

*City of Prineville
Adopted Budget
Fiscal Year 2017-2018*



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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Prineville
Oregon**

For the Fiscal Year Beginning

July 1, 2016

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 Betty Roppe



Councilor Jason Beebe



Councilor Gail Merritt



Councilor Jeff Papke



Councilor Teresa Rodriguez



Councilor Jack Seley



Councilor Steve Uffelman

City of Prineville Budget Committee



Citizen members of the budget committee from left to right: Bruce Peet, Michael Wilson, Deb Harper, Caroline Ervin, Marty Bailey, Dr. Paul Slater and Casey Daly.

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 fiscal year 2017 – 2018. 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.

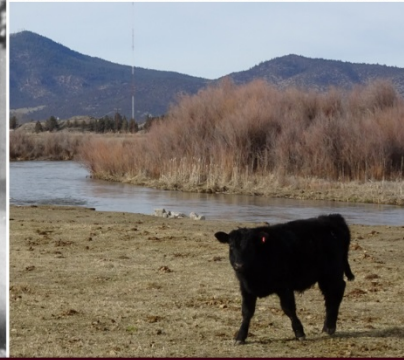


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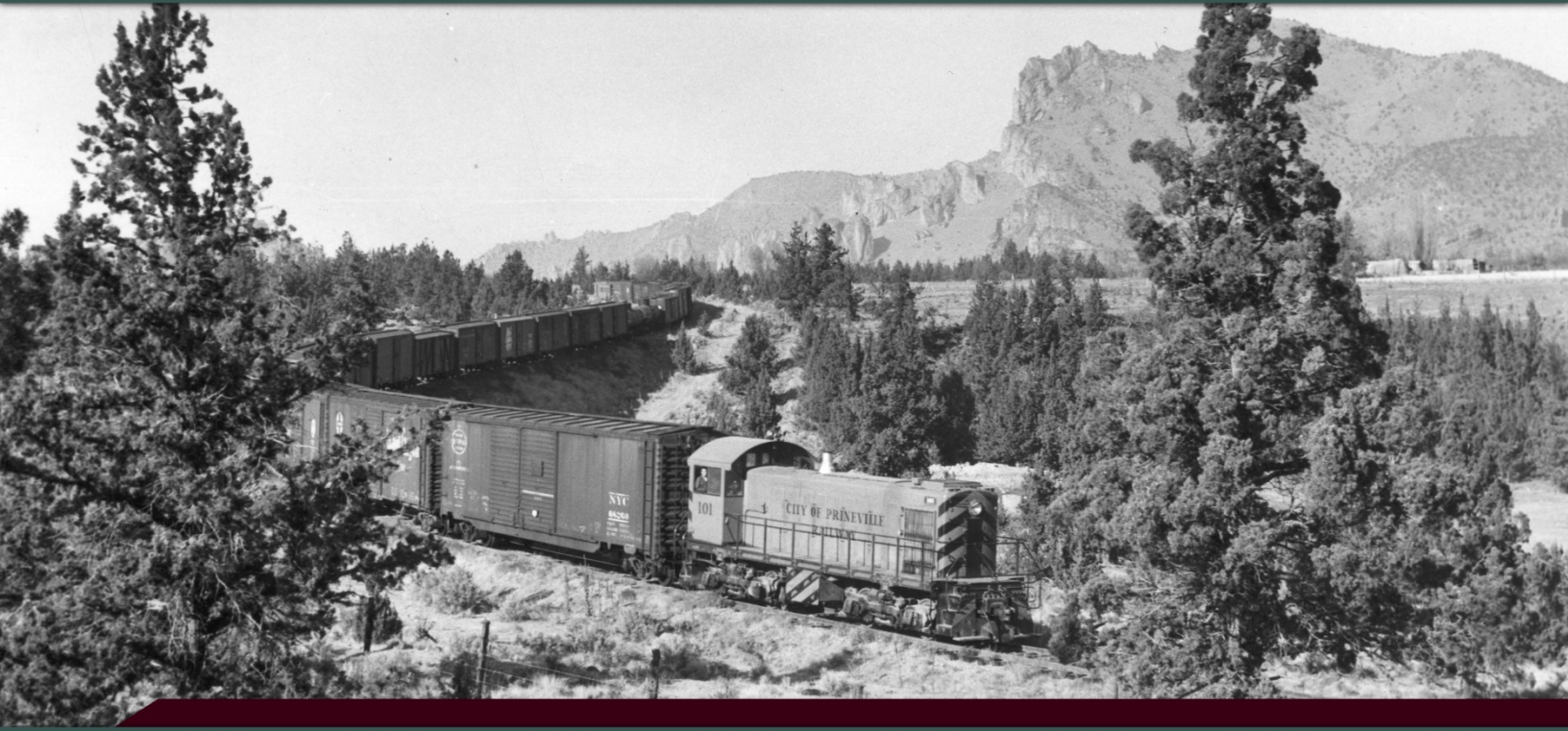


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Fiscal Year 2017-2018 Budget

City of Prineville





City Manager's Budget Message



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City Manager's Budget Message

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

On behalf of the City of Prineville's Senior Management team, the Finance team led by Liz Schuette, and every City of Prineville team member, I present the 2017-2018 fiscal year budget for the City of Prineville.

The City's budget is a daily working document that provides our team with guidance to efficiently leverage every taxpayer dollar for the benefit of our community. We use the budget to measure 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 11th consecutive year. The proposed 2017-2018 annual budget totals \$47,923,299. The General Fund Total for 2017-2018 is \$6,841,636.



City Manager Steve Forrester

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.

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

- To be fiscally responsible in all we do
- Provide quality municipal services and programs which contribute to community desirability
- Strive to improve on transparency and effective communication
- Strive to position the city to meet future demands of businesses and citizens
- Community safety

State of Local Economy

Our local economy is improving along with the rest of the Central Oregon region, the state, and the country. Our county was named as the 8th fastest growing in the United States earlier this year. Unemployment has consistently dropped to a reported 6 percent, nearing pre-recession levels. We continue to focus on developing a business environment that will bring new family wage jobs in alignment with our local workforce. The following metrics serve our economic indicators for Prineville:

1. New home construction is up 33 percent over 2016-2017, with 48 homes built or currently under construction.
2. Average new home value/sales price increased from last year at \$239,000, to \$285,458.
3. Value of commercial/industrial investment in the past year is at approximately \$218,000,000, up from \$200,000,000 the previous year.
4. Recent estimates place direct employment from data center operations at more than 300 jobs with compensation averaging \$60,000 per year, approximately 150 percent above the county average. Currently, there are over 400 active construction jobs tied to data center expansion over and above operational jobs.
5. The City of Prineville Railway completed its third consecutive year of operational profitability.
6. The Prineville-Crook County Airport continues to grow with new hangars under construction and the facility supporting 32 full-time jobs.
7. Contact Industries – our largest Wood Products manufacturer – sold to Endura and is increasing its workforce.

City Financial Condition

This new budget year begins with 12 out of 13 funds fully funded to policy levels in working capital and 12 out of 13 funds meeting other emergency appropriation reserves. The City of Prineville’s financial condition is based in stability and strength. The City retains our Standard and Poor’s credit rating of A+. We remain committed to financial responsibility across all funds. We measure, compare and adjust as needed throughout the year.

Policy Analysis - Reserves by Fund for FY 18

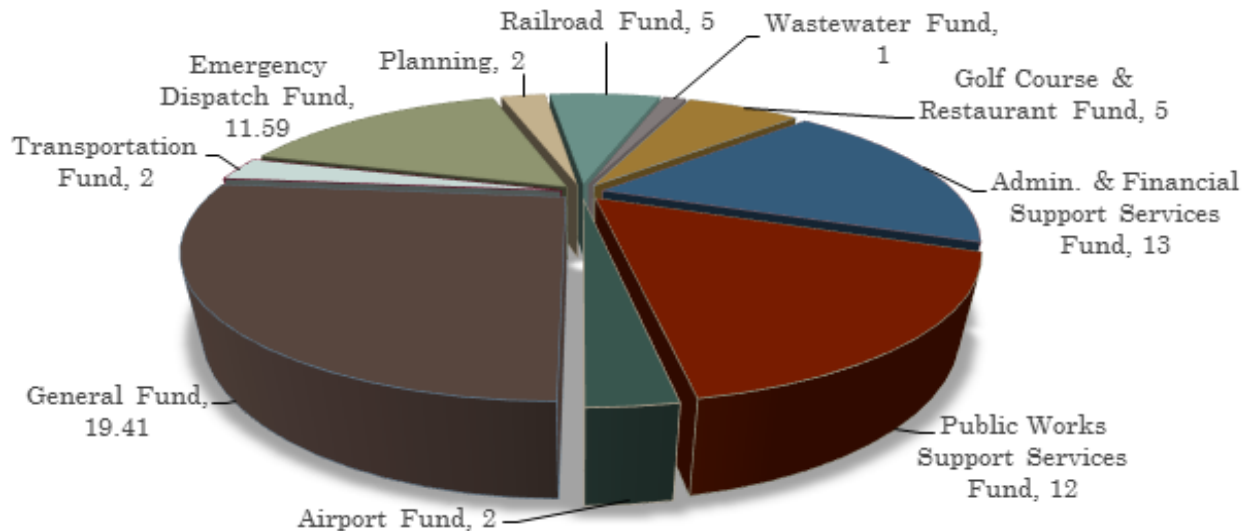
Fund	Proposed Budget Reserves Amount	Working Capital Reserve Amount	Proposed Budget/Over (Under) Policy	Meets Working Capital Reserve Requirements	Five Percent Appropriation Reserve Amount	Twenty Percent Capital Reserve	Total Policy Reserve Amount	Proposed Budget/Over (Under) Policy	Meets both Working and Appropriation Reserve
General	1,489,736	828,881	660,854	Yes	535,190	N/A	1,364,071	125,664	Yes
Transportation	212,186	110,913	101,274	Yes	77,095	N/A	188,008	24,179	Yes
Emergency Dispatch	254,973	177,488	77,486	Yes	77,245	N/A	254,733	241	Yes
Planning	97,721	49,900	47,821	Yes	19,960	N/A	69,860	27,861	Yes
LID Debt Service	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PERS/POB Fund	855,880	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Transportation SDC	888,154	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water SDC	30,407	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wastewater SDC	257,222	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Railroad	1,328,166	853,600	474,566	Yes	460,553	N/A	1,314,153	14,013	Yes
Airport	115,463	180,783	-65,320	No	383,585	N/A	564,368	-448,905	No
Water	1,326,514	456,025	870,489	Yes	218,816	609,960	1,284,801	41,714	Yes
Wastewater	1,877,541	1,013,300	864,241	Yes	111,485	747,540	1,872,325	5,216	Yes
Golf Course and Restaurant	448,708	240,383	208,324	Yes	73,640	N/A	314,023	134,684	Yes
Admin/Financial Support Services	316,880	314,160	2,720	Yes	N/A	N/A	314,160	2,720	Yes
Public Works Support Services	226,765	226,665	100	Yes	N/A	N/A	226,665	100	Yes
Building Facilities Fund	250,447	54,090	196,357	Yes	N/A	N/A	54,090	196,357	Yes
Plaza Maintenance	33,352	2,385	30,967	Yes	N/A	N/A	2,385	30,967	Yes
Total	10,010,114	4,508,573	3,469,878	12 out of 13	1,957,569	1,357,500	7,823,642	154,809	12 out of 13



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 70.47 full-time equivalents (FTE) to 73. This increase of 2.52 FTEs is largely due to the Railway's increase in business requiring more staff and continuing our commitment to public safety in the Emergency Dispatch Department.

FTE by Fund



The 2017-2018 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 2017-2018 proposed budget.

Changes and Challenges in FY 18

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 policy levels
4. Strengthen funding for public safety and street maintenance by identifying additional sustainable resources
5. Continue to take steps to prevent Prineville from becoming non-compliant with the Oregon Department of Environmental Quality (DEQ) regarding particulate matter (PM) 2.5 air quality standards
6. Develop and structure the Golf Course Fund to remain financially viable in response to mandated minimum wage and benefit increases
7. Effectively address increasing low-cost housing opportunities within the community



8. Electricity supply constraints due to transmission capacity limits for large-load customers in our community

Strategic Action Plan to Address Challenges

1. Continue to develop and increase both water and wastewater capacities. Work toward keeping SDC fees the most competitive in the region. Maintain an adequate inventory of large lot industrial sites
2. Continue to strengthen reserve and contingency balances at or above policy levels. Continue to fund PERS/POB Fund, to manage unfunded liability, reduce bond debt and offset future State of Oregon Public Employee Retirement System (PERS) rate increases
3. Sound fiscal management has allowed the General Fund to increase street funding to \$400,000 from \$100,000 the previous year
4. Air Quality Committee developed and implemented education, awareness, a free yard debris day, and active burn signage, improving air quality index to levels well below DEQ standards
5. Restructured Meadow Lakes Golf Course and Restaurant personnel, decreasing fixed-cost baseline to improve fund balance
6. Modified land-use planning to allow temporary worker housing, dorm style apartment housing, RV park development and low-cost apartments
7. Worked closely with the Bonneville Power Administration (BPA), Pacific Power, Economic Development of Central Oregon (EDCO), Central Electric Coop and lawmakers to develop and implement BPA upgrades to transmission lines that increase large load capacity

Significant Accomplishments for FY 17

1. The City completed construction of approximately 95 percent of the Crooked River Wetlands Project, 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, educational and outdoor activities.
2. A Standard and Poor's credit rating of A+ was maintained.
3. The City of Prineville Railway's estimated revenue for FY 18 moved towards the \$1,000,000 mark, providing capital for maintenance and a key transportation link for business activity.
4. Staff successfully secured Connect Oregon and Federal Aviation Administration (FAA) grants totaling \$3,000,000 for funding to upgrade the airport fuel system, parking area and infrastructure. Currently, the airport supports 32 full-time jobs.
5. Facilitated commercial investment in the community of approximately \$218,000,000.
6. The City, Crook County and the Ochoco Irrigation District, collaborating under an intergovernmental agreement (IGA), completed a preliminary application with the federal government for development of hydro power at Bowman Dam. Currently, work with potential funders to begin design and engineering process.
7. Facilitated an agreement resulting in the old Ochoco Grade School being sold and repurposed as a Housing Works affordable housing complex.
8. Preliminary design and engineering was completed for a wastewater to level-four water process. Construction is expected to begin in 2017.
9. Financial strength of the City allowed 460 acres of natural open space at Barnes Butte to be secured for future recreation and open space opportunities.
10. A \$1,247,000 seismic grant was secured to address upgrades for the aging police building.

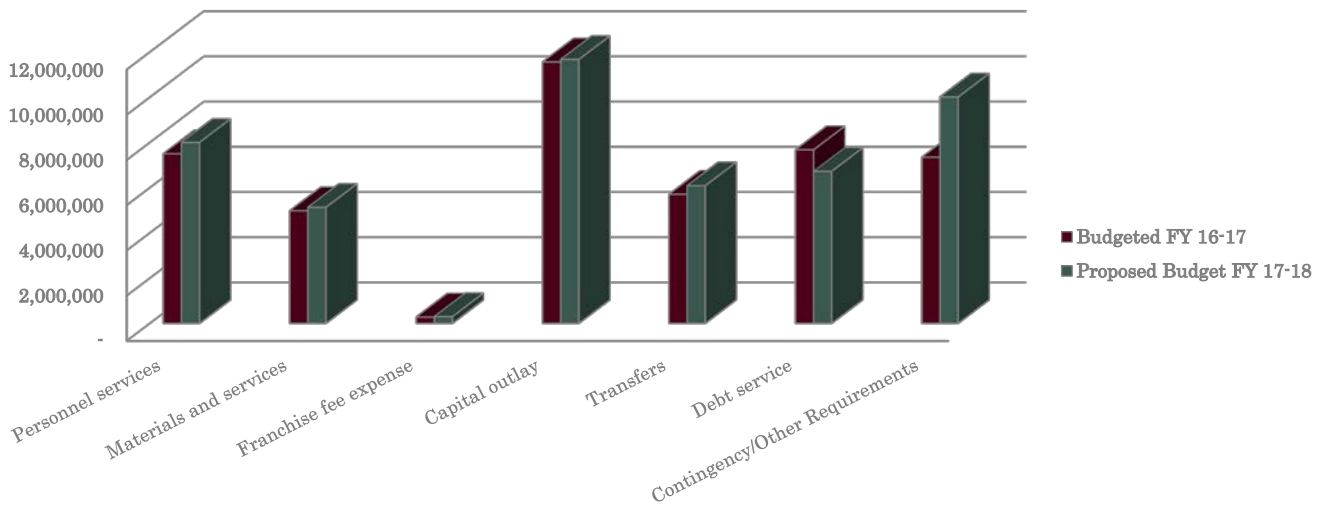


Financial Policies

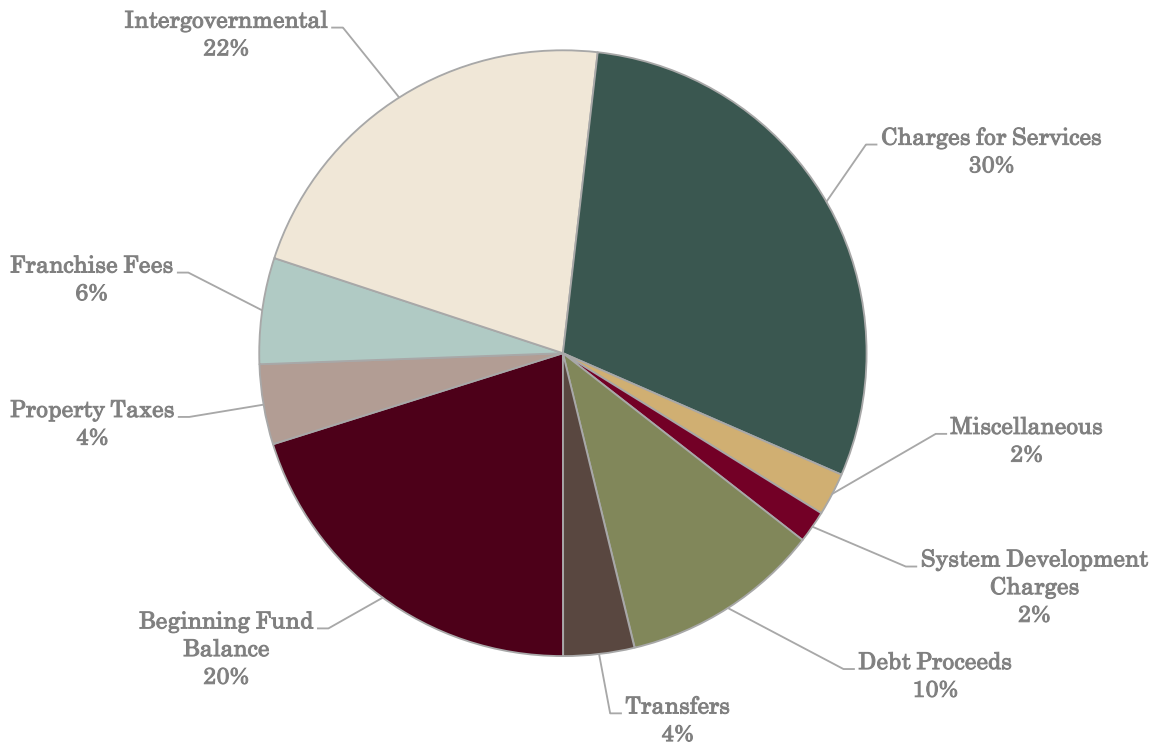
The Prineville Finance Committee reviewed and the council approved changes to the financial policies in FY 17. There are no new changes to the policies for FY 18.

Budget Overview

Budget by Major Category Comparison FY 17 to FY 18



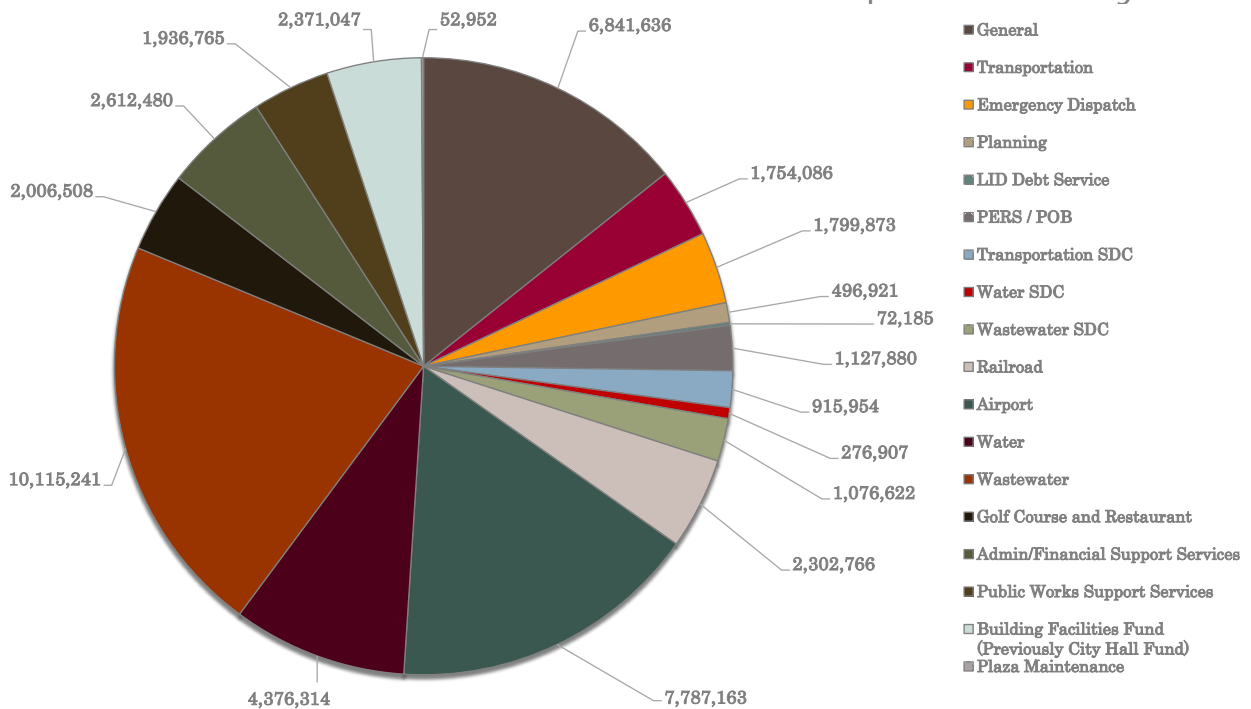
Revenue Sources by Type



Revenue Assumptions

Overall, beginning fund balances for FY 18 increased over the prior year by approximately 10 percent. The Crook County Assessor’s Office is predicting property taxes to increase by approximately 7 percent. However, choosing to be on the conservative side, the City estimates a 5 percent increase. Franchise fees are budgeted to increase approximately 7 percent due to the additional build out of data centers. Intergovernmental revenue for FY 18 is approximately 22 percent of the budget between grants, revenue sharing, and other agency funds. Collection projections for system development charges (SDCs) are based on 25 residential equivalent dwelling units and additional commercial assumptions. Charges for service have increased approximately 8 percent over prior year largely due to the increased activity in the enterprise funds. Rate increases for water are 3 percent and wastewater is increasing by 3.70 percent. The budget provides –upon approval from the Citizen Budget Committee and the City Council– for the City to issue additional interim and refinancing of interim borrowing for the Crooked River Wetlands project, and for upgrades to the police facility. Total debt proceeds are \$5,100,000.

Total Requirements by Fund

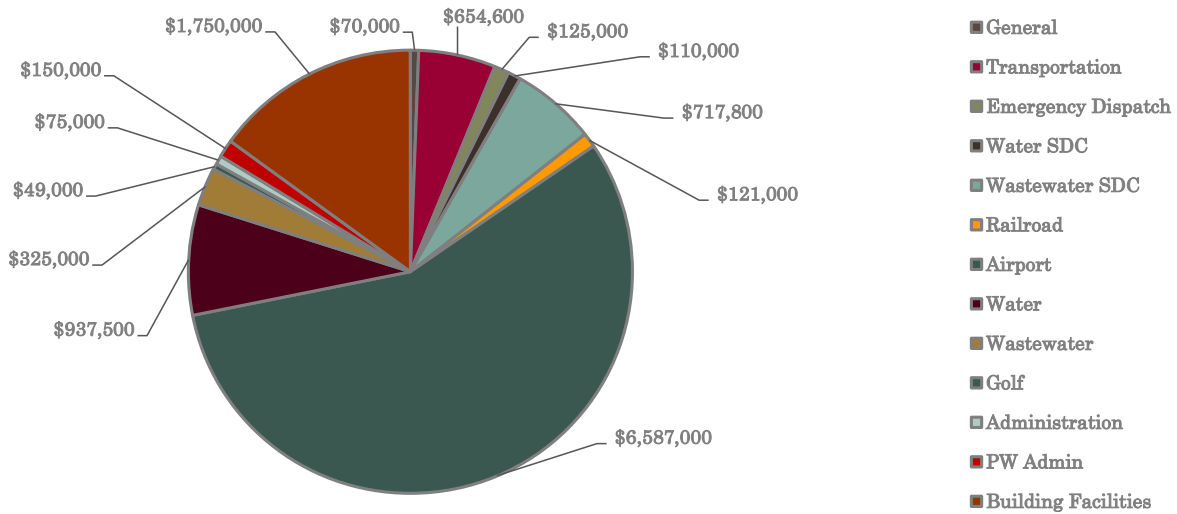


Expenditure Assumptions

Personnel services are increasing approximately 7 percent over the prior year. This is largely due to the increases in FTEs and changes made within the railroad and public safety funds. Also included in the personnel services increase is a modest increase to salaries and a 4 percent increase in the cost of health benefits. Materials and services are up approximately 3 percent over prior year. Debt service is increasing 220 percent over the prior year. This percentage is inflated by the refinance of interim borrowing for the wetlands project at \$4,500,000. Additional new items budgeted in debt service include a US Department of Agriculture (USDA) loan for the wetlands of approximately \$200,000, \$150,000 for the repayment of the acquisition of property and a debt service of \$50,000 for improvements to the police facility. Transfers are increasing 9 percent largely due to the increase of dollars for capital improvement to the Transportation Fund. Capital outlay is increasing 28 percent over the prior year, again, largely due to the completion of the wetlands project and the capital projects in the Airport Fund. Contingency funds for the City are increasing by approximately 36 percent, reflecting policy changes to reserve levels made in FY 17.



Capital Improvements Expenditures by Fund



The proposed budget for FY 18 includes approximately \$11,671,900 in capital improvements to maintain or increase capabilities.

General Fund

General Fund budget total for 2017-2018 is \$6,841,636. The General Fund includes \$4,062,100 for police services, representing an increase of approximately 9 percent, non-department funding of \$1,289,800, and a contingency balance of \$1,489,736. Fund balance improved over prior year by approximately 48 percent. This fund is within the City’s operating reserve policy and the City’s 10 percent emergency reserve policy by approximately \$126,000.

Public Safety and Dispatch

Our citizen’s safety is foundational to our community. Dale Cummins is our chief of police, with Larry Seymour our police captain, and Jimmy O’Daniel, Mark Monroe, James Peterson and Troy Wiles rounding out the police sergeants. Our Police Department is fully accredited through the Oregon Accreditation Alliance. The accreditation process insures our 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. Captain Seymour, Sergeant Peterson, Sergeant Wiles, and Officer Shane Wilson where recognized by Oregon Department of Public Safety Standards and Training (DPSST) for their outstanding public safety work this past year.

Tobie Reynolds leads our Emergency Dispatch Department providing emergency communications and 911 services to the Police Department, Crook County Sheriff, Crook County Fire and Rescue, local, state and federal agencies. Like the Police Department, the dispatch team is working on the final stages of accreditation, with an expectation of completing the process in the summer of 2017. We continue to work to develop supervisory and staff positions, along with funding, to meet our department goal of insuring two dispatchers are on duty 24/7, 365 days/year.

