and Restaurant	476,695	175,383	301,312	Yes	61,105	82,400	318,888	157,807	Yes
Admin/Financial Support Services	394,714	379,905	14,809	Yes	N/A	N/A	379,905	14,809	Yes
Public Works Support Services	290,833	286,740	4,093	Yes	N/A	N/A	286,740	4,093	Yes
Building Facilities/Property Fund	360,208	119,190	241,018	Yes	N/A	237,900	616,290	-256,082	No
Plaza Maintenance	36,318	2,100	34,218	Yes	N/A	N/A	2,100	34,218	Yes
Total	11,420,412	4,268,764	4,327,356	12 out of 13	2,738,143	1,828,900	9,095,007		11 out of 14

* General Fund maintains 20 percent of current year estimated revenue as appropriation reserve.

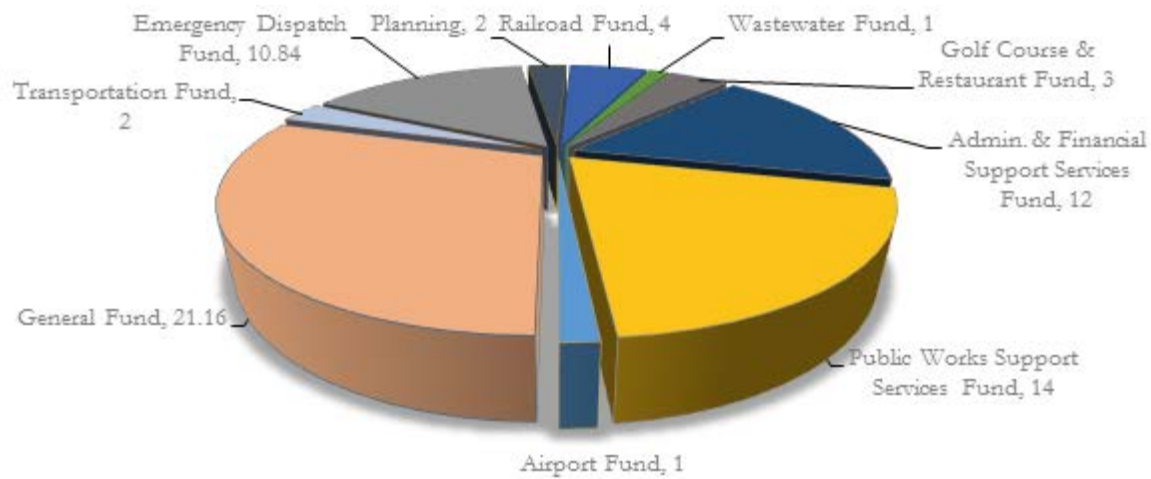
* Railroad Fund shall maintain one year's operating expense and twenty (20) percent of total budget for capital reserve.

* Airport is a joint venture with the City of Prineville and Crook County. Intergovernmental agreement states both parties will contribute annually any deficit to funding.

* Wastewater fund total policy reserve funds includes \$200,000 for capital project reserves.

City Team Members (FTE)

The City's most valuable asset is our team members. The City continues our heritage of investing in our staff with opportunities for education and certifications. We remain focused on health, wellness and safety for our team members. This year we are adjusting our employment from 70.16 full-time equivalents (FTE) to 71.00. This is an increase of 0.84 FTEs. Changes to funds include minus 0.25 in public safety fund, an increase of 0.09 in emergency dispatch, an increase of 1.0 FTE in the railroad, minus 2.0 FTE in restaurant operations, plus 1.0 FTE in IT, and plus 1.0 FTE in public works services.



The Biennial 2021 budget reflects the City of Prineville’s commitment to all stakeholders in our community depending on us for safety and services. We are ever mindful of respecting the fact taxpayer dollars are an investment entrusted to our stewardship in order to provide effective and valuable services to our customers.

Our strategic planning, modeling and culture of continuous improvement guides the City for today and prepares us for our future needs. Our working relationships with local, state and federal partners continue to develop and strengthen. We look forward to presenting to you the City of Prineville’s BN 2021 adopted budget.

Changes and Challenges in BN 20-21

1. Develop existing and recruit new business investments in the community to increase the opportunity to provide much needed family wage jobs.
2. Maintaining a financial position that allows for the capital to maintain city-owned assets and provide city services effectively.
3. Maintaining fund balances within newly adopted City policy levels.
4. Strengthen funding for public safety and update the aging Police/911 Dispatch building.
5. Continue to strengthen street maintenance program by identifying additional sustainable resources.
6. Continue the air quality process to keep the city compliant with the Oregon Department of Environmental Quality (DEQ) regarding particulate matter (PM) 2.5 air quality standards.
7. Manage the Golf Course Fund to support long-term capitalization needs for this key city asset.
8. Effectively address increasing low-cost housing opportunities within the community.
9. Develop solutions to increase electricity supply for large load customers as existing transmission capacity is near upper limits.
10. Develop a master plan for the Barnes Butte open space acquisition, setting up the process for open space development.

Strategic Action Plan to Address Challenges

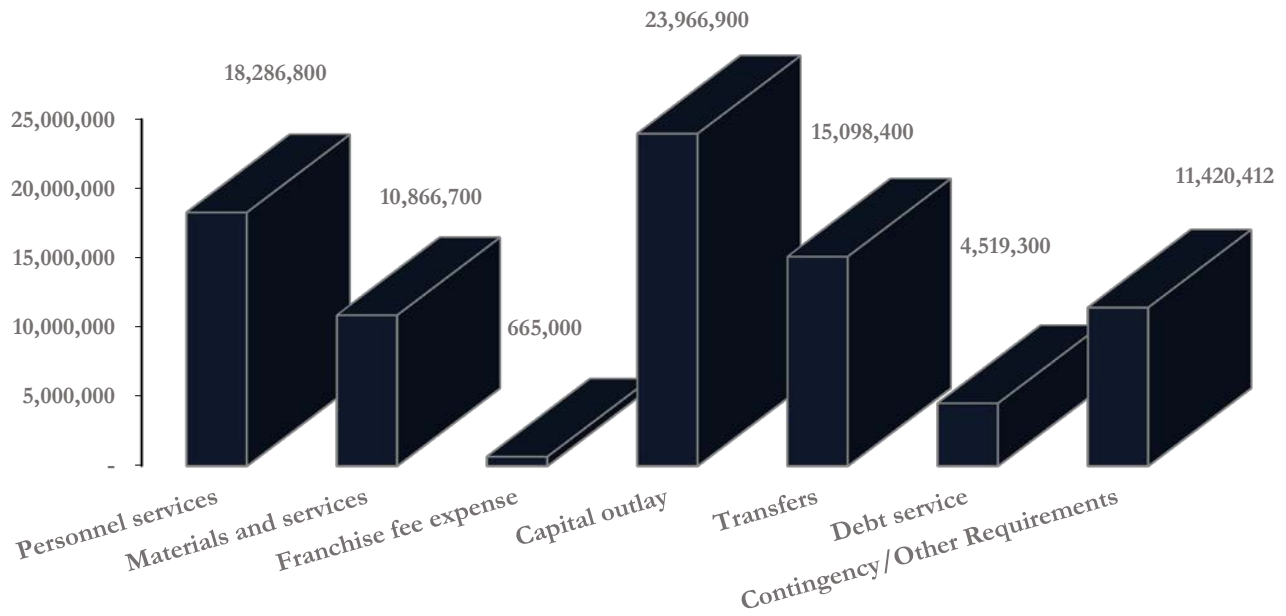
1. Proactively update and manage system development charge (SDC) rates and methodology toward keeping SDC fees the most competitive in the Central Oregon region.
2. Having the discipline to manage reserve and contingency balances at or above policy levels, adjusting reserves for debt and capital coverage provides the city with stability.
3. Continue to increase the PERS/POB Fund, manage unfunded liability, reduce bonded debt and offset future State of Oregon Public Employee Retirement System (PERS) rate increases. This will further strengthen the City’s financial position.

4. Air Quality Committee program has resulted in three consecutive years of positive air quality data below threshold. The City will remain focused on continuous improvement efforts to provide certainty that our air quality remains well below the DEQ limit. Keeping the Air Quality index below DEQ threshold provides health benefits to our citizens and provides pathway for air permits for responsible economic development.
5. Continue strengthening the City of Prineville's railroad customer base to increase freight traffic and revenue allowing for additional capitalization for deferred maintenance.
6. Expedite the land use process to facilitate increasing low-cost and entry-level housing opportunities.
7. Work closely with the Bonneville Power Administration (BPA), Pacific Power, Economic Development of Central Oregon (EDCO), Central Electric Coop and lawmakers to develop solutions for both generation and transmission to meet ongoing demand. The City is in the permitting process in partnership with Crook County and Ochoco Irrigation District for a renewable hydro energy project on Bowman Dam. The City is also working with private industry and USFS on the potential for renewable bio-mass energy project.

Significant Accomplishments for FY 19

1. Received both the Oregon State Award of Excellence and the national Grand Award from the American Council of Civil Engineers for the Crooked River Wetland project. We also received the Oregon Association of Engineers project of the year for the wetland project. The City completed construction of the Crooked River Wetlands Complex in 2018, increasing wastewater disposal capacity to meet the next 30 years of future growth and opening up 320 city-owned acres to the public for hiking, jogging, and educational and outdoor activities. Community participation for our school children, birders and nature walkers is tremendous.
2. Maintained high credit quality.
3. Facilitated – with our partners at Crook County – the second new “H” building data center expansion at Facebook that is adding an additional 1 million square feet of data center space and the opportunity for more jobs, as well as the added construction work force during buildout.
4. The City of Prineville Railway completed a comprehensive bridge assessment that will provide the foundation for developing a firm capital plan.
5. Construction started on USFS helibase project at Prineville-Crook County Airport that will include new fuel system and ramp area, greatly improving airport capabilities and expansion potential.
6. Facilitated commercial investment in the community estimated to be over \$500,000,000.
7. The City, Crook County and the Ochoco Irrigation District has been successful with the Federal Energy Regulatory Commission (FERC) accepting our license application for permitting and design of a 3.0 megawatt hydro project that could potentially produce renewable clean power for 1,000 homes.
8. The City has begun construction on our Aquifer Storage and Recovery project as well as continued to work toward design and feasibility for wastewater to level four quality. These two water projects will greatly increase water capacity, provide water certainty in low-water years and offer a reliable resource of industrial water for economic growth.
9. Partnered with Crook County Parks and Recreation district with grant funding to complete a Recreation Master Plan update for the entire community including the city-owned Barnes Butte acreage.
10. Finalized the purchase of a building to house the Police Department and 911 Dispatch center, replacing an outdated facility without having to go out to the community for bonding.
11. Completed water and wastewater SDC methodology and master plans. The City of Prineville has some of the most competitive utility and SDC rates in the Central Oregon region
12. Completed the first biennial budget for the City of Prineville.
13. The City's 911 Dispatch center received full accreditation through the Oregon Accreditation Alliance.

Budget Overview Budget by Major Category BN 2021

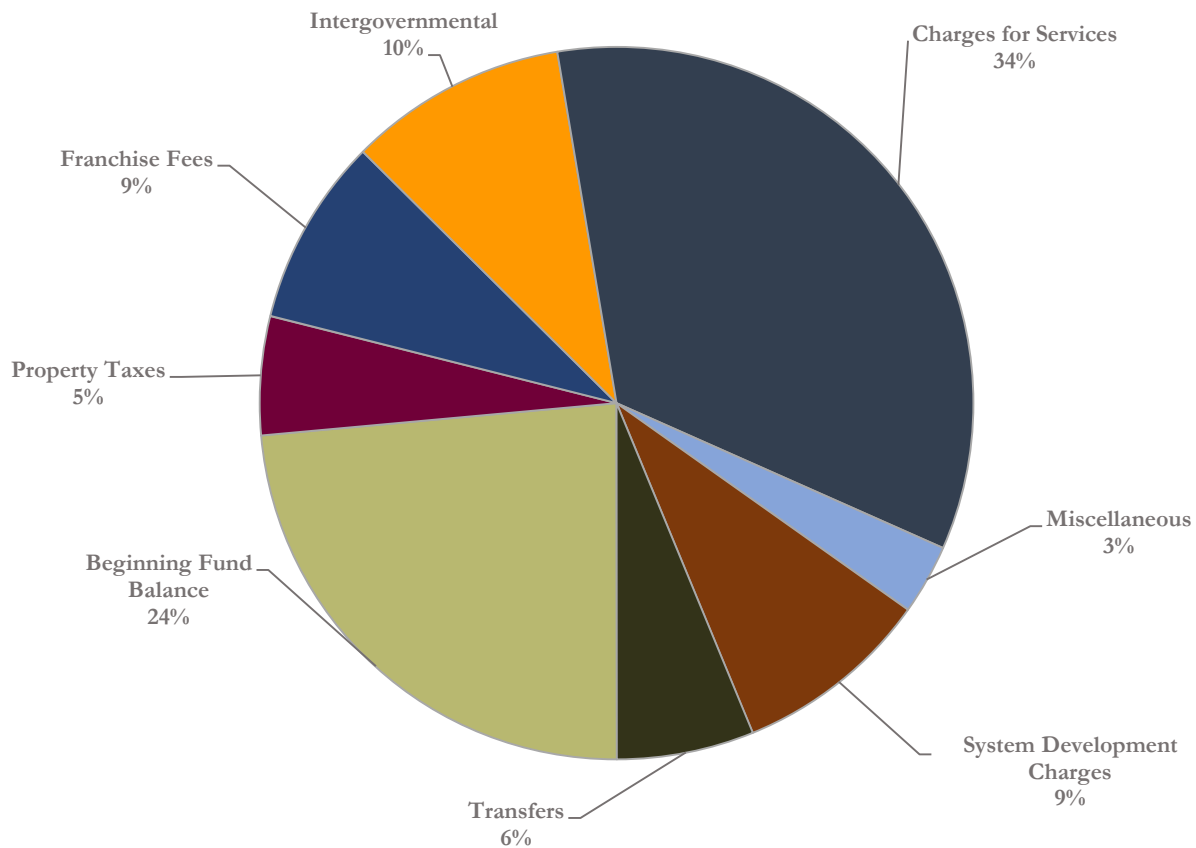


The charts and graphs and assumptions for BN 2021 are shown for a two-year combined total compared to a previous one-year figure in FY 19 during the transition from an annual budget to a biennial budget.



Large rocks like the one pictured here welcome citizens and visitors as they enter the east and west sides of town

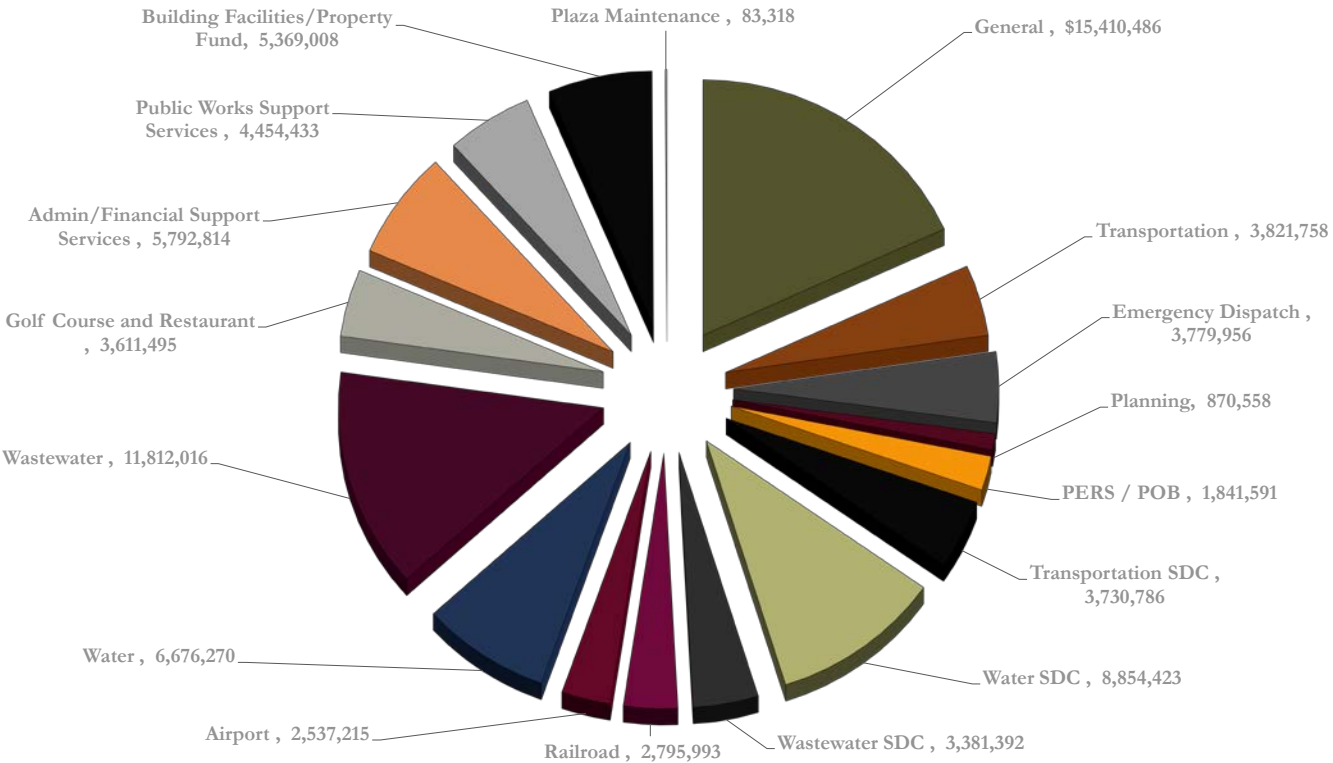
Revenue Sources by Type



Revenue Assumptions

Overall, charges for service in the BN 2021 total 34 percent of budget, or roughly \$29.1 million. FY 19 estimated revenue for charges for services is \$14.6 million and was 29 percent of budget. Beginning fund balance for BN 21 is 24 percent of budgeted revenue, totaling nearly \$20 million. In the prior year, balances totaled \$14.2 million, or 29 percent of budget. This primarily as a result of impact fees paid in FY 19 by data centers for expansion. The Crook County Assessor's Office is predicting property taxes to increase by approximately 5 percent, however, choosing to be on the conservative side, the City estimates a 4 percent increase in both fiscal years of the biennium. Electrical franchise fees total 9 percent of revenue compared to 6 percent of budget in the prior year. Expected revenue is more than double over the biennium totaling an estimate of \$7.2 million compared to roughly \$3 million in FY 19. Intergovernmental revenue for BN 21 is approximately 10 percent of the budget between grants, revenue sharing and other agency funds. Collection projections for the biennium for SDCs are based on 100 residential equivalent dwelling units, data center fees and additional commercial assumptions throughout the community. For the first year of the biennium residential and most commercial water customers will see their base rates increase by 2 percent. Commodity charges will also increase by 2 percent. Commercial customers will experience a base water rate reduction proportional to a reduction in included consumption. Over the course of the next two years, commercial base water rate charges will be reduced and included consumption for commercial accounts will be eliminated. Sewer rates will be adjusted in a fashion similar to water rates to incentivize conservation. Base wastewater rates will not increase and will remain at \$52.93 per month while commodity charges will increase by 12.5 percent. There is no plan for additional debt in the biennium.

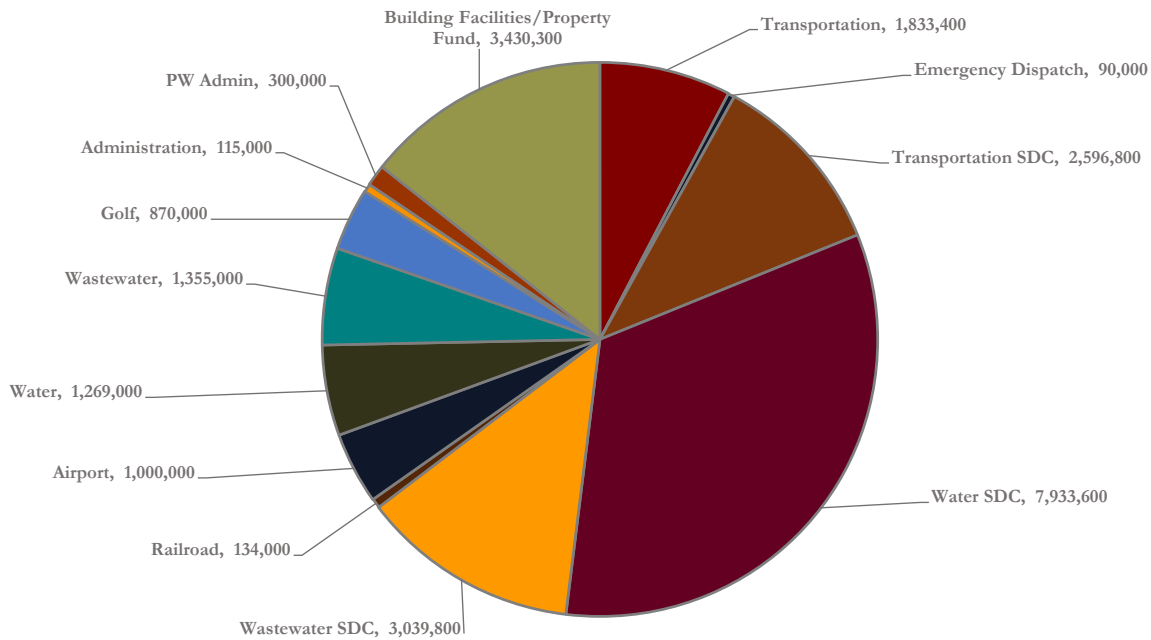
Total Requirements by Fund



Expenditure Assumptions

For the BN 21 adopted budget, personnel services increased approximately 9 percent over prior years FY 18 and FY 19. Combined total personnel full-time equivalents (FTE) will increase by 0.84. The City of Prineville will meet union contract obligations and provide a modest increase for non-represented employees. Health insurance costs increased approximately 6 percent for the first year of the biennium, and an estimate of 10 percent was proposed for the second year. Retirement (PERS) increased for biennium 2021. The City of Prineville contributed to an additional side account with PERS and received an additional rate credit of -1.35 effective May 1, 2019, giving the city a total credit of -7.96 for the two side accounts with PERS. Materials and services requirements are increasing roughly 5 percent over the next biennium. The increase in BN 21 is largely due to the increase in activity in our community, specifically affecting our enterprise funds, airport and golf for repair and maintenance, water and wastewater, additional maintenance of equipment in the dispatch center, and an increase in chamber fees due to an increase in transient room tax in non-departmental. Debt service requirements increased less than 2 percent for each year of BN 21. In BN 21, transfers decreased roughly 17 percent over prior FY 17 and FY 18 combined. This largely due to dollars being transferred from the SDC funds for the reduction and payoff of debt in the water and wastewater funds in FY 18, transfers for administrative fees for SDC collection FY 18 and 19, and a transfer from administration for the lump sum payment to PERS in FY 19. Thirteen programs have budgeted capital improvements, the largest project totaling approximately \$7.9 million in the Water SDC Fund. Contingency and reserve funds for the City total \$11.4 million at the end of the biennium, a decrease over FY 19 of roughly \$3.4 million and a direct result of capital projects budgeted in BN 21.

Capital Improvements Expenditures by Fund



The adopted budget for BN 21 includes approximately \$24 million in capital improvements to maintain or increase capabilities.

General Fund

General Fund budget total for BN 21 is \$15,410,486. The General Fund includes \$11,102,100 for police services for the next two-year period, compared to \$4,729,600 in the prior one-year budget, non-department funding of \$2,210,900, and a contingency balance of \$2,097,486. This fund meets new policy guidelines for City operating policy. The City's new guidelines as of FY 19 for 20 percent emergency reserve policy calculated from current year resources is under roughly \$479,524. Management was aware the target for reserve funds would take time to obtain. We made great progress in the previous year.

Public Safety and Dispatch

Our citizen's safety is foundational to our community. Dale Cummins is our chief of police with Larry Seymour acting as our police captain. Our Police Department is fully accredited through the Oregon Accreditation Alliance. The accreditation process insures the police department is using "best practices" in law enforcement, furthering our ability to continuously improve customer service to our community. The Police Department continues to be successful in strengthening the team by recruiting experienced law enforcement personnel into the ranks.

Tobie Reynolds leads our Emergency Dispatch Department, providing emergency communications and 911 services to the Prineville Police Department, Crook County Sheriff's Office, Crook County Fire and Rescue, and other local, state and federal agencies. The Emergency Dispatch Department is now fully accredited.

As our community continues to grow, and demographics change, we are experiencing increased demand for calls and service.

Planning

Josh Smith is our planning director with Casey Kaiser as associate planner. With support and guidance from our citizen member Prineville Planning Commission, the planning team continues to prepare our community for the

present and the future. This year is expected to be busy with industrial, commercial and residential activity. Our planning team is working with local and state agencies to insure the City keeps an adequate inventory of zoned land for future needs. The members of our planning department lead the Downtown Strategic Planning Committee efforts to develop projects updating the downtown business core. In addition, Casey Kaiser will be leading the Air Quality Committee in continuing to implement processes to insure our air quality index remains on track.

Public Works

City Engineer/Public Works Director Eric Klann leads our Public Works Department and team, efficiently providing the community with water, wastewater and transportation services. City Engineer Klann and his staff recently completed updates to the Water and Wastewater Master Plans, as well as update SDC methodology. Our SDC rates are now one of the most competitive in Central Oregon. We continue our focus on the training and education of our Public Works Department team members, who are developing into a highly skilled, cross-functional work force.

Transportation

Street Superintendent Scott Smith and his team completed the restoration of 32 blocks of streets in the city and six Americans with Disabilities Act (ADA) wheel chair ramps. The City cracked sealed 80,000 lineal feet of streets protecting the City's pavement condition index (PCI). Our work with Oregon Department of Transportation (ODOT) partners resulted in funding to replace the Elm Street Bridge and \$4 million from HB 2017 to be leveraged – with ODOT's reconstruction of 3rd Street – to enhance sidewalks, street lighting and utilities infrastructure. We are proactively focusing on achieving our goal of a pavement condition index PCI of 82, with a current rating recently increasing by two points to 73, which is considered “good” by the Metropolitan Transportation Commission.

Water and Wastewater

The City's water system capabilities and capacity are well-positioned to meet both current and future needs. The recently completed Crooked River effluent disposal wetland is performing well and will provide wastewater treatment for years to come. Construction has begun on the innovative water Aquifer Storage and Recovery project which will provide water certainty for many years to come. These efforts continue to keep the City of Prineville well-positioned to provide high-quality, dependable water to our customers into the future. With a focus on conservation efforts the City's water rates are forecasted to become more competitive in the upcoming years.

The Crooked River Wetlands Complex is complete, and citizen involvement and student learning activities are well received. Since completion the City has received the several awards for this project.

- American Council of Engineering Companies – National Grand Award. Recognized as one of the top 15 innovative projects in the nation!
- American Council of Engineering Companies of Oregon – Project of the Year
- East Cascades Audubon Society – Conservationist of the Year
- Eastern Oregon Region American Water Works Association – Project of the Year
- League of Oregon Cities – Award for Excellence
- Oregon Association of Clean Water Agencies – Outstanding Member Agency

Like the City's water system, our models are forecasting competitive rates for our customers as we move into the future with capacity needs met for multiple decades.

System Development Funds

The City's SDC Funds are benefiting from the upward trend in the economy as a result of significant investment in residential and commercial growth this upcoming budget year. The City is forecasting and planning SDC funding to maintain current assets and develop our infrastructure to meet future demands. This investment will be the foundation for wastewater reuse, aquifer storage and recharge, and strengthens connectivity throughout our City's service area.

Railroad and Freight Depot

Operations Manager Matt Wiederholt and the City of Prineville Railway team moved this strategic fund to operational stability for the fifth consecutive budget year. Freight activity during the past year remains strong. This year's budget forecasts funding of critical maintenance items on the rail system as a result of the financial strength of the railroad. This investment in maintenance is allowing the Railway to keep this key asset in compliance with the Federal Railroad Administration (FRA) and to meet the needs of our customers. With safety a top priority, the railway received the Jake Award for having no human factor accidents this past year. Continued training and certification have allowed the railroad to manage the service of maintenance of way, rail car and locomotive repairs in house, saving time and cost. The railroad provides strategic freight capabilities to key local businesses, providing family wage jobs in Prineville and throughout Central Oregon.

Prineville-Crook County Airport

Airport Manager Kelly Coffelt and his team continue to develop the Prineville-Crook County Airport into a major transportation and economic engine for our community. In partnership with Crook County, activity at the airport continues to grow. Hangar occupancy is near 100 percent. During this next year we will complete the fuel system upgrade and upgrades to ramp parking. We expect to complete construction of the new USFS Helibase by early summer 2020, bringing jobs and city infrastructure to the northwest airport quadrant to support more expansion.

Meadow Lakes Golf Course and Restaurant

Led by Golf Manager Zach Lampert, the Meadow Lakes team continues to provide Prineville, Crook County and the region with one of the best golf values in Central Oregon. "Golf for everyone" is our mandate in providing excellent customer service to make the Meadow Lakes experience first class. Meadow Lakes Golf Course is recognized by *Golf Advisor* as the #8 public course in Oregon, #9 value course in the U.S., #15 course in the U.S. for friendliness, and the #22 rated golf course for pace of play. Restaurant operations were leased out to a third party which is expected to save the Meadow Lakes operation approximately \$100,000 annually. The savings will be used to capitalize the operations and deferred maintenance of the facility. Last year's restructuring has provided both fund stability and continued investment in capital for the upkeep of the facility. Meadow Lakes Golf Course and Restaurant is one of Prineville's featured attributes and is enjoyed by golfers from around the Northwest and its facilities are used by many local civic groups.

Administrative Services

Finance Director Liz Schuette and her staff continue to adapt to changes and challenges to the City's financial performance. The team embraces continuous improvement practices and continues to recruit and develop a multi-functional, cross-trained staff that is providing the City Council and community with timely and accurate financial information and award-winning budget presentations. By the City moving to our first bi-annual budget we will be better positioned to focus on strategic financial planning and staff training. The City – for the 13th consecutive year – received the prestigious Distinguished Budget Presentation Award from the Government Finance Officers Association. In addition, GFOA also rated the City as "outstanding" for the capital section of our budget. For the second consecutive year the City received the coveted Certificate of Achievement for Excellence in Financial Reporting for audit ending FY 18. Although we appreciate award recognition, we apply for these awards to have our budget critiqued by experts from around the country to help us improve our budget document for our citizens. Our commitment to fiscal responsibility, short- and long-term strategic planning, and modeling allows the City of Prineville to maintain its high credit quality.

Human Resources and Safety

Human Resources Director Darla Rhoden provides our employees with support, development, guidance and safety as our highest priority. This past year Human Resources (HR) implemented NeoGov Pages for potential applicants to efficiently access job opportunities with the City using their smart phones, tablets or computers. Also through NeoGov the City implemented an onboarding process for new employees effectively streamlining new hire paperwork, processes and training. Also, all employee policies and procedures were placed on the City's website for easy access. Harassment and active shooter trainings, as well as management training for leadership team, were completed in FY 19. Safety is a priority for our entire team at the City. City Recorder Lisa Morgan, the City's risk management coordinator, has developed and implemented a City-wide safety program and facilitated a safety



The sunset as seen from the plaza on an August evening

committee that is proactively auditing safety protocol across all City departments. We will continue to be focused on maintaining and improving the safety environment for our team members.

Information Technology

The City's Information Technology (IT) Department led by James Wilson and team continues to provide the City with a stable IT platform to conduct city business. The IT department filled an open position this year to meet ongoing service demand. This past year the IT Department upgraded HR software system, installed emergency equipment in six new police vehicles, installed fiber connectivity to the new Crook County Jail and airport booster pump station, upgraded microwave service throughout the city and county, and was awarded a contract for 700/800 MHz first responder radio system upgrade scheduled for completion in BN 21.

Budget Summary

The City's commitment to continuous improvement in budgeting, strategic planning and long-range modeling provides the foundation to develop this adopted BN 2021 budget. Our team is ever mindful of our city's history and culture, and our work reflects a commitment to protect our heritage while we move forward in time. We believe that Prineville is a place where the "future meets the frontier." We remind ourselves each day that every citizen is our customer and stakeholder, and our citizen's tax dollars are entrusted to us to provide city services effectively and responsibly.

Over the last year our community benefited through continued investment with new businesses and expansion. We take great pride in managing Prineville in a responsible way, allowing our community to move forward through continued investments that provide additional job opportunities and an improved quality of life all while improving the City's position in the next year.

The budget process is a team effort, and on behalf of every City of Prineville employee, I am honored to present the budget committee with the adopted BN 2021 budget.

The budget committee is holding its first meeting on May 21, 2019 at 5:00 p.m., with budget meetings scheduled to resume on June 3, 2019 at 5:30 p.m.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve Forrester".

Steve Forrester
City Manager

	<h2>Fiscal Responsibility</h2>	<p>Explanation of the Goal The ability for a city to provide services for its citizens is highly dependent on fiscal responsibility. Managing public assets and leveraging those assets to create a community in which the public wants to live, work and play is the objective.</p>
	<h2>Provide Quality Municipal Services and Programs</h2>	<p>Explanation of the Goal The purpose of a local government is to supply goods and services necessary for the citizens it serves. The City of Prineville aims to provide quality services and programs through employee training and consistent evaluation, as well as working collaboratively and forming relationships with other local and state agencies. This provides a holistic approach to maintaining and improving the livability, desirability and reliability of the city.</p>
	<h2>Transparency and Effective Communication</h2>	<p>Explanation of the Goal The City of Prineville and its council serve the citizens of its community. Transparency and open communication are necessary in all the City does to inform the taxpayers of its ability to deliver services and manage public assets. Transparency can be accomplished through effective communication which enhances public relations and retains community trust.</p>
	<h2>Position City for the Future</h2>	<p>Explanation of the Goal In order to best serve the citizens of Prineville, the City must position itself for the future. Looking forward and anticipating the community's needs in growth, services and infrastructure and then positioning the city to meet these needs is the objective.</p>
	<h2>Community Safety</h2>	<p>Explanation of the Goal Ensuring the safety of the public is one of the City's highest priorities. The largest burden of this goal falls on the Police Department and Emergency Dispatch. It requires highly skilled officers, community trust and citizen involvement.</p>

Council Goals Addressed by Department / Fund in BN 20-21

	Fiscal Responsibility	Quality Municipal Services and Programs	Transparency and Effective Communication	Position City for the Future	Community Safety
Police					
Emergency Dispatch					
Transportation Operations					
Planning					
Railway / Freight Depot					
Airport					
Water					
Wastewater					
Golf Course					
City Council					
Administration					
Finance					
Information Technology					
Public Works Support					

STRATEGIC PLANNING

S. E. THIRD



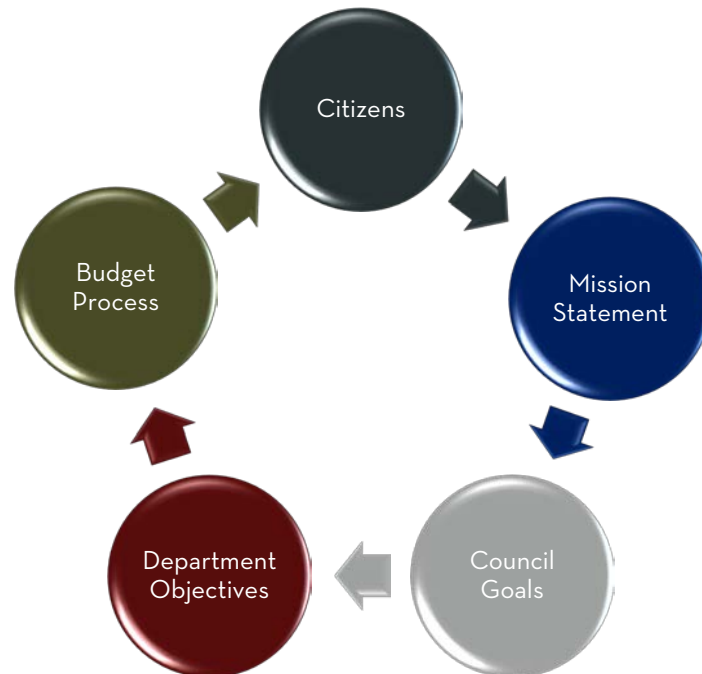
ADOPTED BIENNIAL BUDGET
JULY 1, 2019 -
JUNE 30, 2021



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Strategic Planning Process

Each year the Prineville City Council and city staff update the City's mission, principles and council goals, which serve as the foundation for strategic planning and long-term financial modeling. Successes are reviewed and built upon while failures are learned from as processes are continuously improved to prepare for the future.



The City's strategic planning process is developed from input and policies coming from City departments and committees. Committees are made up of citizens, city staff and council members. Each committee reports directly to the City Council with recommendations. The City Council then develops strategic policy, goals and project priorities with the help of staff. Each city department aligns their resources with the City Council's goals. In addition to the committees, the City works strategically with Crook County, Crook County Fire and Rescue, Ochoco Irrigation District and many local nonprofit agencies. The City Council members serve on many committees and boards to help them have a better understanding of the community's needs and wants. A list of City departments and committees, with a short description, that are involved in the development of the City's strategic planning process are as follows:

- Finance Department
- Public Works Department
- Railroad Commission
- Public Safety
- Transportation
- Economic Development
- Planning Commission
- Community Development
- Chamber of Commerce
- Barnes Butte Focus Committee - A community committee to focus on the thoughtful master planning and development of 461 acres purchased by the City initially for the water rights opportunities. The added benefit to this property is the abundance of natural resources and endless recreational opportunities.
- Downtown Strategic Planning Committee – A committee formed of City staff and business owners to act as a catalyst to improve the aesthetics and livability of the downtown core to attract community members and tourism. The group also reviews annual applications to award a grant to help in costs associated with improving facades.

- Air Quality Committee – A community committee that looks at actions that can be taken to help maintain healthy clean air. Some activities include free yard debris disposal day and implementing safe burn day programs and policies.
- Crooked River Watershed - The Crooked River Watershed Council, their partners, employees and volunteer board members promote stream health, education outreach and upland awareness.
- Central Oregon Area Commission on Transportation (COACT) - COACT was formed in 1998 to serve as a forum for the discussion, understanding and coordination of transportation issues affecting the Central Oregon region. COACT membership includes representatives from each Central Oregon City and County government, ODOT, the Confederated Tribes of Warm Springs, the private sector and various regional organizations.
- Central Oregon Intergovernmental Council (COIC) - Provides services in the following areas: employment and training, alternative high school education, business loans, transportation, and community and economic development. The majority of the COIC Board is comprised of elected officials appointed by each of these member governments.
- Central Oregon Cities Organization (COCO) - A group of nine cities in central Oregon comprised of mayors, councilors and city management that collaborates on projects, issues each city may be facing and provides a stronger unified voice in Salem in favor of or against potential laws that would have an impact east of the Cascades.
- Community Renewable energy Association (CREA) - The Community Renewable Energy Association (CREA), an ORS Chapter 190 organization formed to promote, foster, and advance the economic application and public understanding of community-based renewable energy
- Fair Board - Oversees activities and operations of the fairgrounds.
- Finance Committee - The finance committee assists City staff and the City Council with the City's financial policies, financial strategies, fees and charges, serves as the City's audit committee, and such other matters as the Council may request.
- Habitat Conservation Plan (HCP) - HCPs are planning documents required as part of an application for an incidental take permit. They describe the anticipated effects of the proposed taking; how those impacts will be minimized, or mitigated; and how the HCP is to be funded. The City has been a partner with regional irrigation districts to produce an HCP for approximately the last 10 years. The Habitat Conservation Plan will ensure that the City, Crook County and local irrigation district are making improvements to the environment that will ensure the success of the steelhead and salmon reintroduction effort. By committing to make these improvements, the agencies will be protected from penalties assessed by the federal government.
- NeighborImpact - Whether preparing children for kindergarten, distributing over 3 million pounds of food, or supporting a young couple purchasing their first home, NeighborImpact helps meet the needs of more than 55,000 neighbors each year right here in Central Oregon.
- County Natural Resources Committee - A Crook County Committee formed to engage in coordination with federal agencies in the appropriate management of natural resources in the county and provide for the health, safety, welfare, use and access for the citizens.
- Local Intergovernmental Committee - This committee has members from the City, County, Crook County School District, Crook County Fire District, Crook County Parks & Recreation District, Economic Development for Central Oregon, Prineville-Crook County Airport, Crook County Sheriff's Office and Prineville Police Department. The committee meets quarterly to discuss the needs of each of the organizations and the community. The purpose is to make sure efforts to meet the needs are not duplicated and can be addressed as efficiently as possible in a cohesive manner.
- School District Facilities Committee - A committee formed to evaluate the current and long-term needs of the school district facilities and make recommendations to prepare for meeting those needs.

Mission Statement

The City of Prineville provides quality municipal services and programs which contribute to our reputation as a desirable place to live, work and play.

Vision Statement

The City of Prineville strives to improve quality of life through transparency, open communication, investment in essential infrastructure, public safety, community programs and businesses, all while staying within the constraints of a fiscally responsible government.

Values / Representation

The City Council was asked during a workshop to give one word for each of the letters of the word Prineville that best represents the city and its values. Here are the top answers:

P	Progressive
R	Resilience
I	Innovative
N	Neighborly
E	Efficient
V	Visionary
I	Integrity
L	Livability
L	Leaders
E	Environment



Crook County High School Noise Parade – October 11, 2018

	<h2>Fiscal Responsibility</h2>	<p>Explanation of the Goal The ability for a city to provide services for its citizens is highly dependent on fiscal responsibility. Managing public assets and leveraging those assets to create a community in which the public wants to live, work and play is the objective.</p>
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	<h2>Community Safety</h2>	<p>Explanation of the Goal Ensuring the safety of the public is one of the City's highest priorities. The largest burden of this goal falls on the Police Department and Emergency Dispatch. It requires highly skilled officers, community trust and citizen involvement.</p>

Significant Strategic Accomplishments for FY 19

Police - The City was able to purchase a pre-existing two-story building for future housing of the Police Department and Dispatch Center. This accomplished the goals of finding a seismically sound facility for the dispatch center that was out of the flood plain. This accomplishment is aligned with the council goal of positioning the city for the future.

Emergency Dispatch - The Dispatch Center was state accredited through the Oregon Accreditation Alliance. This independent body reviews policies and inspects the center to ensure compliance with industry best practice standards, ensuring citizens receive the best product a dispatch center can provide. This accomplishment is aligned with the council goal of providing quality municipal services and programs.

Transportation Operations - The entire street network was inspected and evaluated in accordance with MTC standards. The Streetsaver Online 9.0 database was updated with this inspection data and a maintenance plan and needed funding report (Pavement Management Budget Options Report) was developed. This accomplishment is aligned with the council goal of positioning the city for the future.

Planning - Completed a citywide housing analysis in an effort to have a better understanding of the housing need and the needs for the future. This accomplishment is aligned with the council goal of positioning the city for the future.

Railway / Freight Depot - Completed an in-depth bridge inspection to help implement a firm capital plan. This accomplishment is aligned with the council goal of positioning the city for the future.

Airport - Began construction of new aircraft fueling facility. This accomplishment is aligned with the council goal of providing quality municipal services and programs.

Water - Installed approximately 8,600 feet of new water line which is approximately three times more than the prior year. The accomplishment supports growth, positioning the city for the future and helps to ensure quality municipal services and programs.

Wastewater - Completed a wastewater methodology report to go with the Wastewater Master Plan. This accomplishment is aligned with the councils of fiscal responsibility, transparency and effective communication and positioning the city for the future.



Mayor Steve Uffelmann and City Engineer Eric Klann at the ACEC 2019 Engineering Excellence Awards Gala in Washington D.C. where the Crooked River Wetlands project won the Grand Award

Golf Course – Was recognized by *Golf Advisor* as the #8 public/resort golf course in Oregon, #9 value course in the U.S., #15 rated course in the U.S. for staff friendliness and #22 rated golf course in the U.S. for pace of play. This recognition accomplishes the council goal of providing quality municipal services and programs.

Administrative Services - Implemented a process for cross-verifying property, equipment and vehicles to ensure adequate coverage becoming a standard process during annual renewal. This accomplishment is aligned with the council goal of fiscal responsibility.

Human Resources – Streamlined the City’s Human Resource website to improve transparency by having access to job descriptions, salary, employee handbook, policy and procedures and safety manuals. This accomplishment is aligned with the council goal of transparency and effective communication.

Finance - Moved from an annual budget to a biennial budget. This accomplishment is aligned with the council goals of fiscal responsibility, transparency and effective communication and positioning the city for the future.

Information Technology – Installed emergency equipment on six new police vehicles, five sheriff’s office vehicles, a marine patrol boat, one fire truck and two ambulances.

Public Works Support Services – Increased employee development efforts through water and wastewater certifications, utilizing opportunities presented to public works staff to attend continuing education courses associated with preparation of certification programs. This accomplishment aligns with the council goals of positioning the city for the future and providing quality municipal services and program.



Awards given to the City of Prineville for the Crooked River Complex in 2018 and 2019

Council Goals Addressed by Department / Fund in BN 20-21

	Fiscal Responsibility	Quality Municipal Services and Programs	Transparency and Effective Communication	Position City for the Future	Community Safety
Police					
Emergency Dispatch					
Transportation Operations					
Planning					
Railway / Freight Depot					
Airport					
Water					
Wastewater					
Golf Course					
City Council					
Administration					
Finance					
Information Technology					
Public Works Support					

Along with the change to a biennial budget for BN 20-21, the City of Prineville started the process of shifting its focus to new performance measures that better align with the strategic planning and goals set by Prineville City Council. In order to facilitate the change, each department is expected to create long-term, meaningful department/unit goals. These goals are to tie back to the mission statement crafted for each staffed department, granting greater depth to the current “responsibilities to the community” sections found in each fund section as a bonus. Additionally, unit goals are expected to be matched up to the city-wide organization goals set by the City Council.

After the creation of unit goals, performance measures are made that are impactful to those goals. It’s important they be measurable, are easy to track and tracked routinely, with data that is easily repeatable. It isn’t expected for a department’s performance measures to be matched up to every department goal, nor any be made merely to cover every one. However, any measure utilized is expected to be matched to a goal. Otherwise, the measure isn’t reflecting what the department is trying to do. Like unit goals, performance measures are meant to be crafted for the long term, but should be routinely evaluated for validity.

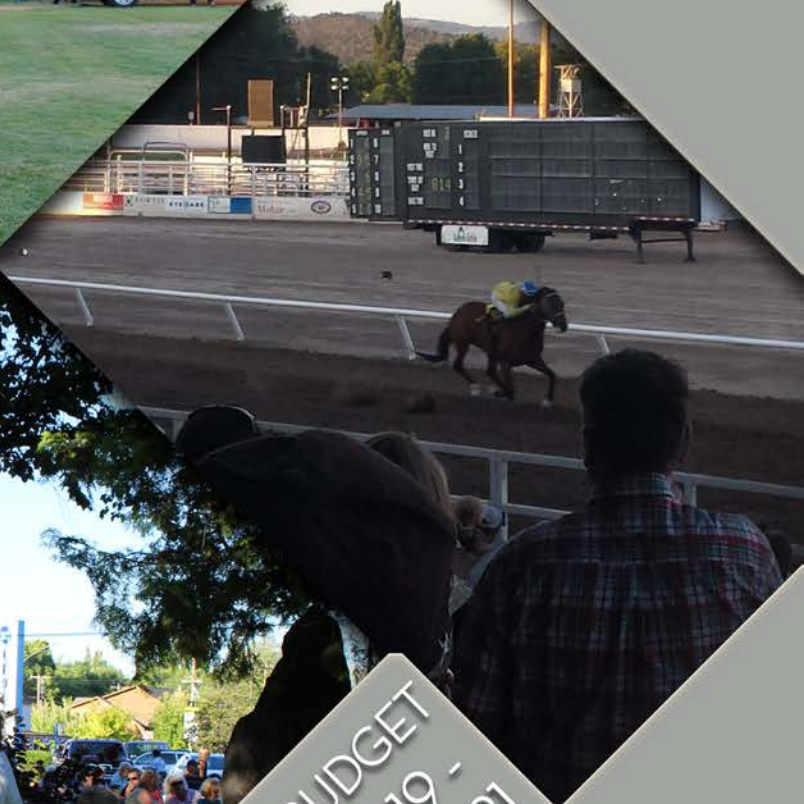
Without tying back to an objective or goal, a performance measure is merely an indicator. While indicators are important for giving context into the outputs of a specific department (or workload) on a routine basis, they don’t expand on what the unit sets out to do. When only indicators are reported, it neglects to shine light on accountability of public resources. That said, workloads (or indicators) will still be stated along with inputs to give readers insight into the type of work a department is responsible for.

The implementation of the new performance measure approach will continue to evolve as the City refines the process to best fit its strategic needs.



For the cattle drive signaling the kick off of Crook County Roundup in June 2019, the herd was moved down N Main Street instead of starting on NW 3rd Street as was done in previous years.

WELCOME
TO PRINEVILLE



ADOPTED BIENNIAL BUDGET
JULY 1, 2019 -
JUNE 30, 2021



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The City of Prineville is a unique small town with a current population of 10,010 (July 1, 2018), an increase of nearly 130 people over the prior year certified population estimate from July 1, 2017. Prineville is located within Central Oregon and nestled in an ancient volcanic basin that is over 3 million years old. The rim rock plateaus lend their scenic beauty to an extraordinary backdrop. Saturated in a rich historical atmosphere, Prineville is a recreational playground managing to keep its friendly, small town character and appeal. It is truly a beautiful place to live and work.

Not only is Prineville one of Oregon's first incorporated cities under its establishment in 1868, but it's also the oldest community in Central Oregon. Crook County, named after General George Crook, claims Prineville as its only city. Originally part of Wasco County, Crook County separated in 1882. Barney Prine founded the city when he settled on the banks of the Crooked River, where he established a blacksmith shop and a store/saloon. Prineville sat as the primary place of trade in Central Oregon until 1911.



Shay steam engine gearing up for rides on the Fourth of July

City hall administrative facilities are located downtown across the street from the historic county courthouse and city police department. The city hall plaza proudly displays full size bronze horses, complete with a roping cowboy statue group that was created and donated by a local artist. Many visitors and tourists stop by to snap a picture with these lifelike statues. The City maintains its presence on social media and utilizes it to communicate with our citizens. Two of our main corridors are state highways which run north, south, east and west. Regardless of what direction one travels, within minutes they are located among some of the most beautiful scenery and wildlife the northwest has to offer. Main Street, also known as State Highway 27, is recognized by Oregon State Parks and Recreation as a scenic bike way. It travels to the south and as it meanders along the Crooked River, it eventually meets with Bowman Dam. Obtaining this designation was a lengthy competitive process and we are honored to finally have it approved.

One of the unique features of this unusual town is Prineville's ownership of the oldest continuously operated municipal short-line railroad in the United States. The City established the City of Prineville Railway after Union Pacific and Oregon Trunk Railways developed an extension line running south from the Columbia River to Bend. Prineville built its own railroad in 1918 to join the Oregon Trunk and the Columbia River Railways just north of Redmond. These railways helped the lumber industry grow and remain profitable in Prineville for almost 50 years.

Today, the City of Prineville Railway is a customer-oriented, short-line railroad. It connects with the Burlington Northern Santa Fe and Union Pacific Railroads at the Prineville Junction just north of Redmond.

In the last several years, the City of Prineville Railway has reached out nationwide to market the railroad to large rail users. This effort, along with positive word of mouth regarding the Railway's excellent customer service, has developed into two long-term anchor tenants at the railroad junction, one of which is already expanding and is a nationally known company. Six years ago the railroad only had a handful of jobs. Today, between the railroad and its customers, they have created over 100 jobs that are tied directly to it. There are currently over 32 companies utilizing either railroad or railroad-owned facilities. The result is an increase in car traffic, as well as, the variety of cargo. Businesses are taking advantage of the award winning, multi-modal freight depot and junction. The City had several activities to celebrate the 100th anniversary in 2018, all of which were very successful.

In addition to managing its own municipal railroad, Prineville also owns a municipal golf course. Meadow Lakes Golf Course is associated with wastewater management for Prineville. This makes Meadow Lakes an important asset to the community by serving the dual purpose of recreation and wastewater treatment. The golf course maintains a golf cart fleet with modern features to get players from hole to hole in style. The clubhouse offers spectacular, almost panoramic outdoor views showcasing the surrounding mountains, rim rocks, beautifully manicured greens, the Crooked River and deer grazing along the river. Customers can take in this picturesque scene while enjoying a fantastic selection of some of the best cuisine in Central Oregon. Meadow Lakes celebrated its 25th anniversary in 2018 as well.



View of Meadow Lakes Golf Course from the Ochoco Viewpoint

The Prineville-Crook County Airport is managed by the City in collaboration with Crook County. The airport manager continues to successfully increase business and recreational activities. The existing hangars continue to be completely occupied, and new hangars are being constructed. The automated weather observation service (AWOS), allows pilots anywhere to get all possible weather conditions in Prineville at any time. With this addition and expanded



Hot air balloons in Stryker and Ochoco Creek Parks in July 2016

runways, it allows private commercial planes to fly in, take care of business, and fly back home. The Airport Master Plan is completed and the review with Federal Aviation Administration (FAA) was approved and adopted by the Prineville City Council. With the Master Plan approved and in place, the airport is now able to move forward with an exciting, years-in-the-making heliport project that the U.S. Forest Service will occupy. Much like the railroad, the airport has gone from a couple of airport-related jobs to over 30 in the last couple of years.

As part of Central Oregon, Prineville offers many recreational activities for the outdoor enthusiast. It's geographically located near several waterways and reservoirs, as well as mountains and many other natural landscapes providing opportunities for outdoor activity year-round. The City recently added to these recreational opportunities by purchasing 461 acres now known as the Barnes Butte Recreation Area to the east that is adjacent to land owned by the Bureau of Land Management (BLM). It features 360 degree views of the surrounding rim rocks and wildlife. This area was purchased by the City primarily for water rights and has become a favorite place to visit in the community. The city was successful in being awarded two grants to master plan the Barnes Butte property and is now partnering with Crook County Parks and Recreation to incorporate all parks and trails within the city into the master plans. The beautiful Painted Hills of Mitchell and the magnificent Smith Rock State Park are just a couple of must-see attractions in the area. Some of the activities residents and visitors of Prineville enjoy are: fishing, hunting, boating, rafting, skiing, snowboarding, hiking, camping, rock climbing, horseback riding and rock hounding. The completion of the national award winning Crooked River Wetland Complex, added to Prineville's extensive network of paths with five more miles of trails (three miles of it paved). The Crooked River Wetland Complex is now a refreshing, well-utilized area for jogging, bike riding, dog walking, viewing of Grizzly Mountain and abundant wildlife and bird watching opportunities. Citizens and visitors statewide come to enjoy the wetlands from dusk to dawn. Students from around the region that use the



Crooked River Wetland Complex volunteers Sue Britain and Jim Van Vlack

facilities for learning opportunities, are greeted with smiles and area facts by several dedicated community volunteers that were attracted to the property to help watch over it.

Prineville also borrows from its strong agricultural heritage to lend flair to community events. One popular attraction is a traditional live cattle drive, which occurs right down the main commerce area of town. This kicks off the “Crooked River Roundup,” a popular annual rodeo event. Additionally, there’s the annual county fair and horse races, as well as several other rodeo events throughout the year.

Affordable residential housing rentals continue to be a challenge statewide. Construction of residential homes is currently underway, so this challenge is beginning to balance out. Development for multiple family dwelling units is starting to take place.



Prineville also caters to a variety of job markets. Between construction, manufacturing, retail, government, health and the tech sector, the City touches on all types of employment. The presence of Facebook and Apple with their expansions continue to be positive for the community; bringing numerous construction and other service-related jobs. These employees continue to visit local gas stations, restaurants, stores and hotels. Another strong employer and presence in the community is St. Charles Health System. In 2015, the construction of a beautiful, \$30 million facility was completed in order to better serve the community’s needs and an expansion is already underway. Growth continues in all sectors, and will, for the foreseeable future. Many smaller businesses have decided to “set up shop” in Prineville adding to the variety of jobs available in the community.

Prineville once held the highest unemployment rate in the state at over 20 percent, but now sits at 8.0 percent, up 1.3 percent from this time last year.

Government

The City of Prineville uses a council/manager form of government. The council is composed of a mayor and six councilors elected from the city at-large. Three councilors are elected at each biennial election, and serve a term of four years. At each biennial general election a mayor is elected for a term of two years.

Government Services						
The table below identifies the provider of government services within the City of Prineville						
Services	City of Prineville	Crook County	Crook County Fire District	Crook County School District	Crook County Parks and Recreation	Other / Private
AG Extension Office						X
Airport Services	X	X				
Cemetery		X				
Code Compliance	X	X				
Education				X		X
Fire/Rescue Services			X			
Health/Social Services		X				
Museum		X				
Landfill		X				
Library		X				
Municipal Golf Course	X					
Parks and Recreation					X	
Police/Dispatch Services	X					
Industrial Rail Services	X					
Streets and Highways	X	X				X
Water Utilities	X					
Sewer Utilities	X					
Transportation Services						X
Vector Control						X

City of Prineville Services

The table below provides information about the City of Prineville services

Public Safety		Golf	
Sworn Officers	19	Club House	1
School Resource Officers	2	18 Hole Course	1
Dispatchers	9	Rounds of Play	23,654
Felony Arrests	261		
Calls for Police Assistance	22,110	Sanitary Sewer	
Dispatch Emergency Calls	9,596	Service Connections	3,791
Dispatch Non-Emergency Calls	46,160	Average Daily Sewage Treatment	
		Sewer Rates	\$52.93
Community Development		Lineal Miles of System	44
Residential Applications	134	Treatment Capacity (1,000 gal MGD)	6.00
Commercial Applications	43		
SDC Fees Collected in 2018	\$10,060,441	Streets	
		Street (centerline miles)	57.7
Railroad		Sidewalks	36.6
Diesel Locomotives	4	Traffic Signals	5
Steam Locomotives	1	ADA Ramps (downtown area)	65
Cars	8		
Main Track Miles	18.01	Water	
Yard Track Miles	2.46	Service Connections	3,758
Industrial Track Miles	2.45	Average Mthly Consumption (units)	61,044
Transload Facilities	2	Water Rates	\$17.87
Public Team Track (acres)	1.45	Lineal Miles of System	48
		Treatment Capacity	6.00
Airport			
Runways	2		
Terminal	1		

Schools in Crook County

The Crook County School District is one of four school districts located in Central Oregon. Current enrollment is at 2,946 students, an increase of 39 since this time last year. The district consists of one high school, one middle school (grades 6 – 8), two in-town elementary schools (grades K – 5), and one rural school in Paulina (grades K – 8). The Crook County School District is served by the High Desert Educational Service District. Additionally, there is Crook County Christian School in Prineville (grades preschool – 12), Insight Charter (online) as an alternative educational opportunity, and the charter school in Powell Butte (grades K – 6).

Crook County Open Campus, a partner of Central Oregon Community College in Prineville, continues to increase enrollment numbers. The campus offers a variety of credit classes and a degree partnership program with Oregon State University. This is yet another increasingly popular addition to the community that the City supported to provide higher educational opportunities to citizens.



Barnes Butte Elementary opened for the 2015-16 school year

City Demographics

City of Prineville Natural Resources	
Crook County area (in miles)	2,982
Crook County area (in acres)	1,900,000
Elevation at the courthouse	2,864 feet
Climate	Semi-arid, cool nights
Climate zone	Climate division 7
Mean temperature in January – High	41.90
Mean temperature in January – Low	21.00
Mean temperature in July – High	85.80
Mean temperature in July – Low	42.80
Annual precipitation (in inches)	10.60

Prineville Area Top Employers		
Employer	Employees 2018	Employees 2019
Rosendin Electric Inc.		609
Les Schwab Distribution Center/Retail	400	425
Crook County School District	343	382
Facebook Data Center	201	350
Brasada Ranch	275	280
Contact Industries	250	270
St. Charles Health Systems	235	228
Crook County	211	213
Bureau of Land Management (BLM)	86	160
Western Heavy Haul & SMAF	121	142

Source: Economic Development of Central Oregon – Preliminary 2019 numbers as of May 3, 2019

Age, Education and Wage Data	
Oregon's average household income	\$56,119
Prineville's average household income	\$33,195
Median age	40.5
Percent aged 65 years old and over	20.3%
Percent aged 18 years old and under	22.0%
High school graduate or higher, age of at least 25 years	84.9%
Bachelor's degree or higher, age of at least 25 years	13.7%
Persons in poverty	24.2%

Source: Portland State University Population Research Center & US Census Bureau

Housing Data	
Total housing units	4,399
Median value of owner-occupied housing units	\$133,000
Median home price	\$224,900
Owner-occupied housing unit rate	55.2%
Average monthly rent for a 3 bedroom house	\$880

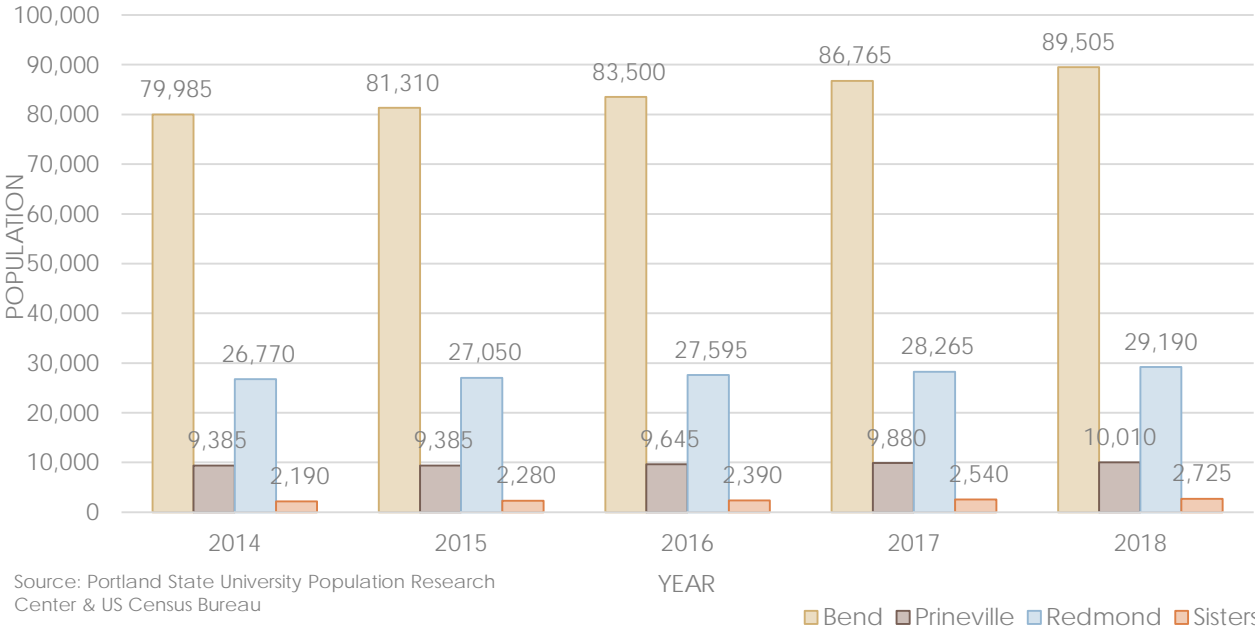
Source: US Census Bureau and Economic Development of Central Oregon

Regional Comparisons

The following charts provide a snapshot of how Prineville compares to other cities in the region in terms of population, student enrollment, and unemployment. Crook County held the highest unemployment rate in the region in the recent past and again is tied with Jefferson County. Manufacturing jobs, primarily in the wood products industry, have significantly declined. Other jobs, such as warehousing, utilities, retail trade, professional and business services, construction (both residential and commercial), education, health services, leisure and hospitality continue to increase.

Redmond School District and Jefferson County School District have seen a slight decrease in attendance for 2019, while other communities in the Central Oregon region are experiencing a slight increase.

Regional Population Comparison Comparison Against Largest Local Cities by Year

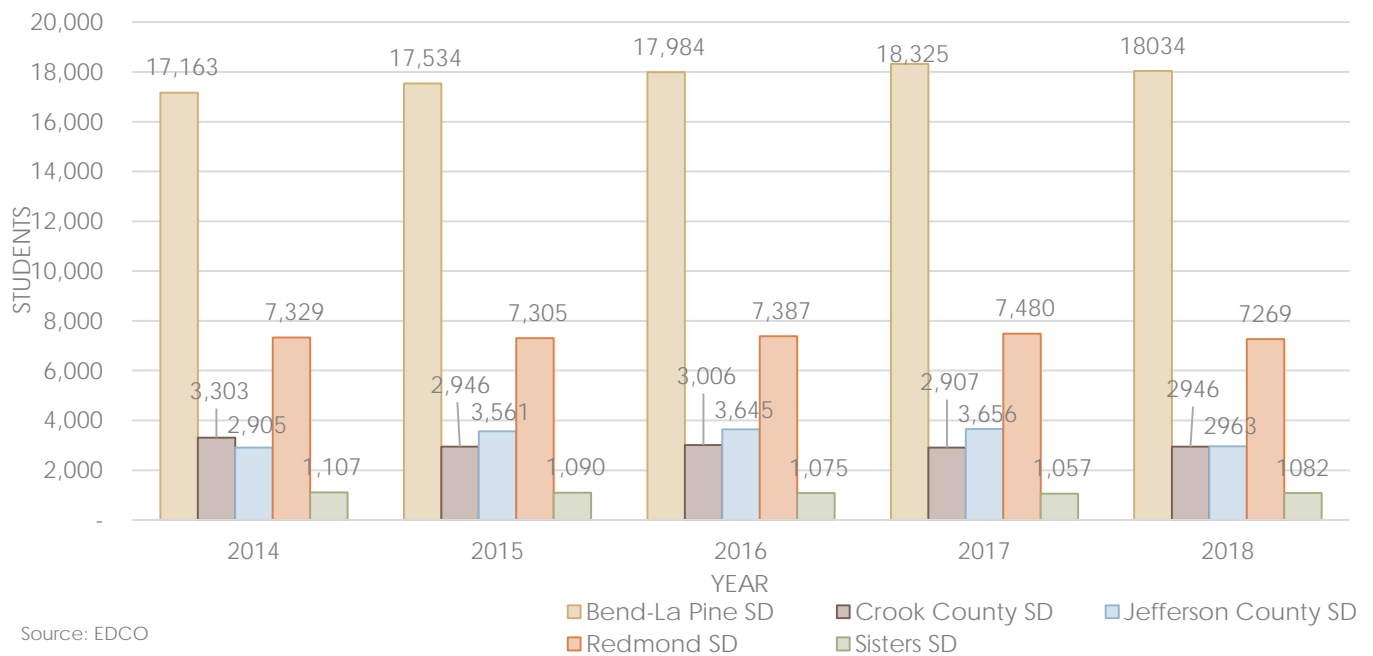


View from the parking lot of the newly acquired Barnes Butte Recreational Area



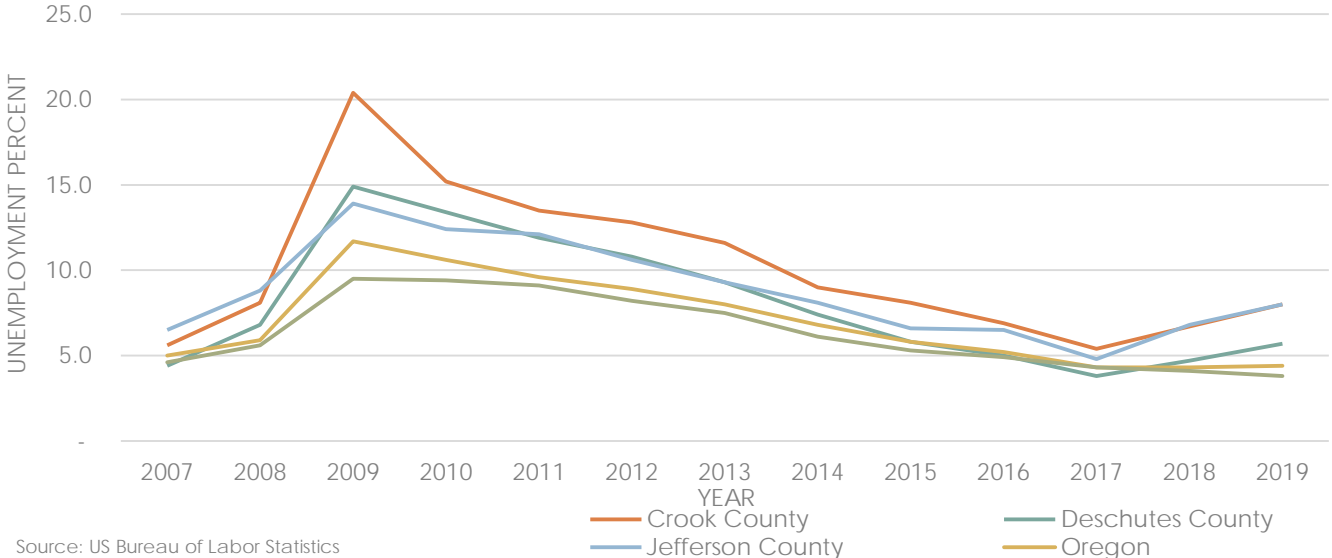
Citizens watch from the annual horse races from the stands in July 2017

Student Enrollment Students Registered with Local Districts by Year



Unemployment Trends

Regional Unemployed Workforce Comparison



Officers Vollmer and Young hand out candy in front of the police department during Halloween 2018

**BUDGETING IN THE
CITY OF PRINEVILLE**



**ADOPTED BIENNIAL BUDGET
JULY 1, 2019 -
JUNE 30, 2021**



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Budget Committee Members

Council Members	Citizen Members
Mayor Steve Uffelman	Marty Bailey
Jason Beebe	Casey Daly
Janet Hutchison	Caroline Ervin
Patricia Jungmann	Henry Hartley
Gail Merritt	Greg Munn
Jeff Papke	Bruce Peet
Teresa Rodriguez	Dr. Paul Slater

The Budget Process

A budget is defined by Oregon State Law (Oregon Revised Statutes, Chapter 294), as a financial plan containing estimates of revenues and expenditures for a given period or purpose, such as the fiscal year or a biennium. The City is required to budget all funds and for each fund to have a balanced budget.

As a rule, local governments in Oregon may budget on a one-year or a two-year cycle. The biennial budget period begins July 1 and ends June 30 of the second following calendar year.

The State of Oregon defines balanced budgets as one in which total resources, including beginning resources, current resources and debt proceeds, equal total requirements, including current year expenditures, capital outlay, transfers, debt service, and any other requirements such as debt service reserves. Budgeting is critical to cities because it requires local governments to evaluate plans and establish priorities in relation to available financial resources. Also under Oregon Revised Statutes (ORS), a legally adopted budget is necessary to establish and justify a given rate and or amount of property taxes to be levied on the property within the city.

The City of Prineville prepares and adopts its annual budget in accordance with the city charter and Oregon Local Budget Law (ORS 294.305-294.555, and 294.565). Beginning with FY 2020 and FY 2021, the City of Prineville started using a biennial budgeting process. A biennial budget period is a 24-month period beginning July 1 and ending June 30 of the second succeeding year. For this biennial budget, the period commences July 1, 2019 and ends June 30 2021. The budget is presented by fund and department categories for a biennial (two-year) period. The city manager has responsibility for management of the overall city budget and maintaining budgetary control at the approved appropriation level. Finance and the respective operating department directors perform ongoing review and monitoring of revenues and expenditures. The Citizens’ Budget Committee consists of the governing body plus an equal number of legal voters appointed by the Prineville City Council. Accordingly, the City of Prineville has 14 budget committee members, in which the votes of all members are equal.

Oregon Budget Law Related to Biennial Budgeting

In brief the differences between fiscal year budgeting and biennial budgeting are:

1. Members of a budget committee reviewing a biennial budget are appointed to four-year terms. The terms of the members should be staggered so that one-fourth of the terms end each year.

2. The budget estimate sheets containing the estimates of resources and expenditures in a biennial budget must show:
 - actual expenditures for the two budget periods preceding the current budget period,
 - the estimated expenditures for the current budget period, and
 - the estimated expenditures for the ensuing budget period.
3. The summary of the budget as approved by the budget committee that is published along with the notice of the budget hearing will show the proposed budget for the two-year biennium.
4. If a taxing district adopts biennial budgeting, the budget committee must approve the amount or rate of ad valorem property taxes for each year of the biennium.
5. After the budget committee approves a biennial budget and before the budget is adopted, the governing body may not increase the amount of estimated expenditures for the biennium in any fund by more than \$10,000 or 10 percent, whichever is greater, and may not increase the amount or rate of the tax levies approved by the budget committee for either year of a biennial budget unless the amended budget document is republished and another budget hearing is held. Once the budget is adopted, the tax amount cannot be increased in the second year.
6. If a district adopts a biennial budget, then after the budget hearing and before the June 30 that precedes the start of the budget period, the governing body must pass a resolution or ordinance to adopt the budget and make appropriations for the ensuing biennium. The governing body must also pass a resolution or ordinance to levy and categorize property taxes for each year of the ensuing biennium.
7. Whether a budget is for a fiscal year or for a biennium, certification of property tax levies and a copy of a resolution or ordinance levying and categorizing taxes for the ensuing year must be submitted to the county assessor every year by July 15.

Oregon budget law states during the transition from fiscal year to biennial budgets, the detail sheets should show a mixture of single-year budget data and two-year budget data, not to attempt “doubling” of the actual or estimated data from fiscal year budget to make it comparable to the proposed budget. Explanation of discrepancy between fiscal year and biennial figures will be mentioned in a footnote, narrative, and the budget message.

The first review of the budget occurs when the budget is presented to the committee. At that time the budget is made publicly available, and the committee begins their review. The committee may approve the proposed budget intact, or change part or all of it prior to final approval. After notices and publications are filed according to local budget law, the budget is forwarded to the council for formal adoption prior to June 30. Budget amendments may be made during the biennium through adoption of a supplemental budget. Supplemental budgets are adopted through a similar process used for the regular budget (including the use of public hearings but excluding Citizens’ Budget Committee meetings) and shall not extend beyond the end of the biennium. Supplemental budgets cannot be used to authorize a tax levy.

By transferring appropriations, the City usually has enough flexibility to carry out the programs prescribed in its adopted budget. There will be times, however, when an adopted budget has no authority to make certain expenditures or when revenues are received for which the City had no prior knowledge. In those cases it is possible to use a supplemental budget to authorize expenditures and/or appropriate additional revenues in the current budget period.

Biennial Budget Calendar

First Year of Biennium FY 20

January
2019

- Finance distributes budget calendar
- Finance distributes budget worksheet / departments begin year-end estimate process

February
2019

- Prineville City Council workshop to establish goals for year
- Year-end estimates from department managers and personnel changes from department managers for BN 20-21 budget
- Staff preliminary budget goals due
- Council adopts goal

March
2019

- Managers and Finance Department estimate personnel budgets for BN 20-21
- Department budget proposals for the upcoming budget years are provided to Finance Department
- Capital improvement plans (CIP) updated by department managers for BN 20-21 budget
- First draft of proposed budget narrative, including brief description of various services, goals, key performance indicators, trend information (if available), capital outlay, and significant changes, to Finance Department
- Department managers update year-end estimates

April
2019

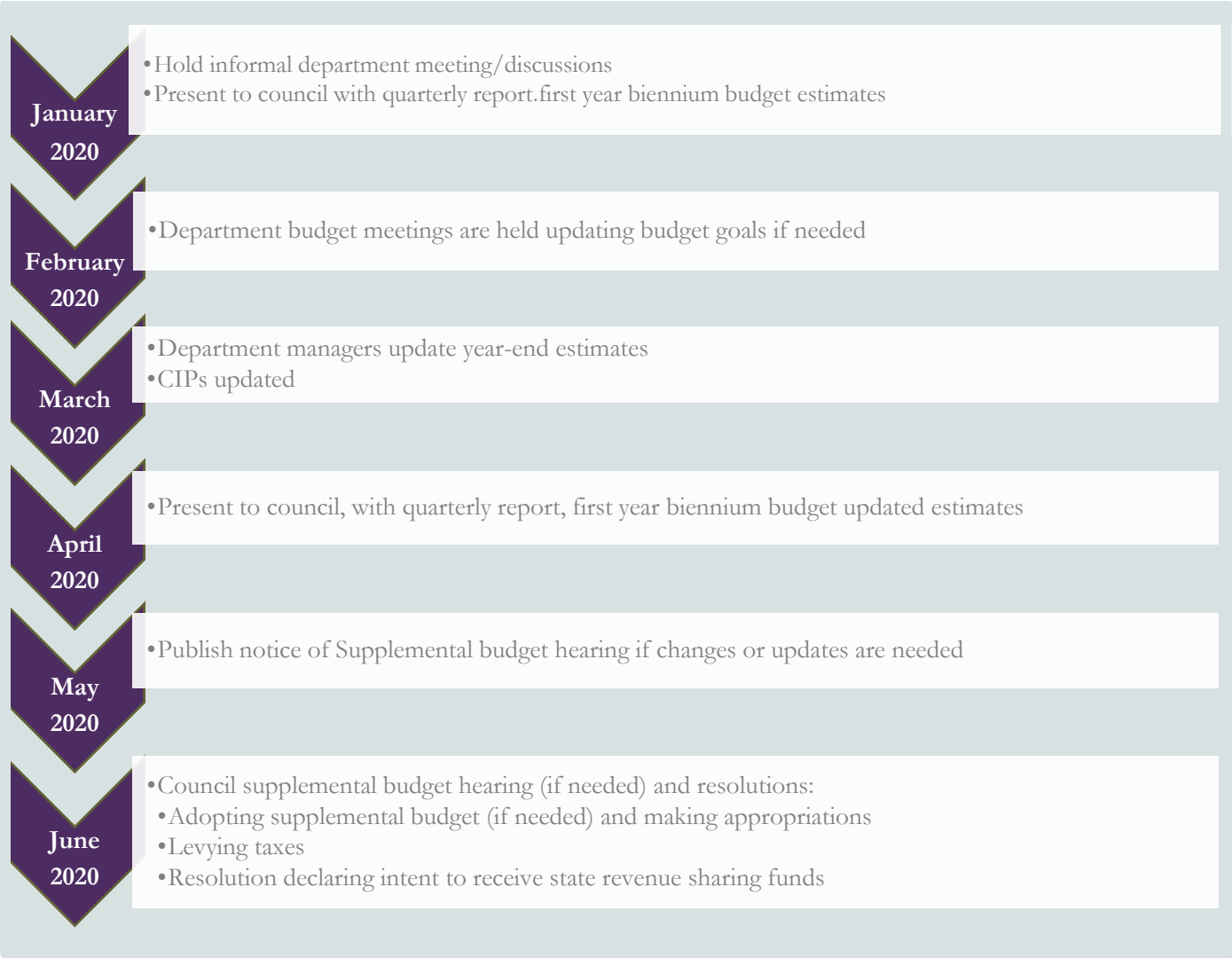
- Finance Director distributes proposed department budgets, including narrative, to city manager and department managers for review
- Department managers review budget numbers/narrative and sign off on proposed budget

May
2019

- Finance updates budget reflecting changes made by the city manager or department managers
- Budget is printed
- First budget committee meeting: Budget message, distribute budget document, management presentation and review of current year to date information, discuss budget process, roles and responsibilities, CIPs and department presentation

June
2019

- Second budget meeting
- Department managers update year-end estimates
- Council budget hearing and resolutions:
 - Adopting budget and making appropriations
 - Levying taxes
 - Resolution declaring intent to receive state revenue sharing funds



Local law enforcement personnel hold a fallen officer ceremony in May 2019

The City maintains accounting records on a generally accepted accounting principles (GAAP) basis and for budgeting purposes also recognizes capital outlay and debt service as expenditure requirements. Prior to FY 06, the City utilizes the cash method of accounting for budgeting purposes. For financial reporting purposes, governmental funds use the modified accrual basis of accounting and proprietary funds use full accrual. Under the modified accrual basis, revenues are recognized when they are both measurable and available, and expenditures are recognized when incurred. Under the full accrual method, revenues are recorded when earned and expenses are recorded when the liability is incurred.

Budgets for all City funds are prepared on a modified accrual basis consistent with GAAP. For transactions, which were initially recorded in compliance with Oregon's Local Budget Law, adjustments may be required for GAAP-basis financial reporting. Examples of these adjustments include the acquisition of proprietary fund fixed assets which are considered expenditures under Oregon Local Budget Law, but are not reported as current year expenditures under GAAP. Receipt of proceeds of proprietary fund debt financing and principal payments received on interfund loans are considered budgetary resources, but are not reported as revenues under GAAP. Depreciation, amortization, and non-cash contributions are also examples of transactions not reported under the budget basis, but are reported in GAAP-basis financial reporting.

The City of Prineville is committed to responsible fiscal management through financial integrity, prudent stewardship of public assets, planning, accountability, and full disclosure. The broad purpose of the fiscal policies is to enable the City to achieve and maintain a long-term stable and positive financial condition. These policies are adopted by the City Council as the basic framework for the overall financial management of the City, to guide day-to-day and long-range fiscal planning and decision making and to achieve the following general financial goals:

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

To achieve these goals, fiscal policies generally cover areas of revenue management, operating and capital budgeting, financial planning and forecasting, investment and asset management, debt management, pension funding, accounting and financial reporting, reserves and internal controls. These policies are reviewed bi-annually by management, the City of Prineville Finance Committee and the City Council and amended as necessary as part of the budget process.

Policies are addressed in 10 areas:

- **Revenue**, which deals with taxes, user fees, and other revenues by which the City generates income to fund programs and services.
- **Operating expenditures**, which relates to budgeting guidelines.

- **Expenditure control**, which addresses the City’s efforts to ensure spending is consistent with the City’s fiscal plans.
- **Capital equipment and improvements**, which relates to establishing five-year capital equipment and improvement plans for all major equipment and infrastructure systems provided and maintained by the City.
- **Accounting and financial reporting**, which relates to accounting and reporting financial transactions and preparing financial reports.
- **Financial planning**, which addresses long-term financial forecasting to help inform decisions.
- **Debt**, which addresses long-term financing of the City’s capital needs and maintaining its bond rating.
- **Pension funding**, which addresses the short and long-term funding policies of the City’s pension obligations.
- **Reserves**, which establish minimum working capital balances, required reserves, and operating contingency as needed for routine cash flow, emergency reserves to allow the City to respond to an economic downturn or unanticipated event, and planned or scheduled one time capital expenditures.
- **Management of fiscal policy**, which sets forth the administration of fiscal policies on a continuing basis.



Completed budgets, ready for the first budget meeting for 2018-2019 fiscal year

1. Revenue Policies

- 1.1. The City will strive for and maintain diversified and stable revenue sources to prevent undue or unbalanced reliance on any one source of funds. Revenue diversity will also reduce risk to the City from short-term fluctuations in any one revenue source.

- 1.2. Significant one-time and/or temporary revenues will not be used to fund continuing programs and services, but rather to fund one-time expenditures or fund reserves.
 - 1.2.1. Revenue from sources that increase substantially of time relative to population changes, inflation, and current service levels costs, such as electrical franchise fees, will be evaluated and considered on a periodic basis for the following purpose, as allowed:
 - Funding services traditionally not funded with the revenue source
 - Funding increased service levels
 - Funding reserves
 - Funding capital projects and or debt associated with capital projects that may otherwise require general obligation debt
 - Funding pension obligations

Allocations may be on a percentage of revenue basis or fixed dollar amount. Any such allocations made should not infringe on the sustainability of existing service delivery and any new services provided.
- 1.3. The maximum allowable system development charges (SDC), for each of the public infrastructure systems the City operates and is allowed by state law to impose, shall be determined on a periodic basis (approximately every five years).
- 1.4. The City Council will determine what amount of SDCs to impose.
- 1.5. The City will maximize the use of users' charges in lieu of ad valorem taxes and subsidies from other City funds, for services that can be identified and where costs are directly related to the level of service provided.
- 1.6. Charges for providing utility services shall be sufficient to finance all operating, capital outlay, and debt service expenses of the City's enterprise funds, including operating contingency, reserve requirements, and capital replacement. Consideration will be given to return on investment and existing and or anticipated debt to ensure a debt coverage ratio of no less than 1.25 for debt issued in public markets and 1.1 for debt issued to federal and state agencies.
- 1.7. User charges shall be sufficient to finance all city costs to perform development review and building activities. User charges include, but are not limited to, land use, engineering inspection, building permit, and building inspection fees.
- 1.8. Other reimbursable work performed by the City (labor, meals, contracted services, equipment, and other indirect expenses) shall be billed at total actual or estimated total actual cost.
- 1.9. Charges for services shall accurately reflect the total actual or estimated total cost of providing a specific service. The cost of providing specific services shall be recalculated periodically, and the fee adjusted accordingly. The City shall maintain a current schedule of fees, indicating when the fees were last reviewed and/or recalculated.
- 1.10. The City shall pursue an aggressive policy of collecting delinquent accounts. When necessary, the City may discontinue service, present a case at small claims court, send accounts to collection agencies, foreclose on property, assign liens, and use other methods of collection, such as imposing penalties, collection fees, and late charges.
- 1.11. The city manager shall approve all grant applications before their submission. Additionally, all potential grants that require matching funds, on-going resource requirements, or include new or additional continuing compliance requirements shall be evaluated and considered before submittal of the application. The City Council will be provided the evaluation with the request for their acceptance of the grant.

- 1.12. Revenues will be estimated realistically and prudently. Revenues of a volatile nature will be estimated conservatively. The City will estimate its revenues by an objective, analytical process using best practices as defined by the GFOA.

2. Operating Budget Policies

- 2.1. The City will prepare an annual budget with the participation of all departments that incorporates GFOA recommendations relative to budgeting for results and outcomes.
 - 2.1.1. Determine how much money is available. The budget should be built on expected revenues. This includes base revenues, any new revenue sources, and the potential use of fund balance.
 - 2.1.2. Conduct analysis to determine what strategies, programs, and activities will best achieve desired results.
 - 2.1.3. Budget available dollars to the most significant programs and activities. The objective is to maximize the benefit of the available resources.
 - 2.1.4. The City shall maintain a budget system to monitor expenditures and revenues on a monthly basis, with a thorough analysis and adjustment (if required) at least at mid-year.
- 2.2. All budgetary procedures will conform to existing state regulations. Oregon budget law requires each local government to prepare a balanced budget, and Oregon Administrative Rules state: (1) the budget must be constructed in such a manner that the total resources in a fund equal the total of expenditures and requirements for that fund, and (2) the total of all resources of the entity must equal the total of all expenditures and all requirements for the entity.
- 2.3. The budget process will be coordinated so that major policy issues and department goals and objectives are identified and incorporated into the budget.
- 2.4. The cost allocation plan, previously developed, will be reviewed annually and serve as the basis for distributing general government and internal service costs to other funds and capital projects.
- 2.5. The City Council shall adopt the budget at the fund, departmental, or program level as a total dollar amount for all appropriations except contingency, unappropriated ending fund balance and reserves, which shall be stated separately.
- 2.6. Long-term debt or bond financing shall only be used for the acquisition of capital improvements or specialized equipment with a cost greater than \$100,000. Long-term debt or bond financing shall not be used to finance current operating expenditures.
- 2.7. Every City fund, department, program or activity shall start each year's budget cycle with no predetermined appropriation amount. Budget appropriation decisions and the allocation of resources shall be based on direction provided by the City Council and implementation of that direction by the city manager.
- 2.8. The City will submit the adopted budget document to the GFOA annually for review.
- 2.9. A budget calendar will be prepared detailing the key elements in the development of the budget.

3. Expenditure Control Policies

- 3.1. Expenditures will be controlled through appropriate internal controls and procedures. Management must ensure expenditures comply with the legally adopted budget. Each department, division manager or director will be responsible for the administration of his/her department/division budget. This includes

accomplishing the goals and objectives incorporated into the budget and monitoring each department/division budget for compliance with spending limitations.

- 3.2. The city manager will administer expenditure control at the category level and program or divisional level. Additionally, the city manager may give authorization to mandate this level of control down to any line item level. Expenditures anticipated to be in excess of these levels require approval of the city manager, or finance director. Any increase in a budget category anticipated to exceed \$50,000 will require council approval.
- 3.3. All purchases of goods and services must comply with the City's purchasing policies, guidelines, and procedures, as well as with state laws and regulations.
- 3.4. All compensation planning and collective bargaining will include analyses of total cost of compensation, which includes analysis of salary increases, health benefits, pension contributions, and other fringe benefits. The City will only propose operating personnel costs that can be supported by continuing operating revenues.
- 3.5. City staff are to make every effort to control expenditures to ensure city services and programs provided to its citizens and taxpayers are cost effective and efficient. Expenditures that will reduce future costs will be encouraged.

4. Capital Improvement Policies

- 4.1. Annually, the City will approve a five-year CIP, congruent with the adoption of its annual budget. The CIP shall provide details on each capital project: Its estimated costs, sources of financing and a description, including a statement identifying: (a) the needs, conditions, and circumstances that have caused the project's creation, and (b) the expected results if the project is approved and implemented, or (c) if no action is taken.

5. Accounting and Financial Reporting Policies

- 5.1. The City shall establish and maintain its accounting systems according to generally accepted accounting practices and shall adhere to generally accepted accounting principles and standards promulgated by the GFOA and GASB.
- 5.2. Consistent with GASB Statement 54, the City will report fund balances in the following categories:
 - 5.2.1. **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by the City Charter, external resource providers, or through enabling legislation.
 - 5.2.2. **Committed** fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City Council.
 - 5.2.3. **Assigned** fund balance classification is intended to be used by the City for specific purposes, but does not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed.
 - 5.2.4. **Unassigned** fund balance is the residual classification for the City's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification will be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.
- 5.2.5. The City will disclose information about the processes through which constraints are imposed on amounts in the committed and assigned classifications.

- 5.2.6. Authority to classify portions of ending fund balance as assigned is hereby granted to the city manager and the finance director.
- 5.2.7. The City Council considers the spending of restricted fund balances on purposes for which such funds can be used to occur first when funds are spent for restricted and unrestricted purposes. When unrestricted classifications of fund balance are spent, the council will consider what committed amounts will be reduced first, followed by assigned amounts and then unassigned amounts.
- 5.3. An annual audit shall be performed by an independent public accounting firm, which will issue an opinion on the annual financial statements, along with a management letter identifying areas needing improvement, if necessary.
- 5.4. Full disclosure shall be provided in the financial statements and bond representations.
 - 5.4.1. Upon request, all departments will provide notice of all significant events and financial and related matters to the finance director for the City's annual disclosures to the municipal markets as required by United States Securities and Exchange Commission Rule 15c2-12. Full disclosure will be provided in the financial statements and bond representations. Significant events include delinquencies and defaults related to the City's bonds, adverse tax opinions or events affecting the tax exempt status of bonds, the release, substitutions or sale of property securing repayment of bonds, and other events having a significant impact on the City's finances and outstanding bonds. The finance director will notify all nationally recognized municipal securities information repositories of these significant events.
 - 5.4.2. The City's asset capitalization policy is to capitalize and depreciate assets greater than \$10,000 with a useful life beyond one year. Capital assets costing less than \$10,000 or having a useful life of one year or less will be treated as operating expenditures.
- 5.5. Up-to-date accounting and budgeting information is available online to all management and authorized support staff. Quarterly actual-to-budget reports showing the current status of revenues and expenditures shall be prepared and distributed to appropriate legislative, staff, and management personnel in a timely manner and made available for public inspection.

6. Financial Planning Policies

- 6.1. The Finance Department, collaborating with other departments, will prepare a long-term financial plan for each fund, phased in so that all funds are planned by June 30 of each budget year, to promote responsible planning for the use of resources. The long-term financial plans will include projected revenues, expenditures, and reserve balances for the next five years for all funds, except the Golf Course Fund, which shall include a 10-year financial plan, and the Water and Wastewater Funds, which shall include 20-year financial plans.
- 6.2. The City's financial plan should be strategic, reflecting the City Council and community priorities for service while providing resources that fund desired service levels.
- 6.3. Long-term projections of revenues and expenditures will be based upon disclosed assumptions, and prepared consistent with best practices established by the GFOA.
- 6.4. The long-term financial plans will be integral to the development of the annual budget.

7. Debt Policy

- 7.1. The City may use debt proceeds to finance costs associated with capital infrastructure, equipment, vehicles and other purposes that provide long-term benefits to the community, i.e., benefits that extend more than one year.
- 7.2. Capital projects financed through the issuance of bonds shall not be financed for a period which (a) exceeds the expected useful life of the project, and (b) is less than 30 percent of the expected useful life of the improvements.
- 7.3. Financing for non-capital purposes shall not extend beyond the amortization period available for the respective type of obligation, e.g., retirement unfunded liabilities include an amortization period of 25 years.
- 7.4. The finance director will structure all debt issuances and oversee the on-going management of all city debt. Debt includes general obligation bonds, lease purchase obligations, revenue bonds, special assessment obligations, promissory notes, equipment financing agreements, and any other contractual arrangements that obligate the City to make future principal and interest payments.
- 7.5. No debt shall be issued for which the City has not identified specific revenue sources sufficient for repayment. Such revenue sources can include internal sources, such as charges to personnel costs that are transferred to a debt service fund for debt repayment. The finance director shall prepare an analysis of the source of repayment prior to issuance of any debt.
- 7.6. The City will not use long-term debt to fund current operations, to balance the budget or to fund projects that can be funded from current resources, unless the use of debt is otherwise determined to be in the best interest of the City.
- 7.7. The City may utilize short-term debt or interfund loans as permitted; to cover temporary cash flow deficiencies due to timing of cash flows, such as may result from delay in receipting grant proceeds or other revenues or delay in issuance of long-term debt.
- 7.8. When issuing long-term debt, the City will ensure that the debt is soundly financed by:
 - 7.8.1. Incurring debt only when necessary for capital improvements too large to be financed from current available resources,
 - 7.8.2. Ensuring that capital projects financed through long-term debt shall be financed for a period not to exceed the useful life of the project,
 - 7.8.3. Determining that the benefits of the project financed exceed the cost of financing including interest costs,
 - 7.8.4. Analyzing the source of repayment, debt coverage ratios, and the impact of debt service on annual fixed costs prior to issuance of long-term debt.
- 7.9. All bond issuances, promissory notes, and capital leases will be authorized by resolution of the City Council.
- 7.10. The City shall maintain its bond rating at the highest level fiscally prudent, so that future borrowing costs are minimized and access to the credit market is preserved.
- 7.11. The city will commit funds and maintain a debt reserve that equals the annual debt service payments in all funds that include debt.

8. Pension Funding Policies

- 8.1. The City participates as an Individual Employer in the Oregon Public Employees Retirement System (PERS). The City will use its best efforts to fund its pension obligations in an equitable and sustainable manner. The following principles and objectives shall guide the City:
 - 8.1.1. PERS provides no less than biennially an actuarially determined contribution rate (ADC) to serve as the basis for minimum contributions;
 - 8.1.2. Although the PERS ADC is calculated in a manner that fully funds the long-term costs of promised benefits, while balancing the goals of (1) keeping contributions relatively stable, and (2) equitably allocating the costs over the employees' period of active service; financial impacts due to significant compensation in the last three years above historical earnings may not be;
 - 8.1.3. The City implemented of a PERS rate stabilization plan in 2014 to more equitably fund PERS costs on a sustainable basis, with a goal of ensuring its funding status is between 90 percent and 110 percent of its actuarially determined liability.
 - 8.1.4. The City commits to fund the full amount of the Actuarial Determined Cost (ADC) each period, together with contributions to the Pension Obligation Bond (POB) Fund to cover debt service, debt service reserve, stabilize PERS rates, and fund other accrued liabilities the city may incur related to payroll.
 - 8.1.5. The City commits to evaluate annually and utilize electrical franchise fees collected to fund additional PERS contributions as needed to retain funded status between 90 and 110 percent.

9. Reserve Policies

- 9.1. Fund balance and reserve policies are an important indicator of the City's financial position. The policies establish the amounts the City will strive to reach and maintain, these amounts are expressed as goals, recognizing that fund balance levels can fluctuate from year to year in the normal course of operations for any local government.
 - 9.1.1. The General Fund shall maintain six (6) months working capital to allow the City to adequately fund operations until property taxes are received in November of each year without borrowing, and shall maintain a goal of twenty (20) percent reserve of its revenue budget. It is the intent of the City to limit the use of the General Fund reserves to non-recurring needs, to ensure the City has the flexibility to respond and mitigate short-term economic downturns, short-term volatility in revenues, and unforeseen emergency situations or circumstances, fund other capital needs or other such non-recurring needs. Additionally the City will maintain a debt service reserve equal to the annual debt service payment for all debt paid by the general fund.
 - 9.1.2. The City's business-like funds, excluding the rail road, shall maintain a minimum working capital balance sufficient for sixty (60) days of operating expenses, together with a five (5) percent of budgeted revenue for an emergency repair reserve. Additionally, the City will seek to stabilize utility rates by setting aside funds (capital projects reserve), as funding is available from existing resources, for scheduled capital maintenance programs to reduce future borrowing. Where resources from rates and other sources are insufficient to fund scheduled capital projects, long-term debt may be utilized. Evaluation of future debt service requirements will be incorporated into the financial analysis noted above, including funding and maintaining debt service reserves equal to the annual debt service payment for all debt within the funds.
 - 9.1.3. The City's Transportation fund shall maintain at a minimum working capital balance sufficient for sixty (60) days of operating expenses, together with an emergency reserve of five percent (5.0%) of current year revenue. Additionally, the City will set aside funds (capital projects reserve), as funding

is available from existing resources, for scheduled capital maintenance programs, and one time capital improvements that are identified in the master plan.

9.1.3.1 The City commits to evaluate annually and utilize electrical franchise fees collected to fund additional capital contributions as needed for projects, and to retain and maintain the pavement condition index (PCI) at the level approved by the City Council.

9.1.4. The City’s internal service funds shall maintain, at minimum, a working capital balance of fifteen (15) percent of operating expenses and the city will commit funds and maintain a debt service reserve equal to the annual debt service payment for all debt within the funds.

9.1.5. The City’s debt service funds shall maintain adequate working capital to pay required debt service without borrowing and fund debt service reserves in an amount equal to the annual debt service payment.

9.1.6. Due to the variability in revenues resulting from business cycles for the City’s rail road operation, the City’s rail road fund shall maintain one year’s operating expense and twenty (20) percent of total budget for capital reserve. The City will strive to maintain combined total reserves of not less than \$1 million with a target of \$2 million, increased annually by the percent change in the CPI.

9.1.7. The City’s other operating funds shall maintain a minimum working capital balance sufficient for 45 days of operating expenses, for non-recurring capital projects the City will review annually the five year CIP, estimate the impact to the budgets and target an appropriate reserve amount to fund the projects or maintain a debt service payment should the project be too large to fund with current resources, and the City will commit funds and maintain a debt service reserve equal to the annual debt service payment for all debt within the funds.

9.2. The policies establish the amounts the City will strive to maintain. They set forth the guidelines for both current activities and long-range planning. The policies are reviewed annually to assure the highest standards of fiscal management. The City may use the unassigned fund balances on a one-time or temporary basis for purposes described above, committed funds may be spent with approval of the city council on a one time basis. The City will develop a plan to restore unassigned and committed reserves to the desired levels.

Policy Analysis - Reserves by Fund (BN 2021)
Policy Analysis

Fund	Adopted Budget Reserves Amount	Working Capital Reserve Amount	Adopted Budget/Over (Under) Policy	Meets Working Capital Reserve Requirements	Five Percent Appropriation Reserve Amount	Debt Service Reserve	Total Policy Reserve Amount	Adopted Budget/Over (Under) Policy	Meets both Working and Appropriation Reserve
General *	2,097,486	1,186,550	910,936	Yes	1,390,460	N/A	2,577,010	-479,524	No
Transportation	239,958	146,750	93,208	Yes	87,010	N/A	233,760	6,198	Yes
Emergency Dispatch	306,356	215,413	90,944	Yes	88,915	N/A	304,328	2,028	Yes
Planning	56,358	51,500	4,858	Yes	N/A	N/A	51,500	4,858	Yes
PERS/POB Fund	1,254,291	N/A	N/A	N/A	N/A	299,200	299,200	955,091	Yes
Transportation SDC	1,075,186	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water SDC	336,823	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wastewater SDC	157,992	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Railroad *	1,189,993	779,800	410,193	Yes	402,159	N/A	1,181,959	8,034	Yes
Airport *	6,215	126,400	-120,185	No	37,920	N/A	164,320	-158,105	No
Water *	1,112,870	328,717	784,153	Yes	184,709	194,600	708,025	404,845	Yes
Wastewater *	2,028,116	470,317	1,557,799	Yes	485,866	1,014,800	1,970,982	57,134	Yes
Golf Course and Restaurant	476,695	175,383	301,312	Yes	61,105	82,400	318,888	157,807	Yes
Admin/Financial Support Services	394,714	379,905	14,809	Yes	N/A	N/A	379,905	14,809	Yes
Public Works Support Services	290,833	286,740	4,093	Yes	N/A	N/A	286,740	4,093	Yes
Building Facilities/Property Fund	360,208	119,190	241,018	Yes	N/A	237,900	616,290	-256,082	No
Plaza Maintenance	36,318	2,100	34,218	Yes	N/A	N/A	2,100	34,218	Yes
Total	11,420,412	4,268,764	4,327,356	12 out of 13	2,738,143	1,828,900	9,095,007		11 out of 14

* General Fund maintains 20 percent of current year estimated revenue as appropriation reserve.
 * Railroad Fund shall maintain one year’s operating expense and twenty (20) percent of total budget for capital reserve.
 * Airport is a joint venture with the City of Prineville and Crook County. Intergovernmental agreement states both parties will contribute annually any deficit to funding.
 * Wastewater fund total policy reserve funds includes \$200,000 for capital project reserves.

10. Management of Fiscal Policy

- 10.1. Fiscal policies and changes in policies shall be approved by the City Council and adopted by resolution after a public hearing is held (the approval may be inclusive of the annual budget adoption process and the associated resolutions to that process).
 - 10.1.1. The city manager or designee shall prepare a report explaining the substantive impact of all recommendations and their impact on the City's operations, service levels, and/or finances.
 - 10.1.2. The finance/audit committee shall review the City's fiscal policies annually.
- 10.2. The city manager shall implement fiscal policies and monitor compliance.
 - 10.2.1. If the city manager discovers a material deviation from policy, he/she shall report it in writing to the City Council in a timely manner.
 - 10.2.2. As a part of the City's annual budget document, the city manager's budget message shall identify: (a) all major changes in policy since the previous budget year, and (b) any material variations from policy in the ensuing year's budget, and (c) fund's that do not meet reserve requirements and provide the developed plan to restore the reserves to the desired levels.

Policies will be reviewed biennially starting BN 21 as part of the budget process, they were last updated and adopted by the City Council in FY 19. No Changes have been made for the BN 21 budget.

Definition of Terms

Budget committee – is a committee consisting of the mayor and six city councilors and an equal number of citizen members appointed by the City Council.

Government Finance Officers Association (GFOA) – is the national finance officers' organization whose purpose is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and best practices, while promoting their use through education, training, facilitation of member networking, and leadership.

Category level – for budget control purposes, categories include personnel services, materials and services, capital outlay, debt service, transfers, contingency, reserves, and unappropriated.

Program level – for budget control purposes, programs may include library services, community services, administration, finance, human resources, etc.

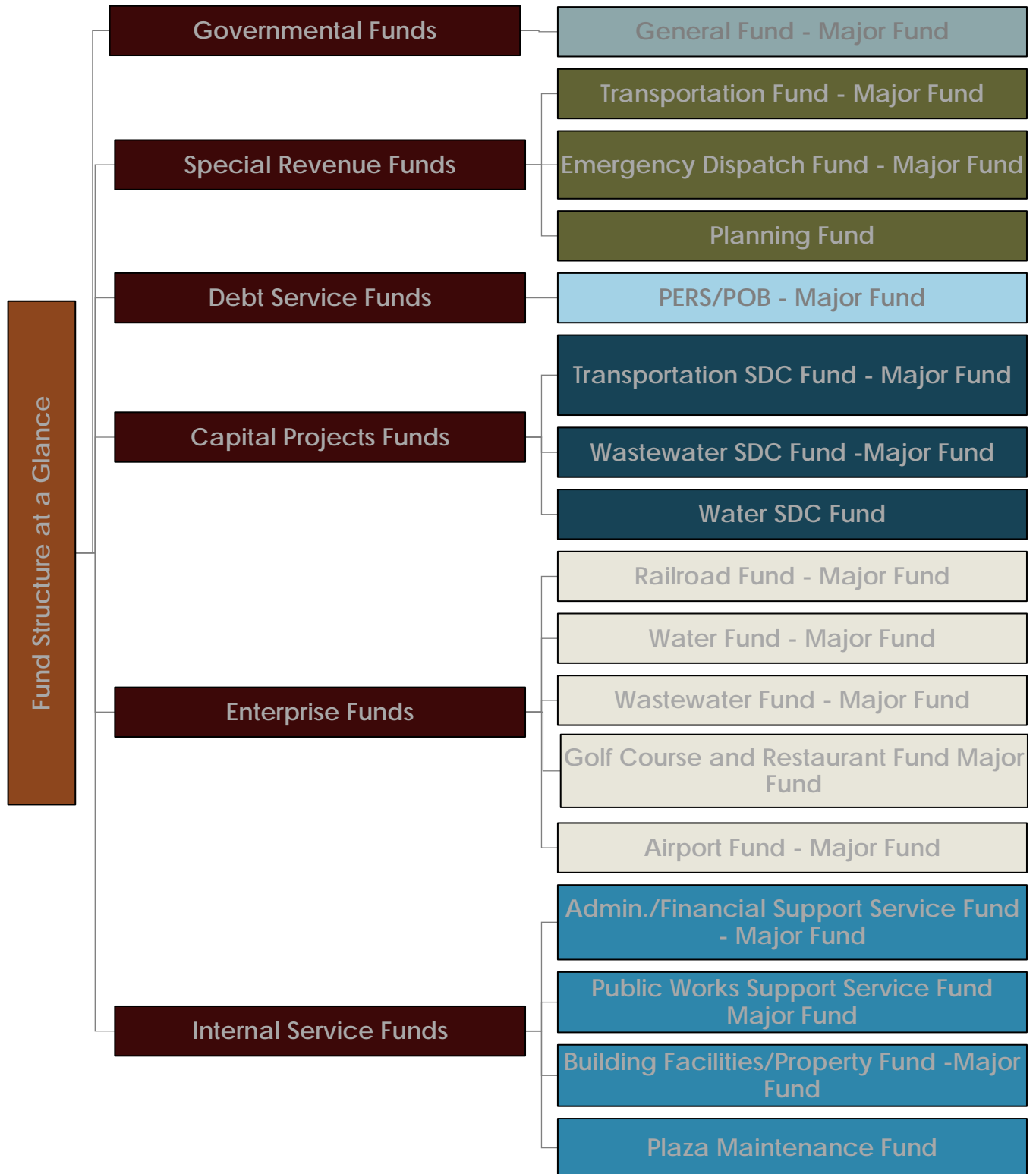
Divisional level – for budget control purposes, divisional level would include water, street, storm water, and wastewater divisions within the Public Works Department. Other divisions may include the police field services, police administration, and police support services within the Police Department.

Capital improvement plan (CIP) – the CIP is a schedule of capital projects including estimated cost and timing. There is a separate CIP for each major infrastructure system in the City, e.g., water, streets, sidewalks, stormwater, wastewater, information technology, city facilities, and vehicles.

Debt coverage ratio (DCR) – represents the ratio of net revenues available to pay scheduled debt service. A ratio of 1.0 reflects "net revenues" equal to scheduled debt service. A ratio greater than 1.0 reflects net revenues in excess of scheduled debt services and a ratio less than 1.0 indicates net revenue is less than scheduled debt service.

Oregon Revised Statutes (ORS) – Oregon's compilation of state laws including rules of civil procedure.

Fund Structure



All funds in the fund structure are appropriated funds in the BN 20-21 Budget.

For accounting purposes, a local government is not treated as a single, integral entity. Rather, a local government is viewed instead as a collection of smaller, separate entities known as “funds.” A fund is a fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, balances and changes, all segregated for specific activities and objectives. All of the funds used by a government must be classified into one of seven fund types within:

Governmental-type (Governmental funds)

- General
- Special revenue
- Debt service
- Capital projects

Business-type (Proprietary funds)

- Enterprise
- Internal service

Fiduciary-type

- Fiduciary

Governmental Funds

Many government services are financed through taxes and intergovernmental revenues. These are often called non-exchange revenues because there is not normally a direct relationship between the cost of the service provided and the amounts being paid by either individual tax payers or other government agencies. When a service is largely funded through non-exchange revenues it can be called a governmental-type activity. The accounting for a governmental-type activity focuses on available spendable resources and the near-term demands upon them.



Prineville Police officers after a Law Enforcement Memorial Day ceremony on May 15, 2018

General Fund

The General Fund accounts for police services provided by the City and council directed funding of outside agencies or other activities. General administrative costs for city hall are paid through internal charges to internal service funds for the following services based upon the cost to the department for using these services: Administrative and financial services, risk management, computer and phone services, and building usage. The costs of these services are at full cost, including replacement cost, thereby providing more accurate costs of providing services.

Special Revenue Funds

The special revenue fund is a fund type used when certain revenues have been earmarked or are legally restricted to expenditure for a specific purpose.



Paving a residential street in September 2017

Transportation Operations Fund

The Transportation Operations Fund provides the accounting of the City's street, bike lane, right of way, and storm water maintenance. Funding sources include state highway gas tax, county contributions, and state revenue sharing. Heavy equipment, vehicles and maintenance, engineering, project oversight, and public works administration and support services costs, are accounted for through transfers to internal service funds for the estimated costs of the provision of these services.

Emergency Dispatch Fund

The Emergency Dispatch Fund accounts for the activities of the area's emergency services dispatching. The operation is managed by the chief of police and serves the Crook County Sheriff's Department, Crook County Rural Fire District, Bureau of Land Management and the Prineville Police Department. Funds are provided by 911 telephone taxes and payments from entities served.

Planning Fund

The Planning Fund accounts for the planning activities of the City. A transfer of funds from the General Fund to the Planning Fund helps support the short-term planning needs of the City. General administrative costs are paid through internal charges to internal service funds for the following services based upon the cost to the department for using these services: Administrative and financial services, risk management, and computer and phone services. The costs of these services are at full cost, including replacement cost, thereby providing a more accurate cost of providing services.

Debt Service Fund

This fund type accounts for the accumulation of resources for the payment of debt principal and interest.

LID Debt Service Fund

This fund accounts for the debt service associated with special assessment debt with governmental commitment incurred to fund local improvement district projects. The principal source of revenue is payments from the property owners on bonded and un-bonded assessments. Expenditures are for debt service requirements.

PERS/POB Fund

This fund accounts for the potential issuance of pension obligation bonds (POB) to fund the City's existing unfunded actuarial liability (UAL) and associated debt repayment. The principal source of revenue is charges to other funds with salaries subject to PERS via a surcharge. Expenditures are for payments to PERS for the UAL and for debt service requirements.

Capital Project Fund

This fund type accounts for the financial resources to be used for the acquisition or construction of major capital facilities.

Transportation SDC Fund

This fund accounts for the receipt and expenditures of transportation system development charge improvement fees. SDCs are charged to builders to provide a source of income to pay for the expansion of the City's transportation system.

Water SDC Fund

This fund accounts for the receipt and expenditures of water system development charge improvement fees. SDCs are charged to builders to provide a source of income to pay for the expansion of the City's water system.

Wastewater SDC Fund

This fund accounts for the receipt and expenditures of wastewater system development charge improvement fees. SDCs are charged to builders to provide a source of income to pay for the expansion of the City's wastewater system.



Equipment works on trenching up the hillside in April 2018

Proprietary Fund

Other government services are financed through user charges for which the cost to the individual is proportionate to the benefit received by the individual. When a fund receives a significant portion of its funding through user charges, it can be referred to as a business-type activity. The accounting for a proprietary fund focuses on cost and long-term cost recovery.

Enterprise funds are used to account for operations financed and operated in a manner similar to private enterprises.

Railroad Fund

This fund accounts for the operation of the City's railroad and freight warehousing operation. The principal sources of revenue include rail access fees, rail car fees and customers needing storage, loading, or unloading services for freight shipping. Expenditures are for the operation, administration, maintenance, and improvement of the railroad and freight depot facilities.



Injector getting replaced in the locomotive at the Prineville Freight Depot

Airport Fund

This fund accounts for the operation of the Prineville-Crook County Airport. The principal sources of revenue include aircraft fuel sales, hanger rents, and lease agreements. Expenditures are for the operation, administration, maintenance, and improvement of airport facilities

Water Fund

This fund accounts for the operation of the City's water utility. The principal sources of revenue are user fees. Expenditures are for the operation, administration, maintenance, system betterments, and expansion of the system.

Wastewater Fund

This fund accounts for the operation of the City's sewage utility. The principal sources of revenue are user fees. Expenditures are for operation, administration, maintenance, system betterments, and expansion of the system.

Golf Course Fund

This fund accounts for the operation of the City's municipal golf course, Meadow Lakes Golf Course and Restaurant, and the effluent disposal site of the wastewater treatment plant. The principal sources of revenue are user fees, food and beverage sales, facility rental, and transfers from the Wastewater Fund for disposal site related services. Expenditures are for operation, administration, maintenance, and improvements of the Meadow Lakes Golf Course including the effluent disposal site and operation and administration of the restaurant.



Sunset at Meadow Lakes Golf Course in November 2017.

Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City, on a cost-reimbursement basis. Effective with the fiscal year beginning July 1, 2005, the City established funds to account for general administrative, finance, information technology, public works administration, vehicle and equipment, and building facilities.

Administrative and Financial Services Fund

Activity for the City Council, administration and team services, financial services and information technology services are accounted for in this fund. Revenues are generated through user charges for the cost of providing the services. Expenditures are for personnel services, material and services, and transfers.

Building Facilities/Property Fund

This division accounts for the operation of the city hall building, police facility, public works facilities, and the Barnes Butte property. Revenue is generated by rent charges to other funds and tenants. Expenditures include repairs and maintenance, debt service, and improvements.



The City Hall Plaza looking towards the Crook Court House in October.

Plaza Maintenance Fund

This fund accounts for the maintenance of the plaza. Crook County and the City maintain the plaza in a joint effort. Revenues are generated through a transfer from the City and with matching funds from the County. Expenditures are for maintaining the landscaping, sidewalks, and lighting.

Public Works Support Services Fund

Public works administration and support services are provided through this operation. Additionally, activity associated with vehicles and heavy equipment utilized by more than one public works division is accounted for in this activity. Revenues are generated through user charges for the cost of providing the services. Expenditures are for vehicle and equipment maintenance, acquisition, and replacement. Revenue is generated by user charges to funds utilizing these services. Expenditures include the personnel services, material and services, and capital requirements.

Fiduciary Fund

Assets held in a trustee capacity for others and not used to support the City's own programs qualify as fiduciary.

Park Development Account

The City collects SDCs on behalf of the Crook County Parks and Recreation District. Funds collected are paid to the Crook County Parks and Recreation District for capital improvement expenditures on a yearly basis. The City retains an administrative charge.



Wildland Firefighters Monument in Ochoco Creek Park

The City of Prineville utilizes short- and long-term debt to provide financing for essential capital projects. The following debt types and policies provide the objectives needed to meet the City’s fiscal goals to provide and maintain essential public facilities, utilities, and capital equipment; and to protect and enhance the City’s credit rating.

Types of Borrowing

There are several types of long-term debt issued by the City including:

- General obligation bonds, full faith and credit bonds – these bonds are typically issued for finance improvements benefiting the community as a whole. The City, as issuer, pledges to levy the necessary taxes on all assessable property within its jurisdiction to provide timely repayment of the debt. ORS 287.004 provides that the City may not “issue or have outstanding at any one time [general obligation] bonds in excess of 3 percent of the real market value of all taxable property within its boundaries.” This statute makes specific exception to bonds issued for water, sewage disposal plants, and off-street parking facilities, as well as special assessment bonds.
- Pension obligation bonds – the City issued these bonds to fund their unfunded actuarial accrued liability with PERS.
- Revenue bonds – these bonds are issued to finance facilities with a definable user or revenue base. These debt instruments are secured by a specific source of funds, either from the operations of the project being financed or from a dedicated revenue stream, rather than the general taxing powers of the City.
- Federal agency long-term debt – the City has issued several long-term debt obligations with federal agencies to fund wastewater treatment plant improvements.
- Bank notes payable – the City has utilized tax-exempt bank notes payable to fund various local improvement district projects, utility infrastructure improvements, and working capital at its golf course.

Debt Management Policies

- Capital projects financed through bond proceeds shall be financed for a period not to exceed the useful life of the project.
- Long-term borrowing will be confined to capital improvements too large to be financed from current available resources.
- Issuance of assessment bonds or use of bank notes payable, secured by the benefited property, will be pursued to finance local improvement projects and repay interim financing approved by the City Council.
- The City will use its credit line, as needed, to provide interim funds for the construction of local improvements approved by the City Council and other projects as deemed appropriate.
- Notes payable – the City also has outstanding agreements with the Oregon Economic and Planning Department. Proceeds from these notes provided financing for water and water reclamation system improvements to expand services to new and existing manufacturing facilities.

ORS 287.004(2) states: “Unless a lesser limitation upon the issuance of bonds has otherwise been provided by law or charter, no city shall issue or have outstanding at any one time bonds in excess of 3 percent of real market value of all taxable property within its boundaries, computed in accordance with ORS 308.297, after deducting from outstanding bonds such cash funds and sinking funds as are applicable to the payment of principal thereof.”

Real market value	\$	877,909,589
Debt limit: 3% of real market value	\$	26,337,288
Less outstanding debt subject to legal limit (net)	\$	4,610,166
Legal debt margin	\$	21,727,122

Current and Future Debt Planning

The BN 2021 budget does not include plans to increase debt. Standard and Poor's Ratings Services affirmed the City's A+ long-term rating in FY 15. Some of the reasons and assumptions cited for affirming this rating level from the rating company were:

- Very strong management practices and policies
- Notable management practices with long-term planning models
- Very strong budgetary flexibility
- Very strong liquidity
- Strong budgetary performance
- Adequate debt and contingent liabilities
- Strong institutional framework

The City refunded the majority of its outstanding debt in FY 18 and FY 19 through a private lender, comments from the lender included "We are once again impressed with the City's management and high credit quality".

The City has \$4,610,166 of debt subject to the legal limit (ORS 287.004 (2)) as of June 30, 2018. This includes a full faith & credit borrowing in 2017 for the Barnes Butte Property \$720,000, full faith and credit borrowing for pension related costs in 2018 \$2,549,000, refunding of the USDA City Hall Loan dated 2017 for \$1,208,000, and a full faith and credit obligation for the purchase of golf carts in the amount of \$107,331 issued in 2015. The City does not currently have plans at this time to seek voter approval of general obligation bonds. The BN 21 budget anticipates no new debt issues.



The Crooked River Wetlands Complex during construction in November 2016

Total Outstanding City Debt June 30, 2019

Fiscal Year	Principal	Interest	Total	Balance
2019	-	-	-	21,929,382
2020	1,575,433	632,105	2,207,539	20,353,949
2021	1,629,599	584,597	2,214,195	18,724,350
2022	1,629,112	537,798	2,166,910	17,095,238
2023	1,701,205	489,371	2,190,577	15,394,032
2024	1,658,297	438,680	2,096,976	13,735,736
2025	1,725,083	389,117	2,114,200	12,010,653
2026	1,783,001	337,444	2,120,446	10,227,652
2027	1,882,547	280,606	2,163,153	8,345,105
2028	1,131,575	228,177	1,359,752	7,213,530
2029	986,912	195,114	1,182,026	6,226,617
2030	1,022,938	167,859	1,190,797	5,203,679
2031	1,072,019	139,591	1,211,611	4,131,660
2032	426,158	109,964	536,122	3,705,502
2033	438,356	97,532	535,887	3,267,146
2034	115,613	84,724	200,337	3,151,533
2035	117,933	82,091	200,025	3,033,599
2036	120,317	79,395	199,712	2,913,282
2037	122,767	76,633	199,400	2,790,515
2038	125,283	73,804	199,087	2,665,232
2039	127,869	70,906	198,775	2,537,363
2040	130,526	67,936	198,462	2,406,836
2041	133,256	64,893	198,150	2,273,580
2042	147,540	61,776	209,315	2,126,040
2043	107,694	58,466	166,160	2,018,347
2044	110,655	55,505	166,160	1,907,691
2045	113,698	52,462	166,160	1,793,993
2046	116,825	49,335	166,160	1,677,167
2047	120,038	46,122	166,160	1,557,130
2048	123,339	42,821	166,160	1,433,791
2049	126,731	39,429	166,160	1,307,060
2050	130,216	35,944	166,160	1,176,844
2051	133,797	32,363	166,160	1,043,047
2052	137,476	28,684	166,160	905,571
2053	141,257	24,903	166,160	764,314
2054	145,141	21,019	166,160	619,173
2055	149,133	17,027	166,160	470,040
2056	153,234	12,926	166,160	316,806
2057	157,448	8,712	166,160	159,358
2058	159,359	4,382	163,741	-
	21,929,382	5,820,213	27,749,596	

Total Outstanding Debt
June 30, 2019
Governmental-type Funds

Total Outstanding Debt
June 30, 2019
Business-type Funds

Fiscal Year	Governmental			Balance	Fiscal Year	Enterprise			Balance
	Principal	Interest	Total			Principal	Interest	Total	
2019				8,158,611	2019				13,770,771
2020	610,517	266,631	877,148	7,548,094	2020	964,916	365,474	1,330,390	12,805,855
2021	644,424	246,870	891,294	6,903,670	2021	985,174	337,727	1,322,901	11,820,680
2022	673,131	225,954	899,084	6,230,539	2022	955,982	311,844	1,267,826	10,864,699
2023	712,627	204,048	916,675	5,517,912	2023	988,578	285,323	1,273,902	9,876,120
2024	645,635	180,792	826,426	4,872,277	2024	1,012,662	257,888	1,270,550	8,863,459
2025	680,833	159,355	840,188	4,191,444	2025	1,044,249	229,762	1,274,011	7,819,210
2026	716,649	136,697	853,347	3,474,794	2026	1,066,352	200,747	1,267,099	6,752,858
2027	1,060,160	109,514	1,169,674	2,414,634	2027	822,387	171,092	993,479	5,930,471
2028	569,634	75,105	644,740	1,845,000	2028	561,941	153,072	715,013	5,368,530
2029	389,000	56,582	445,582	1,456,000	2029	597,912	138,533	736,445	4,770,618
2030	402,000	44,827	446,827	1,054,000	2030	620,938	123,031	743,969	4,149,680
2031	414,000	32,678	446,678	640,000	2031	658,019	106,914	764,933	3,491,660
2032	315,000	20,160	335,160	325,000	2032	111,158	89,804	200,962	3,380,502
2033	325,000	10,238	335,238	-	2033	113,356	87,294	200,650	3,267,146
2034	-	-	-	-	2034	115,613	84,724	200,337	3,151,533
2035	-	-	-	-	2035	117,933	82,091	200,025	3,033,599
2036	-	-	-	-	2036	120,317	79,395	199,712	2,913,282
2037	-	-	-	-	2037	122,767	76,633	199,400	2,790,516
2038	-	-	-	-	2038	125,283	73,804	199,087	2,665,232
2039	-	-	-	-	2039	127,869	70,906	198,775	2,537,363
2040	-	-	-	-	2040	130,526	67,936	198,462	2,406,837
2041	-	-	-	-	2041	133,256	64,893	198,150	2,273,580
2042	-	-	-	-	2042	147,540	61,776	209,315	2,126,041
2043	-	-	-	-	2043	107,694	58,466	166,160	2,018,347
2044	-	-	-	-	2044	110,655	55,505	166,160	1,907,691
2045	-	-	-	-	2045	113,698	52,462	166,160	1,793,993
2046	-	-	-	-	2046	116,825	49,335	166,160	1,677,168
2047	-	-	-	-	2047	120,038	46,122	166,160	1,557,130
2048	-	-	-	-	2048	123,339	42,821	166,160	1,433,791
2049	-	-	-	-	2049	126,731	39,429	166,160	1,307,060
2050	-	-	-	-	2050	130,216	35,944	166,160	1,176,844
2051	-	-	-	-	2051	133,797	32,363	166,160	1,043,047
2052	-	-	-	-	2052	137,476	28,684	166,160	905,571
2053	-	-	-	-	2053	141,257	24,903	166,160	764,314
2054	-	-	-	-	2054	145,141	21,019	166,160	619,173
2055	-	-	-	-	2055	149,133	17,027	166,160	470,040
2056	-	-	-	-	2056	153,234	12,926	166,160	316,806
2057	-	-	-	-	2057	157,448	8,712	166,160	159,359
2058	-	-	-	-	2058	159,359	4,382	163,741	-
	8,158,611	1,167,290	5,920,147			13,770,771	4,050,763	17,821,534	

Total Outstanding City Debt by Fund June 30, 2019

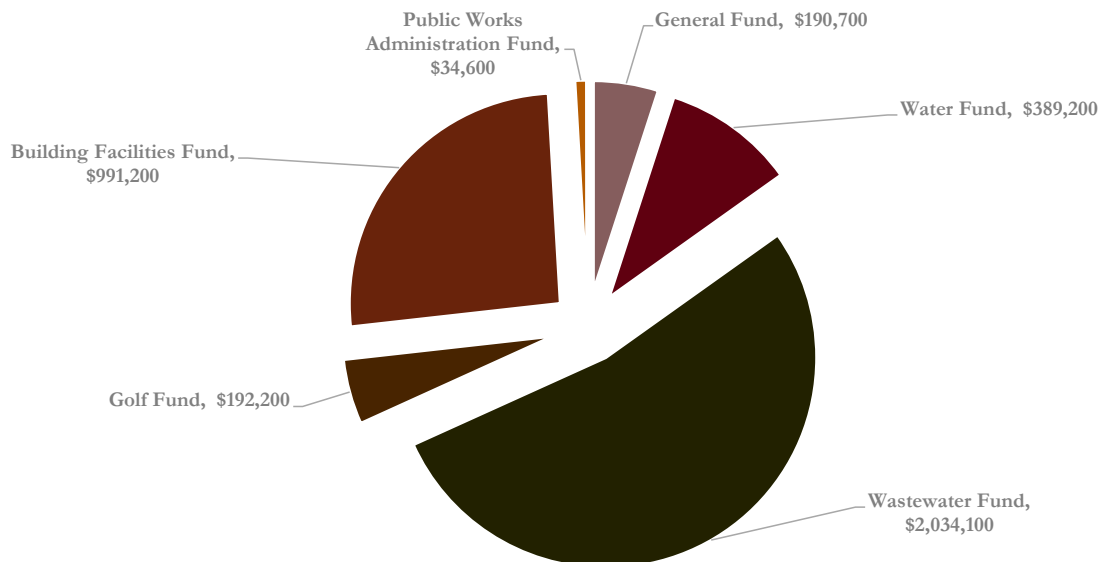
Governmental Type Funds	Principal	Interest	Total
City Hall - Rural Development	1,141,000	207,593	1,348,593
Pension Obligation Bond - 2018	2,367,352	459,893	2,827,245
BOTC - Ironhorse Property Aquisition	555,764	132,986	688,750
The Commerce Bank - Police Vehicles	354,495	26,342	380,837
The Commerce Bank - Police Facility	3,740,000	942,638	4,682,638
<hr/>			
Business Type Funds			
Water - 2017 FFCO	2,169,010	419,164	2,588,174
Wastewater - 2017 FFCO	2,530,990	489,117	3,020,106
Wastewater - DEQ R74682	3,926,670	477,489	4,404,159
Wastewater - USDA Wetlands	3,943,840	2,533,981	6,477,821
Wastewater - IFA Wetlands	730,228	88,890	819,118
Golf - 2017 FFCO	354,000	39,196	393,196
Golf - BOTC FFCO	82,188	2,089	84,277
Public Works - KS St Bank Note Payable	33,845	838	34,683
<hr/>			
	\$ 21,929,382	\$ 5,820,213	\$27,749,596



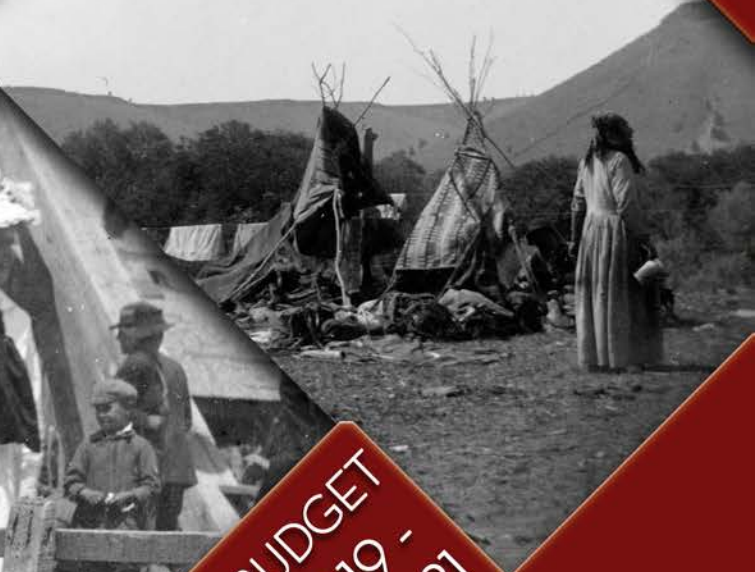
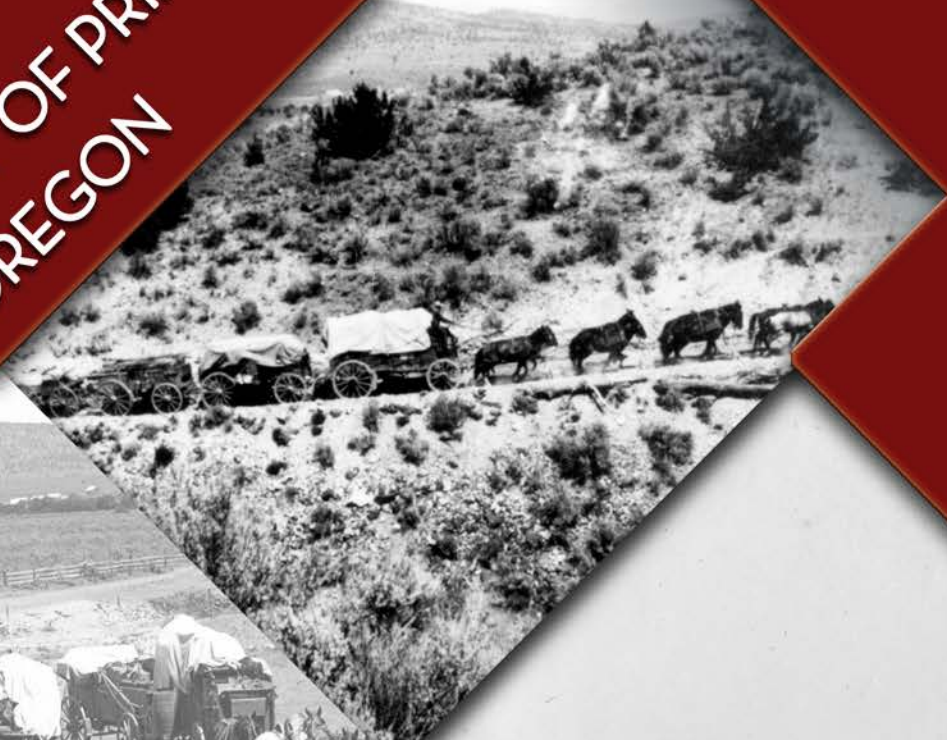
The Crooked River Wetlands Complex

Summary of Debt Service Payments BN 21

	Principal	Interest	Total
General Fund			
Police Vehides	163,600	27,100	190,700
Water Fund			
2017 FFCO	276,900	112,300	389,200
Wastewater Fund			
2017 FFCO	323,200	131,000	454,200
DEQ R74682	964,700	209,900	1,174,600
2017 USDA	117,000	215,400	332,400
2017 State of Oregon IFA	58,400	14,500	72,900
Golf Fund			
2017 FFCO	90,000	17,800	107,800
BOTC FFCO	82,200	2,200	84,400
Building Facilities Fund			
City Hall	166,000	58,800	224,800
Police Facility	440,000	229,000	669,000
Barnes Butte Property	54,800	42,600	97,400
POB Fund			
Pension Obligation Bond	419,500	167,800	587,300
Public Works Administration Fund			
Kansas State Bank	33,700	900	34,600



CITY OF PRINEVILLE,
OREGON



ADOPTED BIENNIAL BUDGET
JULY 1, 2019 -
JUNE 30, 2021

CONSOLIDATED
BUDGETS & ANALYSIS



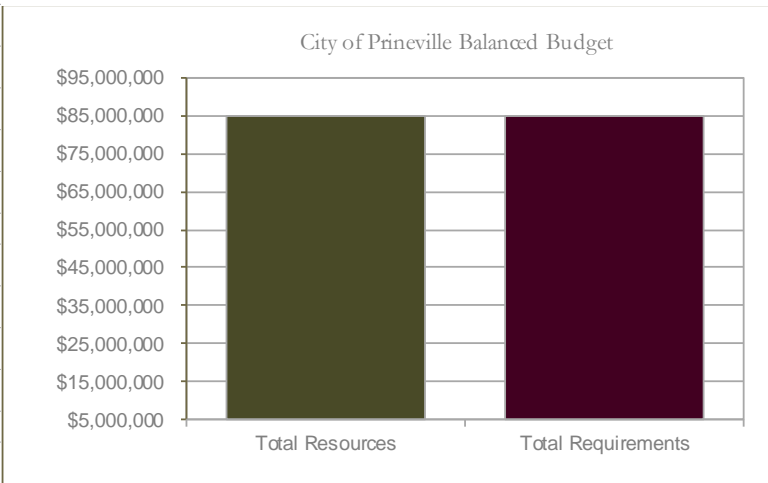
ADOPTED BIENNIAL BUDGET
JULY 1, 2019 -
JUNE 30, 2021



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Balanced BN 2021 Budget Summary

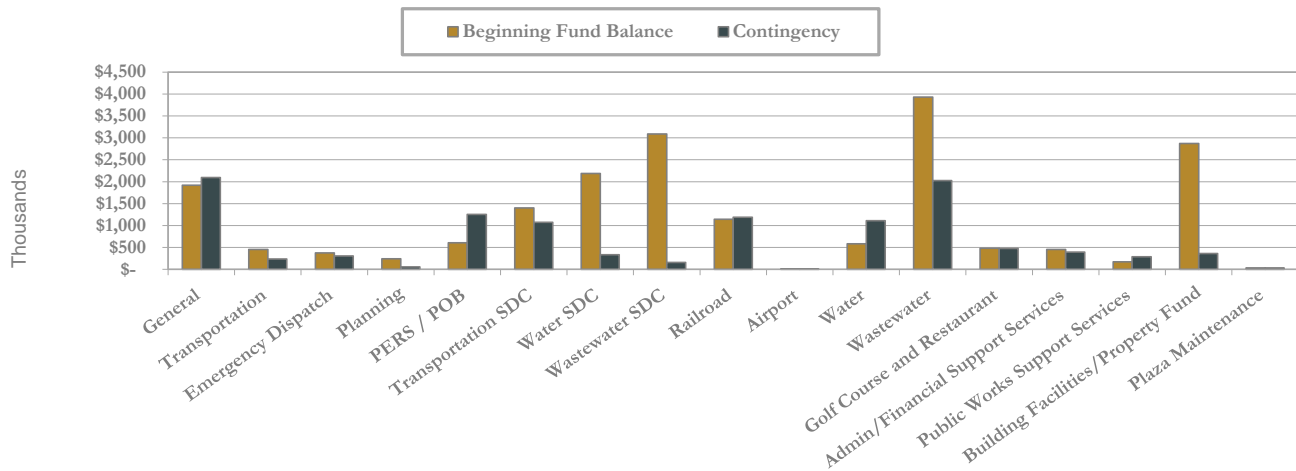
Balanced Budget Summary	
Beginning Fund Balance	\$19,973,012
Other Resources	-
Current Year Resources	64,850,500
Total Resources	\$ 84,823,512
Requirements	\$73,403,100
Contingency	9,391,512
Other Requirements	2,028,900
Total Requirements	\$ 84,823,512
Difference	-



During the transition of the City's fiscal year budget to a biennial budget, the charts and graphs include data for the biennium – a two-year period – and information from the previous year FY 19 – an annual budget or one-year period.

Charts and Graphs

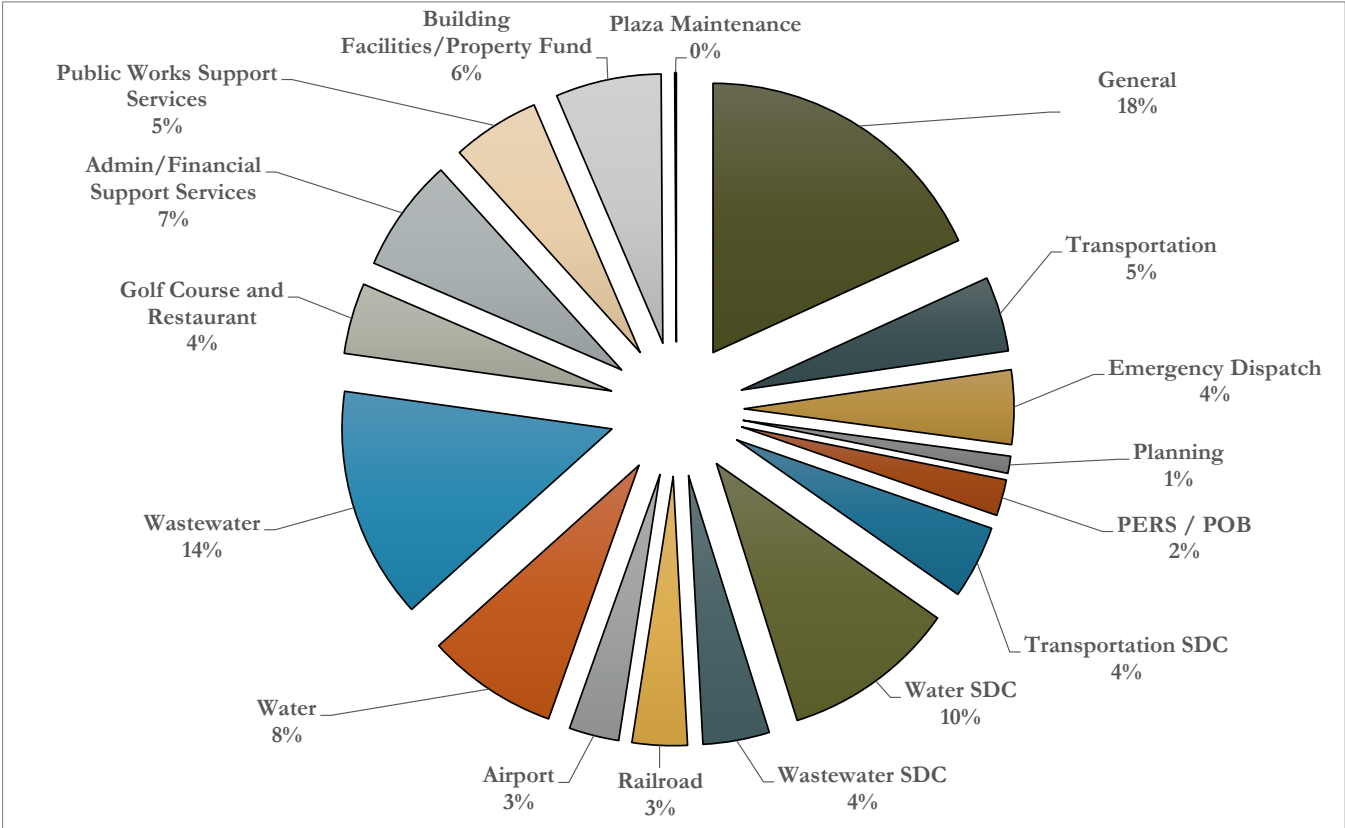
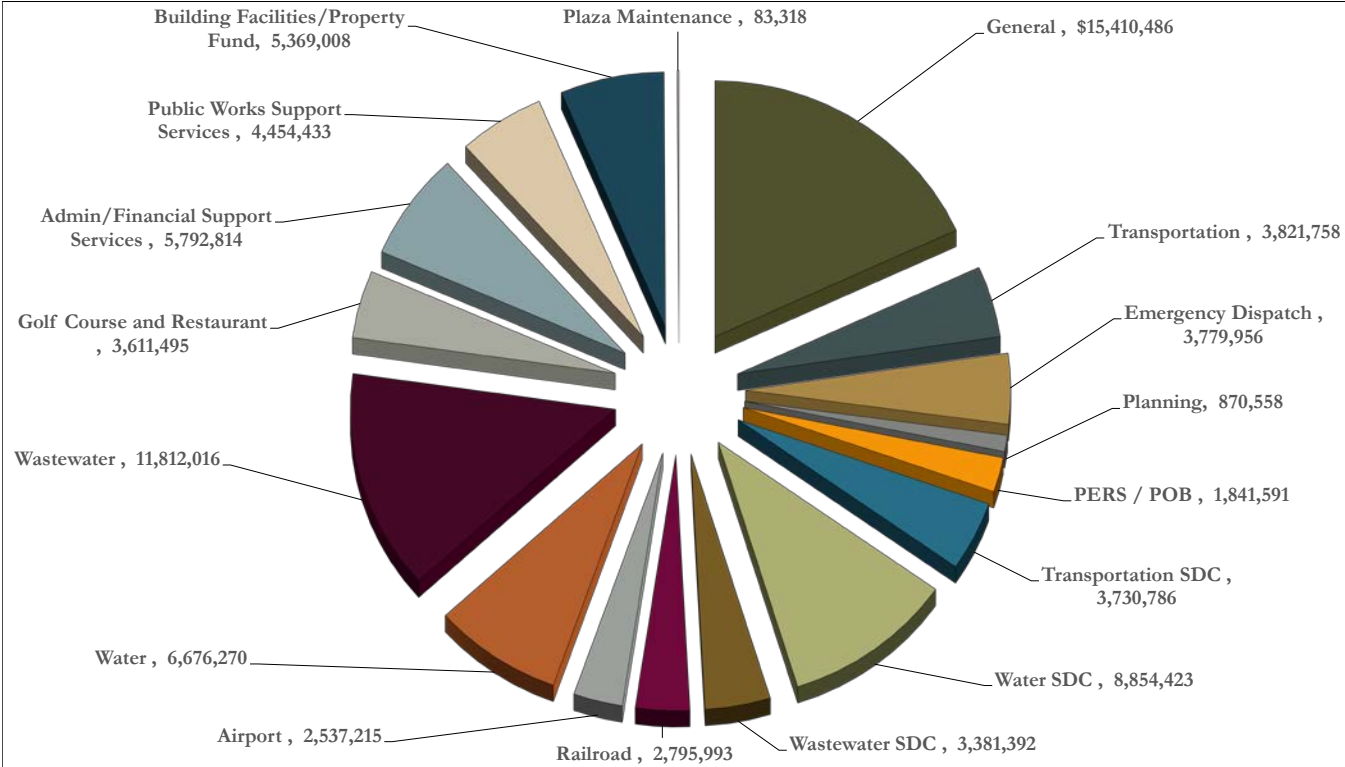
BN 2021 Beginning and Ending Fund Balance Comparison



*Detailed discussion of changes in beginning and ending fund balance included in specific fund detail pages of the budget document.

Fund balance is defined as the balance of net financial resources that is spendable or available for appropriation.

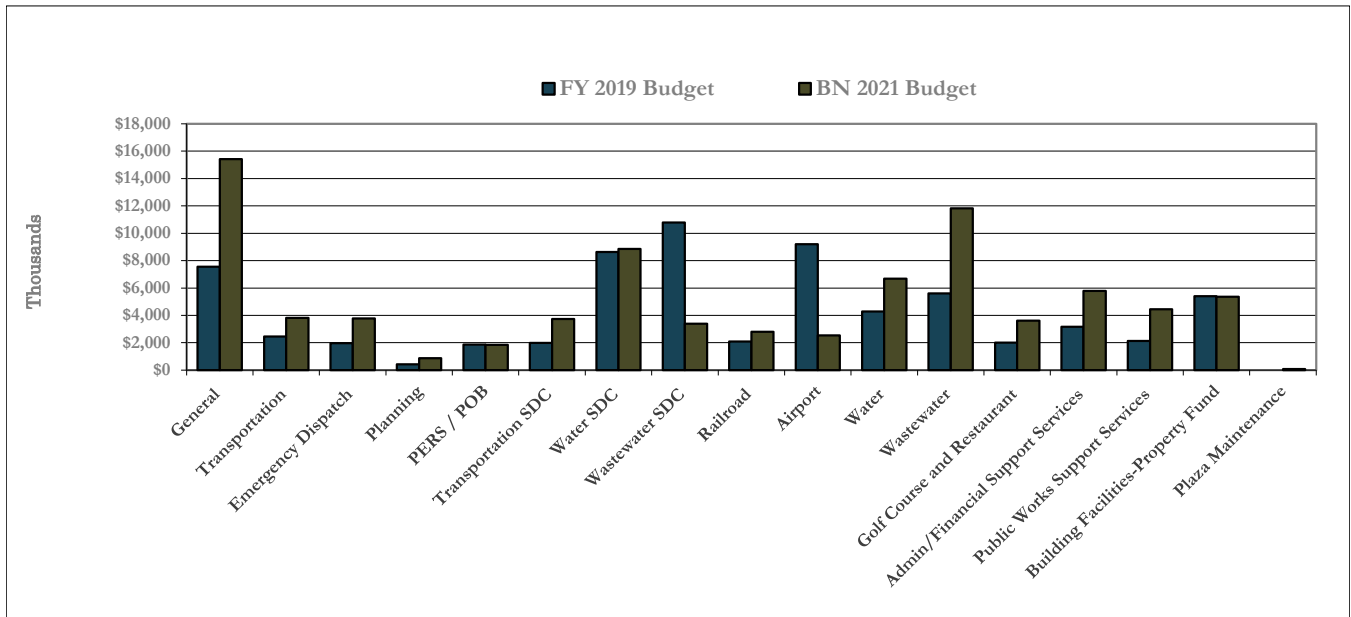
Total Current Year Requirements by Fund



FY 19 & BN 21 Budget Comparison

Fund	FY 2019 Budget	BN 2021 Budget	Percent Change
General	\$7,552,840	\$15,410,486	104%
Transportation	\$2,449,357	\$3,821,758	56%
Emergency Dispatch	\$1,976,559	\$3,779,956	91%
Planning	\$425,580	\$870,558	105%
PERS / POB	\$1,876,603	\$1,841,591	-2%
Transportation SDC	\$1,986,610	\$3,730,786	88%
Water SDC	\$8,630,491	\$8,854,423	3%
Wastewater SDC	\$10,783,604	\$3,381,392	-69%
Railroad	\$2,098,521	\$2,795,993	33%
Airport	\$9,208,588	\$2,537,215	-72%
Water	\$4,293,761	\$6,676,270	55%
Wastewater	\$5,613,257	\$11,812,016	110%
Golf Course and Restaurant	\$2,004,231	\$3,611,495	80%
Admin/Financial Support Services	\$3,169,855	\$5,792,814	83%
Public Works Support Services	\$2,140,675	\$4,454,433	108%
Building Facilities- Property Fund	\$5,393,558	\$5,369,008	0%
Plaza Maintenance	\$60,305	\$83,318	38%
Total	\$69,664,395	\$84,823,512	22%

FY 19 & BN 21 Budget Comparison



Fund Use by Department

The following table shows which funds each department is a part of:

Department	Fund														
	General Fund	Transportation	Emergency Dispatch	Planning	PERS/POB	SDC Funds	Railroad	Airport	Water	Wastewater	Golf	Admin Services	Plaza	Building Facilities	PW Services
Police	*		*									*		*	
Police Facility														*	
Non-Departmental	*	*		*				*						*	
Emergency Dispatch	*		*								*			*	
Transportation	*	*		*		*					*			*	*
Planning	*	*		*		*			*	*	*			*	
PERS/POB	*	*	*	*	*			*	*	*	*			*	*
Railroad/Freight Depot	*						*				*	*		*	*
Airport	*							*			*	*		*	*
Water		*				*			*		*	*		*	*
Wastewater		*				*				*	*	*		*	*
Golf										*	*	*		*	
Council	*										*	*		*	
City Manager											*	*		*	
Finance						*					*	*		*	
IT											*	*		*	
Plaza Maintenance													*	*	
Building Facilities	*										*	*	*	*	*
Public Works Admin Services		*							*	*	*	*	*	*	*

Department / Fund Relationships

Governmental Funds



Enterprise Funds / Capital Projects Funds



Enterprise Funds - Continued



- Departments
 - Restaurant
 - Course Maintenance
 - Golf Operations

Internal Service Funds

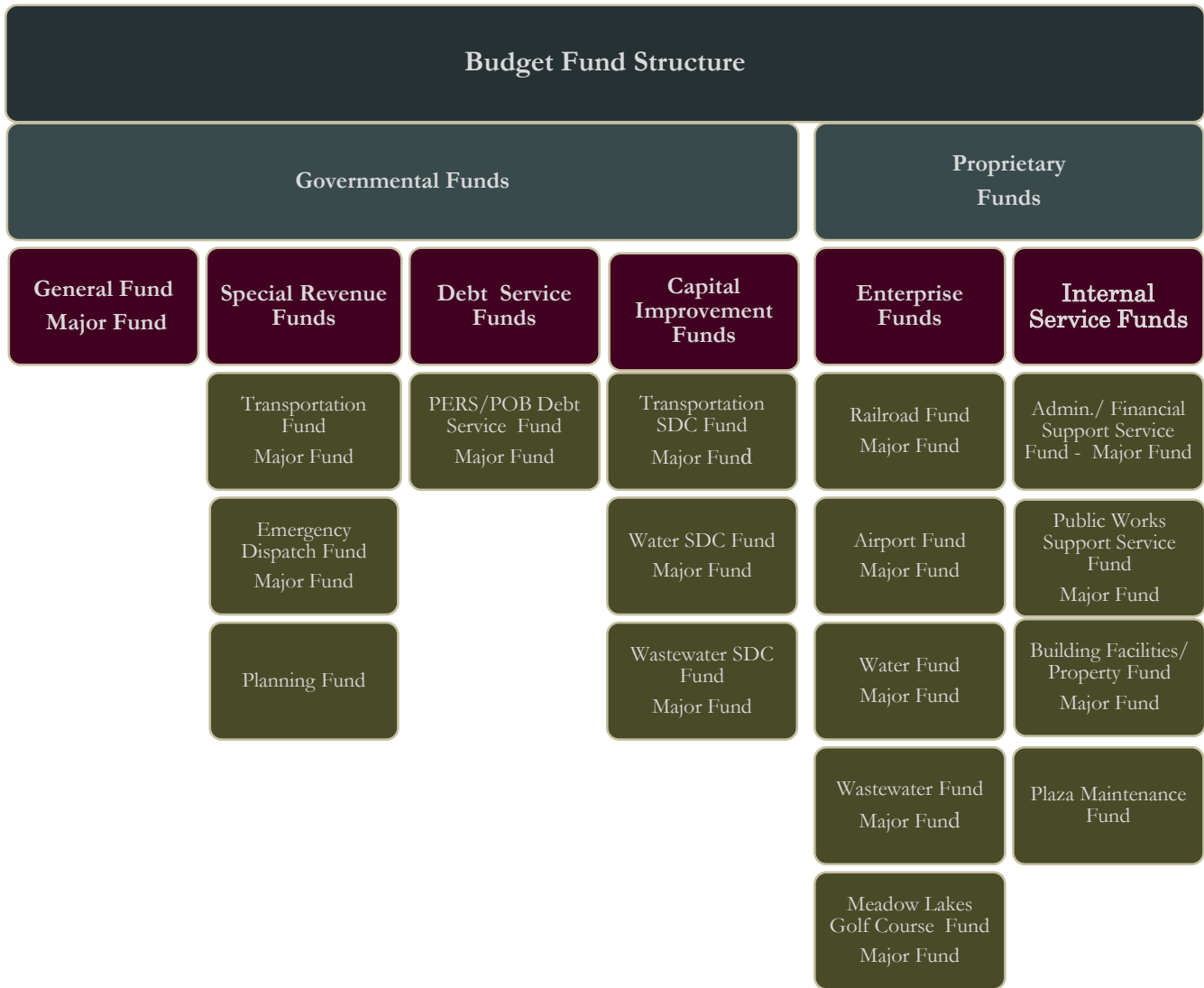


- Admin/Financial Support Services Fund
 - Departments
 - Council
 - Administration
 - Finance
 - Information Technology

- Building Facilities/Property Fund
 - Departments
 - City Hall Facility
 - Police Facilities
 - Public Works Facilities
 - Barnes Butte Property

- Public Works Admin Fund
 - Departments
 - Support Services
 - Fleet Maintenance and Operations
 - (Supports Transportation, Water and Wastewater, and Capital Projects Funds)*

Plaza Maintenance Fund



All funds in the fund structure are appropriated funds in the BN 2021 Budget.

Consolidated Budget BN 2021

Fund	Beginning Fund Balance	Other Resources	Total Biennial Resources	Total Biennial Requirements	Contingency	Other Requirements	Total Biennial Requirements	Ending Fund Balance
General	\$ 1,918,286	\$ -	\$ 13,492,200	\$ 13,313,000	\$ 2,097,486	\$ -	\$ 15,410,486	\$ 2,097,486
Transportation	456,058	-	3,365,700	3,581,800	239,958	-	3,821,758	239,958
Emergency Dispatch	376,056	-	3,403,900	3,473,600	306,356	-	3,779,956	306,356
Planning	240,958	-	629,600	814,200	56,358	-	870,558	56,358
PERS / POB	608,691	-	1,232,900	587,300	955,091	299,200	1,841,591	1,254,291
Transportation SDC	1,400,086	-	2,330,700	2,655,600	1,075,186	-	3,730,786	1,075,186
Water SDC	2,186,423	-	6,668,000	8,517,600	336,823	-	8,854,423	336,823
Wastewater SDC	3,090,992	-	290,400	3,223,400	157,992	-	3,381,392	157,992
Railroad	1,145,793	-	1,650,200	1,606,000	1,189,993	-	2,795,993	1,189,993
Airport	13,215	-	2,524,000	2,531,000	6,215	-	2,537,215	6,215
Water	585,270	-	6,091,000	5,563,400	918,270	194,600	6,676,270	1,112,870
Wastewater	3,932,316	-	7,879,700	9,783,900	813,316	1,214,800	11,812,016	2,028,116
Golf Course and Restaurant	483,295	-	3,128,200	3,134,800	394,295	82,400	3,611,495	476,695
Admin/Financial Support Services	452,914	-	5,339,900	5,398,100	394,714	-	5,792,814	394,714
Public Works Support Services	174,933	-	4,279,500	4,163,600	290,833	-	4,454,433	290,833
Building Facilities/Property Fund	2,871,408	-	2,497,600	5,008,800	122,308	237,900	5,369,008	360,208
Plaza Maintenance	36,318	-	47,000	47,000	36,318	-	83,318	36,318
Total	\$ 19,973,012	\$ -	\$ 64,850,500	\$ 73,403,100	\$ 9,391,512	\$ 2,028,900	\$ 84,823,512	\$ 11,420,412

Ending fund balance is equal to contingency and other requirements.

Consolidated Budget FY 19

Fund	Beginning Fund Balance	Other Resources	Current Year Resources	Current Year Requirements	Contingency	Other Requirements	Total Current Year Requirements
General	\$ 1,763,840	\$ -	\$ 5,789,000	\$ 5,981,900	\$ 1,570,940	\$ -	\$ 7,552,840
Transportation	323,857	-	2,125,500	2,026,200	423,157	-	2,449,357
Emergency Dispatch	334,359	-	1,642,200	1,696,400	280,159	-	1,976,559
Planning	221,980	-	203,600	374,400	51,180	-	425,580
PERS / POB Fund	864,003	-	1,012,600	1,078,200	798,403	-	1,876,603
Transportation SDC	944,310	-	1,042,300	935,000	1,051,610	-	1,986,610
Water SDC	2,172,191	-	6,458,300	6,272,100	2,358,391	-	8,630,491
Wastewater SDC	2,699,804	-	8,083,800	5,688,300	5,095,304	-	10,783,604
Railroad	1,094,421	-	1,004,100	938,500	1,160,021	-	2,098,521
Airport	5,488	-	9,203,100	9,160,500	48,088	-	9,208,588
Water	1,065,261	-	3,228,500	3,605,700	688,061	-	4,293,761
Wastewater	1,911,257	-	3,702,000	4,443,200	699,857	470,200	5,613,257
Golf Course and Restaurant	416,731	-	1,587,500	1,537,300	466,931	-	2,004,231
Admin/Financial Support Services	499,855	-	2,670,000	2,963,600	206,255	-	3,169,855
Public Works Support Services	274,875	-	1,865,800	1,890,400	250,275	-	2,140,675
Building Facilities /Property Fund	209,358	-	5,184,200	4,933,600	347,058	112,900	5,393,558
Plaza Maintenance	39,905	-	20,400	17,700	42,605	-	60,305
Total	\$ 14,841,495	\$ -	\$ 54,822,900	\$ 53,543,000	\$ 15,538,295	\$ 583,100	\$ 69,664,395

Consolidated Estimated Budget FY 19

Fund	Beginning Fund Balance	Other Resources	Current Year Resources	Current Year Requirements	Contingency	Other Requirements	Total Current Year Requirements	Ending Fund Balance
General	\$ 1,918,886	\$ -	\$ 6,290,800	\$ 6,291,400	\$ -	\$ -	\$ 6,291,400	\$ 1,918,286
Transportation	331,358	-	2,119,500	1,994,800	-	-	1,994,800	456,058
Emergency Dispatch	404,256	-	1,652,300	1,680,500	-	-	1,680,500	376,056
Planning	248,158	-	372,300	379,500	-	-	379,500	240,958
LID Debt Service	-	-	-	-	-	-	-	-
PERS/POB Fund	863,291	-	822,600	1,077,200	-	-	1,077,200	608,691
Transportation SDC	955,586	-	1,234,300	789,800	-	-	789,800	1,400,086
Water SDC	1,499,223	-	6,498,300	5,811,100	-	-	5,811,100	2,186,423
Wastewater SDC	2,237,992	-	8,196,300	7,343,300	-	-	7,343,300	3,090,992
Railroad	1,036,693	-	822,100	713,000	-	-	713,000	1,145,793
Airport Fund	42,915	-	1,737,600	1,767,300	-	-	1,767,300	13,215
Water	1,447,470	-	2,829,600	3,691,800	-	-	3,691,800	585,270
Wastewater	1,770,316	-	5,978,200	-	-	-	-	3,932,316
Golf Course and Restaurant	426,395	-	1,374,900	1,318,000	-	-	1,318,000	483,295
Admin/Financial Support Services	481,714	-	2,737,100	2,765,900	-	-	2,765,900	452,914
Public Works Support Services	267,033	-	1,855,800	1,947,900	-	-	1,947,900	174,933
City Hall Facilities	245,508	-	5,470,700	2,844,800	-	-	2,844,800	2,871,408
Plaza Maintenance	41,518	-	10,300	15,500	-	-	15,500	36,318
Total	\$ 14,218,312	\$ -	\$ 50,002,700	\$ 40,431,800	\$ -	\$ -	\$ 40,431,800	\$ 19,973,012

RESOURCE
REQUIREMENT &
ANALYSIS



ADOPTED BIENNIAL BUDGET
JULY 1, 2019 -
JUNE 30, 2021



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Resources and Requirements Overview

Resources	Actual FY 16-17	Actual FY 17-18	Budgeted FY 18-19	Estimated FY 18-19	Adopted Budget BN 2021
Charges for services	13,128,372	14,526,768	16,188,500	15,741,200	29,096,400
Debt proceeds	2,924,578	13,597,940	4,000,000	4,000,000	-
Franchise fees	2,756,972	2,913,102	3,045,000	3,305,000	7,223,000
Intergovernmental revenue	5,762,879	2,516,400	11,587,100	4,727,000	8,397,400
Miscellaneous	2,545,941	1,850,247	1,529,700	1,839,400	2,697,800
Property taxes	1,963,049	2,071,505	2,140,000	2,140,000	4,570,000
System development charges	652,297	8,679,176	13,859,500	14,022,000	7,587,400
Transfers	1,703,119	4,236,620	2,473,100	4,228,100	5,278,500
Beginning Fund Balance	8,760,747	9,487,790	14,841,495	14,218,312	19,973,012
Total	\$ 40,197,954	\$ 59,879,548	\$ 69,664,395	\$ 64,221,012	\$ 84,823,512

Expenditures	Actual FY 16-17	Actual FY 17-18	Budgeted FY 18-19	Estimated FY 18-19	Adopted Budget BN 2021
Personnel services	7,287,371	7,871,163	9,231,500	9,209,500	18,286,800
Materials and services	4,601,536	5,040,845	5,361,200	5,306,400	10,866,700
Franchise fee expense	286,000	173,000	307,000	430,000	665,000
Capital outlay	9,753,583	6,351,721	26,785,700	17,603,400	23,966,900
Transfers	5,726,425	8,732,988	9,541,900	9,478,700	15,098,400
Debt service	3,055,250	17,491,520	2,315,700	2,220,000	4,519,300
Contingency/Other Requirements	-	-	16,121,395	-	11,420,412
Total	30,710,165	45,661,237	69,664,395	44,248,000	84,823,512

The comparisons in the charts and graphs from FY 19 to BN 21 will show two years of budget data compared to one fiscal year during the transition from a fiscal year to a biennial budget.