Our community is experiencing increased demand for calls and service as our community grows and demographics change. To insure our public safety resources meet our citizens customer service needs, this budget includes an increase in public safety personnel of 0.52 employees.



Planning

Director Phil Stenbeck and Senior Planner Josh Smith, with support and guidance from our citizen member Prineville Planning Commission, continue to prepare our community for the present and the future. This year, like the past, 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, Phil Stenbeck facilitated the Air Quality Committee in helping Prineville improve air quality this past calendar year achieving the national air quality standard established by the US Environmental Protection Agency. The Prineville Planning team received the Land Conservation and Development Board of Commissioners (LCDC) Star award for citizen involvement in creation of our marijuana code.

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 team are currently updating Water and Wastewater Master Plans, and updating System Development Charge (SDC) methodology. 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 26 blocks of streets in the city and 15 American Disability Act (ADA) wheel chair ramps. With Scott Smith's work with Oregon Department of Transportation's grant program, the City constructed 4,145 lineal feet of new side walk this past year. The City's Transportation Department is well-accustomed to meeting safety upgrade requests by the Crook County School District and citizens, and completed safety improvements at Lynn Boulevard and Knowledge Streets near Crook County High School. We are proactively focusing on achieving our goal of a pavement condition index PCI of 82, with a current rating of 71, 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 City, in partnership with Oregon Water Resources, will complete the local aquifer study to identify future sources as demand continues to grow. This year, the City will be drilling one test well in preparation for future water demand needs. Our focus is on protecting the water we produce, and through maintenance and system upgrades, the City reduced unaccounted water loss from 27.9 percent in 2009 to 3.9 percent the past two years, with the savings equaling 150,000,000 gallons of water per year. The State or Oregon targets municipal water loss to be less than 15 percent, making our performance well ahead of expectations. Our efforts continue to keep the City of Prineville well-positioned to provide high-quality, dependable water to our customers into the future. A rate increase of 3 percent is scheduled for FY 18. The Water Master Plan will be updated this year to serve as our guide for water development the next 20 years.

The Crooked River Wetlands Complex is approximately 95 percent complete. The City's new wetland treatment project provides wastewater capacity for the city at-large for decades into the future, environmental benefits to the Crooked River Watershed, and public access for education, hiking, and nature along 2.5 miles of the Crooked River. The wetland upgrade to our capacity is strategically funded through grants and debt service. Forecasts for the FY 18 budget see an increase in wastewater rates of 3.7 percent in the coming year.

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 next budget year. The City is forecasting and planning SDC funding to maintain current assets and develop our infrastructure to meet future demands.



Railroad and Freight Depot

Operations Manager Matt Wiederholt and the City of Prineville Railway team moved this strategic fund to operational profitability for the second consecutive budget year. Freight activity during the past year remains at the highest level experienced by the City in recent history. This year's budget forecasts an increase in fund balance by approximately \$200,000. The financial strength of the Railroad is allowing for funding of track maintenance to keep this key asset in compliance with The Federal Railroad Administration (FRA), and to meet the needs of our customers. New business partnerships further diversified our customer base. Our customer operation at the Terrebonne junction is providing four full-time jobs. 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 increase. Hangar occupancy is near 100 percent, with a new hangar completed this year and continued interest in additional build outs. The Airport completed a Federal Aviation Agency grant funding project for \$1,600,000, which included a new run up area, parking apron and beacon. In addition, the Airport was awarded a Connect Oregon grant for \$2,000,000 to fund a new fuel system and infrastructure upgrades to support expansion. The City and County are working with the United States Forest Service to potentially site an airbase expansion that, in combination with the FAA and Connect Oregon grants, would be a \$6,000,000 dollar investment, and includes an additional 40 full-time jobs. Currently, the Airport hosts eight private aviation-related businesses that provide 32 full-time jobs for our community.

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. The severe winter season resulted in significantly lower golf activity reducing revenues. However, restructuring of the golf staff this past year lowered fixed costs and this fund is expected to maintain fund balance. Strategically, we are preparing financially to fund upgrades to the club house, restaurant equipment and irrigation system in the next five years.

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 award-winning budget presentations. The City, for the eleventh consecutive year, received the prestigious Distinguished Budget Presentation Award from the Government Finance Officers Association and looks forward to receiving and competing for the Certificate of Achievement for Excellence in Financial Reporting for audit ending FY 16 and FY 17. Our commitment to fiscal responsibility, short- and long-term strategic planning, and modeling allows the City of Prineville to maintain an A+ credit rating with Standard and Poor's.

Human Resources and Safety

HR Director Darla Rhoden provides our employees with support, development, guidance, and safety as our highest priority. This past year, Handbooks and Policy Manuals were distributed to employees. The management team and staff are currently evaluating and refining each policy for the upcoming year. This upcoming year HR will be focused on updating job descriptions with comparable compensations to ensure equity externally and internally. We continue to improve hiring and recruitment processes, and employee development, all while 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. This past year the IT Department completed the implementation of the new Finance module, updated the phone systems throughout the city, launched new websites at the Airport, and golf/restaurant operations. Next year, IT will be focused on the second phase of the city software program, installation of next gen 911 phone system, and replacement of radio dispatch technology to increase coverage throughout the city's UGB.



Maverick in plaza – Summer 2017



2017/2018 Goals and Objectives



To Be Fiscally Responsible in All We Do



Provide Quality Municipal Services and Programs Which Contribute to Community Desirability



Strive to Improve on Transparency & Effective Communication



Strive To Position City To Meet Future Demands of Businesses & Citizens



Community Safety

- ◆ Improve Budget Process & Document
- ◆ Reviewing & Updating Long Range Financial Planning
- ◆ Financial Policies & Reserve Requirements
- ◆ Employee Development & Cross Training
- ◆ Achieve & Sustain Railroad & Freight Profitability
- ◆ Implement Capital Asset Tracking Software
- ◆ Increase Overall Financial Performance in the
- ◆ Support Air Quality
- ◆ Economic Development & Family Wage Job Growth
- ◆ Initiate Plan to Reduce Flood Plain Impact
- ◆ Adopt Airport Master Plan
- ◆ Continue Process of Improving Water Clarity & Condition of Effluent Ponds @ Golf Course
- ◆ Develop Economic Partnership with the County
- ◆ Agreement with County and Parks & Recreation for Shared Equipment and Responsibilities
- ◆ Evaluate Properties in City for Density & Affordable Housing Possibilities
- ◆ Transparency in All Areas of Finance
- ◆ Council Involved Committee Updates
- ◆ Continue to Develop City Vision
- ◆ Maintain A Public Relations Person
- ◆ Annual Council Retreat
- ◆ Continue to Provide Excellent Customer Service
- ◆ Update the Community Development Website
- ◆ State Committee Monitoring and Participation
- ◆ Obtain GFOA and CAFR Awards
- ◆ Support to Downtown Strategic Planning Committee.
- ◆ Identify & Evaluate City Owned Property
- ◆ Identify Funding Strategies for Long Term Maintenance of Railroad and Streets Infrastructure
- ◆ Begin Construction of Effluent Re-Use Project
- ◆ Investigate Aquifer Storage & Recovery Project
- ◆ Develop Strategy to be a Renewable Energy Provider
- ◆ Explore Dispatch Center Location Options to Ensure Continuity
- ◆ Disaster Preparedness for Council
- ◆ Maintain 100% Score on Health Inspections at Meadow Lakes
- ◆ Develop Business Continuity Plan
- ◆ Seek Opportunities to Collaborate & Support Other Agencies to Enhance Public Safety
- ◆ Develop Funding Strategy to Maintain Street Condition at Optimal Level
- ◆ Increase Staff Certification in Both Water & Wastewater



Council Goals 2017-2018

Council Goals 2017-2018		To Be Fiscally Responsible In All We Do	Provide Quality Municipal Services And Programs Which Contribute To Community Desirability	Strive To Improve On Transparency & Effective Communication	Strive To Position City To Meet Future Demands Of Businesses & Citizens	Community Safety
Department	Objectives					
Council Objectives	Economic Development and Family Wage Job Growth	X	X	X	X	X
	Council Involved Committee Updates		X	X	X	X
	Continuing Council Member Education, Training and Community Activity	X	X	X	X	X
	Disaster preparedness Certification				X	X
	Strategy for Relocation of Jail Facility and 9-1-1 Dispatch	X	X	X	X	X
Community Development	Continue Support to Downtown Strategic Planning Committee		X		X	
	Update the Planning Website Information	X		X		
	State Committee Monitoring and Participation			X		
	Evaluate Properties in City for Density & Affordable Housing Possibilities		X		X	
	Adopt Airport Master Plan, Downtown Revitalization, Public Safety Complex & Sports Complex		X		X	
	Continue to Support Air Quality		X		X	
	Initiate Plan to Reduce Floodplain Impact	X	X		X	
	Explore Possibility of Adding a Large Industrial Site to the UGB based on the Regional Large Lot Initiative				X	
	Identify & Evaluate City Owned Property	X				
	Continue Developing and Updating Long Range Financial Plans (All Funds)	X	X	X	X	X
Receive clean Audit from Auditors	X	X	X	X	X	
Create Internal Controls Manual	X	X	X	X	X	
Continue to Improve Budget Process & Document	X	X	X	X		
Continue to Improve Financial Reporting	X	X	X	X		
Obtain GFOA budget and CAFR Awards	X	X	X	X		
Meet Reserve Policy Requirements	X	X	X	X	X	
Employee Development and Cross Training	X	X	X	X	X	
Implement Capital Asset Tracking Software	X	X	X	X	X	
Implement Version 10 Utility Software	X		X			
Freight Depot / Railroad	Achieve & Sustain Railroad Profitability	X		X	X	X
	Achieve & Sustain Freight Depot Profitability	X		X	X	X
	Identify Sustainable Funding Strategies for Long Term Maintenance of Railroad Infrastructure	X	X	X	X	X
No Injuries / No Human Factor Accidents	X	X				
Human Resources	Professional Development of Staff	X	X	X	X	X
	Continue Implementing Cross Training of Staff	X	X	X	X	X
	Develop Business Continuity Plan (Business as usual in emergency)	X	X	X	X	X



Council Goals 2017-2018

Council Goals 2017-2018		To Be Fiscally Responsible In All We Do	Provide Quality Municipal Services And Programs Which Contribute To Community Desirability	Strive To Improve On Transparency & Effective Communication	Strive To Position City To Meet Future Demands Of Businesses & Citizens	Community Safety
Department	Objectives					
Human Resources	Evaluate & Update City Manager Review Process	X				
	Continue to Implement City's HR Policies and Procedures	X	X			
	Explore Optimizing Hiring and Recruitment Processes	X				
Meadow Lakes	Increase Beverage Sales by 5% Over the Next Twelve Months	X		X	X	
	Continue to Implement PGA's Tee it Forward Initiative by Adding an Additional Set of Tees on Holes 4, 9 & 17 to Make the Course More Player Friendly for Golfers of All Ability Levels		X	X	X	
	Maintain 100% Score on Health Inspections in the Restaurant and Have 0 Lost-Time Injuries	X	X	X	X	
	Increase Overall Financial Performance in the Restaurant	X	X	X	X	
	Continue the Process of Improving Water Clarity & Overall Condition of the Effluent Ponds	X	X	X	X	
	Increase Daily Play Golf Revenue by a Minimum of 1% Each Year for the Next 5 Years	X		X	X	
Police / 911 Department	Explore Dispatch Center Location Options That Ensure Continuity for our Community	X	X	X	X	X
	Explore Police Department Location Improvements and/or Relocation Options	X	X	X	X	X
	Provide Training and Opportunities for Employees that will Improve our Department's Overall Effectiveness	X	X	X	X	X
	Seek Opportunities to Collaborate and Support Other Agencies and Businesses to Enhance Public Safety	X	X	X	X	X
Public Works	Begin Construction of Effluent Re-use Project		X		X	
	Continue Antenna Read Meter Replacement	X	X		X	
	Continue Upgrade of Telemetry Capabilities	X	X		X	
	Develop Succession Plan for PW Key Positions	X	X		X	
	Complete Water Master Planning	X	X		X	
	Develop Funding Strategy to Maintain Street Condition at Optimal Level	X	X		X	X
	Continue to Develop Plans for hydropower	X	X		X	
	Increase Staff Certification in Both Water & Wastewater	X	X		X	
	Agreement in Place w/ County Regarding sharing of work and equipment	X	X		X	
	Investigate Aquifer Storage and Recovery Project	X	X		X	



Council Goals 2017-2018

Council Goals 2017-2018		To Be Fiscally Responsible In All We Do	Provide Quality Municipal Services And Programs Which Contribute To Community Desirability	Strive To Improve On Transparency & Effective Communication	Strive To Position City To Meet Future Demands Of Businesses & Citizens	Community Safety
Department	Objectives					
Administration	Continue to Develop City Vision	X	X	X	X	X
	Maintain Accreditation	X	X	X		X
	Maintain a Public Relations Person	X	X	X	X	X
	Develop a Strategy for Prineville to be a Renewable Energy Provider Including Biomass	X	X		X	
	Continuing to Develop Economic Partnership with the County	X	X	X	X	
	Annual Council Retreat		X		X	
	Parks & Rec Agreement for Parks and Iron Horse Development	X	X		X	
	Evaluate Future Need for Large Meeting / Conference Facilities		X		X	
	Continue to Develop City Strategic Plan	X	X	X	X	X
	Airport	Continue to Update Equipment & Plans to Achieve Safety & Operational Compliance	X	X	X	X
Continue to Support the New and Existing Airport Businesses While Identifying and Pursuing New Opportunities		X	X	X	X	
Secure Grant Funding for 2016 Projects		X	X	X	X	X
Complete Airport Master Plan Update		X	X	X	X	X
Continue to Provide Excellent Customer Service			X	X	X	X
Continue to Identify New Sources for Project Funding		X	X	X	X	X



Budget Summary

The City's commitment to continuous improvement in budgeting, strategic planning, and long-range modeling provides the foundation to develop this proposed 2017-2018 budget. 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 takes a team effort, and on behalf of every City of Prineville employee, I am honored to present the budget committee with the proposed 2017-2018 budget.

The budget committee is holding its first meeting on May 23, 2017 at 5:00 p.m., with budget meetings scheduled to resume on June 6, 2017 at 6:00 p.m.

Sincerely,



Steve Forrester
City Manager



Plaza August sunset

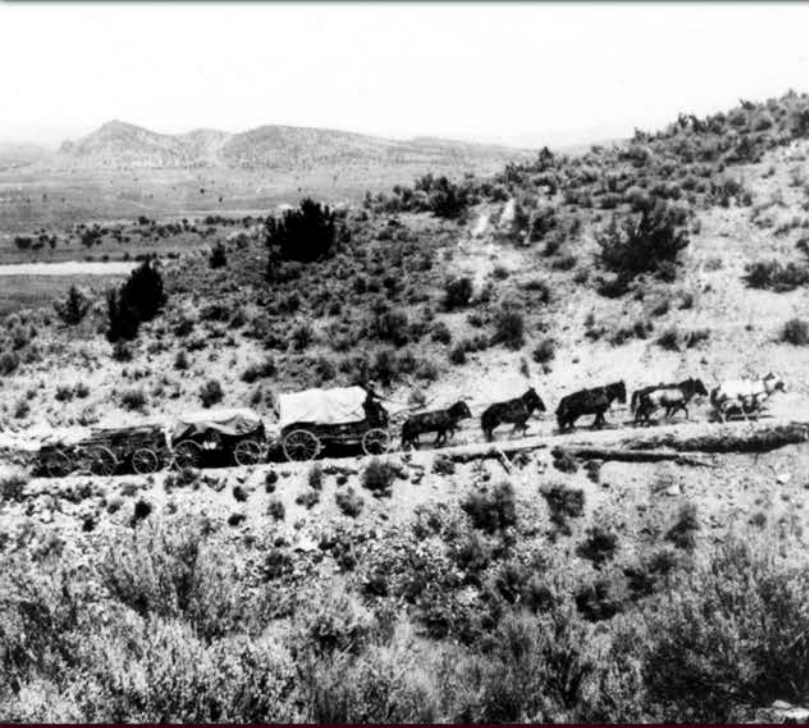




Fiscal Year 2017-2018 Budget

City of Prineville





Welcome to Prineville



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Community Profile

The City of Prineville is a unique small town with a current population of 9,645; an increase of nearly 300 people. A recent press release from the US Census Bureau listed Crook County as the eighth fastest growing community in the United States. Prineville is located within Central Oregon and nestled in an ancient volcanic basin that is over three million years old. The rimrock 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 in 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 you head, within minutes you are located among some of the most beautiful scenery and wildlife the northwest has to offer. Main Street, also known as state highway 27, was recommended by Oregon State Parks and Recreation to become a scenic bike way a couple of years ago. It travels to the south and as it meanders along the Crooked River, it eventually meets with Bowman Dam. Obtaining this designation is a lengthy process and we are still waiting to hear if it is 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 finally developed into two new 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 a 100 jobs that are tied directly to it. There are currently 32 companies utilizing either railroad or railroad owned facilities. The result is an increase in car traffic, as well as, the variety in cargo. Businesses are taking advantage of the award winning multi-modal freight depot and junction.

In addition to managing its own municipal railroad, Prineville also owns a municipal golf course. The City built 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. Last year, the golf course replaced the entire golf cart fleet with modern features to get you from hole to hole in style. The clubhouse offers spectacular, almost panoramic outdoor views showing the surrounding mountains, rimrocks, 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.



View of Meadow Lakes Golf Course from the Ochoco viewpoint.

The Prineville-Crook County Airport is managed by the City in collaboration with the County. The airport manager continues to successfully increase business and recreational activities at the airport. The existing hangars continue to be completely occupied, and new hangars are being constructed. Aviation fuel sales remain strong. Hillsboro Aviation maintains a strong presence at the airport. 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 runways, it allows private commercial planes to fly in, take care



of business, and fly back home. The Airport Master Plan draft is completed and is currently under review with FAA. The airport, much like the railroad has gone from a couple of airport related jobs to over 30 in the last couple of years.



July 2016 Hot air balloons in Stryker and Ochoco Creek Park

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 the opportunities for outdoor activity year-round. 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. Prineville also borrows from its strong agricultural heritage to lend flair to community events. The community continues to add more trails for hiking and biking, and with the construction of the Crooked River wetland project, 5 more miles of trails (3 miles of it paved), will be added to our extensive network of paths. 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.

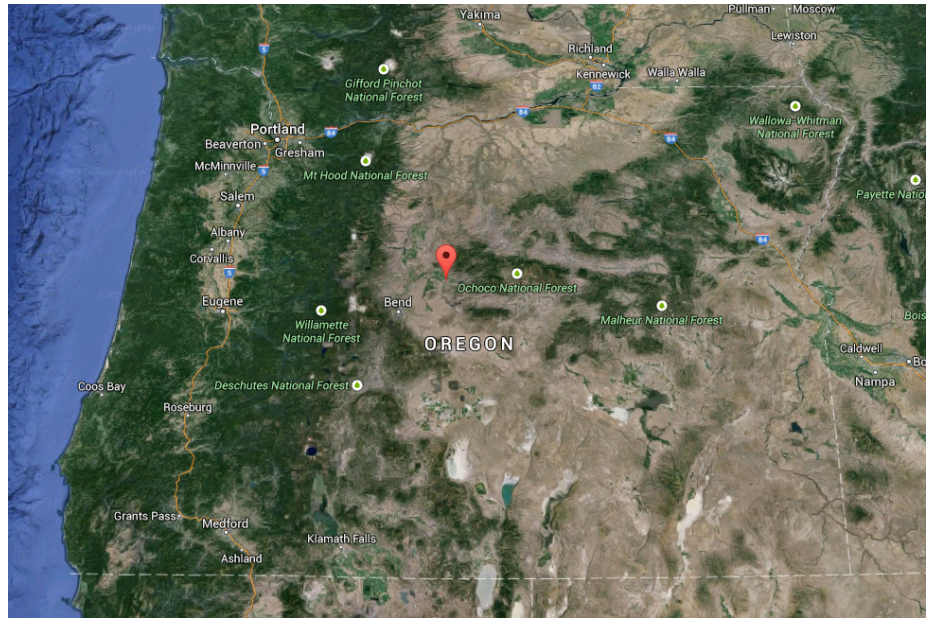
Affordable residential rentals continues to be a challenge with an under .5% vacancy rate. However, with construction of residential homes currently underway, this challenge is beginning to balance out. There is also increased interest from developers for multiple family dwelling units.

Prineville also caters to a variety of job markets. Between construction, manufacturing, retail, government, health and tech sector, the City touches on all types of employment. The presence of Facebook and Apple and 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. They have recently completed construction of a new \$30 million dollar facility in order to better serve the community needs and are a beautiful addition.

Prineville once held the highest unemployment rate in the state at over 20 percent, but now sits at 7.1 percent, down .9 percent from this time last year. A challenge for some employers is in the future, with the passing of state legislation in 2016, the minimum wage will increase in tiers over the next couple of years. In addition to the increase, the minimum wage rate will vary depending on what county the business is located.



New hospital that opened in September of 2015.



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.

Schools in Crook County

The Crook County School district is one of four school districts located in Central Oregon. It currently boasts an enrollment of over 3,400 students. 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.

With the construction of Barnes Butte Elementary complete, upgrades were also completed on Cecil Sly Elementary School. The renovated school was open for enrollment in the fall of 2016 under a different name- Crooked River Elementary School. After decades of being first a high school and eventually an elementary, the historical Crooked River Elementary School closed its doors. The historical building is being considered by the Crook County School Board as a new home for Pioneer Alternative High School.



Barnes Butte Elementary opened for the 2015-16 school year.



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 2016	Employees 2017
Les Schwab Distribution Center/Retail	421	400
Crook County School District	383	388
Brasada Ranch	172	285
Contact Industries	240	229
St. Charles Health Systems	166	221
Crook County	191	207
Facebook Data Center	178	200
Western Heavy Haul & SMAF	No Prior Info	129
Ochoco National Forest	117	117

Source: Economic Development of Central Oregon

Age and Wage Data	
Oregon’s average household income	\$49,452
Prineville’s average household income	\$44,759
Median age	48.1
Percent aged 65 years old and over	32.2%
Percent aged 19 years old and under	21.9%

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

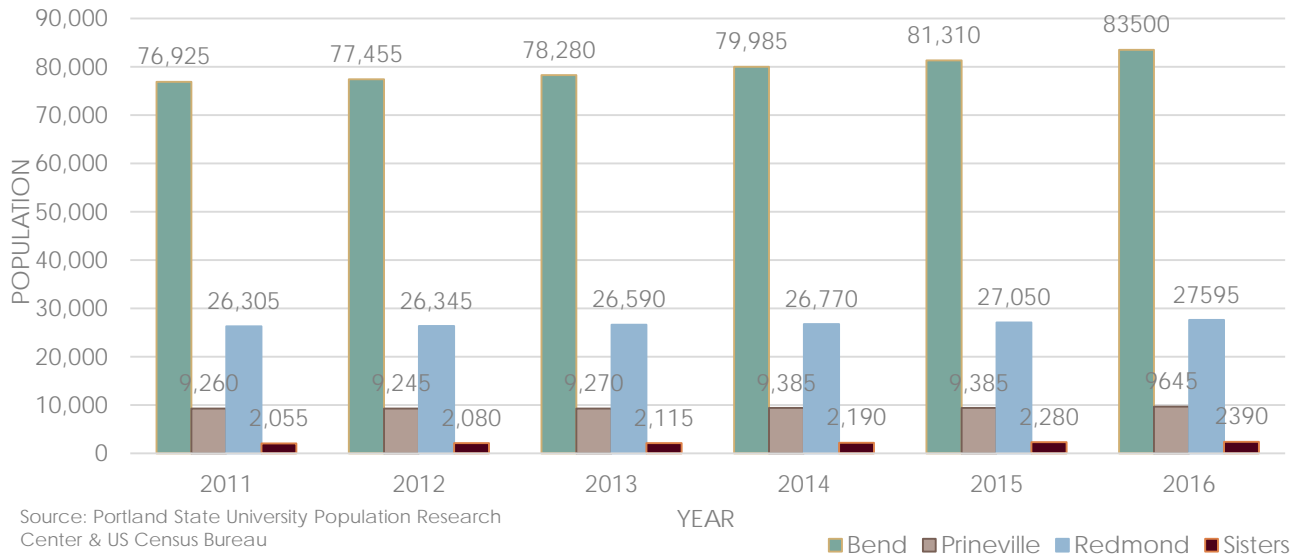
Regional Comparisons

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 is now tied with Jefferson County. Manufacturing jobs, primarily in the wood products industry, has 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.

Crook County School District has seen a slight increase in attendance for 2017. School enrollments for other communities in the Central Oregon region are also experiencing slight increases.



Regional Population Comparison Comparison Against Largest Local Cities by Year

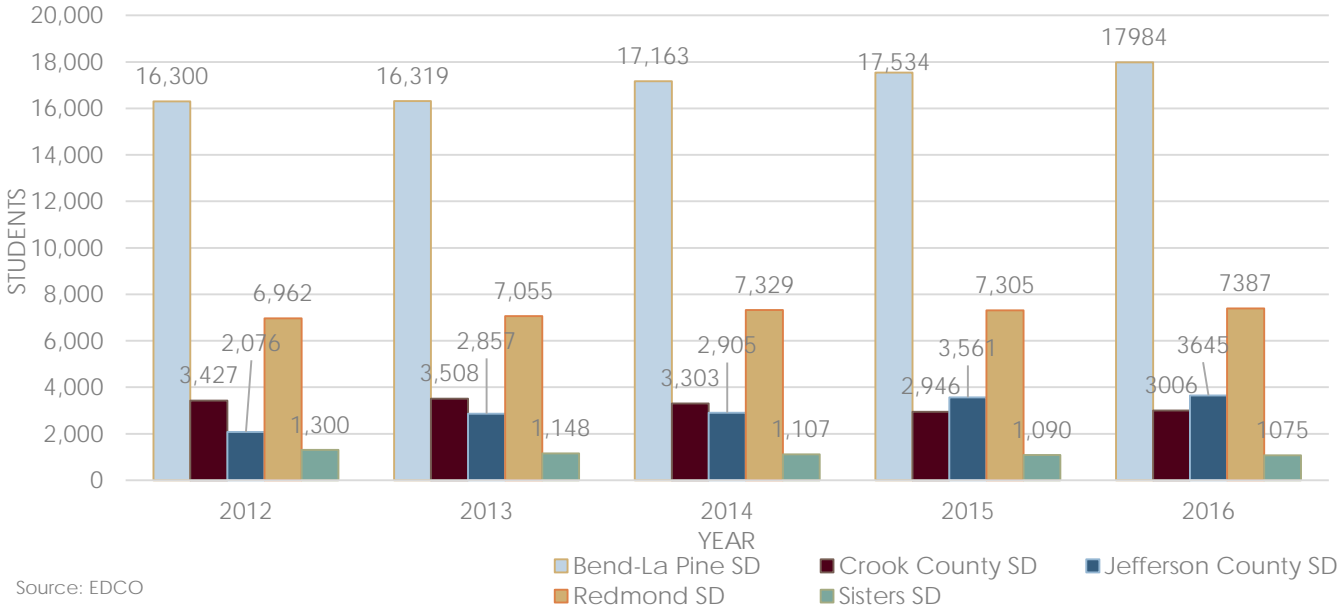


A group of citizens visiting downtown Prineville.