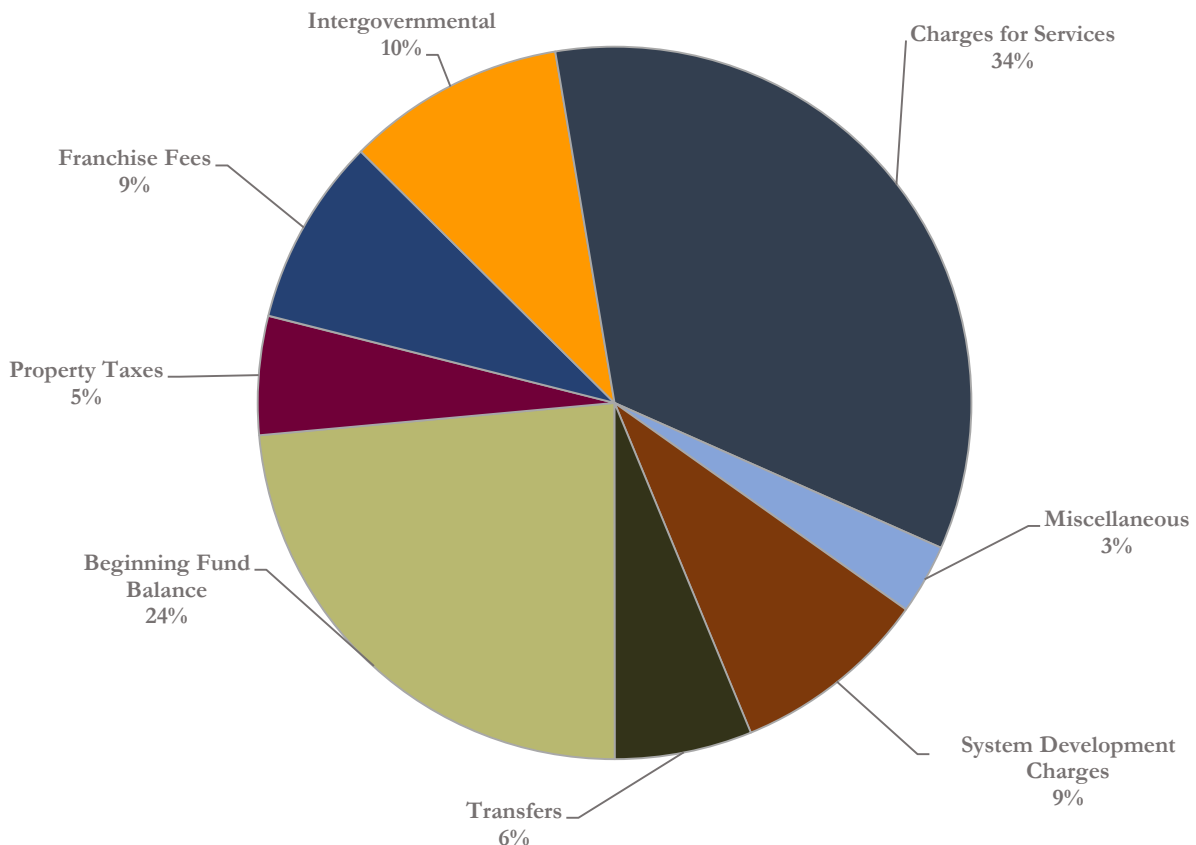
Types of Resources and Requirements

All Revenue Sources

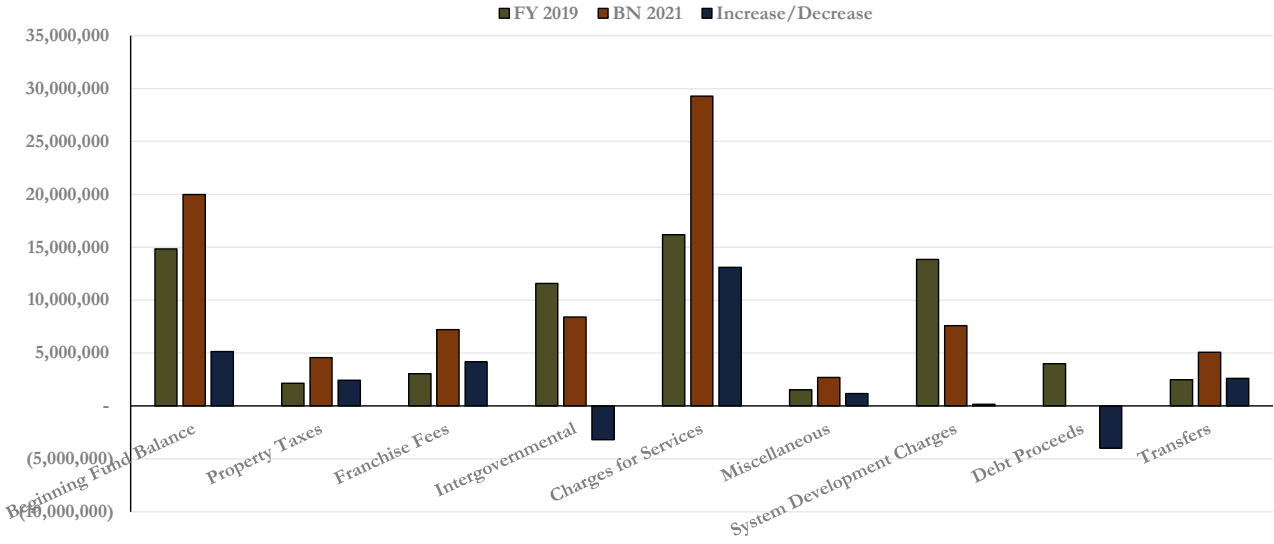
Eight main revenue categories comprise the revenue sources for the biennium 2021 budget. Of these nine categories, charges for service is the largest at 34 percent, beginning fund balance at 24 percent, intergovernmental revenue at 10 percent, franchise fees and system development at 9 percent, transfers 6 percent, property taxes at 5 percent, and miscellaneous income at 3 percent. We have no debt proceeds proposed in this biennium. The top six sources comprise 92 percent of total revenues. This section will examine these revenue sources, as well as property taxes.

Revenue Summary	
	Percent of Total
Beginning Fund Balance	24%
Property Taxes	5%
Franchise Fees	9%
Intergovernmental	10%
Charges for Services	34%
Miscellaneous	3%
System Development Charges	9%
Debt Proceeds	0%
Transfers	6%

All Revenue Sources

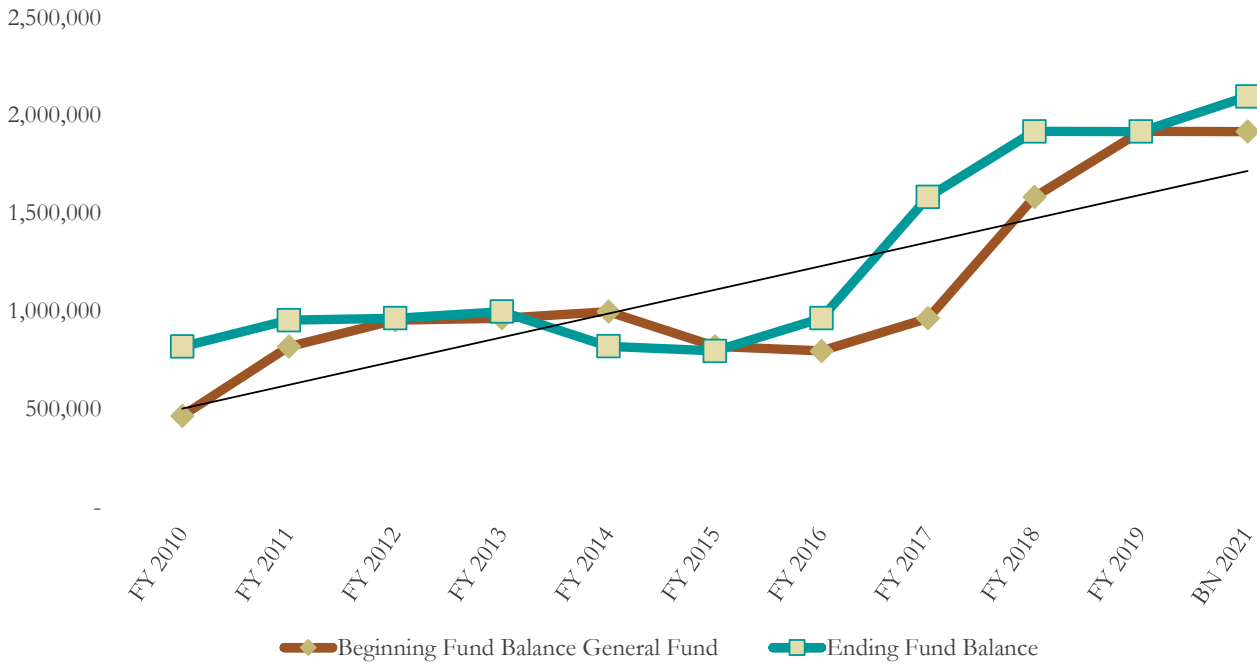


All Revenue Sources Comparison City of Prineville, FY 19 – BN 21



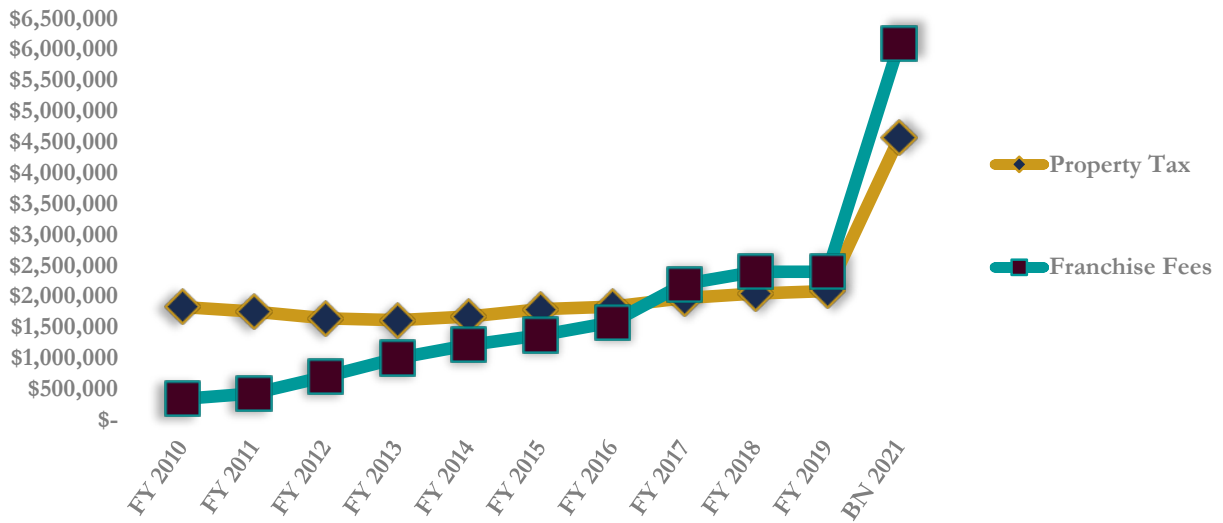
Significant increases to revenue sources include beginning fund balances, largely a result of electrical franchise fees in the General Fund and the system development fees paid by data center expansions in FY 19. Overall fund balances increased approximately \$5.8 million from FY 19 to BN 21. Charges for services in FY 19 are estimated at \$15.7 million and projected at \$29.1 million over the next biennium. We have no plans to issue debt in BN 2021.

Beginning / Ending Fund Balance General Fund BN 2021

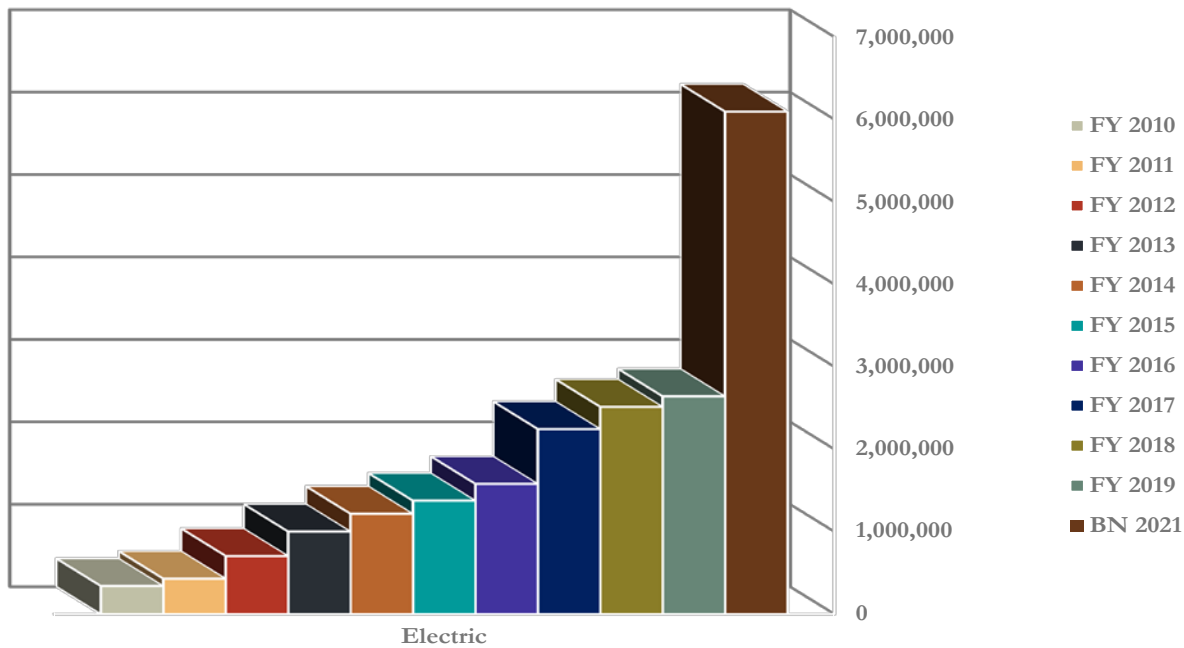


General Fund beginning fund balance in FY 10 was \$465,841 and at the beginning of FY 19 totaled \$1.92 million, an improvement over the prior year of \$335 thousand. Year-end estimates project beginning fund balance for BN 21 to be \$1.92 million. Ending fund balance for BN 21 is projected at \$2.1 million, an improvement over beginning fund balance of roughly \$179 thousand.

Revenue Collection Trend Property Tax and Electrical Franchise Fees FY 2010 - BN 2021

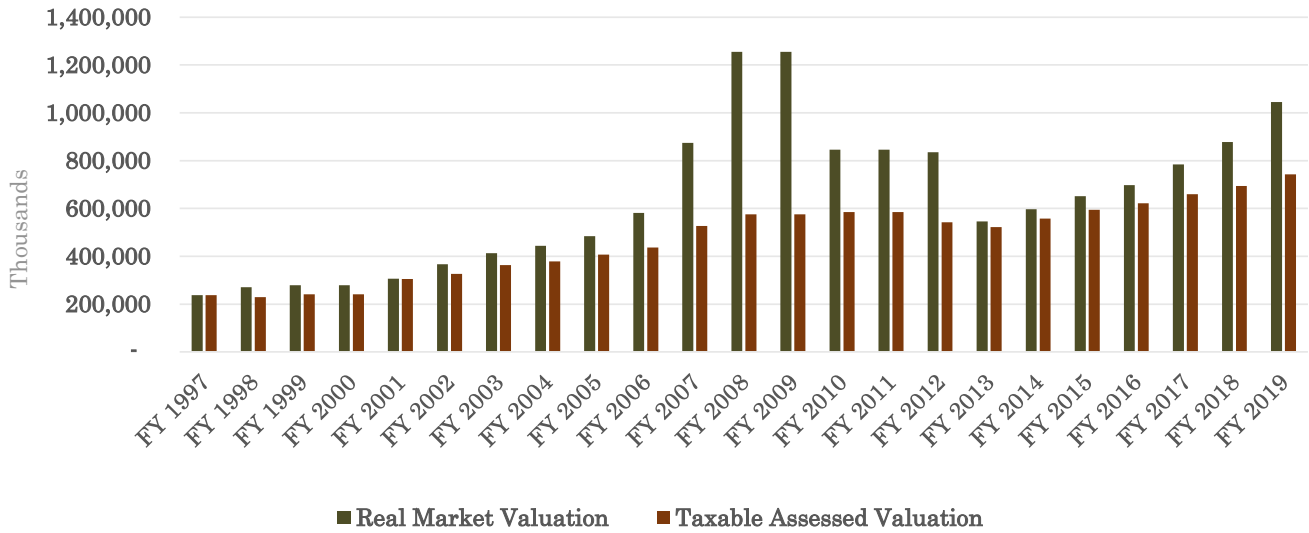


Property taxes decreased roughly \$214,000 from FY 10 to FY 13, recovered in FY 16 to previous collections of FY 10. Prior to data centers, the electrical franchise fees were roughly \$350,000 annually. In FY 11, the collection of fees totaled \$430,000. From 2011 to 2016 the city collected roughly \$6.6 million in electrical franchise fees filling the gap of lost property tax collection, in FY 17 through FY 19 actual and estimated projections have fees exceeding the amount of property tax collection. Franchise fees are projected to increase roughly \$300 thousand in the first year of BN 21, and another \$300 thousand in the second year of the biennium.



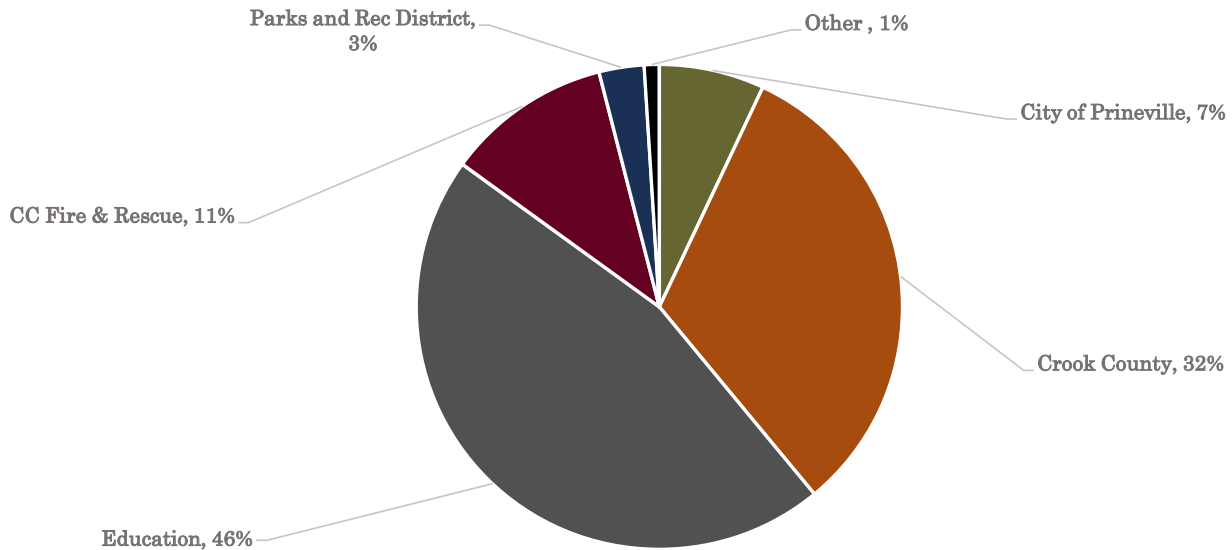
Electrical franchise fees are estimated for BN 2021 at roughly \$6.1 million. This could prove to be a larger increase in the second year of the biennium due to the pace that the data centers build out, however, the City is taking a conservative approach to possible additional revenue.

Real Market Value / Taxable Assessed Value City of Prineville, FY 1997 - FY 2019



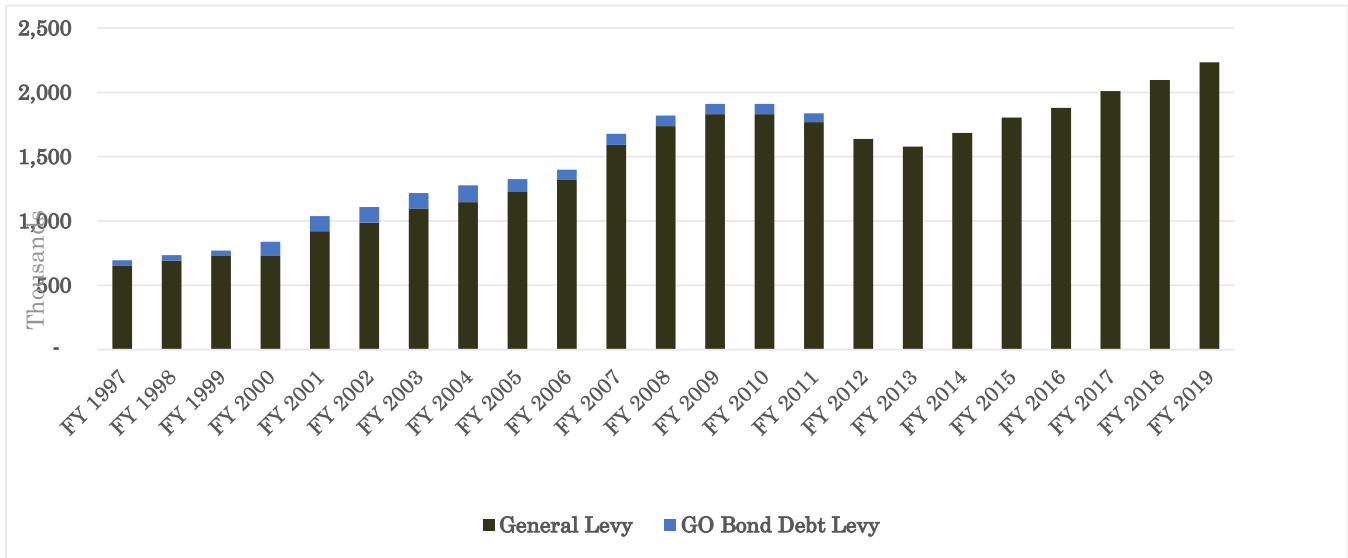
The permanent tax rate of \$3.0225 per thousand is applied to the projected taxable assessed value of property to generate property tax revenues. Property taxes are shown as revenues in the General Fund.

Taxing Districts Percentages BN 2021



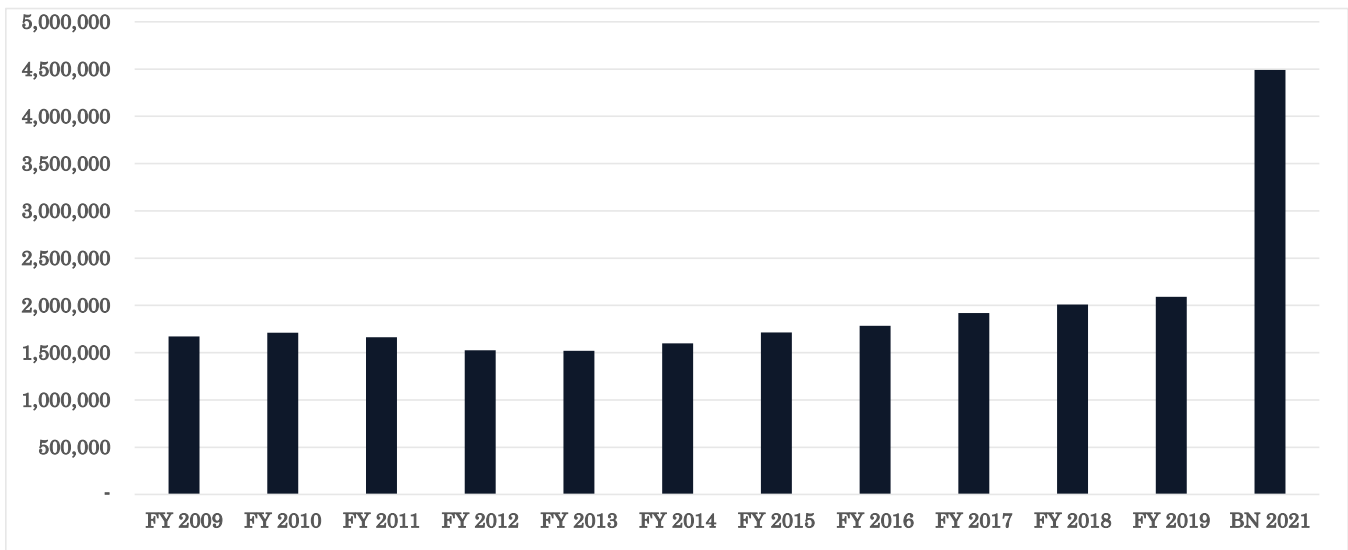
Seven percent of your property tax dollars come to the City of Prineville, they help fund a portion of public safety and the other ninety-three percent of your tax dollars go to the other taxing districts as shown in the chart above. Fire and Rescue, Parks and Recreation, Crook County, and Education. The other one percent would include Vector Control, and AG Extension Service.

Property Taxes Levied City of Prineville, FY 1997 - FY 2019



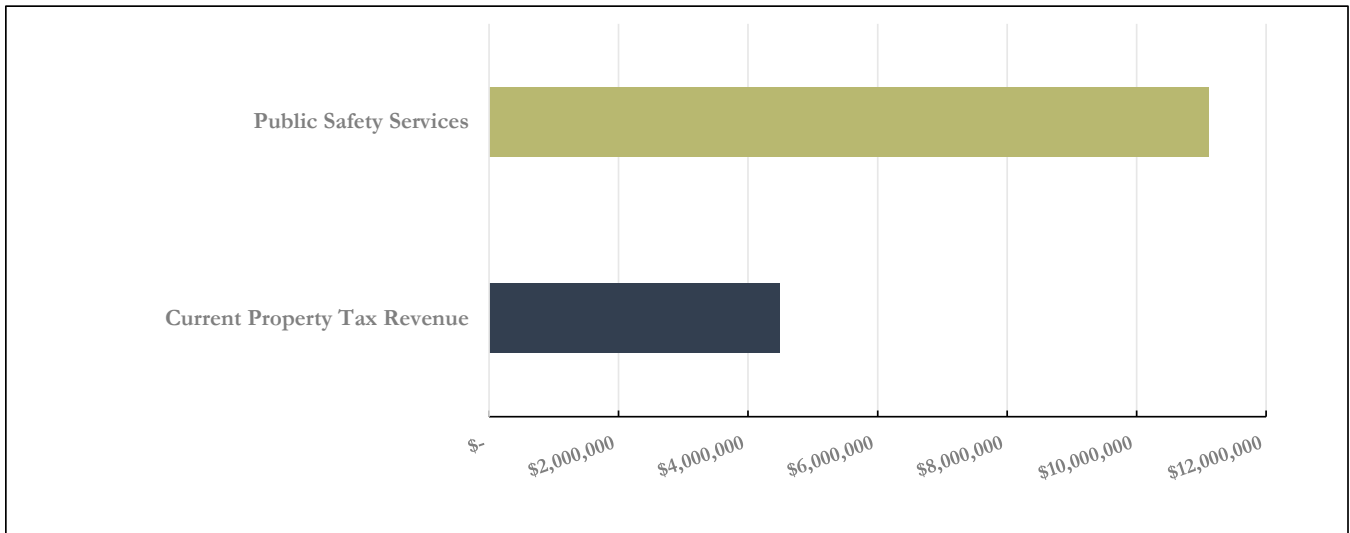
Taxable assessed value of property and the permanent property tax rate are used to calculate property taxes in the City of Prineville. Taxable assessed values of existing property are limited to an increase of 3 percent per year. Value added to a community via new construction increases the assessed value over the 3 percent growth rate limited by Measure 50. For FY 19, taxable assessed value is projected by the county assessor to increase approximately 5 percent over last year’s imposed tax. The City is taking a conservative approach and estimated a 4 percent increase over the prior year. The general obligation bond for water improvement matured in FY 11.

Current Property Tax Collection City of Prineville, FY 09 - BN 21 (Estimated)



Property tax collection is estimated at \$2.19 million in the first year of BN 21, and \$2.3 million in the second year, an increase of roughly \$210,000 for the biennium.

Current Property Tax Collection Comparison to Public Safety Costs

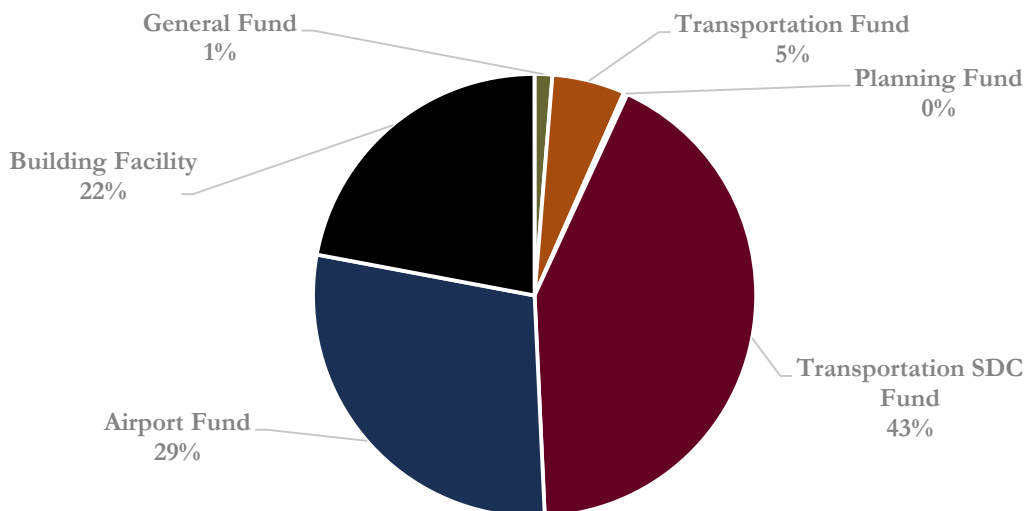


Public safety services proposed biennial budget totals \$11.1 million for the BN 2021 budget, with property tax revenue estimated at roughly \$4.5 million.

Intergovernmental Revenue

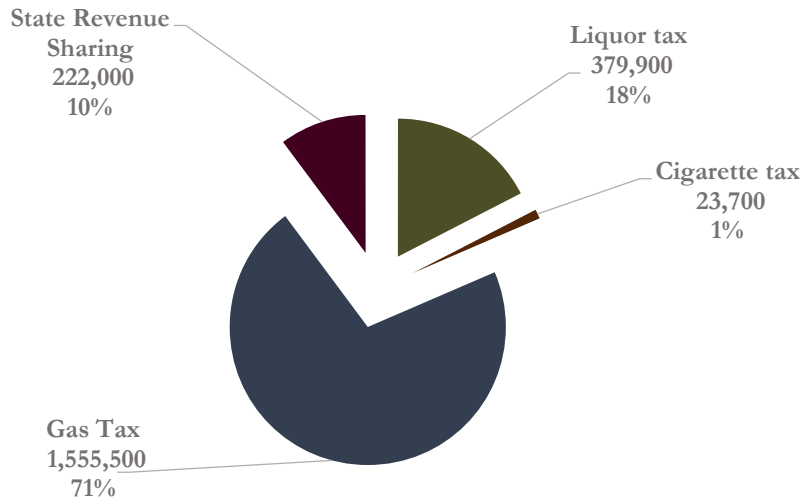
Intergovernmental revenue is budgeted at roughly \$8.4 million for BN 21 with grant revenue at \$4.9 million of that total, State shared revenue estimates total \$2.18 million, and other agency revenues making up the remaining total of roughly \$1.3 million.

Grant Revenue BN 21



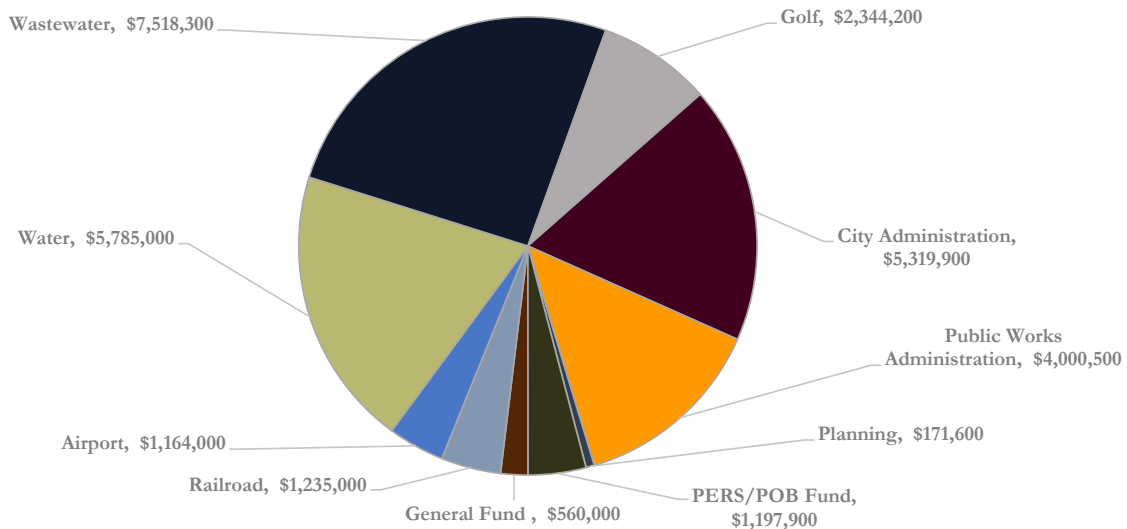
Grant revenue totals \$4.9 million for BN 21, the largest dollars going to the Transportation SDC fund in the amount of \$1.48 million for Elm Street Bridge repair, \$1 million coming from Connect Oregon for the Airport project, two pass through grants, one in Transportation Fund for the transit grant \$185,200, and one in the Building Facility fund for the Senior Center building \$768,300, Oregon Department of Environmental Quality (DEQ) air quality grant in Planning \$10,000, and other smaller police related grants in the General Fund.

State Shared Revenue, BN 21



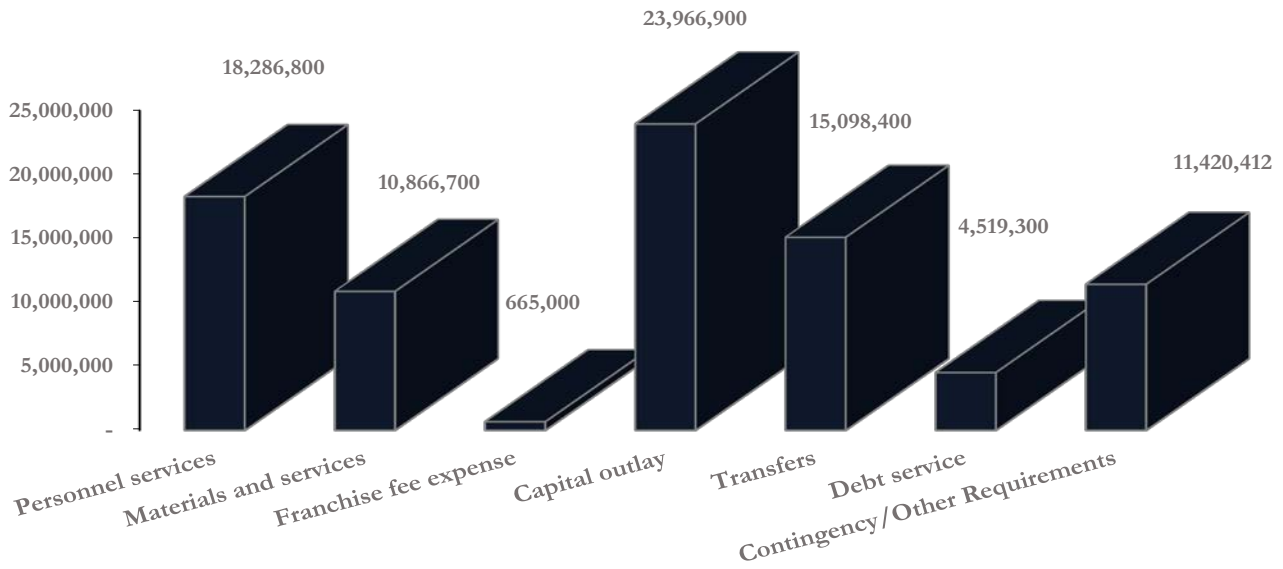
State shared revenues are projected at \$2,181,100 for BN 21. State revenues are distributed to cities based on state statute, which defines formulas incorporating population and per capita income. The League of Oregon Cities provides the source data for state revenue sharing projections. In Prineville, liquor and cigarette tax revenues are shown in the General Fund. Gas tax and state revenue sharing are shown in the Transportation Operations Fund.

Charges for Services City of Prineville, BN 21



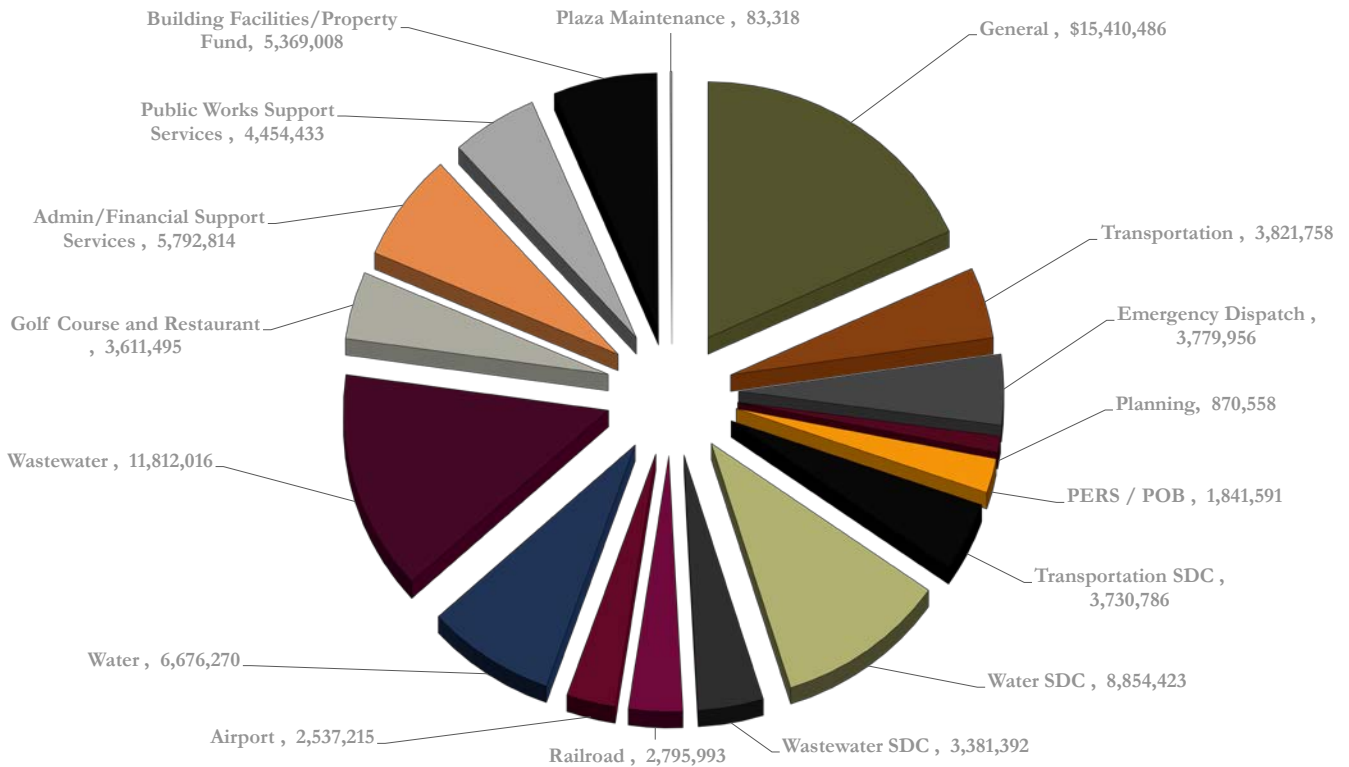
Charges for services total \$29,296,400 for BN 21. Charges for water, wastewater, airport, rail service, engineering and golf are charged to users in the City of Prineville and with certain services throughout the region. The fees for utility services and governmental funds are established through the city fees and charges resolution, updated yearly. Internal customers are charged for provided services in administration, finance, information technology and human resources. The fees are based on a percent of personnel, operating, and direct costs. Revenue for wastewater is the largest in this category at \$7,518,300 and water at \$5,785,000 for BN 2021.

Requirements Budget by Major Category BN 21



Operational requirements total approximately 53 percent of the budget for BN 2021; these categories include personnel services, materials and services, franchise fees and transfers.

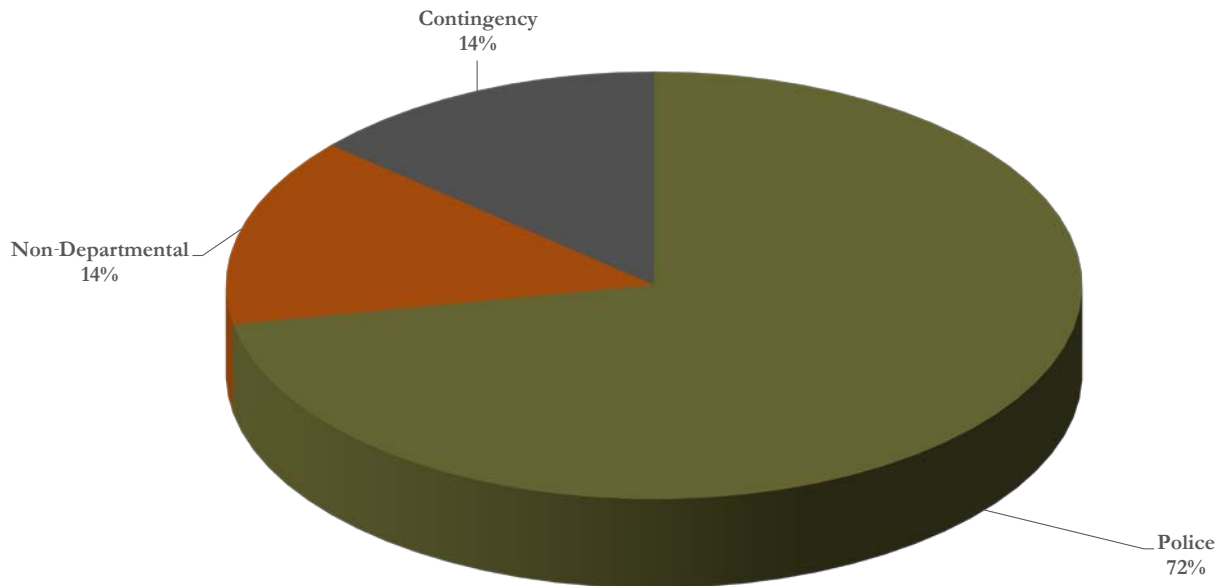
Total Requirements by Fund BN 21



All funds total requirements equal \$84,823,512 for BN 21. The City's largest fund in BN 21 is the General Fund at \$15,410,486, followed by the Wastewater at \$11,812,016, the third largest fund is the Water SDC fund totaling \$8,854,423, and water as fourth largest totaling \$6,676,270.

General Fund Requirements in Total and By Department

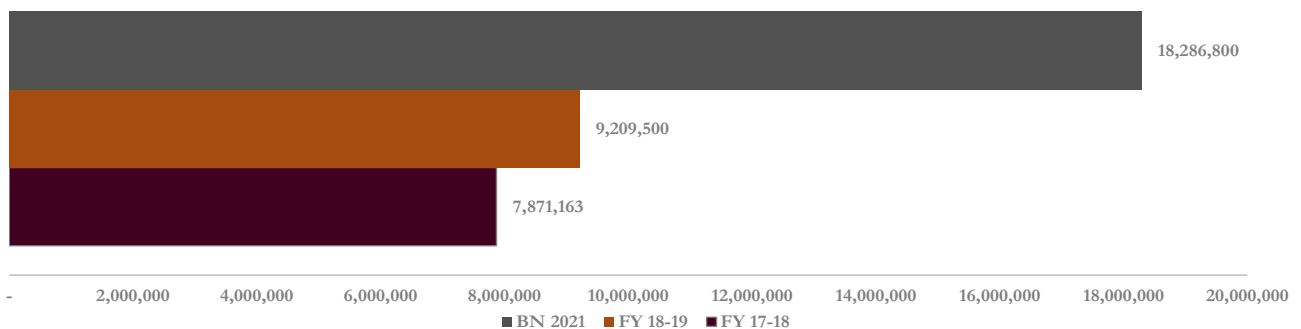
BN 21



For BN 21 the requirements for the Police department total 72 percent of the General Fund, Non-departmental requirements and Contingency/reserves both total 14 percent of the total requirements.

Personnel Services Requirement Trends

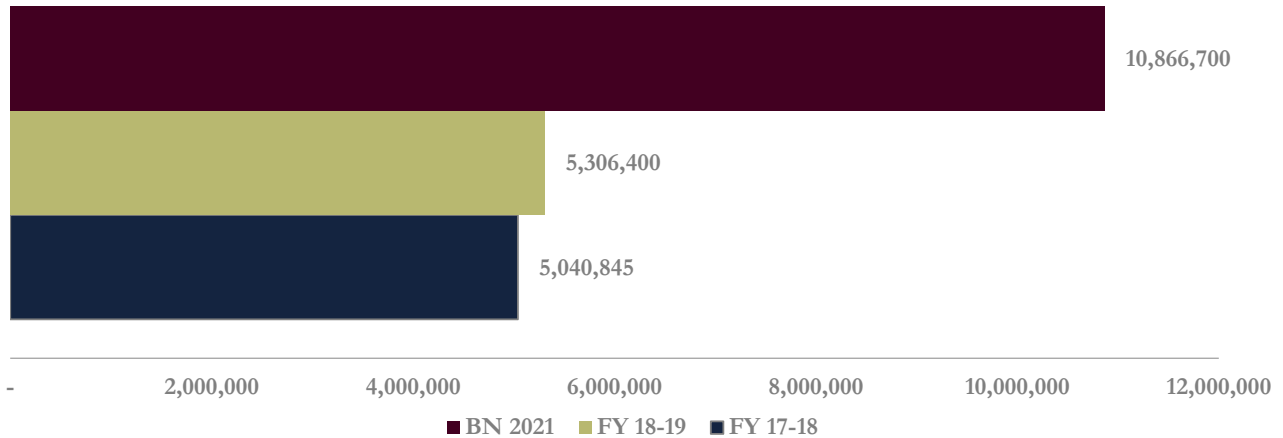
FY 18 - BN 21



For the BN 21 proposed budget personnel services increased approximately 9 percent over prior years FY 18 and FY 19 combined total personnel services. Full-time equivalents (FTE) will increase by .84; one additional FTE is budgeted for public works; additional one FTE in railroad; one additional FTE in the IT department, minus two FTE in the restaurant, .25 less in police, and .09 less in emergency dispatch. The City of Prineville will meet union contract obligations and provide a modest increase for non-represented employees based on COLA and performance. Health insurance costs increased approximately 6 percent for the first year of the biennium, and an estimate of 10 percent was proposed for the second year, while retirement (PERS) increased for biennium 2021 roughly 3 percent, the City of Prineville contributed to an additional side account with PERS and received an additional rate credit of -1.35 effective 5-1-19, giving the city a total credit of -7.96 for the two side accounts with PERS. The City continues to charge the previous rate for BN 2019 and an additional 7 percent estimated rate on all subject payroll sufficient to repay debt service on the pension note. The City also transfers \$100,000 annually from the General Fund to the POB Fund for future liabilities.

Materials & Services Requirement Trends

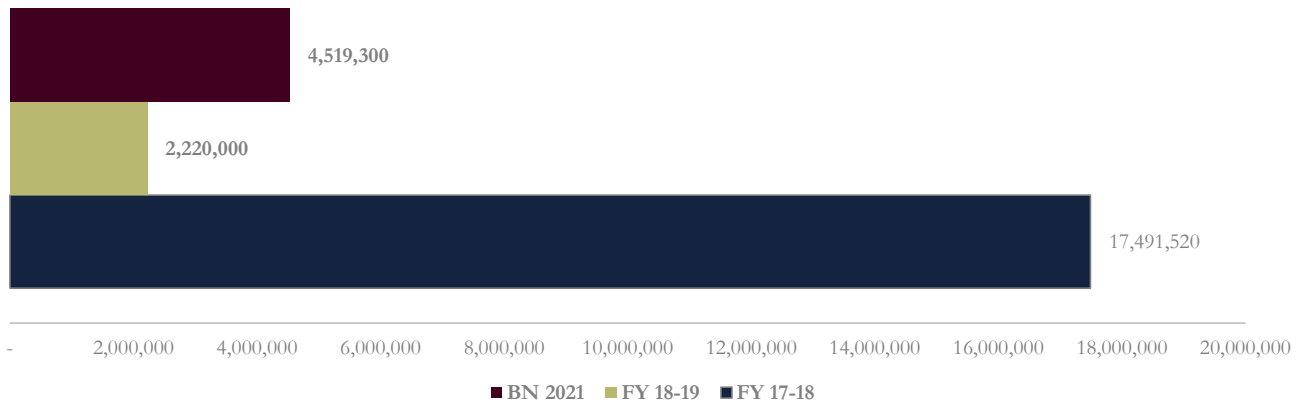
FY 16 – BN 21



Materials and services requirements are increasing roughly 5 percent over the next biennium. The increase in BN 21 is largely due to the increase in activity in our community, specifically affecting our enterprise funds, airport and golf for repair and maintenance, water and wastewater, additional maintenance of equipment in the dispatch center, and an increase in chamber fees due to an increase in transient room tax in non-departmental in the General Fund. The growth in activity also affects the administration materials and service as far as legal fees for contacts, single audits for larger projects, and IT projects for expansions.

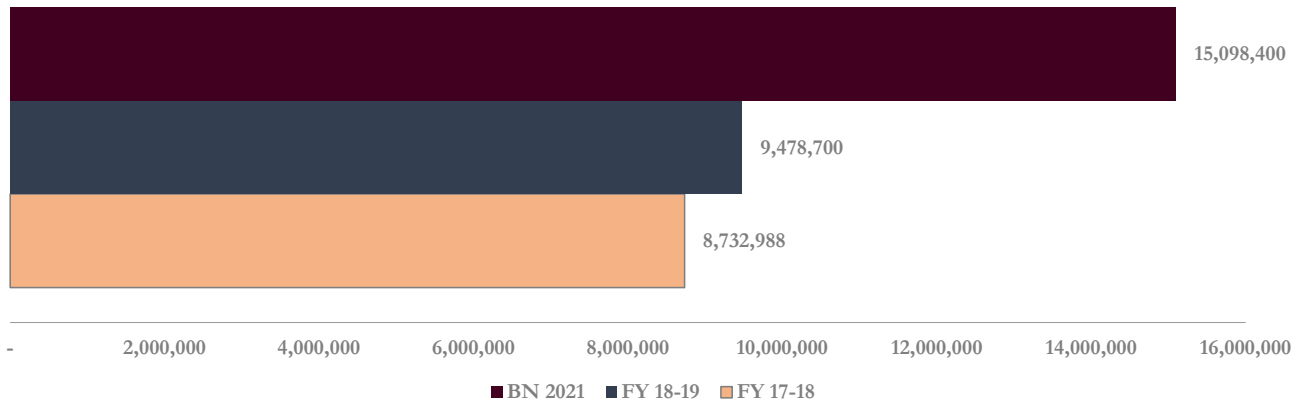
Debt Service Requirement Trends

FY 18 – BN 21



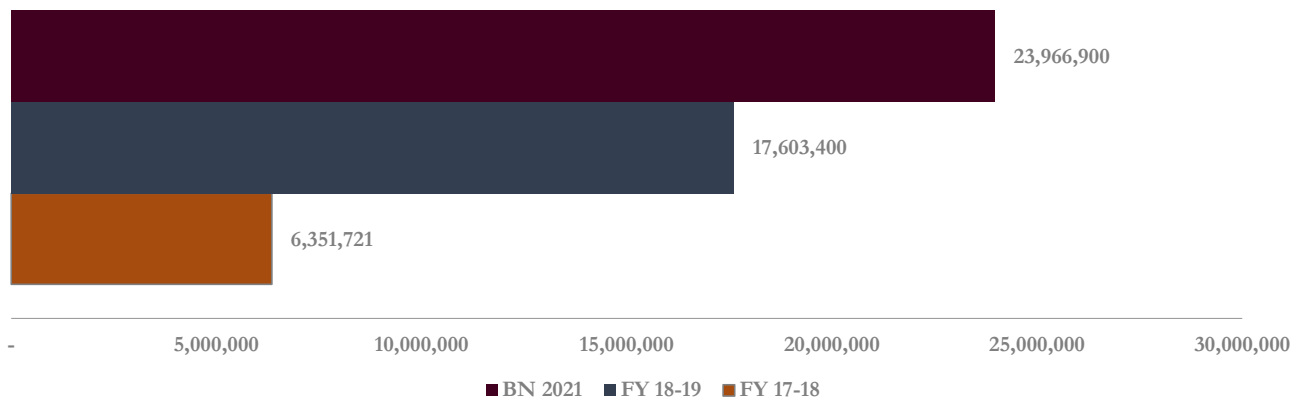
Debt service requirements increased less than two percent for each year of BN 21 compared to FY 19, in FY 18 the majority of City debt was refunded by advanced refunding in December of 2017, the payoff of interim financing of the wetlands project through DEQ, and the reduction of other debt in the water and wastewater funds made possible by the SDC fees collected from data centers. The decrease of 88 percent in debt service requirements for FY 19 is reflective of this. There is no debt planned for the proposed BN 21 budget.

Transfer Requirement Trends FY 18 - BN 21



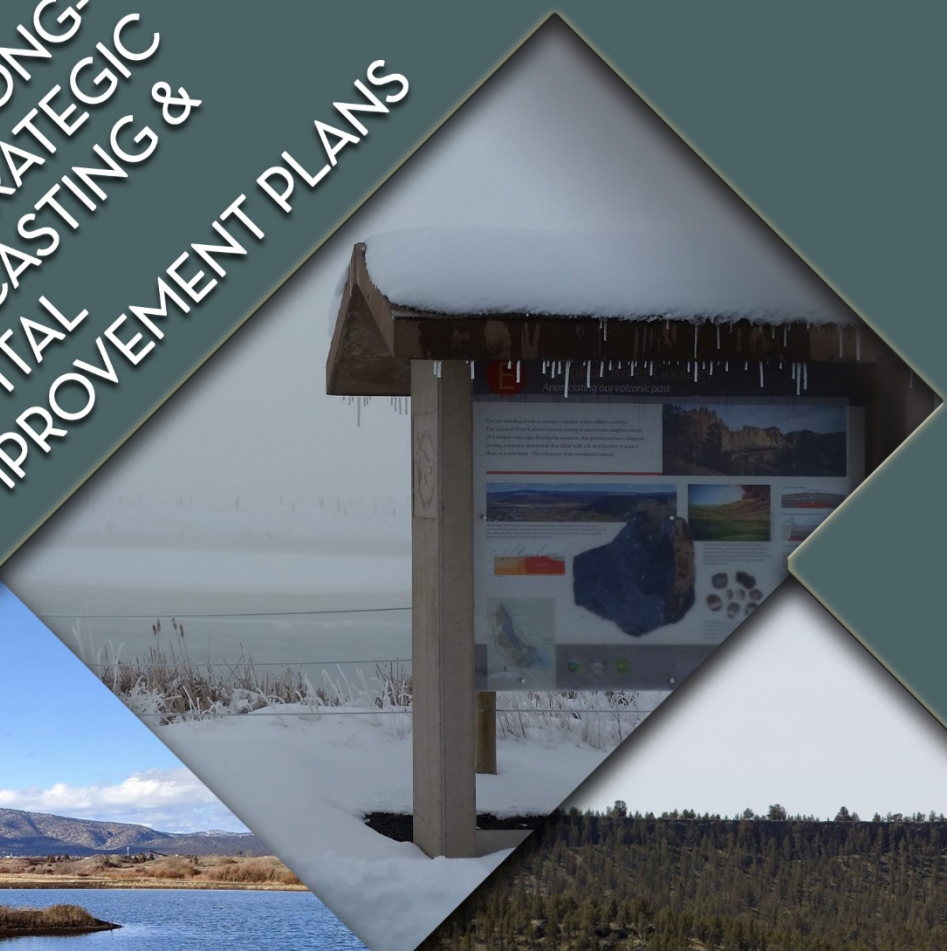
In BN 21, transfers decreased roughly 17 percent over prior FY 17 and FY 18 combined, this largely due to dollars being transferred from the SDC funds for the reduction and payoff of debt in the water and wastewater funds in FY 18, transfers for administrative fees for SDC collection FY 18 and 19, and a transfer from administration for the lump sum payment to PERS in FY 19. BN 21 transfers that have increased significantly are proposed in the police budget to building facilities fund for the debt service and maintenance of the new public safety building, and a transfer to the wastewater disposal site at the golf course for a capital project replacing the irrigation system. Total transfer amount for BN 21 totals \$15,098,400.

Capital Outlay Requirement Trends FY 18 - BN 21



Capital outlay for BN 21 totals approximately \$23,966,900. Capital project expenditures for the previous FY 18 and FY 19 combined totaled approximately \$23,955,121. The largest projects for BN 21 are budgeted in the water SDC fund totaling \$7,933,600, for the aquifer storage and recovery (ASR) project, \$3.43 million is located in the building facilities fund which includes \$2.5 million for the remodel of the new public safety building, \$728 thousand for a pass through grant funding the senior center building, and approximately \$200 thousand for improvements at Barnes Butte property and city hall, \$3.04 million is budgeted in the wastewater SDC fund for the ASR project, and \$2.6 million in transportation SDC fund for the repair and improvements to the Elm Street bridge. You can find a more detailed description of all the capital projects in the Short- & Long-term Strategic Forecasting & Capital Improvement Plan section beginning on page 95.

SHORT- & LONG-
TERM STRATEGIC
FORECASTING &
CAPITAL
IMPROVEMENT PLANS



ADOPTED BIENNIAL BUDGET
JULY 1, 2019 -
JUNE 30, 2021



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Long-range Strategic Financial Planning Process

The City of Prineville prepared 20-year, long-range planning models for the FY 13 budget process in Water, Wastewater, and Golf and Restaurant Funds. In FY 14, the City completed the General Fund long-range planning model. These models are updated and used by staff to strategically plan, develop and educate the Prineville City Council and various committees about current and future needs, as well as the resource assumptions to fund these needs. The forecasting models take into account projected increases and decreases in revenues and expenditures.

Budget assumptions include rate adjustments, consumer price index (CPI) adjustments, estimates for population growth, personnel service adjustments, debt service, future financing, and capital improvement plans (CIP). The model analysis examines the effect on debt coverage ratio, available fund balance, reserve policies, and funding gaps. Master plans for water, sewer and transportation are updated approximately every five years. These master plan documents provide long-range planning (20 years) for necessary capital improvements and investments in the City's infrastructure. Five-year capital improvement plans are updated and reviewed in this process for nonrecurring and recurring projects. The results of these plans are essential in keeping an updated financial forecasting model.

A review of the pavement condition index (PCI), master plans for water and sewer, and the financial forecasts are reviewed annually. Findings are then presented to the Prineville Budget Committee during the budget process prior to the committee's approval of the budget. The long-range planning models are the key to strategizing, studying different financial outcomes, modeling demographic trends, anticipating changes in revenue streams, and forecasting utility rates. They are essential to the decision and development process of the budget document.

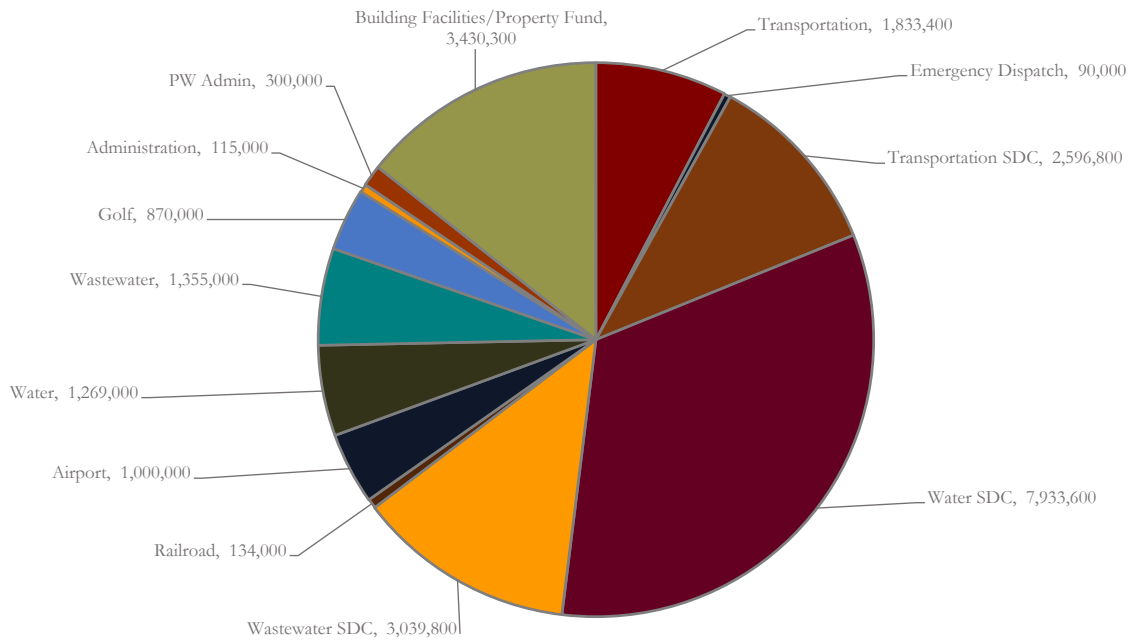
The City is working towards establishing a long-range model for each fund. A copy of the latest version of the City's updated projections for Water, Wastewater, Golf and Restaurant, and General Funds (showing only five of the 20-year plans) are placed in the back of this chapter.



The view along the train track heading to the Prineville Junction, taken in June 2018

Capital Outlay Summary

Capital Expenditures by Fund, BN 21



The City defines a capital expenditure as using the following three criteria: (I) relatively high monetary value (equal to or greater than \$10,000), (II) long asset life (equal to or greater than five years of useful life), and (III) results in the creation of a fixed asset or the revitalization of a fixed asset.

The total overall capital outlay budget for BN 2021 is \$23,966,900. Thirteen programs have budgeted capital improvements, the largest being in the Water SDC Fund with approximately \$7.9 million budgeted, \$3.43 million is budgeted in the Building Facilities Fund, and \$3.04 million is budgeted in the Wastewater SDC Fund.

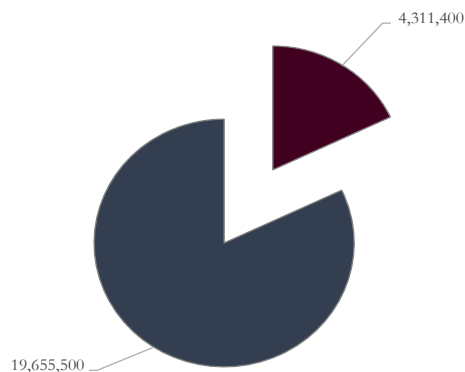
Capital Resources

The City of Prineville’s funding for capital projects comes from a variety of sources for BN 21, but generally falls into one of several categories – grants, debt proceeds, gasoline taxes, shared revenue, impact fees, franchise fees, user fees or reserves. Grants covering projects are roughly \$3.4 million, intergovernmental revenue totals \$1.1 million, and impact and user fees along with fund balance will cover the majority of capital projects in BN 21 at approximately \$17.7 million, and franchise fees will cover \$747,000.

Summary of Capital Improvement Nonrecurring / Recurring BN 21

Capital Improvement Summary City of Prineville Biennial 2021									
Department/Project Description	Expenditures			Resources					
	Capital Outlay	Recurring	Non- recurring	Taxes AD Valorem	Revenue Sharing/ Intergovernmental	Debt proceeds	Grants	User/Impact Fees Fund Balance	Franchise Fees/Other
Emergency Dispatch									
Recording Equipment	20,000		**		20,000				
Tower Upgrades	70,000		**		70,000				
Transportation Fund									
Overlay/Rehabilitation/Crack Seal	1,624,200	*			1,024,200				600,000
ODOT Transit Grant	209,200	*					209,200		
Transportation SDC Fund									
Tom McCall Roundabout Feature	100,000		**					100,000	
Transportation Growth Management	50,000		**					50,000	
10th and Main Signal Upgrade	750,000		**					750,000	
Elm Street Bridge/ Add'l Paving	1,696,800		**				1,477,700	219,100	
Airport Fund									
Connect Oregon Project	1,000,000		**				1,000,000		
Water Fund									
Source	260,000	*						260,000	
Transmission	1,009,000	*						1,009,000	
Water SDC Fund									
Elm Street Bridge 12" Water Main Extension	100,000		**					100,000	
Aquifer Storage and Recovery project	7,833,600		**					7,833,600	
Wastewater Fund									
Sanitary Sewer - Collection Improvements	258,000	*						258,000	
Infiltration and Inflow Maintenance	85,000	*						85,000	
Treatment Plant Upgrades	740,000	*	**					740,000	
SLARRA/USDA Requirement (Short-Lived Asset Replacement Reserve Account)	272,000	*						272,000	
Wastewater SDC Fund									
Aquifer Storage and Recovery project	1,639,800		**					1,639,800	
Railroad Sewer	550,000		**					550,000	
AIPUE Influent Screen	350,000		**					350,000	
Wastewater Treatment Plant Irrigation Upgrades	500,000		**					500,000	
Railroad Fund									
Rolling Stock - Pickup	32,000	*						32,000	
Signals / Crossing	22,000	*						22,000	
Bridges	20,000	*						20,000	
Track	60,000	*						60,000	
Golf Course Fund									
Irrigation Systems Upgrade	750,000		**					750,000	
Course Improvements	85,000	*						85,000	
Restaurant Improvements	20,000	*						20,000	
Proshop Remodel	15,000	*						15,000	
Administrative Services									
Software	60,000		**					60,000	
Technology	55,000		**					55,000	
Building Facilities / Property Fund									
City Hall	15,000		**					15,000	
Police Facility Upgrades	2,500,000		**					2,500,000	
Sr Center Upgrades - CDBG Grant	728,300		**				728,300		
Barnes Butte Property Improvements	187,000		**				40,000	147,000	
Public Works									
Administration Services Fund									
Fleet/Equipment Management	300,000	*						300,000	
Total Capital Outlay	\$ 23,966,900			\$ -	\$ 1,114,200	\$ -	\$ 3,455,200	\$ 18,650,500	\$ 747,000

Capital Expenditures by Category



Capital Improvement Plan

Nonrecurring		
Roads.....	\$	2,596,800
Wastewater		3,739,800
Water		7,933,600
Alternative Transportation.....		1,000,000
Buildings.....		3,243,300
Other.....		1,142,000
Total CIP Expenditures	\$	19,655,500
Recurring		
Vehicles.....	\$	332,000
Major Maintenance.....		2,633,200
Other.....		1,346,200
Total Routine.....	\$	4,311,400
Total Capital.....	\$	23,966,900

Major Nonrecurring Capital Improvements by Project

Transportation SDC Fund

Project Title: Elm Street Bridge Replacement
Department: Transportation SDC



Project Description

This City of Prineville owns and maintains eight bridges over Ochoco Creek. Most have been replaced since the 1998 flood. Elm Street bridge remains the only pile drive wooden bridge. With a recent award of a grant from the Oregon Department of Transportation Local Agency Bridge Program, the City can now replace it with a free-span concrete structure. This project is on its way and is expected to be completed in FY 20.

Budget Information and Projected Costs (In Thousands)

Actual FY18	Projected FY19	Budget FY19	Budget FY20	Budget FY21	Projected FY22	Projected FY23	Projected FY24	Projected FY25	Total
0	706	100	1,647	0	0	0	0	0	2,353

Total Projected Cost Breakdown (In Thousands)

Design / Engineering	\$ 599
Construction	\$ 1,753
Equipment	\$ -
Total	\$ 2,353

Funding Sources

Fund Balance	No
Intergovernmental	Yes
Grant	Yes
Debt Proceeds	No
Other	Yes

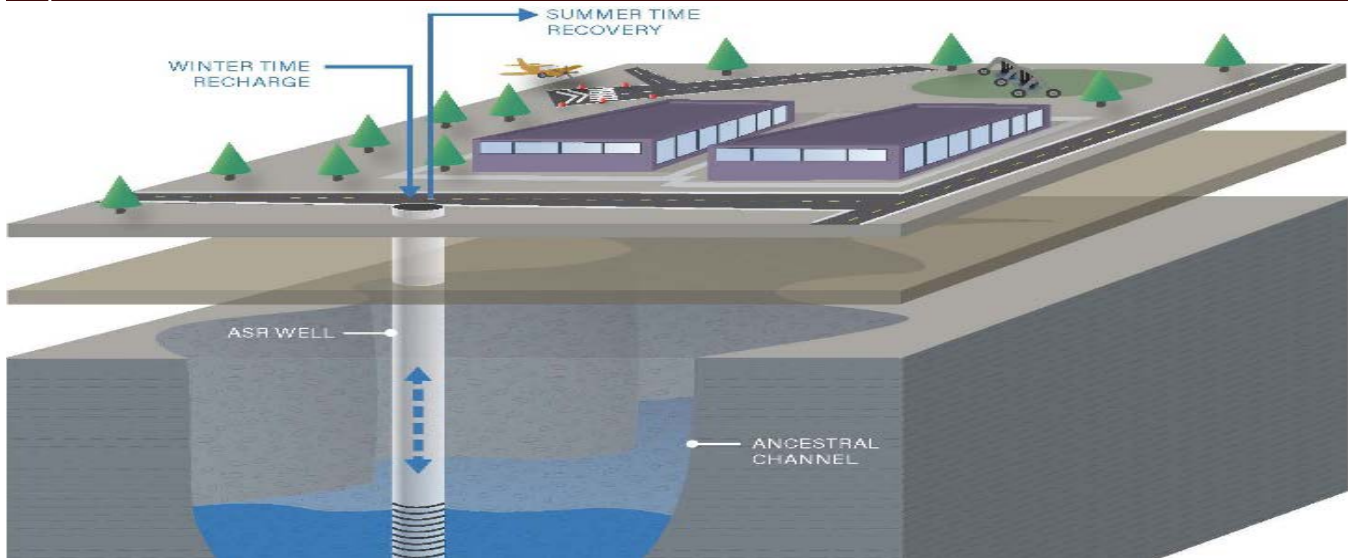
Future Operating Cost Impact

With the replacement of the current, 1960 timber structure bridge with a new concrete facility, safety and load capacity will be greatly improved. Operational cost are expected to remain the same.

Key Drivers for CIP Project / Analysis of Need

The current 1960 timber structure bridge is the last pile driven bridge in the City of Prineville's inventory. This bridge currently has a very low sufficiency rating and is posseted for less than legal loads. With the award of a grant from the Oregon Department of Transportation Local Agency Bridge Program, the City can now replace it with a free-span concrete structure.

Project Title: ASR Project (Both Years)
Department: Water SDC



Project Description

The Aquifer Storage and Recovery (ASR) project is a method of water storage that uses the natural water storage capabilities of underground aquifers as a cost-effective, scalable and ecologically friendly water storage alternative to traditional storage options, such as above-ground reservoirs and short-term water supply storage tanks. An ASR system allows water to be appropriated and injected into the aquifer via wells during periods of cooler temperatures, higher streamflow and lower demands. The stored water can later be recovered and used during periods of hotter temperatures and higher demands, thereby reducing stress on native water sources. In addition, it also provides for a readily available “reservoir” of stored water for use in the event of drought or supply interruption. This project is funded by local data center interests.

Budget Information and Projected Costs (In Thousands)

Actual FY18	Projected FY19	Budget FY19	Budget FY20	Budget FY21	Projected FY22	Projected FY23	Projected FY24	Projected FY25	Total
0	3,357	3,818	5,595	2,238	0	0	0	0	11,191

Total Projected Cost Breakdown (In Thousands)

Design / Engineering	\$ 2,238
Construction	\$ 8,953
Equipment	\$ -
Total	\$ 11,191

Funding Sources **Future Operating Cost Impact**

Fund Balance	No	This project is expected to reduce the impact of future operating costs by using the natural storage capacity in the Airport Area Aquifer to store water during periods of cooler temperatures and use this water to meet high summertime demands.
Intergovernmental	No	
Grant	No	
Debt Proceeds	No	
Other	Yes	

Key Drivers for CIP Project / Analysis of Need

As the City of Prineville grows, demands on the water system increase. This project was identified in the City of Prineville Water System Master Plan as the most cost effective solution to meet this growing need.

Project Title: ASR Sewer
Department: Wastewater SDC



Project Description

The City of Prineville Wastewater System Development Charge Fund is scheduled to construct 1,900 lineal feet of 18-inch gravity wastewater mainline that will gather flows from the nearby area as it develops. This project will serve the soon to be constructed water treatment facility and other southern areas within the City of Prineville limits.

Budget Information and Projected Costs (In Thousands)

Actual FY18	Projected FY19	Budget FY19	Budget FY20	Budget FY21	Projected FY22	Projected FY23	Projected FY24	Projected FY25	Total
0	0	0	1,640	0	0	0	0	0	1,640

Total Projected Cost Breakdown (In Thousands)

Design / Engineering	\$ 75
Construction	\$ 1,565
Equipment	\$ -
Total	\$ 1,640

Funding Sources

Fund Balance	No
Intergovernmental	No
Grant	No
Debt Proceeds	No
Other	Yes

Future Operating Cost Impact

There are no anticipated additional future operating impacts associated with this project.

Key Drivers for CIP Project / Analysis of Need

The adopted 2018 City of Prineville Wastewater Facilities Plan identifies the need to serve areas to the south of the city center with wastewater services. This project was included in the 2019 Wastewater System Development Charge Methodology Report as well. With the construction of a new water treatment plant in this area, the identified wastewater line is now needed.

Project Title: Connect Oregon Project
Department: Airport



Project Description

The Connect Oregon project will support an access road and infrastructure for the United States Forest Service (USFS) Airbase project on the north side of the airport, along with matching funds for a new Federal Aviation Administration (FAA) aircraft parking apron. The fuel system replacement project replaces a required piece of airport equipment that is beyond its designed life, including decommissioning the old system and installing new above-ground tanks. The project will be funded with a Connect Oregon grant in conjunction with the USFS Airbase/FAA project. The required 26 percent in matching funds will be supported through the Crook County contribution of the USFS Airbase project and a General Fund transfer.

Budget Information and Projected Costs

Actual FY17	Actual FY18	Projected FY19	Budget FY19	Budget FY20	Budget FY21	Projected FY22	Projected FY23	Projected FY24	Total
69	10	1,000	1,800	1,000	0	0	0	0	2,079

Total Projected Cost Breakdown (In Thousands)

Design / Engineering	\$ 579
Construction	\$ 800
Equipment	\$ 700
Total	\$ 2,079

Funding Sources

Future Operating Cost Impact

Fund Balance	No	Minimal maintenance is needed. Existing daily inspections and quality control procedures are in place to support the system in the long term. The City will also see reduced insurance costs and the ability to more accurately track inventory and process sales.
Intergovernmental Grant	Yes	
Debt Proceeds	Yes	
Other	No	
	Yes	

Key Drivers for CIP Project / Analysis of Need

This project will provide the necessary infrastructure to support the USFS Airbase Project and long-term, environmentally safe fuel service for all aircraft including emergency resources. It is necessary because key equipment require replacement to ensure reliable service to be able to provide fuel capacity to meet projected growth with the USFS Airbase Project.

Project Title: Golf Course Irrigation Upgrades
Department: Golf



Project Description

The golf course irrigation project is a renovation of the current irrigation system. The current system is 27 years old and parts are becoming obsolete. Typical lifespan for a golf course irrigation system is estimated at 20-30 years. New lateral water lines and sprinkler heads will be installed. The main water line will remain in place with new saddles being attached for the new lateral lines. A new central control computer system will also be installed. The system will be upgraded from the current block system to a new I.C. system. An I.C. system connects central control directly to every rotor and valve, helping to reduce turf damage from dry and wet spots. IC systems also increase water and energy efficiency. The individual head control will save time for employees and improve course conditions.

Budget Information and Projected Costs (In Thousands)

Projected FY19	Budget FY19	Budget FY20	Budget FY21	Budget FY22	Budget FY23	Projected FY 24	Projected FY25	Projected FY 26	Total
0	0	750	0	0	0	0	0	0	750

Total Projected Cost Breakdown (In Thousands)

Design / Engineering	\$ 50
Construction	\$ 350
Equipment	\$ 350
Total	\$ 750

Funding Sources

Future Operating Cost Impact

Fund Balance	No	By having more control over individual sprinkler heads, significantly fewer man hours will be spent on hand watering dry spots on the course, as well as fewer man hours repairing wet and muddy spots in low areas. Approximately \$15,000 per year will be saved in labor once the new system is in place.
Intergovernmental	No	
Grant	No	
Debt Proceeds	No	
Other	Yes	

Key Drivers for CIP Project / Analysis of Need

Irrigation is a key component of golf course maintenance, and the current system is nearing the end of its lifespan. Parts for the current system are becoming obsolete, making it much more difficult and expensive to keep the current system functioning at a high level. Eventually, the course will reach a point where parts for the system will be nearly impossible to acquire and the needed labor spent on watering will grow exponentially. The sprinkler system also is a means for dispersing effluent water from the wastewater treatment facility, so its functionality is of the utmost importance.

Project Title: New Police Facility and Structural Remodel
Department: Building Facilities/Property Fund



Project Description

This project allows the City to purchase a pre-existing building at 1251 NE Elm Street (pictured above) and remodel it. The Prineville Police Department, emergency dispatch center and the City’s Information Technology Department will move to the new facility. This move provides enhanced safety for citizens by moving resources out of the flood plain, as well as providing the seismic upgrades, required by the state, for the critical emergency services infrastructure. During the review phase, the City determined that there was cost savings in purchasing the new building instead of attempting to repair the current facility.

Budget Information and Projected Costs (In Thousands)

Actual FY18	Projected FY19	Budget FY19	Budget FY20	Budget FY21	Projected FY22	Projected FY23	Projected FY24	Projected FY25	Total
0	1,840	4,000	1,250	1,250	0	0	0	0	4,340

Total Projected Cost Breakdown (In Thousands)

Design / Engineering	\$ 400
Construction	\$ 3,300
Equipment	\$ 640
Total	\$ 4,340

Funding Sources

Future Operating Cost Impact

Fund Balance	No	There should be minor cost savings by ending the constant repair costs incurred due to the degradation of the old building and an increase in debt service for the loan of the project.
Intergovernmental	No	
Grant	No	
Debt Proceeds	Yes	
Other	Yes	

Key Drivers for CIP Project / Analysis of Need

The current police and emergency dispatch facility is roughly 65 years old and originally served as city hall. Over the last 10 years the building has been falling apart and is in need of critical improvements. Some of the issues with the building include a roof that leaks in many places and it not being structurally sound enough to withstand an earthquake. An independent engineer determined the current police building would be better off demolished and rebuilt. A study showed tremendous cost savings in purchasing a newer building and remodeling it instead.

Project Title: CDBG - Senior Center
Department: Building Facilities Fund



Project Description

In 2016, Resolution No. 1302 was passed regarding the City’s role in administering and managing a Community Development Block Grant for rehabilitation of the Senior Center. The project got on its way at the tail end of FY 18 and is currently finishing up the design phase. The project primarily consists of a new parking lot, covered entry way to eliminate slipping or falling during inclement weather, much needed new flooring that was also a trip hazard, a new roof, a new HVAC system and new commercial grade kitchen appliances. Construction is to start by the end of FY 19 and anticipated to be completed during FY 20. It has been a very rewarding experience partnering with such a great organization that contributes so much to the community.

Budget Information and Projected Costs (In Thousands)

Actual FY18	Projected FY19	Budget FY19	Budget FY20	Budget FY21	Projected FY22	Projected FY23	Projected FY24	Projected FY25	Total
0	244	0	728	0	0	0	0	0	972

Total Projected Cost Breakdown (In Thousands)

Design / Engineering	\$ 146
Construction	\$ 779
Grant Administration / Legal	\$ 47
Total	\$ 972

Funding Sources

Future Operating Cost Impact

Fund Balance	Yes	The City is the grant administrator for this project so there is no future operating cost impact to the city's budget. Once the project is completed, all costs associated with the upgrade of the Senior Center will be the responsibility of the Senior Center board.
Intergovernmental	Yes	
Grant	Yes	
Debt Proceeds	No	
Other	Yes	

Key Drivers for CIP Project / Analysis of Need

The Senior Center is in need of extensive repairs and upgrades in order to continue to safely serve the community. It is a vital part of the community and provides many activities such as dance and exercise classes for the seasoned population. The Senior Center also operates a home delivery meal service to approximately 1,482 seniors that receive a daily meal during the week. The CDBG application must be filed by a City or County and the Soroptimist Board, who run the Senior Center, came to the City to request the City apply for the grant and oversee the project.

Nonrecurring Five-year Capital Improvement Plans by Fund

Emergency Dispatch Fund

City of Prineville Emergency Capital Improvement Plan Fiscal Years 2020 - 2024						
Project Description	Current Year Construction Estimate					
		2020	2021	2022	2023	2024
Recording Equipment Dispatch			\$ 20,000			
Tower Upgrades		\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
RMS CAD Update					\$ 25,000	
Total	\$ -	\$ 35,000	\$ 55,000	\$ 35,000	\$ 60,000	\$ 35,000

Project Description

For the next five years, a recurring cost for tower upgrades was placed. These costs are for the expansion of the 700/800 megahertz system. This improvement began in fiscal 2018 in order to provide better coverage for city officers. The CIP budget will allow expansion of the system and improve it in areas that become identified as areas of weakness, as the project moves forward. In 2021, the lease of recording equipment will end. This system records all of the incoming calls to dispatch as well as all radio traffic on the air. This imperative system can be purchased outright in 2021 or re-leased depending on the cost considerations reviewed at that time. The City, Crook County and the emergency dispatch center all use a records management system created by Executive Information Services. Their company notified us of a major upgrade to the system due out in 2023. Funds are allocated to prepare for the costs associated with that update.

Transportation SDC Fund

City of Prineville Transportation SDC Capital Improvement Plan Fiscal Years 2020 - 2024						
Project Description (SDC Eligible Projects, Short- and Medium-term)	City's Expected Contribution					
		2020	2021	2022	2023	2024
Tom McCall Roundabout Feature	\$ 100,000	\$ 100,000				
Elm St Bridge	\$ 100,000	\$ 1,646,800				
Additional Paving for Elm Street Bridge	\$ 50,000	\$ 50,000				
Combs Flat Extension and Connection to Peters Road	\$ 2,740,000			\$ 2,740,000		
SE 5th St Extension btwn Main and Combs Flat	\$ 252,000					\$ 252,000
Peters Road Connection to Lamonta	\$ 600,000				\$ 600,000	
N 9th and N 10th Street Connection	\$ 800,000			\$ 800,000		
TGM Grant Match	\$ 50,000	\$ 50,000				
10th & Main Signal Upgrade	\$ 750,000	\$ 750,000				
Total		\$ 2,596,800	\$ -	\$ 3,540,000	\$ 600,000	\$ 252,000

Project Description

There are four projects budgeted in the Transportation SDC Fund for BN 20-21. With the expected completion of the Tom McCall Roundabout during FY 19, the design of the center feature of the roundabout will begin. This feature serves two purposes: it prevents drivers from seeing through the roundabout, which lowers speeds and improve safety, and it will also become the welcoming feature to the community. This feature is expected to pay homage to the past and welcome Prineville's future.

The second project will be the reconstruction of the 10th and Main traffic signal. Currently, this offset intersection is limited in capacity and wanting in safety features. The utilization of Transportation SDC dollars will allow for the drastic improvement of this intersection.

Funds for the reconstruction of the Elm St. Bridge have been secured and the design completed. With completion of this project, the last pile-driven bridge within the City of Prineville will be upgraded. A more extensive description of this project is in the “Major Nonrecurring Capital Improvements by Project” section starting on page 100.

The last project in this fund will be a Traffic Growth Management grant from the Oregon Department of Transportation (ODOT). These funds will be used to determine the future needs of the City Transportation network.



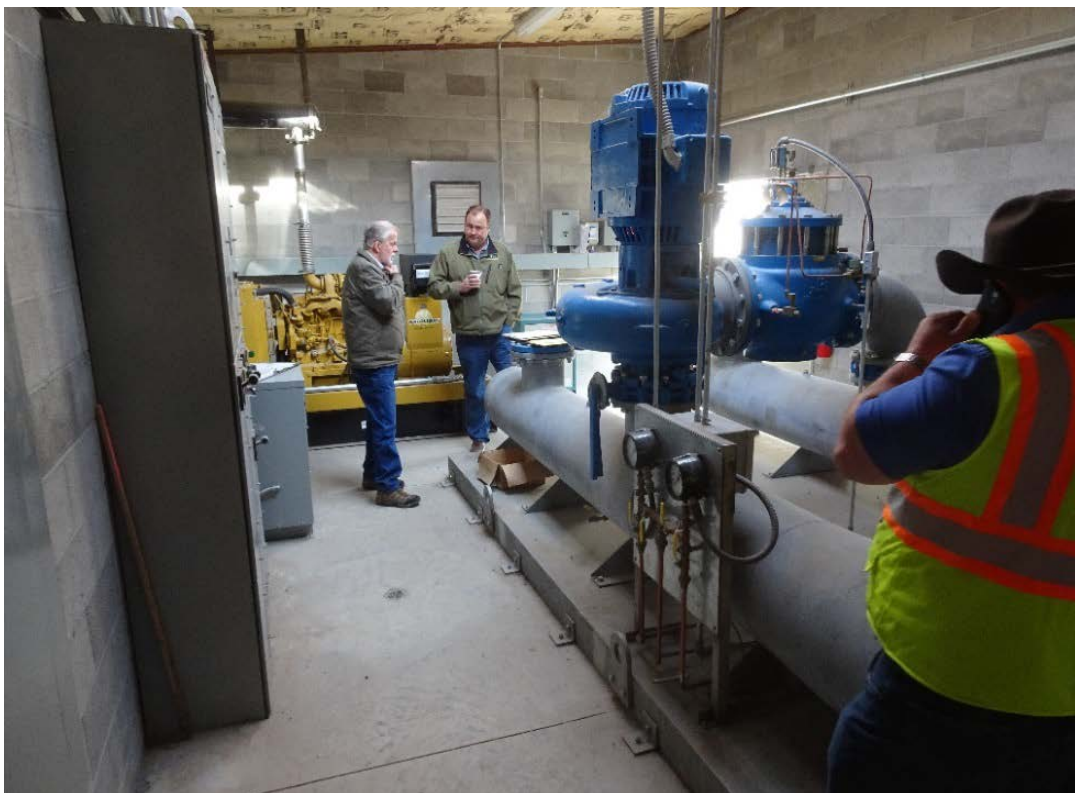
A concept rendering of the Tom McCall Roundabout

City of Prineville Water SDC Capital Improvement Plan Fiscal Years 2020 - 2024						
Project Description	Current Year Construction Estimate					
		2020	2021	2022	2023	2024
Storage						
Barnes Butte Tank #2 (1.0 mg steel)	\$ 1,250,000				\$ 1,250,000	
Hospital Tank (1.5 MG Steel)	\$ 2,000,000			\$ 2,000,000		
Transmission						
Elm Street Bridge 12" water main Extension (Ductile Iron)	\$ 100,000	\$ 100,000				
ASR	\$ 11,190,900	\$ 5,595,400	\$ 2,238,200			
Total		\$ 5,695,400	\$ 2,238,200	\$ 2,000,000	\$ 1,250,000	\$ -

Project Description

For BN 20-21, there are two projects budgeted in the Water SDC Fund. The major project is the Crooked River Aquifer Storage and Recovery (ASR) project. With an ASR system, water is collected in the aquifer during periods of cooler temperatures, higher streamflow, and lower demands. The stored water can later be recovered and used during periods of hotter temperatures and higher water demands, thereby easing peak demand stress on native water sources and reducing the need to build expensive storage facilities.

Prineville’s ASR system is expected to mitigate the long-term impacts of climate change, including reduced snowpack and stream flows, and provides for a readily available underground reservoir of stored water for use in the event of drought. A more extensive description of this project is in the “Major Nonrecurring Capital Improvements by Project” section starting on page 100.



Staff holds a discussion inside of a booster pump station located by one of the Les Schwab Tire warehouses.

City of Prineville Wastewater SDC Capital Improvement Plan Fiscal Years 2020 - 2024						
Project Description (SDC Eligible Projects, Short- and Medium-term)	Current Year					
	Construction Estimate	2020	2021	2022	2023	2024
Capital Rehabilitation						
Melrose Bailey Sewer	\$ 3,344,000				\$ 3,344,000	
Pinckard Lane Railroad Sewer	\$ 184,700			\$ 184,700		
ASR Sewer	\$ 1,639,804	\$ 1,639,804				
Railroad Sewer	\$ 550,000	\$ 550,000				
AIPUE Influent Screen	\$ 350,000	\$ 350,000				
Wastewater treatment plant irrigation upgrades	\$ 500,000	\$ 500,000				
Total		\$ 3,039,800	\$ -	\$ 184,700	\$ 3,344,000	\$ -

Project Description

The Railroad Interceptor Wastewater Extension project will support future growth east of the community by connecting the large railroad sewer project to the 10th St. sewer interceptor.

The ASR Interceptor Wastewater Extension project will support the new Aquifer Storage and Recovery project. This line will also be sized to support future growth south of our community. A more extensive description of this project is in the “Major Nonrecurring Capital Improvements by Project” section starting on page 100.



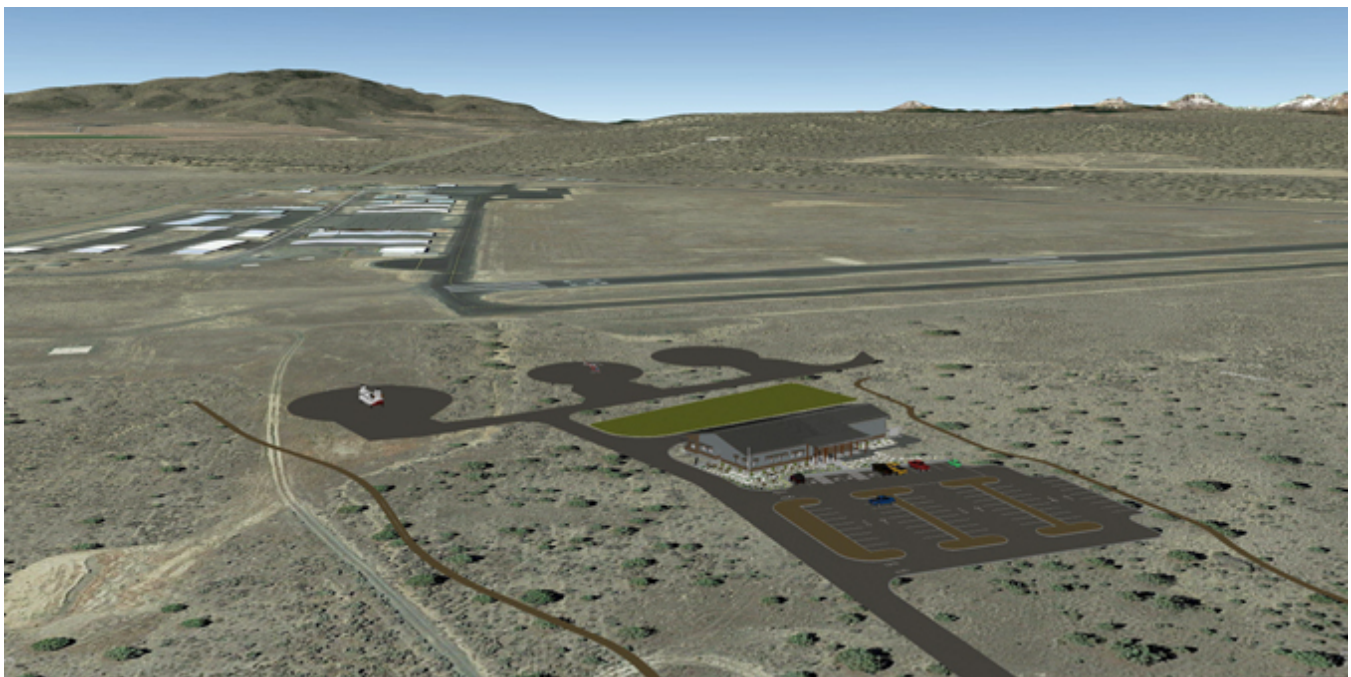
Heavy machines move earth to install a sewer line roughly 28 feet deep near the airport industrial park.

**City of Prineville
Airport Capital Improvement Plan
Fiscal Years 2020 - 2024**

Project Description	Current Year Construction Estimate					
		2020	2021	2022	2023	2024
Connect Oregon Project	\$ 2,079,000	\$ 1,000,000				
Total		\$ 1,000,000	\$ -	\$ -	\$ -	\$ -

Project Description

This CIP for the Prineville-Crook County Airport shows only the Connect Oregon Grant that is for the USFS Airbase project and an umbrella for multiple airport projects. Funding for these projects has been committed, although actual cost may vary depending upon construction costs. For FY 20, the airbase parking apron is being funded by the FAA with matching funds coming from the Connect Oregon grant and is be considered as a phase of the airbase project. The fuel system removal and replacement is funded by a Connect Oregon grant and is also considered a phase of the airbase project. Connect Oregon funds will be used progressively throughout the whole airbase project. Crook County, USFS and the FAA are also identified funding sources for the continued phases of the project. The airport continues to see increased activity and interest by many in the aviation industry. To enable the airport to maintain and provide economic opportunities, these projects are essential. A more extensive description of this project is in the “Major Nonrecurring Capital Improvements by Project” section starting on page 100.



A rendering of the USFS Airbase project at the Prineville-Crook County Airport courtesy of Steele Associates Architects, LLC

City of Prineville Wastewater Repair and Maintenance (R&P) Capital Improvement Plan Fiscal Years 2020 - 2024					
Project Description	2020	2021	2022	2023	2024
Treatment Plant Upgrades					
Storage Pond Aeration Upgrades		\$ 700,000			
Total	\$ -	\$ 700,000	\$ -	\$ -	\$ -

Project Description

There is one budgeted project in the wastewater fund that is nonrecurring. In FY 2021, storage pond aeration upgrades will be done, improving the efficiency of the treatment plant.



Wastewater treatment pond aeration maintenance was done in the summer of 2018.

City of Prineville
Meadow Lakes Capital Improvement Plan
Fiscal Years 2020 - 2024

Project Description	Current Year Cost Estimate					
		2020	2021	2022	2023	2024
Renovate Irrigation System	\$ 750,000	\$ 750,000				
Total		\$ 750,000	\$ -	\$ -	\$ -	\$ -

Project Description

In FY20, Meadow Lakes will renovate the existing irrigation system with a new system that will provide more uniform coverage on the course. This coverage will help to eliminate wet and dry spots by having control over individual sprinkler heads instead of just control over large sections of the course under the current system. By having more control over individual sprinkler heads, significantly fewer man hours will be spent on hand-watering dry spots on the course, as well as fewer man hours repairing wet and muddy spots in low areas. Approximately \$15,000 per year will be saved in labor once the new system is in place. That number will begin to grow exponentially if the system is not replaced before the end of the 30 year projected lifespan. Parts for the current system are also becoming obsolete, making it much more difficult and expensive to keep the current system functioning at a high level. Eventually, the course will reach a point where parts for the system will be nearly impossible to acquire. A more extensive description of this project is in the “Major Nonrecurring Capital Improvements by Project” section starting on page 100.



A view of Hole #2 at Meadow Lakes Golf Course in March 2019

**City of Prineville
Information Technology Department Capital Improvement Plan
Fiscal Years 2020 - 2024**

Project Description	Current Year Construction Estimate					
		2020	2021	2022	2023	2024
Software		\$ 60,000				
Technology		\$ 35,000	\$ 20,000			
Total	\$ -	\$ 95,000	\$ 20,000	\$ -	\$ -	\$ -

Project Description



The IT Department works to install cameras at the Prineville-Crook County Airport terminal.

The core network serving City of Prineville government facilities was installed in 2008. This network, consisting primarily of dark fiber, and microwave radio, has been in continuous use since it was placed in service. As technology grows and expands and the number of devices connected to the City’s network services increases, the bandwidth requirements between facilities also increase. In BN 20-21, the original 11-year-old switches and routers, deployed in 2008, will be replaced and inter-site bandwidth increased from 1 Gb to 10 Gb as utilization dictates.

In FY 20, the City will upgrade all remaining workstations running Windows 7 to Windows 10 to comply with regulatory deadlines concerning Windows 7 obsolescence in January 2020. Since 2016, the city has been deploying Windows 10 workstations as lifecycle hardware refreshments came due, however, several legacy systems are still running Windows 7 and will need to be upgraded prior to the deadline to meet information security standards.

City of Prineville
Building Facilities Fund / Property Capital Improvement Plan
Fiscal Years 2020 - 2024

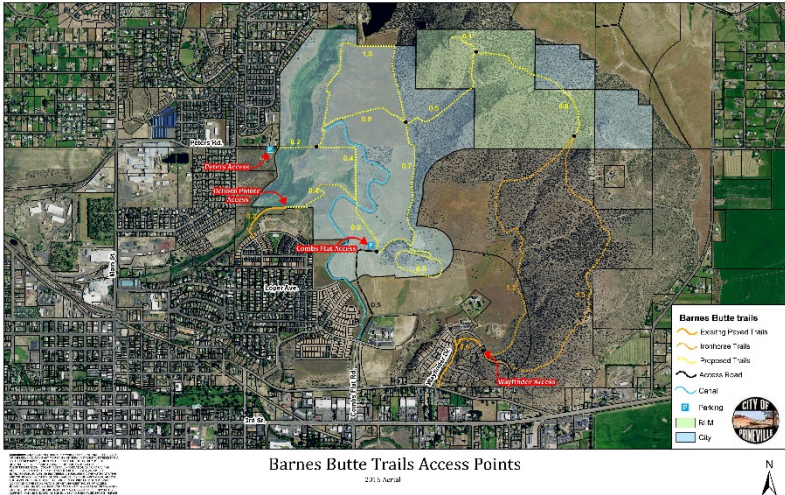
Project Description	Current Year Construction Estimate	2020	2021	2022	2023	2024
City Hall						
City Council Chairs	\$	15,000				
Police Facility						
New Police Facility and Structural Remodel	\$	4,340,000	\$ 1,250,000	\$ 1,250,000		
CDBG - Senior Center						
Senior Center Remodel	\$	972,100	\$ 728,300			
Barnes Butte						
Master Plan	\$	112,000				
Misc Improvements	\$	25,000				
Master Plan Driven Improvements			\$ 50,000	\$ 50,000		
Total	\$	2,130,300	\$ 1,300,000	\$ 50,000	\$ -	\$ -

Project Description

During the 2018/2019 fiscal period, the City struggled to address the continuing degradation of the current police facility. An independent engineer was brought in to assess the building. Their final report indicated it would be more cost effective to find a new building, or level the existing building and rebuild a new facility. The City team was able to locate an existing building that fit the department’s needs, and a budget was developed that would allow the City to pay for the building, without asking the citizens for additional taxes. The budget numbers in 2020 and 2021 represent the budget allocated to remodel the building to fit the City’s needs and make the building fit the state requirements for earthquake resiliency necessary for police and dispatch. A more extensive description of this project is in the “Major Nonrecurring Capital Improvements by Project” section starting on page 100.

In 2016, Resolution No. 1302 was passed regarding the City’s role in administering and managing a Community Development Block Grant for the rehabilitation of the Prineville Soroptimist Senior Center. The project got on its way at the tail end of FY 18 and is currently finishing up the design phase. Construction is to start by the end of FY 19 and anticipated to be completed during FY 20. A more extensive description of this project is in the “Major Nonrecurring Capital Improvements by Project” section starting on page 100.

The City of Prineville purchased 460 acres of open space within the eastern bounds of the city limits in 2016. Adjacent to this property is 160 acres of Bureau of Land Management property. This land is located bordering several high-density neighborhoods and the 700-student Barnes Butte Elementary School. Citizens now have access to over 620 acres of open space varying from natural wetlands to upland steppes, including the Barnes Butte geologic feature. The City has received grant funds from both the Oregon State Parks and the US National Park Service to develop a master plan to guide the development of this park as well as funds to develop a community-wide parks master plan. The plans will help guide the future of recreation for our community.



Recurring / Routine Five-year Capital Improvement Plans by Fund

General Fund

City of Prineville Police Capital Improvement Plan Fiscal Years 2020 - 2024						
Project Description	Current Year Construction Estimate	2020	2021	2022	2023	2024
		Update Radios for Police			\$ 210,000	\$ 15,000
Police Vehicles and Equipment				\$ 85,800		
Upgrade Body Cameras						
Total	\$ -	\$ -	\$ -	\$ 295,800	\$ -	\$ 420,000

Project Description

The Police CIP will be dormant in 2020 and 2021. In 2022, three police vehicles will need to be replaced. These vehicles are all 10 years or older and are long overdue for replacement. All the officers' body worn cameras will also need to be replaced in 2022. Body worn cameras have a regular replacement schedule due to the severe wear they receive, as well as the fact that technology continues to improve at a substantial rate. In 2023, an allotment for two new portable radios was made in preparation for the hiring of two new officers. Lastly, in 2024, the department scheduled the replacement of six police department vehicles. This is the last of the rotation of the old fleet, a plan worked on for the past three years. After that substantial rotation, all police vehicles will be on a more standardized rotation schedule.



A new community service officer's truck was deployed for service in December 2018.

City of Prineville
Transportation Capital Improvement Plan
Fiscal Years 2020 - 2024

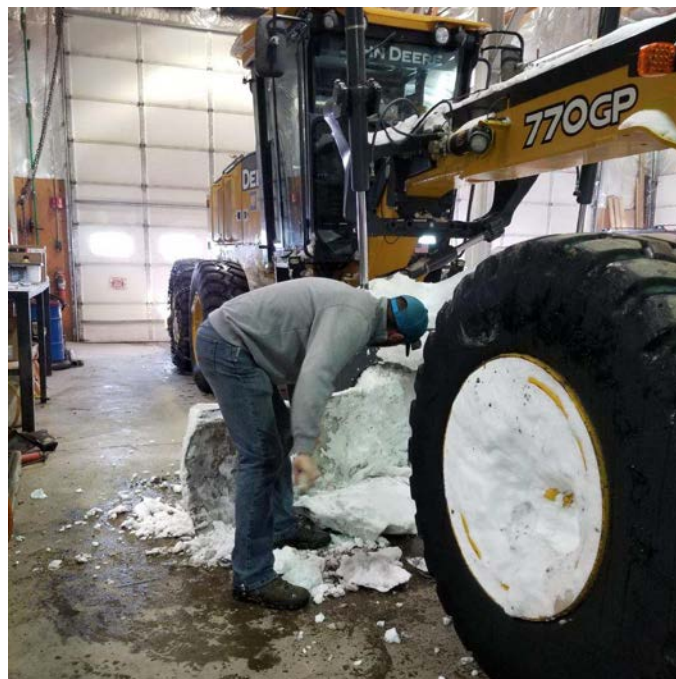
Project Description	Area (sqft.)	Current PCI					
			2020	2021	2022	2023	2024
Capital Rehabilitation							
ADA Transition Plan			\$ 35,000				
City Parking Lot			\$ 60,000				
NE Lamonta Rd. - 2" Overlay	220000	70	\$ 203,700				
SW Cessna Dr. - 2" Overlay	45500	73	\$ 42,700				
NE Laughlin Rd. Hudspeth to End - 2" Overlay	197000	72	\$ 187,500				
Elm 6th to Bridge & Bridge to NW 4th			\$ 30,000				
Garner SE 5th - 6th	16080	53	\$ 18,200				
Holly SE 5th - 6th	15120	59	\$ 18,200				
Idlewood SE 5th - 6th	15520	59	\$ 18,200				
SE 6th Street from Garner to Juniper	34600		\$ 43,500				
Loma Ln SE 6th - End	8600	49	\$ 8,000				
Mercury Ln SE 5th - End	12250	35	\$ 12,000				
Fairgrounds Rd Lynn - Canal	29496	57	\$ 28,000				
NE Yellow Pine Sugar Pine - Barnes Butte	168000	72		\$ 136,000			
NE Sugar Pine Yellow Pine - Yellow Pine	91890	68		\$ 75,000			
Cherry Loop Yellow Pine - Yellow Pine	34200	78		\$ 28,000			
Snow Berry Sugar Pine - Yellow Pine	17820	77		\$ 15,000			
Yew Sugar Pine - Yellow Pine	17940	76		\$ 15,000			
Mahogany Sugar Pine - Yellow Pine	18060	76		\$ 15,000			
Manzanita Sugar Pine - Yellow Pine	20520	73		\$ 16,000			
Buck Brush Manzanita - End	7230	79		\$ 6,000			
Huckle Berry Manzanita - End	7230	73		\$ 6,000			
Bitter Brush Sugar Pine - Yellow Pine	26068/	78		\$ 22,000			
Mountain Ash Sugar Pine - Yellow Pine	35196	76		\$ 29,000			
Tamarack Ct Sugar Pine - End	9072	66		\$ 7,400			
Aspen Sugar Pine - Bobbi Pl.	9088	80		\$ 7,400			
Bobbi Pl Aspen - End	17580	77		\$ 15,000			
Bobbi Ct Aspen - End	27990	79		\$ 23,000			
1st Deer Fairview G/I	136976	77		\$ 161,300			
2nd Deer Fairview G/I	135678	76		\$ 159,000			
Elm 3rd - 2nd	15120			\$ 19,000			
SE 5th Grind and Inlay - SE Fairview to End	96376	59.5			\$ 139,275		
NW 4th St. Grind and Inlay - N Main to NW Deer	46256	49			\$ 67,000		
NW 5th St Grind and Inlay - N Main to NW Locust	116424	50			\$ 168,885		
SE 7th from Fairview to End	110600	57			\$ 103,725		
Se 8th from Knowledge to end	25400	56			\$ 24,000		
SE 6th Knowledge to end	26650	55			\$ 25,000		
SE Knight Grind and Inlay - Lynn to SE 5th	61096	53			\$ 88,217		
SE Juniper Grind and Inlay - Lynn to Se 5th	59416	46			\$ 86,880		
SE Idlewood Grind and Inlay- SE 7th to SE Lynn	32440	58			\$ 38,504		
SE Holly Grind and Inlay - SE 7th to SE Lynn	32440	60			\$ 38,504		
SE Garner Grind and Inlay - SE 7th to SE Lynn	32440	60			\$ 38,504		
Ochoco Ave Elm- Whistle Way	145000	71				\$ 171,250	
Lookout Ochoco -Del Rio	112213	66				\$ 132,000	
Oregon G/I Ochoco - Loper	37070	67				\$ 44,000	
Powell Ochoco -Sunrise	34844	73				\$ 41,000	
McRae Allen - Sunrise	41340	74				\$ 48,000	
Wilshire Ochoco - Sunrise	36128	76				\$ 43,000	
Hillcrest Loper - Sunrise	18240	78				\$ 22,000	
Tyler Loper-Sunrise	18280	38				\$ 22,000	
Loper Oregon- Hudspeth Ln	57232	72				\$ 67,000	
Del Norte Lookout-Loper	19130	77				\$ 23,000	
Del Rio Ochoco- Loper	22000	68				\$ 27,000	
Crest Dr Allen - Allen	54000	68				\$ 44,000	
Clifton Allen - Crest	16400	75				\$ 14,000	
Allen Oregon-Jordan Ln	39480	71				\$ 32,000	
Jordan Ln Ochoco - Hudspeth	16632	67				\$ 14,000	
NW 7th Main-Fairmont	83744	63					\$ 99,000
NW 8th Main - Fairmont	77392	67					\$ 92,000
Beaver 10th - 7th	45450	44					\$ 53,000
Claypool 10th - 7th	45210	63					\$ 53,000
Ewen 10th - 7th	51083	60					\$ 60,000
Fairmont 10th - End	66740	55					\$ 79,000
SE 4th Main -Fairview	77250	58					\$ 92,000
SE 3rd Main - Fairview	82736	63					\$ 98,000
SE 2nd Court - Fairview	43200	56					\$ 53,000
Belknap SE 5th - SE 3rd	28500	43					\$ 33,000
Court SE 5th - 1st	59380	54					\$ 70,000
Dunham SE 5th - 1st	60984	64					\$ 72,000

**City of Prineville
Transportation Capital Improvement Plan Continued
Fiscal Years 2020 - 2024**

Project Description	Area (sqft.)	Current PCI					
			2020	2021	2022	2023	2024
Capital Maintenance							
Crack Seals							
Crack Seal NE Quadrant			\$ 40,000				
Seal Coat							
Wayfinder Compass - Gate	30600	74	\$ 16,000				
Compass Stringline - End	37184	82	\$ 20,000				
Stringline Angler-End	40000	82	\$ 20,000				
Angler Wayfinder - Stringline	5768	81	\$ 3,000				
Kokanee Wayfinder - Stringline	5768	81	\$ 3,000				
Stearns Cattleman - End	10080	84	\$ 5,000				
SE Cattleman Stearns-End	361170	80	\$ 16,000				
Triangle Outfit Stearns-End	33408	82	\$ 16,700				
Pioneer Triangle - Cattleman	20736	80	\$ 10,400				
Sumner Triangle - Cattleman	21536	82	\$ 11,000				
Sid Ct Triangle - End	5632	78	\$ 3,000				
Transit							
ODOT - Transit Grant			\$ 104,600	\$ 104,600			
Total			\$ 973,700	\$ 859,700	\$ 820,516	\$ 746,273	\$ 856,024

Project Description

Most of the CIPs listed above are recurring in nature with the exception of the ODOT transit grant, which is a pass-through grant to support the public transit services provided by Cascade East Transit. The rest of the capital improvement plan expenditures discussed in the above section are primarily related to the rehabilitation of existing transportation facilities to serve the citizens of the City of Prineville. A new street begins to deteriorate as soon as construction is complete. However, this deterioration is not linear. If a street is allowed to deteriorate significantly, maintenance activities become quite expensive. An example of these rehabilitation activities would be overlays and reconstruction. Recently, the City started investigating pavement preservation activities such as slurry seals, crack seals, and seal coats. By preserving the pavement asset before a significant decrease in quality, the economic efficiency of the investment can be maximized. The current year proposed capital improvements are not expected to require additional staffing or increased maintenance dollars.



Snow plow needing maintenance – February 2019

**City of Prineville
Railroad Capital Improvement Plan
Fiscal Years 2020 - 2024**

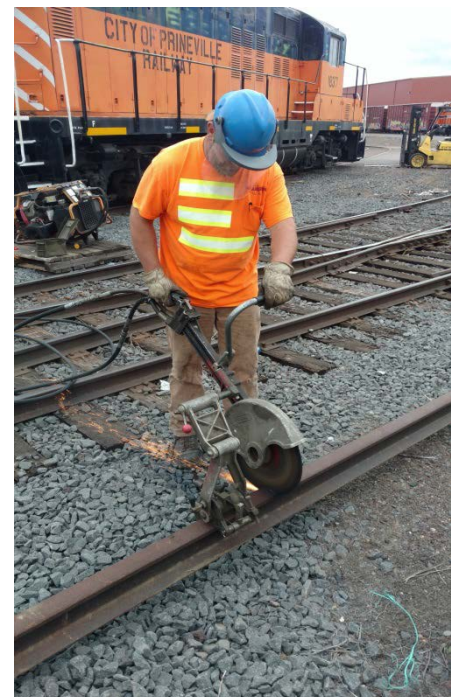
Project Description	2020	2021	2022	2023	2024
Plant					
Truck Docks - Freight Depot Roundhouse Relocation				\$ 50,000	\$ 750,000
Rolling Stock					
Locomotive Rebuild/Upgrade EMD GP Units Pickup	\$ 32,000			\$ 40,000 \$ 35,000	\$ 40,000
Lift Truck XL80 Hyrrail Excavator/Rail Maintenance Equipment				\$ 35,000	\$ 280,000
Signals / Crossing					
O'Neil Signal Gardner Signal	\$ 11,000			\$ 11,000 \$ 11,000	
Bus Evans Signal Long Lamonta Crossing Signal		\$ 11,000	\$ 11,000		\$ 21,000 \$ 30,000
Long Lamonta Crossing					\$ 140,000
Bridges					
MP 13.8 (Madras Highway Overpass) MP 16 (McKay Creek Bridge) MP 11.7 (Crooked River Bridge)	\$ 20,000		\$ 25,000 \$ 10,000	\$ 25,000 \$ 10,000	\$ 15,000
Track					
MP 0.01 - 33rd MP 3.3 - Lone Pine Crossing 33rd - MP 3.3 MP 15 - MP 16 - All of Freight Depot Yard and Fontana Spur	\$ 30,000	\$ 30,000	\$ 20,000	\$ 40,000 \$ 100,000	\$ 60,000 \$ 500,000
Total	\$ 93,000	\$ 41,000	\$ 96,000	\$ 357,000	\$ 1,836,000

Project Description

During the next biennium, there are several capital improvements planned. Currently the Hy-rail inspection vehicle used to do track inspections is a 2006 model and showing age. The railroad will purchase a new pickup and retrofit it with rail gear to perform routine rail inspections.

Two caps were identified as failing in the COP bridge management program. The COP purchased metal and had two caps fabricated in 2018. Metal is a stronger, long-term alternative to the current wood caps. During biennium 20-21 the Madras highway bridge will have installed the previously purchased metal caps.

Also budgeted in the next biennium is maintenance to the Bus Evans signal. It includes replacing the old PMD-2 motion detector with a new microprocessor predictor (PMD-5) system. The COP signals are a PMD-2 motion detection system that uses obsolete relays. This style of system was produced in the early 80s and three generations of systems were produced after the PMD-2. Parts and service for this style are no longer available causing issues with reliability and part availability. A new microprocessor predictor (PMD-5) system will be purchased and installed. The new style system will allow the COP to no longer need relays.



Track Maintenance at the Freight Depot

Located between MP3.3 and Lone Pine crossing, O’Neil hill has two very sharp corners midway up the 2.5 percent incline. Both corners experience large outward force when traversing the hill with loaded cars. During biennium 20-21 there will be a focus on securing the two sharp corners with 400 new 7X9 ties.

Track projects budgeted over the next two years include:

- MP0.01 – 33rd- Replace 400 new 7x9 cross ties with a focus on areas that have 5 consecutive failing ties and track joints that have a failing tie within 18” of each side.
- Mp3.3- Finish securing the tangent track on O’Neil hill. This will involve purchasing and installing 266 7X9 cross ties. We will focus on areas that have 5 consecutive failing ties and track joints that have a failing tie within 18” of each side.



To celebrate the Railroad’s 100 year anniversary, free train rides were given to the public the summer of 2018.

**City of Prineville
Water Improvement / Repair and Maintenance (R&P) Capital Improvement Plan
Fiscal Years 2020 - 2024**

Project Description	2020	2021	2022	2023	2024
Source					
Pump Controls (Telemetry)	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Water Rights (Including Administration and Mitigation Credits)	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Habitat Conservation Plan	\$ 60,000	\$ 30,000			
Crooked River Concepts	\$ 40,000	\$ 30,000			
Transmission					
NE 6th - Main to Fairview (1480 ft. of 8 inch)	\$ 320,000				
Elm Street Bridge Connections	\$ 190,000				
SE 7th St. - Fairview to Juniper (1,150 of 12 inch)		\$ 499,000			
SE Dunham to Fairview, SE 6th to Lynn (3,160 ft. of 8 inch)			\$ 543,000		
SE Dunham - SE 3rd to SE 2nd (320 ft. of 8 inch, Approx. 3 Services, 2 Tees)				\$ 722,000	
NE 1st - Main to Fairview (1550 ft. of 8")					\$ 206,000
NE 2nd - Main to Fairview (1550 ft. of 8")					\$ 206,000
NW Beaver - NW 7th to NW 10th (960 ft. of 8")					\$ 115,200
NW Crest - NW Allen to NW Allen (1970 ft. of 8")					\$ 260,000
NW McRae - NW Loper to NW Sunrise (485 ft. of 8")					\$ 81,400
NW Wilshire - NW Loper to NW Sunrise (485 ft. of 8")					\$ 81,400
Total	\$ 660,000	\$ 609,000	\$ 593,000	\$ 772,000	\$ 1,000,000

Project Description

Most of the projects in the Water Fund are recurring in nature and are associated with the repair and maintenance of the water infrastructure. The capital improvements shown above are primarily related to maintenance activities needed to support and improve the City of Prineville water system.



Work on the SE Fairview water line replacement in March 2018

City of Prineville Wastewater Repair and Maintenance (R&P) Capital Improvement Plan Fiscal Years 2020 - 2024					
Project Description	2020	2021	2022	2023	2024
Treatment Plant SLARRA					
Distribution Upgrades	\$ 50,000				
Wetland Projects	\$ 56,000	\$ 50,000	\$ 56,000	\$ 56,000	\$ 56,000
Sludge Survey		\$ 26,000			
Irrigation Pump Rebuilds			\$ 20,000	\$ 20,000	\$ 20,000
New Flyte Pumps @ Headworks (8ea Pumps total)	\$ 30,000	\$ 60,000	\$ 30,000	\$ 60,000	\$ 60,000
Upgrade Sulfur Burner			\$ 30,000		
Treatment Plant Upgrades					
Misc. Treatment Plant Upgrades	\$ 40,000		\$ 58,000	\$ 60,000	\$ 125,000
Sanitary Sewer					
Collection Improvements	\$ 129,000	\$ 129,000	\$ 129,000	\$ 129,000	\$ 129,000
Infiltration and Inflow Maintenance					
Manhole Rehabilitation (10 per Year)		\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Infiltration & Inflow Maintenance		\$ 50,000	\$ 50,000	\$ 50,000	\$ 100,000
Total	\$ 305,000	\$ 350,000	\$ 408,000	\$ 410,000	\$ 525,000

Project Description

Most of the projects in the Wastewater Fund are recurring in nature and associated with repair and maintenance of the wastewater infrastructure. The capital improvements shown above are primarily related to maintenance activities needed to support the aging City of Prineville wastewater collection and treatment system. These projects, once complete, will lower costs associated with nonscheduled downtime (breakdowns). Unscheduled downtime can be quite expensive in overtime and “rush” repair costs.



Sunset at the Crooked River Wetlands Complex in April 2018

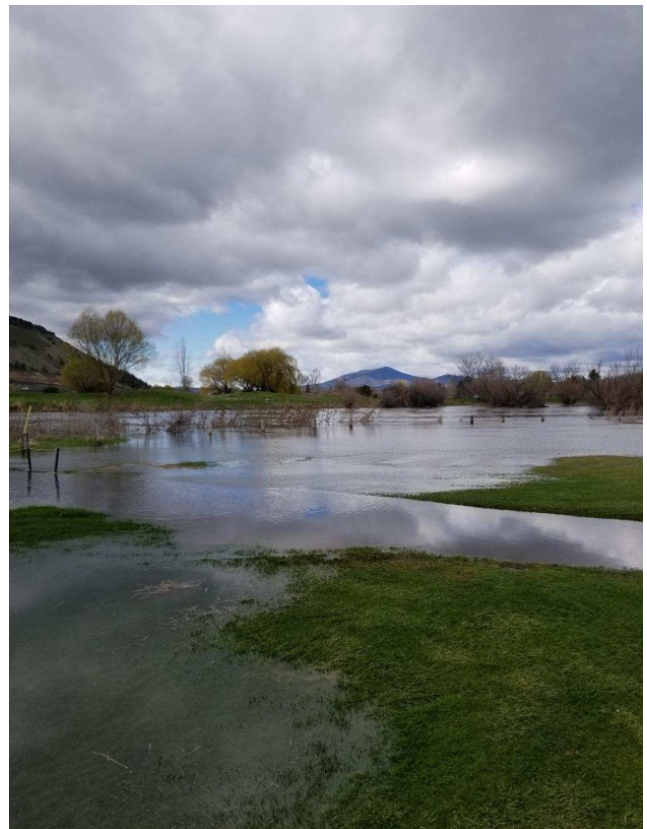
**City of Prineville
Meadow Lakes Capital Improvement Plan
Fiscal Years 2020 - 2024**

Project Description	Current Year Cost Estimate					
		2020	2021	2022	2023	2024
Cart Path Paving	\$ 20,000	\$ 20,000	\$ 20,000			\$ 20,000
Trim Mower / Gang Rough Mower	\$ 15,000	\$ 15,000				
Bunker Sand	\$ 15,000	\$ 15,000				\$ 10,000
Refrigeration Upgrade	\$ 10,000	\$ 10,000				
Pro Shop Remodel			\$ 15,000			
Split-rail and Parking Lot Fence			\$ 15,000			
Banquet Room Furniture/Equipment			\$ 10,000			
Replace Restrooms on Course				\$ 50,000		
Replace Kitchen Floor				\$ 10,000		
Replace Golf Cart Fleet					\$ 220,000	
Cart Barn Addition / Remodel					\$ 25,000	
New Carpet in Clubhouse					\$ 20,000	
Windows and Seals for Clubhouse					\$ 15,000	
Fairway Mower						\$ 20,000
Kitchen Equipment						\$ 10,000
Total		\$ 60,000	\$ 60,000	\$ 60,000	\$ 280,000	\$ 60,000

Project Description

Over the next several years, there will be a number of capital expenditure projects designed to enhance the efficiency, profitability and curb appeal of Meadow Lakes.

In FY20, we will continue the process of replacing low-quality cart paths on the course to increase the curb appeal of the golf course, and reduce the wear and tear on the golf car fleet. Low quality paths on holes #10, 11 and 12 will be replaced. Also in FY20, the department looks to replace the oldest trim mower with a slightly used or demo model that will run much more efficiently than current equipment. The new mower will also improve turf quality that has been damaged over the past few years by the older equipment. Next, we will look to add more sand to the fairway bunkers on the golf course. Sand has to be added to the bunkers every 3-5 years to replace sand that blows away in wind storms and packs down due to irrigation and weather. Finally, we will continue the process of replacing the coolers in the restaurant, by addressing the kitchen refrigeration on the salad bar and under the food line. The existing coolers are old, and require a high amount of maintenance annually to keep them operational. The trim mower project was scheduled for FY19, but had to be pushed out to FY20 due to budget cuts forced by decreased revenue from the unexpected amounts of snow in March.



Flooding hits Meadow Lakes Golf Course in April 2019.

In FY21, we will continue the process of replacing low-quality cart paths on the course to increase the curb appeal of the golf course, and reduce the wear and tear on the golf car fleet. Low quality paths on holes #3, 4 and 5 will be replaced. Also in FY21 we will look to replace the split-rail wooden fence that surrounds the Crooked River throughout the course. We will also replace the wooden fence near the parking lot. Both of these fences are deteriorating, and are causing significant labor to repair. In FY19, an estimated \$2,000 in labor was spent towards repairs of the current, aging split-railed fence. Lastly in FY21 is an upgrade of furniture in the banquet room. Banquets are a large portion of restaurant revenue. The furniture in that portion of the facility is beginning to deteriorate.



Meadow Lakes Golf Course in September 2018

In FY22, the two outhouse-style restrooms on the golf course will be replaced by one new outhouse near hole 17 and one comfort station that is accessible on holes 5, 8 and 13. The comfort station will be a significant upgrade to the current out-building. Also in FY22, the department will replace the kitchen floor. The existing floor is discolored and beginning to deteriorate. A new floor will need to be put in place to maintain high health and cleanliness standards.

In FY23, the current fleet of 54 electric golf carts will be replaced. A remodel of the cart barn to allow for the storage of 60 golf carts will also take place. This will be an expansion of the current fleet from 54 carts to 60. This will allow for larger outings, and will increase revenue. Also in FY23, the clubhouse will be re-carpeted in order to replace the current carpet that will have reached the end of its lifecycle. Lastly, twenty-two of the windows and seals in the dining room and banquet room will be replaced. The seals on those windows have broken, which causes moisture, cobwebs, and dust to get in-between the two panes. These bad seals also cause energy bills to be higher, due to cold air that gets into the building in the winter and warm air during summer months. It is estimated that new energy-efficient windows could save the facility upwards of \$500 per year in energy costs.

Finally, in FY24 we will continue the process of replacing low-quality cart paths on the course to increase the curb appeal of the golf course, and reduce the wear and tear on the golf car fleet. Low quality paths on Holes #9, 14 and 15 will be replaced. Next, we will look to add more sand to the green-side bunkers on the golf course. Sand has to be added to the bunkers every three to five years to replace sand that blows away in wind storms and packs down due to irrigation and weather. Also in FY24, a fairway mower will be purchased to replace the oldest of the current fairway machines. By this time, the state of the fairway mowers will cause a high amount of maintenance from the mechanic to keep the machines operational. A new mower will help to improve turf quality, while also improving staff efficiency. Lastly, additional kitchen equipment will be purchased to replace the oldest equipment in service.

**City of Prineville
Public Works Capital Improvement Plan
Fiscal Years 2020 - 2024**

Project Description	2020	2021	2022	2023	2024
Vehicles / Equipment					
Backhoe		\$ 120,000			
Used Dump Truck	\$ 90,000			\$ 90,000	
Pickup	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000
Used Grader					\$ 100,000
Gator			\$ 30,000		
Asphalt Roller			\$ 30,000		
Mini Broom/Sweeper			\$ 30,000		
Total	\$ 135,000	\$ 165,000	\$ 135,000	\$ 135,000	\$ 145,000

Project Description

The CIPs shown above are associated with equipment upgrades. The Public Works Maintenance Division closely tracks maintenance costs for each and every piece of equipment. As equipment ages, maintenance costs increase while dependability decreases. By scheduling equipment upgrades each year, the equipment fleet of the City of Prineville can be maintained in good, reliable condition at the lowest cost possible.



Crews work to lay down asphalt on NE Juniper Street during a paving project in October 2017.

Capital Improvement Projects Operating Impact Summary

City of Prineville Capital Improvement Projects Estimated Operating Impact Summary in thousands BN 20-21

Fund / Department	Project Description	Long-term Operating Costs / Saving Benefit Associated	2020	2021	2022	2023	2024	5 year total
Emergency Dispatch Fund								
	Recording Equipment Dispatch	No Impact to operation budget						\$ -
	Tower Upgrades	No Impact to operation budget						\$ -
Transportation Fund								
	ADA Transition Plan	No Impact to operation budget						\$ -
	City Parking Lot -Capital Rehabilitation	No Impact to operation budget						\$ -
	NE Lamonta Rd. - 2" Overlay	No Impact to operation budget						\$ -
	SW Cessna Dr. - 2" Overlay	No Impact to operation budget						\$ -
	NE Laughlin Rd. Hudspeth to End - 2" Overlay	No Impact to operation budget						\$ -
	Elm 6th to Bridge & Bridge to NW 4th -Capital Rehab.	No Impact to operation budget						\$ -
	Garner SE 5th - 6th - Capital Rehab.	No Impact to operation budget						\$ -
	Holly SE 5th - 6th -Capital Rehab.	No Impact to operation budget						\$ -
	Idlewood SE 5th - 6th - Capital Rehab.	No Impact to operation budget						\$ -
	SE 6th Street from Garner to Juniper - Capital Rehab.	No Impact to operation budget						\$ -
	Loma Ln SE 6th - End - Capital Rehab.	No Impact to operation budget						\$ -
	Mercury Ln SE 5th - End - Capital Rehab.	No Impact to operation budget						\$ -
	Fairgrounds Rd Lynn - Canal -Capital Rehab.	No Impact to operation budget						\$ -
	NE Yellow Pine Sugar Pine - Barnes Butte - Capital Rehab.	No Impact to operation budget						\$ -
	NE Sugar Pine Yellow Pine - Yellow Pine - Capital Rehab.	No Impact to operation budget						\$ -
	Cherry Loop Yellow Pine - Yellow Pine - Capital Rehab.	No Impact to operation budget						\$ -
	Snow Berry Sugar Pine - Yellow Pine - Capital Rehab.	No Impact to operation budget						\$ -
	Yew Sugar Pine - Yellow Pine -Capital Rehab.	No Impact to operation budget						\$ -
	Mahogany Sugar Pine - Yellow Pine - Capital Rehab.	No Impact to operation budget						\$ -
	Manzanita Sugar Pine - Yellow Pine -Capital Rehab.	No Impact to operation budget						\$ -
	Buck Brush Manzanita - End -Capital Rehab.	No Impact to operation budget						\$ -
	Huckle Berry Manzanita - End - Capital Rehab.	No Impact to operation budget						\$ -
	Bitter Brush Sugar Pine - Yellow Pine - Capital Rehab.	No Impact to operation budget						\$ -
	Mountain Ash Sugar Pine - Yellow Pine - Capital Rehab.	No Impact to operation budget						\$ -
	Tamarack Ct Sugar Pine - End - Capital Rehab.	No Impact to operation budget						\$ -
	Aspen Sugar Pine - Bobbi Pl. - Capital Rehab.	No Impact to operation budget						\$ -
	Bobbi Pl Aspen - End - Capital Rehab.	No Impact to operation budget						\$ -
	Bobbi Ct Aspen - End - Capital Rehab.	No Impact to operation budget						\$ -
	1st Deer - Fairview - Grind and Inlay	No Impact to operation budget						\$ -
	2nd Deer - Fairview - Grind and Inlay	No Impact to operation budget						\$ -
	Crack Seal NE Quadrant	No Impact to operation budget						\$ -
	Seal Coat WayFinder Compass - Gate	No Impact to operation budget						\$ -
	Seal Coat Compass Stringline - End	No Impact to operation budget						\$ -
	Seal Coat Stringline Angler-End	No Impact to operation budget						\$ -
	Seal Coat Angler Wayfinder - Stringline	No Impact to operation budget						\$ -
	Seal Coat Kokanee Wayfinder - Stringline	No Impact to operation budget						\$ -
	Seal Coat Stearns Cattleman - End	No Impact to operation budget						\$ -
	Seal Coat SE Cattleman Stearns-End	No Impact to operation budget						\$ -
	Seal Coat Triangle Outfit Stearns-End	No Impact to operation budget						\$ -
	Seal Coat Pioneer Triangle - Cattleman	No Impact to operation budget						\$ -
	Seal Coat Sumner Triangle - Cattleman	No Impact to operation budget						\$ -
	Seal Coat Sid Ct Triangle - End	No Impact to operation budget						\$ -
	ODOT - Transit Grant	No Impact to operation budget						\$ -
Transportation SDC Fund								
	Tom McCall Roundabout Feature	Landscaping maint.		\$ 5.0	\$ 5.0	\$ 5.0	\$ 5.0	\$ 20.0
	Elm St Bridge	No Impact to operation budget						\$ -
	Additional Paving for Elm Street Bridge	No Impact to operation budget						\$ -
	TGM Grant Match	No Impact to operation budget						\$ -
	10th & Main Signal Upgrade	No Impact to operation budget						\$ -
Water Fund								
	Pump Controls (Telemetry)	No Impact to operation budget						\$ -
	Water Rights (Including Administration and Mitigation Credits)	No Impact to operation budget						\$ -
	Habitat Conservation Plan	No Impact to operation budget						\$ -
	Crooked River Concepts	No Impact to operation budget						\$ -
	NE 6th - Main to Fairview (1480 ft. of 8 inch)	Anticipated decrease in maint.						\$ -
	Elm Street Bridge Connections water improvements	Anticipated decrease in maint.						\$ -
	SE 7th St. - Fairview to Juniper (1,150 of 12 inch) water improv	Anticipated decrease in maint.						\$ -
Water SDC Fund								
	Elm Street Bridge 12" water main Extension (Ductile Iron) ASR	No Impact to operation budget Anticipated decrease in operational costs						\$ -

City of Prineville
Capital Improvement Projects Estimated Operating Impact Summary in thousands Continued
BN 20-21

Fund / Department	Project Description	Long-term Operating Costs / Saving Benefit Associated	2020 2021 2022 2023 2024					5 year total
Wastewater Fund								
Treatment Plant	Distribution Upgrades	Anticipated decrease in maint.						\$ -
Treatment Plant	Wetland Projects	No Impact to operation budget						\$ -
Treatment Plant	Sludge Survey	No Impact to operation budget						\$ -
Treatment Plant	New Flyte Pumps @ Headworks (8ea Pumps total)	Anticipated decrease in maint.						\$ -
Treatment Plant	Storage Pond Aeration Upgrades	Anticipated decrease in maint.						\$ -
Treatment Plant	Misc. Treatment Plant Upgrades	Anticipated decrease in maint.						\$ -
Sanitary Sewer	Manhole Rehabilitation (10 per Year)	Anticipated decrease in maint.						\$ -
Sanitary Sewer	Infiltration & Inflow Maintenance	No Impact to operation budget						\$ -
Sanitary Sewer	Collection Improvements	Anticipated decrease in maint.						\$ -
Wastewater SDC Fund								
	ASR Sewer	No Impact to operation budget						\$ -
	Railroad Sewer	Anticipated increase in maint.					\$ 5.0	\$ 5.0
	AIPUE Influent Screen	No Impact to operation budget						\$ -
	Wastewater treatment plant irrigation upgrades	Anticipated decrease in maint.						\$ -
Railroad Fund								
Maint. of Equip.	Pickup	Regular maint. & mechanic time		\$ 1.0	\$ 1.0	\$ 1.2	\$ 1.2	\$ 4.4
Maint. of Way	O'Neil Signal	No Impact to operation budget						\$ -
Maint. of Way	Bus Evans Signal	No Impact to operation budget						\$ -
Maint. of Way	Bridges - MP 13.8 (Madras HWY Overpass)	No Impact to operation budget						\$ -
Maint. of Way	Track - MP 0.01 - 33rd	No Impact to operation budget						\$ -
Maint. of Way	Track - MP 3.3 - Lone Pine Crossing	No Impact to operation budget						\$ -
Airport Fund								
	Connect Oregon Grant	Regular maint. for access road & decreases in ins.			\$ 3.0		\$ 3.0	\$ 6.0
Golf Course and Restaurant Fund								
Golf Course	Irrigation Upgrades	Anticipated decrease in maint. & labor						\$ -
Golf Course	Cart Path Paving	No Impact to operation budget						\$ -
Golf Course	Trim Mower / Gang Rough Mower	Anticipated decrease in maint. & mechanic time						\$ -
Golf Course	Bunker Sand	No Impact to operation budget						\$ -
Golf Course	Refrigeration Upgrade	No Impact to operation budget						\$ -
Golf Course	Pro Shop Remodel	No Impact to operation budget						\$ -
Golf Course	Split-rail and Parking Lot Fence	No Impact to operation budget						\$ -
Golf Course	Banquet Room Furniture/Equipment	No Impact to operation budget						\$ -
Golf Course	Replace Refrigeration in Kitchen	No Impact to operation budget						\$ -
Golf Course	Trim Mower / Gang Rough Mower	Anticipated decrease in maint. & mechanic time						\$ -
Building Facilities / Property Fund								
Police Facility	New Police Facility and Structural Remodel	Debt service increase & decrease in building maint.	\$ 332.9	\$ 336.1	\$ 334.0	\$ 336.7	\$ 334.1	\$ 1,673.8
CDBG - Sr. Center	Senior Center Remodel	No Impact to operation budget						\$ -
Barnes Butte Prop.	Master Plan	No Impact to operation budget						\$ -
Barnes Butte Prop.	Misc Improvements	Park & trail maint.			\$ 6.3	\$ 6.5	\$ 6.7	\$ 19.5
Barnes Butte Prop.	Master Plan Driven Improvements	Anticipated Park & trail maint.				\$ 6.3	\$ 6.5	\$ 12.8
Admin. / Financial Support Service Fund								
IT	Software	No Impact to operation budget						\$ -
IT	Technology	No Impact to operation budget						\$ -
Public Work Support Service Fund								
Vehicles and Equip.	Pickup	Regular maint. & mechanic time		\$ 1.0	\$ 1.0	\$ 1.2	\$ 1.2	\$ 4.4
Vehicles and Equip.	Used Dump Truck	Regular maint. & mechanic time		\$ 1.0	\$ 1.0	\$ 1.2	\$ 1.2	\$ 4.4
Vehicles and Equip.	Backhoe	Regular maint. & mechanic time		\$ 1.0	\$ 1.0	\$ 1.2	\$ 1.2	\$ 4.4
Total			\$ 332.9	\$ 345.1	\$ 352.3	\$ 359.3	\$ 365.1	\$ 1,754.7

Long-range Planning Models

Water 6 Years of 20 Year Forecast

Resources	Actual	Actual	Forecast	Proposed BN 2021		Estimated BN 2023		Estimated BN 2025	
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Charges for services	\$ 2,431	\$ 2,641	\$ 2,680	\$ 2,840	\$ 2,945	\$ 3,025	\$ 3,107	\$ 3,191	\$ 3,277
Charges for services - Data Center Deepening		440	-						
Intergovernmental	25	-	-	-	-	-	-	-	-
Interest	5	11	20	20	20	14	19	101	77
Miscellaneous	77	27	6	6	6	6	6	6	6
SDC Reimbursement Fee	124	127	124	126	129	132	135	138	141
Debt Proceeds	-	2,271	-	-	-	-	4,000	-	-
Transfers * (SDCs)	-	412	-	-	-	-	-	-	-
Total resources	2,662	5,929	2,830	2,992	3,100	3,177	7,267	3,436	3,501
Expenditures									
Materials and services	509	572	563	581	605	621	638	655	673
Franchise fee	113	-	253	142	147	151	155	160	164
Capital outlay	993	1,370	1,430	660	609	593	772	1,883	1,921
Equipment									
Improvements	993	1,370	1,430	660	609	593	772	1,883	1,921
Debt service									
Principal	160	500	102	137	140	159	168	459	467
Interest	120	88	86	58	54	47	43	39	34
Transfers	1,172	1,195	1,258	1,211	1,221	1,369	1,406	1,444	1,483
Payment to escrow for advance refunding		2,254							
Total expenditures	3,067	5,979	3,692	2,789	2,776	2,940	3,182	4,640	4,742
Revenue over/(under) expenditures	(405)	(50)	(862)	203	324	237	4,085	(1,204)	(1,241)
Beginning fund balance	1,902	1,497	1,447	585	593	722	959	5,044	3,840
Debt Service Reserve				195	195	195	195	195	195
Ending fund balance	\$ 1,497	\$ 1,447	\$ 585	\$ 593	\$ 722	\$ 959	\$ 5,044	\$ 3,840	\$ 2,599
Assumptions									
Rate - single family home (8 CCF/mo)	\$ 33.46	\$ 34.46	\$ 35.49	\$ 36.20	\$ 36.92	\$ 37.66	\$ 38.41	\$ 39.18	\$ 39.96
% increase - rates	3.1%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
\$ change - rates - SF home (8 CCF/mo)	1.01	1.00	1.03	0.71	0.72	0.74	0.75	0.77	0.78
CPI %	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Cumulative CPI %	117.1%	100.0%	102.0%	104.0%	106.1%	108.2%	110.4%	112.6%	114.9%
Personal services adjustment %	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Population growth rate	1.96%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
Average population change - from 2011	0.70%								
Population increase	185	68	68	68	70	71	71	72	72
Population - per Portland State University	9,645	9,713	9,781	10,010	10,080	10,151	10,222	10,294	10,366
Franchise fee - (%)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Capital outlay									
Capital outlay - 2017 dollars	350	1,370	1,672	1,672	1,672	1,672	1,672	1,672	1,672
Capital outlay - inflation adjusted \$	993	1,370	1,430	660	609	593	772	1,883	1,921
Outstanding debt									
Revenue bond 2003	335	-	-	-	-	-	-	-	-
Refunding issue - 2011	2,270	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105
	2,605	2,105	2,105	2,105	2,105	2,105	2,105	2,105	2,105
DCR Analysis									
Revenue	\$ 2,431	\$ 2,641	\$ 2,680	\$ 2,840	\$ 2,945	\$ 3,025	\$ 3,107	\$ 3,191	\$ 3,277
Expenditures	1,681	1,767	1,821	1,792	1,826	1,990	2,044	2,099	2,156
Net revenue	750	874	859	1,048	1,119	1,035	1,063	1,092	1,121
Debt service - excluding refunding	280	588	188	195	194	206	211	498	501
DCR	2.68	1.49	4.57	5.37	5.77	5.02	5.04	2.19	2.24
Revenue with SDC reimbursement	2,555	2,768	2,804	2,966	3,074	3,157	3,242	3,329	3,418
DCR with SDC reimbursement	3.12	1.70	5.23	6.02	6.43	5.67	5.68	2.47	2.52

Wastewater Fund
6 years of 20 year forecasting

Resources	Projection	Actual	Proposed		Estimated		Estimated		
	2017	2018	Projections	BN 21	BN 23	BN 25	BN 25	BN 25	
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Charges for services	\$ 3,298	\$ 3,627	\$ 3,555	\$ 3,692	\$ 3,826	\$ 3,878	\$ 4,088	\$ 4,305	\$ 4,528
Interest	5	20	100	54	42	39	37	39	44
Miscellaneous	58	95	151	84	84	86	88	90	91
SDC Reimbursement Fee	-	1,748	2,089	48	50	52	53	55	56
WWTP Property Sales	160.0	-	5	-	-	-	-	-	-
Debt Proceeds	-	6,704	-	-	-	-	-	-	-
Transfers	46	260	-	-	-	-	-	-	-
Total resources	3,567	12,454	5,900	4,018	4,002	4,055	4,265	4,488	4,720
Expenditures									
Sanitary Sewer									
Personal services	115	116	128	135	142	147	154	158	165
Material and services - total	608	526	525	650	666	683	701	719	738
Franchise fee	165	173	178	185	191	194	204	215	226
Capital outlay	135	633	351	352	1,050	408	410	396	401
Debt service									
Principal	587	6,709	668	724	740	753	774	796	817
Interest	370	381	351	292	275	261	240	218	196
Fees	27	24	22	20	17	15	12	10	7
DEQ CWSRF R74682/2	27.0	24.1	22	20	17	15	12	10	7
Transfers	1,315	1,342	1,401	2,507	1,767	1,483	1,512	1,541	1,571
Payment to Escrow to advance refund debt		2,625							
Total expenditures	3,322	12,530	3,737	5,016	5,008	4,110	4,176	4,227	4,299
Resources over/(under) expenditures	246	(76)	2,164	(998)	(1,006)	(54)	89	261	421
Beginning fund balance	1,598	1,844	1,768	3,932	2,934	1,928	1,874	1,963	2,224
Ending fund balance	\$ 1,844	\$ 1,768	\$ 3,932	\$ 2,934	\$ 1,928	\$ 1,874	\$ 1,963	\$ 2,224	\$ 2,645
Assumptions									
Rate - single family home	\$ 53.73	\$ 55.72	\$ 52.93	\$ 52.93	\$ 52.93	\$ 53.99	\$ 55.07	\$ 56.17	\$ 57.29
% increase - rates (% of CPI)	3.70%	3.70%	-5.00%	0.00%	0.00%	2.00%	2.00%	2.00%	2.00%
CPI %	2.7%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
CPI - U West June									
Cumulative CPI % - 2017 forward		100.0%	102.0%	104.0%	106.1%	108.2%	110.4%	112.6%	114.9%
Medical	5.0%	5.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
PERS	30.0%	2.0%	25%	2%	20%	2%	15%	2%	10%
Population growth rate	2.0%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
Population increase	185	68	68	229	70	71	71	72	72
Population	9,645	9,713	9,781	10,010	10,080	10,151	10,222	10,294	10,366
	642	710	710	710	710	710	710	710	710
Population not served within City		894	894	894	894	894	894	894	894
In-City population not served - connecting									
Population connected to system		9,003	9,071	9,300	9,370	9,441	9,512	9,584	9,656
% change in population served			0.76%	2.52%	0.75%	0.76%	0.75%	0.76%	0.75%

Golf Course Fund	Estimated		Proposed BN 21		Estimated BN 23		Estimated BN 25	
	FY		FY	FY	FY	FY	FY	FY
	2019		2020	2021	2022	2023	2024	2025
Resources								
Charges for services	\$ 972	\$	765	\$ 790	\$ 845	\$ 899	\$ 954	\$ 1,009
Interest	11		9	6	4	4	5	5
Miscellaneous	22		31	37	757	7		
Transfers	370		1,120	370	370	370	370	370
Debt proceeds			-	-	-	200	-	-
Total resources	1,375		1,925	1,203	1,976	1,480	1,329	1,384
Expenditures								
Golf course	416		501	510	525	541	557	574
Waste disposal	444		487	508	518	529	539	550
Restaurant	345		33	35	36	38	40	42
Capital outlay	30		810	60	60	280	60	50
Debt service								
Principal - FFC	25		26	56	24	24	24	24
Interest - FFC	3		2	0	4	4	4	4
Principal - 2017 bonds	40		45	45	45	50	50	55
Interest - 2017 bonds	15		10	8	9	8	6	5
Total expenditures	1,318		1,914	1,222	1,222	1,474	1,280	1,304
Resources over/(under) expendit	57		11	(19)	754	6	48	80
Beginning fund balance	426		483	494	475	1,229	1,235	1,284
Ending fund balance	\$ 483	\$	494	\$ 475	\$ 1,229	\$ 1,235	1,284	1,364
Revenue and Other								
Adj operating revenue	1,584		1,925	1,203	1,226	1,280	1,329	1,384
Adj operating expenditures	1,424		1,021	1,053	1,080	1,108	1,136	1,166
Net adjusted sewer revenue	160		904	150	146	172	192	218
Debt service supported by Golf	119		83	109	82	86	84	88
DCR	1.34		10.89	1.38	1.78	2.00	2.29	2.48
Rounds	27,162		27,189	27,216	27,271	27,325	27,380	27,435
CPI	3.0%		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Growth - additional rounds	0.1%		0.1%	0.1%	0.2%	0.2%	0.2%	0.2%
Revenue per round	42.68		43.53	44.40	45.29	46.19	47.12	48.06
Growth revenue per round	2.0%		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Interest rate - new bonds	0.0%		2.67%	2.67%	2.67%	2.67%	2.67%	2.67%

General Fund 6 years of 20 Year Forecast (amounts in thousands)							
General Fund	BN 2021			BN 2023		BN 2025	
Fiscal Years 2018 - 2023	Estimated	Proposed	Proposed	Forecast	Forecast	Forecast	Forecast
Revenue	2019	2020	2021	2022	2023	2024	2025
Property taxes	2,140	2,230	2,340	2,457.00	2,580	2,683	2,790
Transient lodging tax	390	380	380	350	350	350	350
Franchise taxes	2,875	3,150	3,408	3,578	3,757	3,870	3,986
Licenses & permits	7	9	8	8	9	9	9
Intergovernmental	428	449	417	400	400	400	400
Charges for Services	350	275	285	295	305	315	325
Miscellaneous	102	80	81	35	35	35	35
Transfers	-						
Debt Proceeds	-						
Total revenue	6,292	6,573	6,919	7,123	7,436	7,662	7,896
Expenses							
Police	5,132	5,399	5,703	5,874	6,050	6,232	6,419
Non Dept. General	1,160	962	1,249	1,200	1,200	1,200	1,200
Total expenditures	6,292	6,361	6,952	7,074	7,250	7,432	7,619
Revenue over/(under) expenditures	-	212	(33)	49	186	230	277
Beginning fund balance	1,918	1,918	2,130	2,097	2,146	2,332	2,562
Prior period adjustment							
Ending fund balance	1,918	2,130	2,097	2,146	2,332	2,562	2,839

CITY OF PRINEVILLE,
OREGON



ADOPTED BIENNIAL BUDGET
JULY 1, 2019 -
JUNE 30, 2021

PERSONNEL

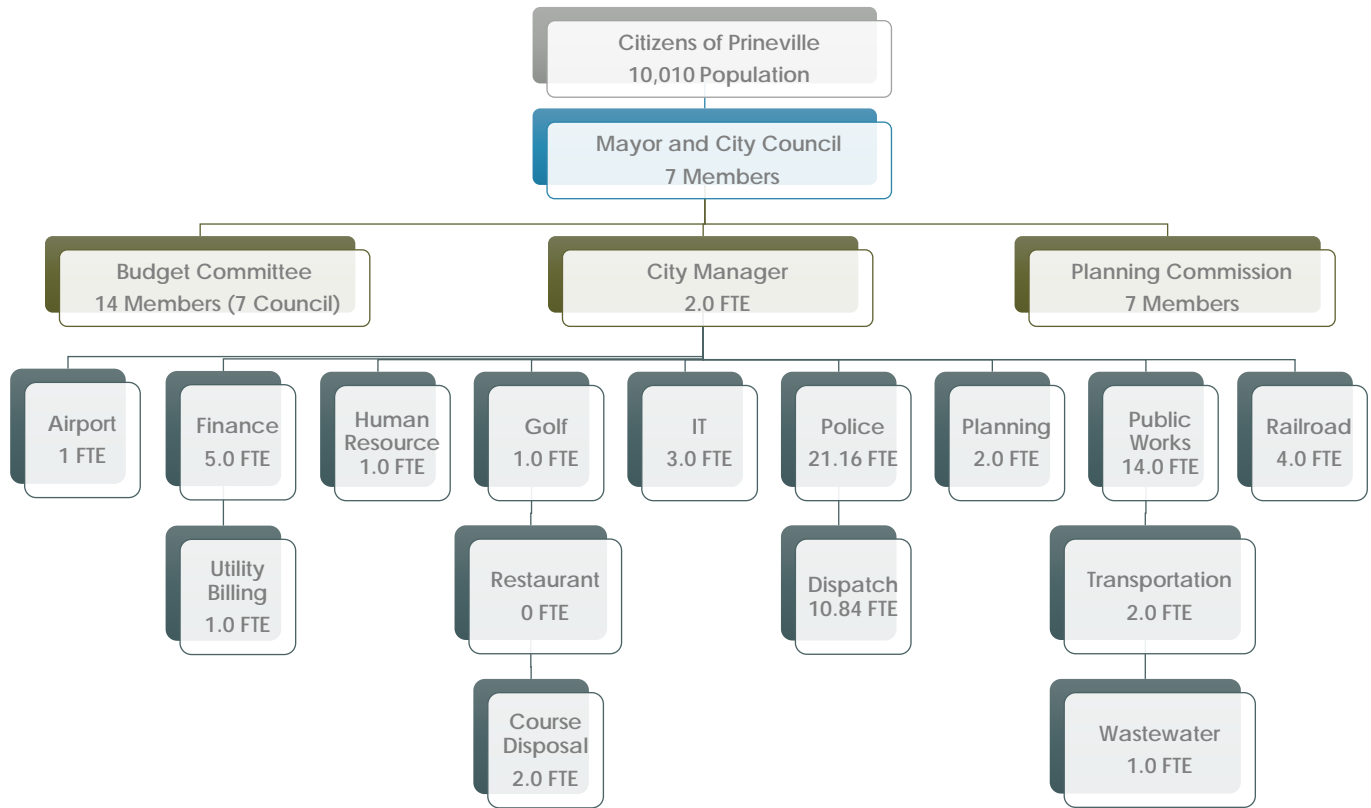


ADOPTED BIENNIAL BUDGET
JULY 1, 2019 -
JUNE 30, 2021



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Organizational Chart



Officer Young poses with a pair of CCHS cheerleader in 2018.

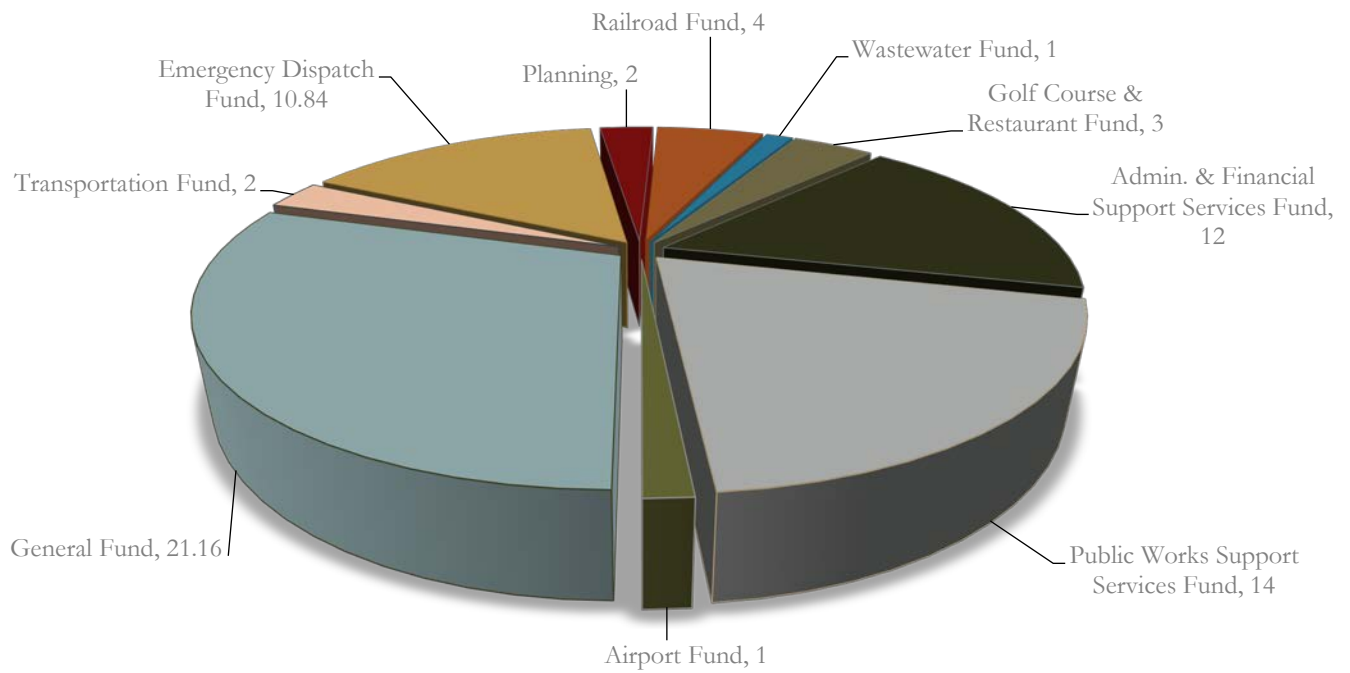
FTEs Budgeted Positions and Salary Ranges by Fund

Positions - Prior Years and Budget Year by Functional Area

Excludes Part-time and Seasonal Help

Department & Position	FY 16	FY 17	FY 18	FY 19	BN 20-21	Monthly BN 20-21 Salary Range		Yearly Salary	
						Low	High	Low	High
General Fund									
Police Department									
Chief of Police	1.00	1.00	1.00	1.00	1.00	7,173	10,042	86,076	120,504
Captain	1.00	1.00	1.00	1.00	1.00	6,370	8,600	76,440	103,200
Administrative Services Manager	0.66	0.66	0.66	0.66	0.66	4,375	5,469	52,500	65,628
Sergeant	3.00	4.00	4.00	4.00	4.00	5,660	7,358	67,920	88,296
Police Officer	11.00	11.00	11.00	13.00	13.00	4,909	5,751	58,908	69,012
Community Services Officer	0.66	0.00	0.00	0.00	0.00	4,289	5,027	51,468	60,324
Evidence Officer	0.50	0.50	0.50	0.50	0.50	3,648	4,273	43,776	51,276
Office Technician	1.00	1.00	1.00	1.00	1.00	3,648	4,273	43,776	51,276
Janitorial	0.25	0.25	0.25	0.25	0.00		Hourly		
Police Department Total	19.07	19.41	19.41	21.41	21.16				
<i>FY 16 - Office Technician no longer split between Emergency Dispatch and the Police Department.</i>									
<i>FY 17 - Patrol Officer promoted to Sergeant in November. Community Services Officer position distributed between Patrol Officers.</i>									
<i>FY 19 - Added an additional two Police Officer positions.</i>									
<i>FY20 - Janitorial services contracted out.</i>									
General Fund Total	19.07	19.41	19.41	21.41	21.16				
Planning Fund									
Planning Director	1.00	1.00	1.00	1.00	1.00	5,660	7,358	67,920	88,296
Senior Planner	1.00	1.00	1.00	0.00	0.00	4,922	6,399	59,064	76,788
Associate Planner	0.00	0.00	0.00	1.00	1.00	4,375	5,469	52,500	65,628
Planning Department Total	2.00	2.00	2.00	2.00	2.00				
<i>FY 18 - Senior Planner promoted to Planning Director towards the end of the fiscal year.</i>									
Transportation Fund									
Senior Lead Utility Worker	1.00	1.00	1.00	1.00	1.00	4,992	5,483	59,904	65,796
Utility Worker	1.00	1.00	1.00	1.00	1.00	4,568	5,060	54,816	60,720
Transportation Fund Total	2.00	2.00	2.00	2.00	2.00				
Emergency Dispatch Fund									
Communications Director	1.00	1.00	1.00	1.00	1.00	5,660	7,358	67,920	88,296
Administrative Services Manager	0.34	0.34	0.34	0.34	0.34	4,375	5,469	52,500	65,628
Communications Supervisor	1.00	2.00	0.00	0.00	0.00	4,922	6,399	59,064	76,788
Communications Officer	7.32	6.98	8.66	8.66	9.00	4,289	5,027	51,468	60,324
Evidence Officer	0.50	0.50	0.50	0.50	0.50	3,648	4,273	43,776	51,276
Janitor	0.25	0.25	0.25	0.25	0.00		Hourly		
Emergency Dispatch Fund Total	10.41	11.07	10.75	10.75	10.84				
<i>FY 16 - Evidence Officer partially funded by Emergency Dispatch. Communications Officers increased by two part-time officers. Office Technician moved to PD.</i>									
<i>FY 17 - Communications Officer moved to Communications Supervisor and one part-time position increased to full-time.</i>									
<i>FY 18 - Communications Supervisor position restructured to increased Communication Officers.</i>									
<i>FY 20 - Part-time Communications Officer position made into a full-time position and Janitorial duties contracted out.</i>									
Railroad Fund									
Operations Manager	1.00	1.00	1.00	1.00	1.00	7,000	7,400	84,000	88,800
Superintendent/Engineer	1.00	1.00	1.00	0.00	0.00	4,705	5,169	56,460	62,028
Freight Depot/Track Maintenance	1.00	1.00	0.00	0.00	1.00	4,568	5,060	54,816	60,720
Conductor / Mechanic	0.00	0.00	2.00	2.00	2.00	4,846	5,338	58,152	64,056
Railroad Fund Total	3.00	3.00	4.00	3.00	4.00				
<i>FY 18 - Railroad Superintendent retired and the positions were restructured.</i>									
<i>FY21 - New Freight Depot position added.</i>									
Airport Fund									
General Manager	1.00	1.00	1.00	1.00	1.00	5,660	7,358	67,920	88,296
Assistant	1.00	1.00	1.00	0.00	0.00	3,314	4,143	39,768	49,716
Airport Fund Total	2.00	2.00	2.00	1.00	1.00				
<i>FY 18 - Assistant to the Airport Manager position eliminated.</i>									

Department & Position	FY 16	FY 17	FY 18	FY 19	BN 20-21	Salary Range		Yearly Salary		
						Low	High	Low	High	
Wastewater Fund										
Wastewater Treatment Plant Supervisor	1.00	1.00	1.00	1.00	1.00	5,141	5,633	61,692	67,596	
Utility Worker						4,568	5,060	54,816	60,720	
Wastewater Fund Total	1.00	1.00	1.00	1.00	1.00					
<i>FY 16 - Moved Utility Worker from Wastewater to Public Works Support Services.</i>										
Golf Course & Restaurant Fund										
Golf Manager/Head Professional	1.00	1.00	1.00	1.00	1.00	5,660	7,358	67,920	88,296	
Golf Course Disposal Site										
Superintendent	1.00	1.00	1.00	1.00	1.00	4,922	6,399	59,064	76,788	
Assistant Superintendent			1.00	1.00	1.00	3,804	4,755	45,648	57,060	
Greenskeeper/Irrigation Technician	1.00	1.00				2,541	3,176	30,492	38,112	
Mechanic	1.00					2,959	3,699	35,508	44,388	
Golf Course Disposal Site Total	3.00	2.00	2.00	2.00	2.00					
Golf Operations										
Golf Shop Manager	1.00					3,497	4,371	41,964	52,452	
Golf Operations Total	1.00	0.00	0.00	0.00	0.00					
Restaurant Operations										
Restaurant Manager	1.00	1.00	1.00	1.00		4,268	5,335	51,216	64,020	
Kitchen Manager	1.00	1.00	1.00	1.00		2,959	3,699	35,508	44,388	
Restaurant Operations Total	2.00	2.00	2.00	2.00	0.00					
Golf Course & Restaurant Fund Total	7.00	5.00	5.00	5.00	3.00					
<i>FY 17 - Golf Shop Manager position eliminated. Mechanic position changed to seasonal part-time.</i>										
<i>FY 18 - Greenskeeper promoted to Assistant Superintendent.</i>										
<i>FY 19 - The restaurant was leased out during the third quarter of FY19.</i>										
Administration & Financial Support Services Fund										
City Manager	1.00	1.00	1.00	1.00	1.00	8,091	12,137	97,092	145,644	
City Recorder / Risk Manager	1.00	1.00	1.00	1.00	1.00	4,375	5,469	52,500	65,628	
Finance Director	1.00	1.00	1.00	1.00	1.00	7,173	10,042	86,076	120,504	
Finance Assistant I		1.00				2,708	3,385	32,496	40,620	
Finance Assistant II	3.00	2.00	3.00	3.00	3.00	3,396	4,245	40,752	50,940	
Finance Assistant III		1.00	1.00	1.00	1.00	4,375	5,469	52,500	65,628	
Accounting Supervisor	1.00	1.00				4,106	5,134	49,272	61,608	
Accounting Manager			1.00	1.00	1.00	5,660	7,358	67,920	88,296	
IT Manager	1.00	1.00	1.00	1.00	1.00	6,370	8,600	76,440	103,200	
IT Specialist I	0.50	0.00	0.00	0.00	0.00		Hourly	18,720	26,800	
IT Specialist II	1.00	2.00	1.00	1.00	2.00	4,375	5,469	52,500	65,628	
Human Resources Manager	1.00	1.00	1.00	1.00	1.00	5,660	7,358	67,920	88,296	
Procurement/Contract Administration	1.00	1.00	1.00			3,570	4,463	42,840	53,556	
Administration & Financial Support Services Fund Total	11.50	13.00	12.00	11.00	12.00					
<i>FY 16 - Finance Assistant III promoted to Accounting Supervisor.</i>										
<i>FY 17 - Moved part-time IT Specialist I to full-time IT Specialist II. Finance Department restructured.</i>										
<i>FY 18 - Promoted Finance I to Finance II and Accounting Supervisor to Accounting Manager.</i>										
<i>FY 19 - Contract/Procurement changed to Public Works Projects Coordinator. Position moved from Admin. to Public Works.</i>										
<i>FY20 - IT Specialist position added.</i>										
Public Works Support Services Fund										
City Engineer/Public Works Director	1.00	1.00	1.00	1.00	1.00	7,173	10,042	86,076	120,504	
Public Works Superintendent/Inspector	1.00	1.00	1.00	1.00	1.00	5,660	7,358	67,920	88,296	
City Engineer						5,042	6,483	60,504	77,796	
Assistant City Engineer	1.00	1.00	1.00	1.00	1.00	5,660	7,358	67,920	88,296	
Administrative Technician	1.00					4,435	4,899	53,220	58,788	
Mechanic	1.00	1.00	1.00	1.00	1.00	4,846	5,338	58,152	64,056	
Inspector						3,679	4,050	44,148	48,600	
Utility Worker	6.00	7.00	7.00	7.00	8.00	4,568	5,060	54,816	60,720	
Lead Utility Worker	1.00	1.00	1.00	1.00	1.00	4,846	5,338	58,152	64,056	
Public Works Projects Coordinator				1.00	1.00	3,804	4,755	45,648	57,060	
Public Works Support Services Fund Total	12.00	12.00	12.00	13.00	14.00					
<i>FY 16 - Moved Utility Worker from Wastewater to Public Works Support Services. Assistant Engineer position made full-time.</i>										
<i>FY 17 - During the year, the Administrative Technician position was eliminated and the Utility Worker position increased</i>										
<i>FY 19 - Contract/Procurement changed to Public Works Projects Coordinator. Position moved from Administration to Public Works Support Services.</i>										
<i>FY 20 - Utility Worker position added.</i>										
City of Prineville FTE Total	69.98	70.48	70.16	70.16	71.00					



City staff poses for a picture with Santa Claus during the City holiday party in December 2017.