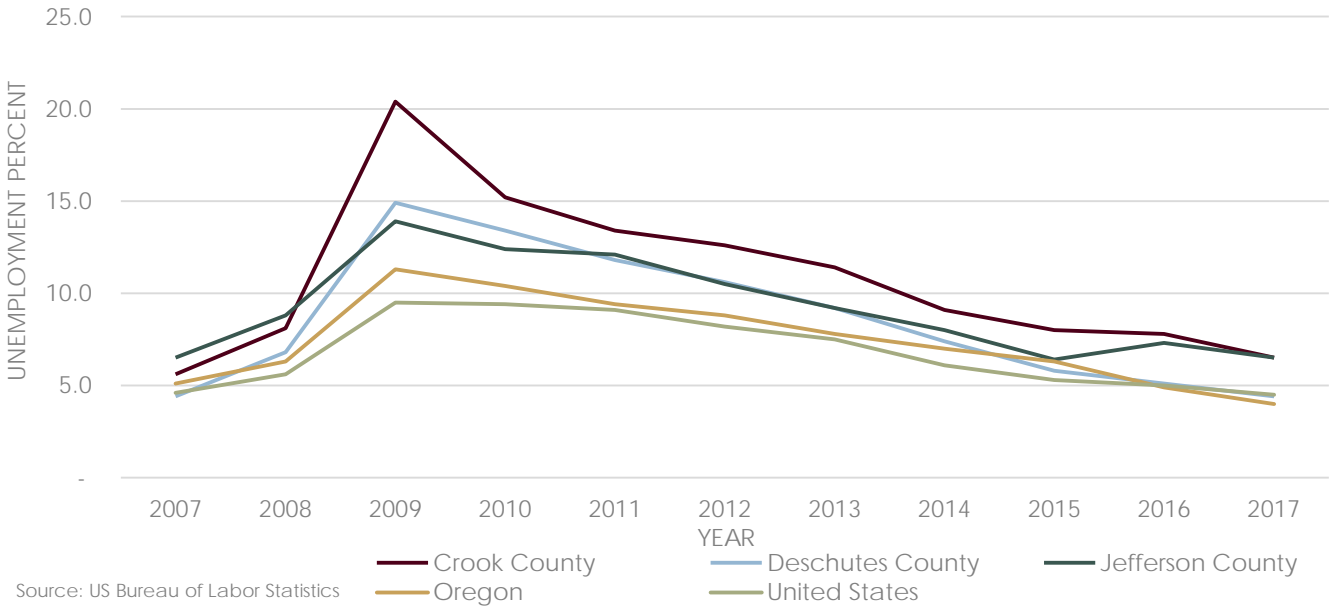
Student Enrollment

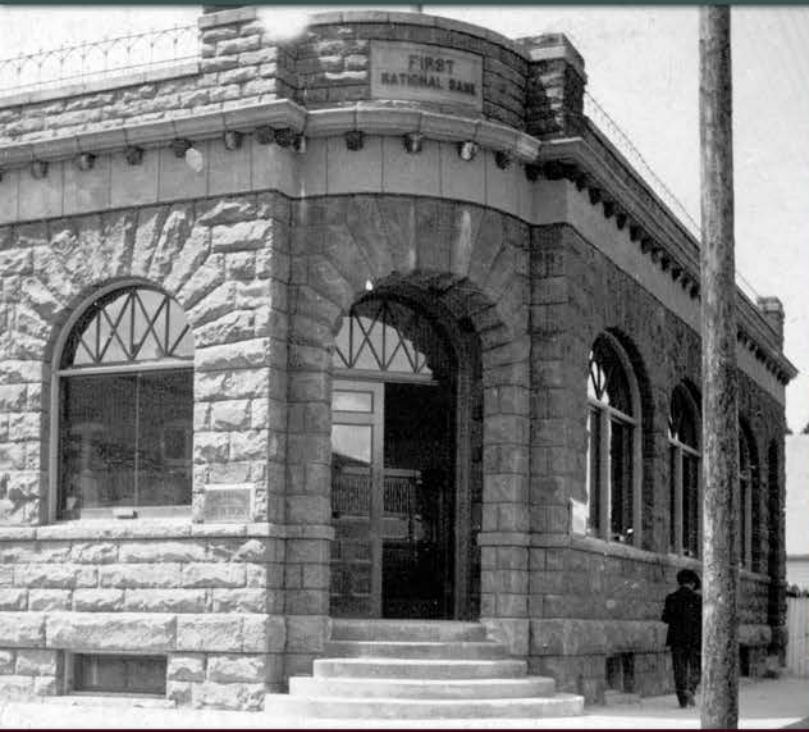
Students Registered with Local Districts by Year



Unemployment Trends

Regional Unemployed Workforce Comparison





Budgeting in the City of Prineville



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Budget Committee

Budget Committee Members	
Council Members	Citizen Members
Mayor Betty Roppe	Marty Bailey
Jason Beebe	Casey Daly
Gail Merritt	Caroline Ervin
Jeff Papke	Deb Harper
Teresa Rodriguez	Bruce Peet
Jack Seley	Dr. Paul Slater
Steve Uffelman	Michael Wilson

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. The City is required to budget all funds and for each fund to have a balanced budget.

As a rule, local governments in Oregon operate on a fiscal year beginning on July 1 and ending the following June 30.

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). The budget is presented by fund and department categories. 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. 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 fiscal year through adoption of a supplemental budget. This process is similar to the regular budget including the use of public hearings, but excluding the Citizens’ Budget Committee.



FY 18 Budget Calendar

Date	Action
January 11, 2017	Staff preliminary budget goals due.
January 24, 2017	City Council workshop to establish goals for year.
January 25, 2017	Finance Distributes Budget Worksheet/Budget Calendar.
January 25, 2017	Departments begin year-end estimate process.
February 10, 2017	Personnel changes from department managers for FY 18 budget.
February 10, 2017	Year-end estimates from department managers.
February 11, 2017	Council retreat/strategic planning session.
February 14, 2017	Council adopts goals.
February 17, 2017	CIP's updated by department managers FY 18 budget
February 24, 2017	Finance estimates beginning cash balances for FY 18 budget.
February 28, 2017	Department budget proposals for the upcoming budget are provided to Finance Department.
March 13, 2017	Manager and Finance Department estimate personnel budgets for FY 18.
March 20, 2017	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.
March 31, 2017	Department managers update year-end estimates.
April 19, 2017	Finance director distributes proposed department budgets including narrative to city manager and department managers.
April 26, 2017	Department managers review budget numbers / narrative and sign off on proposed budget.
May 15, 2017	Finance updates budget reflecting changes made by the City Manager or department managers.
May 19, 2017	Budget is printed.
May 23, 2017	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, capital improvement plans (CIP) and department presentation.
June 5, 2017	Second budget meeting.
June 16, 2017	Department managers update year-end estimates.
June 27, 2017	Council budget hearing and resolutions: <ol style="list-style-type: none"> 1. Adopting budget and making appropriations. 2. Levying taxes. 3. Resolution declaring intent to receive state revenue sharing funds.



Fiscal Policies

Basis of Budgeting Policy

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 utilized 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 wellbeing 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 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 and responding to unexpected expenditures or increases in service delivery costs.
- **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 FY 16-17 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.
- 1.3. 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.

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:
 - 8.1.2.1. The City will consider implementation of a PERS rate stabilization plan 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.



- 8.1.3. The City commits to fund the full amount of the ADC each period, together with contributions consistent with an approved PERS rate stabilization plan.
- 8.1.4. To continue the City's accountability and transparency, the City will communicate all of the information necessary for assessing the City's progress toward meeting its pension funding objectives periodically, but no less than annually.

9. Reserve Policies

9.1. The City shall maintain adequate working capital reserves in all funds.

- 9.1.1. The General Fund shall maintain sufficient 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 10 percent emergency reserve through 2021 while the 15 percent covenant is in place for the pension obligation bond.
- 9.1.2. The City's utility funds shall maintain at a minimum working capital balance sufficient for 60 days of operating expenses, together with a 5 percent emergency repair reserve, a 20 percent capital reserve and required debt service reserves.
- 9.1.3. The City's internal service funds shall maintain, at minimum, a working capital balance of 15 percent of operating expenses and any required debt service reserves.
- 9.1.4. The City's debt service funds shall maintain adequate working capital to pay required debt service without borrowing and fund required debt service reserves.
- 9.1.5. The City's rail road fund shall maintain one year's operating expense and 20 percent of total budget for capital reserve.
- 9.1.6. The City's other operating funds shall maintain a minimum working capital balance sufficient for 45 days of operating expenses and any required debt service reserves.
- 9.1.7. The City shall establish an emergency appropriation reserve to provide for unanticipated expenditures of a nonrecurring nature. The contingency shall be a minimum of 5 percent of a fund's operating and capital expenditure estimates for the fiscal year, with exception to the general fund which is set at 10 percent of budgeted expenditures. This policy does not apply to the rail road, debt service, internal service, trust and agency, capital projects, serial levy, temporary, or certain special purpose funds.

9.2. The City may use reserves on a one-time or temporary basis for purposes described above. In the event that reserve funds are presently at or decreased to levels below the levels desired by this policy, the City will develop a plan to restore reserves to the desired levels.

Fund	Proposed Budget Reserves Amount	Working Capital Reserve Amount	Proposed Budget/Over (Under) Policy	Meets Working Capital Reserve Requirements	Five Percent Appropriation Reserve Amount	Twenty Percent Capital Reserve	Total Policy Reserve Amount	Proposed Budget/Over (Under) Policy	Meets both Working and Appropriation Reserve
General	1,489,736	828,881	660,854	Yes	535,190	N/A	1,364,071	125,664	Yes
Transportation	212,186	110,913	101,274	Yes	77,095	N/A	188,008	24,179	Yes
Emergency Dispatch	254,973	177,488	77,486	Yes	77,245	N/A	254,733	241	Yes
Planning	97,721	49,900	47,821	Yes	19,960	N/A	69,860	27,861	Yes
LID Debt Service	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PERS/POB Fund	855,880	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Transportation SDC	888,154	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water SDC	30,407	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wastewater SDC	257,222	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Railroad	1,328,166	853,600	474,566	Yes	460,553	N/A	1,314,153	14,013	Yes
Airport	115,463	180,783	-65,320	No	383,585	N/A	564,368	-448,905	No
Water	1,326,514	456,025	870,489	Yes	218,816	609,960	1,284,801	41,714	Yes
Wastewater	1,877,541	1,013,300	864,241	Yes	111,485	747,540	1,872,325	5,216	Yes
Golf Course and Restaurant	448,708	240,383	208,324	Yes	73,640	N/A	314,023	134,684	Yes
Admin/Financial Support Services	316,880	314,160	2,720	Yes	N/A	N/A	314,160	2,720	Yes
Public Works Support Services	226,765	226,665	100	Yes	N/A	N/A	226,665	100	Yes
Building Facilities Fund	250,447	54,090	196,357	Yes	N/A	N/A	54,090	196,357	Yes
Plaza Maintenance	33,352	2,385	30,967	Yes	N/A	N/A	2,385	30,967	Yes
Total	10,010,114	4,508,573	3,469,878	12 out of 13	1,957,569	1,357,500	7,823,642	154,809	12 out of 13



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.

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.

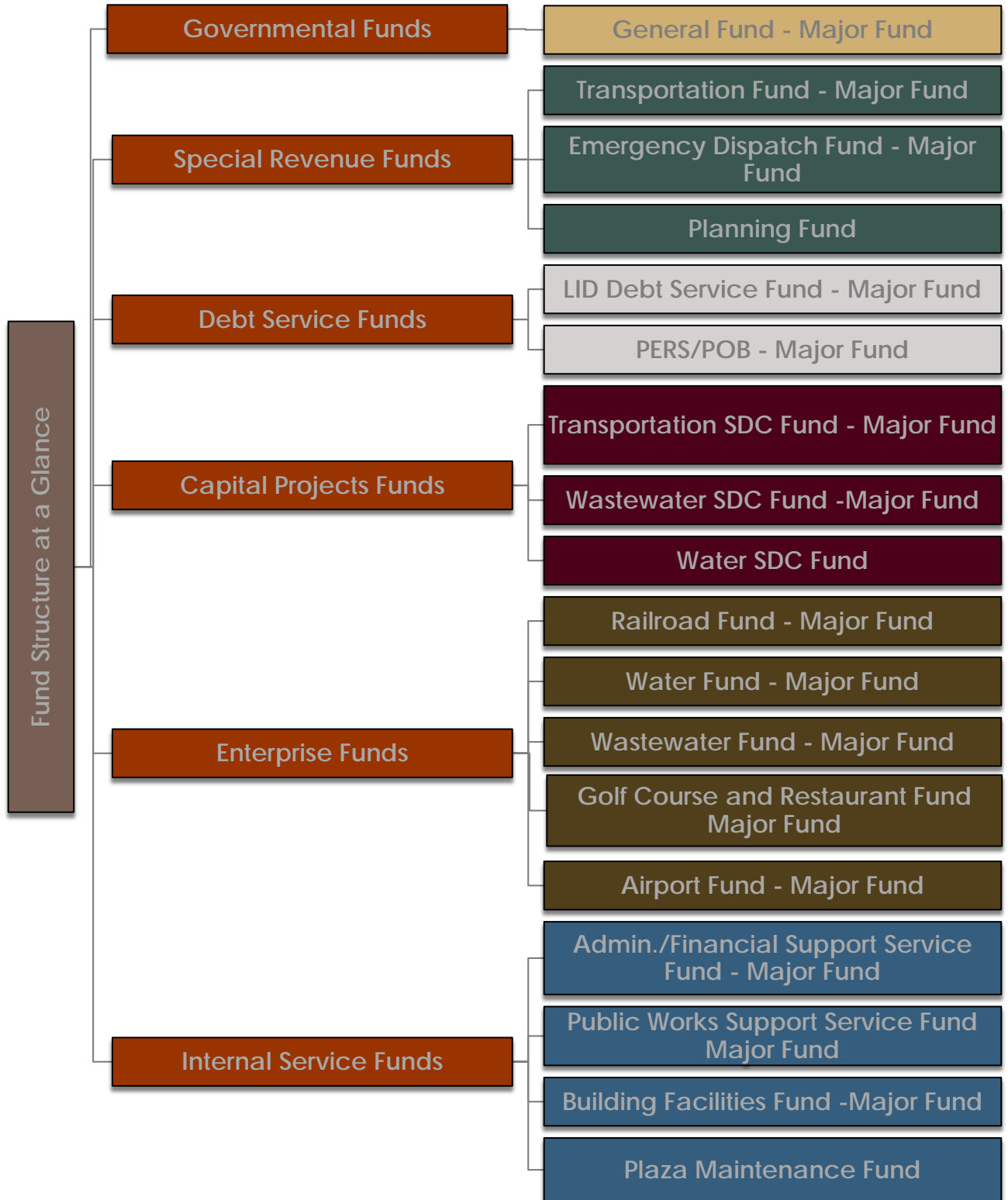
Capital improvement plan (CIP) – the CIP is a schedule of capital projects including estimated cost and timing. There is a separate CIP for each major infrastructure system in the City, e.g., water, streets, sidewalks, stormwater, wastewater, information technology, city facilities, and vehicles.

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 FY 18 Budget.



Fund Accounting

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.

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.

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 areas 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.



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



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.

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

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.

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.



High water on the banks of the Meadow Lakes Golf Course in late February.

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 Fund

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

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.



Debt Overview

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	\$	784,464,701
Debt limit: 3% of real market value	\$	23,533,941
Less outstanding debt subject to legal limit (net)	\$	4,098,207
Legal debt margin	\$	19,435,734



Current and Future Debt Planning

The current year budget proposes refinancing of the DEQ interim borrowing in the Wastewater fund, and new debt in the Building Facilities fund. 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 has \$4,098,207 of debt subject to the legal limit (ORS 287.004 (2)). This includes a full faith & credit borrowing dated 08/09/06 for the Ironhorse local improvement district in the amount of \$1,247,595, full faith and credit borrowing for pension obligation bonds dated 01/23/2014 in the amount of \$2,695,000, and a full faith and credit obligation for the purchase of golf carts in the amount of \$155,612 issued 06/26/15. The City does not currently have plans at this time to seek voter approval of general obligation bonds. The FY 18 budget proposes new debt in the amount of \$5,100,000: \$100,000 interim borrowing in the wastewater SDC fund to finish up the wetland project, \$4,500,000 refinancing of FY 16, FY 17, and FY 18 interim borrowing in the wastewater fund for the wetland project, and \$500,000 in the building facilities fund for the police facility upgrades.



The Crooked River Wetlands Complex during construction in November 2016.



Total Outstanding City Debt June 30, 2017

Fiscal Year	Total Principal	Interest	Total	Balance
2017				17,289,618
2018	1,108,934	676,238	1,785,172	16,180,684
2019	1,171,564	635,496	1,807,060	15,009,121
2020	1,249,732	592,273	1,842,005	13,759,389
2021	1,298,642	544,739	1,843,381	12,460,747
2022	1,305,074	497,615	1,802,689	11,155,673
2023	1,378,339	448,022	1,826,361	9,777,335
2024	1,367,177	395,368	1,762,545	8,410,158
2025	1,436,608	343,369	1,779,978	6,973,549
2026	1,496,649	288,503	1,785,152	5,476,900
2027	1,715,606	227,849	1,943,455	3,761,294
2028	882,158	168,298	1,050,456	2,879,136
2029	750,225	128,538	878,763	2,128,911
2030	798,422	95,641	894,063	1,330,489
2031	866,755	59,246	926,001	463,734
2032	85,230	19,709	104,939	378,504
2033	88,852	16,086	104,938	289,652
2034	92,628	12,310	104,938	197,024
2035	96,565	8,374	104,939	100,459
2036	100,459	4,270	104,729	
	17,289,618	5,161,943	22,451,560	



Total Outstanding Debt
June 30, 2017
Governmental-type Funds

Total Outstanding Debt
June 30, 2017
Business-type Funds

Fiscal Year	Governmental			Balance	Fiscal Year	Enterprise			Balance
	Principal	Interest	Total			Principal	Interest	Total	
2017				4,632,721	2017				12,656,897
2018	219,109	206,395	425,504	4,413,612	2018	889,825	469,843	1,359,668	11,767,072
2019	236,974	196,367	433,342	4,176,637	2019	934,589	439,129	1,373,718	10,832,483
2020	259,952	185,485	445,437	3,916,686	2020	989,780	406,788	1,396,568	9,842,703
2021	283,047	173,498	456,545	3,633,639	2021	1,015,595	371,241	1,386,836	8,827,108
2022	306,264	160,401	466,665	3,327,375	2022	998,810	337,214	1,336,024	7,828,298
2023	334,608	146,189	480,797	2,992,767	2023	1,043,731	301,833	1,345,564	6,784,567
2024	358,084	130,611	488,695	2,634,683	2024	1,009,093	264,757	1,273,850	5,775,474
2025	386,696	113,906	500,603	2,247,987	2025	1,049,912	229,463	1,279,375	4,725,562
2026	420,452	95,825	516,277	1,827,535	2026	1,076,197	192,678	1,268,875	3,649,365
2027	861,241	72,850	934,091	966,294	2027	854,365	154,999	1,009,364	2,795,000
2028	267,158	42,413	309,571	699,136	2028	615,000	125,885	740,885	2,180,000
2029	75,225	29,713	104,938	623,911	2029	675,000	98,825	773,825	1,505,000
2030	78,422	26,516	104,938	545,489	2030	720,000	69,125	789,125	785,000
2031	81,755	23,183	104,938	463,734	2031	785,000	36,063	821,063	
2032	85,230	19,709	104,939	378,504	2032	-	-	-	
2033	88,852	16,086	104,938	289,652	2033	-	-	-	
2034	92,628	12,310	104,938	197,024	2034	-	-	-	
2035	96,565	8,374	104,939	100,459	2035	-	-	-	
2036	100,459	4,270	104,729	-	2036	-	-	-	
	4,632,721	1,664,100	6,296,820			12,656,897	3,497,843	16,154,740	

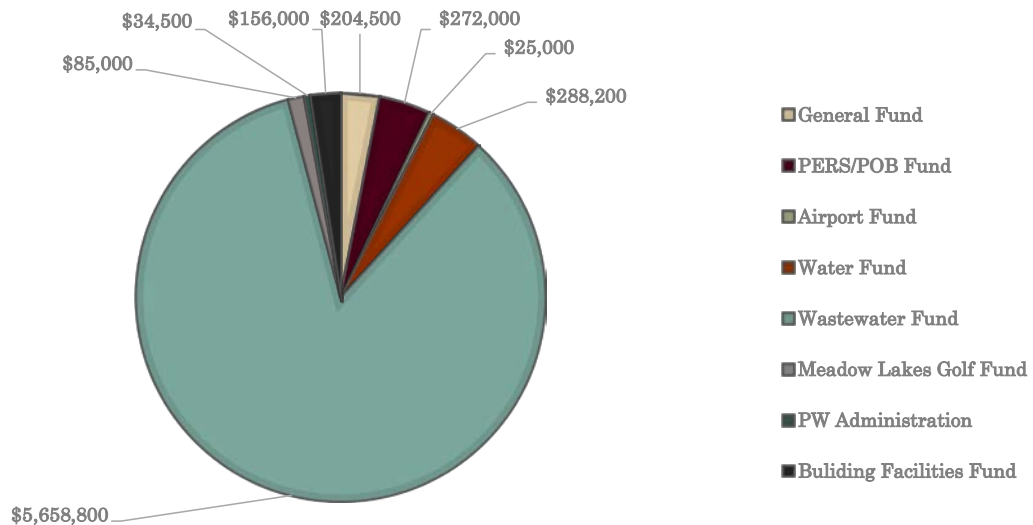
Total Outstanding City Debt by Fund June 30, 2017

Governmental Type Funds	Principal	Interest	Total
City Hall - Rural Development	\$1,349,346	\$644,272	\$1,993,618
Pension Obligation Bond - 2014	2,570,000	843,505	3,413,505
BOTC - Ironhorse Property Aquisition	713,375	176,323	889,697
Business Type Funds			
Water - 2011 FFCO	2,270,000	805,301	3,075,301
Water - 2003 Revenue Bond	335,000	62,470	397,470
Wastewater - 2011 FFCO	4,570,000	1,787,567	6,357,567
Wastewater - DEQ R74682	4,836,541	742,058	5,578,599
Golf - 2011 FFCO	415,000	87,395	502,395
Golf - BOTC FFCO	131,801	8,104	139,905
Public Works - KS St Bank Note Payable	98,555	4,948	103,503
	\$17,289,618	\$5,161,943	\$22,451,560



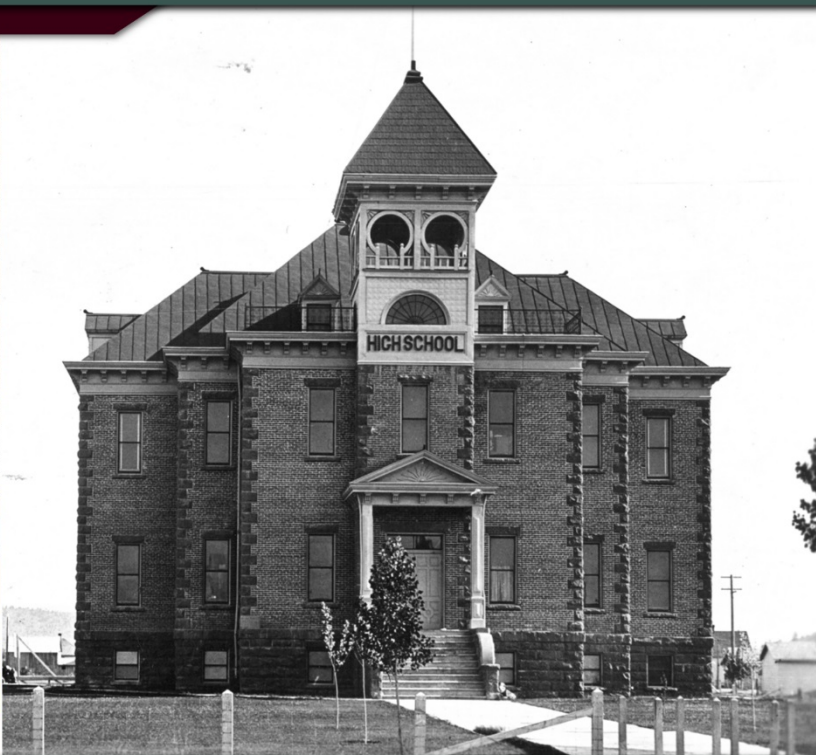
Summary of Debt Service Payments FY 18

	Principal	Interest	Total
General Fund			
Police Vehicles	49,700	4,800	54,500
Property Acquisition	127,910	22,090	150,000
Water Fund			
2011 FFCO	125,000	96,100	221,100
2003 Revenue Bond	50,000	17,100	67,100
Wastewater Fund			
2011 FFCO	170,000	195,300	365,300
DEQ R74682	448,300	139,000	587,300
DEQ Bridge/USDA Loan	4,566,400	103,200	4,669,600
State of Oregon IFA	26,600	10,000	36,600
Airport Fund			
Crook County Lease Payment	9,195	15,805	25,000
Golf Fund			
2011 FFCO	40,000	17,000	57,000
BOTC FFCO	23,900	4,100	28,000
Public Works Administration Fund			
Kansas State Bank	31,200	3,300	34,500
Building Facilities Fund			
Rural Development	44,000	62,000	106,000
Police Facility	38,000	12,000	50,000
POB Fund			
Pension Obligation Bond	145,000	127,000	272,000





Consolidated Budgets & Analysis

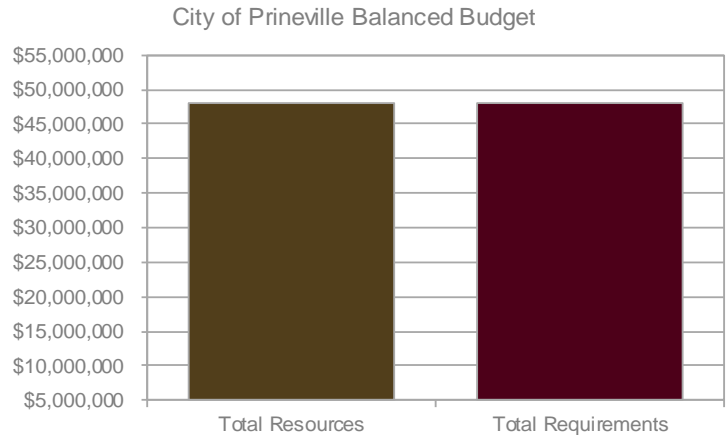


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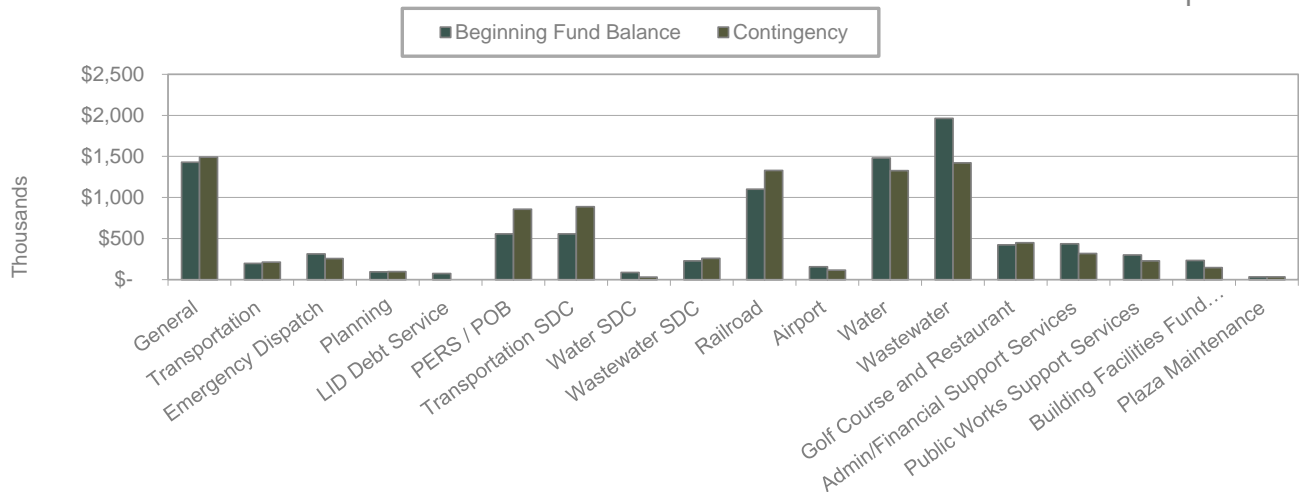