Employee Comparison with Other Cities

Comparisons With Other Cities including FTE's Per Capita
Measured in Full-Time Equivalents

	City Employees by Department by City (FTEs)				
	Prineville	Madras*	Redmond*	Bend*	Sisters*
Service Departments					
Building				38.00	
Code Enforcement				4.00	
Engineering	1.00		9.00	40.00	
Municipal Court				4.50	
Planning	2.00			15.00	
Public Safety - Police	21.16	11.00	55.00	128.00	
Public Works / Utilities	13.00	12.15	28.00	115.73	9.50
Transportation	2.00		22.49	46.00	
Service Departments Total	39.16	23.15	114.49	391.23	9.50
Support Departments					
Legal				4.00	
City Manager's Office	1.00	1.00	2.00	12.75	1.00
Communications		0.50	1.00	3.00	
City Recorder	1.00	1.00	2.00		1.00
Contract / Procurement	1.00			4.00	
Community Development		2.00	20.00	22.50	3.00
Economic Development				3.00	
Finance	6.00	3.85	7.00	26.63	2.75
Parks / Facilities Management			12.51	7.00	
Human Resources	1.00	1.00	4.00	7.00	
Information Technology	3.00		4.00	22.00	
Support Departments Total	13.00	9.35	52.51	111.88	7.75
Unique Services					
Cemetery				1.00	
City Fire Department				120.10	
City 911 Dispatch Service	10.84				
City Golf	3.00	**	***		
Railroad	4.00				
Airport	1.00	**	26.00	2.25	
Unique services Total	18.84	0.00	26.00	123.35	0.00
Total Full Time Equivalents (FTEs)	71.00	32.50	193.00	626.46	17.25
Population	10,010	7,000	29,000	94,520	2,540
FTEs per Capita (per 1,000 of Population)	7.09	4.64	6.66	6.63	6.79

*Based on FY 19 budgets.

**Madras classifies their golf course as part of PW and the airport has a fixed base operator.

***Redmond's golf course is leased.

CITY OF PRINEVILLE,
OREGON



ADOPTED BIENNIAL BUDGET
JULY 1, 2019 -
JUNE 30, 2021

UNDERSTANDING
THE BUDGET FORMAT



ADOPTED BIENNIAL BUDGET
JULY 1, 2019 -
JUNE 30, 2021

Understanding the Budget Format

Department / Fund Sections

Information within the budget is broken up by sections in order to give readers an easy way to read and understand the document. While Sections 3 through 8 give information on the City's structure and how it operates and plans, starting with Section 9, the document drills into the specific funds and departments that make up the entity of the City of Prineville. The format for each department or fund is laid out in a structural template, starting with the foundation of the department (mission statement) and ending with its respective financial information. The following text explains the format and the information as it appears on the page.

Page 1



1. Fund or Department Name
2. Mission Statement – a quick look into a department of the City of Prineville. It points out what the division does as a whole – as in its purpose – that is important to the entity and drives it forward.
3. Accomplishments – a list of notable accomplishments that the department completed in the previous fiscal year.
4. Initiatives – upcoming items of note that the department intends to address, start or otherwise complete in the new budget term.

Note: The General Fund and Golf Course Funds start off with an “Organization of Fund” heading before the mission statement since they have different departments within the fund.

Page 2



5. Department Goals / Council Goals – these goals (or directives) give insight into what a department feels its objective is or the strategies it utilizes with an end goal in mind. They are things it reaches for in support of Prineville City Council goals and therefore Prineville as a whole. Department goals tie to a council goal. Department goals are assigned a letter value, which is used later in the performance measure table to reference which goal the measure is working towards.
6. Responsibilities to the Community – narrative from the respective department that describes what it is, what it does and how it does it in service of Prineville. It looks beyond what on the mission statement says by getting into more specifics.
7. Did You Know – a notable fact related to the department or Prineville in general.



8. Executive Summary – the department’s main narrative intended to inform readers what is going on and what is in the future. This includes any challenges the department is facing, either internally or externally, and triumphs to celebrate from the last fiscal year. Its purpose is to add meaning to the “Responsibilities to the Community” and “Mission Statement.”
9. Strategic Planning Updates – notes any changes to strategic planning in the short and long term. It is divided into two subsections to account for any items that would alter the vision of a department as it looks towards the future.



10. Performance Measures – a table showing data relevant to a department’s performance measures selected to achieve its goals, therefore meeting or working towards the goals set by Prineville City Council. The columns include:
 - Goal Alignment – the department goal a measure contributes to.
 - Indicator – the type of measure, categorized as an input, output, efficiency or effectiveness.
 - Performance Measures – the named data measured.
 - Benchmark – the result for each department to reach or not exceed. Workloads are mostly marked as N/A, indicating they do not have a benchmark to hit since these items are often not controllable.
 - Fiscal Year Measurements – five years of measured data from a department separated into columns. This includes data from the three previous fiscal years and the targets for each year of the biennium. Any column noted as “NM” indicates the measure was new for that year.

The top part of the table (in blue) contains workloads (also known as performance indicators) that give context to the fund or department. The bottom section (in yellow) contains the indicators that directly relate to achieving goals.

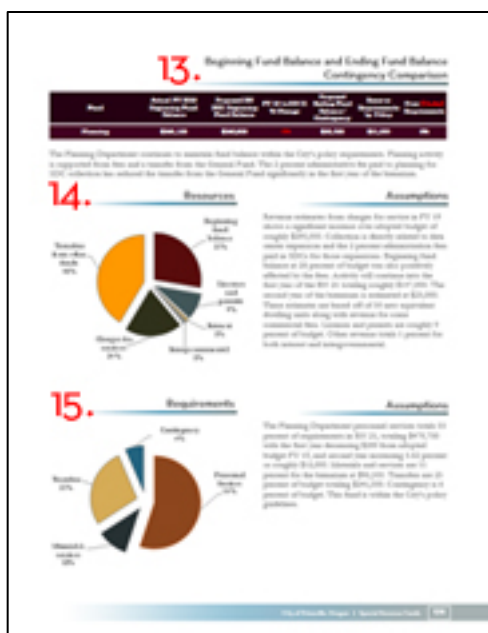
11. Notable Performance Measures and/or Relative Information – two performance measures and/or important information related to the department are singled out for display and greater illustration.



12. Department/Fund Budget – budgeted financial information is presented in tables by fund and by department in each section with each table including information on the type of balances, resources and expenditures for the budget year. See the following heading “budgeted financial tables” in this section for an explanation of the budget table format in further detail.

In addition to the budget detail tables for each fund, information below the table may contain:

- Number of full-time equivalent employees (FTEs)
- Fund policy requirements



13. Beginning Fund Balance and Ending Fund Balance Contingency Comparison – includes a comparison of prior and current year beginning fund balances along with the percentage of change, proposed ending fund balance, reserve requirements for the fund, and the percentage the fund is over or under policy for reserves. A narrative also accompanies the table explaining the changes.

14. Resources and Assumptions – resource information for the approved budget displayed with a pie chart and percentages per type of revenue source accompanied by a discussion about the assumptions.

15. Requirements and Assumptions - requirement information for the approved budget displayed with a pie chart and percentages per type of requirement accompanied by a discussion about the assumptions.

Note for all sections: Departments/Funds without personnel may not include items 2, 3, 4, 5, 8, 9, 10 or 11, depending on the fund, thus changing page configurations.

Budgeted Financial Tables

Budgeted financial information is presented in tables by fund and by department in each of the sections. Each table includes several columns:

Column 1	Column 2	Column 3	Column 4	Column 5	BN 2021		
					Column 6	Column 7	Column 8
	Actual 2016-2017	Actual 2017-2018	Current Budget 2018-2019	Estimates 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Adopted Total Budget 2019-2021

Column 1 – Resource and Requirement Description: Resources are grouped by the different revenue types and requirements are grouped by the different expenditure types or appropriation level.

Columns 2 and 3 – Actual data for the prior two years: Revenues and expenditures for the prior fiscal years are shown in the second and third columns of the budget detail for each fund.

Column 4 – Budget for the current fiscal year: Revenues and expenditures for the current fiscal year are shown on a budgeted basis in the fourth column of the detail budget.

Column 5 – Estimates for the current year data: Revenue and expenditure for the current fiscal year end are shown on an estimated basis in the fifth column of the budget detail for each fund. The estimates are as of the end of April when the department heads sign off on their proposed budget and narrative.

Column 6 and 7 – Proposed budget for each year: Revenues and expenditures for fiscal years 2020 and 2021 are shown on a proposed basis in the sixth and seventh columns of the budget detail for each fund.

Column 8 – Biennial budget total: The biennial total for 2020 and 2021 proposed budgets are added together. This is the appropriation level at which the budget is approved and adopted.

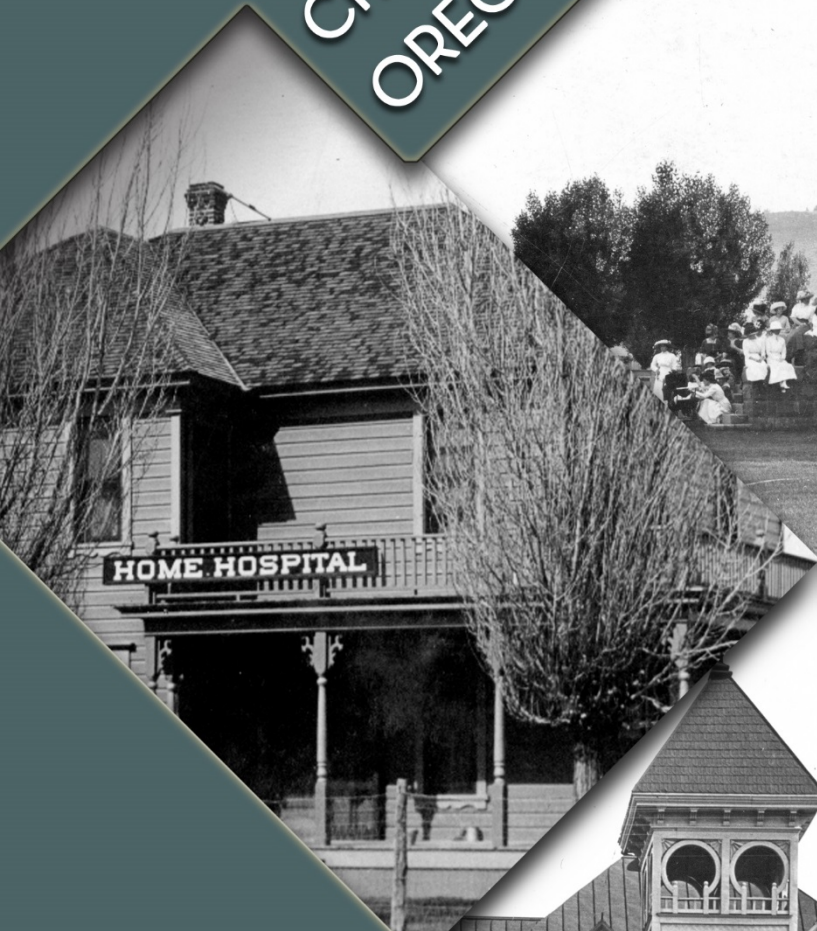
Below is an example of the General Fund’s budget table for reference:

	Actual		Current		BN 2021		
	2016-2017	2017-2018	Budget 2018-2019	Estimates 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Adopted Total Budget 2019-2021
Resources							
Beginning fund balance	\$ 963,851	\$ 1,583,741	\$ 1,763,840	\$ 1,918,886	\$ 1,918,286	\$ 2,130,586	\$ 1,918,286
Current year resources							
Property taxes	1,963,049	2,071,505	2,140,000	2,140,000	2,230,000	2,340,000	4,570,000
Transient lodging tax	329,514	339,003	310,000	390,000	380,000	380,000	760,000
Franchise fees	2,479,972	2,740,102	2,615,000	2,875,000	3,150,000	3,408,000	6,558,000
Licenses and permits	9,218	8,439	8,900	7,300	8,800	8,400	17,200
Intergovernmental revenues	228,639	295,048	374,000	428,700	449,200	416,800	866,000
Charges for services	150,662	371,817	265,000	350,000	275,000	285,000	560,000
Interest	8,974	24,614	21,000	40,000	40,000	40,000	80,000
Miscellaneous	73,858	61,572	55,100	59,800	40,000	41,000	81,000
Transfers	75,075	72,484	-	-	-	-	-
Debt proceeds	720,000	433,000	-	-	-	-	-
Total current year resources	\$ 6,038,961	\$ 6,417,586	\$ 5,789,000	\$ 6,290,800	\$ 6,573,000	\$ 6,919,200	\$ 13,492,200
Total resources	\$ 7,002,812	\$ 8,001,326	\$ 7,552,840	\$ 8,209,686	\$ 8,491,286	\$ 9,049,786	\$ 15,410,486
Expenditures							
Police	3,739,227	4,728,367	4,729,600	5,132,200	5,399,000	5,703,100	11,102,100
Non-departmental	1,679,845	1,354,074	1,252,300	1,159,200	961,700	1,249,200	2,210,900
Contingency			1,570,940		2,130,586	2,097,486	2,097,486
Total expenditures	\$ 5,419,072	\$ 6,082,441	\$ 7,552,840	\$ 6,291,400	\$ 8,491,286	\$ 9,049,786	\$ 15,410,486
Ending fund balance	\$ 1,583,741	\$ 1,918,886	\$ -	\$ 1,918,286	\$ -	\$ -	\$ -

In addition to the budget detail tables for each fund, information about each fund and the services provided by each department are shown, including additional detail on:

- Types of revenues and expenditures
- Capital expenditure data

CITY OF PRINEVILLE,
OREGON



ADOPTED BIENNIAL BUDGET
JULY 1, 2019 -
JUNE 30, 2021

GOVERNMENTAL
FUNDS

POLICE DEPARTMENT
NON-DEPARTMENTAL



ADOPTED BIENNIAL BUDGET
JULY 1, 2019 -
JUNE 30, 2021

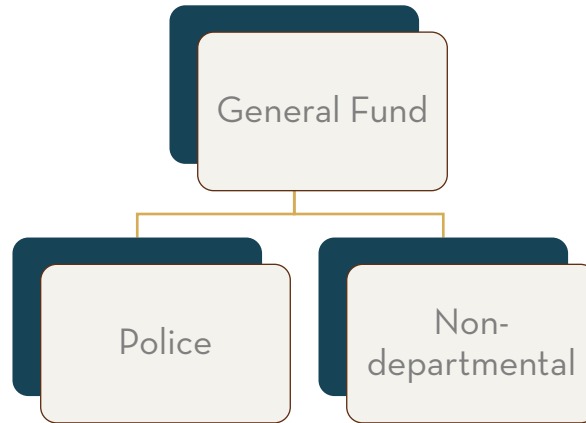


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General Fund

Organization of Fund General Fund

The General Fund is the principal fund of the City that accounts for all financial transactions not accounted for in other funds. The organization of the fund is split between two departments; the Police Department and Non-departmental.



Responsibilities to the Community

The purpose of the General Fund is to support the Prineville Police Department and the Prineville City Council's directed funding of outside agencies or other activities using the fund's revenue sources, which are primarily made up of property taxes, franchise fees, transient lodging taxes, and Oregon State liquor tax revenues. Public safety is the General Fund's primary responsibility to the community. One department (police) and two organizational units (police and non-departmental) represent the makeup of the General Fund.



Captain Larry Seymour visits a local elementary school.

Executive Summary

The General Fund is supported through primarily property tax, transient lodging taxes, franchise fees and Oregon State liquor tax revenues. Approximately 63 percent of general revenues are used to support public safety. Other revenues help support Planning, Administration, Transportation and Airport Funds, as well as other requests as directed by City Council. General administrative costs are paid through internal charges to internal service funds for the following services based upon the cost to the department for using these services; administrative and financial services, risk management, and computer and phone services. The amounts of these services are at full cost – including replacement cost – thereby providing a more accurate picture of providing services.

Strategic Planning Updates

- Short-term – In the short-term, management will review both current and potential revenue sources, as well as ways to be more resourceful, in order to maintain current service levels and meet current policy reserve levels in the General Fund.
- Long-term – Management will continue to develop resources through cost controls in order to achieve staffing goals, contributions to pension liabilities, and contributions to capital projects or nonrecurring onetime expenditures consistent with City Council objectives.

General Fund Budget

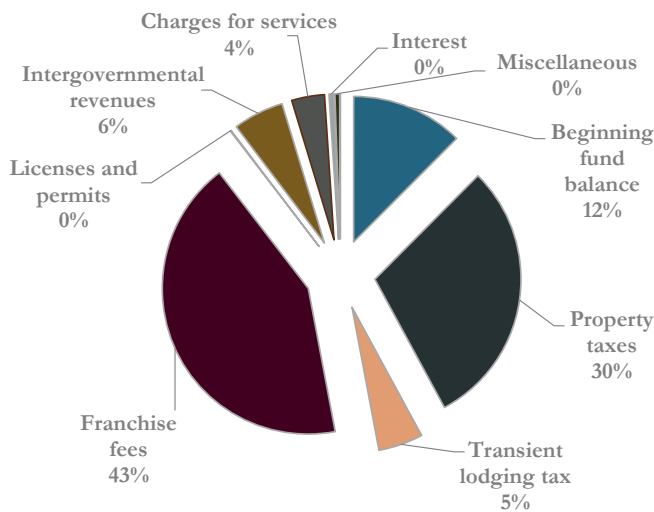
Resources	Actual 2016-2017	Actual 2017-2018	Current Budget 2018-2019	Estimates 2018-2019	BN 2021		
					Adopted Budget 2019-2020	Adopted Budget 2020-2021	Adopted Total Budget 2019-2021
Beginning fund balance	\$ 963,851	\$ 1,583,741	\$ 1,763,840	\$ 1,918,886	\$ 1,918,286	\$ 2,130,586	\$ 1,918,286
Current year resources							
Property taxes	1,963,049	2,071,505	2,140,000	2,140,000	2,230,000	2,340,000	4,570,000
Transient lodging tax	329,514	339,003	310,000	390,000	380,000	380,000	760,000
Franchise fees	2,479,972	2,740,102	2,615,000	2,875,000	3,150,000	3,408,000	6,558,000
Licenses and permits	9,218	8,439	8,900	7,300	8,800	8,400	17,200
Intergovernmental revenues	228,639	295,048	374,000	428,700	449,200	416,800	866,000
Charges for services	150,662	371,817	265,000	350,000	275,000	285,000	560,000
Interest	8,974	24,614	21,000	40,000	40,000	40,000	80,000
Miscellaneous	73,858	61,572	55,100	59,800	40,000	41,000	81,000
Transfers	75,075	72,484	-	-	-	-	-
Debt proceeds	720,000	433,000	-	-	-	-	-
Total current year resources	\$ 6,038,961	\$ 6,417,586	\$ 5,789,000	\$ 6,290,800	\$ 6,573,000	\$ 6,919,200	\$ 13,492,200
Total resources	\$ 7,002,812	\$ 8,001,326	\$ 7,552,840	\$ 8,209,686	\$ 8,491,286	\$ 9,049,786	\$ 15,410,486
Expenditures	Actual 2016-2017	Actual FY 16-17	Current Budget 2018-2019	Estimates 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Adopted Total Budget 2019-2021
Police	3,739,227	4,728,367	4,729,600	5,132,200	5,399,000	5,703,100	11,102,100
Non-departmental	1,679,845	1,354,074	1,252,300	1,159,200	961,700	1,249,200	2,210,900
Contingency			1,570,940		2,130,586	2,097,486	2,097,486
Total expenditures	\$ 5,419,072	\$ 6,082,441	\$ 7,552,840	\$ 6,291,400	\$ 8,491,286	\$ 9,049,786	\$ 15,410,486
Ending fund balance	\$ 1,583,741	\$ 1,918,886	\$ -	\$ 1,918,286	\$ -	\$ -	\$ -
Budgeted positions (FTEs) Police	19.41	19.41	21.41	21.41	22.16	22.16	
Policy 6 months working capital							1,186,550
20% of revenue budget emergency reserve							1,390,460
Total Policy							2,577,010

Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual FY 2019 Beginning Fund Balance	Adopted BN 2021 Beginning Fund Balance	FY 19 to BN 21 % Change	Adopted Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
General	\$1,918,886	\$1,918,286	0%	\$2,097,486	\$2,577,010	-19%

The beginning fund balance is estimated to decrease less than 1 percent from the previous FY 19 fiscal budget. The proposed ending fund balance for BN 21 shows a decrease of approximately 19 percent from the beginning FY 19 through the biennium. Decrease of fund balance rather than increase is largely due to the increase of transfer dollars to the building facility fund for the new police facility debt service and improvements. This fund does not meet the new policy requirements put in place in FY 19 as policy requires six months working capital and a 20 percent reserve calculated from projected reserves. Management anticipated it would take a couple of years to increase the funds to meet policy, for BN 21 it is below policy \$479,524.

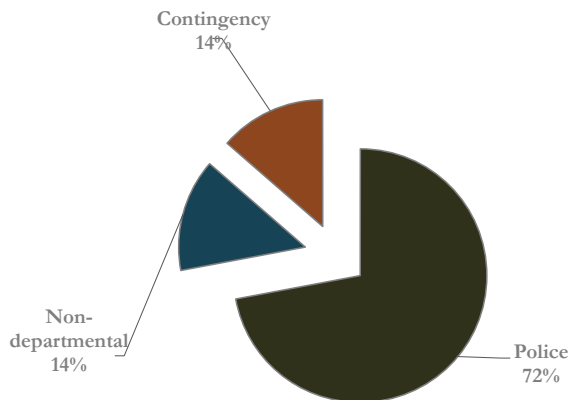
Resources



Assumptions

Projections received from the Crook County Assessor's office indicate the collection of taxes to be up approximately 5 percent over prior year. The City took a conservative approach to collection, estimating current tax revenue at a 4 percent increase for the first year, and 4.5 percent for the second year of the biennium. Electrical franchise fees are estimated to increase roughly \$300 thousand in the first year of the biennium and another \$300 thousand in the second year. This is a conservative approach to the increase in the second year as the buildout of the data center projects could move faster than anticipated.

Requirements



Assumptions

In BN 21, the total requirements for the General Fund will total \$15,410,486, with police at 72 percent of this requirement totaling \$11,102,100 compared to the prior year fiscal budget at 63 percent of budget. In the first year of the biennium the estimated budget is up roughly 5.2 percent over FY 19 with the second year of the biennium estimated at a 5.6 percent increase over the first year of the biennium. Non-departmental expenditures include the Prineville-Crook County Chamber of Commerce, street lighting, and transfers to the Airport, Planning, Transportation Operations, Barnes Butte property, and Pension Obligation (POB) Funds. Non-departmental is 14 percent of the BN 21 budget compared to 16 percent in the prior fiscal 2019 budget, contingency is 14 percent in BN 21 compared to 21 percent in FY 2019.

Police Department

Mission Statement

The mission of the Prineville Police Department is to protect and serve all citizens, while holding steadfast to our core values of integrity, courage, respect, compassion and service.

FY 19 Accomplishments

- ❖ Found a seismically sound facility for both the Police Department and dispatch center that was out of the flood plain
- ❖ Launched a voluntary citizen camera registry, aiding officers in identifying suspects through the help of citizen's camera footage
- ❖ Assisted in collecting toys during Christmas, for the Toys for Tot's foundation. With the PD's help using social media, business outreach, and collection points, over 700 toys were collected for the community's kids. Previous years' collection averaged 200 toys

Initiatives for BN 20 - 21

- ❖ Focus on police training and employee development
- ❖ Assist in the designing of a newer – and more efficient – public safety facility
- ❖ Identify new technology that can assist officers in preventing and solving crime
- ❖ Identify technology that can assist officers in carrying out their duties in the safest possible manner
- ❖ Continue with community outreach through social media and other avenues



Department Goals	Council Goals
A Maintain accreditation	
B Identify and manage the facility needs	
C Provide adequate training	
D Provide a city free of crime	

Responsibilities to the Community



Chief of Police Dale Cummins

The Police Department is comprised of several distinct, yet mutually supportive and dependent parts. These include; operations, which is comprised of the traditional uniformed emergency first responders; investigations, the plainclothes and highly trained serious crimes investigators; and administration, the management of the agency charged with ensuring all the parts get the resources, training, support, and the vision needed to most effectively meet the needs of customers.

The Prineville Police Department has trained and embraces Procedural Justice. Procedural justice is based on four central principles: "treating people with dignity and respect, giving citizens 'voice' during encounters, being neutral in decision making, and conveying trustworthy motives." Research demonstrates that these principles contribute to relationships between authorities and the community in which 1) the community has trust and confidence in the police as honest, unbiased, benevolent, and lawful; 2) the community feels obligated to follow the law and the dictates of legal authorities, and 3) the community feels that it shares a common set of interests and values with the police. This can provide an environment for all that is safe, creates a relationship with our citizens based on trust and respect, and enhances economic development and growth.



In an effort to humanize the badge, Prineville officers created a short lip-sync video. The video went viral attracting approximately 500,000 views on social media and even received a "good job" by the official Merle Haggard fan club for the use of his songs in the video.



City of Prineville Police Department – Photo: Amanda Noland

Executive Summary

In order for the Prineville Police Department to protect and serve all citizens, we must use our lean staffing wisely, train them thoroughly, and use them collaboratively within the community.

During the last fiscal year, we negotiated a shared expense contract to provide a second school resource officer (SRO) to our schools. This collaborative effort provides more police presence in our schools, which allows enhanced safety as well as building relationships between the police and our youth. We have also assigned a detective to the regional drug team. The continued opioid crisis across America demands we participate in this region’s fight to reduce the flow of illegal drugs being pushed on our citizens.

To meet the ever growing knowledge requirements of 21st century policing, we have continued to increase our budget as it relates to training. This allows our staff to continue to grow, while ensuring we meet the requirements of the state and accreditation. Prineville PD became reaccredited in 2019. Accreditation is a process of evaluation, from outside subject experts, to ensure we are in compliance with national best practice standards.

As our department looks into the future we will focus on updating our outdated facilities and equipment. The next two years we will work to design a newer, more efficient, police facility. We are also researching and identifying new technology that can assist our officers in preventing crime, or assisting in solving crime when it occurs. Lastly, and most importantly, we will look at technology that can assist our officers in carrying out their duties in the safest ways possible, as our personnel are our greatest asset.

Strategic Planning Updates

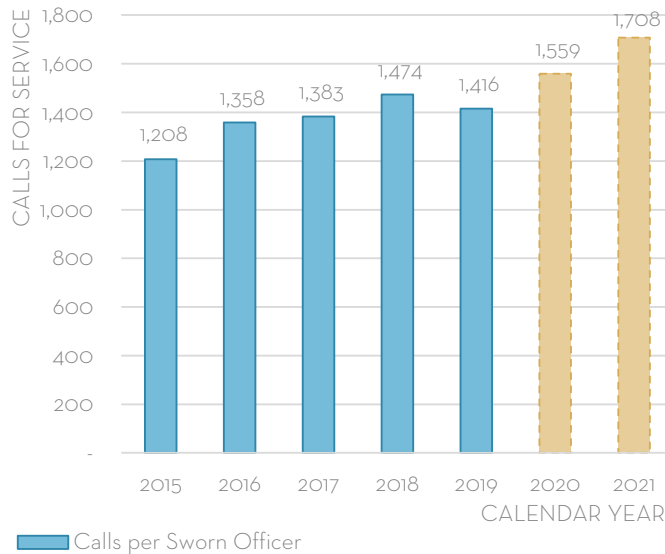
- Short-term – Begin the implementation of structural design for the new public safety building, which is out of the flood plain and structurally improved to meet the “critical building” earthquake standards. Also, purchase long needed equipment to advance our department’s ability to investigate crimes, as well as needed safety enhancements.
- Long-term – Continue to evaluate department personnel needs to include the addition of a street crimes detective.

Performance Measures

Goal Alignment	Indicator	Performance Measure	Benchmark	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Workloads	Input	Sworn Officers	N/A	17	17	19	19	19
	Input	Calls for Service (CY)	N/A	20,745	22,110	24,076	26,363	28,868
	Output	Citations Issued - Infractions (CY)*	N/A	190	188	111	80	82
	Output	Citations Issued - Traffic (CY)	N/A	447	435	792	616	674
	Output	Citations Issued - Criminal (CY)	N/A	199	216	312	228	230
	Output	Total Arrests - Felony (CY)	N/A	283	261	232	278	280
	Output	Total Arrests - Misdemeanor (CY)	N/A	563	596	556	758	851
A	Effectiveness	Consecutive Years Maintaining Oregon Accreditation Alliance Accreditation	Previous Year +1	2	3	4	5	6
B	Efficiency	Average Training Hours per Sworn Officer	150	159	159	123	152	152
D	Efficiency	Average Calls per Sworn Officer (CY)	+9.5% Increase	1,383	1,474	1,416	1,551	1,698
D	Efficiency	Average Citations Issued per Sworn Officer (CY)	+9.5% Increase	56	56	71	54	58
D	Efficiency	Average Arrests per Sworn Officer (CY)	+10% Increase	56	57	46	61	67

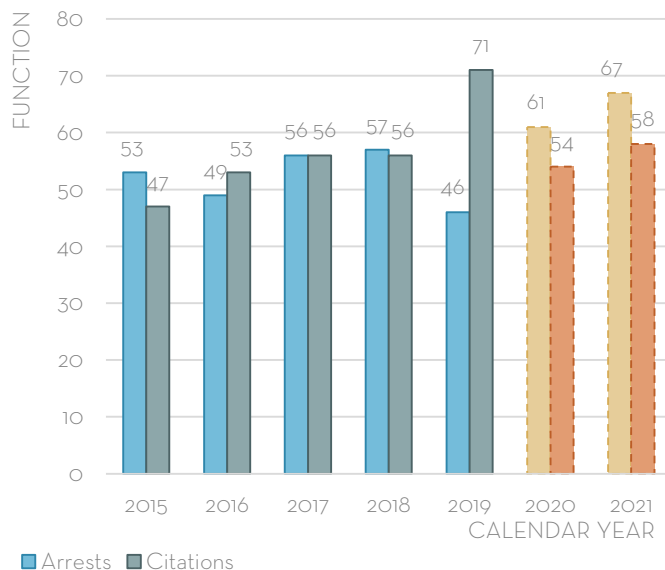
*After FY18, citations for DUIIs were no longer issued, causing a significant drop in FY 19.

Average Calls per Sworn Officer



The Police Department has seen a continual rise in calls for service per officer. The dip in the average calls for FY 19 is due to the temporary impact two additional officers have had on the average, dividing the calls for service by 17 instead of 15. As calls continue to rise, that impact is quickly absorbed in BN 20-21.

Average Arrests / Citations per Officer



Like the calls for service received by the Police Department, the total number of arrests and citations continue to increase each year. In FY 19, the average number of arrests and citations are again affected by the temporary impact of two additional officers.

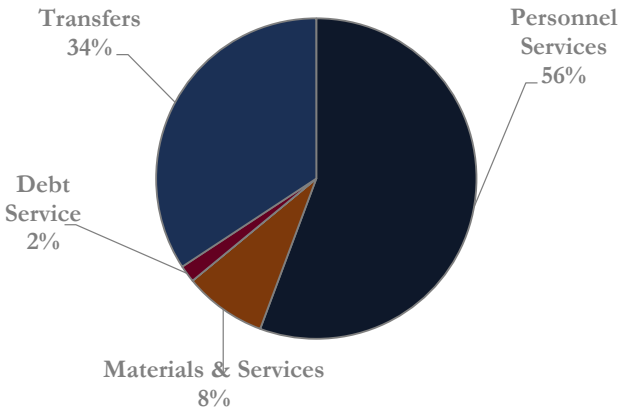
Police Department Budget

Expenditures	Actual 2016-2017	Actual 2017-2018	Current Budget 2018-2019	Estimates 2018-2019	BN 2021		Adopted Total Budget 2019-2021
					Adopted Budget 2019-2020	Adopted Budget 2020-2021	
Personnel Services	\$ 2,326,798	\$ 2,473,441	\$ 2,732,200	\$ 2,807,600	\$ 2,999,800	\$ 3,183,700	\$ 6,183,500
Materials & Services	274,815	505,797	348,400	363,400	457,200	467,500	\$ 924,700
Capital Outlay	45,000	547,214	50,000	52,200	-	-	-
Debt Service	54,413	54,413	95,300	95,300	95,300	95,400	\$ 190,700
Transfers	1,038,200	1,147,500	1,503,700	1,813,700	1,846,700	1,956,500	\$ 3,803,200
Total expenditures	\$ 3,739,227	\$ 4,728,367	\$ 4,729,600	\$ 5,132,200	\$ 5,399,000	\$ 5,703,100	\$ 11,102,100
Budgeted positions (FTEs) Police	19.41	19.41	21.41	21.41	22.16	22.16	

More detail available on budgeted positions on page 136.

Requirements

Assumptions



The expense of personnel services increased in the first year of the biennium roughly 6.9 percent over prior year FY 19, and 6.1 percent in the second year of BN 21. Materials and services increased roughly 26 percent in the first year of the biennium, and roughly 2.3 percent in the second year. This increase over the biennium is largely due to equipment replacement. Transfers have increased significantly over the biennium to cover debt service and improvements of the new police facility. The facility budget is located in the Building Facility Fund.



New Getac computer hardware was installed by the IT Department inside the new Ford Interceptors rolled out in 2018.

Non-departmental

Executive Summary

Activities not associated directly with public safety operations are accounted for within the non-departmental budget. In BN 21, a transfer to the Planning Fund totals \$360,000, also budgeted for BN 21 is a transfer of \$180,000 to the Prineville-Crook County Airport for operational support and grant matches, a transfer of \$700,000 to the Transportation Fund for capital projects, and a transfer to the PERS/POB Fund of \$200,000 to increase fund balance for future liabilities. Other discretionary spending such as street lighting, the Prineville-Crook County Chamber of Commerce, and the Crook County Fairgrounds are budgeted here. The biennial budget also includes money for a bio mass project, and a community wide parks and recreation plan.



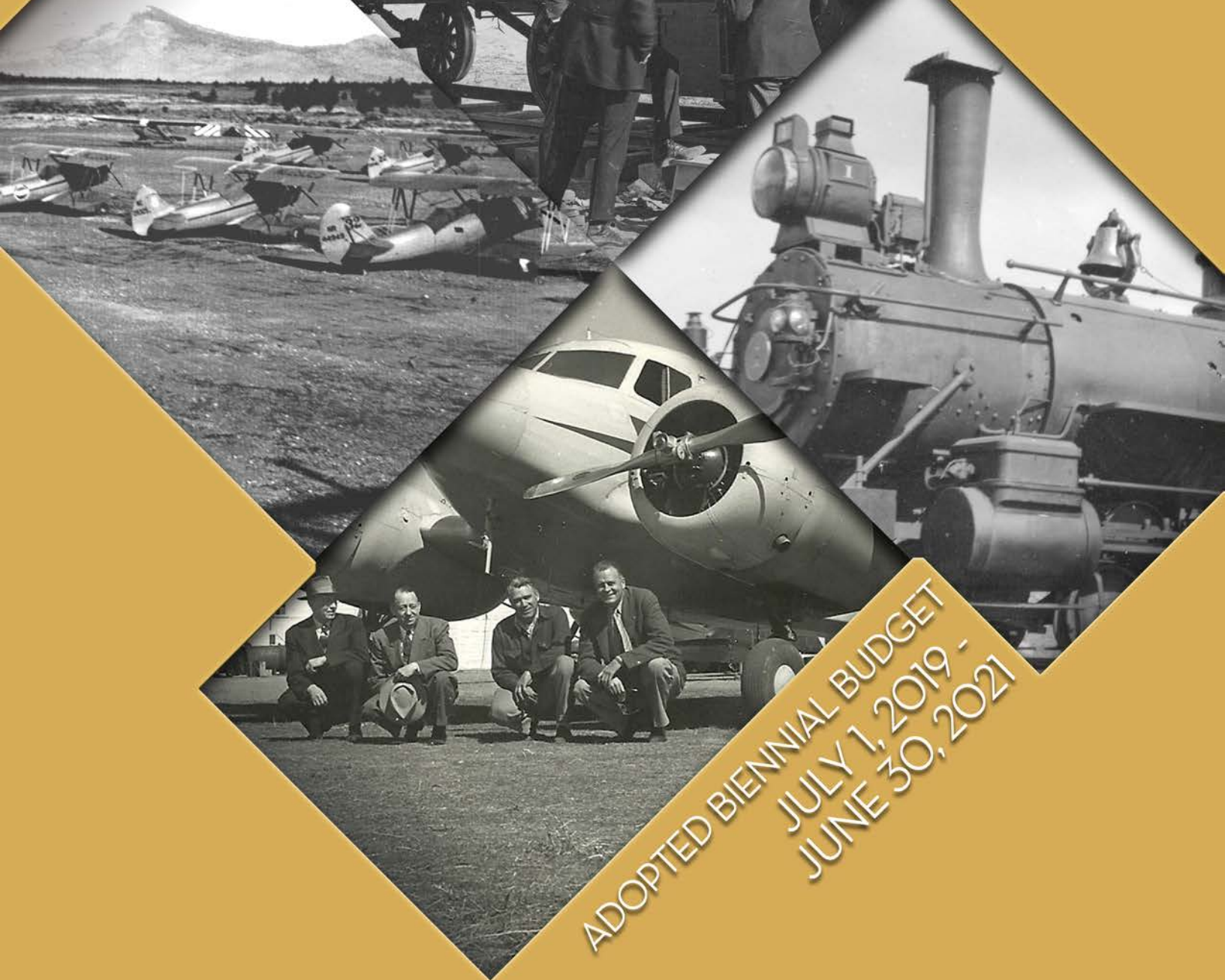
Non-departmental Budget

	Actual 2016-2017	Actual 2017-2018	Current Budget 2018-2019	Estimates 2018-2019	BN 2021		Adopted Total Budget 2019-2021
					Adopted Budget 2019-2020	Adopted Budget 2020-2021	
Expenditures							
Materials & Services	250,876	260,251	347,300	409,200	373,000	280,500	\$ 653,500
Capital Outlay	721,317	73,823	-	-	-	-	\$ -
Transfers	695,500	870,000	905,000	750,000	588,700	968,700	\$ 1,557,400
Debt service							
Ironhorse Property	12,152	150,000	-	-	-	-	\$ -
Total expenditures	\$ 1,679,845	\$ 1,354,074	\$ 1,252,300	\$ 1,159,200	\$ 961,700	\$ 1,249,200	\$ 2,210,900
Budgeted positions (FTEs)	-	-	-	-	-	-	-



Mayor Steve Uffelmann (then a councilor) addresses students of Barnes Butte Elementary at the Barnes Butte property grand opening on October 25, 2017.

CITY OF PRINEVILLE,
OREGON



ADOPTED BIENNIAL BUDGET
JULY 1, 2019 -
JUNE 30, 2021

SPECIAL REVENUE FUNDS

EMERGENCY DISPATCH TRANSPORTATION OPERATIONS



PLANNING

ADOPTED BIENNIAL BUDGET
JULY 1, 2019 -
JUNE 30, 2021



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Transportation Operations Fund

Mission Statement

The mission of the Transportation Department is to serve the citizens of Prineville by ensuring a fast, safe, efficient, accessible and convenient transportation system that meets our vital interests and enhances the quality of life for our constituents, today and into the future.




FY 19 Accomplishments

- ❖ Completed 16 blocks of paving
- ❖ Upgraded 5 ADA wheel chair ramps while utilizing public involvement
- ❖ Swept up 498 tons of material from city streets
- ❖ Began design for the replacement of the Elm St. Bridge
- ❖ Completed the construction of the Tom McCall Roundabout
- ❖ Secured a \$50,000 grant from the National Parks Service to develop a Master Plan to guide the development of this facility for the next 20 years
- ❖ The entire street network was inspected and evaluated in accordance with MTC standards. The Streetsaver Online 9.0 database was updated with the inspection data. A maintenance report, including needed funding (Pavement Management Budget Options), was developed

Initiatives for BN 20 - 21

- ❖ Traffic counting studies to gather data for future planning
- ❖ Develop an American's with Disabilities Act (ADA) Transition Plan while continuing to update ADA facilities
- ❖ Participate in the Central Oregon Area Commission on Transportation
- ❖ Support other departments' capital construction needs
- ❖ Come to an agreement with ODOT to develop a downtown enhancement project by matching the City's HB 2017 funds (\$3 million) with ODOT funds to enhance the downtown core
- ❖ Continue the crack sealing/seal coating program to extend the life of area roads without having to repave them



Department Goals	Council Goals
<p>A Improve the transportation network to serve new customers</p>	
<p>B Maintain a reasonable pavement condition index (PCI) rating with the amount of available funds</p>	
<p>C Research pavement preservation techniques to lengthen the useful life of Prineville's streets and protect pavement quality</p>	

Responsibilities to the Community

The objective of the Transportation Department is to provide a source of friendly and responsive information and transportation-related services. Under this division of the City of Prineville's Public Works Department, it's the duty of the Transportation Department to assure and preserve the present and future health, safety and welfare of the public utilizing the city street network. By using cost effective maintenance practices, planning, permitting, inspection and responsible operations, this goal can be achieved. The key to success is through the efficient and motivated efforts of quality through committed staff.

The Transportation Operations Fund provides the accounting of the City's street, bike lane, right of way, and storm water maintenance. Funding sources include state highway gas tax and state revenue sharing. Heavy equipment, vehicles and maintenance, engineering, project oversight, and public works administration and support services costs are accounted for through transfers to internal service funds for the estimated costs of the provision of these services.



Street Superintendent Scott Smith works a grader during a paving project in June 2017.

Executive Summary

The purpose of the Transportation Operations Fund is to finance the activities of the City’s transportation division of the Public Works Department. Prineville’s street infrastructure is a network of roads under the jurisdiction of the City, Crook County, and the Oregon Department of Transportation (ODOT). The Transportation Department holds the primary responsibility of maintaining the City’s 57.73 centerline miles of streets, rights-of-way, weed control, street sweeping, paving, street striping, street signs, storm drains, and one traffic control signal. It’s the mission of the Transportation Department to provide a safe and serviceable traffic infrastructure for today, while planning for the needs of the future.

In BN 20-21, the Transportation Department will support the construction of the new Elm St. Bridge, install a new pedestrian bridge across Ochoco Creek at Court St., participate in the development of the Barnes Butte Master Plan, participate in the Community wide Parks Master Plan and treat surfaces of City streets as proposed by the Pavement Management Budget Options Report.

Strategic Planning Updates

- Short-term – In the short-term, the Transportation Department will maintain a reasonable pavement condition index (PCI) rating with the amount of available funds. Grants will continue to be pursued to add supplemental funds for city streets and infrastructure. Improvements will be made to the transportation network in this fiscal year to support new businesses.
- Long-term – The Transportation Department strives to provide a safe, efficient transportation system to support economic opportunity, and create a livable community for the citizens of Prineville. To manage the condition of the street network at the lowest cost possible, the Transportation Department identified a PCI goal of 82 to 85. The pavement condition index is a high-level indicator for condition of the City’s largest asset from a dollar and utilization standpoint. The lower the PCI, the more expensive the asset is to maintain. The Transportation Department will continue to investigate new revenue sources to improve the PCI index.

The Transportation Department was a key supporter of the Ochoco Creek Trail Illumination project consisting of the installation of 20 lights along a section of heavily used path improving safety.

Capital Outlay

Capital Outlay Overview

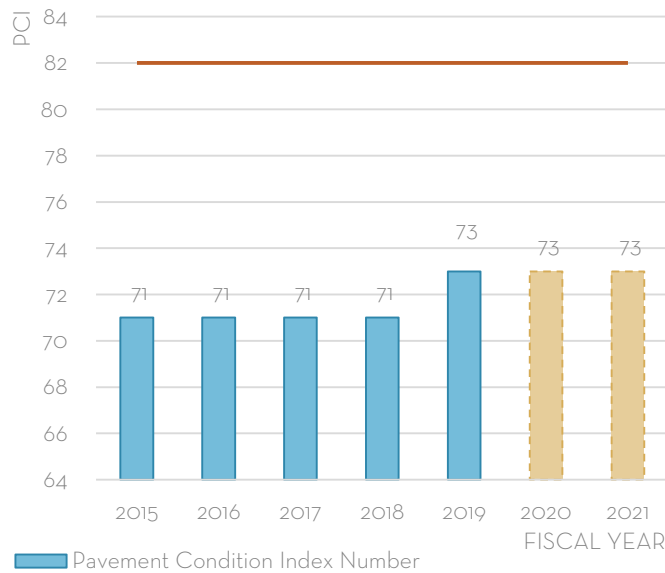
Project	Budgeted Amount FY20	Budgeted Amount FY21
Capital Rehabilitation	\$ 705,000	\$ 755,100
Capital Maintenance – Crack Seals	\$ 40,000	
Capital Maintenance – Seal Coat	\$ 124,100	
Transit	\$ 104,600	\$ 104,600
Capital Outlay Total	\$ 973,700	\$ 859,700

A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 95.

Performance Measures

Goal Alignment	Indicator	Performance Measure	Benchmark	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Workloads	Output	Number of sqft Receiving Asphalt Overlays	N/A	243,440	233,000	557,184	594,166	769,590
	Output	Number of Inft Receiving Crack Sealing	N/A	78,000	200,000	80,000	40,000	-
	Output	Number of sqft Receiving Slurry Sealing	N/A	-	-	-	571,882	-
	Output	Number of ADA Ramps Replaced	>= 7	15	5	6	7	7
A	Output	Street Preventative Maintenance Performed to Maintain PCI in \$	>= 500,000	429,927	646,015	1,099,440	1,009,100	895,100
B	Effectiveness	Deferred Maintenance Cost (in Millions)	N/A	\$ 3.45	\$ 3.65	\$ 2.63	\$ 2.44	\$ 2.63
B	Effectiveness	Pavement Condition Index Number	>= 82	71	71	73	73	73

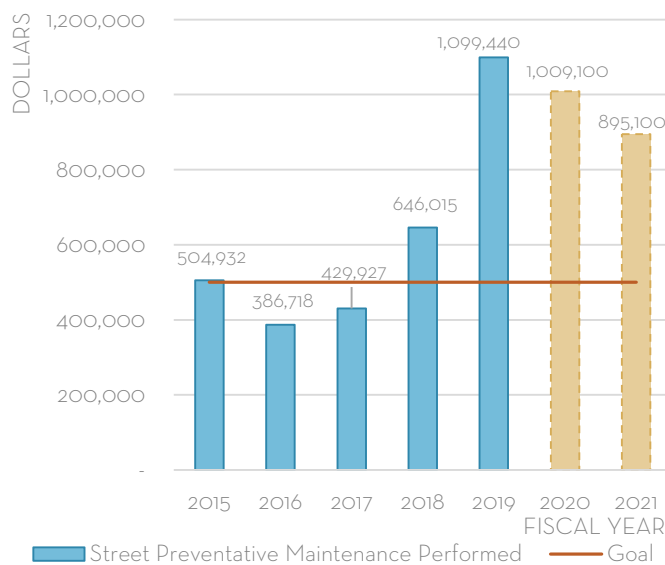
Pavement Condition Index



The City of Prineville first inspected and ranked all city streets in the summer of 2008. Further inspections have occurred every other year with the last inspection done the summer of 2018. The goal of the Transportation Department is to maintain a reasonable pavement condition index (PCI) rating with the amount of available funds, which is ideally a calculated overall PCI average of 82 to 85. This level provides the optimum longevity of the wearing surfaces with the minimum investment level.

PCI Index Ratings	
Good	70-100
Satisfactory	50-69
Fair	25-49
Poor	0-24

Street Preventative Maintenance



The Transportation Department utilizes the *Metropolitan Transportation Commissions Street Saver* software to identify proposed maintenance activities based upon pavement conditions and available budget. This program takes into account the PCI of each street and proposes what streets to treat and how to treat them. To maintain the current PCI of 73, the City needs to invest a minimum of \$500,000 per year in maintenance activities.

Transportation Budget

	Actual		Current		BN 2021		
	2016-2017	2017-2018	Budget 2018-2019	Estimates 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Adopted Total Budget 2019-2021
Resources							
Beginning fund balance	\$ 267,186	\$ 269,757	\$ 323,857	\$ 331,358	\$ 456,058	\$ 221,758	\$ 456,058
Current year resources							
Intergovernmental	\$ 952,906	\$ 968,081	\$ 1,284,500	\$ 1,369,000	\$ 956,300	\$ 1,006,400	\$ 1,962,700
Franchise fee	277,000	173,000	430,000	430,000	327,000	338,000	665,000
Interest	2,689	3,185	2,500	6,000	5,000	5,000	10,000
Miscellaneous	18,211	11,878	8,500	14,500	19,000	9,000	28,000
Transfers from other funds	100,000	400,000	400,000	300,000	300,000	400,000	700,000
Total current year resources	\$ 1,350,806	\$ 1,556,144	\$ 2,125,500	\$ 2,119,500	\$ 1,607,300	\$ 1,758,400	\$ 3,365,700
Total resources	\$ 1,617,992	\$ 1,825,901	\$ 2,449,357	\$ 2,450,858	\$ 2,063,358	\$ 1,980,158	\$ 3,821,758
Expenditures							
Personnel Services	\$ 231,494	\$ 220,282	\$ 235,500	\$ 234,000	\$ 251,200	\$ 260,900	\$ 512,100
Material & services	221,956	211,065	245,600	245,800	248,600	252,400	\$ 501,000
Capital outlay							
Improvements	493,285	639,896	1,127,000	1,096,900	973,700	859,700	\$ 1,833,400
Transfers	401,500	423,300	418,100	418,100	368,100	367,200	\$ 735,300
Contingency			\$ 423,157		\$ 221,758	\$ 239,958	239,958
Total expenditures	\$ 1,348,235	\$ 1,494,543	\$ 2,449,357	\$ 1,994,800	\$ 2,063,358	\$ 1,980,158	\$ 3,821,758
Ending fund balance	\$ 269,757	\$ 331,358	\$ -	\$ 456,058	\$ -	\$ -	\$ -
Budgeted positions (FTEs)	2.00	2.00	2.00	2.00	2.00	2.00	
Policy 60 days operating budget							146,750
5% emergency reserve							87,010
Total Policy							\$ 233,760



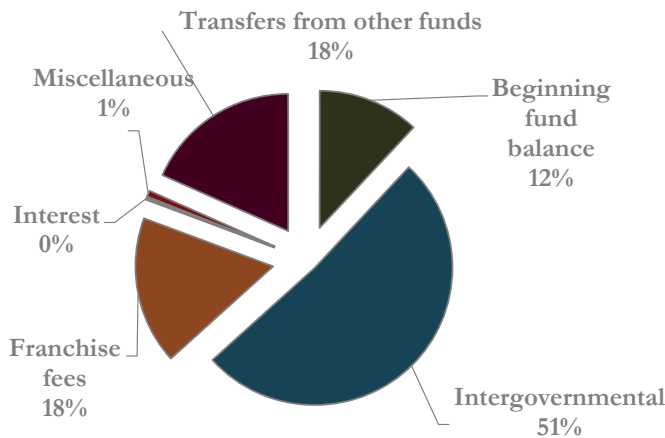
Contractors and City staff lay asphalt during the NE Juniper Street paving in October 2017.

Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual FY 2019 Beginning Fund Balance	Adopted BN 2021 Beginning Fund Balance	FY 19 to BN 21 % Change	Adopted Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Transportation	\$331,358	\$456,058	38%	\$239,958	\$233,760	3%

Fund balance shows an increase over prior year fund balance of 38 percent. Projects budgeted for BN 21 total \$1.83 million. Fund balance is projected to increase approximately 1 percent by the end of the biennium. Ending fund balance/contingency meets the City’s financial policy objectives. Management continues to look for new revenue opportunities and efficiencies within the department.

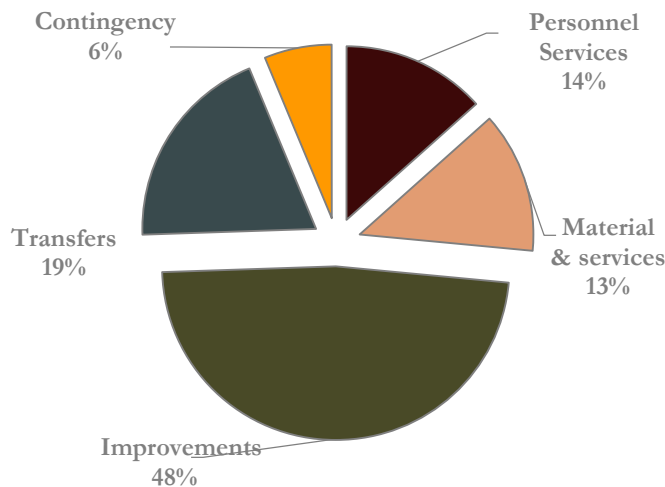
Resources



Assumptions

Overall expected revenues for BN 21 are estimated at \$3.82 million with 12 percent coming from beginning fund balance, 51 percent coming from intergovernmental revenue, 15 percent coming from franchise fees, less than 1 percent from interest earnings, 1 percent miscellaneous and 18 percent from transfers. Revenues include a grant of approximately \$185,200 for the transit project and franchise fees from the wastewater and water funds totaling \$665,000. A transfer from the General Fund of \$700,000 will be used for capital projects. Projections for the State of Oregon gas tax are approximately \$1,555,500, and State Revenue Sharing is projected at \$222,000.

Requirements



Assumptions

Requirements budgeted overall in BN 21 total \$3.82 million. Personnel services total 14 percent of budget for the biennium or \$512,100, materials and services total 13 percent of budget or \$501,000, improvements are 48 percent or \$1,833,400, transfers are at 19 percent of budget totaling \$735,300, and contingency is 6 percent of budget or \$239,958. Total budget for BN 21 is decreasing roughly 8.3 percent. This largely contributed to a decrease in capital improvements, and the reduction can be attributed to the reduced available funding from the General Fund and the need to replace gaining water and wastewater lines. Replacement of these utilities prior to the reconstruction of the street is key to protecting and extending the useful life of city streets.

Emergency Dispatch Fund

Mission Statement

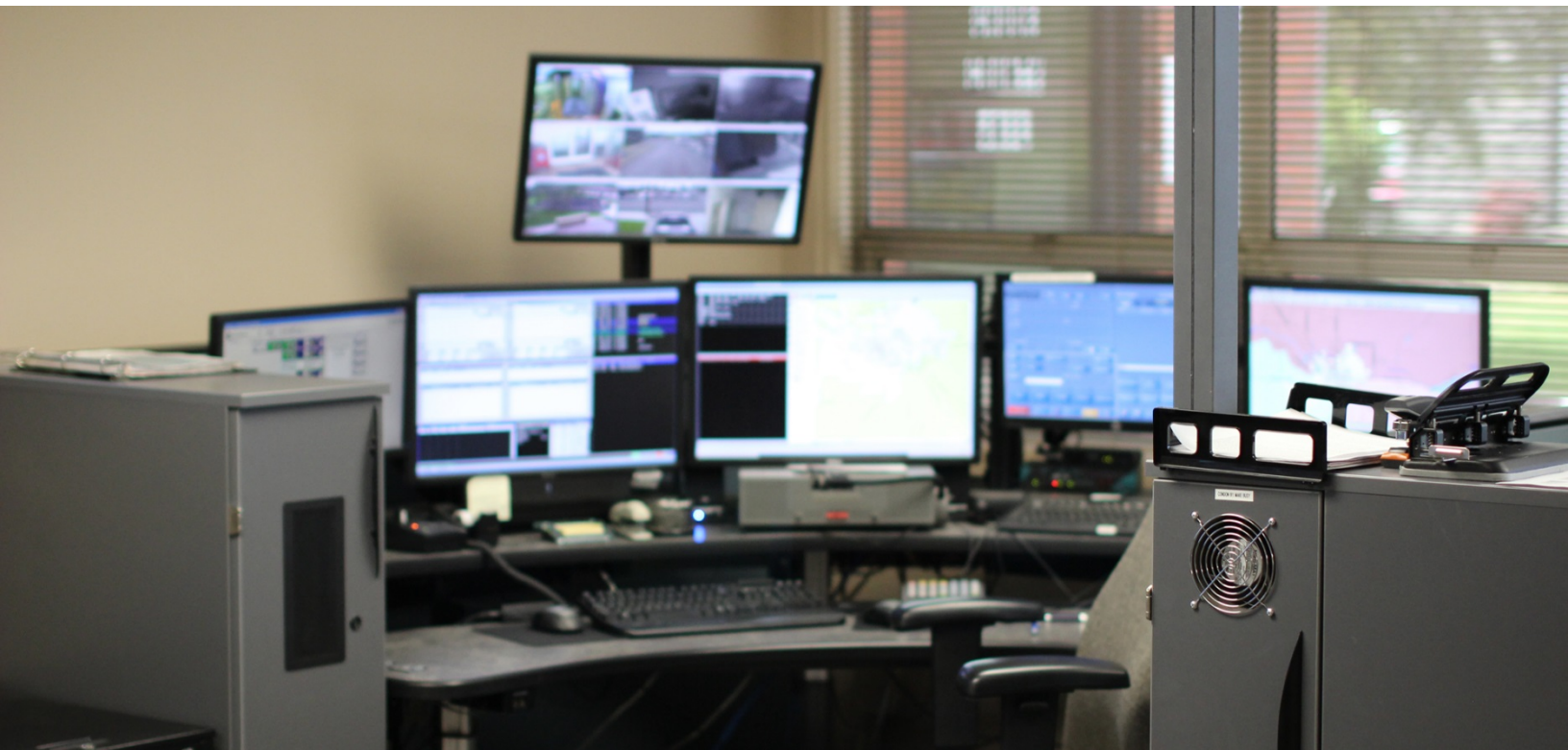
The mission of the Crook County Dispatch Center is to contribute to the safety of citizens and public safety partners by following industry-best standards, policies and procedures, and by exceeding the standards set for our profession.

FY 19 Accomplishments

- ❖ Implemented an in-house training program based on State and National Standards allowing staff to train at their desk
- ❖ Two tele-communicators have been certified through National APCO to become Communications Training Officers
- ❖ The Communications Director received certification in the Department of Public Safety, Standards and Training's new curriculum to assist in its implementation
- ❖ Updated OEMDC EMD cards to meet state standards, completing the project
- ❖ The Communications Director became certified as a Registered Public Safety Leader through APCO International.
- ❖ All staff completed a three-day leadership training

Initiatives for BN 20 - 21

- ❖ Improve the dispatch center's infrastructure
- ❖ Improve the 700 MHz system to provide better city coverage for police and fire users
- ❖ Maintain staffing levels



Department Goals

Council Goals

- A To serve and support the public safety needs of the citizens of Crook County, and public safety partners, in the most efficient and responsive manner possible
- B Provide training opportunities to improve effectiveness



Responsibilities to the Community

The role and responsibility of the Emergency Dispatch Center is to provide the vital communication link between the public and all emergency services. The 911 dispatcher is often the unsung professional of the emergency response team. These professionals, who gather essential information from callers and dispatch the appropriate first responders to the scene, must be able to take control of situations that may be chaotic, heart-wrenching, stressful, confusing, and/or frenzied.

Prineville's Emergency Dispatch Center supports public safety by providing interoperable communications throughout Prineville and Crook County, as well as providing the vital communication link between our county and the rest of the state. The center is also the public-safety answering point (PSAP) for Crook County, providing 911 services for all citizens and visitors.

The center provides communication service to the Prineville Police Department, the Crook County Sheriff's Office, Crook County Fire and Rescue, and the USFS. If other public safety agencies enter Crook County to assist in providing service, like the Oregon State Police, they also are served by the Emergency Dispatch Center.



Chief of Police Dale Cummins and Communications Director Tobie Reynolds received Certificates of Accreditation on behalf of their departments in May 2019.

As the Dispatch Center looks into the future, the department will focus on updating outdated facilities, improve infrastructure and examine personnel needs. The next two years the department will work to design a newer, more efficient, police facility. Also, emergency dispatch will continue to improve the 700 MHz system to provide better “in city” coverage for our police and fire users.

Maintaining staffing levels is always a difficult task for all 911 dispatch centers. The department will continue to look for ways to retain personnel and attract new personnel to a difficult, stressful, and sometimes tedious job that must be run 24 hours a day, seven days a week.

Training is important to running a dispatch center, with annual maintenance as well as onboarding training required for all dispatchers. With the training hours utilized during the last two years, the department was able to certify three employees to be training offers, one training coordinator, two in leadership, one in supervision and one in EMD that later became an instructor. The communications director was also certified in leadership, management, and instructor development. Additionally, the training program was certified to national standards.

Strategic Planning Updates

- Short-term – In the short-term, the Emergency Dispatch Department will begin the implementation of structural design for the new dispatch center in a larger building which is out of the flood plain and meets the state requirements for earthquake standards and will also continue to explore opportunities for collaboration with other county dispatch centers and users to ensure the best service is being provided at a cost effective rate.
- Long-term – The department will evaluate the need for additional personnel, based on futuristic needs, the continued increase in call load, and the needs of law enforcement and medical personnel.

Did You Know?

The Dispatch Center was state accredited through the Oregon Accreditation Alliance. The process includes reviewing policies and inspecting the center to ensure compliance with industry best practices. This ensures citizens receive the best product a dispatch center can provide.

Capital Outlay

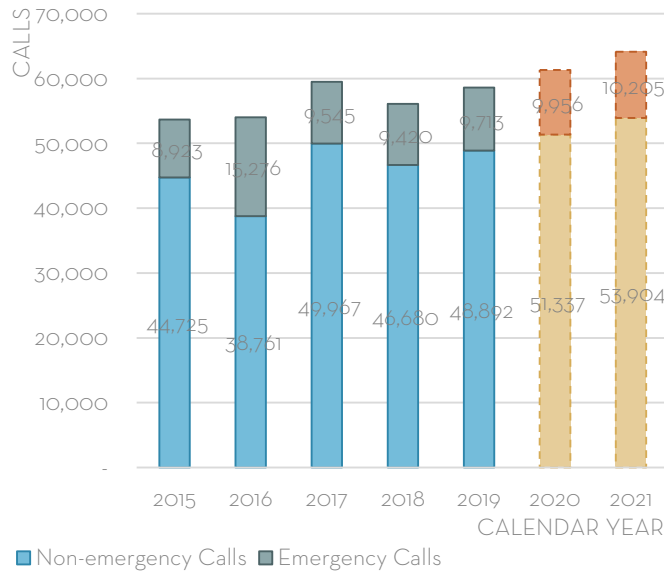
Capital Outlay Overview		
Project	Budgeted Amount FY20	Budgeted Amount FY21
Recording Equipment		\$ 20,000
Tower Upgrades	\$ 35,000	\$ 35,000
Capital Outlay Total	\$ 35,000	\$ 55,000

A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 95.

Performance Measures

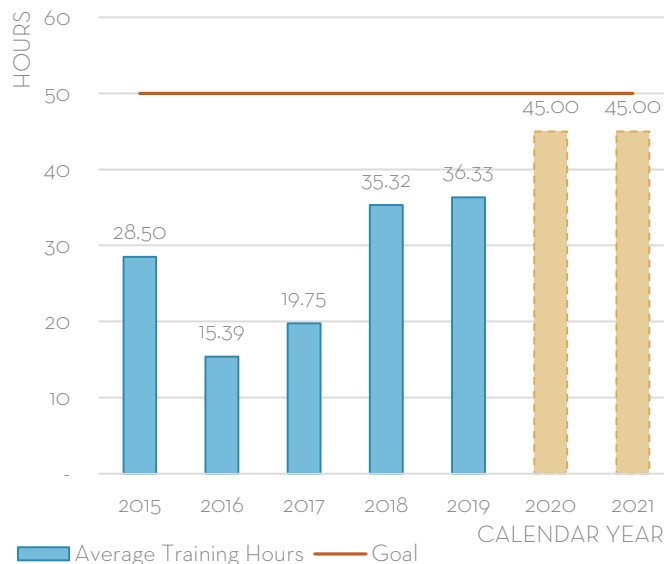
Goal Alignment	Indicator	Performance Measure	Benchmark	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Workloads	Input	Non-emergency Calls (CY)	+5% per Year	49,967	46,680	48,892	51,337	53,904
	Input	Emergency Calls (CY)	+2.5% per Year	9,545	9,420	9,713	9,956	10,205
	Output	Calls Creating CAD Reports (CY)	+Approx 8.2% per Year	38,925	39,009	43,733	47,319	51,199
	Output	Employee Training Hours (CY)*	N/A	277	495	436	450	450
B	Efficiency	Average Annual Training Hours per Employee	50.00	19.75	35.32	36.33	45.00	45.00

*DPSST changed how training hours were logged in mid-2018, thus the drop from FY 18 to FY 19.



Total Calls to Dispatch Center

911 telecommunicators are often referred to as “the first, first responders.” The City’s dispatchers fit that definition in that they answer all incoming 911 and service calls for the Prineville Police Department, Crook County Sheriff’s Office and Crook County Fire and Rescue. Incoming calls fluctuate from shift to shift, day to day with no real way to predict how many calls come in. Dispatchers can go from no calls to more calls than they can answer and vice versa several times during a shift. One thing to depend on is busier summer shifts as Prineville’s population increases due to vacationers and citizens out enjoying the beautiful surroundings. The profession will only get busier as changing technology adds the opportunity for callers to forward video as well as the increasing various forms of technology available to call 911.



Average Annual Training Hours per Employee

Training for Emergency Dispatch is a constant, as keeping employees prepared to best serve the community requires upkeep and evolving knowledge. Short staffing during years 2016 and 2017 held the department to minimal training, but staffing increases and changes in training programs have allowed employees to maintain certification and seek out professional development. Between 2018 and 2019, Dispatch had over 800 hours of training due to a new training program and online National APCO certifications for all employees. Training is expected to increase in the biennium, with employees receiving – at minimum – 24 hours of training per year through two hour-long monthly sessions to keep them above state certification requirements.

Emergency Dispatch Budget

	Actual		Current		BN 2021		Adopted Total Budget 2019-2021
	2016-2017	2017-2018	Budget 2018-2019	Estimates 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	
Resources							
Beginning fund balance	\$ 339,206	\$ 371,559	\$ 334,359	\$ 404,256	\$ 376,056	\$ 303,956	\$ 376,056
Current year resources							
Intergovernmental	\$ 908,848	\$ 935,337	\$ 865,200	\$ 864,800	\$ 901,800	\$ 972,400	\$ 1,874,200
Interest	2,490	4,797	3,000	10,000	10,000	10,000	20,000
Miscellaneous	-	761	4,000	7,500	4,000	4,000	8,000
Transfers from other funds	521,400	583,000	770,000	770,000	707,400	794,300	1,501,700
Total current year resources	\$ 1,432,738	\$ 1,523,895	\$ 1,642,200	\$ 1,652,300	\$ 1,623,200	\$ 1,780,700	\$ 3,403,900
Total resources	\$ 1,771,944	\$ 1,895,454	\$ 1,976,559	\$ 2,056,556	\$ 1,999,256	\$ 2,084,656	\$ 3,779,956
Expenditures							
Personnel Services	\$ 832,223	\$ 930,828	\$ 1,101,800	\$ 1,037,200	\$ 1,196,800	\$ 1,260,300	\$ 2,457,100
Material & services	199,718	274,487	222,200	270,900	280,100	273,500	553,600
Capital outlay							
Buildings							
Equipment	199,544	128,983	205,000	205,000	35,000	55,000	90,000
Transfers	168,900	156,900	167,400	167,400	183,400	189,500	372,900
Contingency			280,159		303,956	306,356	306,356
Total expenditures	\$ 1,400,385	\$ 1,491,198	\$ 1,976,559	\$ 1,680,500	\$ 1,999,256	\$ 2,084,656	\$ 3,779,956
Ending fund balance	\$ 371,559	\$ 404,256	\$ -	\$ 376,056	\$ -	\$ -	\$ -
Budgeted positions (FTEs)	11.07	10.75	10.75	10.75	10.84	10.84	
Policy 45 days operating budget							\$ 215,413
5% emergency reserve							88,915
Total Policy							\$ 304,328



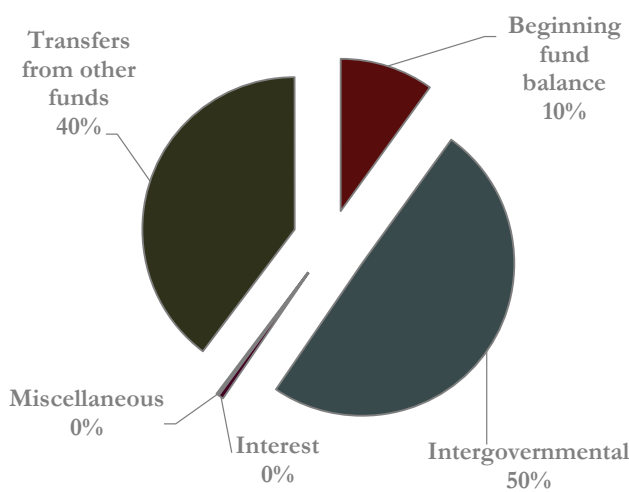
Awards being given out at the police memorial banquet – May 2019

Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual FY 2019 Beginning Fund Balance	Adopted BN 2021 Beginning Fund Balance	FY 19 to BN 21 % Change	Adopted Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Emergency Dispatch	\$404,256	\$376,056	-7%	\$306,356	\$304,328	1%

Fund balance from FY 19 to BN 21 is estimated to decrease approximately 7 percent. Estimates for the BN 21 budget show a 23 percent decrease in the ending fund balance. This fund exceeds the reserve policy criteria for the City.

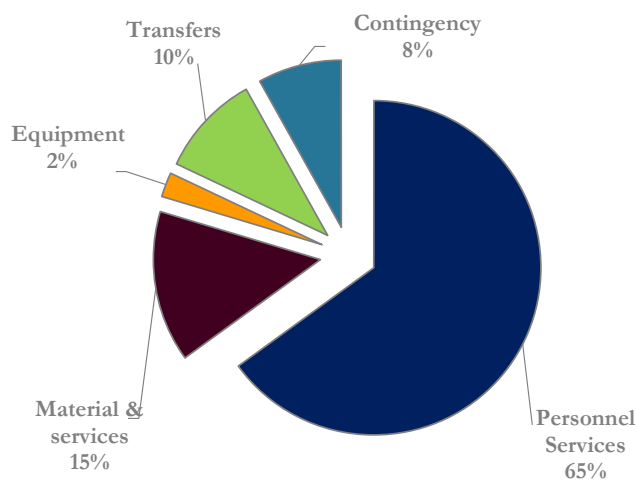
Resources



Assumptions

Total biennium budget 2021 totals \$3,779,956 with beginning fund balance at 10 percent of the number, or \$376,056, intergovernmental revenue totals \$1.87 million or 50 percent of budget, miscellaneous revenue is less than 1 percent, transfers from other funds at 40 percent (which relate to the user fee for the City share of dispatch costs) totaling \$1.5 million for BN 21. If House Bill 2449 passes it will raise the rate for emergency communication from \$0.75 cents to \$1.50 per retail transaction. This will be very helpful to the affordability of 911 services.

Requirements



Assumptions

The BN 21 budget totals \$3.8 million with \$2.46 million in personnel services or 65 percent of the budget. The first year of biennium is up 8.6 percent from prior year budget, with the second year up 5.3 percent. FTEs have increased by 0.09 moving two part-time positions to one full FTE. Materials and services are 15 percent of the budget or roughly \$554,000. Capital improvement totals only 2 percent of the BN 21 budget compared to 10 percent of the prior fiscal year. Transfers are at 10 percent. Contingency totals 5 percent. This fund meets the reserve policy criteria for the City.

To manage community development within the law, in a fair, honest and responsive manner, enhancing the quality of life in the community through effective planning and public involvement, all while protecting the natural features and history of the community through inevitable change.

FY 19 Accomplishments

- ❖ Amended Land Use Chapter 153C for temporary worker housing
- ❖ Approved facility plan updates for water and sewer
- ❖ Completed a housing analysis
- ❖ Updated airport zoning to match adopted facility plans
- ❖ Worked with the BLM to annex property on Barnes Butte
- ❖ Transitioned to upgraded GIS software
- ❖ Completed land use for data center buildings 7 & 8 of the Vitesse Project (approximately 1 million sqft.)
- ❖ Worked with private development trail projects within the Hudspeth Drain and Barnes Butte areas

Initiatives for BN 20 - 21

- ❖ Update housing chapter of the comprehensive plan in accordance with the housing analysis
- ❖ Update UGB Management Agreement in coordination with Crook County
- ❖ Complete Barnes Butte and Prineville area parks and recreation master plans
- ❖ Initiate plan to reduce floodplain impact
- ❖ Design and identify the funding to repave the city-owned parking lot at 4th and Belknap, incorporating design elements that compliment downtown development and revitalization efforts
- ❖ Work with ODOT on a Transportation and Growth Management (TGM) grant to analyze options for O'Neil Hwy/Hwy 126 intersection, the West 'Y', and potentially the couplet system
- ❖ Participate in the downtown businesses initiative to form and operate a downtown association



Department Goals	Council Goals
A Provide staff and implement initiatives created by the DSP committee, Air Quality Committee and other City sanctioned organizations	
B Identify, evaluate and recommend potential property acquisitions for economic development, downtown development, future public infrastructure projects, or natural resource and hazard protection	
C Complete, update, and adopt master plans as needed by the City for managing land use, development projects, parks and recreation facilities	
D Develop plans and initiate projects to reduce negative impacts of environmental hazards on the community such as floodplain impact areas and air quality	
E Seek funding opportunities from state and federal agencies to advance community projects and facilities that increase quality of life for residents and visitors	

Responsibilities to the Community

The primary objective of the Prineville Planning Department is to manage economic development and the sustainable growth of Prineville, while maintaining the small-town character and overall livability of the community. The Planning Department continues to achieve this by assisting existing and prospective businesses, developers, and residents through a consistent, land use and development process. The department is often the first point of contact for the general public, whether an individual is planning to build a storage shed or a major corporation is looking to build a large facility. Planning staff facilitates all development review, pulling together input from the public, and other departments, both within the City of Prineville as well as from outside organizations.

The department is responsible for managing and staffing the Prineville Planning Commission, a seven-member citizen body that reviews and makes decisions on subdivisions and conditional use proposals, and provides policy recommendations to the Prineville City Council. The Planning Department is required to comply with all federal, state and local laws regarding community growth and land-use approvals.

The department also manages the City’s Urban Growth Boundary (UGB) and develops current and long-range planning documents, such as the City’s Comprehensive Plan, land use codes and facility plans that supports job growth and housing needs, while maintaining Prineville’s small town character. Planning continues to staff the Downtown Strategic Plan Committee, the Air Quality Committee, and Planning Commission helping to ensure the City’s objectives can be met well into the future.

The Planning Fund accounts for the planning activities of the City of Prineville. When needed a transfer of funds from the General Fund to the Planning Fund helps support the City’s planning needs. General administrative costs are paid through internal charges to internal service funds based upon the cost to the department for using these services. The amounts of these services are at full cost, including replacement cost, thereby providing a more accurate picture of providing services.

Did You Know?

The Planning Department worked with FEMA and OEM to approve park development in Stryker Park in order for the Kiwanis Splash Pad to be built.



Planning Director Josh Smith takes a break on a collection bin during a successful “Free Yard Debris” day in November 2017.

Executive Summary

The Planning Department recently went through a staffing change. A new director was hired from within the department and a new associate planner was hired from the community. The department continues to operate lean with only two employees, down from a high of four in 2005.

Prineville has seen healthy growth within the single family home market in recent years. There are some signs of a slowing market nationwide, however, Prineville may be insulated from such a slowdown due to the continued construction of the data center facilities. This is evident by continued interest in multi-family construction, RV parks and new single-family home lots.

Commercial development has been minimal as some commercial buildings remain vacant, particularly in the downtown area. Industrial development other than the data centers saw a noticeable increase in construction. There were several approvals for new industrial buildings in the Baldwin Industrial Park as well as an approval for the new airbase at the Prineville/Crook County Airport to be leased by the U.S. Forest Service. With the recent change in law to allow industrial hemp production, Prineville could see more industrial development or redevelopment of old wood product mills.

In-between development projects, planning staff continues to work on long-range projects. Planning received a state grant to provide a housing analysis in FY 19 that will be used to update the comprehensive plan. Staff will work closely with Crook County Parks and Recreation and consultants on developing master plans for the Barnes Butte Recreation Area and the Parks District. Pursuing an update to the UGB Management Agreement with Crook County is of interest to the department. Regular review of city zoning ordinances and modifications will be done as needed to ensure continued compatibility with growth and development patterns. The department will also continue to work with the Oregon DEQ on air quality issues and SEP program in coordination with NeighborImpact.

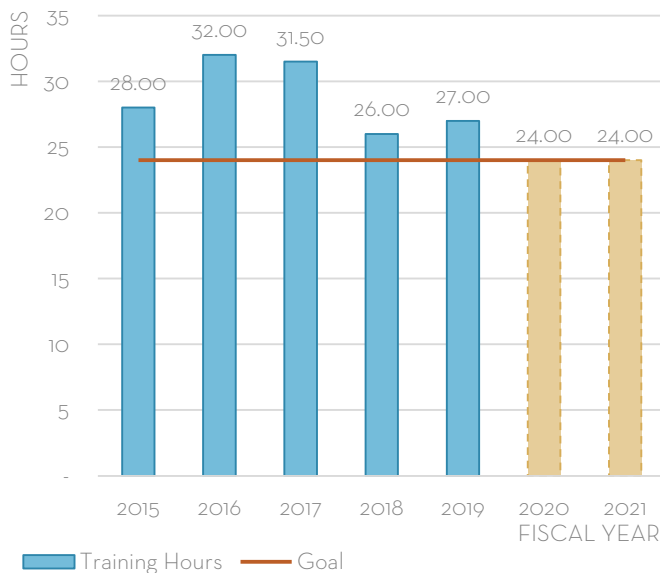
Strategic Planning Updates

- Short-term – Maintain a high level of customer service by being available and responding to questions quickly and accurately. Provide staff time and technical support for committees and public and private economic development initiatives.
- Long-term – Maintain land use and facility plans and agreements that are up to date. Staff will focus on the UGB Management Agreement with Crook County, comprehensive plan updates and parks master plans. Staff will also continue to coordinate with partner agencies on plans, processes and issues that overlap jurisdictions.

Performance Measures

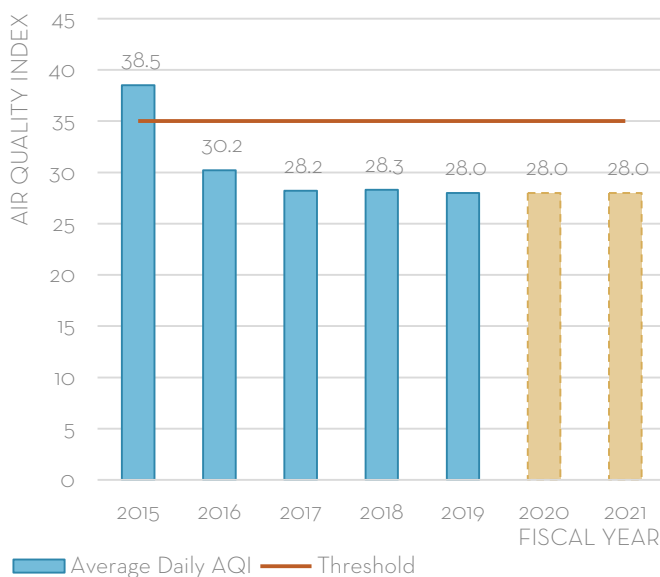
Goal Alignment	Indicator	Performance Measure	Benchmark	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Workloads	Output Input	Planning Counter Open Hours per Week	38 hours	38.00	42.90	43.20	43.00	43.00
		Applications Applied for	N/A	177.00	152.00	162.00	110.00	110.00
A	Efficiency	Average Hours of Training per Planning Commissioner	4 hours	5.00	4.00	3.00	4.00	4.00
A	Efficiency	Average Staff Member Training Hours	24 hours	31.50	26.00	27.00	24.00	24.00
B	Efficiency	Administrative Land Use Application Reviews Completed Within Benchmark	20 days	NM*	NM*	100%	100%	100%
D	Effectiveness	Air Quality Daily Index, Three-year Rolling Average	< 35	28.2	28.3	28.0	28.0	28.0

*NM = Not Measured. Measure is new for this year.



Average Staff Member Training Hours

In order to provide accurate, informed and professional guidance and information to the public, it is necessary for the Planning Department to be up-to-date on current planning issues, laws and tools. The annual goal is to achieve an average of at least 24 hours of training per planning staff member. There are various opportunities through state and nationwide conferences, the American Planning Association (APA) and agency specific training. In addition, staff is granted opportunities to participate in additional trainings related to job-specific issues offered by the City of Prineville, Crook County and DLCD.



Air Quality Daily Index, Three-year Rolling Average

The City of Prineville and Crook County have collaborated with DEQ in developing an action plan to improve air quality in the Prineville area. The reductions in air pollutants will help Prineville and nearby areas remain in attainment, based on the latest health based standards from the EPA.

Planning Budget

Resources	Actual 2016-2017	Actual 2017-2018	Current Budget 2018-2019	Estimates 2018-2019	BN 2021		Adopted Total Budget 2019-2021
					Adopted Budget 2019-2020	Adopted Budget 2020-2021	
Beginning fund balance	\$ 78,021	\$ 121,280	\$ 221,980	\$ 248,158	\$ 240,958	\$ 74,658	\$ 240,958
Current year resources							
Licenses and permits	\$ 57,324	\$ 47,776	\$ 45,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 80,000
Interest	793	1,974	1,500	5,500	4,000	4,000	8,000
Intergovernmental	15,225	-	5,100	15,600	5,000	5,000	10,000
Charges for services	7,339	5,844	22,000	311,200	146,900	24,700	171,600
Transfers from other funds	337,803	424,311	130,000	-	40,000	320,000	360,000
Total current year resources	\$ 418,484	\$ 479,905	\$ 203,600	\$ 372,300	\$ 235,900	\$ 393,700	\$ 629,600
Total resources	\$ 496,505	\$ 601,185	\$ 425,580	\$ 620,458	\$ 476,858	\$ 468,358	\$ 870,558
		Actual 2017-2018	Current Budget 2018-2019	Estimates 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Adopted Total Budget 2019-2021
Expenditures							
Personnel Services	\$ 238,712	\$ 216,613	\$ 233,500	\$ 212,000	\$ 233,300	\$ 246,400	\$ 479,700
Materials & Services	18,013	15,614	26,200	52,800	49,900	43,600	93,500
Transfers	118,500	120,800	114,700	114,700	119,000	122,000	241,000
Contingency			51,180		74,658	56,358	56,358
Total expenditures	\$ 375,225	\$ 353,027	\$ 425,580	\$ 379,500	\$ 476,858	\$ 468,358	\$ 870,558
Ending fund balance	\$ 121,280	\$ 248,158	\$ -	\$ 240,958	\$ -	\$ -	\$ -
Budgeted positions (FTEs)	2.00	2.00	2.00	2.00	2.00	2.00	
Policy 45 days operating budget							\$ 51,500
Total Policy							\$ 51,500



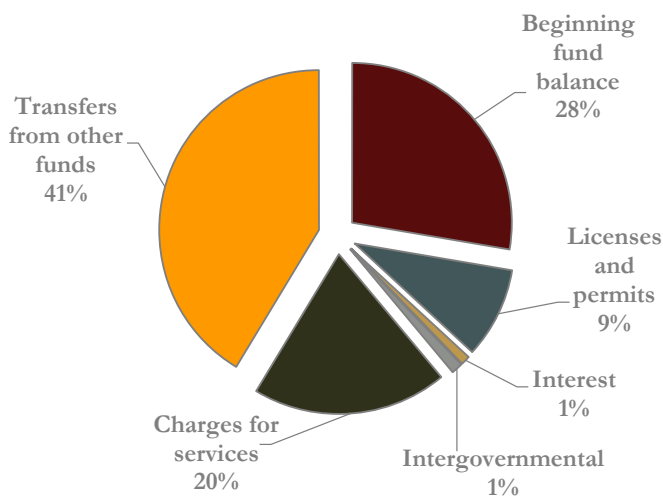
Planning Director Josh Smith poses at the gate of the Barnes Butte Recreation Area in February 2018.

Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual FY 2019 Beginning Fund Balance	Adopted BN 2021 Beginning Fund Balance	FY 19 to BN 21 % Change	Adopted Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Planning	\$248,158	\$240,958	-3%	\$56,358	\$51,500	9%

The Planning Department continues to maintain fund balance within the City’s policy requirements. Planning activity is supported from fees and a transfer from the General Fund. The 2 percent administrative fee paid to planning for SDC collection has reduced the transfer from the General Fund significantly in the first year of the biennium.

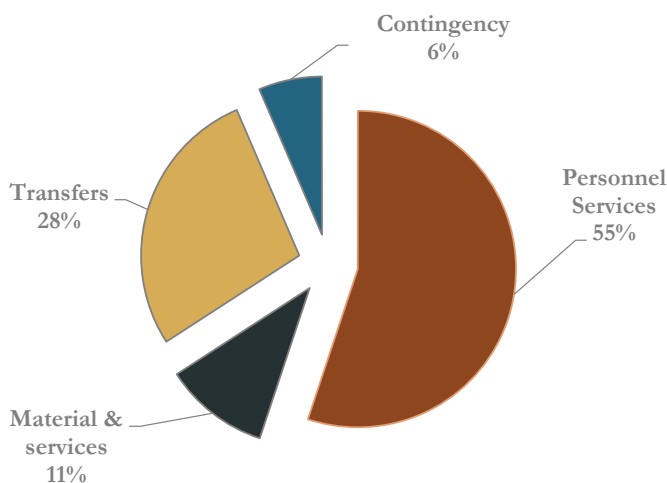
Resources



Assumptions

Revenue estimates from charges for service in FY 19 shows a significant increase over adopted budget of roughly \$290,000. Collection is directly related to data center expansion and the 2 percent administration fees paid in SDCs for those expansions. Beginning fund balance at 28 percent of budget was also positively affected by the fees. Activity will continue into the first year of the BN 21 totaling roughly \$147,000. The second year of the biennium is estimated at \$25,000. These estimates are based off of 50 new equivalent dwelling units along with revenue for some commercial fees. Licenses and permits are roughly 9 percent of budget. Other revenue totals 1 percent for both interest and intergovernmental.

Requirements



Assumptions

The Planning Department personnel services totals 55 percent of requirements in BN 21, totaling \$479,700 with the first year decreasing \$200 from adopted budget FY 19, and second year increasing 5.62 percent or roughly \$13,000. Materials and services are 11 percent for the biennium at \$93,500. Transfers are 25 percent of budget totaling \$241,000. Contingency is 6 percent of budget. This fund is within the City’s policy guidelines.

DEBT SERVICE FUNDS

PERS / POB



ADOPTED BIENNIAL BUDGET
JULY 1, 2019 -
JUNE 30, 2021



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PERS / POB Fund

Responsibilities to the Community

This fund accounts for the issuance of pension obligation bonds (POB) to fund the City of Prineville's existing unfunded actuarial liability (UAL) and associated debt repayment, it also funds other accrued liabilities the city may incur related to payroll, and reserves could be used to stabilize PERS rates in the future. The principal source of revenue is charges to other funds with salaries subject to the Oregon Public Employee Retirement System (PERS) via a surcharge. Expenditures are for payments to PERS for the UAL, debt service requirements, and other payroll related accrued liabilities.



In 2008, the valuation of the City's pension assets invested in PERS declined approximately 27 percent, resulting in the unfunded status at PERS, i.e., the ratio of the value of the City's pension assets invested in PERS to the City's accrued PERS retirement liabilities, declining well below 100 percent. As of December 31, 2008, the ratio fell to 80 percent. Subsequently, the City's pension contribution rate to PERS increases every two years beginning July 1, 2011, and is projected to increase July 1, 2015, July 1, 2017, July 1, 2019, and so on until the rate is sufficient to pay the full cost of PERS.

Incremental increases to the PERS rate are less than otherwise expected due to rate collars smoothing out significant increases. However, as a result of the rate collars, the City's contributions to PERS are not sufficient to stabilize the amount of the unfunded accrued liability (UAL). The City fully funded its UAL in FY 14 in the amount of \$2,846,700 in order to stabilize the City's pension contribution rates. The City received a rate credit of 6 percent beginning December FY 16 through June 30 of FY 17. This credit has increased fund balance significantly. The actuarial valuation report for the City of Prineville as of December 2016 had an 83 percent funded ratio. This actuarial value included the value of the employer's side account.

On June 1, 2018, the City refunded its pension obligation with a private placement. The covenants attached to the pension bond in FY 14 were very restrictive, requiring a debt service reserve of 15 percent in the General Fund and all internal service funds totaling roughly \$1,185,193, for an annual debt service of \$272,000. The interest rate on the 2014 Pension bond was 4.94 percent and the refunded interest rate FY 17 was 3.70 percent. Refunding was done with the same maturity date and additional savings to the City.

The total of the City's UAL as of December 31, 2017 was \$3.2 million. This number reflects the side account of approximately \$3.3 million. Rate of return on investments decreased in FY 17 from 7.50 percent to 7.20 percent. As previously noted, PERS rate collars do not allow the City to pay the full rate, thereby deferring payments for the UAL to the future and likely requiring a greater UAL rate in the process. The estimated rate on subject payroll sufficient to repay debt service on the POB is approximately 7 percent. Rates of return on investments through December 2018 came in at approximately 9.40 percent. As of December 12, 2017 the City's funded ratio was 87 percent. Returns on investments will not affect BN 21 PERS contribution rates.

In FY 18, the City's PERS rate decreased approximately 6 percent for the biennium 19. Within the adopted city budget the City continued to pay the FY 15 contribution rates with the additional 6 percent going into the POB Fund along with the 7 percent surcharge for debt service for the next biennial period. Also, an additional transfer from the General Fund of \$100,000 helped increase fund balance to give the City options with the next rate change. PERS rates for BN 21 increased roughly 3 percent. The City deposited \$800,000 on May 1, 2019 which will give the City a rate credit of -1.35 for the next biennium and an estimated funded ratio of roughly 90 percent. Subject payroll will continue to be charged the initial -6 percent rate credit plus the 7 percent surcharge for debt service in BN 21. This will allow the City to build a reserve for future lump sum payments and fund other payroll related liabilities.

PERS / POB Budget

	Actual 2016-2017	Actual 2017-2018	Current Budget 2018-2019	Estimates 2018-2019	BN 2021		Adopted Total Budget 2019-2021
					Adopted Budget 2019-2020	Adopted Budget 2020-2021	
Resources							
Beginning fund balance	\$ 252,680	\$ 556,703	\$ 864,003	\$ 863,291	\$ 608,691	\$ 902,391	\$ 608,691
Current year resources							
Interest	4,202	10,946	10,000	20,000	15,000	20,000	35,000
Charge for pension costs	557,954	568,900	602,600	602,600	466,800	531,100	997,900
Transfers from other funds	-	-	400,000	200,000	100,000	100,000	200,000
Debt Proceeds	-	2,549,000	-	-	-	-	-
Total current year resources	\$ 562,156	\$ 3,128,846	\$ 1,012,600	\$ 822,600	\$ 581,800	\$ 651,100	\$ 1,232,900
Total resources	\$ 814,836	\$ 3,685,549	\$ 1,876,603	\$ 1,685,891	\$ 1,190,491	\$ 1,553,491	\$ 1,841,591
Expenditures							
Personnel Services	\$ -	\$ 28,300	\$ 800,000	\$ 800,000	\$ -	\$ -	\$ -
Materials & Services	-	-	2,000	1,000	-	-	-
Debt service							
Principal - POB 2014/2018	125,000	2,570,000	182,100	182,100	200,500	219,000	419,500
Interest - POB 2014/2018	133,133	223,958	94,100	94,100	87,600	80,200	167,800
Contingency/Debt Service Reserve	-	-	798,403	-	603,191	955,091	955,091
Total expenditures	\$ 258,133	\$ 2,822,258	\$ 1,876,603	\$ 1,077,200	\$ 891,291	\$ 1,254,291	\$ 1,542,391
Other requirements							
Debt service reserve					\$ 299,200	\$ 299,200	\$ 299,200
Ending fund balance	\$ 556,703	\$ 863,291	\$ -	\$ 608,691	\$ -	\$ -	\$ -

Budgeted positions (FTEs)	-	-	-	-	-	-
Policy = Debt service reserve						299,200



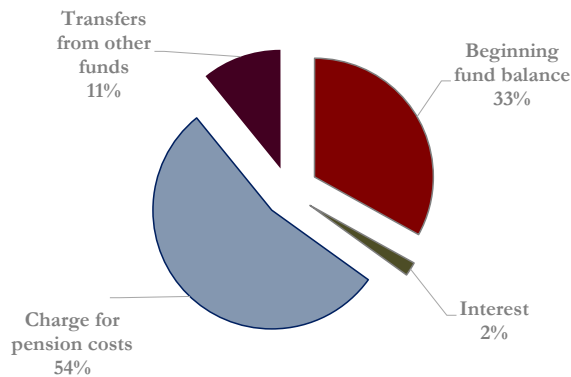
Snow covers the pavilion at the Crooked River Wetlands Complex after a week of heavy snowfall in March 2019.

Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual FY 2019 Beginning Fund Balance	Adopted BN 2021 Beginning Fund Balance	% Change FY 19 to BN 21	Adopted Ending Fund Balance / Contingency
PERS/POB	\$863,291	\$608,691	-29%	\$955,091

The decrease in fund balance of 29 percent is related to the \$800,000 lump sum payment made in FY 19. Fund balance is projected to increase by the end of the biennium 64 percent or \$955,091.

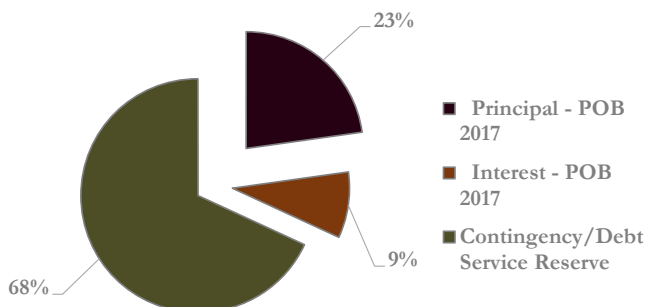
Resources



Assumptions

As mentioned in the executive summary, the City budgeted an additional 7 percent to its personnel services throughout the budget based on the PERS percentages for BN 21. Those dollars are transferred to this fund to cover debt service for the pension bonds and future liabilities. The City maintains dollars exceeding the debt service in this fund for future lump sum payments to PERS. BN 21 PERS contributions increased approximately 3 percent over prior year budget. The lump sum payment for \$800,000 in FY 19 will give the city an additional -1.35 rate credit bringing the total rate credit to -7.96. Transfers include \$100,000 from the General Fund.

Requirements



Assumptions

The City refunded its pension obligation bond in FY 17 resulting in a debt service for the City which consists of one annual payment of principal and interest that is funded by transfers from all funds with personnel services. Contingency and debt service reserve total 63 percent of the total budget.

CAPITAL PROJECT FUNDS

TRANSPORTATION SDC
WATER SDC



WASTEWATER SDC

ADOPTED BIENNIAL BUDGET
JULY 1, 2019 -
JUNE 30, 2021



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Transportation SDC Fund

Mission Statement

The Transportation System Development Fund strives to impose fair and reasonable fees on new development to construct the needed improvements that will be required to support that new development. System development charges insure that “growth pays for growth.”

FY 19 Accomplishments

- ❖ The City of Prineville received a grant for \$4 million from the State HB 2017. These dollars will go towards the completion of the Tom McCall roundabout scheduled for construction in 2018 and pedestrian safety improvements
 - The City is in active negotiation with the Oregon Department of Transportation (ODOT) to develop a downtown enhancement project by matching the City’s HB 2017 funds with ODOT funds to enhance the downtown core
- ❖ Started the design process of the Elm St. Bridge
- ❖ Grant funds were secured to develop a Master Plan for the Barnes Butte Recreational Area and a community-wide Parks Master Plan

Initiatives for BN 20 – 21

- ❖ Construct the replacement for the Elm St. Bridge
- ❖ Construct a pedestrian crossing of Ochoco Creek at Court St.
- ❖ Reconstruct the traffic signal at N. Main and 10th St. to increase safety
- ❖ Begin construction of the “Rails to Trails” project from E. Combs Flat Rd. to NE 7th St.
- ❖ Develop a feature for the soon to be completed Tom McCall Roundabout
- ❖ Develop master plan for Barnes Butte Complex





In order to support the newest school in the district, Barnes Butte Elementary, work had to be done to extend streets in 2015.

Responsibilities to the Community

The purpose of the Transportation System Development Charge (SDC) Fund is to manage the expansion of the transportation network to best serve the economic growth of the community. This fund accounts for the receipt and expenditures of transportation SDC improvement fees. SDCs are charged to builders to provide a source of income to pay for the expansion of the City of Prineville's transportation system.

Executive Summary

This fund accounts for the receipt and expenditures of transportation system development charge improvement fees. Reasoning behind the creation of the fund is to improve accountability, planning and investment of SDCs in transportation capital improvements. The current SDC is 100 percent of the maximum allowed amount as determined in an analysis of the City's transportation requirements. The amount of the SDCs included in the budget reflects a 4.76 percent increase for FY 20, based upon changes in the *Engineering News Record's* Seattle construction cost index (CCI).

Transfer for administrative fee costs associated with collecting, accounting and disbursing these funds are consistent with council-adopted methodology – which by definition is consistent with state law. Transfers for the Transportation SDC Fund total 5 percent, with 2 percent going to the Planning Fund and 3 percent to the Administrative Internal Service Fund.

- Short-term – In the short-term, the Transportation System Development Fund will utilize existing transportation system development funds to make needed, capacity improving projects such as the reconstruction of the traffic signal at N. Main St. and 10th St.
- Long-term – The Transportation System Development Fund will plan for needed projects to serve a growing community. Dollars budgeted in this fund will be used to support a Transportation Growth Management Grant that will identify needed improvements to serve a growing population

Capital Outlay

Capital Outlay Overview		
Project	Budgeted Amount FY20	Budgeted Amount FY21
Tom McCall Roundabout Feature	\$ 100,000	-
Elm St. Bridge	\$ 1,646,800	-
Additional Paving for Elm Street Bridge	\$ 50,000	-
TGM Grant Match	\$ 50,000	-
10th & Main Signal Upgrade	\$ 750,000	-
Capital Outlay Total	\$ 2,596,800	-

A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 95.



A Public Works crew and contractors work together pave a road on the northwest side of town in June 2017.

Transportation SDC Budget

Resources	Actual 2016-2017	Actual 2017-2018	Current Budget 2018-2019	Estimates 2018-2019	BN 2021		Adopted Total Budget 2019-2021
					Adopted Budget 2019-2020	Adopted Budget 2020-2021	
Beginning fund balance	\$ 496,754	\$ 518,810	\$ 944,310	\$ 955,586	\$ 1,400,086	\$ 698,586	\$ 1,400,086
Current year resources							
Intergovernmental	\$ -	\$ -	\$ 633,300	\$ 633,300	\$ 1,477,700	\$ -	\$ 1,477,700
Other revenue	-	-	-	75,000	30,000	-	30,000
Interest	4,235	11,120	9,000	26,000	30,000	19,000	49,000
System development charges	334,548	525,075	400,000	500,000	387,000	387,000	774,000
Transfers			-		-	-	-
Total current year resources	\$ 338,783	\$ 536,195	\$ 1,042,300	\$ 1,234,300	\$ 1,924,700	\$ 406,000	\$ 2,330,700
Total resources	\$ 835,537	\$ 1,055,005	\$ 1,986,610	\$ 2,189,886	\$ 3,324,786	\$ 1,104,586	\$ 3,730,786
Expenditures							
Material & services	\$ -	\$ 4,014	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 20,000
Capital outlay							
Improvements	300,000	69,151	897,000	746,800	2,596,800	-	2,596,800
Debt service - interest note payable							-
Transfers	16,727	26,254	28,000	33,000	19,400	19,400	38,800
Contingency			1,051,610		698,586	1,075,186	1,075,186
Total expenditures	\$ 316,727	\$ 99,419	\$ 1,986,610	\$ 789,800	\$ 3,324,786	\$ 1,104,586	\$ 3,730,786
Ending fund balance	\$ 518,810	\$ 955,586	\$ -	\$ 1,400,086	\$ -	\$ -	\$ -



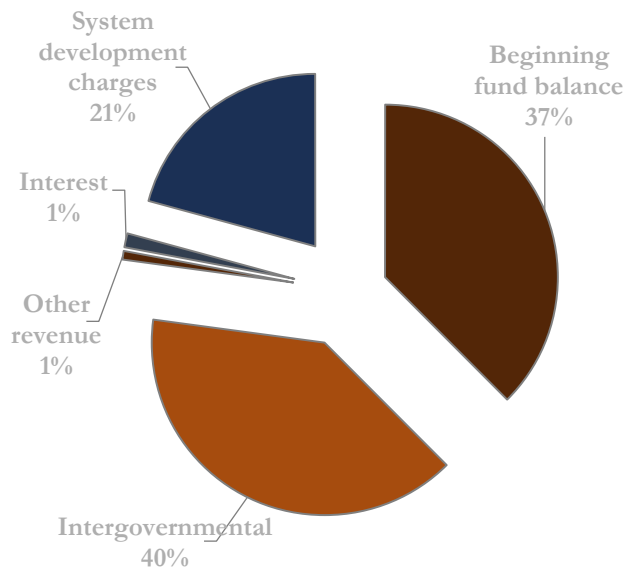
Cones block off a section of the road to mark the start of a bike lane restoration on NE Combs Flat Road.

Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual FY 2019 Beginning Fund Balance	Adopted BN 2021 Beginning Fund Balance	% Change FY 19 to BN 21	Adopted Ending Fund Balance / Contingency
Transportation SDC	\$955,586	\$1,400,086	47%	\$1,075,186

Beginning fund balance increased 47 percent from FY 19 to BN 21 due to the system development fees paid in FY 19 estimated at approximately \$500,000. The proposed ending fund balance of \$1,075,186 is an estimate based on revenue of 100 residential equivalent dwelling units (EDU) and anticipated commercial fees in other areas of the city in BN 21.

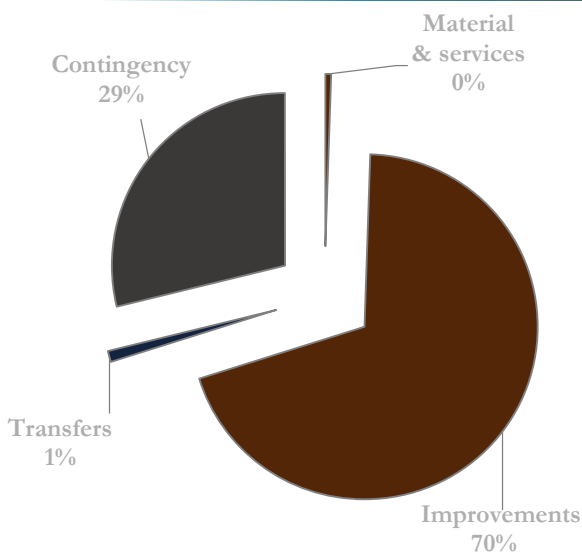
Resources



Assumptions

Revenue assumptions are based on receiving the estimated 100 residential EDUs during the biennium along with estimated commercial fees in other areas of the city. Intergovernmental revenue is a grant from ODOT for the Elm Street Bridge improvements.

Requirements



Assumptions

Material and Services total less than 1 percent over the biennium. Improvements total 70 percent of budget, with the largest project totaling roughly \$1.6 million for the Elm Street Bridge. Transfers total 1 percent for administrative fees from the collection of estimated SDC fees. Roughly \$1.08 million remains as contingency.

The Water System Development Fund strives to impose fair and reasonable fees on new development to construct the needed improvements to the water system to support that new development. System development charges insure that “growth pays for growth.”

FY 19 Accomplishments

- ❖ Began design of an aquifer storage and recovery project near the airport industrial area
- ❖ Completed an update to the Water SDC methodology report
- ❖ The Construction of the Airport Industrial Park Utility Expansion project was complete in FY 19. This project included the installation of four lines to serve the airport industrial area and allow for industrial growth

Initiatives for BN 20 - 21

- ❖ Begin construction of the \$12 million Aquifer Storage and Recovery project. This project is expected to begin spring 2019 and take three years to finish





Contractors work to install lines as part of the Airport Industrial Park Utility Extension project in February 2018.

Responsibilities to the Community

The purpose of the Water SDC Fund is to manage the expansion of the water system to best serve the economic growth of the community. This fund accounts for the receipt and expenditures of water SDC improvement fees. SDCs are charged to builders and developers to provide a source of income to pay for the expansion of the City of Prineville's water system.

Executive Summary

This fund accounts for the receipt and expenditures of water system development charge improvement fees. The reasoning behind the creation of the fund is to improve accountability, planning and investment of SDCs in water capital improvements. The current SDC is 100 percent of the maximum allowed amount as determined in an analysis of the City's water improvement requirements. The amount of the SDCs included in the budget reflects a 4.44 percent increase for FY 20. The water SDC methodology was updated in FY 19.

Transfers for administrative fee costs associated with collecting, accounting and disbursing these funds are consistent with council adopted methodology – which by definition is consistent with state law. Transfers for the Water SDC Fund total 5 percent, with 2 percent going to the Planning Fund and 3 percent to the Administrative Internal Service Fund.

Budget Highlight

The ASR project will store water during periods of cooler temperatures and low demands in the airport industrial area aquifer. This water will later be recovered during periods of higher temperatures and higher demands.

- Short-term – In the short-term, the Water System Development Fund will utilize existing water system development funds to make needed, capacity improving projects such as the construction of the Aquifer Storage and Recovery project.
- Long-term – The Water System Development Fund will plan for needed projects to serve a growing community.

Capital Outlay

Capital Outlay Overview		
Project	Budgeted Amount FY20	Budgeted Amount FY21
Elm Street Bridge 12" Water Main Extension (Ductile Iron)	\$ 100,000	-
ASR	\$ 5,595,400	\$ 2,238,200
Capital Outlay Total	\$ 5,695,400	\$ 2,238,200

A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 95.



Contractors excavate the hillside as part of the Airport Industrial Park Utility Extension project in April 2018.

Water SDC Budget

	Actual		Current Budget	Estimates	BN 2021		Adopted Total Budget
	2016-2017	2017-2018			2019-2020	2020-2021	
Resources							
Beginning fund balance	\$ 70,107	\$ 47,491	\$ 2,172,191	\$ 1,499,223	\$ 2,186,423	\$ 2,445,523	\$ 2,186,423
Current year resources							
Charges for Services	\$ -	\$ -	\$ 526,300	\$ 526,300	\$ -	\$ -	\$ -
Interest	1,176	24,176	10,000	50,000	50,000	40,000	90,000
System development charges	152,731	2,968,669	5,922,000	5,922,000	6,348,000	230,000	6,578,000
Other	-	333,674					
Total current year resources	\$ 153,907	\$ 3,326,519	\$ 6,458,300	\$ 6,498,300	\$ 6,398,000	\$ 270,000	\$ 6,668,000
Total resources	\$ 224,014	\$ 3,374,010	\$ 8,630,491	\$ 7,997,523	\$ 8,584,423	\$ 2,715,523	\$ 8,854,423
Expenditures							
Capital outlay							
Improvements	\$ -	\$ 1,314,354	\$ 5,852,000	\$ 5,391,000	\$ 5,695,400	\$ 2,238,200	\$ 7,933,600
Debt service							
Principal - short-term borrowing							
Interest - short-term borrowing							
Transfers	176,523	560,433	420,100	420,100	443,500	140,500	584,000
Contingency			2,358,391		2,445,523	336,823	336,823
Total expenditures	\$ 176,523	\$ 1,874,787	\$ 8,630,491	\$ 5,811,100	\$ 8,584,423	\$ 2,715,523	\$ 8,854,423
Ending fund balance	\$ 47,491	\$ 1,499,223	\$ -	\$ 2,186,423	\$ -	\$ -	\$ -



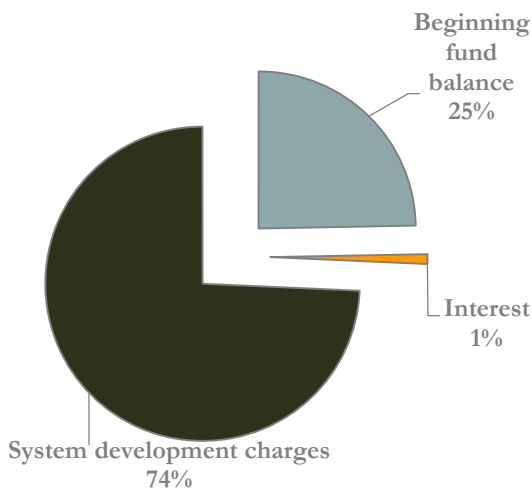
Drilling for the ASR project in October 2017

Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual FY 2019 Beginning Fund Balance	Adopted BN 2021 Beginning Fund Balance	% Change FY 19 to BN 21	Adopted Ending Fund Balance / Contingency
Water SDC	\$1,499,223	\$2,186,423	46%	\$336,823

The beginning fund balance FY 19 to beginning fund balance BN 21 increased approximately 46 percent – due to the expansion of data centers. In BN 21, the proposed ending fund balance of approximately \$336,823 is based on a revenue estimate of 100 EDUs, SDCs from data center projects, and estimated commercial fees from other areas in the city. Budgeted water improvements are \$7,933,600.

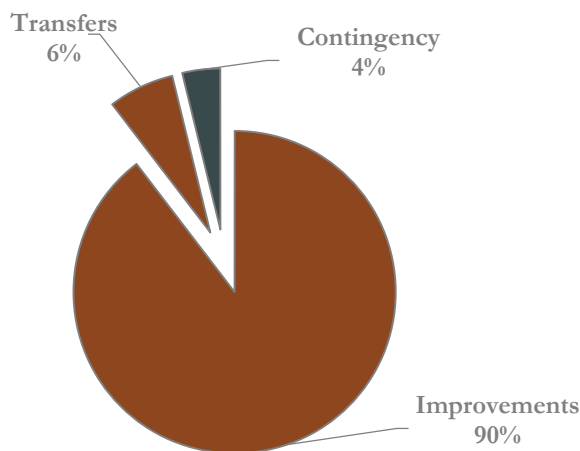
Resources



Assumptions

Beginning fund balance is resulting mostly from data center expansion in FY 18 and 19. SDC resources is estimated based on the collection of 100 residential EDUs, fees paid by data centers, and estimated commercial fees collected from other areas in the city.

Requirements



Assumptions

Improvements are 90 percent of the budget with all but \$100,000 going to the Aquifer Storage and Recovery System project, transfers are 6 percent of budget for administrative fees from the collection of estimated SDCs, and contingency is 4 percent of budget totaling \$336,823.

Wastewater SDC Fund

Mission Statement

The Wastewater System Development Fund strives to impose fair and reasonable fees on new development to construct the needed improvements to the wastewater system to support that new development. System development charges insure that “growth pays for growth.”

FY 19 Accomplishments

- ❖ Completed an update of the Wastewater Master Plan and updated the wastewater SDC methodology
- ❖ The Construction of the Airport Industrial Park Utility Expansion project was complete in FY 19. This project includes the installation of four lines to serve the airport industrial area and allow for industrial growth

Initiatives for FY 20 - 21

- ❖ Install a new wastewater interceptor line to connect the Aquifer Storage and Recovery project to the wastewater collection system
- ❖ Construct the Railroad Interceptor Sewer to support growth on the east end of the community
- ❖ Install a new influent screen on the recently completed Airport Industrial Park Utility Extension Project





The design of Crooked River Wetland project, which was closed out in FY 18.

Responsibilities to the Community

The purpose of the Wastewater SDC Fund is to manage the expansion of the wastewater collection and treatment system to best serve the economic growth of the community. This fund accounts for the receipt and expenditures of wastewater SDC improvement fees. SDCs are charged to new development to provide a source of income to pay for the expansion of the City of Prineville’s wastewater system.

Executive Summary

This fund accounts for the receipt and expenditures of wastewater system development charge improvement fees. Reasoning behind the creation of the fund is to improve accountability, planning and investment of SDCs in wastewater capital improvements. The current SDC is 100 percent of the maximum allowed amount as determined in an analysis of the City’s wastewater capital requirements. The amount of the SDCs included in the budget reflects a 4.44 percent increase for FY 20.

The wastewater SDC methodology was updated in FY 19.

Transfer for administrative fee costs associated with collecting, accounting, and disbursing these funds are consistent with council adopted methodology – which by definition is consistent with state law. Transfers in Wastewater SDC Fund are 5 percent, with 2 percent going to the Planning Fund and 3 percent to the Administrative Internal Service Fund.



Did You Know?

In May 2019, the Crooked River Wetlands project received the Grand Award from the American Council of Engineering Companies (ACEC). This project is being recognized as one of the 16 most innovative and complex projects in the nation.

- Short-term – In the short-term, the Wastewater System Development Fund will utilize existing system development funds to make needed, capacity improving projects such as the construction of the Aquifer Storage and Recovery project.
- Long-term – The Wastewater System Development Fund will plan for needed projects to serve a growing community.

Capital Outlay

Capital Outlay Overview		
Project	Budgeted Amount FY20	Budgeted Amount FY21
ASR Sewer	\$ 1,639,800	-
Railroad Sewer	\$ 550,000	-
AIPUE Influent Screen	\$ 350,000	-
Wastewater Treatment Plant Irrigation Upgrades	\$ 500,000	-
Capital Outlay Total	\$ 3,039,800	-

A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 95.

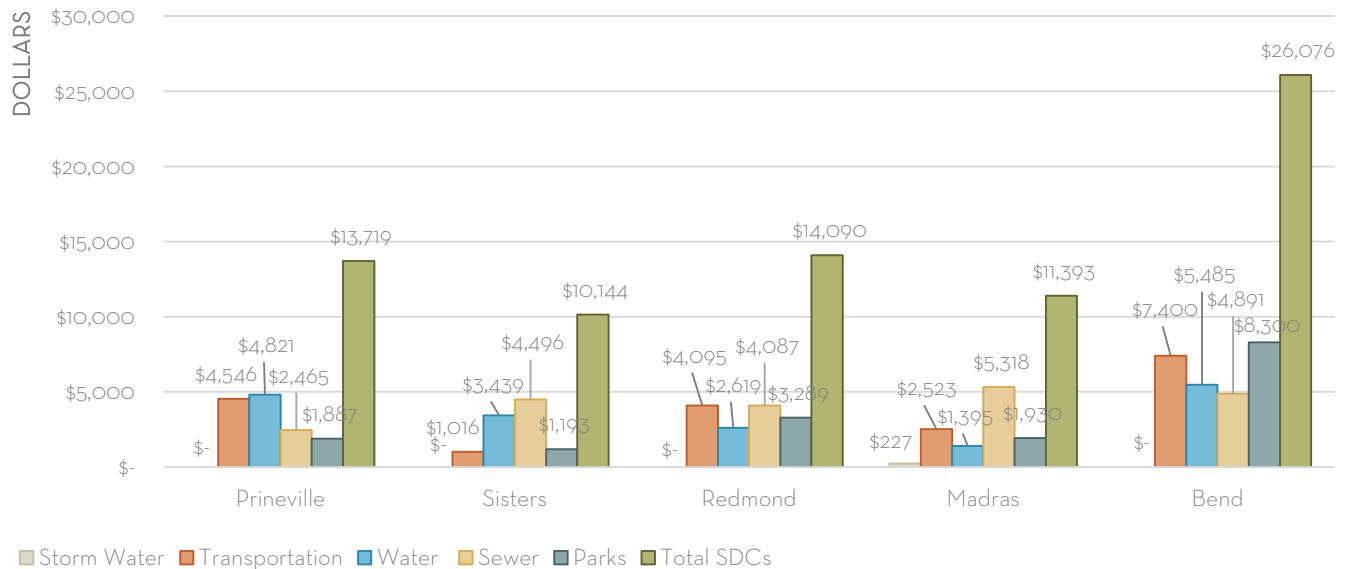


New blowers were installed as part of an aeration upgrade at the wastewater treatment plant in April 2019.

Wastewater SDC Budget

Resources	Actual		Current Budget	Estimates	BN 2021		Adopted Total Budget
	2016-2017	2017-2018			2019-2020	2020-2021	
Beginning fund balance	\$ 365,822	\$ 60,804	\$ 2,699,804	\$ 2,237,992	\$ 3,090,992	\$ 127,092	\$ 3,090,992
Current year resources							
Charges for services	\$ -	\$ -	\$ 526,300	\$ 526,300	\$ -	\$ -	\$ -
Intergovernmental	2,205,961	9,554	-	-	-	-	-
Interest	2,070	30,821	20,000	70,000	50,000	5,000	55,000
Misc. revenue	1,999	333,676	-	-	-	-	-
System development charges	165,018	5,185,432	7,537,500	7,600,000	117,700	117,700	235,400
Debt proceeds	2,204,578	38,315	-	-	-	-	-
Total current year resources	\$ 4,579,626	\$ 5,597,798	\$ 8,083,800	\$ 8,196,300	\$ 167,700	\$ 122,700	\$ 290,400
Total resources	\$ 4,945,448	\$ 5,658,602	\$ 10,783,604	\$ 10,434,292	\$ 3,258,692	\$ 249,792	\$ 3,381,392
Expenditures							
Material & services	\$ 425	\$ 9,940	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 20,000
Capital outlay							
Improvements	4,827,919	1,086,854	3,211,900	4,863,900	3,039,800	-	3,039,800
Transfers	56,300	2,323,816	2,466,400	2,469,400	81,800	81,800	163,600
Contingency			5,095,304		127,092	157,992	157,992
Total expenditures	\$ 4,884,644	\$ 3,420,610	\$ 10,783,604	\$ 7,343,300	\$ 3,258,692	\$ 249,792	\$ 3,381,392
Ending fund balance	\$ 60,804	\$ 2,237,992	\$ -	\$ 3,090,992	\$ -	\$ -	\$ -

Regional SDC Fee Comparisons



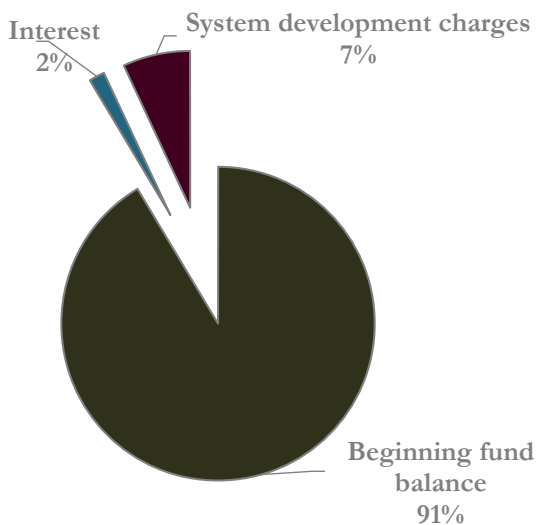
The above graph compares the regional SDC fees within Central Oregon. SDC fee information for [Sisters](#), [Redmond](#), [Madras](#) and [Bend](#) can be found at their associated websites.

Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual FY 2019 Beginning Fund Balance	Adopted BN 2021 Beginning Fund Balance	% Change FY 19 to BN 21	Adopted Ending Fund Balance / Contingency
Wastewater SDC	\$2,237,992	\$3,090,992	38%	\$157,992

The 38 percent increase from beginning fund balance FY 19 to the beginning fund balance BN 21 is a result of data center expansion. In BN 21, ending fund balance of \$157,992 is based on an estimate of 100 EDUs and other commercial fees collected through the biennium. \$3.04 million is budgeted in capital improvements with \$1.6 million designated for the Aquifer Storage and Recovery System project which will significantly reduce fund balance.

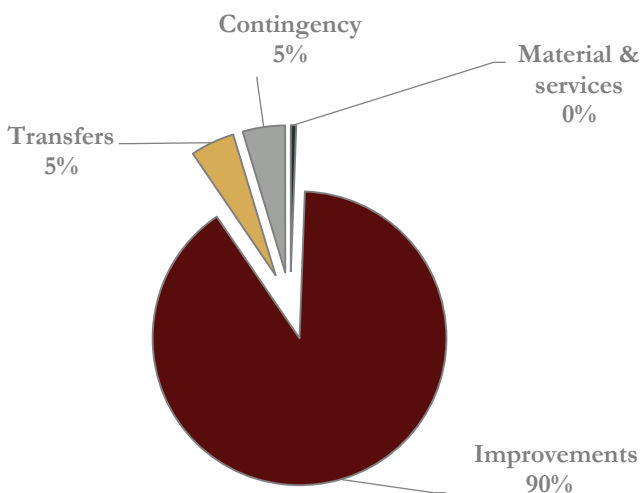
Resources



Assumptions

Beginning fund balance is 91 percent of budgeted resources for BN 21 as a result of SDCs paid by data centers for expansion in FY 18 and 19. System development fees for BN 21 are based on the projection of 100 EDUs and estimated commercial fees collected through the biennium.

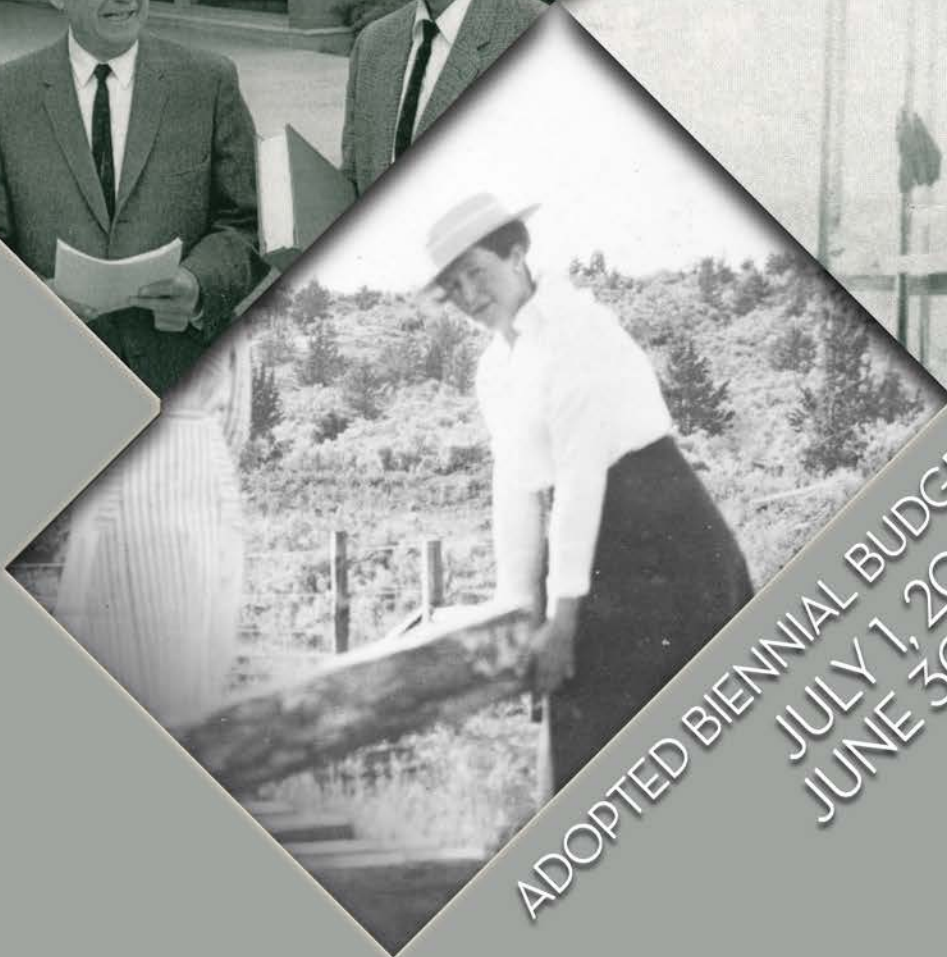
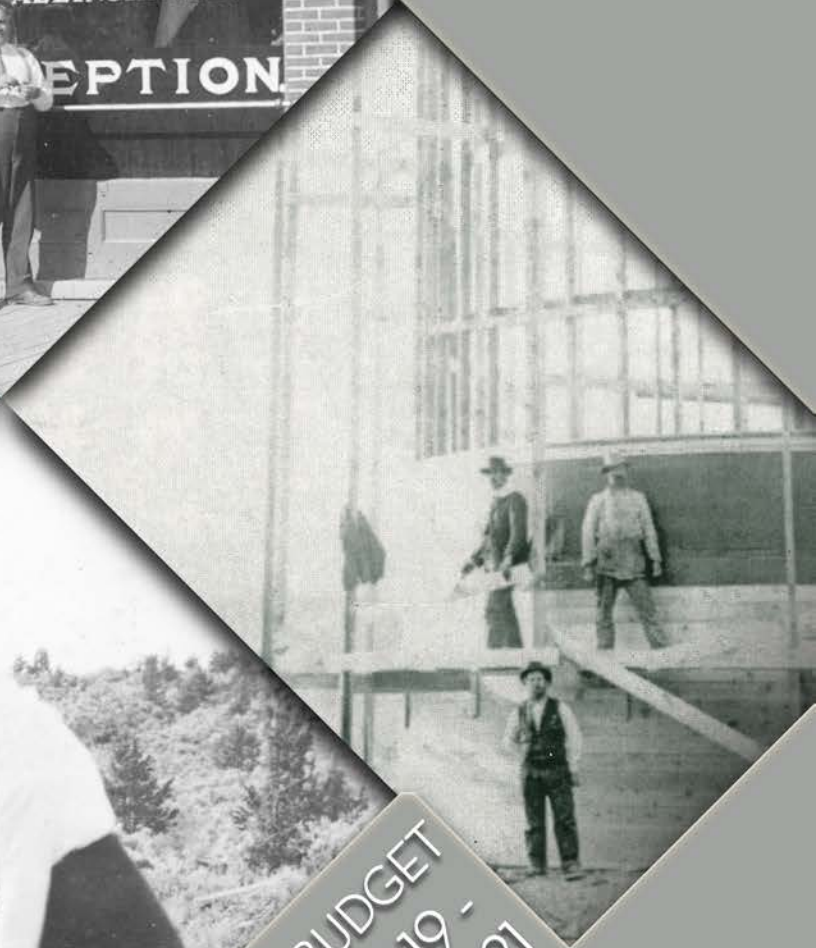
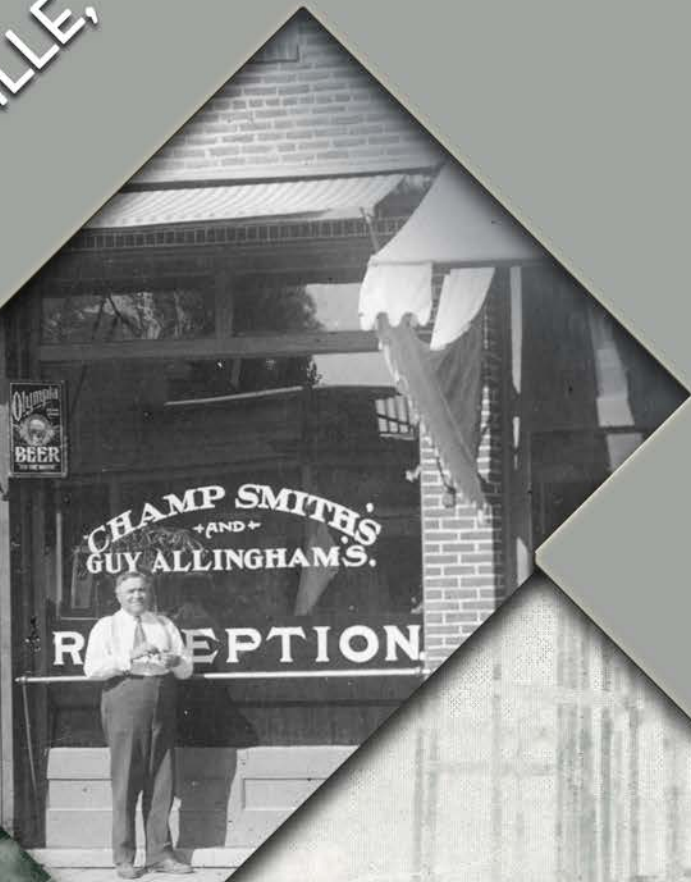
Requirements



Assumptions

A total of 90 percent of the BN budget expenditures will go to improvements for Aquifer Storage and Recovery System project, materials and services for the biennium total less than 1 percent. The 5 percent administrative fee for the collection of estimated SDC fees shows as a transfer and totals 5 percent of the budget. Proposed ending fund balance is \$157,992.

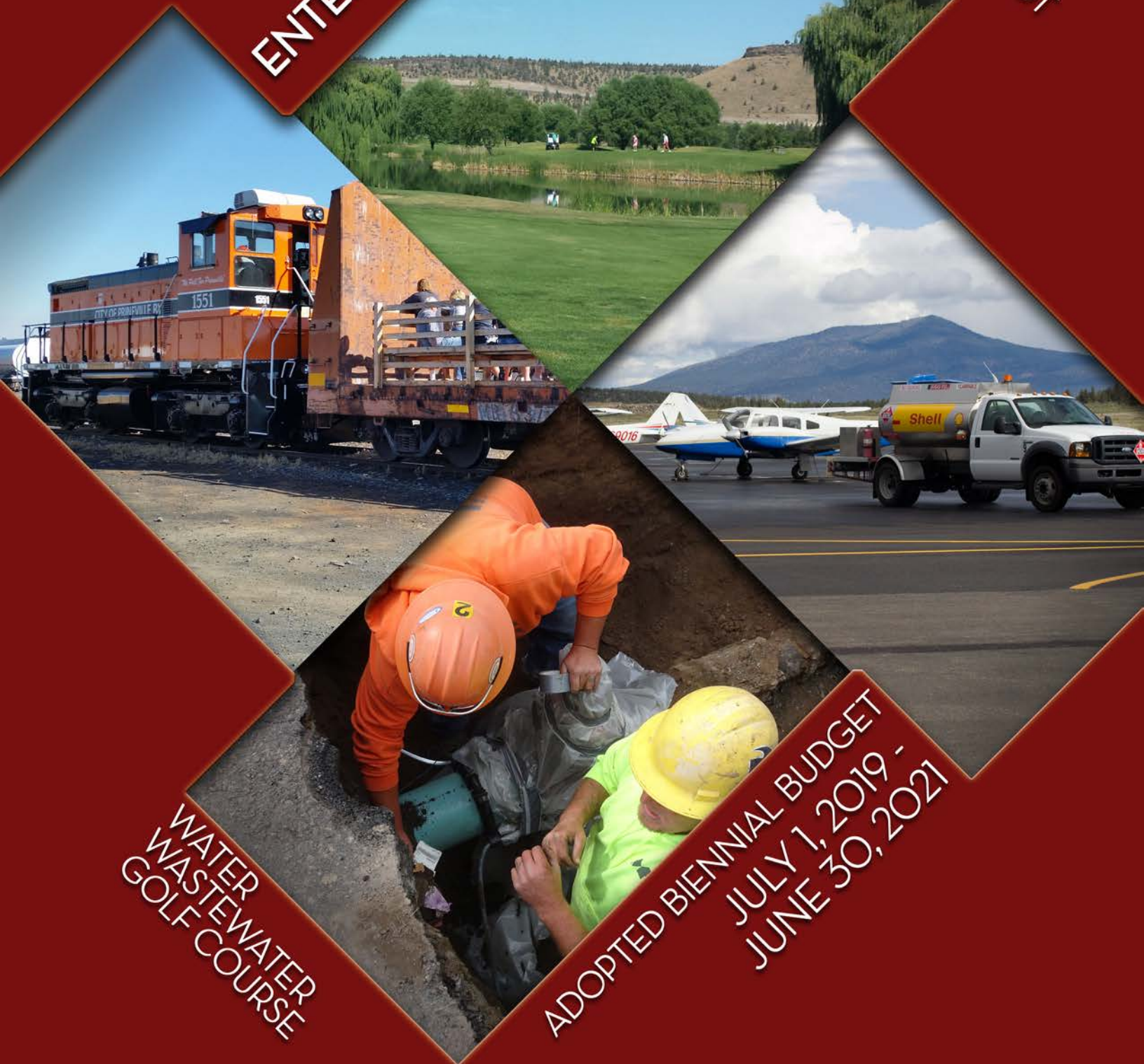
CITY OF PRINEVILLE,
OREGON



ADOPTED BIENNIAL BUDGET
JULY 1, 2019 -
JUNE 30, 2021

ENTERPRISE FUNDS

RAILROAD / FREIGHT DEPOT
AIRPORT



WATER
WASTEWATER
GOLF COURSE

ADOPTED BIENNIAL BUDGET
JULY 1, 2019 -
JUNE 30, 2021



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Railroad / Freight Depot Fund

Mission Statement

The City of Prineville Railway's mission is to create jobs, spur economic growth and provide a safe, cost-effective, and customer-focused transportation hub that provides the region with an indispensable transportation solution.




FY 19 Accomplishments

- ❖ No human factor accidents, earning the Railway the Jake Award from the American Short Line Railroad Association
- ❖ Developed and implemented an in-house training program to cover train service employees and maintenance of way
- ❖ Attracted business to increase customer base over prior year
- ❖ Increased spending on smaller deferred maintenance projects to help prevent large capital projects in the future
- ❖ Utilized training completed in FY 18 to repair locomotives and railcars for leasing companies.
- ❖ Finished an in-depth bridge inspection to help implement a firm capital plan

Initiatives for BN 20 - 21

- ❖ X-ray mainline to determine tie condition for capital plan
- ❖ Start strategic planning process for railway assets.
- ❖ Create an asset replacement plan that keeps the railway within established fiscal policy



Department Goals		Council Goals
A	Identify sustainable funding strategies for long-term maintenance of railroad infrastructure and capital asset replacement	
B	Provide education and support for employees to transition into jobs previously done by contractors	
C	Increase railway profitability through work with local and regional industries to incorporate rail into their transportation plans, growing the number of customers, car loads and car storage to increase fund balance	

Responsibilities to the Community

The objective of the City of Prineville Railway and the Prineville Freight Depot is to provide an operating partnership strengthening the City of Prineville’s ability to offer a full-service transportation package for Prineville and Crook County-based industries, as well as opening up transportation options for the region. The joint venture, the freight depot and bulk facility, offers a multitude of services essential to building a transportation hub, allowing industry the opportunity to compete in the national and international marketplaces. These assets help attract new industries to Prineville and create jobs.

All of the Railway’s assets are managed together in order to support the Prineville City Council goals, as well as to provide a safe working environment to protect employees and benefit the community. To date, the City of Prineville Railway has over 50 customers utilizing the City’s assets and created over 100 direct jobs in the process. The City’s goal is to increase carloads and revenue opportunities for the City of Prineville Railway, and at the same time, cut operational expenses by becoming more streamlined and operationally sustainable.

The Railroad/Freight Depot Fund accounts for the operation of the City’s railroad, transload and bulk transload facilities. The principal sources of revenue include rail access fees, car haulage, car repair, switching fees, charges for service, and lease revenue on rail cars and warehouse space. Expenditures are for the general operations, administration, maintenance and improvement of the Railway and its facilities.



Free train rides were given to the public in celebration of the City of Prineville Railway’s 100 year anniversary in June 2018.

Did You Know?

The City of Prineville Railway is the oldest continuously operated municipal short line in the U.S. and celebrated its 100 year anniversary the summer of 2018.



Engine 1551 pulling a train car load on November 29, 2016 – Photo: Peter Murphy/ODOT

Executive Summary

During the last fiscal year, the railway experienced a steep decline in car loads of tires. This decrease contributed to a hold on most of the capital improvement projects in FY19. Staff focused on smaller maintenance items on a month-to-month basis as positive revenues were achieved. The City of Prineville Railway will continue to monitor revenues during the next budget period to implement small maintenance-of-way and capital projects as funds are available. This will help preserve the City-owned asset at a Class II level in order to ensure infrastructure longevity.

In 2006, tires made up 98 percent of the car traffic on the City of Prineville Railway with building products making up the other 2 percent. Recognizing that having the entire customer base with one commodity is not sustainable, the railway made great efforts and attempts to increase haulage with a diversified commodity base. During the early spring of 2018, the railway started transporting bitumen. The addition of loaded bitumen railcars filled a typical down turn in haulage during the spring and early summer. With bitumen, the railway achieved a diverse commodity base that now includes Canadian lumber, oriented strand board, house siding, domestic lumber, fuel additives, acetone, propane, building block from Mexico, tires, propane, fatty acid, asphalt additives, golf course sand, solvents, DDG, corn screenings, tire ballast and magnesium chloride.

As the railway transitions into the next fiscal year; rail staff, with the help of the rail committee, will start evaluating asset utilization. The railway has had great success positioning new, smaller companies on two to five acre rail-owned properties. The committee and staff determined a need for small rail-served acreage to continue growth. A look at all assets including locomotives, properties and structures will help steer the direction for future growth and acquisition.

Strategic Planning Updates

- Short-term – Staff priorities will focus on new funding sources, as well as sustainable spending for track maintenance with a goal of 25 percent of revenue spent on track preservation. Finishing a track performance plan indicates a minimum of 2,000 cross ties per year is needed to maintain the current track condition. The railway will take a firm look at staffing levels in BN 20-21, with a goal of four full-time employees. Rising cost of personnel and the increased federal and state requirements for train service employees provide a challenge to fully staff the railway.
- Long-term – The department will build the rail freight business model into a viable, stable revenue source to offset the City’s operational costs and create additional family wage jobs. Staff will explore all opportunities for railroad operations to continue profitability and efficient operation. Capital of equipment, track, bridges and facilities along with rising personnel costs will continue to be a focus for future preservation.

Capital Outlay

Capital Outlay Overview		
Project	Budgeted Amount FY20	Budgeted Amount FY21
Rolling Stock - Pickup	\$ 32,000	-
Signals / Crossing	\$ 11,000	\$ 11,000
Bridges	\$ 20,000	-
Track	\$ 30,000	\$ 30,000
Capital Outlay Total	\$ 93,000	\$ 41,000

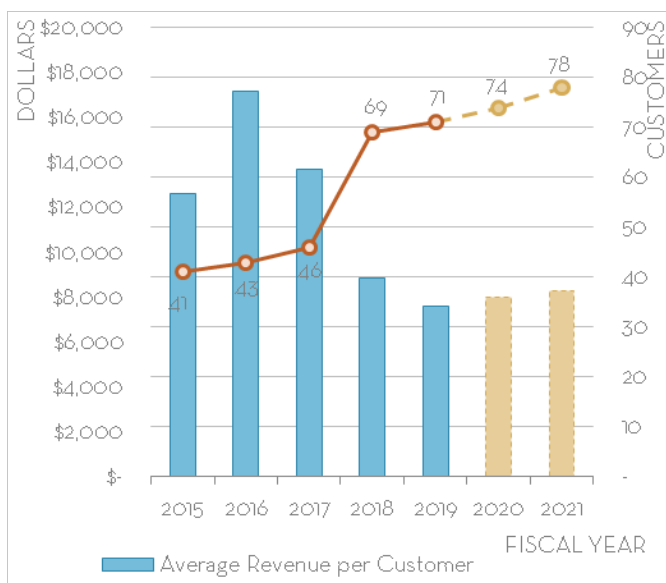
A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 95.



Speeder cars at the Prineville Freight Depot get ready for a trip to the junction in May 2018.

Performance Measures

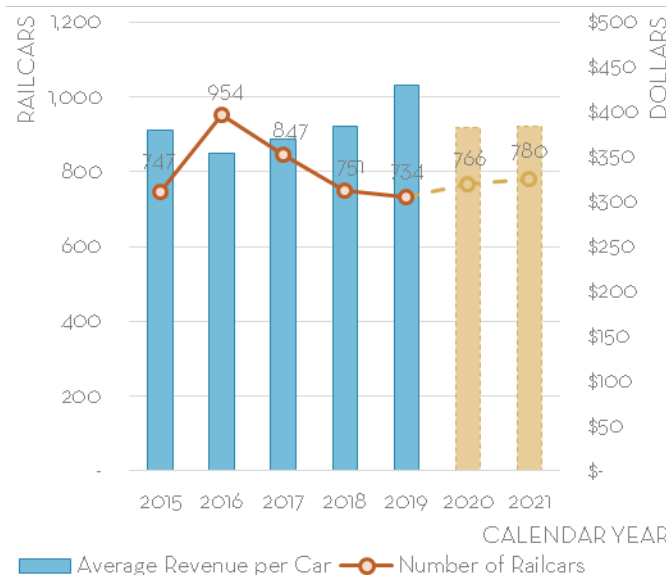
Goal	Alignment	Indicator	Performance Measure	Benchmark	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Workloads	Output	Freight Cars Interchanged		768	847	751	734	766	780
	Input	Customers Utilizing Services		N/A	46	69	71	74	78
	Input	Percentage of Budget Expenditures for Maintenance of Way		N/A	20.29%	15.22%	14.67%	17.07%	13.84%
A	Efficiency	Average Revenue per Interchanged Freight Car	\$ 380.00	\$ 369.24	\$ 383.50	\$ 429.08	\$ 383.12	\$ 383.87	
A	Efficiency	Average Monthly Interchange Revenue	\$ 24,000.00	\$ 26,061	\$ 23,999	\$ 26,243	\$ 24,455	\$ 24,952	
A	Efficiency	Average Charge for Service Revenue per Customer	\$ 6,500.00	\$ 13,708	\$ 8,866	\$ 7,590	\$ 7,973	\$ 8,269	
C	Efficiency	Beginning Fund Balance Change Over Previous Year	> 3%	42.39%	17.40%	3.28%	4.69%	0.21%	



Average Revenue per Customer

The railway and freight depot serve many types of customers, from large national corporations like the Burlington Northern Santa Fe Railway, Union Pacific Railway and Les Schwab, but also offers storage, repairs and other services to local area businesses. With the addition of repair work in 2018, the number of customers saw a large increase, but it also caused the average invoice price to drop. With the efforts to diversify business and increase customer base with new and existing services, the average revenue per customer is expected to rise over the biennium.

Average Revenue per Interchanged Freight Car



Freight car interchange is the primary revenue driver for the City of Prineville Railway. The number of cars seen every year is tied to several factors, often regional and nationwide, including consumer demand, construction and the season. In 2019, there have been fewer tire cars interchanged compared to previous years, leading to an increase in the average revenue from an interchanged car to rise. Currently, tire cars pay the least compared to other common commodities. While it is preferred the number of interchanged cars increases every year, increasingly diversifying the commodity based has helped the railway deal with seasonal downturns.

Railroad / Freight Depot Budget

Resources	Actual 2016-2017	Actual 2017-2018	Current Budget 2018-2019	Estimates 2018-2019	BN 2021		Adopted Total Budget 2019-2021
					Adopted Budget 2019-2020	Adopted Budget 2020-2021	
Beginning fund balance	\$ 902,566	\$ 1,059,621	\$ 1,094,421	\$ 1,036,693	\$ 1,145,793	\$ 1,148,193	\$ 1,145,793
Current year resources							
Charges for services	\$ 983,645	\$ 630,572	\$ 773,500	\$ 510,500	\$ 590,000	\$ 645,000	\$ 1,235,000
Intergovernmental							
Use of money & property	113,549	120,580	145,600	156,600	127,600	142,600	270,200
Transfers fr other funds	50,500	-	-	-	-	-	-
Miscellaneous	68,838	60,180	85,000	155,000	70,000	75,000	145,000
Total current year resources	\$ 1,216,532	\$ 811,333	\$ 1,004,100	\$ 822,100	\$ 787,600	\$ 862,600	\$ 1,650,200
Total resources	\$ 2,119,098	\$ 1,870,953	\$ 2,098,521	\$ 1,858,793	\$ 1,933,393	\$ 2,010,793	\$ 2,795,993
Expenditures	Actual 2016-2017	Actual 2017-2018	Current Budget 2018-2019	Estimates 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Adopted Total Budget 2019-2021
Personnel Services	\$ 303,560	\$ 345,403	\$ 320,300	\$ 306,600	\$ 323,600	\$ 423,400	\$ 747,000
Material and services	409,736	392,357	307,200	291,400	277,800	265,500	543,300
Capital outlay							
Improvements	205,604	-	231,000	35,000	93,000	41,000	134,000
Debt Service							
Principal - Freight Depot	49,221	-	-	-	-	-	-
Interest - Freight Depot	156	-	-	-	-	-	-
Transfers	91,200	96,500	80,000	80,000	90,800	90,900	181,700
Contingency			1,160,021		1,148,193	1,189,993	1,189,993
Total expenditures	\$ 1,059,477	\$ 834,260	\$ 2,098,521	\$ 713,000	\$ 1,933,393	\$ 2,010,793	\$ 2,795,993
Ending fund balance	\$ 1,059,621	\$ 1,036,693	\$ -	\$ 1,145,793	\$ -	\$ -	\$ -
Budgeted positions (FTEs)	3.00	4.00	3.00	3.00	4.00	4.00	
Policy one year's operating expense							779,800
20% of total budget for capital reserve							402,159
Total Policy							1,181,959



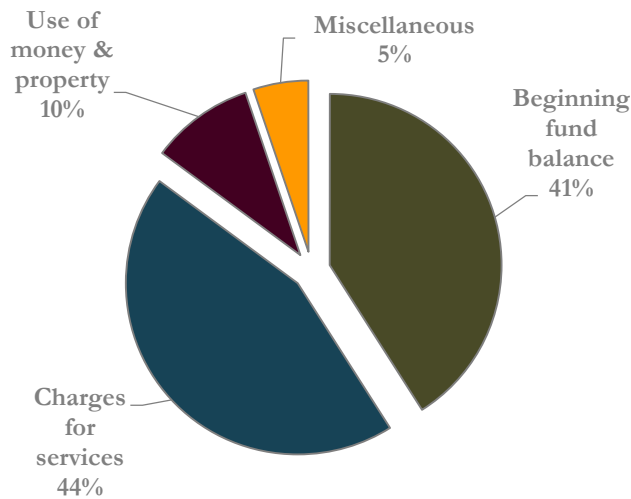
City of Prineville Railway Locomotive 1551

Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual FY 2019 Beginning Fund Balance	Adopted BN 2021 Beginning Fund Balance	FY 19 to BN 21 % Change	Adopted Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Railroad	\$1,036,693	\$1,145,793	11%	\$1,189,993	\$1,078,879	10%

The beginning fund balance from FY 19 to BN 21 shows an 11 percent increase in the Railroad/Freight Depot Fund. The proposed budget for BN 21 shows a 6 percent increase to fund balance at year-end. Policy requirements for the Railroad/Freight Depot are equal to one year of an operating budget and 20 percent of total budget for capital reserve. This fund exceeds reserve policy requirements.

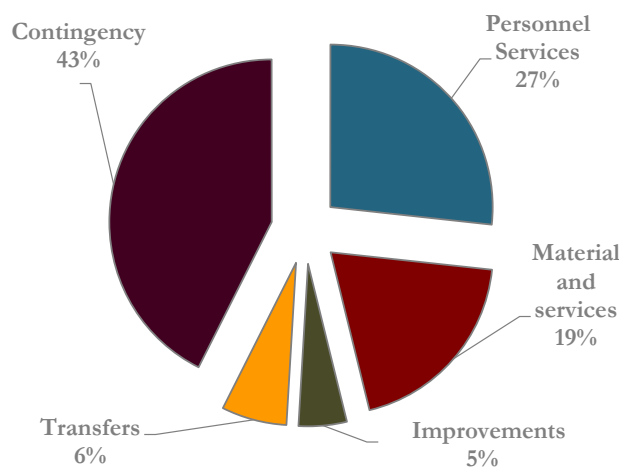
Resources



Assumptions

In BN 21, beginning fund is 41 percent of total revenue and charges for services are 44 percent of total revenue. Overall, estimated current year resources are down roughly 4.4 percent in the first year of the biennium compared to FY 19 and showing a projected increase in the second year of the biennium of roughly 9.5 percent. Use of money and property is also down slightly in the first year increasing in the second year. This is largely a result of a decrease in freight traffic from one large customer. Management continues to identify and develop diverse new customer base.

Requirements



Assumptions

Personnel services are increasing 5.5 percent in the first year of the biennium, with one additional FTE being added in the second year increasing cost roughly 31 percent. Material and services totals 19 percent in BN 21, a slight decrease in cost estimated for both 2020 and 2021. Improvements total roughly \$182,000 for the biennium compared to \$80,000 in FY 19. Transfers for administrative costs total 6 percent for BN 21 and are calculated on a percentage of the operating budget.

The mission of the Prineville-Crook County Airport is to provide a welcoming facility with a safe operating environment, growth and fiscal self-sustainment.

FY 19 Accomplishments

- ❖ Began construction of the new aircraft fueling facility
- ❖ Successfully awarded two state grants totaling over \$100,000 from the Critical Oregon Airport Relief program

Initiatives for BN 20 - 21

- ❖ Pursue new grant opportunities and funding pathways for airport improvements
- ❖ Upgrade equipment and facilities as revenue allows
- ❖ Increase fuel market share with competitive pricing and promotion



Department Goals	Council Goals
A Become a fiscally self-sustaining airport	
B Build and support a safe operating environment	
C Aviation-related business and industry growth	

Responsibilities to the Community



Airport Manager Kelly Coffelt

In a collaborative effort with Crook County, the City of Prineville provides management and accounting for the Prineville/Crook County Airport. The Prineville/Crook County Airport is a general aviation airport that provides a welcoming and responsive port facility in support of the community. Aviation-related services and support are provided for private users and aviation-related businesses. It is the job of the department to ensure and maintain the present safety, service, and growth of the airport. This is accomplished through cost effective maintenance, planning, inspections and operations of the airport system.

Funding sources include aircraft fuel sales (Jet A and 100LL), hangar rents, user fees and land leasing agreements for private hangers and business. Contributions from the City of Prineville and Crook County supplement portions of operational costs and matching funds for projects with grants. Large maintenance, engineering and improvement projects are primarily funded through the Federal Aviation Administration (FAA) and other grant opportunities.

Executive Summary

The continuing vision of the Prineville-Crook County Airport is to position its facility and services as a major economic generator for the communities of Crook County.

The interest in Prineville as a viable place of business is increasingly recognized in the aviation community. The Airport currently supports and aggressively seeks new business opportunities on the airport. The USFS also operates at the facility and is currently expanding operations with a new airbase facility, bringing jobs to the airport and the community.

Based on high demand for flight training, the airport is receiving high-level interest from operations providing or in need of such services. The Prineville-Crook County Airport has seen substantial investment from beyond the local area. These facilities recognized the Airport's assets – weather, open airspace, surrounding topography, and ample ground space – as an integral part of their operation, and continued consideration of Prineville as a worthwhile opportunity for expansion.

Did You Know?

The Prineville Airport puts together an annual Pancake Breakfast the Saturday before Father's Day where the proceeds go to help the community. This year's proceeds will go towards local sight and hearing needs.



The Prineville-Crook County Airport terminal after a heavy snowfall.

Strategic Planning Updates

- Short-term – The airport will focus on the completion of the new fuel system, providing a major upgrade in safety, quality and efficiency, as well as removing the old fuel system. At current, the department is working with local stakeholders to help facilitate construction of the new United States Forest Service (USFS) airbase facility, which includes infrastructure for future opportunities. Additionally, the threshold of runway 28 will be moved to meet Federal Aviation Administration (FAA) standards. The department will continue to seek and support diverse business partners, maintain properties at sustainable levels, and perform essential repairs for improved customer service and increased business opportunities.
- Long-term – The airport will seek funding to reconstruct runway 15-33 to FAA standards. Management will maximize and continue development of airport assets to grow aviation-related businesses to develop a secure and reliable revenue stream. Additionally, the department will aim to efficiently manage the airport’s property, facilities, finances and staff for maximum effectiveness and growth, while minimizing operating costs by utilizing in-house resources for most maintenance and operational needs.

Capital Outlay

Capital Outlay Overview		
Project	Budgeted Amount FY20	Budgeted Amount FY21
Connect Oregon Project	\$ 1,000,000	-
Capital Outlay Total	\$ 1,000,000	-

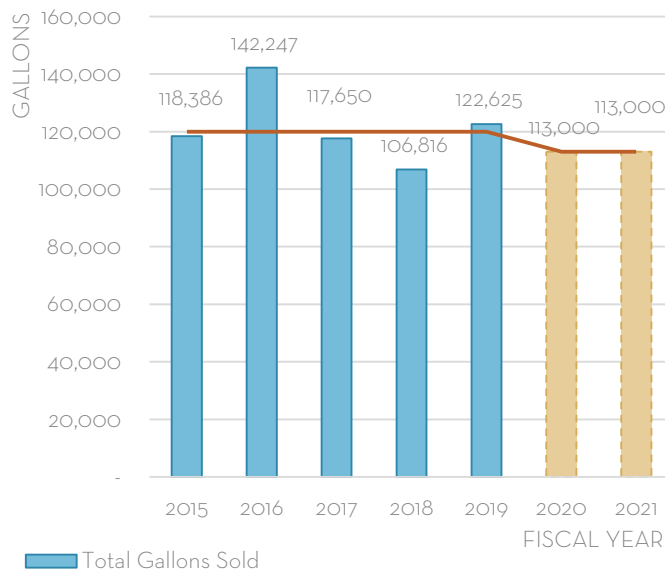
A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 95.

Performance Measures

Goal Alignment	Indicator	Performance Measure	Benchmark	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Workloads	Input	Based Aircraft	N/A	127	129	125	127	129
	Input	Total Operations	N/A	45,000	*10,594	25,000	25,500	26,000
	Output	Accidents, Incursions, Strikes and Injuries	-	1	1	-	-	-
	Output	Fuel Sales Volume in Gallons	113,000	117,650	106,816	122,625	113,000	113,000
A	Efficiency	Percentage of Hangars Occupied	100%	98%	99%	99%	99%	99%
A	Efficiency	Average Gross Fuel Sale Margin Percentage Earned per Gallon Sold	25.00%	21.51%	20.06%	21.46%	22.22%	22.22%
B	Efficiency	Lost Work Time in Hours from Employee Accidents or Injury	-	-	-	-	-	-

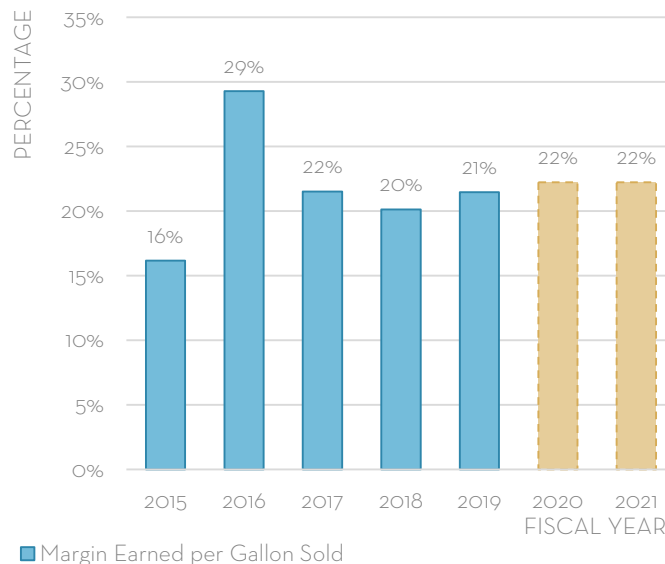
*Number estimated by FAA. Hillsboro Aviation moved to Redmond, OR in FY 18, significantly dropping operations.

Total Gallons of Fuel Sold



Total gallons of fuel sold is a common metric used to determine overall activity of the airport. Total gallons of fuel sold include both Jet A and 100LL. Trends in gallons of fuel sold typically correlate to all other sales at the airport including airplane tie-downs and hangar rentals.

Margin Earned Per Gallon Sold



Margin earned per gallon sold is a common metric used to help determine if sales are sufficient to cover costs. It is a measure that helps to determine if the airport can be self-sustaining at the current sales price point or if prices need to go up or down.

Airport Budget

	Actual		Current Budget	Estimates	BN 2021		Adopted Total Budget
	2016-2017	2017-2018			2018-2019	2019-2020	
Resources							
Beginning fund balance	\$ 61,663	\$ 65,888	\$ 5,488	\$ 42,915	\$ 13,215	\$ 8,615	\$ 13,215
Current year resources							
Intergovernmental	\$ 1,426,300	\$ 288,380	\$ 8,375,000	\$ 1,119,100	\$ 1,090,000	\$ 90,000	\$ 1,180,000
Charges for services	547,012	526,877	778,000	568,500	588,000	576,000	1,164,000
Interest	-	-	100	-	-	-	-
Transfer from other funds	230,000	150,000	50,000	50,000	90,000	90,000	180,000
Total current year resources	\$ 2,203,312	\$ 965,257	\$ 9,203,100	\$ 1,737,600	\$ 1,768,000	\$ 756,000	\$ 2,524,000
Total resources	\$ 2,264,975	\$ 1,031,145	\$ 9,208,588	\$ 1,780,515	\$ 1,781,215	\$ 764,615	\$ 2,537,215
Expenditures							
Personnel Services	\$ 144,068	\$ 159,966	\$ 154,000	\$ 130,100	\$ 134,400	\$ 135,500	\$ 269,900
Materials and services	498,040	480,220	724,200	502,700	546,700	541,700	1,088,400
County Lease Payment	25,000	25,000	25,000	25,000	25,000	25,000	50,000
Capital outlay							
Improvements	1,442,179	245,444	8,185,000	1,037,200	1,000,000	-	1,000,000
Transfers	89,800	77,600	72,300	72,300	66,500	56,200	122,700
Contingency			48,088		8,615	6,215	6,215
Total expenditures	\$ 2,199,087	\$ 988,230	\$ 9,208,588	\$ 1,767,300	\$ 1,781,215	\$ 764,615	\$ 2,537,215
Ending working capital	\$ 65,888	\$ 42,915	\$ -	\$ 13,215	\$ -	\$ -	\$ -
Budgeted positions (FTEs)	2.00	2.00	1.00	1.00	1.00	1.00	
Policy 60 days operating capital							126,400
5% Emergency reserve							\$ 37,920
Total Policy							\$ 164,320



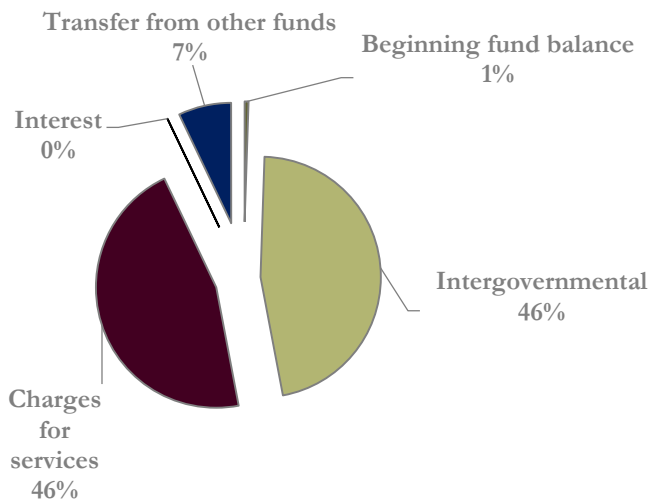
An airport customer captured the setting sun from their cockpit during a flight.

Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual FY 2019 Beginning Fund Balance	Adopted BN 2021 Beginning Fund Balance	FY 19 to BN 21 % Change	Adopted Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Airport	\$42,915	\$13,215	-69%	\$6,215	\$164,320	-96%

As previously mentioned, the Prineville-Crook County Airport Fund provides the accounting of the jointly owned, City-managed airport. The intergovernmental agreement states the partners will transfer funds as needed to cover costs that revenue collections do not, with the objective for the fund to be self-sustainable. This explains the fluctuation in fund balance and the deficiency in fund balance to policy. The fund is -96 percent under policy reserve requirements.

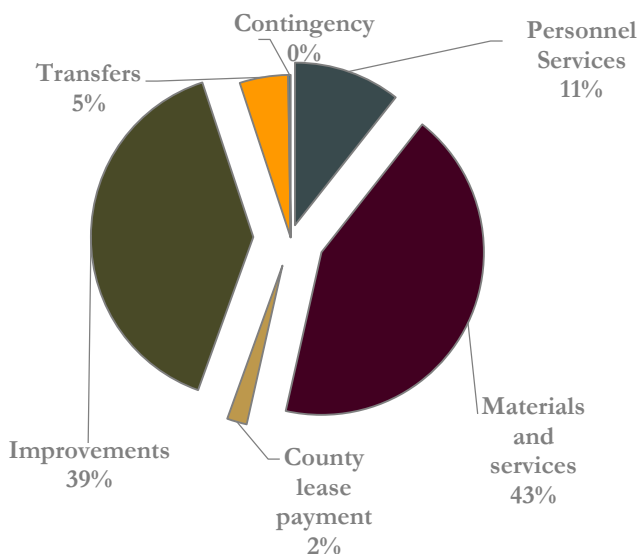
Resources



Assumptions

Intergovernmental revenues for BN 21 includes approximately \$180,000 for operations and matching funds for grants from Crook County and \$1 million for capital improvements from a Connect Oregon grant. Charges for service are 46 percent of BN 21 and come from lease and hanger rent, fuel sales and other miscellaneous charges. Transfers of \$180,000 from the City of Prineville for the entity's share of the operating and matching funds.

Requirements



Assumptions

In BN 21, the requirements total roughly \$2.5 million and, of this total, \$1.09 million is budgeted for materials and services, \$1 million for capital improvements, 5 percent for an administrative transfer during the biennium, and less than 1 percent contingency.