Balanced FY 17-18 Budget Summary

Balanced Budget Summary	
Beginning Fund Balance	\$9,652,614
Other Resources	-
Current Year Resources	38,270,685
Total Resources	\$ 47,923,299
Requirements	\$37,913,185
Contingency	9,448,814
Other Requirements	561,300
Total Requirements	\$ 47,923,299
Difference	-



Charts and Graphs FY 2018 Beginning and Ending Fund Balance Comparison

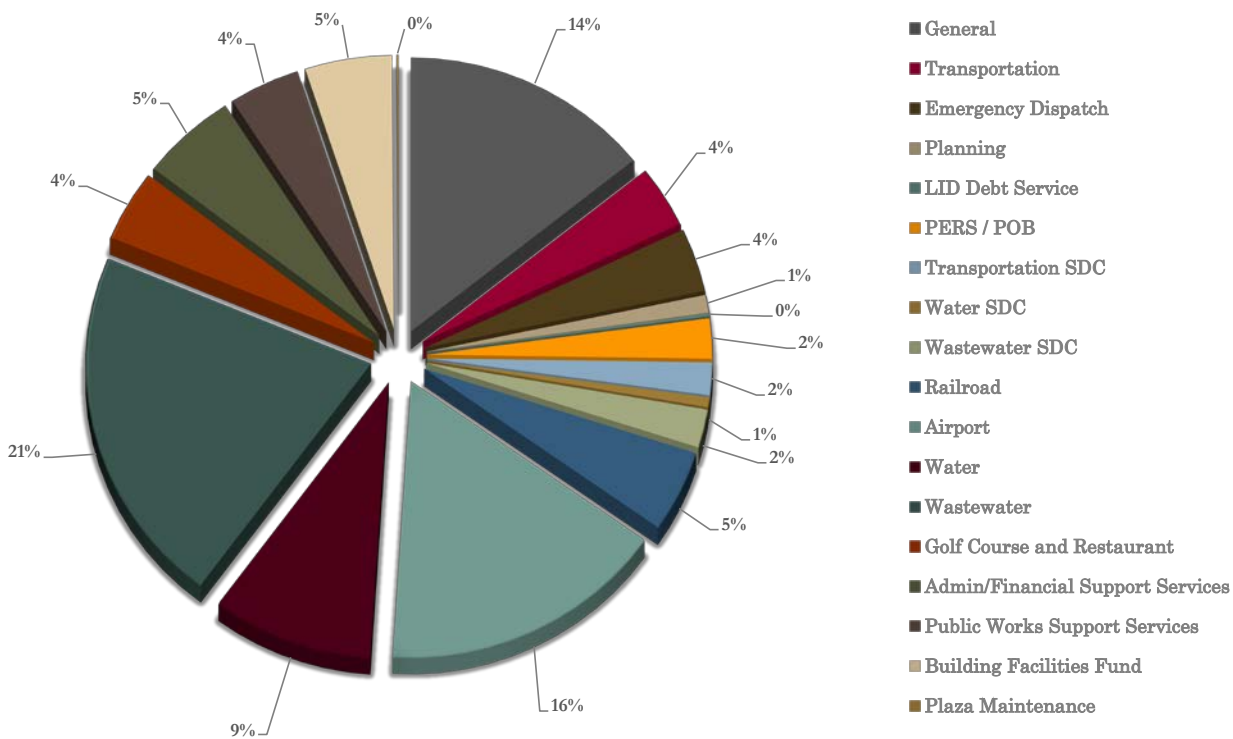
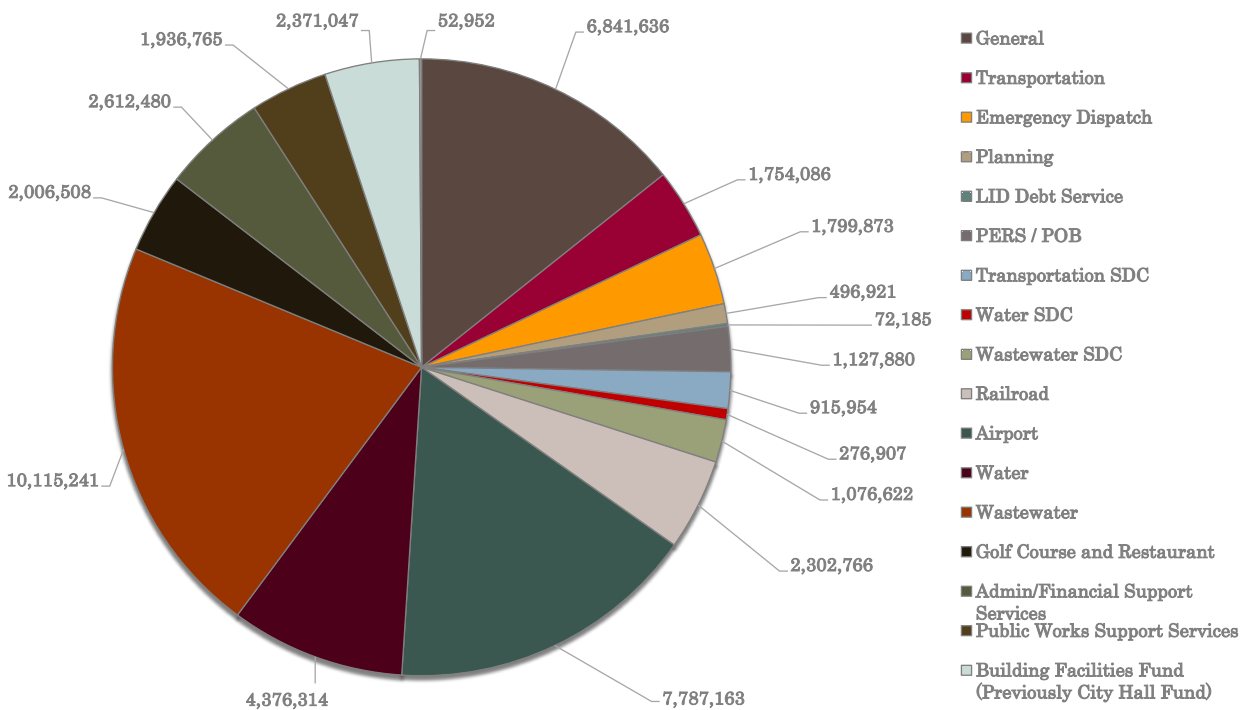


*Detailed discussion of changes in beginning and ending fund balance included in specific fund detail pages of the budget document.

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



Total Current Year Requirements by Fund



*Detailed discussion of specific requirements by fund included in specific fund detail pages of the budget document.

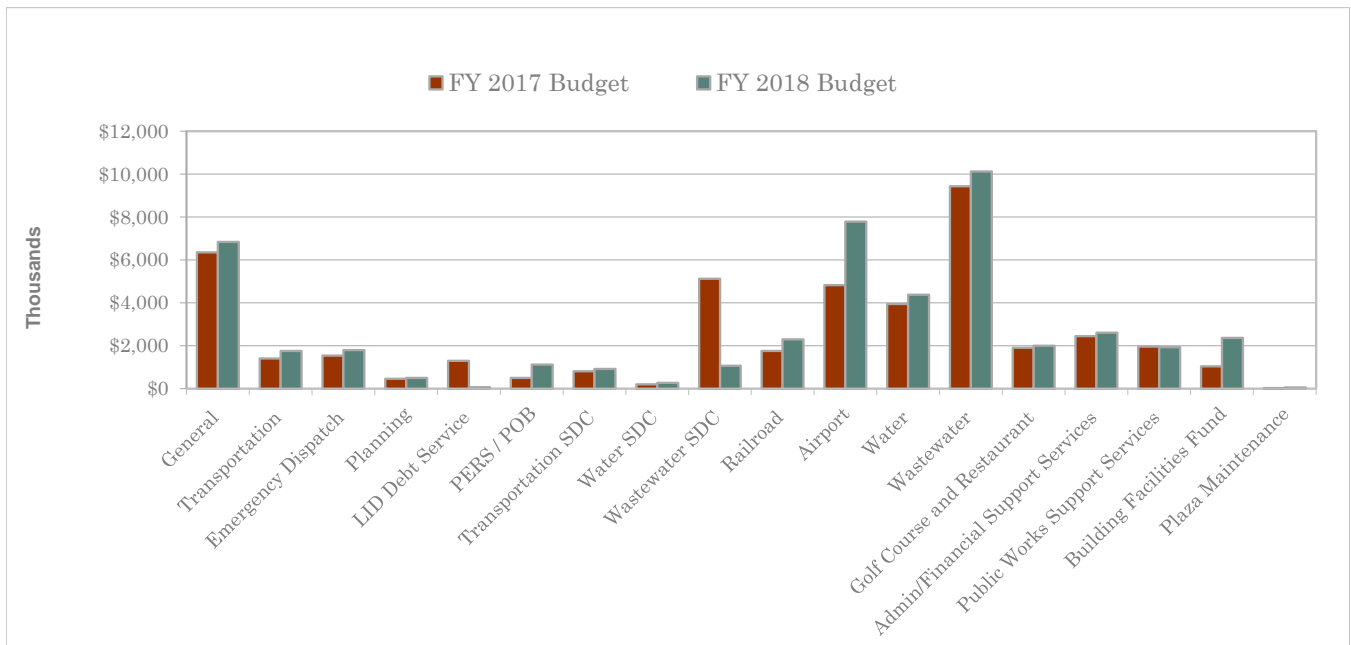


FY 17 & 18 Budget Comparison

Fund	FY 2017 Budget	FY 2018 Budget	Percent Change
General	\$6,350,359	\$6,841,636	8%
Transportation	\$1,411,981	\$1,754,086	24%
Emergency Dispatch	\$1,536,897	\$1,799,873	17%
Planning	\$457,980	\$496,921	9%
LID Debt Service	\$1,301,475	\$72,185	-94%
PERS / POB	\$499,342	\$1,127,880	126%
Transportation SDC	\$811,094	\$915,954	13%
Water SDC	\$211,192	\$276,907	31%
Wastewater SDC	\$5,126,207	\$1,076,622	-79%
Railroad	\$1,755,749	\$2,302,766	31%
Airport	\$4,828,549	\$7,787,163	61%
Water	\$3,950,441	\$4,376,314	11%
Wastewater	\$9,431,550	\$10,115,241	7%
Golf Course and Restaurant	\$1,904,962	\$2,006,508	5%
Admin/Financial Support Services	\$2,448,600	\$2,612,480	7%
Public Works Support Services	\$1,956,634	\$1,936,765	-1%
Building Facilities Fund	\$1,040,999	\$2,371,047	128%
Plaza Maintenance	\$36,016	\$52,952	47%
Total	\$45,060,027	\$47,923,299	6%



FY 17 & FY 18 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	SDC Funds	Railroad	Airport	Water	Wastewater	Golf	Admin Services	Plaza	Building Facilities	PW Services
Police	*		*								*		*	
Police Facility													*	
Non-Departmental	*	*		*		*	*							
Emergency Dispatch	*		*								*			
Transportation	*	*		*	*						*			*
Planning	*	*		*	*			*	*				*	
Railroad/Fright Depot	*					*					*			
Airport	*						*				*			
Water		*			*			*			*			*
Wastewater		*			*				*	*	*			*
Golf									*	*	*			
Council	*									*	*		*	
City Manager										*	*		*	
Finance					*					*	*		*	
IT										*	*		*	
Plaza Maintenance												*	*	
Building Facilities	*									*	*	*	*	*
Public Works Admin Services		*						*	*		*	*	*	*



Department/Fund Relationships Governmental Funds



General Fund
↓
Departments
Police
Non-Departmental

Special Revenue Funds
↓
Emergency Dispatch Fund
Planning Fund
Transportation Fund
Transportation SDC Fund

Debt Service Funds
↓
POB/PERS Fund
LID Fund

Enterprise Funds/Capital Projects Funds



Water Fund
Water SDC Fund

Wastewater Fund
Wastewater SDC Fund



Enterprise Funds Continued



Meadow Lakes Golf Course

Airport Fund

Railroad Fund

- Departments
 - Restaurant
 - Course Maintenance
 - Golf Operations

Internal Service Funds



Admin/Financial Support Services Fund

Building Facilities Fund

Public Works Admin Fund

- Departments
 - Council
 - Administration
 - Finance
 - Information Technology

- Departments
 - City Hall Facility
 - Police Facilities
 - Public Works Facilities

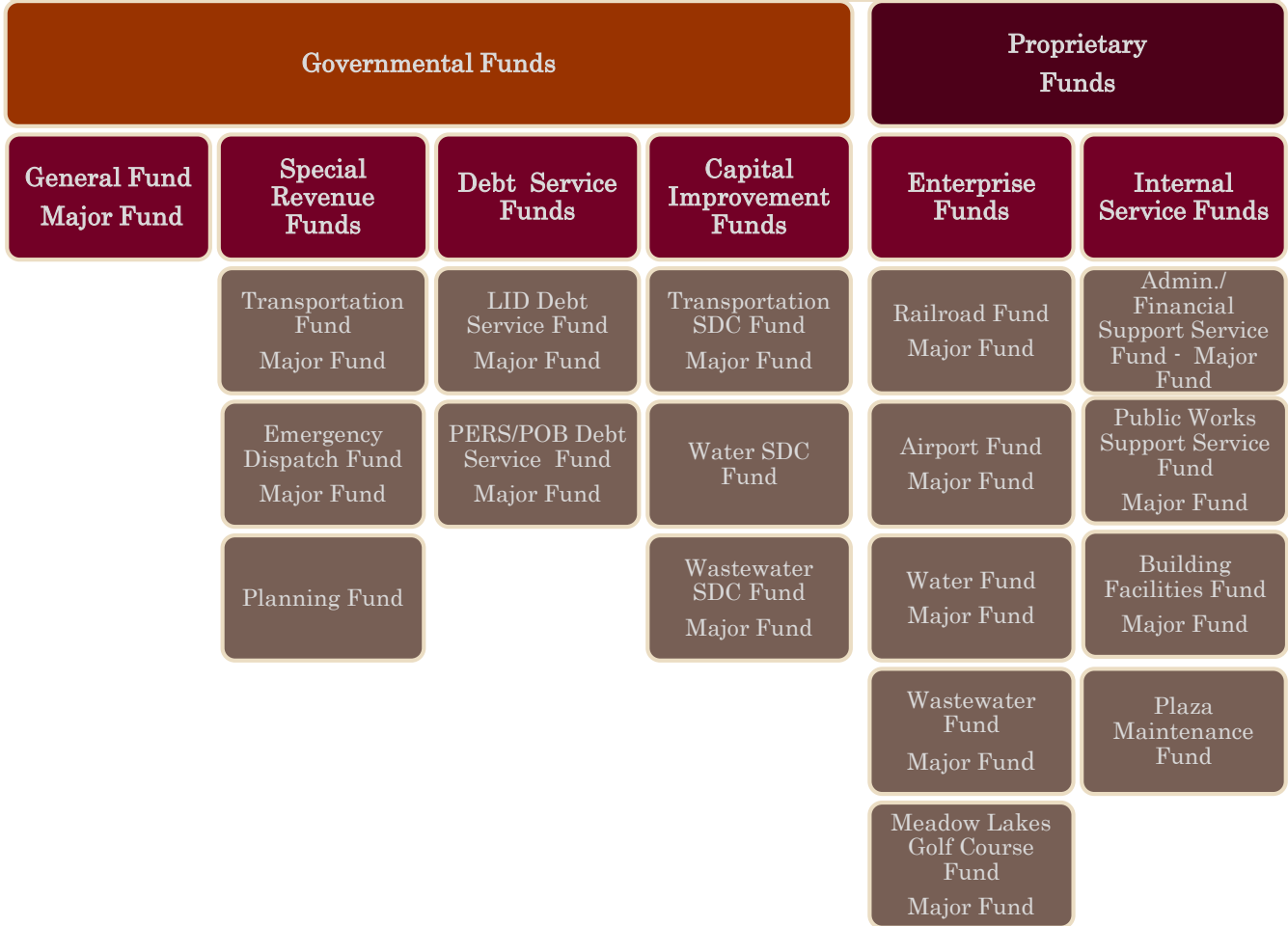
- Departments
 - Support Services
 - Fleet Maintenance and Operations

(Supports Transportation, Water and Wastewater, Capital Projects Funds)

Plaza Maintenance Fund



Budget Fund Structure



All funds in the fund structure are appropriated funds in the FY 18 Budget.



Consolidated Budget FY 18

Fund	Beginning Fund Balance	Other Resources	Current Year Resources	Current Year Requirements	Contingency	Other Requirements	Total Current Year Requirements	Ending Fund Balance
General	\$ 1,429,051	\$ -	\$ 5,412,585	\$ 5,351,900	\$ 1,489,736	\$ -	\$ 6,841,636	\$ 1,489,736
Transportation	195,486	-	1,558,600	1,541,900	212,186	-	1,754,086	212,186
Emergency Dispatch	312,273	-	1,487,600	1,544,900	254,973	-	1,799,873	254,973
Planning	95,121	-	401,800	399,200	97,721	-	496,921	97,721
LID Debt Service	72,185	-	-	72,185	-	-	72,185	-
PERS / POB	556,480	-	571,400	272,000	855,880	-	1,127,880	855,880
Transportation SDC	556,954	-	359,000	27,800	888,154	-	915,954	888,154
Water SDC	86,207	-	190,700	246,500	30,407	-	276,907	30,407
Wastewater SDC	226,322	-	850,300	819,400	257,222	-	1,076,622	257,222
Railroad	1,101,566	-	1,201,200	974,600	1,328,166	-	2,302,766	1,328,166
Airport	156,563	-	7,630,600	7,671,700	115,463	-	7,787,163	115,463
Water	1,479,814	-	2,896,500	3,049,800	1,326,514	-	4,376,314	1,326,514
Wastewater	1,962,841	-	8,152,400	8,237,700	1,421,241	456,300	10,115,241	1,877,541
Golf Course and Restaurant	423,008	-	1,583,500	1,557,800	448,708	-	2,006,508	448,708
Admin/Financial Support Services	434,380	-	2,178,100	2,295,600	316,880	-	2,612,480	316,880
Public Works Support Services	298,765	-	1,638,000	1,710,000	226,765	-	1,936,765	226,765
Building Facilities Fund <i>(Previously City Hall Fund)</i>	232,747	-	2,138,300	2,120,600	145,447	105,000	2,371,047	250,447
Plaza Maintenance	32,852	-	20,100	19,600	33,352	-	52,952	33,352
Total	\$ 9,652,614	\$ -	\$ 38,270,685	\$ 37,913,185	\$ 9,448,814	\$ 561,300	\$ 47,923,299	\$ 10,010,114

Ending fund balance is equal to contingency and other requirements.



Consolidated Budget FY 17

Fund	Beginning Fund Balance	Other Resources	Current Year Resources	Current Year Requirements	Contingency	Other Requirements	Total Current Year Requirements
General	\$ 871,859	\$ -	\$ 5,478,500	\$ 5,371,900	\$ 978,459	\$ -	\$ 6,350,359
Transportation	205,281	-	1,206,700	1,235,700	176,281	-	1,411,981
Emergency Dispatch	316,697	-	1,220,200	1,307,400	229,497	-	1,536,897
Planning	58,380	-	399,600	388,300	69,680	-	457,980
LID Debt Service	101,475	-	1,200,000	1,301,475	-	-	1,301,475
PERS / POB Fund	185,342	-	314,000	258,200	241,142	-	499,342
Transportation SDC	459,094	-	352,000	267,500	543,594	-	811,094
Water SDC	10,592	-	200,600	124,000	87,192	-	211,192
Wastewater SDC	115,207	-	5,011,000	4,934,500	191,707	-	5,126,207
Railroad	784,649	-	971,100	901,700	854,049	-	1,755,749
Airport	37,449	-	4,791,100	4,797,900	30,649	-	4,828,549
Water	1,524,941	-	2,425,500	2,800,000	1,150,441	-	3,950,441
Wastewater	1,554,950	-	7,876,600	7,790,900	1,336,650	304,000	9,431,550
Golf Course and Restaurant	330,462	-	1,574,500	1,531,800	373,162	-	1,904,962
Admin/Financial Support Services	324,600	-	2,124,000	2,147,800	300,800	-	2,448,600
Public Works Support Services	348,934	-	1,607,700	1,659,200	297,434	-	1,956,634
City Hall	169,999	-	871,000	872,600	63,399	105,000	1,040,999
Plaza Maintenance	15,916	-	20,100	19,600	16,416	-	36,016
Total	\$ 7,415,827	\$ -	\$ 37,644,200	\$ 37,710,475	\$ 6,940,552	\$ 409,000	\$ 45,060,027



Consolidated Estimated Budget FY 17

Fund	Beginning Fund Balance	Other Resources	Current Year Resources	Current Year Requirements	Contingency	Other Requirements	Total Current Year Requirements	Ending Fund Balance
General	\$ 963,851	\$ -	\$ 5,803,500	\$ 5,338,300	\$ -	\$ -	\$ 5,338,300	\$ 1,429,051
Transportation	267,186	-	1,304,900	1,376,600	-	-	1,376,600	195,486
Emergency Dispatch	339,206	-	1,407,400	1,434,333	-	-	1,434,333	312,273
Planning	78,021	-	400,100	383,000	-	-	383,000	95,121
LID Debt Service	101,665	-	1,271,851	1,301,331	-	-	1,301,331	72,185
PERS/POB Fund	252,680	-	562,000	258,200	-	-	258,200	556,480
Transportation SDC	496,754	-	327,700	267,500	-	-	267,500	556,954
Water SDC	70,107	-	150,600	134,500	-	-	134,500	86,207
Wastewater SDC	365,822	-	4,371,900	4,511,400	-	-	4,511,400	226,322
Railroad	902,566	-	1,213,600	1,014,600	-	-	1,014,600	1,101,566
Airport Fund	61,663	-	2,483,800	2,388,900	-	-	2,388,900	156,563
Water	1,884,514	-	2,662,300	3,067,000	-	-	3,067,000	1,479,814
Wastewater	1,657,741	-	3,586,400	3,281,300	-	-	3,281,300	1,962,841
Golf Course and Restaurant	373,308	-	1,502,300	1,452,600	-	-	1,452,600	423,008
Admin/Financial Support Services	415,880	-	2,123,500	2,105,000	-	-	2,105,000	434,380
Public Works Support Services	323,665	-	1,632,600	1,657,500	-	-	1,657,500	298,765
City Hall	177,067	-	372,980	317,300	-	-	317,300	232,747
Plaza Maintenance	29,052	-	20,100	16,300	-	-	16,300	32,852
Total	\$ 8,760,747	\$ -	\$ 31,197,531	\$ 30,305,664	\$ -	\$ -	\$ 30,305,664	\$ 9,652,614





Resource & Requirement Analysis



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Resources and Requirements Overview

Resources	Actual FY 14-15	Actual FY 15-16	Budgeted FY 16-17	Estimated FY 16-17	Adoptd Budget FY 17-18
Charges for services	11,365,159	12,288,106	13,013,000	13,134,700	14,247,400
Debt proceeds	176,188	2,655,125	7,950,000	2,879,300	5,100,000
Franchise fees	1,864,413	2,085,847	2,196,000	2,528,000	2,713,000
Intergovernmental revenue	1,993,567	2,435,051	7,936,600	5,766,700	10,422,600
Miscellaneous	1,505,851	1,300,527	2,111,400	2,769,431	1,095,300
Property taxes	1,793,737	1,843,406	1,920,000	1,975,000	2,050,000
System development charges	592,466	843,657	900,000	600,200	825,000
Transfers	1,162,515	1,366,105	1,617,200	1,544,200	1,817,385
Beginning Fund Balance	6,549,774	7,463,499	7,415,827	8,760,747	9,652,614
Total	27,003,670	32,281,323	45,060,027	39,958,278	47,923,299
Expenditures	Actual FY 14-15	Actual FY 15-16	Budgeted FY 16-17	Estimated FY 16-17	Adopted Budget FY 17-18
Personnel services	6,707,752	6,916,246	7,502,400	7,344,300	8,003,700
Materials and services	3,953,734	4,314,280	4,982,100	4,893,233	5,130,800
Franchise fee expense	251,000	259,000	277,000	277,000	296,000
Capital outlay	1,917,381	4,966,689	11,562,400	9,144,600	11,671,900
Transfers	4,842,897	5,132,661	5,709,275	5,587,900	6,086,785
Debt service	1,867,403	1,931,699	7,677,300	3,058,631	6,724,000
Contingency/Other Requirements		-	7,349,552	-	10,010,114
Total	19,540,167	23,520,575	45,060,027	30,305,664	47,923,299



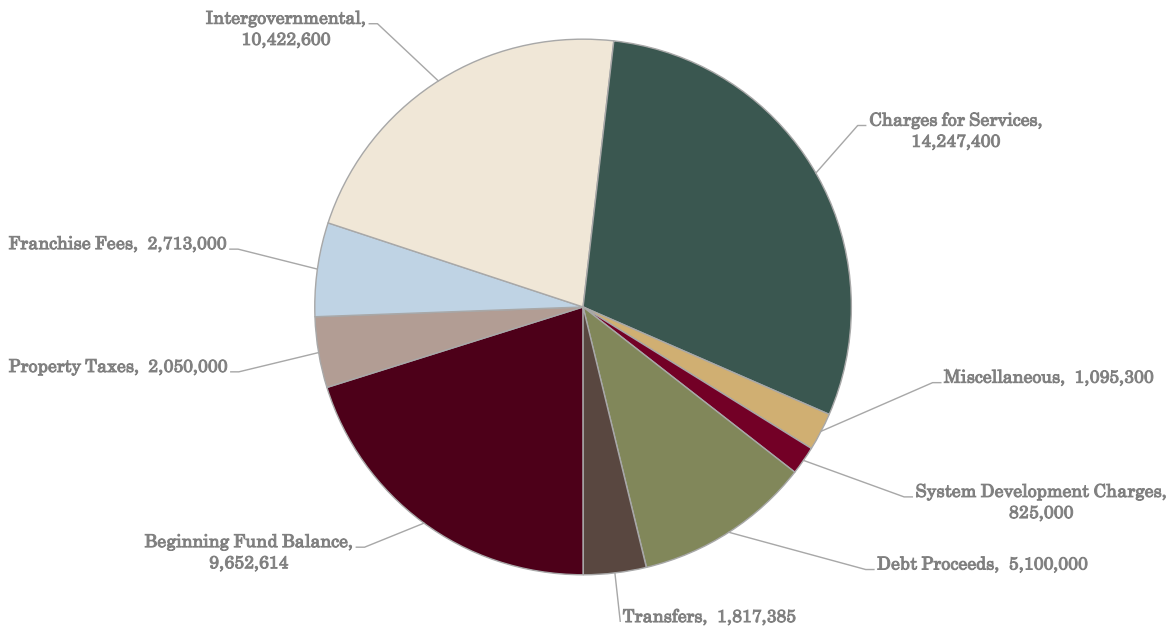
Types of Resources and Requirements

All Revenue Sources

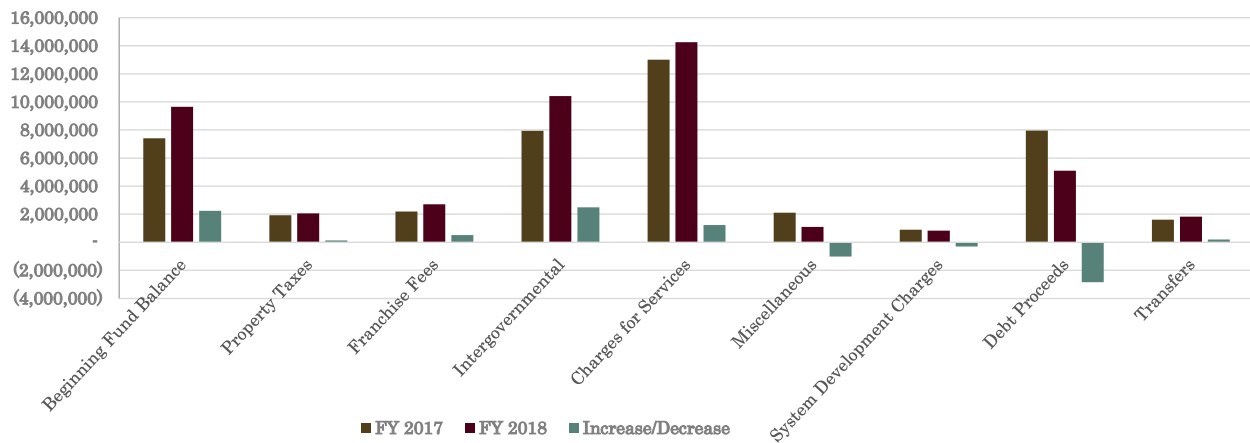
Nine main revenue categories comprise the revenue sources for the fiscal year 2018 budget. Of these nine categories, charges for service is the largest at 30 percent, intergovernmental revenue is at 22 percent, beginning fund balance is at 20 percent, debt proceeds is at 11 percent, franchise fees is 6 percent, property taxes and transfers at 4 percent, and system development charges and miscellaneous income at 2 percent. The top six sources comprise 97 percent of total revenues. This section will examine these revenue sources, as well as property taxes.

Revenue Summary	
	Percent of Total
Beginning Fund Balance	20%
Property Taxes	4%
Franchise Fees	6%
Intergovernmental	22%
Charges for Services	30%
Miscellaneous	2%
System Development Charges	2%
Debt Proceeds	11%
Transfers	4%

All Revenue Sources

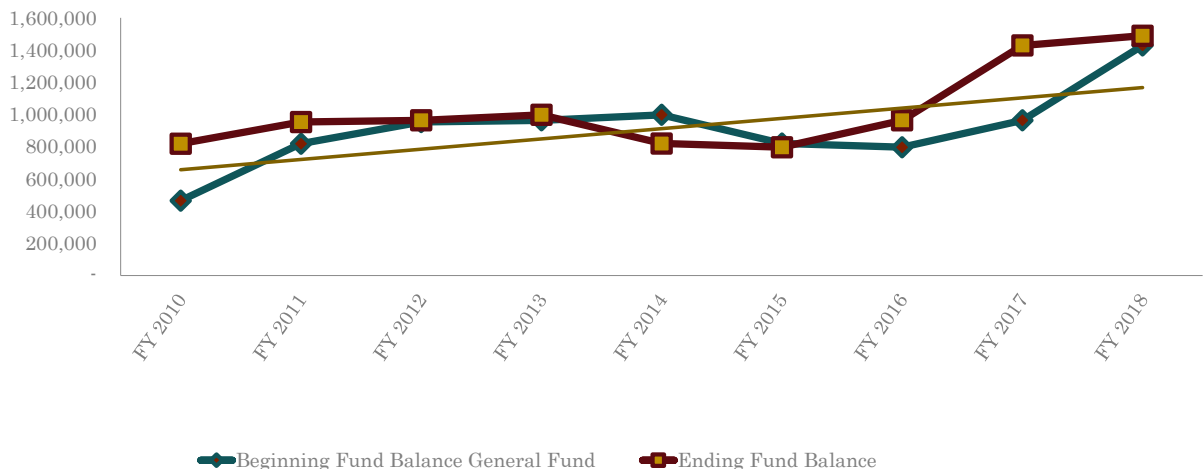


All Revenue Sources Comparison City of Prineville, FY 17 - FY 18



Significant increases to revenue sources include beginning fund balances, largely a result of electrical franchise fees in the General Fund and the increase in freight activity in the Railroad Fund, intergovernmental revenue mostly due to the airport and police facility grants, and charges for services related to increased activity and rate increases in the enterprise funds. The most significant decrease in revenue is to debt proceeds. Budgeted debt proceeds for FY 17 in the amount of approximately \$5 million (\$4.5 million for wetlands and \$500,000 for the police facility) is being carried forward do to project timing.

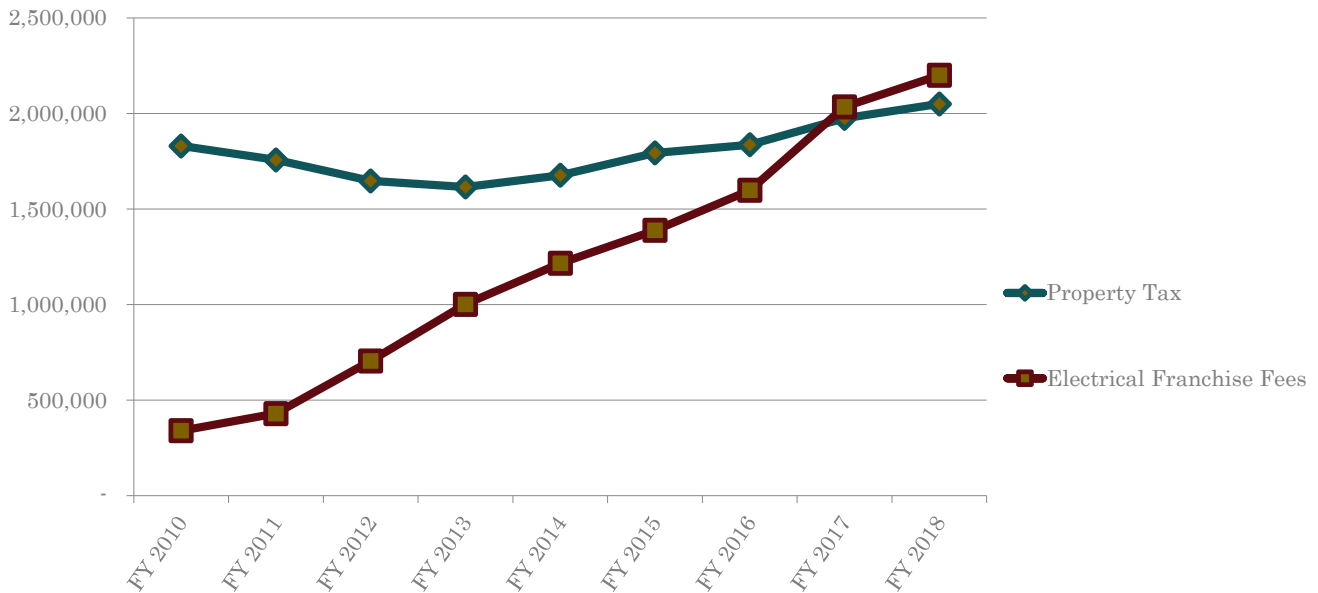
Beginning Fund Balance General Fund FY 18



General Fund beginning fund balance in FY 10 was \$465,841 and at the beginning of FY 17 totaled \$963,851, an improvement over the prior year of \$166,792, year-end estimates project beginning fund balance for FY 18 to be \$1.42 million an increase of \$465,200 which puts the general fund within city policy of \$1.36 million.

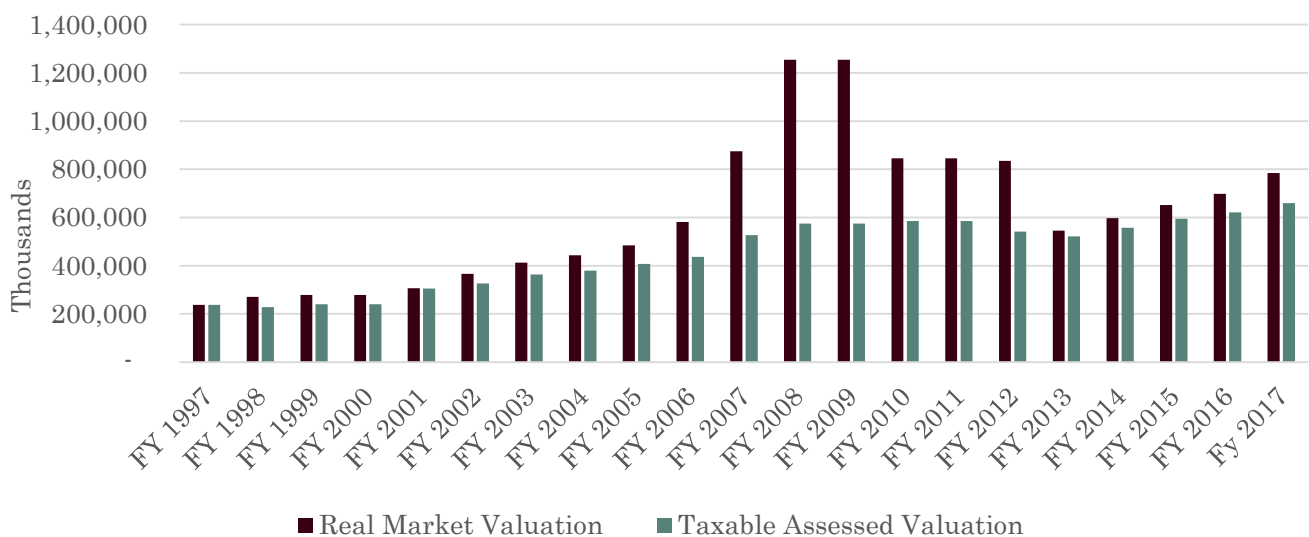


Revenue Collection Trend Property Tax and Electrical Franchise Fees FY 2010 – FY 2018



Property taxes decreased roughly \$214,000 annually 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 and FY 18 estimated projections have fees exceeding the amount of property tax collection.

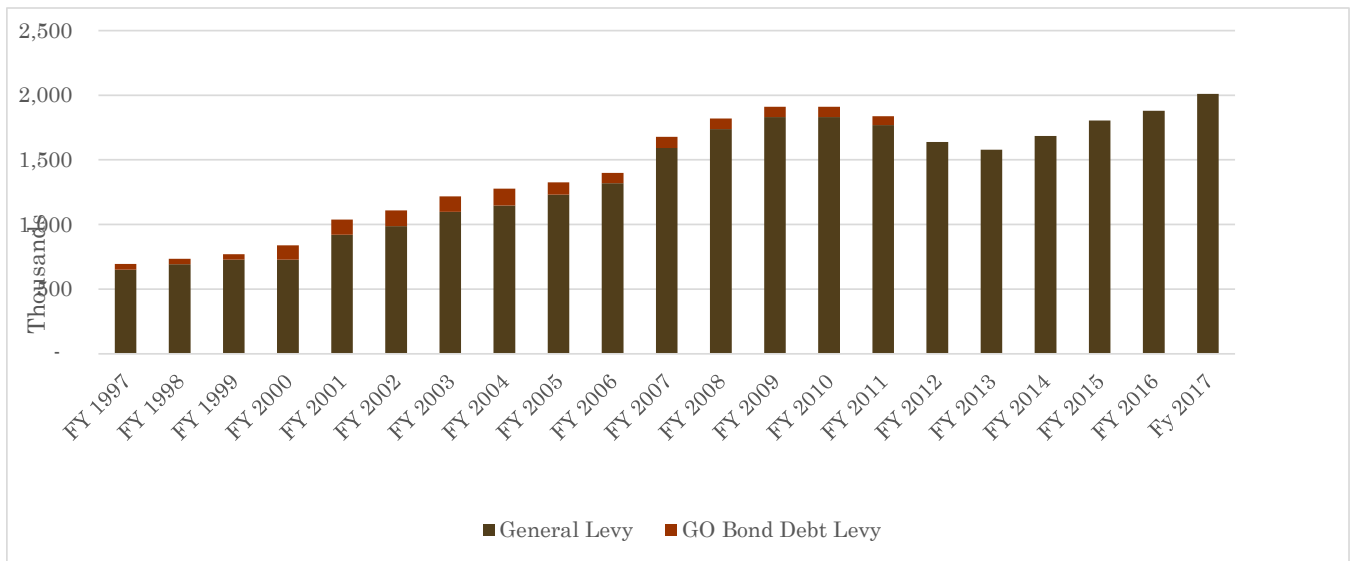
Real Market Value / Taxable Assessed Value City of Prineville, FY 1997 – FY 2017



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.

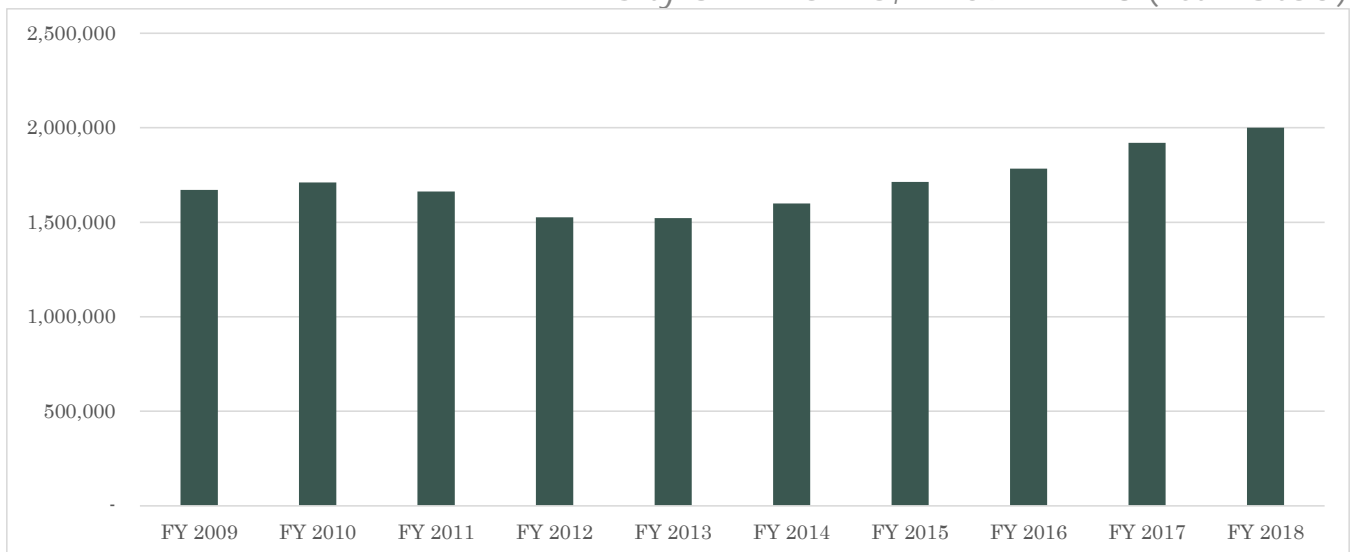


Property Taxes Levied City of Prineville, FY 1997 – FY 2017



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 18, taxable assessed value is projected by the county assessor to increase approximately 7 percent over last year’s imposed tax. The City is taking a conservative approach and estimated a 5 percent increase over the prior year. The general obligation bond for water improvement matured in FY 11.

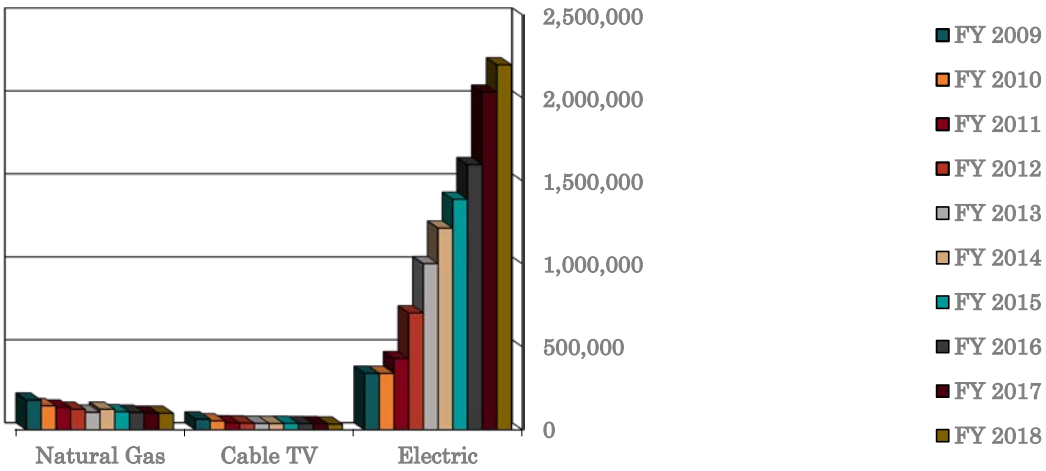
Current Property Tax Collection City of Prineville, FY 09 – FY 18 (Estimated)



Property tax collection is estimated at \$2 million, an increase of roughly \$80,000 over prior year estimate.

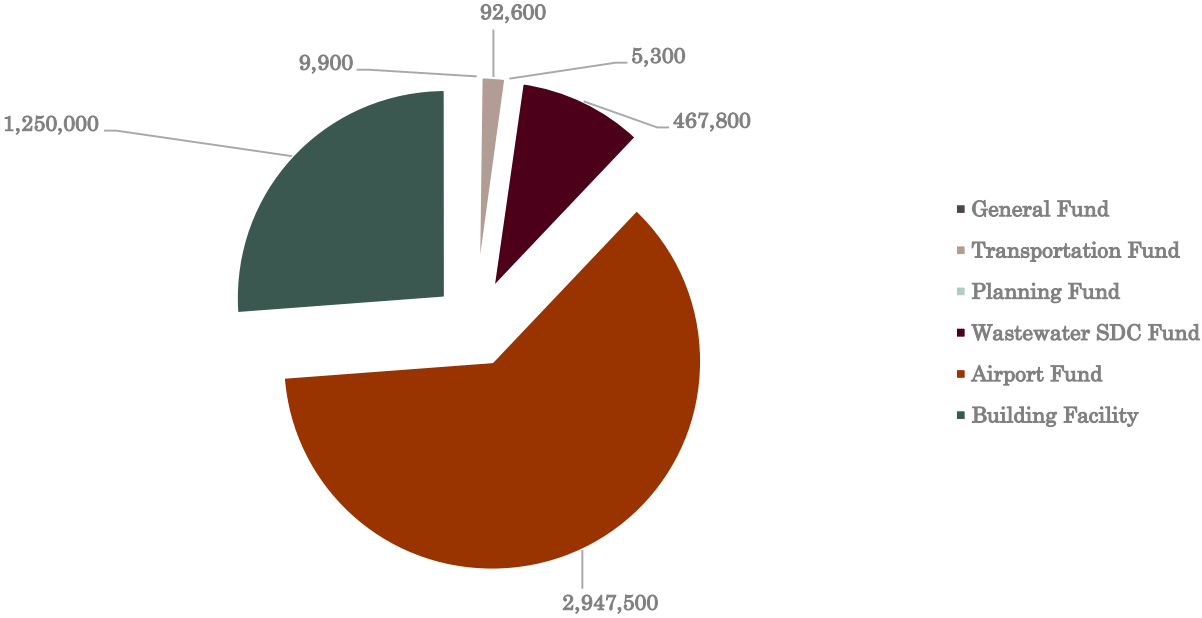


Franchise Fee Comparison General Fund FY 09 – FY 18



Franchise fees are projected to increase approximately 7 percent or \$162,000 in FY 18.

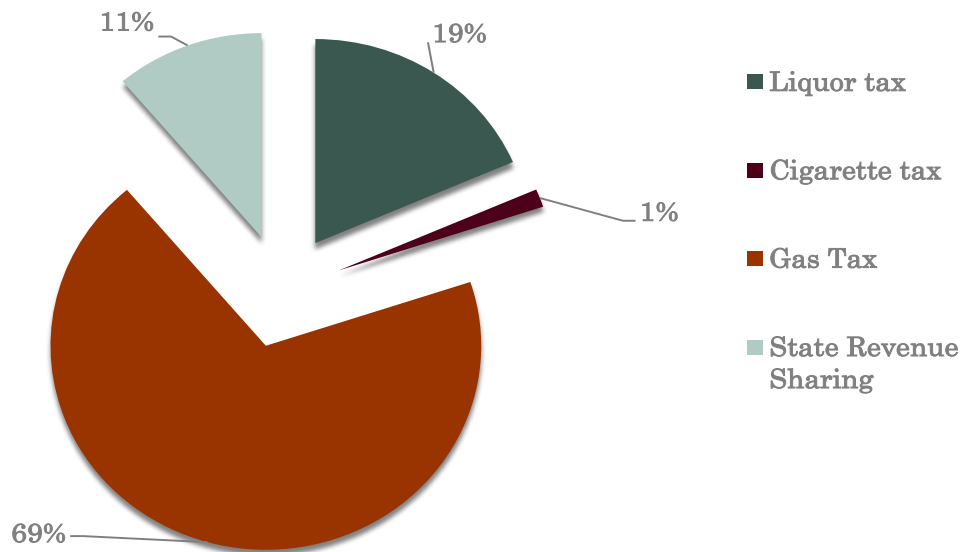
Intergovernmental Revenue Grant Revenue FY 18



Grant revenue for fiscal year 2018 is \$4,773,100 with the largest grants budgeted in the Airport Fund for \$2.95 million, \$2 million coming from Connect Oregon and \$.95 million from FAA grants. In the Wastewater SDC Fund \$467,800 is budgeted for completion of the wetland project with dollars coming from the Oregon Watershed Enhancement Board (OWEB), Oregon Business Development Department (OBDD), United States Department of Agriculture (USDA), Open Space Plan – Land and Water Conservation Fund (OSP-LWCF), and Pelton. Other grant dollars include Oregon Department of Transportation (ODOT) Transit grant in the Transportation Fund, Department of Environmental Quality (DEQ) air quality grant in Planning, \$1.25 million in the Building Facility Fund for the police facility, and other smaller police related grants in the General Fund.

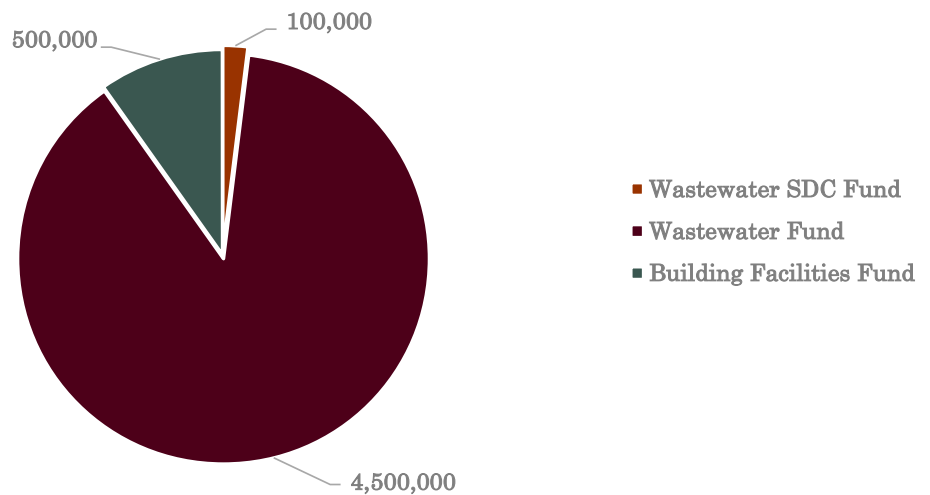


State Shared Revenue City of Prineville, FY 18



State shared revenues are projected at \$806,500 for FY 18. 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.

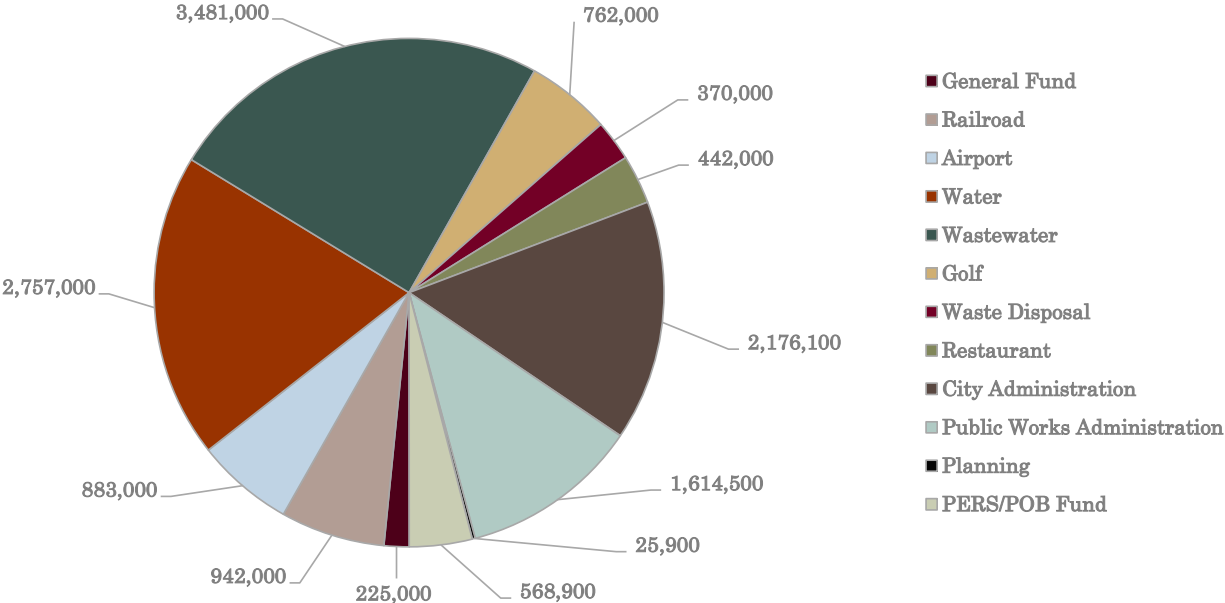
Debt Proceeds FY 18



Debt proceeds total \$5,100,000 with \$100,000 budgeted in Wastewater SDC Fund and \$4.5 million budgeted in the Wastewater Fund for the wetland project. Interim borrowing of \$4.4 million in the SDC fund for FY 16 and FY 17 will be paid off along with interim borrowing in FY 18 for a total of \$4.5 million in debt proceeds budgeted in the Wastewater Fund. Other borrowing budgeted include \$500,000 for police facility improvements.

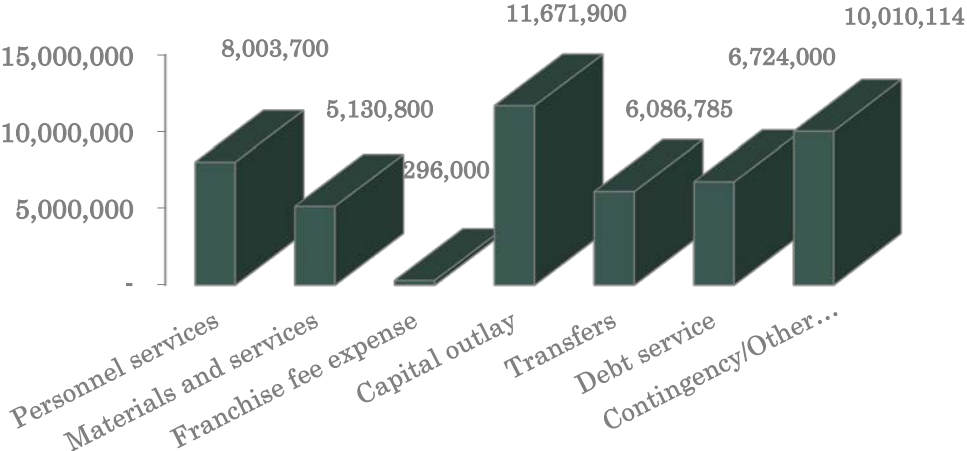


Charges for Services City of Prineville, FY 18



Charges for services total \$14,247,400 for FY 18. 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 \$3,481,000 and water at \$2,757,000 for 2018.