The mission of the water fund is to provide efficient, effective and reliable water service in a cost-effective and sustainable manner.



FY 19 Accomplishments

- ❖ Implementation process continued of the Crooked River Concept Federal Legislation. This legislation will take several years to implement but it secures the water mitigation credits needed for the next 50 years of growth for the City of Prineville
- ❖ Water conservation activities continued, allowing the Water Department to serve more customers with existing infrastructure
- ❖ Installed approximately 8,600 feet of new water line to support growth. This is over three times the line installed the previous year

Initiatives for BN 20 - 21

- ❖ Upgrade telemetry throughout the water system
- ❖ Implement the federal legislation to provide for groundwater mitigation from Bowman Dam
- ❖ Continue the replacement of leaking and under-sized water mains to improve water conservation and increase system reliability and capacity
- ❖ Increase water resource availability to support urban growth boundary build out



Department Goals	Council Goals
A Replace all aging and undersized water mains to meet current and future requirements	
B Retain resources for needed maintenance programs to ensure high-quality service to customers	

Responsibilities to the Community

The goal of the City of Prineville Water Department is to provide a friendly and responsive source of information and coordinated services. It is the job of the department to assure and maintain the present and future health, safety and welfare of the public through cost effective maintenance, planning, permitting, inspections and operations of the water system. Supporting the capital outlay activities of the Water SDC Fund is also a major focus. The key to the success of the Water Department is in maintaining success with efficient and motivated efforts of quality through a committed staff.

This fund accounts for the operation of the City's water utility. The principal sources of revenue are user fees and system development charges (SDC). Expenditures are for the operation, administration, maintenance, system improvements and expansion of the system.



The construction phase to install new utility lines to connect the airport industrial area to the valley floor began in 2018.



Public Works crew and contractors work on Yancey Well in December 2018

Executive Summary

The Water Fund supports the City of Prineville's Water Department, which provides for the delivery of safe, high-quality water to domestic and commercial/industrial water users. The Water Department performs the operations and maintenance of the City's water system and ensures adequate water is supplied for fire protection. The City's water system currently provides water to 3,600 residential accounts and 500 commercial/industrial accounts. Annual well production totals approximately 540 million gallons of water. The water system includes a total of 48 miles of distribution mains, 12 wells and six storage tanks. Total well capacity is six million gallons per day (MGD), with an actual peak demand of five MGD.

The Water Department continues to replace and upsize water delivery mains. Many of the City's water mains are undersized, rapidly deteriorating, or do not meet current requirements for pressures or flow. The City strives to replace approximately 5,000 lineal feet of water main per year in order to meet current and future requirements. City wells require maintenance on a regular basis to ensure high water quality and efficient production. During BN 20-21, the Water Department's first priority is to retain the resources for needed maintenance programs to ensure high-quality service to customers.

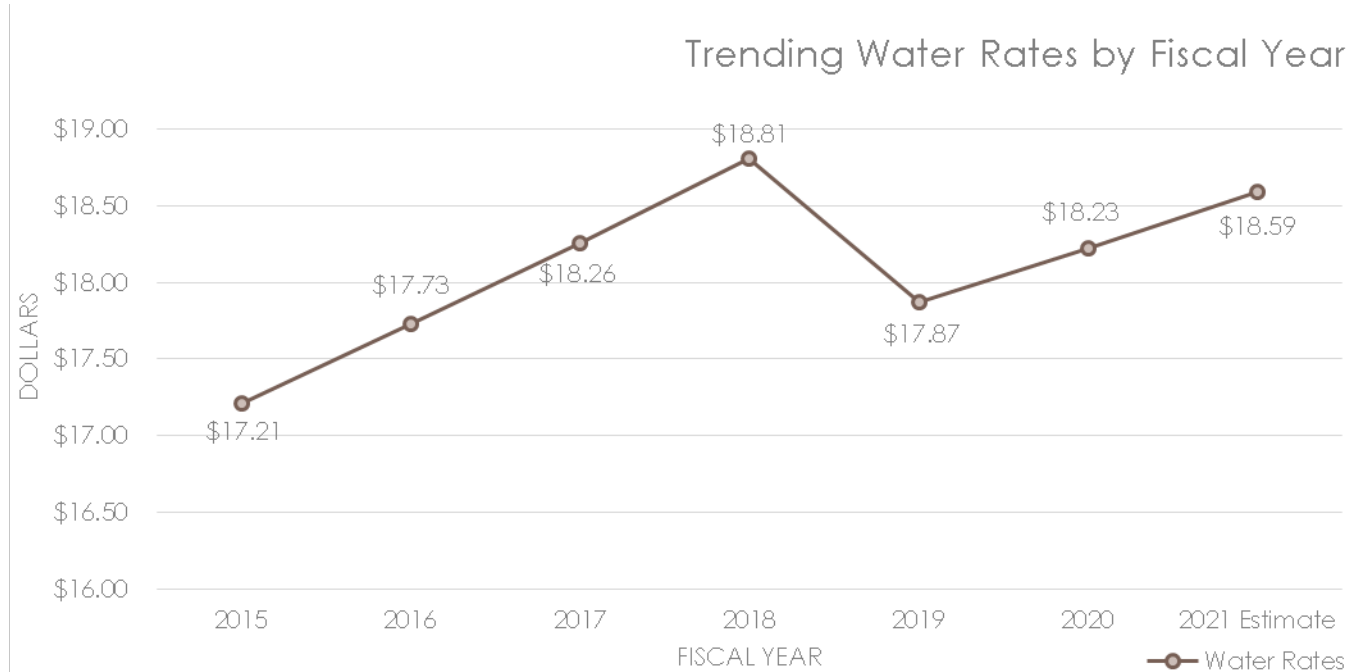
Strategic Planning Updates

- Short-term – The department will support the Aquifer Storage and Recovery Project funded by the Water SDC fund.
- Long-term – Management will develop and implement a long-term water resource strategy to secure the City's water needs supporting the build out of the urban growth boundary. Additionally, the Water Fund will be managed to deliver water at a value, keeping combined water and wastewater rates at manageable levels and provide adequate capital for improvements.

Water Rate Adjustments

Water conservation has become a top priority to the City of Prineville and great successes have been experienced to date. The City’s current water rate structure for commercial customers consists of a monthly water rate that includes a base volume of water dependent upon meter size plus a commodity rate for water consumed beyond the base volume. Consequently, some commercial customers may be charged for water they don’t use, eliminating the incentive to conserve water. Several cities in Oregon have moved away from this type of water rate structure in an effort to conserve water. In addition, Oregon Water Resources Department administrative rules for Water Management and Conservation Plans require water suppliers to have a rate structure under which customers’ bills are based, at least in part, on the quantity of water metered at the service connections and to adopt rate structures that encourage water conservation. (See OAR 690-086-150(4) (d) and (6) (d)).

For the first half of BN 21, both residential and commercial customers will see their base rates increase by 2 percent. Commodity charges will also increase by 2 percent. Many commercial customers will experience a base water rate reduction proportional to a reduction in included consumption. Over the course of the next biennium, commercial base water rate charges will be reduced and included consumption for commercial accounts will be eliminated.



Capital Outlay

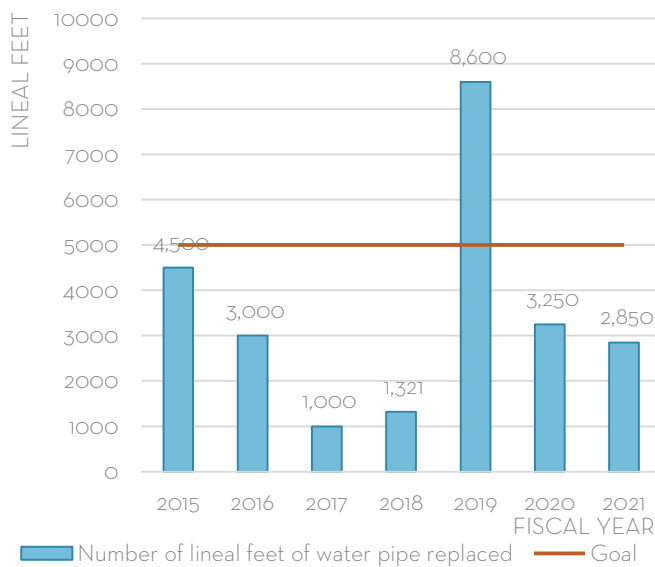
Capital Outlay Overview		
Project	Budgeted Amount FY20	Budgeted Amount FY21
Source	\$ 150,000	\$ 110,000
Transmission	\$ 510,000	\$ 499,000
Capital Outlay Total	\$ 660,000	\$ 609,000

A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 95.

Performance Measures

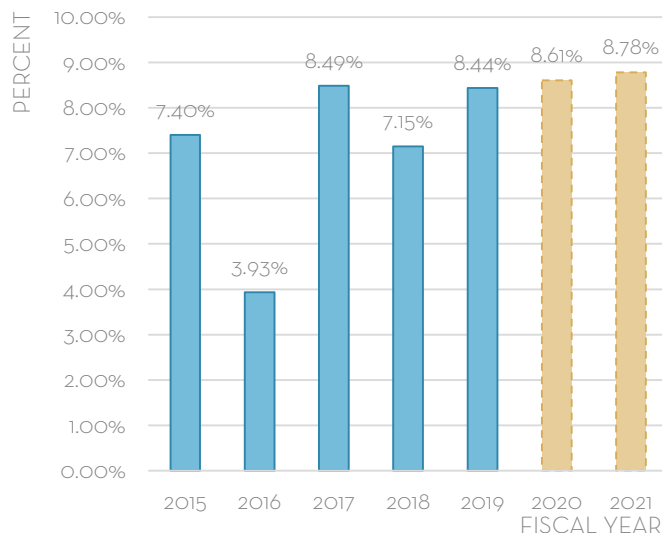
Goal Alignment	Indicator	Performance Measure	Benchmark	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Workloads	Output	Number of Meters Replaced Annually	200	188	99	41	200	200
	Output	Number of Gallons of Water Produced	N/A	528,074,712	568,483,724	598,627,444	641,681,365	687,889,060
	Input	Number of Gallons of Water Consumed	N/A	483,228,944	527,862,104	548,075,557	586,440,846	627,491,706
A	Output	Number of Lineal Feet of Water Pipe Replaced	5,000	1,000	1,321	8,600	3,250	2,850
B	Efficiency	Number of Gallons of Water Unaccounted for	N/A	44,845,768	40,621,620	50,551,887	55,240,519	60,397,354
	Efficiency	Percent of Unaccounted for Water	< 15%	8.49%	7.15%	8.44%	8.61%	8.78%
	Efficiency	Lost Revenue from Unaccounted for Water in \$	N/A	\$ 113,609	\$ 102,908	\$ 134,805	\$ 150,254	\$ 164,281

Lineal Feet of Water Pipe Replaced



The industry standard for life expectancy of water lines is 50 years. With the number of lineal feet in the City's water line infrastructure, the goal is to replace 5000 lineal feet per year. This is aligned with the department goal to replace all aging and undersized water mains to meet current and future requirements.

Percent of Unaccounted For Water



Unaccounted for water is the water produced by the City's wells, but is not sold to customers. This number can be attributed to unmetered customers, leaking lines or inaccurate meters. The OWRD goal for municipalities is to limit unaccounted for water to no greater than 15 percent of the produced water. In 2009, unaccounted for water was approximately 28 percent for the City. The City of Prineville has made a concerted effort to lower this amount with great success over the last few years. This effort decreases lost revenue that is needed for maintenance programs to ensure high-quality service to customers.

Water Budget

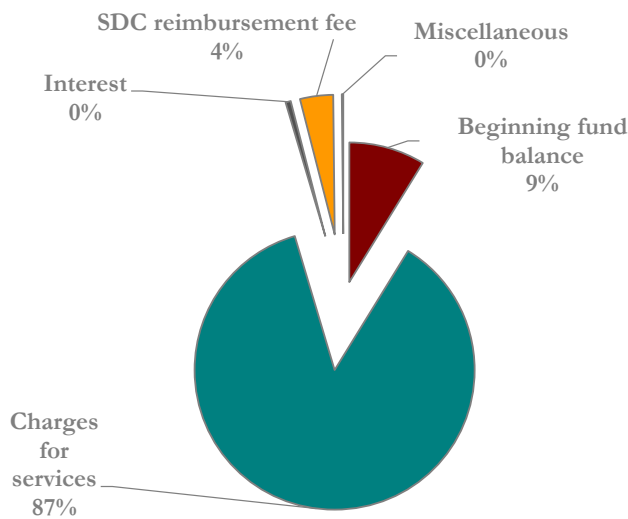
	Actual 2016-2017	Actual 2017-2018	Current Budget 2018-2019	Estimates 2018-2019	BN 2021		Adopted Total Budget 2019-2021
					Adopted Budget 2019-2020	Adopted Budget 2020-2021	
Resources							
Beginning fund balance	\$ 1,884,514	\$ 1,496,870	\$ 1,065,261	\$ 1,447,470	\$ 585,270	\$ 789,270	\$ 585,270
Current year resources							
Charges for services	\$ 2,343,857	\$ 3,210,048	\$ 3,090,000	\$ 2,680,100	\$ 2,840,000	\$ 2,945,000	\$ 5,785,000
Intergovernmental	25,000			-			
Interest	8,142	11,450	9,000	20,000	20,000	20,000	40,000
SDC Reimbursement Fee	168,886	127,000	124,000	124,000	126,000	129,000	255,000
Miscellaneous	75,955	24,831	5,500	5,500	5,500	5,500	11,000
Debt proceeds	-	2,271,000	-	-	-	-	-
Transfer	-	285,000	-	-	-	-	-
Total current year resources	\$ 2,621,840	\$ 5,929,329	\$ 3,228,500	\$ 2,829,600	\$ 2,991,500	\$ 3,099,500	\$ 6,091,000
Total resources	\$ 4,506,354	\$ 7,426,199	\$ 4,293,761	\$ 4,277,070	\$ 3,576,770	\$ 3,888,770	\$ 6,676,270
Expenditures							
Materials and services	\$ 501,750	\$ 572,143	\$ 474,200	\$ 562,600	\$ 580,300	\$ 604,200	\$ 1,184,500
Franchise fee expense	113,000	-	130,000	253,000	142,000	147,000	289,000
Capital outlay							
Improvements	944,258	1,369,623	1,555,300	1,430,000	660,000	609,000	1,269,000
Debt service							
Principal - refunding bond 2011/2017	115,000	165,408	102,000	102,000	136,600	140,300	276,900
Principal - revenue bond 2003	45,000	335,000	-	-	-	-	-
Interest - refunding bond 2011/2017	99,296	70,872	86,300	86,300	58,000	54,300	112,300
Interest - revenue bond 2003	19,380	16,990	-	-	-	-	-
Payments to refunded bond escrow		2,254,093					
Transfers	1,171,800	1,194,600	1,257,900	1,257,900	1,210,600	1,221,100	2,431,700
Contingency	-	-	688,061	585,270	594,670	918,270	918,270
Total expenditures	\$ 3,009,484	\$ 5,978,729	\$ 4,293,761	\$ 4,277,070	\$ 3,382,170	\$ 3,694,170	\$ 6,481,670
Other requirements							
Debt service reserves	-	-	-	-	194,600	194,600	194,600
Ending fund balance	\$ 1,496,870	\$ 1,447,470	\$ -	\$ -	\$ -	\$ -	\$ -
Budgeted positions (FTEs)	-	-	-	-	-	-	-
Policy 60 days operating budget						328,717	
5% Emergency reserve						184,709	
Total Policy						\$ 513,425	

Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual FY 2019 Beginning Fund Balance	Adopted BN 2021 Beginning Fund Balance	FY 19 to BN 21 % Change	Adopted Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Water	\$1,447,470	\$585,270	-60%	\$1,112,870	\$513,425	117%

The -60 percent decrease in the beginning fund balance compared to prior year is a result of budgeted capital improvement projects in FY 19. Ending fund balance projections are estimated to increase roughly 90 percent during the biennium. This fund exceeds policy requirements.

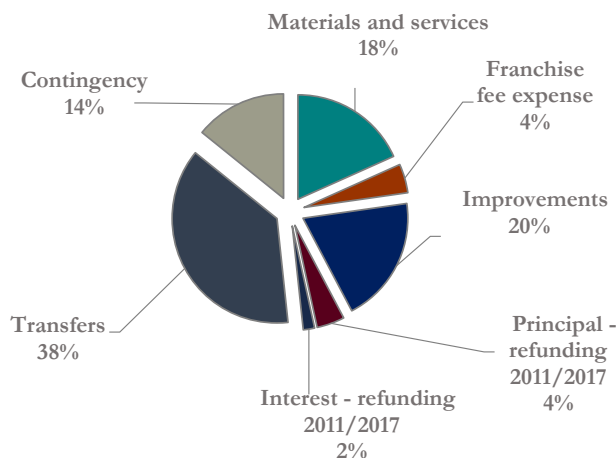
Resources



Assumptions

Beginning fund balance for BN 21 is 9 percent of budget, or \$585,270. Charges for services in total make up 87 percent of the resources for the biennium at \$5.79 million, with SDC reimbursement fees totaling 4 percent of total budget. Residential and commercial customers will see their base rates and commodity charges increase by 2 percent. Many commercial customers will experience a base water rate reduction proportional to a reduction in included consumption. SDC reimbursement fees are budgeted at \$255,000 for BN 21, which is current with the water debt transfer schedule. Interest and miscellaneous revenue are projected at less than 1 percent of total budget.

Requirements



Assumptions

Materials and services are 18 percent of total budget for the biennium, franchise fees expense totals 4 percent, and capital improvements are roughly 20 percent of budget, totaling \$1.27 million for BN 21. Debt service principal and interest total 6 percent of budget. Transfers total 38 percent, which include administration and financial support and PW administration. Contingency and debt service reserve are 14 percent of budget. As stated above, this fund meets policy reserve requirements.

The mission of the wastewater fund is to provide efficient, effective and reliable wastewater service in a cost-effective and sustainable manner.



FY 19 Accomplishments

- ❖ Completed construction of the Airport Industrial Park Utility Expansion project. This project includes the installation of four lines to serve the airport industrial area. These lines include:
 - A 16-inch water transmission line with booster pump station
 - A 12-inch wastewater reuse transmission line
 - An 18- to 21-inch wastewater line
 - A 12-inch brine line
- ❖ Completed a wastewater methodology report to go with the Wastewater Master Plan update adopted in FY 18
- ❖ Implemented a new monitoring and reporting methodology with the Oregon Department of Environmental Quality

Initiatives for BN 20 – 21

- ❖ Research the potential opportunities associated with the Industrial Water Reuse project
- ❖ Persist in preventative infrastructure maintenance activities



Department Goals	Council Goals
<p>A To provide a friendly and responsive source of information and coordinated services</p>	
<p>B Maintain an effective and dependable wastewater system at a value to citizens, planning for city growth and environmental changes</p>	

Responsibilities to the Community

The goal of the City of Prineville Wastewater Department is to provide a friendly and responsive source of information and coordinated services. It's the job of the department to assure and maintain the present and future health, safety and welfare of the public through cost effective maintenance, planning, permitting, inspections and operations of the wastewater system. Supporting the capital outlay activities of the Wastewater SDC Fund is also a major focus. The key to the success of the Wastewater Department is in maintaining efficient and motivated efforts of quality through a committed staff.

This fund accounts for the operation of the City of Prineville's sewage utility. The principal sources of revenue are user fees and system development charges. Expenditures are for operation, administration, maintenance, system betterments and expansion of the system.

Did You Know?

Through the Crooked River Wetlands Complex's 120 acres, the City is responsibly expanding its wastewater capacity.



A view of Grizzly Mountain as seen from the Crooked River Wetlands Complex in 2017



After an aerator upgrade project at the wastewater treatment facility in August 2018, staff captured the system in action from a nearby hill.

Executive Summary

The Wastewater Fund supports the City of Prineville’s Wastewater Department, whose primary responsibility is to ensure the City’s wastewater system meets or exceeds all regulatory standards and requirements. The department provides for the safe conveyance and treatment of residential, commercial and industrial wastewater for the community. The wastewater collection system includes approximately 44 miles of collection lines ranging in size from 3 inches to 48 inches. The existing wastewater treatment plant consists of two parallel, partially aerated facultative lagoon systems capable of processing 2.37 million gallons of influent per day (MGD). Current average inflows to the plant are approximately 1.1 MGD. The existing plant produces a Class C effluent. This effluent is discharged into the Crooked River during the winter under an approved Oregon Department of Environmental Quality (DEQ) permit. At other times, effluent is stored and discharged via irrigation systems onto the city-owned golf course, wetland system and approximately 200 acres of city-owned pasture lands.

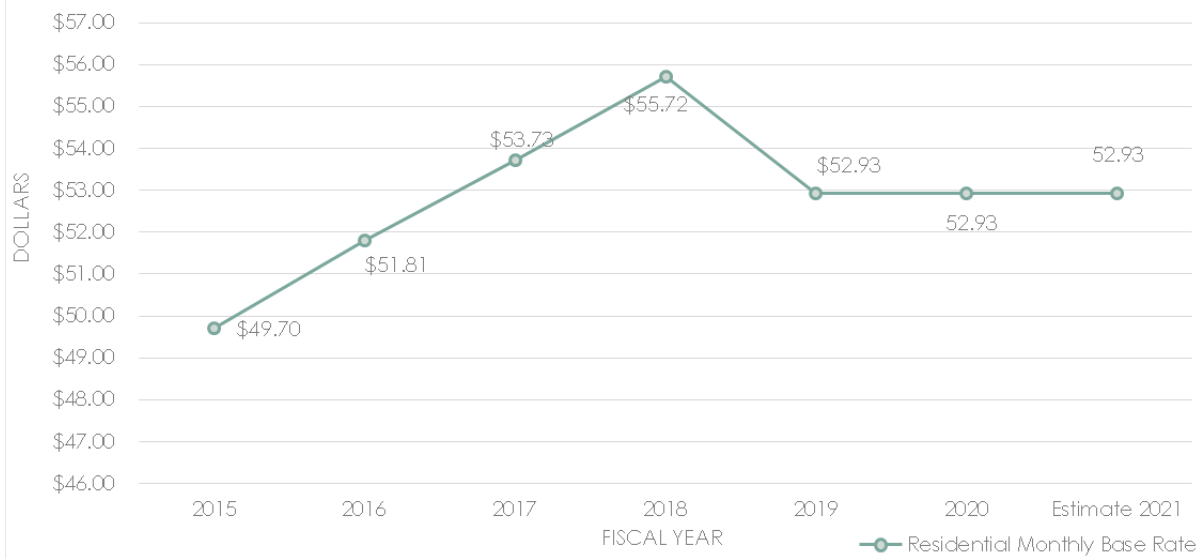
Strategic Planning Updates

- Short-term – In the short-term, the Wastewater Department will continue preventative maintenance activities.
- Long-term – The department will stabilize the rate structure, provide sustainable capital improvement program dollars, and adequate fund balances.

Sewer Rate Adjustments

Sewer rates will be adjusted in a fashion similar to water rates to incentivize conservation. Base wastewater rates will not increase and will remain at \$52.93 per month while commodity charges will increase by 12.5 percent during the first half of the biennium and are budgeted to increase by 12.5 percent in the second half of the biennium as well.

Trending Residential Sewer Rates by Fiscal Year



Capital Outlay

Capital Outlay Overview

Project	Budgeted Amount FY20	Budgeted Amount FY21
Treatment Plant - SLARRA	\$ 136,000	\$ 136,000
Treatment Plant Upgrades	\$ 40,000	\$ 700,000
Sanitary Sewer – Collection Improvements	\$ 129,000	\$ 129,000
Infiltration and Inflow Maintenance	-	\$ 85,000
Capital Outlay Total	\$ 305,000	\$ 1,050,000

A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 95.



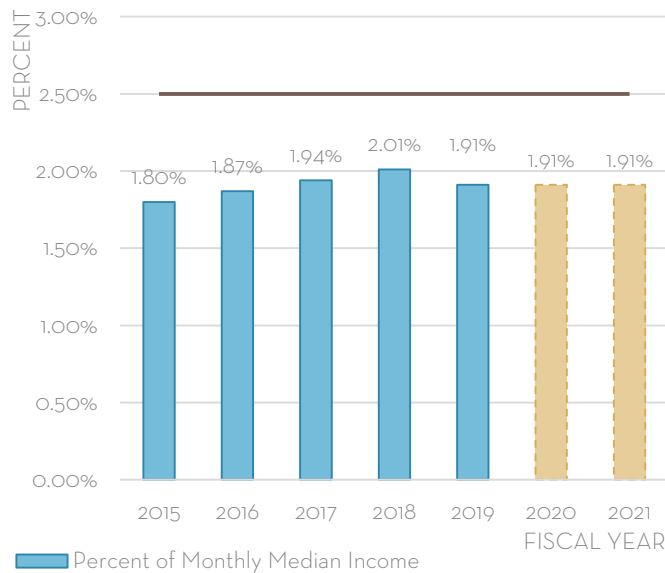
Staff moves a boat around the wastewater treatment plant to conduct work in July 2018.

Performance Measures

Goal Alignment	Indicator	Performance Measure	Benchmark	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Workloads	Output	Base Sewer Rate in \$	N/A	\$ 53.73	\$ 55.72	\$ 52.93	\$ 52.93	\$ 52.93
	Output	Miles of Sewer Collection Lines	N/A	44	44	44	44	44
	Input	Average Inflows (MGD)	N/A	1.10	1.16	1.16	1.16	1.16
	Output	Treatment Processing Capability (MGD)	N/A	1.67	2.37	2.37	2.37	2.37
	Output	Annual Testing Expenditures*	N/A	\$ 131,521	\$ 101,988	\$ 83,041	\$ 95,000	\$ 95,000
	Output	Annual Chemical Treatment Expenditures	N/A	\$ 168,350	\$ 86,506	\$ 137,485	\$ 112,000	\$ 112,000
B	Efficiency	Monthly Single-family Sewer Rates vs. Median Income	< 2.5%	1.94%	2.01%	1.91%	1.91%	1.91%
B	Efficiency	Average Daily Electrical Costs per MGD	N/A	\$ 436.59	\$ 396.14	\$ 448.15	\$ 472.37	\$ 472.37
B	Efficiency	Wastewater Service/Maintenance Expenditures per Average Daily MGD	< \$2,000	\$ 2,179.75	\$ 1,929.05	\$ 2,684.90	\$ 2,430.33	\$ 2,523.38

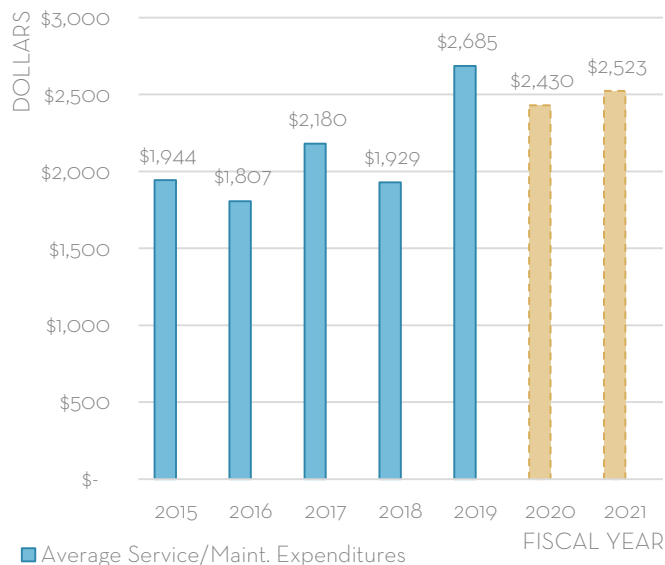
*Testing costs rose dramatically in FY 17 due to Crooked River Wetland testing requirements. The testing required eased near the end of FY 18.

Monthly Single-family Sewer Rate Percent of Median Income



The monthly sewer charge for service is generally the largest portion of the monthly utility bill for City customers. The City must maintain a pricing that is enough to cover upkeep and replacement costs in order to maintain high quality services, while still charging a competitive figure for the region to customers. Over the last five years the department has been able to keep the cost to customers at or under two percent of the annual median income for Prineville.

Service / Maintenance Expenditures per Average Daily MGD



Service and maintenance costs have fluctuated for the City, with costs in the future looking to increase dramatically with the potential of having to build a mechanical treatment plant to accommodate population and business growth. However, due to the creative, multiple award-winning solution that is the Crooked River Wetlands, which came online in 2018, the department is looking to stabilize the amount it costs on average to treat the daily inflows into the treatment plant in the biennium.

Wastewater Budget

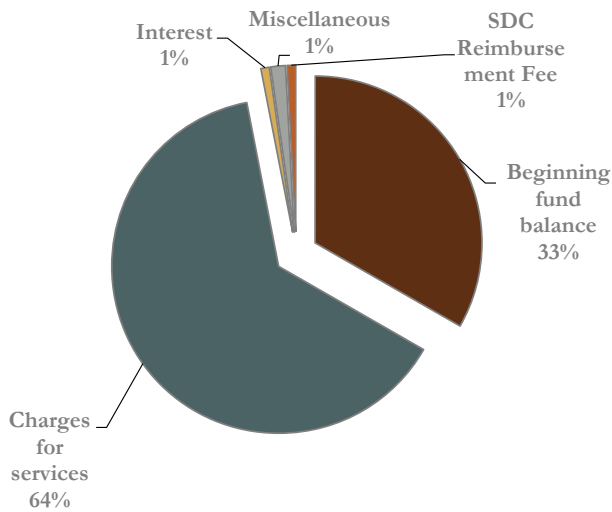
					BN 2021		
	Actual 2016-2017	Actual 2017-2018	Current Budget 2018-2019	Estimates 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Adopted Total Budget 2019-2021
Resources							
Beginning fund balance	\$ 1,657,741	\$ 1,846,857	\$ 1,911,257	\$ 1,770,316	\$ 3,932,316	\$ 2,930,416	\$ 3,932,316
Current year resources							
Charges for services	3,419,401	3,627,913	3,535,000	3,555,000	\$ 3,692,300	\$ 3,826,000	\$ 7,518,300
Intergovernmental				0	-	-	-
Interest	9,545	20,331	15,000	100,000	54,000	42,000	96,000
Miscellaneous	215,757	94,714	93,200	233,800	83,700	83,700	167,400
SDC Reimbursement Fee	43,155	-	58,800	2,089,400	48,000	50,000	98,000
Debt Proceeds		6,704,625		-	-	-	-
Transfers		2,007,225		-	-	-	-
Total current year resources	\$ 3,687,858	\$ 12,454,808	\$ 3,702,000	\$ 5,978,200	\$ 3,878,000	\$ 4,001,700	\$ 7,879,700
Total resources	\$ 5,345,599	\$ 14,301,665	\$ 5,613,257	\$ 7,748,516	\$ 7,810,316	\$ 6,932,116	\$ 11,812,016
Expenditures							
Personnel Services	\$ 117,047	\$ 117,330	\$ 128,000	\$ 132,000	\$ 127,100	\$ 131,900	\$ 259,000
Materials and services	585,122	526,427	625,100	715,400	716,900	732,000	1,448,900
Franchise fee expense	173,000	173,000	177,000	177,000	185,000	191,000	376,000
Capital outlay							
Improvements	374,029	633,434	940,600	350,900	169,000	914,000	1,083,000
SLARRA			135,900		136,000	136,000	272,000
Debt service							
Principal							
DEQ CWSRF R74682/2	435,401	448,297	461,600	461,600	475,300	489,400	964,700
Refunding 2011 / 2017	125,000	2,261,098	119,100	119,100	159,400	163,800	323,200
DEQ Bridge Loan		4,000,000		-			
State of Oregon IFA		-	31,300	31,300	31,300	27,100	58,400
USDA 2018		-	56,200	56,200	57,700	59,300	117,000
Interest							
DEQ CWSRF R74682/2	151,819	138,923	125,700	125,700	112,000	97,900	209,900
Refunding 2011 / 2017	198,764	189,434	100,700	100,700	67,600	63,400	131,000
DEQ Bridge Loan	-	52,520		-	-	-	-
State of Oregon IFA		-	10,000	14,300	7,500	7,000	14,500
USDA 2018		-	110,000	110,000	108,500	106,900	215,400
Payments to refunded bond escrow		2,625,203					
Fees							
DEQ CWSRF R74682/2	23,360	24,183	22,000	22,000	19,700	17,300	37,000
Transfers	1,315,200	1,341,500	1,400,000	1,400,000	2,506,900	1,767,000	4,273,900
Contingency			699,857		1,715,616	813,316	813,316
Total expenditures	\$ 3,498,742	\$ 12,531,348	\$ 5,143,057	\$ 3,816,200	\$ 6,595,516	\$ 5,717,316	\$ 10,597,216
Other requirements							
Capital reserves					200,000	200,000	200,000
Debt service reserves	\$ -	\$ -	\$ 470,200	\$ -	\$ 1,014,800	\$ 1,014,800	\$ 1,014,800
Ending fund balance	\$ 1,846,857	\$ 1,770,316	\$ -	\$ 3,932,316	\$ -	\$ -	\$ -
Budgeted positions (FTEs)	1.00	1.00	1.00	1.00	1.00	1.00	
Policy 60 days operating budget						470,317	
5% Emergency reserve						285,866	
Debt service reserve						\$ 1,014,800	
Total policy						\$ 1,770,982	

Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual FY 2019 Beginning Fund Balance	Adopted BN 2021 Beginning Fund Balance	FY 19 to BN 21 % Change	Adopted Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Wastewater	\$1,770,316	\$3,932,316	122%	\$2,028,116	\$1,770,982	15%

The beginning fund balance increased approximately 122 percent from FY 19 to BN 21. This is due to the significant amount of SDC fees collected in FY 19 for the data center expansions and the portion that gets transferred to water for reimbursement. Capital improvement projects budgeted in BN 21 total roughly \$1.36 million will decrease fund balance to 15 percent above City reserve policy level.

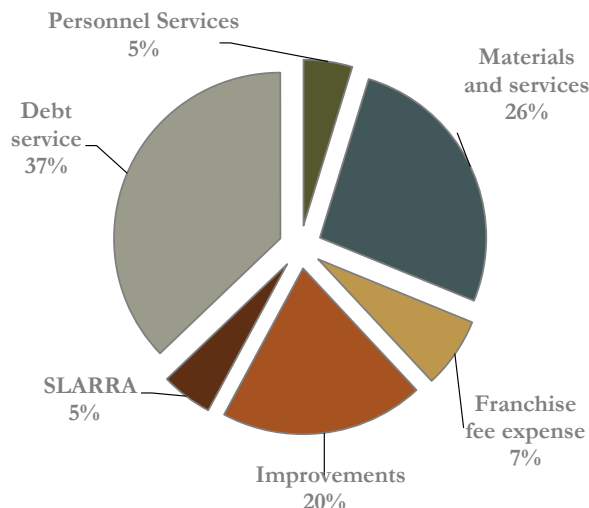
Resources



Assumptions

Beginning fund balance is 33 percent. Charges for services are budgeted to increase over the year-end estimates by approximately 1 percent. Sewer rates will be adjusted in a fashion similar to water rates to incentivize conservation. Base wastewater rates will not increase and will remain at \$52.93 per month while commodity charges will increase by 12.5 percent during the first half of the biennium and are budgeted to increase by 12.5 percent in the second half of the biennium as well. Commercial customers will experience an increase in commodity charges.

Requirements



Assumptions

For BN 21, personnel services total \$259,000 for the biennium or 5 percent of budget. Materials and services total \$1.83 million or 26 percent. Capital improvements are divided into two categories – improvements and short-lived asset replacement reserve account (SLARRA). This account must be funded annually for not less than \$135,900 as a requirement of the wetlands United States Department of Agriculture (USDA) loan. Totals for both improvements are budgeted at \$1.36 million or 25 percent. Debt service is budgeted at \$2.03 million or 37 percent.

To provide Central Oregon golfers an affordable, championship quality golf facility with exceptional service and a friendly staff while also providing city of Prineville residents with a cost-effective solution to its wastewater disposal needs.

FY 19 Accomplishments

- ❖ Recognized by *Golf Advisor* as the #8 public/resort golf course in Oregon, #9 value course in the U.S., #15 rated course in the U.S. for staff friendliness and #22 rated golf course in the U.S. for pace of play
- ❖ Leased out the restaurant operation to a third party business owner. The lease of the restaurant is expected to save the operation over \$100,000 over the next biennium
- ❖ Restaurant achieved 100% health and safety inspection score for both inspections in FY19
- ❖ Donated 345 rounds of golf to local charities valued at nearly \$16,000
- ❖ Removed seven fairway bunkers that were deemed unnecessary for play of the course reducing sand costs by 11 percent and labor costs for maintaining the bunkers by 10 percent

Initiatives for BN 20 - 21

- ❖ Complete renovation of the irrigation system
- ❖ Replace deteriorating cart paths on holes 3, 4, 5, 10, 11 and 12
- ❖ Remodel and expand the pro shop, utilizing the men's locker room space behind the east wall to add roughly 250 sq. ft. of merchandise space
- ❖ Reseed all remaining bunkers that were filled in during the FY19 golf season
- ❖ Explore the idea of connecting the golf course to a potential hotel development on county property towards the southeast corner of the golf course
- ❖ Explore a new advertising campaign to create a more specific focus for the golf advertising budget
- ❖ Add four golf cycles to the golf cart fleet to create a fun new way for golfers to experience the game





Organization of Fund Golf Course Fund

The City of Prineville created Meadow Lakes Golf Course to be a wastewater disposal site, with the bonus of creating an enterprise avenue to enrich the surrounding community. There are three units (golf course, waste disposal and golf course restaurant) in the Golf Course Fund. This section will provide expenditure detail, executive summary information, goals and objectives of each unit, and performance measure data for these units of the Golf Course Fund when available.



From the Meadow Lakes Golf Course, golfers can see citizens and visitors as they approach town from the grade.

Department Goals	Council Goals
A Make Meadow Lakes the premiere entertainment venue in Crook County	
B Self-fund all recurring/routine capital expenditures while increasing the fund balance	

Responsibilities to the Community

Meadow Lakes Golf Course is charged with the unique task of disposing wastewater in an environmentally responsible way, while also efficiently operating an enterprise fund. While the golf course is charged with the primary goal of providing outstanding service to golfers and the population at-large, the course disposal team is to provide the golfing public with the best playing conditions possible. All divisions follow their primary objectives while maintaining fiscal responsibility by staying within budget guidelines set by the revenues received and expenditures planned for the year.

The golf fund accounts for the operation of the City's municipal golf course and restaurant and the effluent disposal site of the wastewater treatment plant. The principal sources of revenue are user fees, lease revenue from the restaurant operation, and transfers from the Wastewater Fund for disposal site related services. Expenditures are for operation, administration, maintenance and improvements to the clubhouse and golf course, including the effluent disposal site. Operating costs are paid from golf revenues and a contribution from the Wastewater Fund from rates. In 2013, the City of Prineville revised its 2006 business plan to reflect the facility's needs in the current economic market along with industry trends. The current budget is developed to maintain the financial direction outlined in the plan.

Did You Know?

Meadow Lakes Golf Course has hosted charity events helping raise over \$85,000 for local charities just in the last year alone.



An example of the scenery at the Meadow Lakes Golf Course



Fall is ushered in as clouds spread across Meadow Lakes in October 2017.

Executive Summary

Meadow Lakes serves as both a municipal golf course and a wastewater disposal site to Prineville. After 25 years in operation, the course continues to receive great reviews from the golfing community. For travelers and citizens alike, the course serves as a beautiful entry way for those entering Prineville via Highway 126. Meadow Lakes receives great local and regional support including players who travel from all over the Northwest to play at the course recognized as an “environmental leader” by *Golf Digest* and “Central Oregon’s best golf value” by the *Bend Bulletin*. Recently, Meadow Lakes was ranked as the “#9 value course in the United States” as well as the “#8 public/resort golf course in Oregon” by *Golf Advisor*. The restaurant operation is leased out to a local entrepreneur who is tasked with keeping customer service and food quality at exceptional levels. All of the departments under the banner of Meadow Lakes operations have dedicated and experienced staff members that take pride in offering the highest quality of service to its patrons.

Meadow Lakes houses a full-service restaurant and lounge with facilities for hosting weddings, auctions, fundraisers and other large events. Over the past year, Meadow Lakes has hosted a number of fundraising events, including the CCHS Golf Team, CCHS Wrestling Team, Culver Mat Club, Southern Oregon University Basketball Team, Kiwanis Club, Oregon Junior Golf Association, Central Oregon Junior Golf Association, Your Life Matters teen suicide awareness, Soroptimist Club, and Humane Society of the Ochocos.

Strategic Planning Updates

- Short-term – Meadow Lakes looks to maintain the highest possible experience using the most efficient measures possible to curb expenditures. The Golf Course Fund will continue to be fiscally responsible by monitoring and adjusting expenses to match revenues on a monthly basis, therefore protecting the ending fund balance. The department hopes to capitalize on the improving local economic conditions by adding to the existing customer base and improving the overall fund balance to a point where the business can self-fund the majority of the upcoming capital projects.
- Long-term – Meadow Lakes Golf Course aims to return to a growth model for customer base through expansions in marketing, programming and services. The main goal is to establish Meadow Lakes as a key facility in the community for entertainment. Through business growth, the intention is to build the fund balance to eventually be able to self-fund all capital projects and provide a revenue source that helps offset city-wide operational expenses.

Capital Outlay Overview		
Project	Budgeted Amount FY20	Budgeted Amount FY21
Renovate Irrigation System	\$ 750,000	-
Cart Path Paving	\$ 20,000	\$ 20,000
Trim Mower / Gang Rough Mower	\$ 15,000	-
Bunker Sand	\$ 15,000	-
Refrigeration Upgrade	\$ 10,000	-
Pro Shop Remodel	-	\$ 15,000
Split-rail and Parking Lot Fence	-	\$ 15,000
Banquet Room Furniture/Equipment	-	\$ 10,000
Capital Outlay Total	\$ 810,000	\$ 60,000

A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 95.

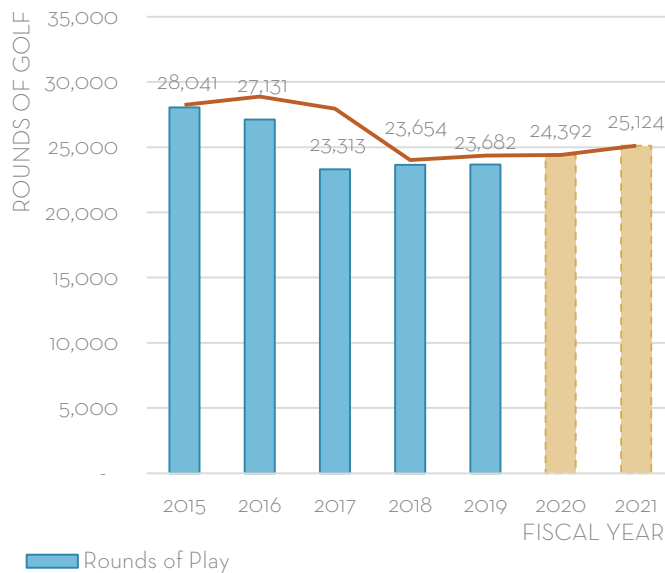


Meadow Lakes Golf Course allowed Snow shoeing on the course during March 2019.

Performance Measures

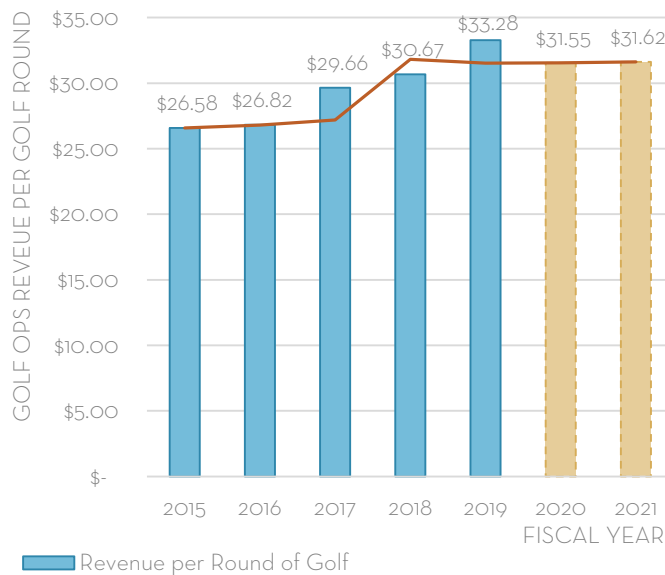
Goal Alignment	Indicator	Performance Measure	Benchmark	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Workloads	Input	Rounds Played During Year	+3% Increase	23,313	23,564	23,682	24,392	25,124
	Input	Total Revenues	N/A	\$ 691,414	\$ 725,483	\$ 788,184	\$ 769,500	\$ 794,500
	Input	Annual Daily Play Revenue	N/A	\$ 295,935	\$ 304,703	\$ 323,003	\$ 325,000	\$ 335,000
A	Effectiveness	Returning/Repeat Customers	+3% Increase	2,611	2,894	3,647	3,756	3,869
B	Efficiency	Total Golf Operations Revenue per Round of Golf	\$ 33.00	\$ 29.66	\$ 30.79	\$ 33.28	\$ 31.55	\$ 31.62
B	Efficiency	Average Annual Profit Margin Earned on Sale of Merchandise	> 30%	25%	34%	30%	44%	41%

Rounds of Golf



Rounds of golf played is one of the most commonly used metrics to determine a golf course's overall financial health. Trends in rounds of golf played typically correlate to all other sales at a facility including food and beverage sales, merchandise sales, driving range sales, and rental fees.

Operations Revenue per Golf Round



Total golf operations revenue per round of golf provides good insight into the overall financial health of a golf course. Generally speaking, the more revenue generated per round of golf, the more profitable the facility is.

Golf Course Budget

Resources	Actual 2016-2017	Actual 2017-2018	Current Budget 2018-2019	Estimates 2018-2019	BN 2021		Adopted Total Budget 2019-2021
					Adopted Budget 2019-2020	Adopted Budget 2020-2021	
Beginning fund balance	\$ 373,308	\$ 402,031	\$ 416,731	\$ 426,395	\$ 483,295	\$ 496,195	\$ 483,295
Current year resources							
Charges for services							
Golf Course	\$ 681,189	\$ 701,508	\$ 765,500	\$ 739,500	\$ 765,500	\$ 790,500	\$ 1,556,000
Waste disposal	370,000	370,000	370,000	370,000	370,000	370,000	740,000
Restaurant	396,260	393,089	441,000	244,900	21,600	26,600	48,200
Interest	3,263	6,215	3,500	11,000	9,000	6,000	15,000
Miscellaneous	15,850	28,493	7,500	9,500	9,500	9,500	19,000
Debt proceeds	-	394,000	-	-	-	-	-
Transfer fr other funds					750,000		750,000
Total current year resources	\$ 1,466,561	\$ 1,893,304	\$ 1,587,500	\$ 1,374,900	\$ 1,925,600	\$ 1,202,600	\$ 3,128,200
Total resources	\$ 1,839,869	\$ 2,295,336	\$ 2,004,231	\$ 1,801,295	\$ 2,408,895	\$ 1,698,795	\$ 3,611,495
Expenditures	Actual 2016-2017	Actual 2017-2018	Current Budget 2018-2019	Estimates 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Adopted Total Budget 2019-2021
Golf Course	\$ 397,746	\$ 416,969	\$ 459,000	\$ 446,300	\$ 1,310,500	\$ 569,600	\$ 1,880,100
Waste disposal	430,126	429,582	449,900	443,900	486,800	507,700	994,500
Restaurant	510,325	539,430	545,500	344,900	33,000	35,000	68,000
Debt service							
Principal - BOTC FFC	23,702	24,499	25,200	25,200	25,900	56,300	82,200
Interest - BOTC FFC	4,131	3,334	2,700	2,700	2,000	200	2,200
Principal - Credit facility	23,398	47,048		-			
Interest - Credit facility	460	17,364		-			
Principal - 2017 bonds	30,000	390,713	40,000	40,000	45,000	45,000	90,000
Interest - 2017 bonds	17,950	-	15,000	15,000	9,500	8,300	17,800
Contingency			466,931		413,795	394,295	394,295
Total expenditures	\$ 1,437,838	\$ 1,868,940	\$ 2,004,231	\$ 1,318,000	\$ 2,326,495	\$ 1,616,395	\$ 3,529,095
Other Requirements							
Debt Service Reserve	-	-	-	-	82,400	82,400	\$ 82,400
Ending fund balance	\$ 402,031	\$ 426,395	\$ -	\$ 483,295	\$ -	\$ -	

Budgeted positions (FTEs)	5.00	5.00	5.00	5.00	3.00	3.00
Policy 60 days operating budget						175,383
5% Emergency reserve						61,105
Debt service reserve						82,400
Total Policy						318,888



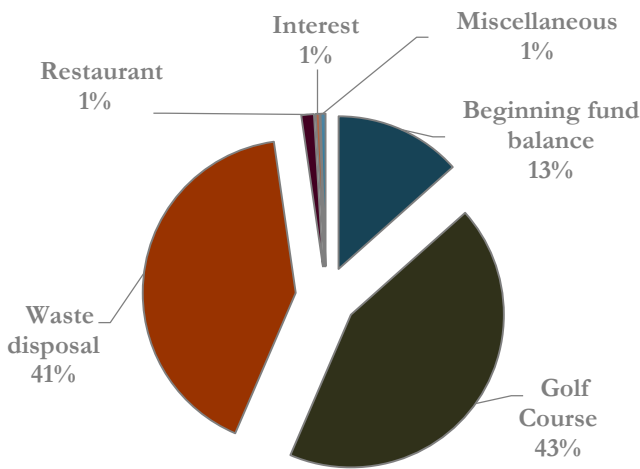
The view from Meadow Lakes Golf Course Hole #5 in May 2018

Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual FY 2019 Beginning Fund Balance	Adopted BN 2021 Beginning Fund Balance	FY 19 to BN 21 % Change	Adopted Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Golf Course and Restaurant	\$426,395	\$483,295	13%	\$476,695	\$318,888	49%

BN 21 beginning fund balance increased approximately 13 percent over the prior year. Fund balance is budgeted to increase roughly 1 percent in during BN 21. This fund exceeds the City’s policy requirements by 49 percent.

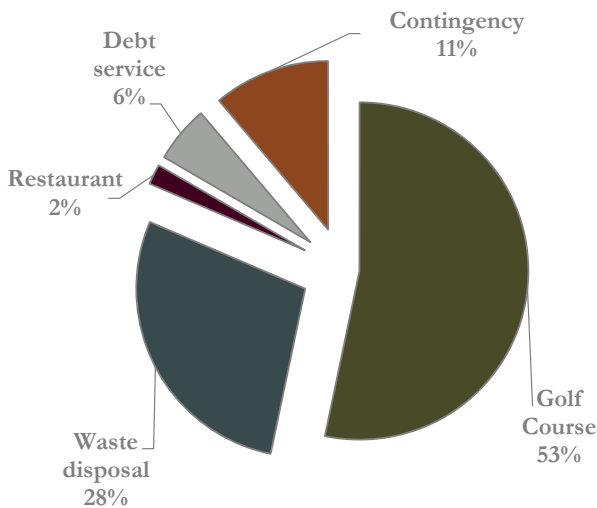
Resources



Assumptions

Revenue projections for operations in BN 21 propose a 3.5 percent increase in golf over the first year of the biennium and roughly a 3.3 percent increase in the second year of BN 21. The restaurant has been leased out to a third party, so revenue will be minimal during the biennium, totaling roughly \$48,200. The transfer from the Wastewater Fund for operations remains the same as the prior year.

Requirements



Assumptions

Golf Course operations total 53 percent of budget for the biennium compared to 23 percent of the budget in FY 19. This is directly related to capital expenses totaling \$870,000 in BN 21. The golf course leased out its restaurant operations in February FY 19 to a third party, so requirements for the restaurant total 2 percent of budget for minimal materials and services costs, totaling \$68,000 for the biennium. In the short term, the course will save roughly \$100,000 annually which management plans to spend on capital projects. The long-term plan is to capture a percentage of sales from the third party and operating building expenses. Waste disposal is 28 percent of budget compared to 23 percent in FY 19.

Golf Course Operations

Executive Summary

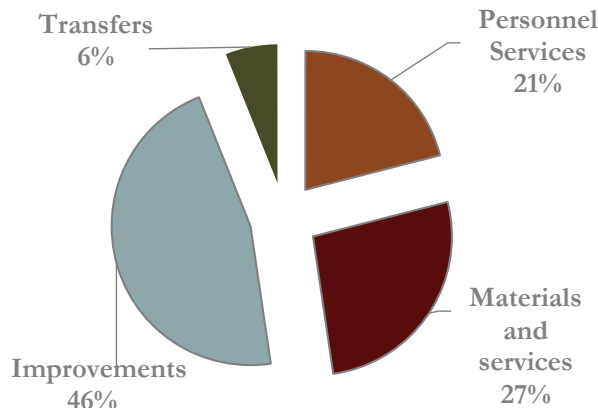
Meadow Lakes features a championship course, a beautiful clubhouse and a friendly staff eager to make the customer's round of golf an extraordinary experience. *USA Golf Journal* previously featured Meadow Lakes, and the course is one of the first-ever recipients of *Golf Digest's* National Environmental Leaders Award. The *Bend Bulletin* has called Meadow Lakes "Central Oregon's best golf value," and the course was ranked as the "#9 value course in the United States" as well as the "#8 public/resort golf course in Oregon" by *Golf Advisor*.

Through specials, advertising, superior course conditions and top-notch customer service, increasing rounds of golf and dollars per round of golf played will be the main focus in the next biennium.

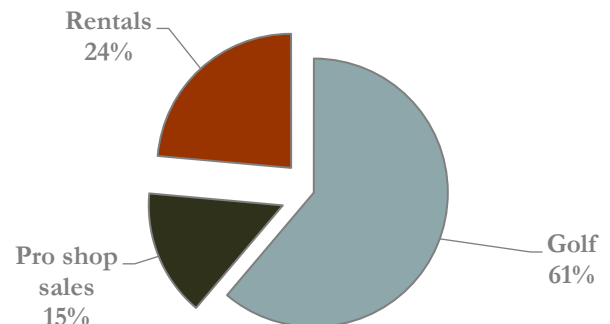
Golf Course Operations Budget

	Actual		Current Budget		BN 2021		
	2016-2017	2017-2018	2018-2019	Estimates 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Adopted Total Budget 2019-2021
Revenue							
Golf	\$ 422,017	\$ 432,746	\$ 483,000	\$ 455,500	\$ 466,500	\$ 485,500	\$ 952,000
Pro shop sales	90,726	95,080	100,000	108,000	116,000	121,000	237,000
Rentals	168,446	173,682	182,500	176,000	183,000	184,000	367,000
Total revenue	\$ 681,189	\$ 701,508	\$ 765,500	\$ 739,500	\$ 765,500	\$ 790,500	\$ 1,556,000
Expenditures							
Personnel Services	\$ 150,051	\$ 165,546	\$ 172,400	\$ 175,700	\$ 192,000	\$ 202,800	\$ 394,800
Materials and services	186,596	212,323	205,400	209,700	245,300	256,200	501,500
Capital outlay							
Improvements	22,799		50,000	29,700	810,000	60,000	870,000
Transfers	38,300	39,100	31,200	31,200	63,200	50,600	113,800
Total expenditures	\$ 397,746	\$ 416,969	\$ 459,000	\$ 446,300	\$ 1,310,500	\$ 569,600	\$ 1,880,100
Budgeted positions (FTEs Course)	1.00	1.00	1.00	1.00	1.00	1.00	

Resources



Requirements



Wastewater Disposal

Executive Summary

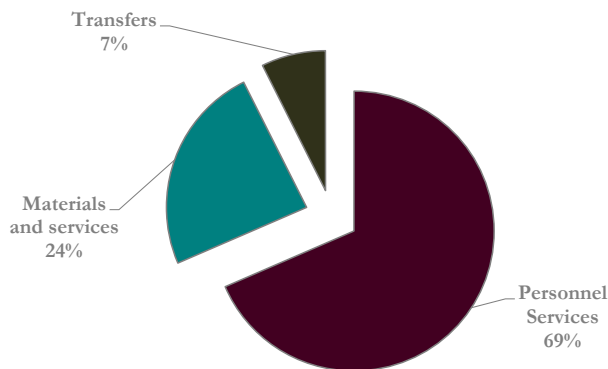
In 1988, the City of Prineville faced fines of up to \$25,000 per day if it did not find a way to dispose of the wastewater that was being discarded into the Crooked River. Since the City did not possess the capital to construct an expensive mechanical treatment facility, the US Environmental Protection Agency suggested spraying the wastewater over a 400-acre alfalfa field. The mayor, city manager and city council took that idea, modified it, and decided to build a golf course to aid in the disposal of the wastewater. The water is now disposed of through irrigation and the nine evaporation ponds that conveniently double as water hazards for local golfers.

In the upcoming biennium, Meadow Lakes will continue to strategically improve the condition of the golf course and upgrade aging equipment throughout the facility using the allocated resources. Projects that extend the life of the course and reduce maintenance/operating costs are the primary focus.

Wastewater Disposal Budget

	Actual 2016-2017	Actual 2017-2018	Current Budget 2018-2019	Estimates 2018-2019	BN 2021		
					Adopted Budget 2019-2020	Adopted Budget 2020-2021	Adopted Total Budget 2019-2021
Expenditures							
Personnel Services	\$ 300,267	\$ 297,829	\$ 305,700	\$ 305,600	\$ 331,800	\$ 349,200	\$ 681,000
Materials and services	97,159	99,052	110,900	105,000	118,900	120,900	239,800
Transfers	32,700	32,700	33,300	33,300	36,100	37,600	73,700
Total expenditures	\$ 430,126	\$ 429,582	\$ 449,900	\$ 443,900	\$ 486,800	\$ 507,700	\$ 994,500
Budgeted positions (FTEs Course)	2.00	2.00	2.00	2.00	2.00	2.00	2.00

Requirements



Ochoco Viewpoint as captured from Meadow Lakes in September 2018

Golf Course Restaurant

Executive Summary

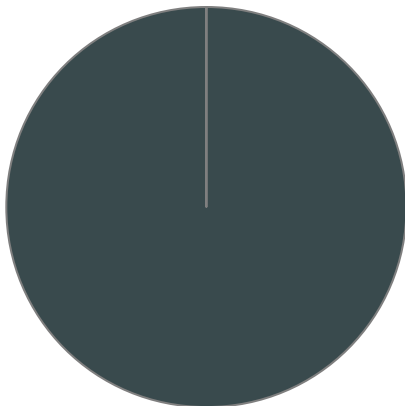
In February 2019, the Meadow Lakes Restaurant was leased out to Ron's Comfort Food Café in an effort to lower overhead costs and make the restaurant operation more profitable. Ron's Comfort Food Café is carrying on the tradition of being Central Oregon's best golf restaurant. The delicious food, coupled with a great atmosphere and spectacular views of the golf course and Crooked River, makes Meadow Lakes one of Prineville's premiere dining destinations. The facility features a large 2,500-square-foot banquet room and full-service bar perfect for hosting parties, weddings, auctions, fundraisers and all other types of events.

Restaurant Operations Budget

Expenditures	Actual	Actual	Current		BN 2021		Adopted Total Budget 2019-2021
	2016-2017	2017-2018	Budget 2018-2019	Estimates 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	
Personal services	\$ 232,717	\$ 255,823	\$ 261,900	\$ 172,000	\$ -	\$ -	\$ -
Materials and services	221,207	222,907	234,000	144,000	33,000	35,000	68,000
Capital outlay							
Improvements							
Transfers	56,400	60,700	49,600	28,900	-	-	-
Total expenditures	\$ 510,325	\$ 539,430	\$ 545,500	\$ 344,900	\$ 33,000	\$ 35,000	\$ 68,000
Budgeted positions (FTEs Course)	2.00	2.00	2.00	2.00	-	-	

Requirements

Materials and services
100%



Police Department Banquet at Meadow Lakes – May 2019

INTERNAL SERVICE FUNDS

ADMIN. / SUPPORT SERVICES
PUBLIC WORKS SUPPORT SERVICES



BUILDING FACILITIES /
PROPERTY
PLAZA MAINTENANCE

ADOPTED BIENNIAL BUDGET
JULY 1, 2019 -
JUNE 30, 2021



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Administration / Financial Support Services Fund

Organization of Fund Administration / Financial Support Services Fund

The organization of the Administration / Financial Support Service Fund is split between four departments; City Council, Finance, Information Technology and Administration / Human Resources.

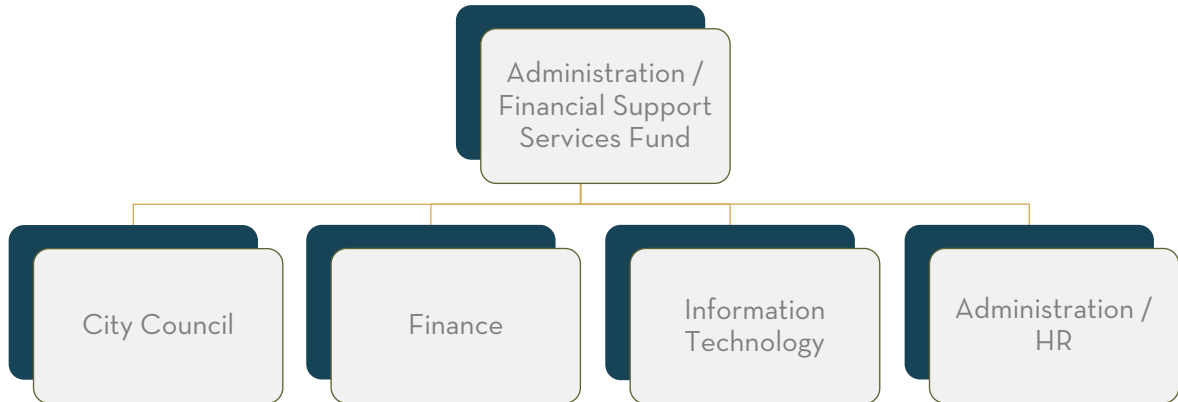


Photo: Jason Chaney/Central Oregonian





Prineville City Council and staff take a tour of a project site in September 2018.

Responsibilities to the Community

The purpose of the Administration/Financial Support Services Fund is to account for the centralized activities of the Prineville City Council and administrative services. This internal service fund accounts for the staff and council volunteers which keep the community in mind with every decision. The services provided are recovered through charges for services to other funds.

Administration / Financial Support Services Budget



	Actual		Current Budget		BN 2021		
	2016-2017	2017-2018	2018-2019	Estimates 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Adopted Total Budget 2019-2021
Resources							
Beginning fund balance	\$ 415,880	\$ 433,455	\$ 499,855	\$ 481,714	\$ 452,914	\$ 478,314	\$ 452,914
Current year resources							
Charges for services	\$ 2,105,946	\$ 2,429,400	\$ 2,665,000	\$ 2,727,100	\$ 2,722,400	\$ 2,597,500	\$ 5,319,900
Interest	3,398	6,391	5,000	10,000	10,000	10,000	20,000
Total current year resources	\$ 2,109,344	\$ 2,435,791	\$ 2,670,000	\$ 2,737,100	\$ 2,732,400	\$ 2,607,500	\$ 5,339,900
Total resources	\$ 2,525,224	\$ 2,869,246	\$ 3,169,855	\$ 3,218,814	\$ 3,185,314	\$ 3,085,814	\$ 5,792,814
Expenditures							
City Council	\$ 73,648	\$ 80,762	\$ 88,200	\$ 87,000	\$ 90,300	\$ 91,800	\$ 182,100
Administration/team services	726,267	870,917	859,100	798,800	803,000	811,500	1,614,500
Financial services	717,151	820,106	1,289,400	1,082,000	926,900	951,600	1,878,500
Information technology	574,702	615,747	726,900	798,100	886,800	836,200	1,723,000
Contingency			206,255	-	478,314	394,714	394,714
Total expenditures	\$ 2,091,769	\$ 2,387,533	\$ 3,169,855	\$ 2,765,900	\$ 3,185,314	\$ 3,085,814	\$ 5,792,814
Ending fund balance	\$ 433,455	\$ 481,714	\$ -	\$ 452,914	\$ -	\$ -	\$ -
Budgeted positions (FTEs)	13.00	12.00	11.00	11.00	12.00	12.00	
Policy 15% Operating budget					367,920	379,905	

The City of Prineville provides quality municipal services and programs which contribute to our reputation as a desirable place to live, work and play.

We strive to improve our quality of life through transparency; open communication; investment in essential infrastructure; public safety; community programs; and business, while staying within the constraints of fiscally responsible government.

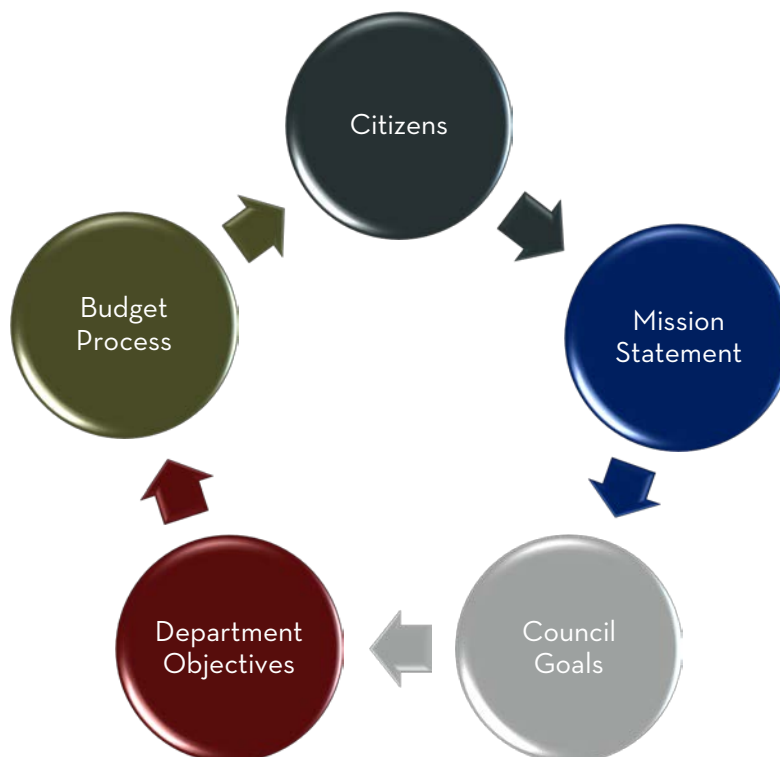
P	Progressive
R	Resilience
I	Innovative
N	Neighborly
E	Efficient
V	Visionary
I	Integrity
L	Livability
L	Leaders
E	Environment



Council Goals		Council Goals
A	Community safety	
B	Position the City to meet future demands	
C	Fiscal responsibility	
D	Quality municipal services and programs	
G	Transparency and effective communication	

Our City Council's Goals

The City continues to further review and develop the City Council's goals and align them with department goals to make sure they are effective and tie together as illustrated below. Focus begins with citizens, aligning the mission statement to council goals, which leads to the individual department's objectives, and guides the budget. It is a never ending cycle where each component is constantly aligned to the others.



The City of Prineville uses a council/manager form of government where the council is the policy making board. The council is composed of a mayor and six councilors elected from the city at-large. Three councilors are elected at each biennial election, and serve a term of four years. At each biennial general election a mayor is elected for a term of two years and terms start on January 1st.

Mayor Steve Uffelman



Steve Uffelman obtained a bachelor's degree in pharmacy from Oregon State University in 1969. In 1982, he moved to Prineville where he worked as a pharmacist at Pioneer Memorial Hospital for 27 years. Steve retired from being a pharmacist in 2009 and went into real estate.

Steve was appointed to the Prineville City Council in 1985, serving four terms as mayor. Steve also served on the board of directors for the Oregon Mayors Association, multiple terms on the city council, and is currently council president. Additionally, Steve has served on several boards and regional commissions, including the Alaska Pharmaceutical Association, while he lived in Alaska, and the Crook County Parks and Recreation Budget Committee.

Steve is an ordained minister with the Episcopal Church. When there is time for recreation, Steve and his wife Jan enjoy traveling, golf, fishing and hunting with family.

Term Expires: December 31, 2020

Councilor Jason Beebe



Jason Beebe was born in Prineville in 1973. He has lived in Prineville his entire life, adding to his family roots that date back to the birth of his adopted grandmother Grace Higgins in 1889. Jason graduated from Crook County High School in 1991. Three years ago Jason switched to the growing tech industry, where previously he worked in the local tire industry. Jason competed in baseball and wrestling during school, as well as motocross and jiu-jitsu mixed martial arts after school. Jason is now involved in local Little League baseball.

In 2003, Jason enlisted in the Army National Guard. He just recently received an Honorable Discharge after serving 12 years. During his military service, he spent 10 months overseas in Iraq in 2009-2010, based at the Victory Base Complex in Baghdad. When he returned home from Iraq, Jason had a desire to serve his community – which brought him to his current position on the city council and involvement in various committees. Jason is currently pursuing the possibility of a sports complex in Prineville and a way to help promote Prineville's tourism and family friendly atmosphere.

"I love Prineville and this community and just want to give back and leave something for my children to enjoy," says Jason.

Jason is married with five children.

Term Expires: December 31, 2020

Councilor Janet Hutchison



Janet moved with her parents to Prineville in 1962 from Dubuque, Iowa and has lived in Prineville ever since. She graduated from Crook County High School in 1970. After a few years, Janet decided college was important and graduated from Central Oregon Community College in 1986 with a degree in accounting.

Janet's work career began with Coin Millwork for approximately seven years, then City of Prineville for approximately two years and finally the federal government in both the USFS and BLM for nearly 30 years.

Janet began her BLM career as a clerk/typist and finished as a lead for rights-of-way, renewable energy for realty and communications sites with the state office in Portland, Oregon. The position was remotely located in Prineville. In that position, Janet was the expert in the aforementioned disciplines and advised the public and nine districts with Oregon and Washington. Janet was also an equal opportunity counselor for approximately 18 years.

Janet has been retired for four years and enjoys traveling, camping, bike riding, walking and spending time with her family. She has been married to her husband Forrest for 42 years with two daughters, four grandchildren and one great granddaughter.

"I look forward to serving on the City Council and giving back to the community."

Term Expires: December 31, 2022

Councilor Patricia Jungmann



Bio was unavailable at time of printing.

Term Expires: December 31, 2022

Councilor Gail Merritt



Gail Merritt was born and raised in Portland, Oregon. She graduated from Beaverton High School before attending Oregon State University where she met her future husband, Greg Merritt, an agricultural student from Prineville. Gail moved to Crook County in 1969.

Gail was the bookkeeper and co-owner of several farm operations before retiring from farming and moving into the city limits in 2005. For 30 years, Gail was an instructor at High Desert Dance Arts.

Gail was appointed to the Prineville City Council in 2011. In addition, she serves on the board for the Crook County Foundation as Scholarship Chair and is on the Picnic in the Park Committee. Gail also serves as chairperson for the Crook County Fair Board. She enjoys volunteering at Barnes Butte Elementary School and participating in her grandchildren's activities.

Gail has three daughters, Marilee, Becky and Jennifer, and seven grandchildren

Term Expires: December 31, 2020

Councilor Jeff Papke



Jeff Papke originally moved to Central Oregon from Salem in 1998 and now calls Prineville his home. He is a former high school teacher at Crook County High School.

Jeff worked for the national Future Farmers of America Organization in Indianapolis, Indiana from 2005-2010. He was excited to return home to work for Oregon State University and manage the Crook County Open Campus program. In 2013, Jeff was named the Executive Director of the Cascades East Area Health Education Center (CEAHEC). CEAHEC's mission is to improve healthcare in rural central and south central Oregon through healthcare workforce recruitment and training.

"CEAHC allows me to stay connected to the fastest growing industry in Central Oregon, help provide the educational programs needed to fill the current and coming need for workers, and help sustain and grow the economic vitality of rural Oregon communities," says Jeff.

Jeff is married to Christa and has two daughters.

Term Expires: December 31, 2022



Teresa was raised in Fossil, Oregon, located in Wheeler County, where she graduated from high school in 1989. She grew up on a cattle ranch outside of town and was actively involved in 4H and several sports. She spent just over four years living and working in Oahu, Hawaii, granting her the great opportunity to witness and live in a diverse community and learn about the customs of several different ethnic groups.

Teresa returned to Oregon in 1994, settling in Prineville. Since then she worked in the insurance, banking and trucking industries, in addition to spending several years with the State of Oregon Employment Department. She came to know the residents and business owners of this community very well over the years and understands their struggles and celebrates their successes.

Teresa and her husband own and operate a small business, a single semi-truck based out of Prineville. They have two adult children and ten wonderful grandchildren.

Term Expires: December 31, 2020

Responsibilities to the Community

Seven elected volunteer positions make up the Prineville City Council; one mayor and six councilors. The materials and services budget includes training dollars, membership fees, specific support for council-approved contributions and discretionary spending.

Executive Summary

The City Council and staff serve on several state, regional and local committees and boards, with a partial participating list outlined below. Descriptions in parenthesis indicate who facilitates the committee or the many partners and stakeholders in participation. The various committees meet from monthly to quarterly, or more frequently as needed.

- Prineville Air Quality Committee (City)
- Crooked River Watershed (Environmental)
- Crook County Foundation (Community)
- Central Oregon Cities Organization (Regional)
- Central Oregon Area Commission on Transportation (State-Region)
- Community Contribution Committee (City)
- Economic Development of Central Oregon (EDCO) (Regional)
- Habitat Conservation Plan –Fish Re-Introduction (Regional, state, federal & many stakeholders)
- Finance Committee (City)
- Public Works Committee (City)
- Public Safety Funding Committee (City)
- Railroad Advisory Committee (City)
- Local Intergovernmental Committee (City, county, schools, parks & recreation, chamber of commerce, healthcare services, public safety, EDCO, airport, and more)
- Chamber of Commerce Board
- Downtown Strategic Planning Committee (City)
- Ironhorse / Barnes Butte Development Committee (City)
- Energy Facility Siting Commission (State – Governor appointed)
- Deschutes River Conservancy (Environmental)
- League of Oregon Cities General Governance and Transportation Committee (State)

The City Council is often invited to attend events, fundraisers and organization interests throughout the community and region.

The City Council and Budget Committee also decided to make contributions to other efforts throughout the community. Some of those would include contributing towards the annual fireworks display; the Prineville Senior Center; various afterschool kids programs; the annual downtown cattle drive during the Crooked River Roundup; façade improvement grant programs for businesses in the downtown area; and many more. Often these other efforts are first reviewed by some of the committees listed above. Façade improvement funds and similar projects are scored by the Downtown Strategic Planning Committee, while others might go through the Community Contribution Committee. Both committees make recommendations for the City Council to consider and vote on.

Council Policies

This last year the Council formed a Governance Policy Committee to review council policies that had not been reviewed in over 10 years. The newly formed committee looks at the existing policies, compares them to other existing internal policies and makes recommendations to the full council for consideration. Mayor Steve Uffelmann, Councilor Jason Beebe and Councilor Jeff Papke serve on this committee and met for over a year going through each of the existing policies and eliminated redundant policies that were either repeated within the existing policies or covered by other policies or plans. With the change in technology and increasing popularity for use of social media to push out and receive information in our community, the committee saw the need to add a section to the policy for social media best practices. A workshop on social media was held by our City Council and facilitated by our media outreach consultant. The committee and council reviewed and adopted the draft policies in March 2018. Adoption of the new policies will enable more effective and efficient communication with our citizens and meets almost all of the council goals.

City Council Budget

	Actual		Current		BN 2021		Adopted Total Budget 2019-2021
	2016-2017	2017-2018	Budget 2018-2019	Estimates 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	
Expenditures							
Materials and services	\$ 33,148	\$ 39,062	\$ 45,200	\$ 44,000	\$ 46,000	\$ 46,100	\$ 92,100
Transfers	40,500	41,700	43,000	43,000	44,300	45,700	90,000
Total expenditures	\$ 73,648	\$ 80,762	\$ 88,200	\$ 87,000	\$ 90,300	\$ 91,800	\$ 182,100



Facebook Ground Breaking – September 2018

The mission of the City of Prineville finance team is to provide the taxpayers of the City, its Council and all employees, with accurate, timely data, maximize returns on investments, and minimize loss risk. The department strives to achieve its mission in a professional and friendly manner that reflects the integrity of the overall mission of the City.

FY 19 Accomplishments

- ❖ Moved from an annual budget to a biennial budget
- ❖ Made improvements to department processes, communications and internal controls
- ❖ Received the Distinguished Budget Presentation Award from the GFOA, which included a special recognition for our CIP presentation
- ❖ Awarded the Certificate of Achievement for Excellence in Financial Reporting from the GFOA with the submission of the City's comprehensive annual financial report (CAFR)
- ❖ Received high marks from our creditors regarding the City's management and high credit quality
- ❖ Finance team completed trainings including: payroll certification, accounting classes through COCC and finance officer certification

Initiatives for BN 20 - 21

- ❖ Maintain development and update long-range financial plans for all funds
- ❖ Receive a clean audit from the auditors
- ❖ Work towards getting the performance measure special recognition with the Distinguished Budget Presentation Award from the GFOA
- ❖ Implement capital asset tracking software
- ❖ Meet all reserve policy requirements
- ❖ Implement Executive, an additional upgrade to the payroll module in the financial software



Department Goals	Council Goals
A Work on succession planning, cross training and employee development.	
B Update the internal control manual.	
C Obtain GFOA budget and CAFR awards	

Responsibilities to the Community

The Finance Department serves many different types of customers, internally and externally. It is the central hub for all financial activities within the City's departments. It provides the City's financial accounting and reporting, auditing, budget preparation, long-range planning, cash and investment management, payroll, billings and collection, disbursement processing, risk management oversight, grant coordination, and City Hall reception.



City employees Josh Smith and Shirley Manca at the utility counter

City-wide growth has led to an increase in workload for the Finance Department, which includes work generated by the continued increase in utility customers and the number of projects the City departments are currently engaged in. Over this past year several exciting things have happened. Funding was secured for a new public safety facility and a building was purchased for this purpose. After several years of trying, the Finance Department received special recognition for its capital improvement plan presentation in the FY19 budget. Staff continues to cross train and increase their knowledge through outside sources. Two finance team members took a series of accounting classes through Central Oregon Community College. The city's payroll specialist achieved certification through the American Payroll Association and the accounting manager was recertified through the Oregon Government Finance Officers Association.

Over the next two fiscal years, the Finance Department will be looking forward and staying mindful of potential economic issues. With the adoption of a biennial budget for the first time, extra budget oversight is expected and new processes are currently in development to be put in place for the coming fiscal years. These new processes will necessitate updates to the internal control manual that was created in the prior fiscal year. There will continue to be a concentration on cross training and employee development. Currently, one of the hot topics in government finance is employee retainage and succession planning. The Finance Department is looking to stay ahead of the issue through continued employee development. As operations continue to grow and the demand on the Finance Department increases, the finance team will adapt to the changing environment.

Strategic Planning Updates

- Short-term – With the transition of a fiscal budget to a biennial budget the department should be able to devote quality time towards implementation of the asset management software program, cross training and succession planning, and oversight, policies, and processes for monitoring our biennial budgets.
- Long-term – Maintain the confidence of our community, council, partners, and staff by continually identifying, developing, and advancing fiscal strategies, policies, and practices for public benefit, and improving communication and transparency of these actions through our financial documents and reporting.



Finance Director Liz Schuette

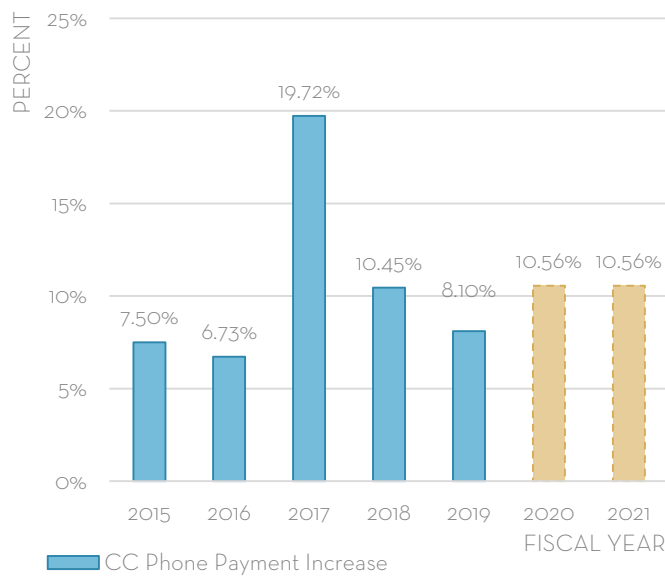
Did You Know?

The City's debt to total assets ratio is roughly 27 percent. This means that only 27 percent of the historical cost of all the city-owned assets are currently leveraged with long-term debt.