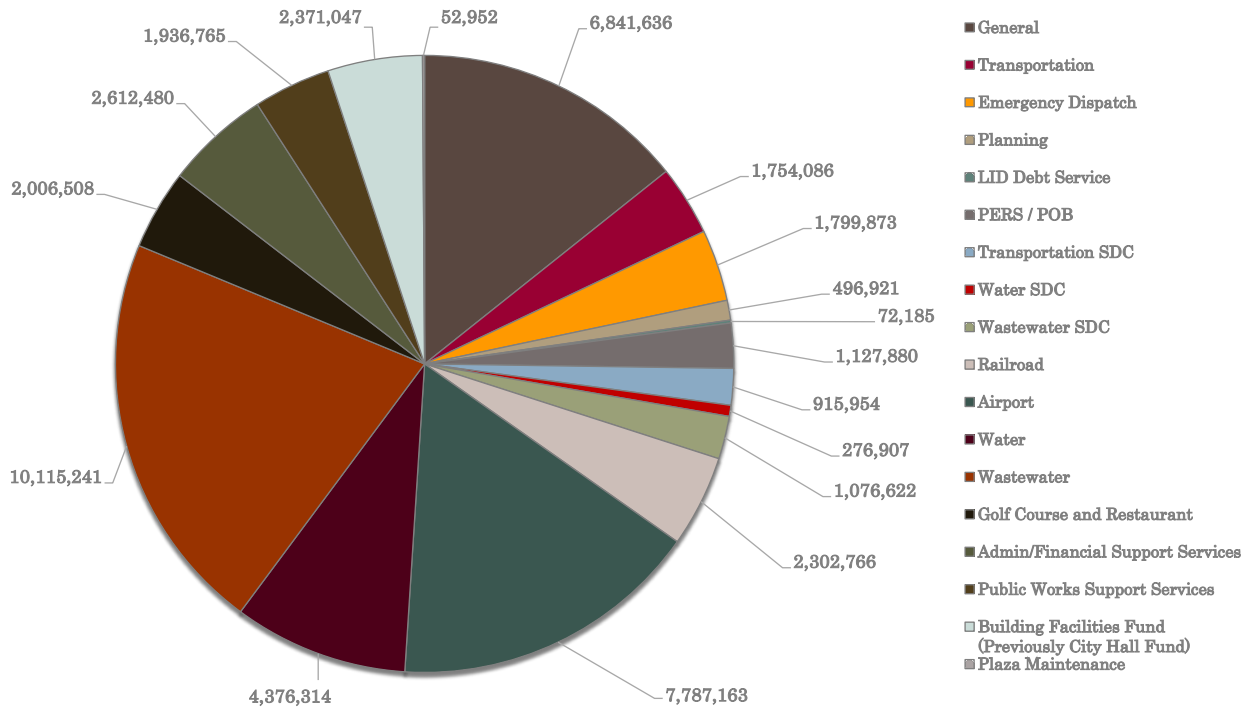
Requirements Budget by Major Category FY 17 - 18



Operational requirements total approximately 41 percent of the budget for FY 18; these categories include personnel services, materials and services, franchise fees and transfers.



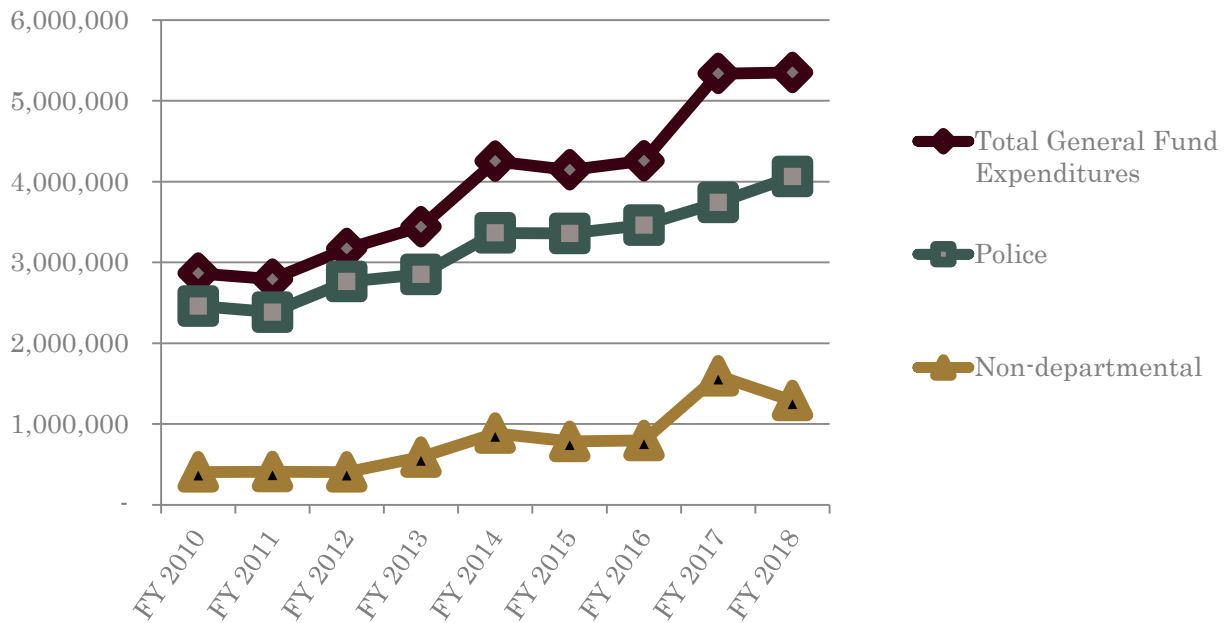
Total Requirements by Fund FY 2018



All funds total requirements equal \$47,923,299 for FY 18. The city's largest fund in 2018 is wastewater at \$10,115,241 followed by airport at \$7,787,163. General Fund is the third largest fund at \$6,841,636 with water as fourth largest totaling \$4,376,314.



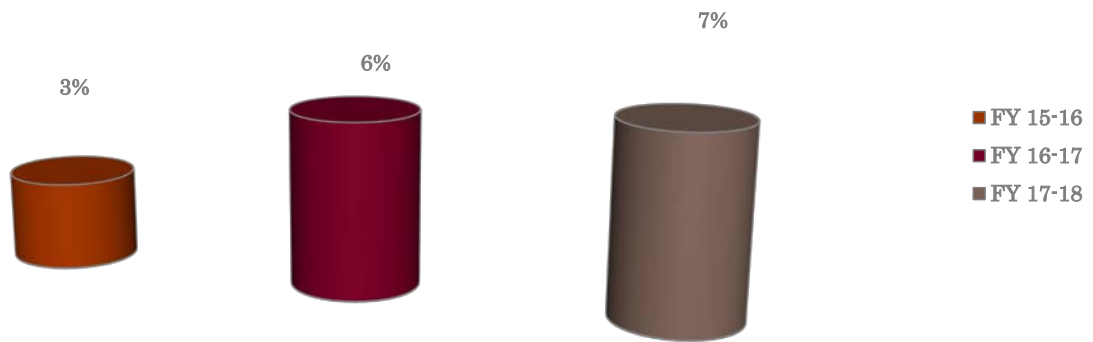
General Fund Requirements by Department FY 2018



In FY 18 total General Fund requirements have increased approximately 8 percent or \$491,277, with a change in department spending of \$13,600. The police budget increased over the prior year approximately \$319,800, while non-departmental decreased approximately \$306,200. Approximately \$477,700 was added to contingency/reserves to meet the council policy of maintaining sufficient working capital to allow the City to adequately fund operations until property taxes are received in November of each year without borrowing, and maintaining a 10 percent emergency reserve through 2021 while the 15 percent covenant is in place for the pension obligation bond. Total contingency/reserve of \$1,489,736 meets policy requirements of \$1,364,071.

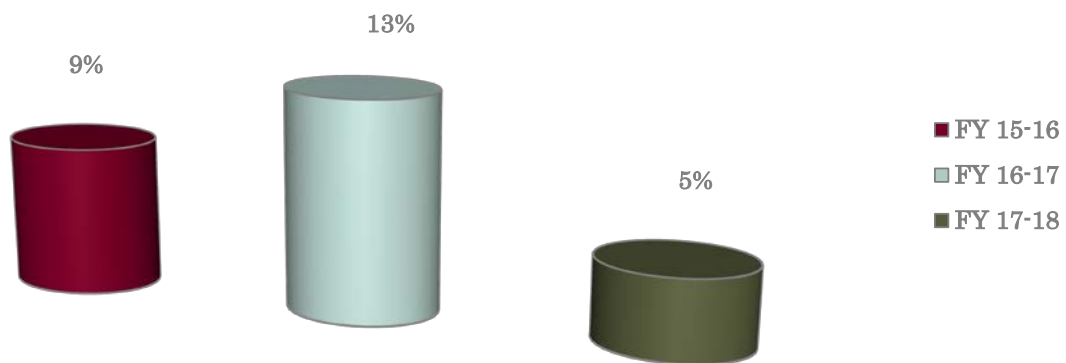


Personnel Services Requirement Trends FY 16 – 18



In FY 16 personnel services increased approximately 3 percent over prior year FY 15, FY 17 personnel services increased approximately 6 percent, FTE's increased by 1.5. In FY 18 total FTE's will increase by 2.52, two FTE in the Railroad Fund and 0.52 in the Emergency Dispatch Fund. The City of Prineville will meet union contract obligations and provide a modest increase for non-represented employees. Health insurance costs increased approximately 4 percent while retirement (PERS) decreased approximately 6 percent. An additional 7 percent estimated rate on all subject payroll sufficient to repay debt service on the pension obligation bond (POB) plus the approximate 6 percent decrease will be put into in the POB Fund for future liabilities.

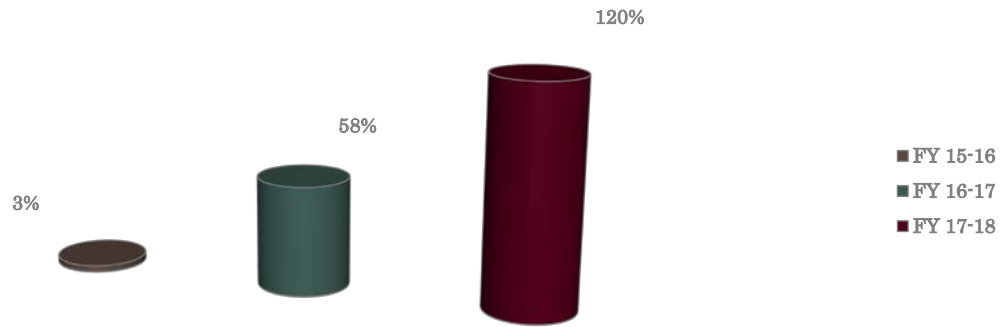
Materials & Services Requirement Trends FY 16 – 18



Materials and services requirements increased 5 percent over prior year, this largely due to the increase in activity in the enterprise funds, specifically airport and golf for repair and maintenance. Also budgeted in 2018 is additional maintenance of equipment in the dispatch center, and an increase in chamber fees due to an increase in transient room tax.

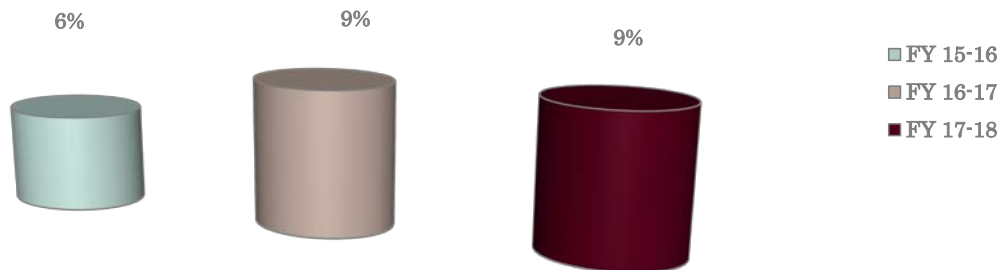


Debt Service Requirement Trends FY 16 – 18



Debt service requirements increased approximately 120 percent over prior year FY 17. The new debt service requirements include refinancing of interim financing for the construction of the wetland project for approximately \$4.5 million and \$500,000 for upgrades to the Police facility in the Building Facilities Fund.

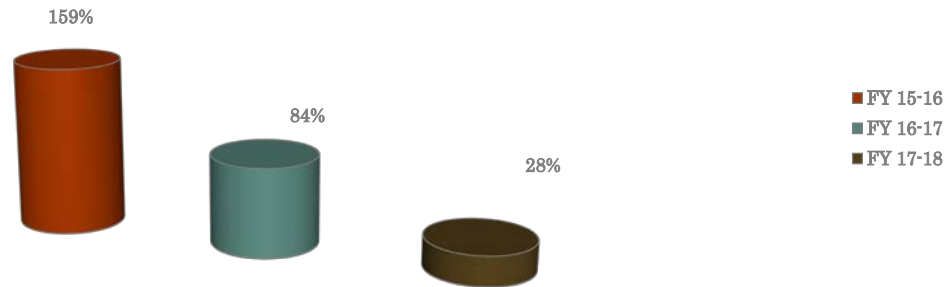
Transfer Requirement Trends FY 16 – 18



In FY 18, transfers increased by approximately 9 percent, some of this increase is due to increased business activity in the enterprise funds as transfers from funds for charges of service are based upon operating budgets, other increases to transfers include General Fund non-departmental to transportation increasing \$300,000 and \$100,000 transfer to the pension obligation bond fund is budgeted this year.



Capital Outlay Requirement Trends FY 16 – 18



Capital outlay for FY 18 totals approximately \$11.67 million. Capital project expenditures increased approximately 29 percent over the prior year. Grant-related projects represent approximately \$4.6 million of the total projects for FY 18, with approximately \$1.1 million covered by user fees or fund balance, approximately \$3.8 million represents intergovernmental revenue, \$600,000 covered by debt proceeds, \$470,000 covered by electrical franchise fees, with the other \$1.1 million cover by shared revenues, impact fees, and other miscellaneous revenues.





Fiscal Year 2017-2018 Budget

City of Prineville





Short- & Long-term Strategic Forecasting & Capital Improvement Plans



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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.

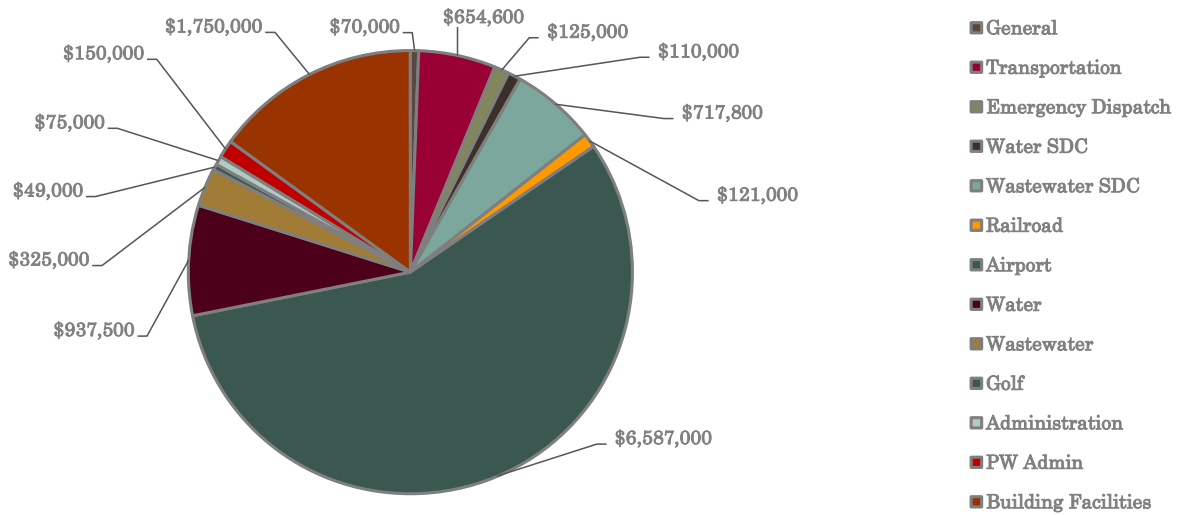
The City is working towards establishing a long-range model for each fund. A copy of the latest version of the City's updated projections for Water, Wastewater, Golf and Restaurant, and General Funds (showing only five of the 20-year plans) are placed in the back of this chapter.



Prineville as seen from the viewpoint of recently acquired Iron Horse property on March 9, 2017.



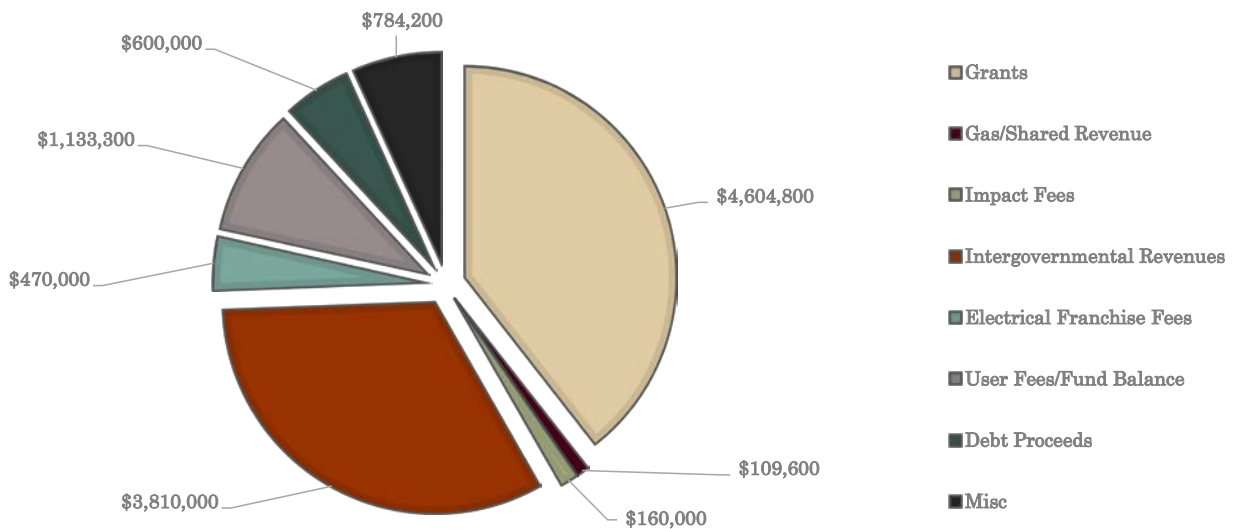
Capital Outlay Summary Capital Expenditures by Fund, FY 2018



The City defines a capital expenditure as using the following three criteria: (I) relatively high monetary value (equal or greater than \$10,000), (II) long asset life (equal 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 FY 18 is \$11,671,900. Thirteen programs have budgeted capital improvements, the largest being in the Airport Fund with approximately \$6.58 million budgeted, \$1.75 million in the Building Facilities Fund, and \$937,500 in the Water Fund.

Capital Resources



The City of Prineville's funding for capital projects comes from a variety of sources for FY 18, but generally falls into one of several categories: Grants, debt proceeds, gasoline taxes, shared revenue, impact fees, franchise fees, and user fees reserves. User fees, reserves, and intergovernmental revenue will cover the majority of capital projects in FY 18 at approximately \$8.4 million.

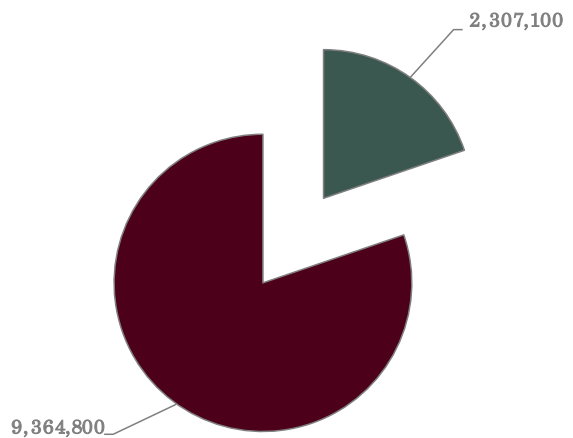


Summary of Capital Improvement Expenditures and Resources

Capital Improvement Summary City of Prineville Current Year 2017									
Expenditures	Resources								
Department/Project Description	Capital Outlay	Recurring	Non-recurring	Taxes AD Valorem	Revenue Sharing/ Intergovernmental	Debt proceeds	Grants	User Fees/ Fund Balance	Franchise Fees/Other
General Fund									
Police	\$	70,000	*						\$ 70,000
Emergency Dispatch									
911 Digital Phone System	125,000		**		125,000				
Transportation Fund									
Overlay/Reconstruction	550,000	*			150,000				400,000
ODOT Transit Grant	104,600	*			104,600				
Airport Fund									
Airport Improvements	6,587,000		**		3,700,000		2,887,000		
Water Fund									
Water Rights	152,500	*							152,500
Water Improvements	705,000	*						153,300	551,700
CRC/HCP	80,000	*							80,000
Water SDC Fund									
Upgrade for County Jail	110,000		**					110,000	
Wastewater Fund									
Repair and Maintenance	325,000	*						325,000	
Wastewater SDC Fund									
Construction of Wetlands	717,800		**			100,000	467,800	150,000	
Railroad Fund									
Railroad Improvements	121,000	*						121,000	
Golf Course Fund									
Course Improvements	49,000	*						49,000	
Administrative Services									
IT/ Software Upgrade	75,000		**					75,000	
Building Facilities Fund									
Police Facility Upgrades	1,750,000		**			500,000	1,250,000		
Public Works									
Administration Services Fund									
Fleet/Equipment Management	150,000	*						150,000	
Total Capital Outlay	\$ 11,671,900			\$ -	\$ 4,079,600	\$ 600,000	\$ 4,604,800	\$ 1,133,300	\$ 1,254,200

*** Major Non-recurring Project*

Capital Expenditures by Category Nonrecurring / Recurring FY 18



Capital Improvement Plan

Nonrecurring

Roads.....	-
Wastewater	717,800
Water	110,000
Alternative Transportation	6,587,000
Buildings.....	1,750,000
Other.....	200,000
Total CIP Expenditures	\$ 9,364,800

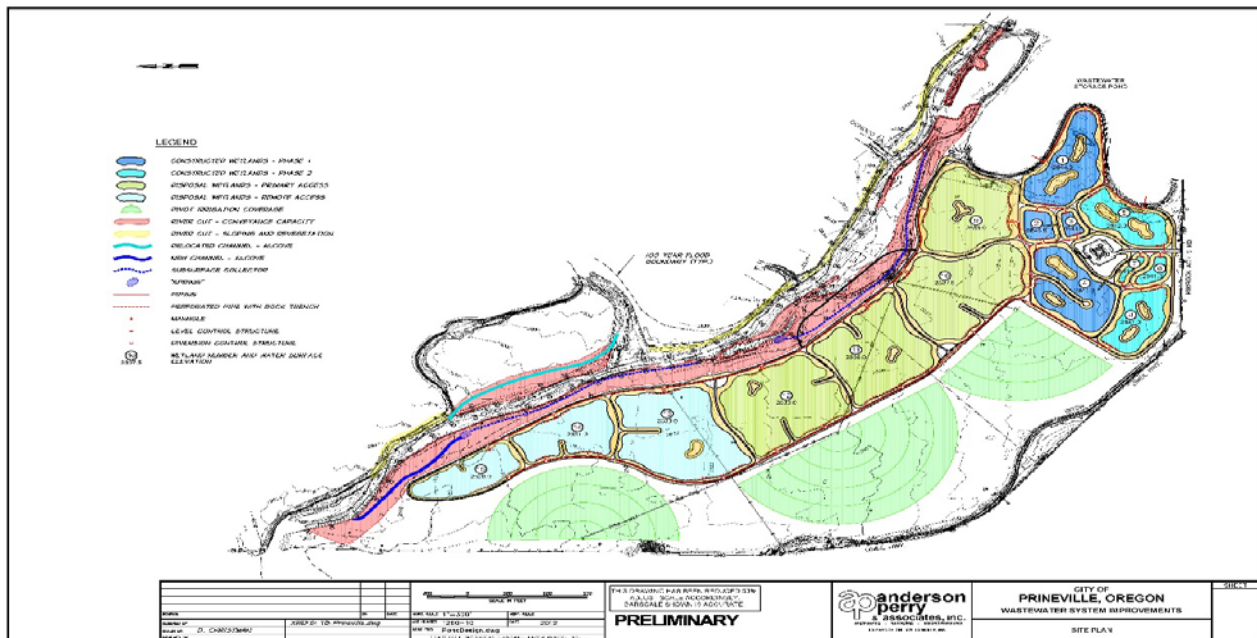
Recurring

Vehicles.....	\$ 170,000
Major Maintenance.....	1,701,000
Other.....	436,100
Total Routine.....	\$ 2,307,100
Total Capital.....	\$ 11,671,900



Major Nonrecurring Capital Improvements by Project Wastewater SDC Fund

Project Description: Crooked River Wetland Construction Department: Wastewater System Development Charge								
Project Description	The City of Prineville recently updated the Wastewater Facility Plan to include an alternative effluent disposal process that will extend the useful life of the existing wastewater treatment plant. An effluent disposal wetland was selected to beneficially utilize effluent and improve environmental values at an economic cost. The Crooked River Wetland will be located on approximately 280 acres of city-owned property. The project will include several miles of hiking trails for the citizens of Prineville and visitors alike. Educational opportunities will abound, benefitting local school districts. Related improvements to two miles of riparian habitat along the Crooked River will be completed as well. The adoption of this disposal process reduced future treatment costs from \$62,000,000 to \$6,600,000, which resulted in a reduction of the Wastewater system development charge (SDC) from \$9,147 per equivalent dwelling unit (EDU) to approximately \$4,000 per EDU. This will be an outstanding project for the local community. The City broke ground on this project in FY 16 and expects to finish the majority of the project in FY 17 with a few remaining items being finished in FY 18.							
Analysis of Need	As the project has been identified in the adopted Wastewater Facility Plan, it must be constructed to meet the future demands associated with a growing population.							
Ongoing Operating Costs	The above improvement to the sewer treatment system is not expected to increase maintenance costs. While costs associated with the electrical use and maintenance of pumps required to run our existing pivots will be reduced with the introduction of the wetland, costs associated with maintenance of the wetland system will negate any savings. It is estimated that electrical and pump maintenance costs will be reduced by \$25,000 annually while maintenance costs associated with the wetland system will increase by \$25,000 annually.							
Council Goal	Strive to position the city to meet future demands of businesses and citizens.							
Fiscal Year								
	Estimated Reserves	2016	2017	2018	2019	2020	Beyond	Total
Estimated Cost								
Design / Engineering								
Construction		\$ 2,818,272	\$ 4,240,700	\$ 717,800				\$ 7,776,772
Equipment								
Total		\$ 2,818,272	\$ 4,240,700	\$ 717,800	\$ -	\$ -		\$ 7,776,772
Revenue Sources								
Fund Balance								
Intergovernmental								
Grant		\$ 569,403	\$ 2,081,400	\$ 467,800				\$ 3,118,603
Bond Proceeds								
Other		\$ 2,248,869	\$ 2,159,300	\$ 250,000				\$ 4,658,169
Total		\$ 2,818,272	\$ 4,240,700	\$ 717,800	\$ -	\$ -		\$ 7,776,772
Wastewater SDC Fund Operating Impact								
Capital Costs								
Debt Service				\$ 93,000	\$ 242,000	\$ 242,000	\$ 4,000,000	\$ 4,577,000
Personnel / Operations				\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 100,000
Total		\$ -	\$ -	\$ 118,000	\$ 267,000	\$ 267,000	\$ 4,025,000	\$ 4,677,000



The preliminary site plan for the wastewater wetlands.



Crooked River Wetlands Complex

Putting the environment to work for you

4035 NW Rimrock Acres Loop



A sample of the progress of the Crooked River Wetland Project from its groundbreaking, construction and grand opening in 2017.



The Kiosks

The 13 kiosks at the Crooked River Wetland Complex were designed by the community for the community. The partnerships that helped in the creation of the kiosks include: United States Forest Service (USFS), Confederated Tribes of Warm Springs, Crooked River Watershed Council, Crook County Historical Society, East Cascades Audubon Society, Oregon Watershed Enhancement Board, Kiwanis of Prineville, Portland General Electric, Anderson Perry & Associates Inc., Powell Butte Community Charter School, Crooked River Elementary, Barnes Butte Elementary, Crook County Middle School, and Crook County High School.



Project Description: USFS Airbase								
Department: Airport								
Project Description	The airbase project is a joint effort between the United States Forest Service (USFS), City of Prineville and Crook County. The project will be a multi-use facility, housing the USFS rappel base, helicopter, and Oregon Department of Forestry single-engine tankers. Funding shown below is for phase I. Phase II will be building construction beginning 2017. The project will be funded with a Connect Oregon grant in conjunction with Crook County. For phase I, the required 20 percent matching funds will be supported through the Crook County contribution of the USFS Airbase project.							
Analysis of Need	Provides adequate space for USFS crews and resources to operate efficiently. Separates emergency services from general aviation training operations, thus greatly improving safety.							
Ongoing Operating Costs	Ongoing operating costs included at this time are debt service, utilities, building maintenance, custodial services and landscape services. Cost for future operations, maintenance and the debt service are estimated at this time. More concise operating cost will be determined as the project design is confirmed. USFS will be responsible for most costs while all others will be designed to be offset revenue from lease agreements.							
Council Goal	Provide quality municipal services and programs which contribute to community desirability. Community safety.							
Fiscal Year								
	Estimated Reserves	2018	2019	2020	2021	2022	Beyond	Total
Estimated Cost								
Design / Engineering	\$	1,793,000						\$ 1,793,000
Construction	\$	3,057,000	\$ 500,000					\$ 3,557,000
Equipment								
Total	\$	4,850,000	\$ 500,000	\$ -	\$ -	\$ -		\$ 5,350,000
Revenue Sources								
Fund Balance								
Intergovernmental								
Grant	\$	1,300,000	\$ 50,000					\$ 1,350,000
Debt Proceeds	\$	3,550,000	\$ 450,000					\$ 4,000,000
Other								
Total	\$	4,850,000	\$ 500,000	\$ -	\$ -	\$ -		\$ 5,350,000
Airport Fund Operating Impact								
Capital Costs								
Debt Service			\$ 50,000	\$ 120,000	\$ 120,000	\$ 120,000		\$ 410,000
Personnel / Operations			\$ 25,000	\$ 50,000	\$ 55,000	\$ 60,000		\$ 190,000
Total	\$	-	\$ 75,000	\$ 170,000	\$ 175,000	\$ 180,000	TBD	\$ 600,000



The Prineville-Crook County Airport as seen from above.



Project Description: Remove and Replace Fuel System								
Department: Airport								
Project Description	The fuel system replacement project replaces a required piece of airport equipment that is beyond its designed life. The project includes 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 project. The required 26 percent matching funds will be supported through the Crook County contribution of the Airbase project.							
Analysis of Need	Provides long-term, environmentally safe fuel service for all aircraft including emergency resources.							
Ongoing Operating Costs	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.							
Council Goal	Strive to position the city to meet future demands of businesses and citizens.							
Fiscal Year								
	Estimated Reserves	2018	2019	2020	2021	2022	Beyond	Total
Estimated Cost								
Design / Engineering								
Construction	\$	650,000						\$ 650,000
Equipment								
Total	\$	650,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 650,000
Revenue Sources								
Fund Balance								
Intergovernmental								
Grant	\$	455,000						\$ 455,000
Debt Proceeds	\$	195,000						\$ 195,000
Other								
Total	\$	650,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 650,000
Airport Fund Operating Impact								
Capital Costs								\$ -
Debt Service								
Personnel / Operations								
Total	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



Single engine air tanker (SEAT) fire suppression demos took place at the airport in July 2015.



Project Description: Airbase Parking Apron								
Department: Airport								
Project Description	The Airbase Parking Apron project includes the development of an aircraft and helicopter parking area with taxiway access. This project is in direct support of the USFS Airbase project. Appropriate size and location will be determined to enable all operations to function safely while supporting fire suppression operations at the Prineville-Crook County Airport. The project is funded 90 percent with Federal Aviation Administration (FAA) dollars and requires a 10 percent airport sponsor contribution -- which will be supported by Crook County contribution.							
Analysis of Need	Provides important separation between fire suppression assets, such as large helicopters and tankers to general aviation aircraft.							
Ongoing Operating Costs	Asphalt condition and cost estimates will be made every three years. An undetermined amount will need to be spent, dependent on usage and deterioration. Currently, it is estimated that up to \$5,000 of maintenance will be required in a three- to five-year maintenance cycle. FAA and State of Oregon funds are available for airport asphalt maintenance and will be utilized in the future for this area.							
Council Goal	Provide quality municipal services and programs which contribute to community desirability. Community Safety.							
Fiscal Year								
	Estimated Reserves	2018	2019	2020	2021	2022	Beyond	Total
Estimated Cost								
Design / Engineering	\$	327,500						\$ 327,500
Construction	\$	682,000						\$ 682,000
Equipment								
Total	\$	1,009,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,009,500
Revenue Sources								
Fund Balance	\$	100,500						\$ 100,500
Intergovernmental Grant	\$	909,000						\$ 909,000
Debt Proceeds								
Other								
Total	\$	1,009,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,009,500
Airport Fund Operating Impact								
Capital Costs								
Debt Service								
Personnel / Operations					\$ 5,000			\$ 5,000
Total	\$	-	\$ -	\$ -	\$ 5,000	\$ -		\$ 5,000



A bright, setting sun captured at the Prineville Airport in July 2016.



Nonrecurring Five-year Capital Improvement Plans by Fund Emergency Dispatch Fund

City of Prineville Emergency Dispatch Capital Improvement Plan Fiscal Years 2018 - 2022						
Project Description	Current Year Construction Estimate	2018	2019	2020	2021	2022
Recording Equipment Dispatch Record Management System 2 EIS Update Emergency Medical Dispatch Cards 700 Megahertz Trunk System 911 Digital Phone System Deployment of Fully Functional - Alt. PSAP	\$ 22,000 \$ 187,400	\$ 125,000		\$ 200,000		\$ 750,000
Total	\$ 209,400	\$ 125,000	\$ -	\$ 200,000	\$ -	\$ 750,000

Project Description

In FY 18, the 911 phone system is budgeted to be replaced. The City's 911 telephone system is at the end of its service life and several of the components' software is outdated and will not receive support. The State of Oregon, through Oregon Emergency Management (OEM), pays for certain equipment which is relevant to the 911 call taking system. This project will be reimbursed through the state and is imperative with the equipment at the end of its useful life in order to not disrupt 911 services.

Added to the CIP in FY 20 is \$200,000 for a 700 megahertz trunk system. As the City move towards tri-county compatibility and better in-town coverage for its officers, the original one-channel 700 megahertz system will need to be expanded to a trunk system, allowing for multiple channels and greater coverage.

The \$750,000 budgeted in 2022 for a secondary mobile backup dispatch center – a public safety answering point (PSAP) – is a solution to losing the current dispatch center in a catastrophe. This backup center would be able to be setup anywhere, and go live to continue service to responding agencies in a crisis.

Transportation SDC Fund

City of Prineville Transportation SDC Capital Improvement Plan Fiscal Years 2018 - 2022						
Project Description (SDC Eligible Projects, Short- and Medium-term)	City's Expected Contribution	2018	2019	2020	2021	2022
Right of Way Acquisition Combs Flat / Peters Extension	\$ 250,000					
N 9th / N 10th Street Extension \$2,520,000	\$ 378,000					
Combs Flat Extension and Connection to Peters Road \$6,850,000	\$ 2,740,000					
SE 5th St Extension btwn Main and Combs Flat \$1,680,000	\$ 252,000					
Peters Road Connection to Lamonta \$4,000,000	\$ 600,000					
N 9th and N 10th Street Connection \$800,000	\$ 800,000		\$ 300,000			
Total	\$ 5,020,000	\$ -	\$ 300,000	\$ -	\$ -	\$ -

Project Description

There are no projects budgeted for the Transportation SDC Fund for FY 18.



City of Prineville Water SDC Capital Improvement Plan Fiscal Years 2018 - 2022						
Project Description	Current Year Construction Estimate	2018	2019	2020	2021	2022
Source						
Master Plan Update						
Storage						
Barnes Butte Tank #2 (1.0 mg steel)	\$ 1,250,000		\$ 1,250,000			
Fairgrounds Tank #2 (1.0 mg concrete)	\$ 1,250,000					
Hudspeth Tank #1 (2.0 mg concrete)	\$ 2,500,000					
Hudspeth Tank #2 (1.5 mg concrete)	\$ 1,875,000					
Hudspeth Tank #3 (1.0 mg concrete)	\$ 1,250,000					
Melrose Tank #1 (1.0 mg steel)	\$ 1,000,000					
Transmission						
Combs Flat Transmission Main	\$ 102,000					
NE 2nd Water Line Upgrade for Jail	\$ 100,000	\$ 110,000				
Barnes Butte Transmission/Distribution Mains	\$ 1,797,300					
Fairgrounds Transmission/Distribution Mains	\$ 1,100,000					
Hudspeth Booster Pump Station #1	\$ 350,000					
Hudspeth Booster Pump Station #2	\$ 350,000					
Hudspeth Booster Pump Station #3	\$ 350,000					
Hudspeth Transmission/Distribution Mains	\$ 1,994,300					
NW Area Transmission/Distribution Mains	\$ 2,781,900					
Total	\$ 18,050,500	\$ 110,000	\$ 1,250,000	\$ -	\$ -	\$ -

Project Description

In FY 18, there is one project budgeted in the Water SDC fund. This will be the replacement and upsize of the water line on NE 2nd between Court and Dunham Streets. This line will be upsized to increase available fire flows for the soon-to-be-constructed jail facility.



Filling Airport Tank #2 after its completion in 2014.



City of Prineville Wastewater SDC Capital Improvement Plan Fiscal Years 2018 - 2022							
Project Description	Master Plan Estimated Cost	Current Year Construction Estimate	2018	2019	2020	2021	2022
Colson & Colson	\$ 902,800	\$ 932,000			\$ 932,000		
Melrose Bailey Sewer	\$ 3,239,000	\$ 3,344,000					
North Interceptor Sewer	\$ 2,073,100	\$ 2,140,200					
Pinkard Lane Railroad Sewer	\$ 178,900	\$ 184,700		\$ 184,700			
Rimrock Park Interceptor Sewer	\$ 5,938,800	\$ 6,131,200					
Swamp Sewer	\$ 3,930,100	\$ 4,057,500					
Crooked River Wetland Construction	\$ 7,768,418	\$ 7,768,418	\$ 717,800				
Total	\$ 24,031,118	\$ 24,558,018	\$ 717,800	\$ 184,700	\$ 932,000	\$ -	\$ -

Project Description

The City of Prineville recently updated the Wastewater Facility Plan to include an alternative effluent disposal process that will extend the useful life of the existing wastewater treatment plant. An effluent disposal wetland was selected to beneficially utilize effluent and improve environmental values at an economic cost. This will be an outstanding project for the local community. The City broke ground on this project in FY 16 and expects to finish the project in FY 18. A more extensive description of this project is in the “Major Nonrecurring Capital Improvements by Project” section starting on page 86.



Informational kiosks and a pavilion are a few features of the Crooked River Wetlands Complex that opened to the public in April 2017.



City of Prineville Airport Maintenance/Improvements Capital Improvement Plan Fiscal Years 2018 - 2022						
Project Description	Current Year Construction Estimate	2018	2019	2020	2021	2022
Update Airport Master Plan*	\$ 2,500	\$ 2,500				
Remove and Replace Fuel System**	\$ 650,000	\$ 650,000				
USFS Airbase Project	\$ 4,850,000	\$ 4,850,000	\$ 500,000			
Airbase - Parking Apron*	\$ 1,009,500	\$ 1,009,500				
Runway 10/28 Alteration/Env. - RPZ			\$ 150,000			
Runway 10/28 Alteration/Const. - RPZ				\$ 350,000		
Pavement Maintenance					\$ 20,000	
Runway 33/15 Reconstruction Phase I Environmental/Design*						\$ 400,000
Airport Equipment - Plow and Airport Pickup Truck		\$ 75,000				
Total	\$ 6,512,000	\$ 6,587,000	\$ 650,000	\$ 350,000	\$ 20,000	\$ 400,000

*FAA Grant funds

**Connect Oregon funding

Project Description

The CIP for the Prineville-Crook County Airport is the anticipated construction plan to meet the projected demand. Funding for these projects has been committed, although actual cost may vary depending upon construction costs. The date of implementation may also vary due to funding availability. For FY 18, the airbase parking apron is being funded by the FAA and will 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. Continuing into the next two budget periods, funds for the airbase project have been noted but specific sources are still to be determined. Connect Oregon funds will be used progressively through the whole airbase project. Crook County, USFS, and the FAA are also identified funding sources for the continued phases of the airbase 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. The completion and FAA approval of the Master Plan Update is a major step in supporting economic opportunities for the Airport. A more extensive description of these projects is in the “Major Nonrecurring Capital Improvements by Project” section starting on page 86.



An aerial view of the construction at the Prineville-Crook County Airport.



City of Prineville Information Technology Department Capital Improvement Plan Fiscal Years 2018 - 2022						
Project Description	Current Year Construction Estimate	2018	2019	2020	2021	2022
Incode Version 10 Financial Software Upgrade Phase II		\$ 75,000				
Total		\$ - \$ 75,000	\$ -	\$ -	\$ -	\$ -

Project Description

In FY 17, the City started upgrading its financial software to Incode Version 10. This is a significant upgrade and phase II is scheduled to begin in FY 18. Phase II will include document management software that will allow paperless records for many applications including utility forms, accounts payable invoices, human resources and payroll, and is planned to be implemented beyond Incode to include document management for contracts, projects, and other City records.



Cameras being installed at the airport terminal by the City of Prineville IT Department.



Building Facilities Fund

City of Prineville Police Facility Capital Improvement Plan Fiscal Years 2018 - 2022						
Project Description	Current Year Construction Estimate	2018	2019	2020	2021	2022
Police Facility Structural Remodel		\$ 1,750,000				
Replace Sidewalks			\$ 10,000			
Total	\$ -	\$ 1,750,000	\$ 10,000	\$ -	\$ -	\$ -

Project Description

Towards the end of FY 17, the Police Department was awarded a state-funded seismic grant in the amount of roughly \$1.2 million to improve structural integrity of the police facility in order to withstand a major earthquake. A sidewalk improvement allocation was placed in FY 19 to update degradation in the sidewalk which could lead to an unsafe walkway into the department.



The City of Prineville Police Department on a spring day.

Recurring/Routine Five-year Capital Improvement Plans by Fund General Fund

City of Prineville Police Capital Improvement Plan Fiscal Years 2018 - 2022						
Project Description	Current Year Construction Estimate	2018	2019	2020	2021	2022
Update Radios for Police		\$ 50,000	\$ 50,000			
Used Police Vehicle (Chief of Police)		\$ 20,000				
Upgrade Body Cameras				\$ 15,300		
Total	\$ -	\$ 70,000	\$ 50,000	\$ 15,300	\$ -	\$ -

Project Description

In FY 18, the City will begin the replacement of the 20 VHF portable radios currently in use. This update will replace old VHF radios with dual-band (VHF/700 megahertz) portables for all officers. Dual-band radios provides for better coverage in and outside of buildings, as well as providing a way to communicate with agencies in the tri-county area who have already migrated to 700 megahertz. This project will take two years at a total cost of \$100,000. Additionally, \$20,000 is allocated in FY 18 to replace the Chief of Police's 2003 Tahoe, a vehicle with maintenance costs climbing due to age.

The department was able to replace its body cameras in FY 17 and has reallocated replacements in 2020. The rapid improvement in technology, combined with the wear and tear of daily use, make replacement of cameras every three years a solid investment.



Transportation Fund

City of Prineville Transportation Improvement CIP Fiscal Years 2018 - 2022								
Project Description	Area (sqft.)	Current PCI	Current Year Construction Estimate	2018	2019	2020	2021	2022
Capital Rehabilitation								
Crestview Improvements - 3" Overlay with Pre-level Rimrock	69000	46.6	\$ 78,000	\$ 78,000				
Crestview Cliffside	95000	57.5	\$ 108,000	\$ 108,000				
Park (Crestview to Rimrock)	30000	29	\$ 34,000	\$ 34,000				
Park (New Paving)	21500	66	\$ 25,000	\$ 25,000				
Shoulder Gravel for Above, Valve and Manhole Adjustment	14300		\$ 18,000	\$ 18,000				
			\$ 10,000	\$ 10,000				
N Main St. Mariposa to Peters - Grind and Inlay Travel Lanes	48000	72	\$ 52,000	\$ 52,000				
NW 6th St Locust to Madras Hwy - 2" Overlay	40000	44	\$ 32,000	\$ 35,000				
NE Juniper St. 3rd to NE Laughlin - 2" Overlay	55000	52	\$ 60,000	\$ 60,000				
SE 5th Grind and Inlay - SE Fairview to SE Knowledge	86300	59.5	\$ 97,000		\$ 97,000			
SE Fairview St. Grind and Inlay - NE 3rd to SE Lynn	148200	61	\$ 194,000		\$ 194,000			
SE 2nd St. Grind and Inlay - Fairview to Idlewood	51500	50	\$ 60,000		\$ 60,000			
NW Industrial Park Rd. - 3" Overlay	72000	31	\$ 82,000		\$ 82,000			
NE Lamonta Rd. - 1.5" Overlay	220000	71.5	\$ 186,000			\$ 186,000		
SW High Desert Dr. - 2" Overlay	157300	41	\$ 90,000			\$ 90,000		
SW Cessna Dr. - 2" Overlay	45500	73	\$ 26,000			\$ 26,000		
SW Meadow Lakes Dr. 2nd to Course - Grind and Inlay	78000	65	\$ 90,000			\$ 90,000		
NW 4th St. Grind and Inlay - N Main to NW Deer	47000	49	\$ 54,000			\$ 54,000		
NW 5th St. Grind and Inlay - N Main to NW Locust	135200	55	\$ 155,000			\$ 155,000		
NE Laughlin Rd. Combs Flat to End - 2" Overlay	133000	73	\$ 114,000				\$ 114,000	
SE 2nd St. Court to Fairview - Grind and Inlay	45200	60	\$ 53,000				\$ 53,000	
SE 3rd St. Main to Holly - Grind and Inlay	101300	53	\$ 116,000				\$ 116,000	
SE 4th St. Main to Holly - Grind and Inlay	101300	61	\$ 116,000				\$ 116,000	
SE Belknap St. 5th to 3rd - Grind and Inlay	52000	68	\$ 60,000				\$ 60,000	
SE Court St. 5th to 1st - Grind and Inlay	60000	54	\$ 71,000				\$ 71,000	
SE Dunham St. 5th to 1st - Grind and Inlay	61000	68	\$ 72,000				\$ 72,000	
SE Elm St. 5th to 1st - Grind and Inlay	60000	51	\$ 71,000					\$ 71,000
SE Garner St. 5th to 1st - Grind and Inlay	60000	67	\$ 71,000					\$ 71,000
SE Holly St. 5th to 1st - Grind and Inlay	60000	59	\$ 71,000					\$ 71,000
NE Holly St. 1st to 3rd - Grind and Inlay	33000	59	\$ 36,000					\$ 36,000
NE Juniper St. 1st to 3rd - Grind and Inlay	33000	53	\$ 36,000					\$ 36,000
NE 2nd St. Holly to Juniper - Grind and Inlay	27000	50	\$ 31,000					\$ 31,000
NE 4th St. Garner to Idlewood - Grind and Inlay	33000	65	\$ 36,000					\$ 36,000
NE Garner St. 3rd to 4th - Grind and Inlay	15000	69	\$ 18,000					\$ 18,000
NE Holly St. 3rd to 4th - Grind and Inlay	15000	60	\$ 18,000					\$ 18,000
NE Idlewood St. 3rd to 4th - Grind and Inlay	15000	73	\$ 18,000					\$ 18,000
SE 6th St. Garner to Juniper - Grind and Inlay	34000	51	\$ 38,000					\$ 38,000
SE 7th St. Fairview to Cul-de-sac - Grind and Inlay	110000	57	\$ 120,000					\$ 120,000
Capital Maintenance								
Crack Seals								
Crack Seal Airport Area			\$ 100,000					
Crack Seal NE Quadrant			\$ 200,000					
Crack Seal NW Quadrant			\$ 200,000					
Crack Seal SE Quadrant			\$ 200,000	\$ 130,000	\$ 80,000			
Crack Seal SW Quadrant			\$ 200,000			\$ 50,000	\$ 50,000	\$ 100,000
Crack Seal Recent Overlays/Inlays			\$ 200,000					
Transit								
ODOT - Transit Grant				\$ 104,600				
Total			\$ 4,240,709	\$ 654,600	\$ 513,000	\$ 651,000	\$ 652,000	\$ 664,000

Project Description

Most of the CIPs listed above are recurring in nature with the exception of the Oregon Department of Transportation (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.



City of Prineville Railroad Capital Improvement Plan Fiscal Years 2018 - 2022						
Project Description	Current Year Construction Estimate	2018	2019	2020	2021	2022
Plant						
Truck Docks - Freight Depot Roundhouse Relocation			\$ 50,000	\$ 750,000		
Rolling Stock						
Pickup			\$ 34,000			
Locomotive Rebuild\Upgrade EMD GP Units	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Air Compressor						
Hyrail Excavator\Rail Maintenance Equipment				\$ 280,000		
Lift Truck XL80			\$ 35,000			
Lift Truck XL210					\$ 90,000	
Signals / Crossings						
O'Neil Signal	\$ 21,000	\$ 21,000				
Buss Evans Signal			\$ 21,000			\$ 21,000
Gardner Signal					\$ 18,000	
Carson Oil Signal\Lamonta				\$ 30,000		
Long Crossing Lamonta Signal				\$ 140,000		
Long Lamonta Crossing					\$ 75,000	
Carson Oil Crossing						
Gardner Crossing						
Gumpert Crossing						
33rd Crossing						\$ 25,000
O'Neil Crossing						\$ 25,000
Bridges						
MP 11.7 (Crooked River Bridge)	\$ 10,000	\$ 10,000		\$ 15,000		
12.1 (Lytle CR Bridge)	\$ 10,000	\$ 10,000				
MP 13.8 (Madrax Highway Overpass)						
MP 16 (McKay Creek Bridge)			\$ 25,000			
Track						
MP 0.01 - 33rd	\$ 40,000	\$ 40,000		\$ 60,000		\$ 20,000
33rd - MP 3.3				\$ 500,000		\$ 40,000
3.3 - Lone Pine Crossing						
Lone Pine Crossing - MP 11						
MP 11 - MP 14 Grizzly Rock Pit						
MP 14 - MP 15						
MP 15 - MP 16 All of Freight Depot Yard and Fontana Spur			\$ 100,000			
MP 16 - MP 18.34					\$ 50,000	
Total	\$ 121,000	\$ 121,000	\$ 305,000	\$ 1,815,000	\$ 273,000	\$ 171,000

Project Description

Several projects are budgeted in FY 18. A newer, freshly rebuilt locomotive suited to the needs of the City will reduce maintenance expense and increase service reliability. The current fleet of GP-9 locomotives were built in the early 1950s and last rebuilt in the late 1970s. Although the locomotives are older and showing age, the structure and frames are in good condition. By rebuilding older locomotives with updated technology, the department would control the craftsmanship and know what condition they are in. This would occur over the course of several years.

The large hyster XL210 was manufactured in 1996. This machine has clocked many hours on it. This hyster is critical to the loading of lumber on the center beam type cars and is routinely used in loading and unloading of heavy products. The XL 80 is a specialty hyster used in loading and unloading boxcars. The current box car special was manufactured in 2001 and was rebuilt once in 2004. This hyster has high hours and a weak motor.

Currently, the City subcontracts all track repairs and upgrades. As business continues to improve, more track work will be done in-house. A hyrail excavator and rail maintenance equipment used to install ties, rail, and leveling needs to be purchased so crews can perform the work efficiently.

The City of Prineville Railway has five at-grade crossings with gate warning devices. These crossing gates were originally installed in 1982. Each crossing contains electrical and large banks of batteries that have a typical life span of 15 years. Upgrades will occur at one crossing per year until all five are up to date. These upgrades would include battery banks, new motion detectors, new style chargers and LED lighting. Several crossings are in need of repairs and are exceptionally rough for the motoring public. Additionally, these



crossings no longer have good substructure causing track issues. Crossings cost the City approximately \$650 per lineal foot.

The City has a detailed bridge management plan (BMP). The current sub-contractor load rates and inspects every bridge and updates the BMP every 400 days. Issues or problems are scored on a scale of one to five, with five being the least concerning. The BMP will be used to determine the capital projects for that year and address the most concerning first.

Similar to the BMP, the City of Prineville Railway is currently constructing a track management program. The 26 miles of track will get divided and separated per each management segment. Management segments will correspond to the capital project each year. Each management segment will address track specific components that include ballast, rail, and ties.

Building three was constructed with two truck docks on the SE corner and the ability to install two more in the SW corner. As demand for building three increases, the area designed for truck dock expansion would be completed allowing four total truck docks. Currently, the round house/locomotive shop has reached the end of its useful life. Electrical and plumbing is outdated and several buildings were built before 1930. Rebuilding and possibly moving the round house would allow a more usable space that is code and Occupational Safety and Health Administration (OSHA) compliant.



Tamping and leveling a newly constructed yard spur at the Prineville Freight Depot.