Performance Measures

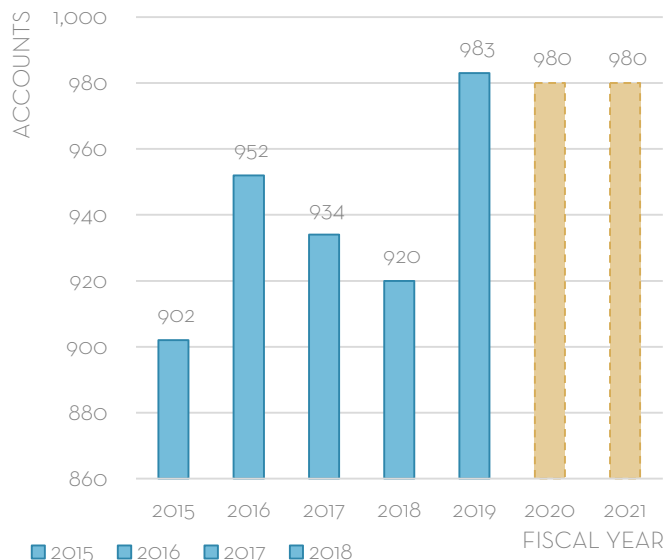
Goal Alignment	Indicator	Performance Measure	Benchmark	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Workload	Input	Number of Online Payments	+15% Increase	8,206	9,009	10,538	12,152	14,014
	Input	Number of Credit Card Phone Payments	+10% Increase	2,526	2,790	3,016	3,334	3,687
	Output	Annual Accounts Payable Checks/ACH Drafts	+5% Increase	5,130	5,301	5,223	5,380	5,541
	Output	Utility Accounts Opened/Closed	N/A	934	920	983	980	980
C	Effectiveness	Consecutive Years Earning GFOA Distinguished Budget Presentation Award	Previous Year +1	11	12	13	14	15
	Effectiveness	Consecutive Years Earning GFOA Certificate of Achievement for Excellence in Financial Reporting	Previous Year +1	2	3	4	5	6

Credit Card Phone Payment Year over Year Change



The Finance Department is the reception for City Hall. All calls are filtered through the Finance Department. Credit card phone payments have been trending up as the customers are slowly moving away from writing checks for payments.

Number of Utility Accounts Opened / Closed



In 2013, the number of utility accounts being opened or closed started trending down. This is largely associated with the amount of foreclosures that were happening at the time due to the economic conditions. Most of these foreclosures have been bought and currently the city is in a housing crunch. Utility account transfers are expected to hold steady over the next biennium.

Finance Budget

	Actual		Current Budget	Estimates	BN 2021		
	2016-2017	2017-2018			2018-2019	2019-2020	2020-2021
Expenditures							
Personnel Services	\$ 433,057	\$ 556,624	\$ 586,400	\$ 629,100	\$ 643,200	\$ 663,500	\$ 1,306,700
Materials and services	249,194	227,483	265,900	215,800	245,500	248,700	494,200
Transfers	34,900	36,000	437,100	237,100	38,200	39,400	77,600
Total expenditures	\$ 717,151	\$ 820,106	\$ 1,289,400	\$ 1,082,000	\$ 926,900	\$ 951,600	\$ 1,878,500
Budgeted positions (FTEs)	6.00	6.00	6.00	6.00	6.00	6.00	



Finance Director Liz Schuette, Finance Assistant III Jordan Anderson and Accounting Manager Lori Hooper

Information Technology

Mission Statement

The mission of the Information Technology Department (IT) is to provide cost-effective technology services – both internally and externally – which meet the needs of a diverse user group while enabling dissemination of information to the general public through the use of varied, present-day technology.

FY 19 Accomplishments

- ❖ Upgraded human resources software to a new system
- ❖ Deployed additional public safety communications site serving the Paulina area
- ❖ Built fiber optic connectivity to the new Crook County Jail and airport extension booster pump station
- ❖ Extended public safety microwave network to the Powell Butte Fire Station
- ❖ Migrated Crook County Fire and Rescue to the public safety telephone system
- ❖ Engineered and awarded contract for 700/800 MHz first responder radio system to be built in BN 20-21
- ❖ Replaced four microwave hops that were nearing end of life and extended microwave network to Crooked River Wetlands

Initiatives for BN 20 - 21

- ❖ Address Windows 7 obsolescence by migrating remaining workstations to Windows 10
- ❖ Develop transition plan to move into new public safety facility
- ❖ Install, test and migrate users to new 700/800 MHz radio system
- ❖ Replace end of life mobile data terminal hardware for Crook County Sheriff's office vehicles
- ❖ Extend microwave network to Paulina communications site and Barnes Butte property



A Provide and support stable technology platform for city operations.



Responsibilities to the Community

As an internal department, the City of Prineville IT Department primarily provides support to other, public facing City departments such as 9-1-1 Dispatch, Police, Public Works, Airport, Golf and Railway. The services provided by the IT Department allow these departments to provide timely, accurate services to the public. Additionally, the IT department manages the City’s web presence – including several public facing websites, social media accounts – administrative telephone system, 9-1-1 phone system and text-to-9-1-1, public meeting audio archive, and online payments website.



IT staff lays the foundations for new lighting and cameras in a nearby park.

Executive Summary

The IT Department provides cost effective technology services to the City of Prineville. The City’s infrastructure has been virtualized, allowing for redundancy, resiliency and continuity of operations, ensuring that the technology platform that supports City business is reliable into the future. The department upgrades software and hardware, manages maintenance of computers and communications devices, installs electronic equipment in vehicles, manages the City’s computer network and websites, and manages the Prineville 911 fixed radio site infrastructure. This department provides support services to other functional departments and city staff so they can perform their daily responsibilities as well as additional projects.

The City IT Department also supports the public safety network throughout Crook County and provides IT services to the police department, sheriff’s office, parole and probation, jail, and fire and rescue. The IT Department also manages mobile data and communications systems across all public safety vehicle fleets, including public works. The department keeps all forms of communication within the City running efficiently, assists in grant writing and meetings, and much more. The IT Department continuously provides excellent support with a can-do attitude and keeps the City of Prineville on the cutting edge of technology.

The City of Prineville IT staff also supports the Crook County Sheriff Department, Crook County Parole and Probation and Crook County Fire and Rescue. During FY 19, the department installed emergency equipment on six new police vehicles, five sheriff’s office vehicles, one marine patrol boat, one fire truck and two ambulances.



A before and after shot example of teardown and install of equipment inside a new PD vehicle by the IT Department in 2018.

Strategic Planning Updates

- Short-term – The department is evaluating a transition to a virtualized desktop environment in the coming years. The proposed budget includes capital outlay for replacement of core network infrastructure that is nearing 10 years old and due for life cycle replacement.
- Long-term – The IT Department follows a long-range strategy to keep technology platforms current. Established budget resources allow for lifecycle hardware replacement of all IT managed assets. Workstations are replaced on a 5-year life cycle, handheld devices on a 3-year lifecycle, and server hardware on a 5 to 7 year cycle. The City maintains software support subscriptions to all production software allowing those platforms to stay up-to-date and ensure timely patches to vulnerabilities.

Capital Outlay

Capital Outlay Overview		
Project	Budgeted Amount FY20	Budgeted Amount FY21
Software	\$ 60,000	-
Technology	\$ 35,000	\$ 20,000
Capital Outlay Total	\$ 95,000	\$ 20,000

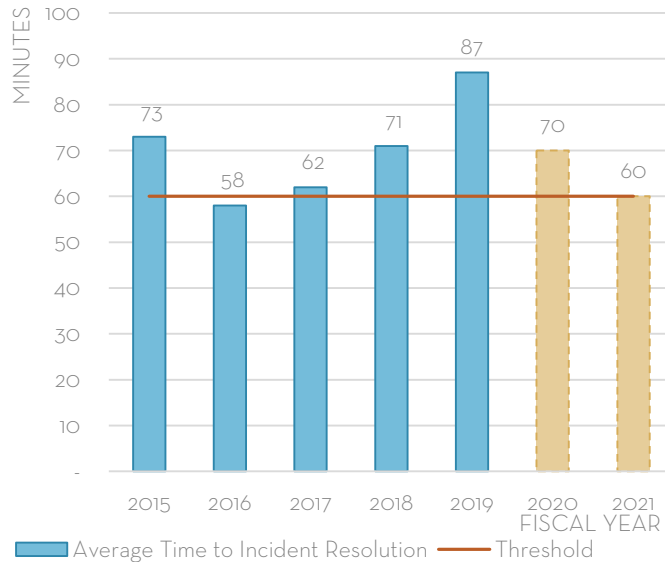
A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 95.

Performance Measures

Goal	Alignment	Indicator	Performance Measure	Benchmark	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Workloads	Output		Network Availability Percentage	N/A	99.99%	99.99%	99.99%	99.99%	99.99%
	Input		Production Incidents	N/A	*NM	*NM	7	5	4
A	Efficiency		FTE Supported per IT Staff Member	30	71.5	50.0	75.0	52.0	55.0
	Efficiency		Average Time to Incident Resolution (Minutes)	< 60	62	71	87	70	60

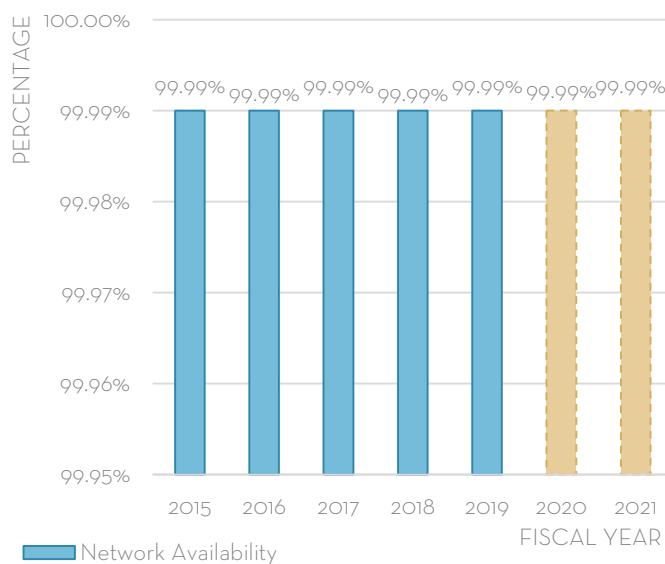
*NM = Not Measured. Measure is new for this year.

Average Time to Incident Resolution



Average time to resolution measure the time, on average, that a support issue takes to resolve, from the time it is reported to the IT Department, until the issue has been cleared. This average is generally a blend of two types of incidents, those that are addressed immediately, and those that are addressed the next business day. Issues are prioritized and addressed by severity. This metric measures all support incidents, including those of high (immediate) and low (next business day) items. It includes all support incidents, including routine items like user account creation, off boarding of employees and scheduled maintenance. It does not include tickets created for project work or new installations.

Network Availability



Network availability is a metric used to track uptime and availability of resources located on the enterprise network. As the City has added levels of redundancy and fault tolerance, this metric has remained consistently high. In BN 20-21, the IT Department will begin monitoring production incidents as a metric for consistent application delivery. This metric will measure both network availability as well as applications server availability and application functionality. This is a more modern method of tracking this performance benchmark.

Information Technology Budget

Expenditures	Actual 2016-2017	Actual 2017-2018	Current Budget 2018-2019	Estimates 2018-2019	BN 2021		Adopted Total Budget 2019-2021
					Adopted Budget 2019-2020	Adopted Budget 2020-2021	
Personnel Services	\$ 260,182	\$ 220,777	\$ 304,700	\$ 285,300	\$ 343,500	\$ 369,500	\$ 713,000
Materials and services	261,314	317,456	357,500	447,800	408,100	406,000	814,100
Capital outlay							
Equipment	39,406	63,314	50,000	50,000	95,000	20,000	115,000
Debt Service					25,000	25,000	50,000
Transfers	13,800	14,200	14,700	15,000	15,200	15,700	30,900
Total expenditures	\$ 574,702	\$ 615,747	\$ 726,900	\$ 798,100	\$ 886,800	\$ 836,200	\$ 1,723,000

Budgeted positions (FTEs)	3.00	2.00	2.00	2.00	3.00	3.00
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In 2019, the IT Department is working with the Crook County Sheriff's Department on installing technology infrastructure and cameras into the new jail, including wiring through conduit built into the foundation.

It is the mission of administration and team services departments of the City of Prineville to provide accurate, transparent information; support elected officials, the community and fellow team members; provide quality, knowledgeable personal service to both internal and external customers, cultivate respectful, collaborative relationships with other agencies, businesses and individuals; and to efficiently, purposefully and responsibly meet current and future needs of the community.







FY 19 Accomplishments

- ❖ Completed a salary survey for all non-represented positions, which included job description updates
- ❖ Streamlined the human resources website to give employees access to job descriptions, salary, the employee handbook, policy and procedures and safety manuals
- ❖ Implemented NeoGov recruitment software, reducing the time to onboard new employees
- ❖ Successfully implemented a citizen volunteer program.
- ❖ Implemented a process for cross-verifying property, equipment and vehicles to ensure adequate coverage becoming a standard process during annual renewal
- ❖ Successfully implemented new methods of tracking safety committee actions to maintain focus, reporting capabilities, accountability, budgeting and achieving annual goals identified by the committee
- ❖ Implemented quarterly community newsletter to increase citizen outreach

Initiatives for BN 20 - 21

- ❖ Replace paper HR forms with fillable online forms used through website
- ❖ Provide hiring managers NeoGov software training to improve the recruiting process
- ❖ Implement an automated onboarding process for full-time new hires
- ❖ Implementing an electronic document management program to free up precious storage space for paper copies, retrieve information quickly and reducing the number of times a document has to be handled
- ❖ Start the five-year safety policy review process
- ❖ Implement sidewalk maintenance policy to reduce exposure to potential liability
- ❖ Implement city-wide Safety Committee survey to help zero in on where more education and engagement is needed
- ❖ Review and update Job Hazard Analysis' (JHAs) sheets



Department Goals	Council Goals
A Follow the ever changing world of employment laws and how the City will adapt policies and procedures to comply with them	
B Assure the City's compensation and benefits structure provides a fair and competitive pay rate and benefits program	
C Encourage continuous leadership/professional development opportunities of valued team members	
D Hire highly qualified employees with appropriate knowledge, skills and abilities, while being vigilant about retention and succession planning	
E Implement and strengthen programs, including the safety committee, in order to reduce exposure to liability and hazards in the fluid and evolving workplace city-wide	
F Carefully watch state unemployment insurance claims and workers' compensation claims, striving to reduce claims and costs associated with them in the process	

Responsibilities to the Community

The City Manager is responsible for the city administration including implementation of City Council policies, long-range plans and goals; enforcement of ordinances and resolutions; supervision over department managers and employees; preparation of the budget; risk management (shared with the city recorder/risk manager); and general management of the City's operations.

The Human Resource Department, along with the city manager, assists department heads and employees in areas of recruitment, classification, compensation, performance evaluation, training, benefits, workers' compensation, labor/employee relations and related human resource functions. The Human Resource Department supports the City's effort to attract, develop, and retain a diverse, productive workforce that is capable of providing quality services to the citizens of Prineville. The department's goal is to ensure that employees are managed fairly, are well-trained, supported, and assigned job duties to accomplish the City's business objectives in a cost-effective, efficient and safe manner.

Responsibilities of the city recorder/risk manager include providing support to city administration and city council, implementation of policies and procedures as it relates to property, casualty and liability claims to minimize potential risks to the city, Safety Committee coordinator, serves as the elections officer for city officials and candidates, coordinates council meeting agendas and supporting documents, oversees all official city documents and records management, and coordinates codification of city ordinances.

Did You Know?

The City of Prineville's Safety Committee has a mission statement. It is:

The City of Prineville holds in high regard the safety, welfare and health of our employees. It is our policy to provide and maintain safe working conditions and to follow operating practices that will safeguard all employees. No job will be considered so important or urgent that we cannot take time to perform or work safely, as safety is crucial to the success of the city.

Executive Summary

Protection of the taxpayers' dollars from unnecessary spending is important. The City endeavors to earn and keep the citizens' trust, by being transparent and keeping the public informed of city projects and accomplishments.

The City has continued to offer employees the option of purchasing air and ground ambulance services as a payroll deduction. This program helps fill the gap between what expenses are for these services and what insurance will pay. The City has a few employees seeking college degrees to further their professional development on their own time. Cross-training is completed as time allows; an area that has been challenging at best.

As of July 1, 2018, state unemployment insurance rate will hold at 0.1 percent. This rate is down from 1.7 percent in 2013. The City continues to keep a watchful eye on claims and every attempt will be made to keep costs down. Employment claims are creeping upward for CIS, even as the Hire to Retire (H2R) program assists pool members with additional training. The workers' compensation premium will be decreasing for BN 20-21. The modification (MOD) rate is expected to decrease to 0.98 from 1.07. A strong partnership exists with the State Accident Insurance Fund (SAIF), an organization that continues to assist the City with its time and energy.

The City continues working with team members to be safety conscious. "Safety first!" is still the City's motto. The Safety Committee is reviewing past and present functions of the committee and identifying areas in need of updating and improvement. Dedicated to bringing the city safety culture to the next level, the Safety Committee possesses the full buy-in of management to do so.

Property, casualty, and liability claim counts for the City are down significantly. Additionally, police and jail (excessive force) claims are keeping liability claims up for CIS, resulting in a significant increase for premiums this year, though the City has not had claims of this nature.

Strategic Planning Updates

- Short-term – Retention of team members. Several team members are at, or close to, retirement age. As the job market becomes more fluid, the City will strive to retain its knowledge base and continue with cross-training procedures.
- Long-term – Remain proactive in identifying and evaluating potential risks to the city, citizens and its employees and adjust accordingly as needed.



City employee holiday party at Meadow Lakes Golf Course – December 2018

Performance Measures

Goal Alignment	Indicator	Performance Measure	Benchmark	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Workloads	Input	Workers' Compensation Claims	N/A	7	7	5	3	5
	Input	Property, Casualty and General Liability Claims	N/A	13	9	10	9	9
	Input	Time Loss Claims	N/A	1	1	1	1	1
	Output	FTE Job Candidates Hired	N/A	12	7	10	5	3
	Output	Annual Safety Training Hours	N/A	*NM	724	804	804	816
	Output	Requests for Public Records Processed	N/A	9	15	11	15	17
	Output	City Policies Updated	N/A	36	6	5	5	5
D	Efficiency	Candidate Applications Reviewed per	≤ Previous Year	1:36	1:36	1:17	1:40	1:31
E	Efficiency	Experience Modification Rate	< 1.0	0.96	0.91	1.07	0.98	0.90
E	Efficiency	Average Cost of Property, Casualty and General Liability Claim Per Annual Claims	-	495	21,119	14,000	15,006	15,006
F	Efficiency	Workers' Compensation Claim Percentage Per Employee	-	0.10	0.10	0.07	0.04	0.07

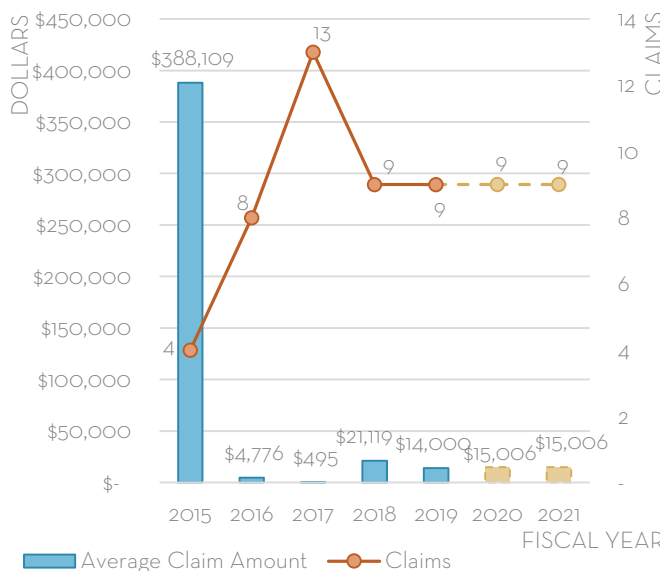
*NM = Not Measured. Measure is new for this year.

Experience Modification Rate



The experience modification rate (MOD) is just one factor that affects the monthly premiums the City pays in workers' compensation. Generally, the lower the rate, the less the City will pay. In the biennium the MOD rate is expected to drop below the national average of 1.0 as the number of claims is expected to hold, if not decrease slightly to the levels last seen in 2016. While it is unlikely that the rate will ever be zero, the City strives to keep the rate below 1.0 through safety workplace education.

Annual Average Property, Casualty and General Liability Claim



Property, casualty and general liability premium costs have been on the rise for the City since 2016, due largely to an increase in the number of claims and the incurred costs associated with them. After a significant claim event in 2015, the City has seen the average annual cost per claim drop significantly back down to levels last seen in 2011, a trend the department estimates will continue into BN 20-21. After two years of low claim numbers in 2013 and 2014, the City has averaged nine claims per year over the last five years, a number the City hopes to maintain, if not decrease.

Administration / Team Services Budget

	Actual 2016-2017	Actual 2017-2018	Current Budget 2018-2019	Estimates 2018-2019	BN 2021		Adopted Total Budget 2019-2021
					Adopted Budget 2019-2020	Adopted Budget 2020-2021	
Expenditures							
Personnel Services	\$ 489,724	\$ 572,303	\$ 442,300	\$ 476,000	\$ 469,400	\$ 477,800	\$ 947,200
Materials and services	203,243	264,314	381,400	287,400	297,100	296,100	593,200
Transfers	33,300	34,300	35,400	35,400	36,500	37,600	74,100
Total expenditures	\$ 726,267	\$ 870,917	\$ 859,100	\$ 798,800	\$ 803,000	\$ 811,500	\$ 1,614,500
Budgeted positions (FTEs)	4.00	4.00	3.00	3.00	3.00	3.00	



City Manager Steve Forrester attends the Facebook groundbreaking event for a new building announced in September 2018.

Public Works Support Services Fund

Mission Statement

The mission of the Public Works Department is to provide the highest quality public works services to the public and other City departments, balanced through efforts to maintain a cost effective operation and to provide these services in a responsible and efficient manner.





FY 19 Accomplishments

- ❖ Continued efforts to increase water and wastewater certifications of existing employees, utilizing opportunities presented to public works staff to attend continuing education courses associated with preparation of certification exams in FY 16
- ❖ Updated the City water and wastewater rate structure
- ❖ Led the design and construction of several very large capital projects in the SDC funds while managing the utility departments

Initiatives for BN 20 - 21

- ❖ Support the SDC funds in the development and construction of large, capacity increasing projects
- ❖ Support the utility departments and other departments within the City of Prineville



Department Goals	Council Goals
A Support projects in the System Development Funds.	
B Provide technical support to the Water Fund by developing a long-term water right management plan	
C Provide technical support to the Transportation Operations Fund via the development of future pavement maintenance activities as well as traffic management plans	
D Manage all city infrastructures in a proactive manner, with consistent delivery and professional oversight of the fund, thereby extending their useful life at the lowest cost possible	

Responsibilities to the Community

The objective of the Public Works Support Services Fund is to provide technical and administrative services in support of the City of Prineville’s Water, Wastewater and Transportation Operations Funds. It is the duty of the department to ensure orderly growth of the City’s infrastructure. A goal of the department is to manage all city infrastructures in a proactive manner, with consistent delivery and professional oversight of the fund, thereby extending their useful life at the lowest cost possible.

The Public Works Support Services Fund is an internal service fund supporting and accounting for the infrastructure-related activities and fleet maintenance operations. All costs associated with these activities are accounted for within this fund and costs are recovered through charges to funds receiving the services.



Heavy machines become snow clearing tools when a large storm calls for all hands on deck in February 2019.

The Public Works Support Services Fund provides technical and administrative services in support of the City of Prineville’s Water, Wastewater and Transportation Operations Funds. As part of this support, vehicle and equipment management, as well as facilities maintenance, are managed under this fund. Revenues for this fund consist of financial transfers from the Water, Wastewater and Transportation Operations Funds to support the actions and services rendered.

Strategic Planning Updates

- Short-term – In the short-term, the goal is to support the SDC funds in the construction of large capital projects.
- Long-term – Strategies for the long-term are to develop and implement secure funding for the City’s public works infrastructure needs to support the build out of the urban growth boundary. A constant eye is to be held on the Public Works Support Services Fund to deliver services at a value and keep rate increases within reasonable levels.

Capital Outlay

Capital Outlay Overview		
Project	Budgeted Amount FY20	Budgeted Amount FY21
Backhoe	-	\$ 120,000
Used Dump Truck	\$ 90,000	-
Pickup	\$ 45,000	\$ 45,000
Capital Outlay Total	\$ 135,000	\$ 165,000

A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 95.

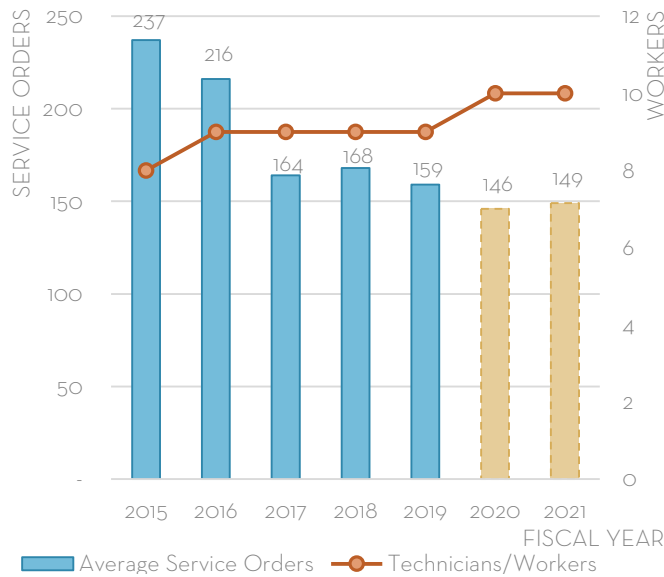


Snow clearing done by the Publics Works crew in January 2017

Performance Measures

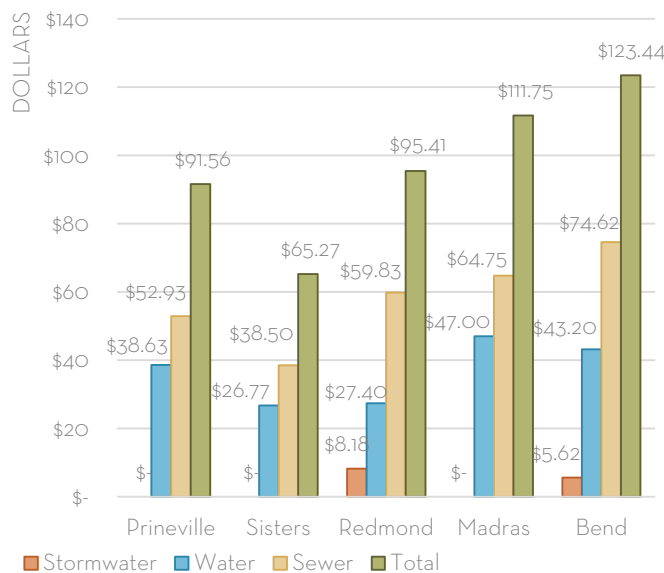
Goal Alignment	Indicator	Performance Measure	Benchmark	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target
Workload	Input	Technicians/Workers	N/A	9	9	9	10	10
	Input	Base Sewer Rate in \$	N/A	\$ 53.73	\$ 55.72	\$ 52.93	\$ 52.93	\$ 52.93
	Input	Base Water Rate in \$	N/A	\$ 18.26	\$ 18.81	\$ 17.87	\$ 18.23	\$ 19.21
	Input	Average Water Bill in \$ (7,500 Gallons Used)	N/A	\$ 38.31	\$ 38.86	\$ 37.92	\$ 38.28	\$ 39.26
	Input	Average Utility Bill in \$ (7,500 Gallons Used)	N/A	\$ 92.04	\$ 94.58	\$ 90.85	\$ 91.21	\$ 92.19
	Output	Utility Service Orders	N/A	1,479	1,513	1,434	1,463	1,492
D	Efficiency	Average Service Orders per Employee	< 175	164	168	159	146	149

Average Service Orders per Worker



Duties of the Public Works Department workers and technicians include supporting the water and wastewater customer base of the City. Requests for service can come from customers regarding service changes, potential service issues, or those related to potential billing disputes. Staff responds to service orders created by the Finance Department, which acts for the first point of contact for City operations and utility billing. Service orders act as a metric to measure the workload versus the number of staff available, while still keeping in mind the various tasks the Public Works employees support in other departments. In the biennium, the average number of service orders is expected to drop slightly with the addition of another utility worker.

Regional Utility Rate Comparison



Prineville attempts to keep utility rates competitive for the region, while still sustaining funding necessary for system upkeep and improvements. The graph compares the Prineville's residential rate (using a metric of 7,500 gallons per month) for 2019-2020 with other communities in the Central Oregon region. Rate information for [Sisters](#), [Redmond](#), [Madras](#) and [Bend](#) can be found at their associated websites.

Public Works Support Services Budget

	Actual		Current Budget	Estimates	BN 2021		Adopted Total Budget
	2016-2017	2017-2018			2019-2020	2020-2021	
Resources							
Beginning fund balance	\$ 323,665	\$ 302,675	\$ 274,875	\$ 267,033	\$ 174,933	\$ 278,233	\$ 174,933
Current year resources							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 117,000	\$ 119,000	\$ 236,000
Charges for services	1,565,108	1,690,800	1,828,300	1,828,300	1,999,000	2,001,500	4,000,500
Interest	2,500	3,420	3,000	3,000	3,500	3,500	7,000
Miscellaneous	30,854	7,294	34,500	24,500	18,000	18,000	36,000
Debt Proceeds	-	-	-	-	-	-	-
Total current year resources	\$ 1,598,462	\$ 1,701,514	\$ 1,865,800	\$ 1,855,800	\$ 2,137,500	\$ 2,142,000	\$ 4,279,500
Total resources	\$ 1,922,127	\$ 2,004,189	\$ 2,140,675	\$ 2,122,833	\$ 2,312,433	\$ 2,420,233	\$ 4,454,433
Expenditures							
Public Works Support Services	\$ 1,312,221	\$ 1,396,354	\$ 1,544,900	\$ 1,599,400	\$ 1,721,100	\$ 1,805,900	\$ 3,527,000
Public Works Fleet & Vehicles	307,231	340,803	345,500	348,500	313,100	323,500	636,600
Public Works Facilities	-	-	-	-	-	-	-
Contingency	-	-	250,275	-	278,233	290,833	290,833
Total expenditures	\$ 1,619,453	\$ 1,737,157	\$ 2,140,675	\$ 1,947,900	\$ 2,312,433	\$ 2,420,233	\$ 4,454,433
Ending fund balance	\$ 302,675	\$ 267,033	\$ -	\$ 174,933	\$ -	\$ -	\$ -
Budgeted positions (FTEs)	12.00	12.00	13.00	13.00	14.00	14.00	
Policy 15% Operating budget							286,740



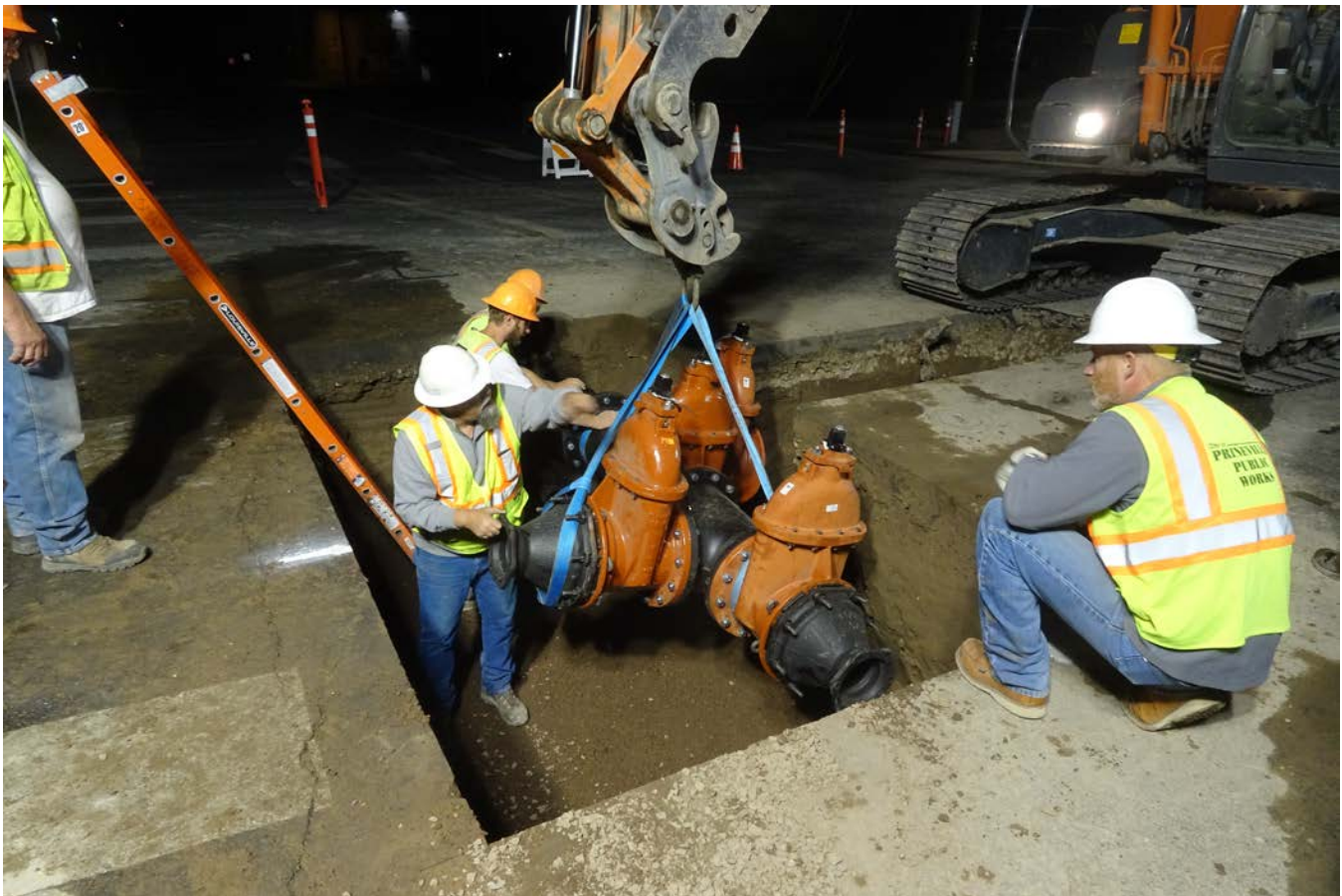
Crook County Commissioner Brian Barney, City Engineer/Public Works Director Eric Klann and City Manager Steve Forrester at the ACEC awards in Washington D.C.

Public Work Support Services Budget

	Actual		Current		BN 2021		
	2016-2017	2017-2018	Budget 2018-2019	Estimates 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Adopted Total Budget 2019-2021
Expenditures							
Personnel Services	\$ 1,227,470	\$ 1,310,097	\$ 1,452,800	\$ 1,506,300	\$ 1,625,500	\$ 1,710,300	\$ 3,335,800
Materials and services	37,151	37,356	41,800	42,800	42,800	42,800	85,600
Transfers	47,600	48,900	50,300	50,300	52,800	52,800	105,600
Total expenditures	\$ 1,312,221	\$ 1,396,354	\$ 1,544,900	\$ 1,599,400	\$ 1,721,100	\$ 1,805,900	\$ 3,527,000

Fleet Maintenance and Operations Budget

	Actual		Current		BN 2021		
	2016-2017	2017-2018	Budget 2018-2019	Estimates 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Adopted Total Budget 2019-2021
Expenditures							
Material and services	\$ 132,332	\$ 127,715	\$ 131,000	\$ 131,000	\$ 143,500	\$ 158,500	\$ 302,000
Capital outlay	138,243	179,630	180,000	183,000	135,000	165,000	300,000
Debt service					-	-	
Capital lease - Sweeper 2016	36,656	33,458	34,500	34,500	34,600	-	34,600
Total expenditures	\$ 307,231	\$ 340,803	\$ 345,500	\$ 348,500	\$ 313,100	\$ 323,500	\$ 636,600



Public Works staff works into the night to install new parts of the water line extension for the Crook County Jail in September 2017.

Building Facilities / Property Fund

Responsibilities to the Community

The purpose of the Building Facilities Fund is to account for the use, maintenance, and improvements of all governmental buildings and facilities in the City of Prineville. The facilities are managed to recover full costs, including replacement costs through transfers from related funds. Operating expenses, debt service and replacement funds are accounted for within this fund.

Prineville City Hall is utilized by a variety of departments including the Prineville City Council and the Administration, Team Services, Finance, Information Technology, and Planning Departments.

The police facility budget pays for the utilities and maintenance of the building used by the Prineville Police Department and the 911 Emergency Dispatch Center. The City is currently looking at options to relocate the dispatch center, which would greatly diminish the need for critical improvements. This would allow the City to make fiscally responsible improvements to the building, and continue to use the city-owned property for police operations. The FY 19 budget includes debt proceeds for upgrades to the building.

In 2016 Resolution No. 1302 was passed regarding the City's role in administering and managing a Community Development Block Grant for rehabilitation of the senior center. The project got on its way at the tail end of FY18 and is currently finishing up the design phase. The CDBG – Senior Center Department accounts for this project.

The City of Prineville Public Works Facility is located at 1233 NW Lamonta Road. This central facility supports the Water, Wastewater and Transportation Operations Departments. The 4.2-acre site is home to the public works office, breakroom, shop and various sheds that house the public works fleet. Aggregate, cinders and traffic control devices are stored here, which allow the public works team to quickly respond whenever issues arise.

The Barnes Butte property was purchased in 2016 and is 460 acres of open space within the eastern bounds of the city limits. This land is located adjacent to several high-density neighborhoods and the new 700-student Barnes Butte Elementary School.



Capital Outlay Overview

Project	Budgeted Amount FY20	Budgeted Amount FY21
City Hall	\$ 15,000	-
Police Facility	\$ 1,250,000	\$ 1,250,000
CDBG – Senior Center	\$ 728,300	-
Barnes Butte	\$ 137,000	\$ 50,000
Capital Outlay Total	\$ 2,130,300	\$ 1,300,000

A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 95.

Building Facilities / Property Fund Budget

Resources	Actual 2016-2017	Actual 2017-2018	Current Budget 2018-2019	Estimates 2018-2019	BN 2021		Adopted Total Budget 2019-2021
					Adopted Budget 2019-2020	Adopted Budget 2020-2021	
Beginning fund balance	\$ 177,067	\$ 249,058	\$ 209,358	\$ 245,508	\$ 2,871,408	\$ 1,625,808	\$ 2,871,408
Current year resources							
Rent and royalties	\$ 192,900	\$ 198,700	\$ 204,900	\$ 204,900	\$ 211,100	\$ 226,900	\$ 438,000
Intergovernmental		-	40,000	292,300	768,300	-	768,300
Interest	1,878	3,119	2,500	70,000	45,000	25,000	70,000
Miscellaneous	14,342	15,759	6,500	13,000	5,000	5,000	10,000
Transfers	166,300	177,600	930,300	890,500	634,200	577,100	1,211,300
Debt Proceeds		1,208,000	4,000,000	4,000,000	-	-	-
Total current year resources	\$ 375,420	\$ 1,603,178	\$ 5,184,200	\$ 5,470,700	\$ 1,663,600	\$ 834,000	\$ 2,497,600
Total resources	\$ 552,487	\$ 1,852,236	\$ 5,393,558	\$ 5,716,208	\$ 4,535,008	\$ 2,459,808	\$ 5,369,008
Expenditures	Actual 2016-2017	Actual 2017-2018	Current Budget 2018-2019	Estimates 2018-2019	Adopted Budget 2019-2020	Adopted Budget 2020-2021	Adopted Total Budget 2019-2021
City Hall Facilities	\$ 201,151	\$ 1,488,273	\$ 213,900	\$ 203,100	\$ 256,000	\$ 256,300	\$ 512,300
Police Facilities	67,986	77,772	4,408,900	2,254,100	1,690,900	1,695,300	3,386,200
Public Works Facilities	34,292	40,683	39,500	39,500	42,000	43,000	85,000
Barnes Butte Property	-	-	271,300	104,300	192,000	105,000	297,000
Senior Center	-	-	-	243,800	728,300	-	728,300
Contingency			347,058	-	1,412,908	122,308	122,308
Total expenditures	\$ 303,429	\$ 1,606,728	\$ 5,280,658	\$ 2,844,800	\$ 4,322,108	\$ 2,221,908	\$ 5,131,108
Other requirements							
Debt Reserve City Hall Facilities	\$ -	\$ -	\$ 112,900	\$ -	\$ 112,900	\$ 112,900	\$ 112,900
Debt Reserve Police Facility					100,000	125,000	125,000
Debt Reserve Barnes Butte Property					-	-	-
Ending fund balance	\$ 249,058	\$ 245,508	\$ -	\$ 2,871,408	\$ -	\$ -	\$ -
Policy 15% Operating budget							119,190
Debt service reserves							237,900
Total Policy							357,090



The red brick exterior of Prineville's city hall building stands out when seen from across NE 3rd Street.

City Hall Facilities

	Actual 2016-2017	Actual 2017-2018	Current Budget 2018-2019	Estimates 2018-2019	BN 2021		
					Adopted Budget 2019-2020	Adopted Budget 2020-2021	Adopted Total Budget 2019-2021
Expenditures							
Materials and services	\$ 87,264	\$ 84,379	\$ 91,000	\$ 86,000	\$ 111,000	\$ 139,000	\$ 250,000
Debt service							
Capital Outlay					15,000	-	15,000
Principal							
USDA - 2017	45,651	1,349,346	67,000	67,000	82,000	84,000	166,000
Interest							
USDA - 2017	58,236	44,548	45,900	45,900	30,500	28,300	58,800
Transfers	10,000	10,000	10,000	4,200	17,500	5,000	22,500
Total expenditures	\$ 201,151	\$ 1,488,273	\$ 213,900	\$ 203,100	\$ 256,000	\$ 256,300	\$ 512,300



Prineville City Hall lobby – May 2019



The Police Department and Dispatch Center will move out of its current location at 400 NE 3rd St. in 2019.

Police Facilities Budget

	Actual 2016-2017	Actual 2017-2018	Current Budget 2018-2019	Estimates 2018-2019	BN 2021		Adopted Total Budget 2019-2021
					Adopted Budget 2019-2020	Adopted Budget 2020-2021	
Expenditures							
Material and services	\$ 67,986	\$ 77,772	\$ 72,900	\$ 78,100	\$ 108,000	\$ 109,200	\$ 217,200
Capital outlay	-	-	4,000,000	1,840,000	1,250,000	1,250,000	2,500,000
Debt service							
Principal							
Commerce Bank - 2018			260,000	260,000	215,000	225,000	440,000
Interest							
Commerce Bank - 2018			76,000	76,000	117,900	111,100	229,000
Total expenditures	\$ 67,986	\$ 77,772	\$ 4,408,900	\$ 2,254,100	\$ 1,690,900	\$ 1,695,300	\$ 3,386,200



The recently purchased building for the police department and emergency dispatch sits at the top of NE Elm St.

The City was able to purchase a pre-existing two-story building for future housing of the Police Department and Dispatch Center. Both departments are scheduled to move into 1251 NE Elm St. in 2019 (pictured above).

Public Work Facilities

	Actual 2016-2017	Actual 2017-2018	Current Budget 2018-2019	Estimates 2018-2019	BN 2021		
					Adopted Budget 2019-2020	Adopted Budget 2020-2021	Adopted Total Budget 2019-2021
Expenditures							
Material and services	\$ 34,292	\$ 40,683	\$ 39,500	\$ 39,500	\$ 42,000	\$ 43,000	\$ 85,000
Capital outlay	-	-					
Total expenditures	\$ 34,292	\$ 40,683	\$ 39,500	\$ 39,500	\$ 42,000	\$ 43,000	\$ 85,000



After a heavy snow build up at the Public Works offices in January 2017, sunlight broke to begin winter melt off.

Barnes Butte Property

	Actual 2016-2017	Actual 2017-2018	Current Budget 2018-2019	Estimates 2018-2019	BN 2021		
					Adopted Budget 2019-2020	Adopted Budget 2020-2021	Adopted Total Budget 2019-2021
Expenditures							
Material and services		\$ -	\$ 6,300	\$ 6,300	\$ 6,300	\$ 6,300	\$ 12,600
Capital outlay		-	115,000	48,000	137,000	50,000	187,000
Debt Service							
Principal							
BOTC - 2017			128,700	28,700	27,400	27,400	\$ 54,800
Interest							
BOTC - 2017			21,300	21,300	21,300	21,300	\$ 42,600
Total expenditures		\$ -	\$ 271,300	\$ 104,300	\$ 192,000	\$ 105,000	\$ 297,000



A view over the Barnes Butte Recreation Area – September 2017

Plaza Maintenance Fund

Responsibilities to the Community

The purpose of the Plaza Maintenance Fund is to account for the maintenance of the plaza joining the Prineville City Hall and the Crook County Annex building. Crook County and the City maintain the plaza in a joint effort. Starting in 2005, the County held the responsibility for accounting for the maintenance of the plaza per a City and County intergovernmental agreement. After a revision occurred in the agreement, the City assumed the accounting responsibility for maintenance of the plaza starting in FY 13. Revenues are generated through a transfer from the City, with matching monies from the County. Expenditures are for maintaining the landscaping, sidewalks and lighting.



Plaza Maintenance Budget

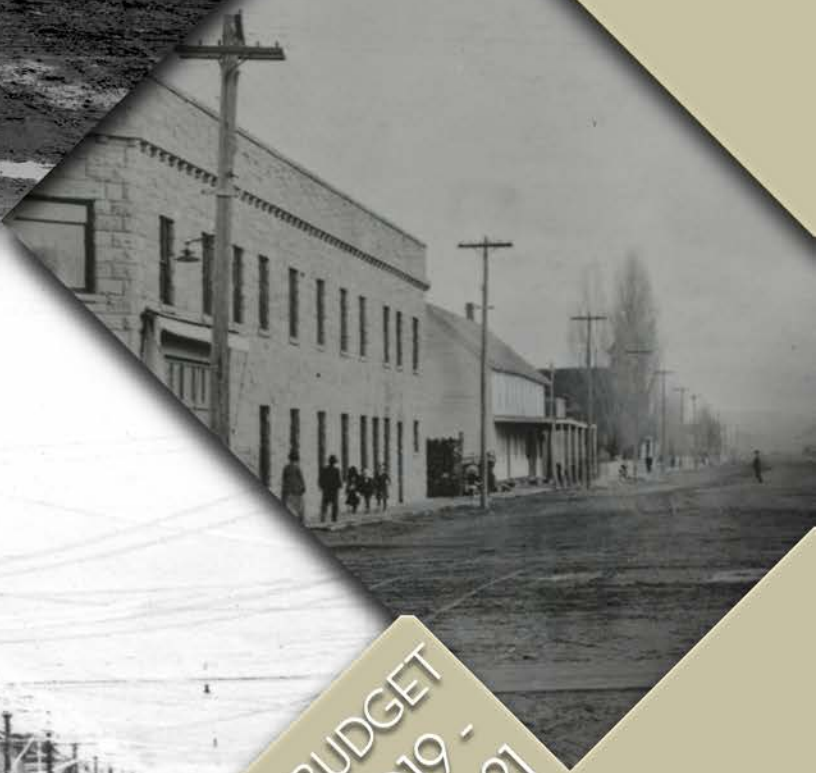
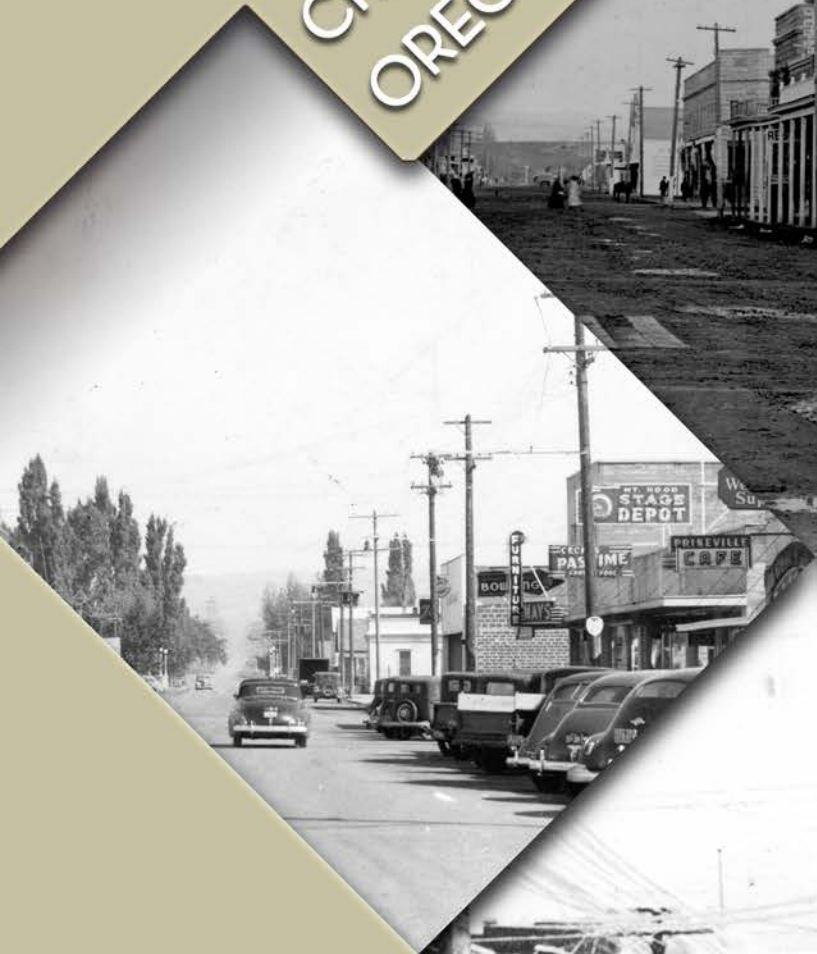
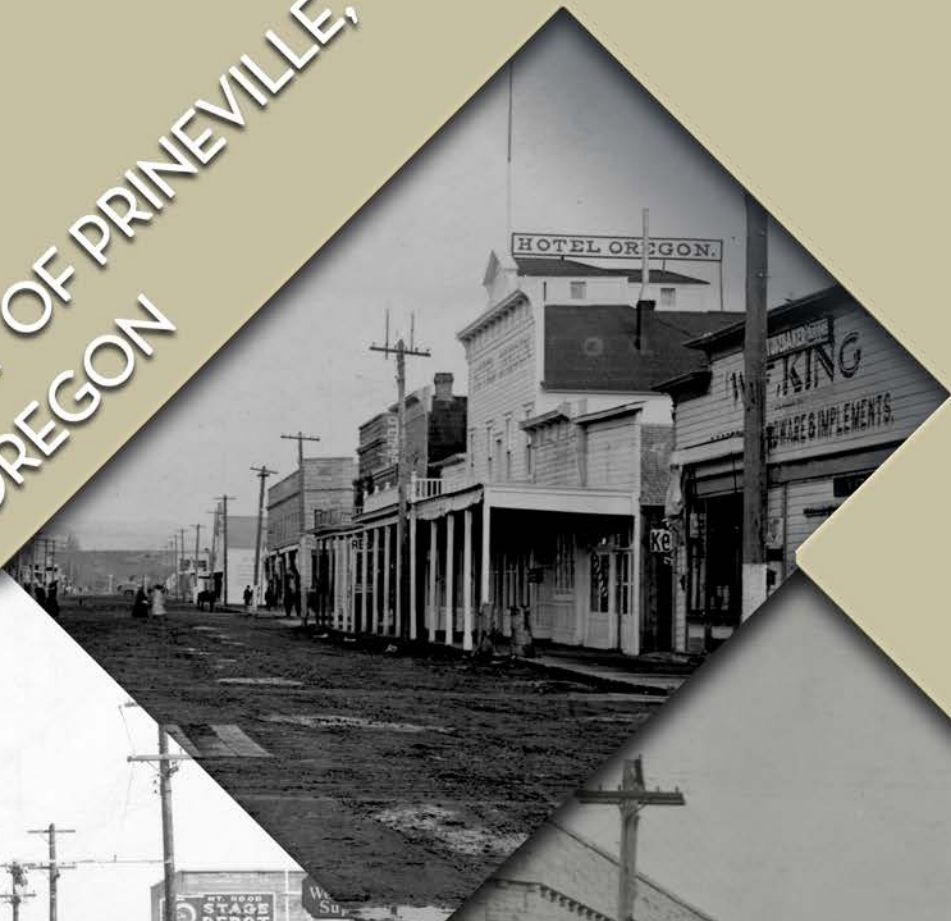
	Actual 2016-2017	Actual 2017-2018	Current Budget 2018-2019	Estimates 2018-2019	BN 2021		Adopted Total Budget 2019-2021
					Adopted Budget 2019-2020	Adopted Budget 2020-2021	
Resources	\$ 29,052	\$ 28,705	\$ 39,905	\$ 41,518	\$ 36,318	\$ 41,318	\$ 36,318
Current year resources							
Intergovernmental	\$ -	\$ 20,000	\$ 10,000	\$ 4,200	\$ 17,500	\$ 5,000	\$ 22,500
Miscellaneous	-	-	-	900	-	-	-
Interest	191	357	400	1,000	1,000	1,000	2,000
Transfers	10,000	10,000	10,000	4,200	17,500	5,000	22,500
Total current year resources	\$ 10,191	\$ 30,357	\$ 20,400	\$ 10,300	\$ 36,000	\$ 11,000	\$ 47,000
Total resources	\$ 39,243	\$ 59,062	\$ 60,305	\$ 51,818	\$ 72,318	\$ 52,318	\$ 83,318
Expenditures							
Materials and services	\$ 6,838	\$ 13,844	\$ 14,000	\$ 11,800	\$ 29,000	\$ 14,000	\$ 43,000
Transfers	3,700	3,700	3,700	3,700	2,000	2,000	4,000
Contingency			42,605	-	41,318	36,318	36,318
Total expenditures	\$ 10,538	\$ 17,544	\$ 60,305	\$ 15,500	\$ 72,318	\$ 52,318	\$ 83,318
Ending fund balance	\$ 28,705	\$ 41,518		\$ 36,318		\$ -	\$ -

Policy 15% Operating budget **\$ 2,100**



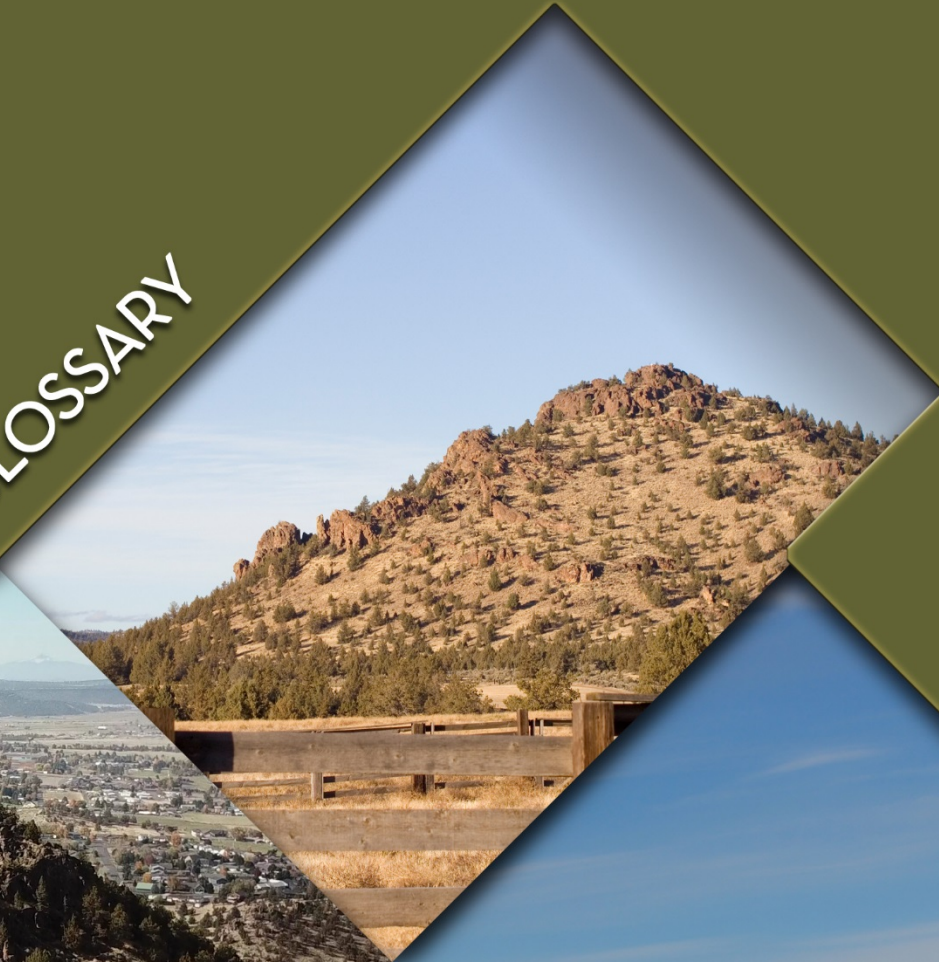
The plaza as seen at night after the IT Department completed a LED light retrofit of the existing poles in 2018.

CITY OF PRINEVILLE,
OREGON



ADOPTED BIENNIAL BUDGET
JULY 1, 2019 -
JUNE 30, 2021

GLOSSARY



ADOPTED BIENNIAL BUDGET
JULY 1, 2019 -
JUNE 30, 2021

Glossary of Terms

Accrual

Adjustments to revenues that have been earned but are not yet recorded in the accounts, and to expenses that have been incurred but are not yet recorded in the accounts. Accruals need to be added via adjusting entries so that the financial statements report these amounts.

Actual

Actual, as used in the fund summaries, revenue summaries, and department and division summaries within the budget document, represents the actual costs results of operations. This category is presented on a budgetary basis, and thus excludes depreciation and amortization and includes principal payments on debt.

Ad Valorem Tax

A tax based on the assessed value of a property.

Adopted Budget

Adopted, as used in the fund summaries and department and division summaries within the budget document, represents the final budget approved by city council. Adopted budget becomes effective July 1. Subsequent to adoption; council may make changes throughout the year.

Amortization

The process of paying off debt through a series of fixed payments over time.

Approved Budget

Approved, as used in the fund summaries, revenue summaries, represents the proposed budget with changes made by the budget committee, if any.

Appropriations

Legal authorization granted by the City Council to spend public funds. Appropriations within each program may not be exceeded.

Assessed Valuation

The value set on taxable property as a basis for levying property taxes. A tax initiative passed in 1997 that reduced AV below real market value and set a three percent maximum annual growth rate in the AV, exclusive of certain improvements.

Assets

Resources having a monetary value and that are owned or held by an entity.

Audit

A report prepared by an external auditor. As a rule the audit shall contain a statement of the scope of the audit, explanatory comments concerning exceptions of the auditor as to the applicant on generally accepted auditing standards, explanatory comments concerning verification procedures, financial statements and schedules, and sometime statistical tables, supplemental comments and recommendations.

Balanced Budget

A budget where total resources, including beginning resources, current resources and debt proceeds, equal total requirements, including current year expenditures, capital outlay, transfers, debt service, and any other requirements such as debt service reserves.

Base Budget

Cost of continuing the existing levels of service in the current budget year. Base budget is also referred to as a status quo budget.

Beginning Balance

The beginning balance is the residual non-restricted funds brought forward from the previous financial year (ending balance).

Bond or Bond Issue

Bonds are debt instruments that require repayment of a specified principal amount on a certain date (maturity date), together with interest at a stated rate or according to a formula for determining the interest rate.

Bond Funds

Established to account for bond proceeds to be used only for approved bond projects.

Budget

A budget is a plan of financial operation embodying an estimate of proposed expenditures and the means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. In practice, the term budget is used in two ways. Sometimes it designates the financial plan presented

for adoption and other times it designates the plan finally approved. It is usually necessary to specify whether the budget under consideration is preliminary and tentative, or whether the appropriating body has approved it.

Budget Calendar

A schedule of key dates followed by a government in the preparation and adoption of the budget.

Budget Committee

A group comprised of the elected officials plus an equal number of concerned citizens for the purpose of reviewing the proposed budget and recommending changes leading to an approved budget.

Budget Document

A written report that shows a government's comprehensive financial plan for a specified period, usually one year, that includes both the capital and the operating budgets.

Budget Message

Written explanation of the budget and the City's financial priorities for the next fiscal year; prepared by the city manager.

Budgetary Basis

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP), with the exception that neither depreciation nor amortization are budgeted for proprietary funds, and bond principal in the enterprise funds is subject to appropriation.

Capital Budget

The City's budget for projects, major repairs, improvements and additions to the City's fixed assets (streets, sidewalks, roads, sewers, storm water, parks, and buildings).

Capital Expenditures

The City defines a capital expenditure as using the following three criteria: (1) relatively high monetary value (equal or greater than \$10,000), (2) long asset life (equal to or greater than five years useful life), and (3) results in the creation of a fixed asset, or the revitalization of a fixed asset.

Capital Improvement

A term defined in the ORS 310.410 (10) to include land, structures, facilities, machinery, equipment, or

furnishings having a useful life of longer than one year.

Capital Improvement Project

Any project having assets of significant value and having a useful life of five years or more. Capital projects include the purchase of land, design, engineering and construction of buildings, and infrastructure items such as parks, streets, bridges, drainage, street lighting, water and sewer systems and master planning.

Capital Outlay

Includes the purchase of land, the purchase and/or construction of buildings, structures and facilities of all types, in addition to machinery and equipment. It includes expenditures that result in the acquisition or addition of a fixed asset or increase the capacity, efficiency, span of life, or economy of operating an existing fixed asset. For an item to qualify as a capital outlay expenditure it must meet all of the following requirements: (1) have an estimated useful life of more than one year; (2) typically have a unit cost of \$10,000 or more; and (3) be a betterment or improvement. Replacement of a capital item is classified as capital outlay under the same code as the original purchase. Replacement or repair parts are classified under materials and services.

Capital Projects

Major repairs, improvements or additions to the City's fixed assets (streets, sidewalks, roads, sewers, storm water, parks, and buildings).

Cash Management

Management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest income. Cash management refers to the activities of forecasting inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the highest return available for temporary cash balances.

Charges for Service

Includes a wide variety of fees charged for services provided to the public and other agencies.

Comprehensive Annual Financial Report

The annual audited results of the City's financial position and activity.

Comprehensive Plan

An official statement of the goals, objectives and physical plan for the development of the city. Contains a narrative of goals, objectives and policies that describe the desired form, nature and rate of city development.

Consumer Price Index

A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

Contingency

A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted. Contingency may be appropriated for a specific purpose by city council upon the approval of a resolution. The City separates contingencies into those that are designated for specific purposes and undesignated. (Also see Designated Contingency and Unappropriated Ending Fund Balance)

Cost Center

An organizational budget/operating unit within each city division or department.

Debt Service

Interest and principal on outstanding bonds due and payable during the fiscal year.

Debt Service Fund

A fund established to account for the accumulation of resources and for the payment of general long-term debt principle and interest that are not services by the Enterprise funds. It does not include contractual obligations accounted for in the individual funds.

Department

Led by a general manager, this combination of divisions of the City share specific and unique sets of goals and objectives (i.e., Police, Fire, Financial Services, Water Resources, etc.).

Division

A functional unit within a department consisting of one or more cost centers engaged in activities supporting the unit's mission and objectives.

Depreciation

Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of physical elements, inadequacy, or obsolescence.

Designated Contingency

Amounts set aside for anticipated non-recurring cash flow needs. This includes items such as moving and remodeling, major building repairs, emergency management, and capital project or equipment purchases.

Elderly and Disabled

Provides funding for transportation alternatives for seniors and persons with disabilities. This includes taxi and bus services for employment, medical, shopping, and other necessary trips.

Employee Benefits

Contributions made by a government to meet commitments or obligations for employee-related expenses. Included is this is the government's share of costs for social security and the various pension, medical and life insurance plans.

Encumbrance

Amount of money committed and set aside, but not yet expended, for the purchases of specific goods or services.

Ending Balance

The residual, non-restricted funds that are spendable or available for appropriation at the end of the fiscal year.

Enterprise Funds

Established to account for operations, including debt service that are financed and operated similarly to private businesses – where the intent is the service is self-sufficient, with all costs supported predominantly by user charges.

Estimated Actual

A projection of the revenue or expenditure, as appropriate, to be recognized during the current fiscal period.

Expenditures

Represents decreases in net financial resources. They include current operating expenses, which require the current or future use of net current assets, debt services, and capital outlays.

Fees

Charges for specific services levied by local government in connection with providing a service, permitting an activity, or imposing a fine or penalty.

Fiscal Management

A government’s directive with respect to revenues, spending, reserves and debt management as these relate to governmental services, programs and capital investment. Financial policy provides an agreed upon set of principles for the planning and programming of governmental budgets and its funding.

Fiscal Year

A 12-month period designated as the operating year for accounting and budgeting purposes in an organization. The City of Prineville’s fiscal year is July 1 through June 30.

Five-year Financial Plan

An estimation of revenues and expenses required by the City to operate for the next five-year period.

Fixed Assets

Property, plant and equipment which includes vehicles, furniture and fixtures, computer hardware and software with a cost basis in excess of \$10,000.

Franchise Fee

Charged to all utilities operating within the City and is a reimbursement to the general fund for the utility’s use of City streets and right of ways.

Full-time Equivalent

A calculation used to convert part-time hours to equivalent full-time positions. Full-time employee salaries are based on 2,080 hours per year. The full-time equivalent of a part-time employee is calculated by dividing the number of hours budgeted by 2,080.

Fund

A fiscal and accounting entity with a self-balancing set of accounts. Records cash and other financial resources together with all related liabilities and residual equities, or balances and changes therein. These are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Balance

The balance of net financial resources that is spendable or available for appropriation.

General Fund

This is the primary operating fund of the City. It exists to account for the resources devoted to finance the services traditionally associated with local government.

General Long-term Debt

Represents any un-matured debt not considered to be a fund liability. General Obligation (GO) bonds are secured by the full faith and credit of the issuer. GO bonds issued by local units of government are secured by a pledge of the issuer’s property taxing power (secondary portion). Usually this is issued to pay for general capital improvements such as parks and City facilities.

Goal

The result or achievement toward which effort is directed; aim; end.

Grant

A contribution that is made by one government unit to another. The contribution is usually made to aid in the support of a specified function (i.e., library, transit, or capital projects).

Governmental Fund

Functions that are typical of government are accounted for in governmental funds. An example of this would include police or emergency dispatch.

Infrastructure

Public domain fixed assets such as roads, bridges, streets, sidewalks, and similar assets that are immovable.

Indirect Charges

In support of an operating program, these administrative costs that are incurred in the General Fund or Planning Fund. These charges are budgeted as interfund transfers.

Indirect Cost Allocation

Funding transferred to the General Fund and Planning Fund from other funds for specific administrative functions, which benefit those funds.

Interfund Transfers

Appropriation category used in the City’s budget resolution which includes amounts distributed from one fund to pay for services provided by another fund. Transfers from the other funds appear as non-departmental expenditures called “Interfund Transfers”.

Intergovernmental Revenues

Levied by one government, but shared on a predetermined basis with another government or class of governments.

Job Access/Reverse Commute

Grant funds available to help with operating costs of equipment, facilities, and associated expenses related to providing access to jobs.

Levy

Gross amount of property taxes imposed on taxable property. The net amount received by a government will be less than the gross levy as a result of delinquent or uncollectible payments or early payment discounts. Budgets are developed on the basis of the projected amount of property taxes receivable.

Line Item Budget

The traditional form of budget, where proposed appropriations are based on individual objects of expense within a department or program.

Local Budget Law

Oregon Revised Statutes (ORS) dictates local budgeting practices. ORS Chapter 294 contains Local Budget Law provisions.

Local Improvement District

Consists of property owners desiring improvements to their property. Bonds are issued to finance these improvements, which are repaid by assessments on their property. Local Improvement District debt is paid for by a compulsory levy (special assessment) made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Local Option Levy

Under Measure 50, local governments and special districts were given the ability to ask voters for temporary authority to increase taxes through approval of a local option levy. The maximum length of time for a local option levy is 10 years, depending on the purpose of the levy. A local option levy must be approved by a majority of voters at a general election or an election with a 50 percent voter turnout.

Major Fund

Funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds.

Materials and Services

Expendable items purchased for delivery and city services. This classification includes supplies, repair and replacement parts, small tools, and maintenance and repair materials that are not of a capital nature.

Measure 5

In November 1990, State of Oregon voters passed a constitutional limit on property taxes. The new law sets a maximum \$10 tax rate on individual properties for the aggregate of all non-school taxing jurisdictions. Schools' maximum rate is limited to \$15 in FY 1991-92 with a phased in reduction to \$5 in FY 1995-96.

Measure 50

A 1997 voter approved initiative which rolled back assessed values to 90 percent of their levels in fiscal year FY 1995-96 and limits future annual increases to three percent, except for major improvements. Tax rates are now fixed and not subject to change. Voters may approve local initiatives above the fixed rates provided a majority approves at either (1) a general election in an even numbered year; or (2) at any other election in which at least 50 percent of registered voters cast a ballot.

Mission

Defines the primary purpose of the City and is intended to guide all organizational decisions, policies and activities (internal and external) on a daily basis.

Non-operating Budget

Part of the budget composed of the following items: Interfund transfers, reserves, contingencies, capital projects, and debt service payments.

Objective

A target to be accomplished in specific, well-defined and measurable terms, and that is achievable within a specific time frame.

Operating Budget

The plan for current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled.

Operating Revenue

Funding received by the government as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Ordinance

A formal legislative decree enacted by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or a constitutional provision, it has the full force and effect of the law within the boundaries of the municipality to which it applies.

Outstanding Debt

The balance due at any given time which resulted from the borrowing of money or from the purchase of goods and services.

Performance Measure

Data collected to determine how effective or efficient a program is in achieving its objectives.

Permanent Tax Rate

Under Measure 50, each school district, local government, and special district was assigned a permanent tax rate limit in fiscal year 1998. This permanent rate applies to property taxes for operations.

Personnel Services

The salaries and wages paid to employees, in addition to the City's contribution for fringe benefits such as retirement, social security, and health and workers' compensation insurance.

Property Tax

Based according to assessed value of property and is used as the source of monies to pay general obligation debt and to support the General Fund.

Project Manager

An individual that is responsible for budgeting for a project and managing project to its completion.

Proposed Budget

A financial document that combines operating, non-operating and resource estimates prepared by the city manager, which is submitted to the public and the budget committee for review and approval.

Resolution

A special or temporary order of a legislative body requiring city council action.

Resources

Total of revenues, interfund transfers in and beginning fund balance.

Retained Earnings

An equity account that reflects the accumulated earning of an enterprise or internal service fund.

Revenue

Funds received by the City from either tax or non-tax sources.

Revenue Bonds

Bonds payable from a specific source of revenue, which does not pledge the taxing authority of the issuer. Pledged revenues may be derived from operation of the financed project, grants, excise, or other specified non-property tax.

Special Assessment

A compulsory levy made against certain properties to defray part of the cost of a capital improvement or service deemed to be beneficial primarily to those properties. (Also see Local Improvement District)

Special Assessment Bond

A bond issue payable from the payments on special assessments imposed against properties that have been specially benefited by the construction of public improvements such as sidewalks, roads, or sewer systems.

Special Revenue Funds

A fund established to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Supplemental Budget

Appropriations established to meet needs not anticipated at the time the budget was originally adopted. A supplemental budget cannot increase the tax levy.

System Development Charges

Charges paid by developers and builders to fund expansion of infrastructure systems necessary due to increased usage. Such charges are collected for water, sewer, storm drains, streets, and parks and are paid by developers and builders as part of the permit process.

Tax Levy

The total amount of property taxes needed to pay for General Fund operations and for principal and interest on bonds.

Tax Rate

The amount of tax levied for each \$1,000 of assessed valuation.

Tax Revenue

Includes property taxes, hotel and motel room tax.

Tax Roll

The official list showing the amount of taxes levied against each property.

Taxes

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges, such as water service.

Transfers

An authorized exchange of cash or other resources between funds.

Trust Funds

A fund established to administer resources received and held by the City as the trustee or agent for others. Uses of these funds facilitate the discharge of responsibility placed upon the City by virtue of law or other similar authority.

Unappropriated Ending Fund Balance

An account which records a portion of the fund balance. It must be segregated for future use and is not available for current appropriation or expenditure.

Unreserved Fund Balance

The portion of a fund's balance that is not restricted for a specific purpose. It is available for general appropriation.

Unrestricted General Capital Fund

Established to account for transfers-in from the General Fund and for any other activity for which a special capital fund has not been created.

User Fees

The fee charged for services to the party or parties who directly benefits. They are also referred to as Charges for Service.

Working Capital

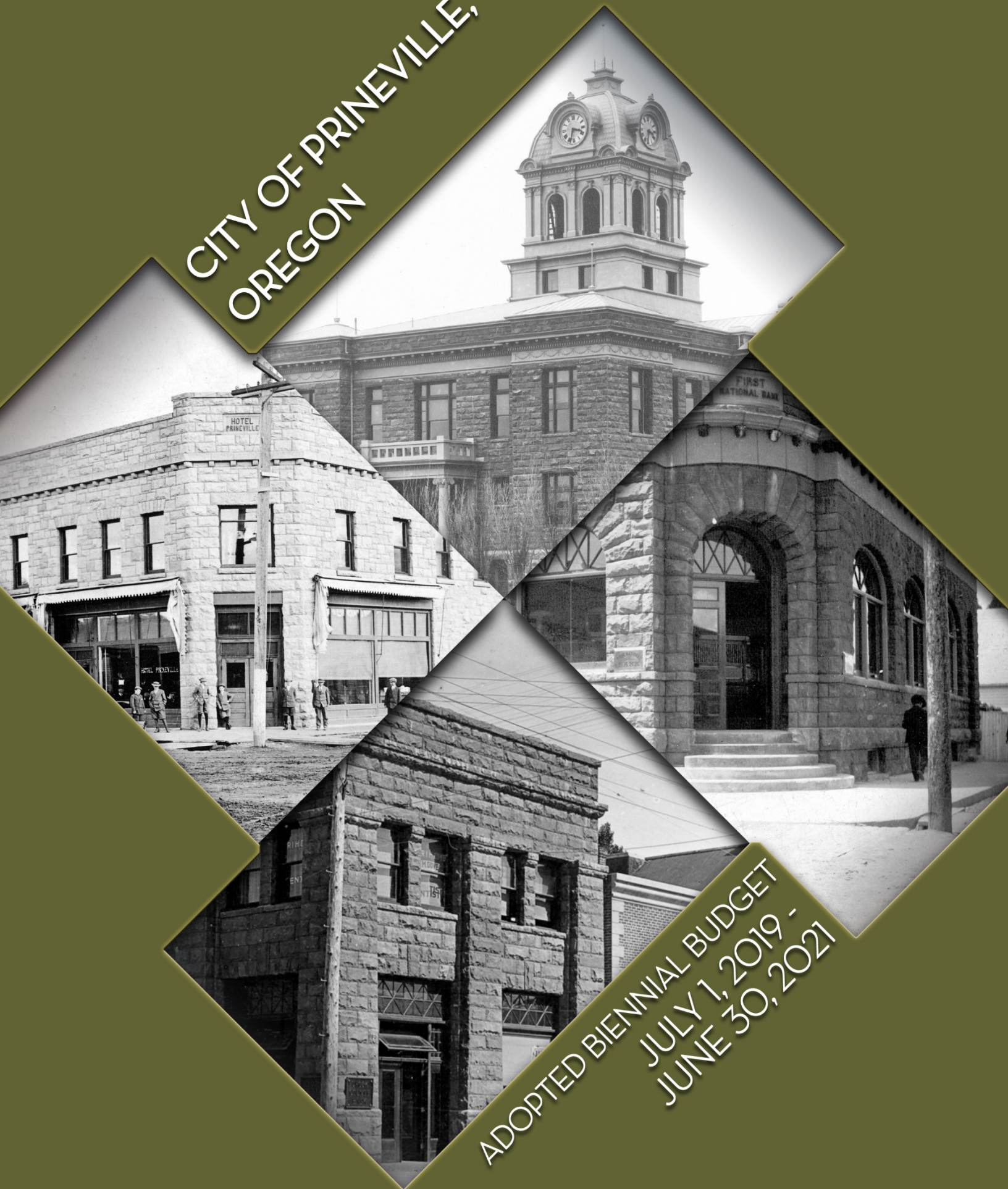
Capital used for day-to-day operations, calculated as the current assets minus the current liabilities.

Acronyms

ACMP Advisory Community for Master Planning
ADA Americans with Disabilities Act
AIPUE Airport Industrial Park Utility Extension
APA American Planning Association
APCO Association of Public Safety Communications Officials
ARRA American Recovery and Reinvestment Act
ATV All-Terrain Vehicle
AV Assessed Value
AWOS Automated Weather Observation System
BLM Bureau of Land Management
BMP Bridge Management Plan
BPA Bonneville Power Administration
CAD Computer-Aided Dispatch
CAFR Comprehensive Annual Financial Report
CCF&R Crook County Fire and Rescue
CCI Construction Cost Index
CD Community Development
CD Compact Disk
CEAHAC Cascades East Area Health Education Center
CIP Capital Improvement Projects
CIS Citycounty Insurance Service
CJIS Criminal Justice Information Service
CMFR Comprehensive Monthly Financial Reports
COAR Critical Oregon Airport Relief
COLA Cost of Living Adjustment
COP Certificates of Participation
COTA Central Oregon Trail Alliance
CPA Certified Public Accountant
CPI Consumer Price Index
CRM Customer Relations Management
CSO Community Service Officer
CTO Communications Training Officer
DDG Distillers Dried Grains with Soluble
DEQ Oregon Department of Environmental Quality
DLCD Oregon Department of Land Conservation and Development
DMR Digital Mobile Radio
DO Dissolved Oxygen
DOT Department of Transportation
DRB Development Review Board

DSP Downtown Strategic Planning
 DUI Driving Under the Influence
 DVD Digital Video Disk
 E&D Elderly and Disabled
 EDCO Economic Development for Central Oregon
 EDU Equivalent Dwelling Units
 EMD Electro-Motive Diesel
 EMD Emergency Medical Dispatch
 EPA Environmental Protection Agency
 FAA Federal Aviation Administration
 FASB Financial Accounting Standards Board
 FDP Final Development Plan
 FEMA Federal Emergency Management Agency
 FICA Federal Income Contributions Act
 FRA Federal Railroad Administration
 FTE Full-Time Equivalent
 FY Fiscal Year
 GAAP Generally Accepted Accounting Principles
 GAC Granulated Activated Carbon
 GASB Governmental Accounting Standards Board
 GCOR General Code of Operating Rules
 GFOA Government Finance Officers Association
 GIS Geographic Information Systems
 GP General Purpose
 H2R Hire to Retire
 HB House Bill
 HR Human Resources
 HSGP Homeland Security Grant Program
 HVAC Heating, Ventilation, and Air Conditioning
 I&I Infiltration and Inflow
 IECGP Interoperable Emergency Communications Grant Program
 IFR Instrument Flight Rules
 IS Information Systems
 IT Information Technology
 ISP Internet Service Provider
 ITS Intelligent Transportation System
 JARC Job Access / Reverse Commute
 LAN Local Area Network
 LCDDC Land Conservation and Development Board of Commissioners
 LED Light Emitting Diodes
 LID Local Improvement District
 LSTA Library Services and Technology Act
 MAV Maximum Assessed Value
 MGD Million Gallons per Day
 MOD Modification
 MTC Metropolitan Transportation Commission
 NPDES National Pollutant Discharge Eliminating System
 OAA Older Americans Act
 OAR Oregon Administrative Rules
 OBDD Oregon Business Development Department
 ODOT Oregon Department of Transportation
 OECD Oregon Economic and Community Development Department
 OEM Oregon Emergency Management
 OEMDC Oregon Emergency Medical Dispatch Cards
 OMA Oregon Mayors Association
 OR Oregon
 ORS Oregon Revised Statutes
 OSHA Occupational Safety and Health Administration
 OSP-LWCF Open Space Plan – Land and Water Conservation Fund
 OWEB Oregon Watershed Enhancement Board
 OWRD Oregon Water Resource Department
 PC Personal Computer
 PCI Pavement Condition Index
 PDA Personal Digital Assistant
 PDP Preliminary Development Plan
 PEG Public Educational Government
 PERS Public Employees Retirement System
 PGA Professional Golfers Association
 PM Particulate Matter
 PMH Pioneer Memorial Hospital
 POB Pension Obligation Bond
 PPACA Patient Protection and Affordable Care Act
 PSAP Public Safety Answering Point
 PSNET Public Safety Network
 PW Public Works
 RMV Real Market Value
 ROW Right-of-way
 SAIF State Accident Insurance Fund
 SAP Specific Area Plan
 SCADA Supervisory Control and Data Acquisition
 SDC System Development Charges
 SEIU Service Employees International Union
 SEP Supplemental Environmental Program
 SLARRA Short-Lived Asset Replacement Reserve Account
 SRO School Resource Officer
 STP Surface Transportation Program
 TAG Technical Assistance Grant
 TDM Transportation Demand Management
 TDS Total Dissolved Solids
 TGM Traffic Growth Management
 TMP Transit Master Plan
 TOC Total Organic Carbon
 TSP Transportation System Plan
 UAL Unfunded Accrued Liability
 UGB Urban Growth Boundary
 UIC Underground Injection Control Device
 UGMA Urban Growth Management Agreement
 USDA United States Department of Agriculture
 VoIP Voice-over Internet Protocol
 VPN Virtual Private Network
 WAN Wide Area Network
 WWTP Wastewater Treatment Plant

CITY OF PRINEVILLE,
OREGON



ADOPTED BIENNIAL BUDGET
JULY 1, 2019 -
JUNE 30, 2021