City of Prineville Water Improvement - Water Repair and Maintenance (R&P) Capital Improvement Plan Fiscal Years 2018 - 2022						
Project Description	Current Year Construction Estimate	2018	2019	2020	2021	2022
Source						
Pump Controls (Telemetry)	\$ 10,000		\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Upgrade Chlorination Systems	\$ 10,000					
Upgrade Sampling Stations	\$ 10,000					
Water Rights (Including Administration and Mitigation Credits)	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Water Conservation Plan Update	\$ 35,000					
Water Master Plan Update	\$ 150,000					
Habitat Conservation Plan	\$ 60,000	\$ 40,000				
Crooked River Concept	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Bowman Dam Mitigation Credits (5,100 acre-ft. at \$25/acre-ft.)	\$ 127,500	\$ 127,500				
Aquifer Storage and Recover Feasibility Study	\$ 363,500	\$ 300,000				
Storage						
Recoat Ochoco Tanks (Remove Original 1950 Lead Coatings)	\$ 850,000					
Reservoir Maintenance (Cleaning/Painting/Telemetry)	\$ 20,000					
Transmission						
SE Fairview - SE 2nd to SE Lynn (2100 ft. of 12", Approx. 35 Services, 5 Hydrants, 4 Tees)	\$ 315,000	\$ 315,000				
SE 2nd - Fairview to Holly (650 ft. of 8", Approx. 12 Services, 1 Hydrant, 1 Tee)	\$ 90,000	\$ 90,000				
NW 4th St - N. Main to NW Deer (960 ft. of 8", Approx. 12 Services, 3 Hydrants, 2 Tees)	\$ 130,400		\$ 130,400			
NW 5th St - N. Main to NW Deer (960 ft. of 8", Approx. 16 Services, 2 Hydrants, 2 Tees)	\$ 133,400		\$ 133,400			
NW 5th St - NW Deer to NW Harwood (1,350 ft. of 8", Approx. 30 Services, 2 Hydrants)	\$ 191,500		\$ 191,500			
SE 4th - S Belknap to SE Fairview (1,575 ft. of 8", Approx. 30 Services, 2 Hydrants, 5 Tees)	\$ 204,000			\$ 204,000		
SE Belknap - SE 5th to SE 3rd (300 ft. of 8", Approx. 2 Services, 1 Hydrant, 2 Tees)	\$ 41,000			\$ 41,000		
SE Dunham - SE 3rd to SE 2nd (320 ft. of 8", Approx. 3 Services, 2 Tees)	\$ 38,000			\$ 38,000		
NE 2nd - NE Holly to NE Juniper (650 ft. of 8", Approx. 10 Connections, 1 Hydrant, 1 Tee)	\$ 54,500				\$ 54,500	
NE Holly - E 1st to NE 3rd (650 ft. of 8", 4 Connections, 1 Tee)	\$ 69,000				\$ 69,000	
NE Garner - 3rd to 4th (300 ft. of 8", 2 Connections, 1 Hydrant, 1 Tee)	\$ 38,500				\$ 38,500	
NE Holly - 3rd to 4th (300 ft. of 8", 4 Connections, 1 Hydrant, 1 Tee)	\$ 42,500				\$ 42,500	
Replumb Alley Between Garner and Idlewood and 3rd and 4th	\$ 30,000				\$ 30,000	
SE 7th - Fairview to Juniper (1,200 ft of 8", 24 Connections, 4 Hydrants, 3 Tees)	\$ 183,500					\$ 183,500
SE Garner - Lynn to 7th (450 ft of 8", 10 Connections, 0 Hydrants, 1 Tee)	\$ 63,000					\$ 63,000
SE Idlewood - Lynn to 7th (450 ft of 8", 10 Connections, 0 Hydrants, 1 Tee)	\$ 63,000					\$ 63,000
NW Harwood - NW 4th to NW 5th (350 ft. of 8")	\$ 42,000					
NW Locust St - NW 5th to NW 6th (175 ft. of 8")	\$ 21,000					
NE 6th - Main to Fairview (1480 ft. of 8")	\$ 177,600					
NW Ewen - NW 7th to NW 8th (300 ft. of 8")	\$ 36,000					
NE Court - NE 7th to NE 10th (850 ft. of 12" at \$130/ft.)	\$ 110,500					
NE 2nd - NE Holly to NE Juniper (650 ft. of 8")	\$ 78,000					
NE 1st - Main to Fairview (1550 ft. of 8")	\$ 186,000					
NE 2nd - Main to Fairview (1550 ft. of 8")	\$ 186,000					
NW Beaver - NW 7th to NW 10th (960 ft. of 8")	\$ 115,200					
NW Crest - NW Allen to NW Allen (1970 ft. of 8")	\$ 236,400					
NW McRae - NW Loper to NW Sunrise (485 ft. of 8")	\$ 58,200					
NW Wilshire - NW Loper to NW Sunrise (485 ft. of 8")	\$ 58,200					
Maintenance						
Meter Replacement (\$200 Each)			\$ 20,000			
Total	\$ 4,693,400	\$ 937,500	\$ 550,300	\$ 358,000	\$ 309,500	\$ 384,500

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 exception are the Bowman Dam water mitigation credits. Recent studies of the Central Oregon geology determined that there is a direct connection between groundwater and surface water. It has been shown that if the City of Prineville pumps one gallon of water from one of the deep aquifer wells that serves the city, one gallon of water will potentially be removed from surface waters in our region. This becomes an issue as all of the surface waters have been allocated, so groundwater pumping by the City can be construed as harming a senior water right. To negate this impact, the City must purchase mitigation credits – which are essentially surface water rights that are released in stream to offset the impacts of operating the water wells. The City recently received federal authorization to obtain 5,100 mitigation credits as part of the Bowman Dam legislative effort. These credits will be sufficient to allow the City to serve the build-out of the Urban Growth Boundary. All of the credits must be purchased in 2018 at an expected rate of \$25 per credit. In future years, only the credits used in the previous year must be paid for.



City of Prineville Wastewater Repair and Maintenance (R&P) Capital Improvement Plan Fiscal Years 2018 - 2022						
Project Description	Current Year Construction Estimate	2018	2019	2020	2021	2022
Treatment Plant						
ATV	\$ 6,500		\$ 6,650			\$ 6,750
Gator	\$ 18,500				\$ 19,500	
Aerator Updates	\$ 200,000	\$ 200,000			\$ 200,000	
Horseshoe Equipment Shed	\$ 40,000	\$ 40,000				\$ 40,000
Distribution Upgrades	\$ 25,000		\$ 50,000			
Control System Update	\$ 50,000			\$ 50,000		
Sanitary Sewer (Materials and Services)						
Manhole Rehabilitation (10 per Year)	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Infiltration and Inflow Maintenance	\$ 50,000	\$ 50,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Total	\$ 425,000	\$ 325,000	\$ 191,650	\$ 185,000	\$ 354,500	\$ 181,750

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.



Looking over the wastewater treatment plant ponds on a sunny day in May 2016.



City of Prineville Meadow Lakes Capital Improvement Plan Fiscal Years 2018 - 2022						
Project Description	Current Year Construction Estimate	2018	2019	2020	2021	2022
Cart Path Paving			\$ 13,000		\$ 15,000	
Fairway Mower	\$ 25,000	\$ 25,000				
Replace Coolers/Beer Taps in Bar	\$ 10,000	\$ 10,000				
Bunker Sand	\$ 14,000	\$ 14,000				\$ 15,000
Trim Mower/Gang Rough Mower			\$ 36,000			
Replace Kitchen Floor				\$ 10,000		
New Carpet in Clubhouse					\$ 25,000	
Replace Refrigeration in Kitchen			\$ 10,000			
Windows and Seals for Clubhouse				\$ 10,000		
Banquet Room Furniture				\$ 10,000		
Replace Restrooms on Course				\$ 30,000		
Renovate Irrigation System					\$ 750,000	
Replace Golf Cart Fleet						\$ 200,000
Cart Barn Addition/Remodel						\$ 20,000
Total	\$ 49,000	\$ 49,000	\$ 59,000	\$ 60,000	\$ 790,000	\$ 235,000

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 FY 18, the process of replacing the coolers in the restaurant will begin. The existing coolers are old and require a high amount of maintenance annually to keep them operational. Over the past three years, the department spent over \$11,000 in parts and labor to repair a variety of issues for the beer, walk-in, and kitchen coolers. Meadow Lakes will start by replacing the beer coolers in the bar. These coolers, along with the old beer tap system, cause a large amount of waste in tap beer. Roughly 20 percent of each keg is lost due to foam when pouring tap beers. By converting to a turbo tap system, and replacing the refrigeration, it is estimated that there will be a savings roughly \$2,000 in beer cost per year. In FY 18, more sand will be added to the fairway 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. Additionally in FY 18, a fairway mower will be purchased to replace the oldest of the current fairway machines. The current state of the fairway mowers causes 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. The golf shop will undergo a remodel of the current layout to increase merchandise square footage from roughly 500 square feet to 800 square feet. The current layout of the building includes an underutilized space in the men's locker room. This area is located directly on the opposite side of the west wall of the current golf shop. This will be a fairly unobtrusive remodel that will create the ability for staff to more creatively and effectively display merchandise to optimize sales. It will also allow for a higher volume of inventory to increase revenues for the facility. The fairway mower and pro shop remodel projects were both scheduled for FY 17, but had to be pushed out to FY 18 due to budget cuts forced by the harsh winter.

In FY 19, the department looks to replace the oldest trim mower and gang rough mower with a slightly used or demo model that will run much more efficiently than current equipment. Meadow Lakes 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. Finally, the process of replacing low-quality cart paths on the course will continue during this budget year.

In FY 20, 22 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. Next, 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. Also in FY 20 is an update 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. Lastly for FY 20, the two outhouse-style restrooms on the golf course will be replaced by one new outhouse near holes 10, 16 and 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.

In FY 21, Meadow Lakes will begin to replace the existing irrigation system with a new system that will provide more uniform coverage to help eliminate wet and dry spots on the course by having control over individual sprinkler heads instead of just control over sections of the course. 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/mud spots in low areas. Approximately \$4,000 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 system's 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. The process of replacing low-quality cart paths on the course will also continue in FY 21. Lastly, the clubhouse will be re-carpeted in order to replace carpet that will have reached the end of its lifecycle.

Finally, in FY 22, the current fleet of 54 electric golf carts will be replaced. A remodel 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. Additionally in FY 22, Meadow Lakes will add more sand to the green-side bunkers on the golf course.



After a snowy winter, flooding hits the golf course in March 2017.

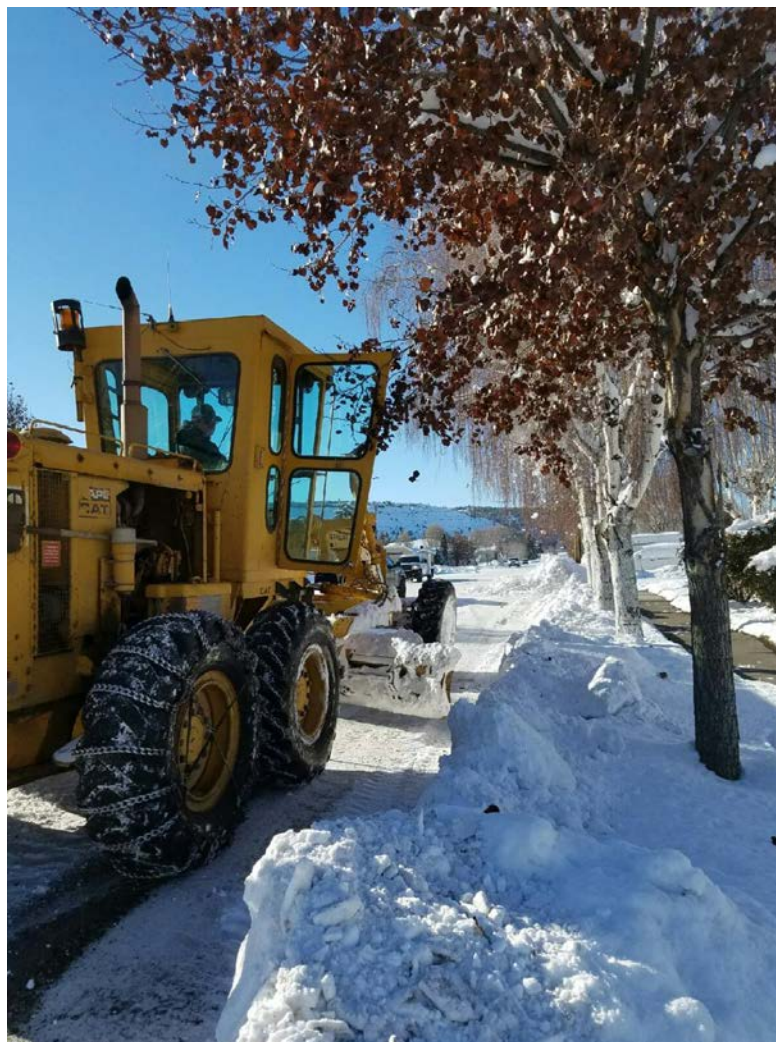


Public Works Administration Services Fund

City of Prineville Public Works Capital Improvement Plan Fiscal Years 2018 - 2022						
Project Description	Current Year Construction Estimate	2018	2019	2020	2021	2022
Backhoe	\$ 100,000	\$ 110,000				
Used Dump Truck	\$ 70,000					\$ 75,000
Pickup	\$ 34,000		\$ 35,000	\$ 35,500		\$ 36,500
Sanding Shed	\$ 40,000	\$ 40,000				
Used Grader	\$ 115,000		\$ 120,000			
New Sweeper	\$ 200,000				\$ 200,000	
New Box for Small Sander	\$ 40,000			\$ 40,000		
Tilt Deck Trailer	\$ 25,000					\$ 26,500
Gator	\$ 18,500					\$ 20,000
Equipment Shed	\$ 75,000			\$ 75,000		
Total	\$ 717,500	\$ 150,000	\$ 155,000	\$ 150,500	\$ 200,000	\$ 158,000

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.



Public works crew takes to the streets for snow removal on January 6, 2017.



Long-range Planning Models

Water Fund Financial Forecasts FY 2014-2054									
	Actual	Actual	Actual	Estimated	Proposed	Projection	Projection	Projection	Projection
Resources	2014	2015	2016	2017	2018	2019	2020	2021	2022
Charges for services	\$ 1,915	\$ 2,033	\$ 2,351	\$ 2,431	\$ 2,757	\$ 2,853	\$ 2,953	\$ 3,071	\$ 3,194
Intergovernmental				25					
Interest	6	5	6	5	7	5	6	7	7
Miscellaneous	-	4	5	77	6	-	-	-	-
SDC Reimbursement Fee	-	72	236	124	127	127	124	127	124
Water Mitigation									
Debt Proceeds	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Total resources	1,921	2,114	2,598	2,662	2,897	2,985	3,083	3,205	3,325
Expenditures									
Personal services	-	-	-	-	-	-	-	-	-
Materials and services	389	380	433	509	506	524	542	564	587
Franchise fee	90	94	100	113	123	143	148	154	160
Capital outlay	485	340	338	993	938	400	300	300	300
Equipment									
Improvements	485	340	338	993	938	400	300	300	300
Debt service									
Principal	140	140	150	160	175	175	175	185	185
Revenue Bond - 2003	40	40	45	45	50	50	50	50	50
Refunding Bonds	100	100	105	115	125	125	125	135	135
Interest	135	131	124	120	113	113	108	103	98
Revenue Bond - 2003	25	24	20	19	17	17	17	17	17
Refunding Bonds	110	107	104	101	96	96	91	86	81
Transfers	813	1,043	1,077	1,172	1,195	1,261	1,330	1,410	1,495
Total expenditures	2,052	2,128	2,222	3,067	3,050	2,616	2,603	2,716	2,825
Revenue over/(under) expenditures	(131)	(14)	376	(405)	(153)	369	480	489	500
Beginning fund balance	1,652	1,521	1,508	1,884	1,479	1,326	1,695	2,175	2,664
Ending fund balance	\$ 1,521	\$ 1,508	\$ 1,884	\$ 1,479	\$ 1,326	\$ 1,695	\$ 2,175	\$ 2,664	\$ 3,164
Fund balance analysis									
Available fund balance	1,521	1,508	1,884	1,479	1,326	1,695	2,175	2,664	3,164
Desired available fund balance	558	613	635	678	683	704	726	751	778
Difference	963	895	1,249	801	643	991	1,449	1,913	2,386
Assumptions									
Rate - single family home (8 CCF/mo)	\$ 29.76	\$ 31.53	\$ 32.45	\$ 33.46	\$ 34.46	\$ 35.49	\$ 36.55	\$ 37.65	\$ 38.78
% increase - rates	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
\$ change - rates - SF home (8 CCF/mo)	1.69	1.77	3.54	1.01	1.98	1.03	1.06	1.10	1.13
CPI %	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Cumulative CPI %	108.2%	111.5%	111.5%	118.3%	118.3%	121.8%	125.5%	129.2%	133.1%
Personal services adjustment %	5.0%	5.0%	3.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Population growth rate	0.5%	0.0%	0.0%	0.0%	0.0%	0.5%	0.5%	1.0%	1.0%
Population	9,345	9,385	9,385	9,385	9,385	9,432	9,479	9,574	9,670
Franchise fee	5%	5%	5%	5%	5%	5%	5%	5%	5%
Capital outlay									
Capital outlay - 2011 dollars	300	300	300	300	350	350	350	350	350
Capital outlay - inflation adjusted \$	485	340	338	993	938	400	300	300	300
Outstanding debt									
Revenue bond 2003	465	425	420	335	330	280	230	180	130
Refunding issue	2,668	2,568	2,563	2,343	2,333	2,208	2,083	1,948	1,813
	3,133	2,993	2,983	2,678	2,663	2,488	2,313	2,128	1,943
DCR Analysis									
Revenue	\$ 1,915	\$ 2,033	\$ 2,351	\$ 2,431	\$ 2,757	\$ 2,853	\$ 2,953	\$ 3,071	\$ 3,194
Expenditures, excluding bond issuance costs	1,202	1,423	1,510	1,681	1,701	1,785	1,872	1,974	2,082
Net revenue	713	610	841	750	1,056	1,068	1,081	1,097	1,112
Debt service - excluding refunding	275	271	274	280	288	288	283	288	283
DCR	2.59	2.25	3.07	2.68	3.67	3.71	3.82	3.81	3.93
Revenue with SDC reimbursement	1,915	2,105	2,587	2,555	2,884	2,980	3,077	3,198	3,318
DCR with SDC reimbursement	2.59	2.52	3.93	3.12	4.11	4.15	4.26	4.25	4.37
DCR MADS									
EDU per capita %									
SDC - EDUs	21	-	-	-	-	22	22	44	44
SDC reimbursement - EDU	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SDC - improvement	\$ 2,786	\$ 2,870	\$ 2,870	\$ 3,045	\$ 3,045	\$ 3,136	\$ 3,230	\$ 3,327	\$ 3,427



Wastewater Fund
Financial Proformas
2014 - 2054
(amounts in thousands)

	Actual	Actual	Actual	Estimated	Proposed	Projection	Projection	Projection	Projection
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Resources									
Charges for services	\$ 2,889	\$ 3,018	\$ 3,194	\$ 3,312	\$ 3,481	\$ 3,645	\$ 3,816	\$ 3,921	\$ 4,029
Intergovernmental									
Interest	3	4	5	4	5	8	9	10	45
Miscellaneous	89	73	29	218	89	92	95	98	101
SDC Reimbursement Fee	74	11	32	52	78	35	40	73	75
WWTP Property Sales		566							
Debt Proceeds					4,500				
Transfers		22							
Total resources	3,055	3,694	3,260	3,586	8,153	3,780	3,960	4,102	4,250
Expenditures									
Personal services	200	117	99	120	116	123	130	138	146
Materials and services	451	536	467	608	599	623	648	674	701
Franchise fee	151	151	159	164	173	182	191	196	201
Capital outlay	111	118	484	135	325	216	222	229	236
Debt service									
Principal	459	491	508	561	5,211	644	859	895	925
DEQ CWSRF R74682/2	399	411	423	436	448	448	462	475	489
2011 Refunding issue	60	80	85	125	170	170	200	220	235
State of Oregon IFA 2015					27	26	27	28	27
DEQ - term loan FY 2018					4,500		170	172	174
USDA - 2015					66				
Interest	396	382	359	353	447	372	359	334	311
DEQ CWSRF R74682/2	189	177	156	152	139	139	126	112	98
2011 Refunding issue	207	205	203	201	195	195	188	180	172
State of Oregon IFA 2015					10		7	6	7
DEQ bridge loan - 2015						19			
DEQ - term loan - FY 2018						19	38	36	34
USDA - 2015									
Fees	17	15	29	26	25	25	22	20	17
DEQ CWSRF R74682/1									
DEQ CWSRF R74682/2	17	15	28	26	25	25	22	20	17
Transfers	1,249	1,253	1,264	1,315	1,341	1,412	1,462	1,492	1,524
Total expenditures	3,034	3,063	3,369	3,282	8,237	3,597	3,893	3,978	4,061
Resources over/(under) expenditures	21	631	(109)	304	(84)	183	67	124	189
Beginning fund balance	1,115	1,136	1,767	1,658	1,962	1,878	2,061	2,128	2,252
Ending fund balance	\$ 1,136	\$ 1,767	\$ 1,658	\$ 1,962	\$ 1,878	\$ 2,061	\$ 2,128	\$ 2,252	\$ 2,440
Other requirements									
Debt service reserves	304	304	304	304	456	659	659	659	659
Available fund balance	832	1,463	1,354	1,658	1,422	1,402	1,469	1,593	1,781
Minimum fund balance	730	733	714	768	769	797	818	834	850
Difference	102	730	640	890	653	605	651	759	931
SDCs Treatment									
SDCs Improvement - Treatment	-	-	-	-	49	51	53	55	57
Interest earnings	1	1	1	1	1	3	5	6	8
Balance	45	45	46	46	96	150	208	269	334
Assumptions	Actual	Actual	Actual	Estimated	Proposed	Projection	Projection	Projection	Projection
	2014	2015	2016	2016	2017	2018	2019	2020	2021
Rate - single family home	\$ 48.25	\$ 49.70	\$ 51.81	\$ 53.73	\$ 55.72	\$ 57.78	\$ 59.92	\$ 60.97	\$ 62.04
% increase - rates (% of CPI)	3.00%	3.00%	4.25%	3.70%	3.70%	3.70%	3.70%	1.75%	1.75%
CPI %	1.8%	2.5%	2.5%	3.0%	1.8%	3.0%	3.0%	3.0%	3.0%
Cumulative CPI % - 2015 forward	109.2%	100.0%	100.0%	103.0%	104.9%	108.0%	111.2%	114.6%	118.0%
Population growth rate	0.0%	0.0%	0.0%	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Population increase	-	-	-	-	94	95	96	97	97
Population	9,385	9,385	9,385	9,385	9,460	9,555	9,651	9,748	9,845
Franchise fee	5%	5%	5%	5%	5%	5%	5%	5%	5%
Interest earnings rate		0.5%	0.5%	0.5%	1.0%	1.0%	1.5%	1.75%	2.00%
Capital outlay - 2015 dollars	175	175	175	200	200	200	200	200	200
FTEs									
EDU per capita %									
SDC - EDUs	-	-	-	-	43	44	44	45	45
SDC reimbursement - EDU	\$ 1,397	\$ 1,418	\$ 1,432	\$ 1,461	\$ 1,487	\$ 1,532	\$ 1,578	\$ 1,625	\$ 1,674
SDC - improvement - Treatment	\$ 1,058	\$ 1,073	\$ 1,084	\$ 1,105	\$ 1,125	\$ 1,159	\$ 1,194	\$ 1,230	\$ 1,267
SDC - improvement - Collection	\$ 1,492	\$ 1,514	\$ 1,529	\$ 1,559	\$ 1,587	\$ 1,635	\$ 1,684	\$ 1,735	\$ 1,787
Plant capacity - EDUs	6,423	6,423	6,423	6,423	6,423	6,423	6,423	6,423	6,423
Plant utilization - EDU's	4,657	4,657	4,657	4,657	4,700	4,744	4,788	4,833	4,878
Plant utilization % of capacity	72.5%	72.5%	72.5%	72.5%	73.2%	73.9%	74.5%	75.2%	75.9%
Outstanding balance									
SRRB 1998	-	-	-	-	-	-	-	-	-
SRF 1992	-	-	-	-	-	-	-	-	-
SPWF 1992	-	-	-	-	-	-	-	-	-
DEQ CWSRF R74682/1	8,247	4,000	8,247	4,000	4,000	4,000	4,000	4,000	4,000
DEQ CWSRF R74682/2	6,083	5,695	5,660	5,259	4,811	4,363	3,901	3,426	2,937
Refunding issue - FFCCO	4,930	4,850	4,850	4,765	4,640	4,470	4,270	4,050	3,815
State of Oregon IFA 2015				750	723	697	670	642	615
DEQ loan - bridge - converted to term FY 2018				(750)	3,750	3,750	3,580	3,408	3,234
USDA - 2015				-	-	-	3,703	3,655	3,604
	19,260	14,545	18,757	14,024	13,451	12,833	12,171	11,476	10,752



Golf Course Fund								
	Actual	Actual	Estimated	Proposed	Forecast	Forecast	Forecast	Forecast
	2015	2016	2017	2018	2019	2020	2021	2022
Resources								
Charges for services	\$ 1,113	\$ 1,135	\$ 1,119	\$ 1,204	\$ 1,231	\$ 1,258	\$ 1,313	\$ 1,368
Interest	2	2	2	3	3	3	4	4
Miscellaneous	14	8	11	7	7	7	7	7
Transfers	350	370	370	370	370	370	370	370
Debt proceeds	176	-	-	-	-	-	-	-
Total resources	1,655	1,515	1,502	1,584	1,611	1,638	1,694	1,749
Expenditures								
Golf course	442	437	391	416	428	441	455	468
Waste disposal	460	458	424	442	459	468	477.54	487
Restaurant	492	509	515	566	554	582	610.79	641
Capital outlay	44	179	24	49	60	55	50	800
Debt service								
Principal - FFC		21	24	24	24	24	24	24
Interest - FFC		5	4	4	4	4	4	4
Principal - credit facility	44	46	23	-	-	-	-	-
Interest - credit facility	4	2	1	-	-	-	-	-
Principal - 2011 bonds	10	10	30	40	40	40	45	45
Interest - 2011 bonds	19	17	18	17	17	15	14	12
Principal - 2017 bonds	-	-	-	-	-	-	-	-
Interest - 2017 bonds	-	-	-	-	-	-	-	-
Total expenditures	1,515	1,684	1,454	1,558	1,586	1,629	1,680	2,482
Resources over/(under) expendit	140	(169)	48	26	25	9	14	(733)
Beginning fund balance	403	543	374	423	449	474	483	497
Ending fund balance	\$ 543	\$ 374	\$ 423	\$ 449	\$ 474	\$ 483	\$ 497	\$ (236)
Adj operating revenue								
				1,584	1,611	1,638	1,694	1,749
Adj operating expenditures								
				1,424	1,441	1,491	1,543	1,597
Net adjusted sewer revenue								
				160	170	147	151	152
Debt service supported by Golf								
				119	85	83	87	85
DCR								
				1.34	2.00	1.77	1.74	1.79
Rounds	26,697	26,697	27,135	27,162	27,189	27,216	27,271	27,325
CPI	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Growth - additional rounds	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.2%	0.2%
Revenue per round	36.91	36.91	41.84	42.68	43.53	44.40	45.29	46.19
Growth revenue per round	0.0%	0.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Interest rate - new bonds	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%



General Fund								
Fiscal Years 2015 - 2035	Actual	Actual	Estimated	Proposed	Forecast	Forecast	Forecast	Forecast
Revenue	2015	2016	2017	2018	2019	2020	2021	2022
Property taxes	1,794	1,843	1,975	2,050	2,130	2,210	2,280	2,350
Transient lodging tax	253	316	350	350	275	250	250	250
Franchise taxes	1,620	1,827	2,251	2,413	2,513	2,563	2,618	2,618
Licenses & permits	7	11	9	11	10	10	10	10
Intergovernmental	255	220	215	231	220	220	221	225
Charges for Services	130	145	150	225	250	250	250	265
Miscellaneous	58	63	59	60	57	57	57	57
Transfers			75	72				
Debt Proceeds			720					
Total revenue	4,117	4,425	5,804	5,412	5,455	5,560	5,686	5,775
Expenses								
Police	2,468	3,398	3,742	4,062	4,180	4,325	4,485	4,620
Police Facility	60	64	-	-	-	-	-	-
Non Dept. General	203	797	1,596	1,290	1,310	1,260	1,170	1,100
Total expenditures	2,731	4,259	5,338	5,352	5,490	5,585	5,655	5,720
Revenue over/(under) expenditures	1,386	166	466	60	(35)	(25)	31	55
Beginning fund balance	821	797	963	1,429	1,489	1,454	1,429	1,460
Prior period adjustment								
Ending fund balance	797	963	1,429	1,489	1,454	1,429	1,460	1,515





Fiscal Year 2017-2018 Budget

City of Prineville





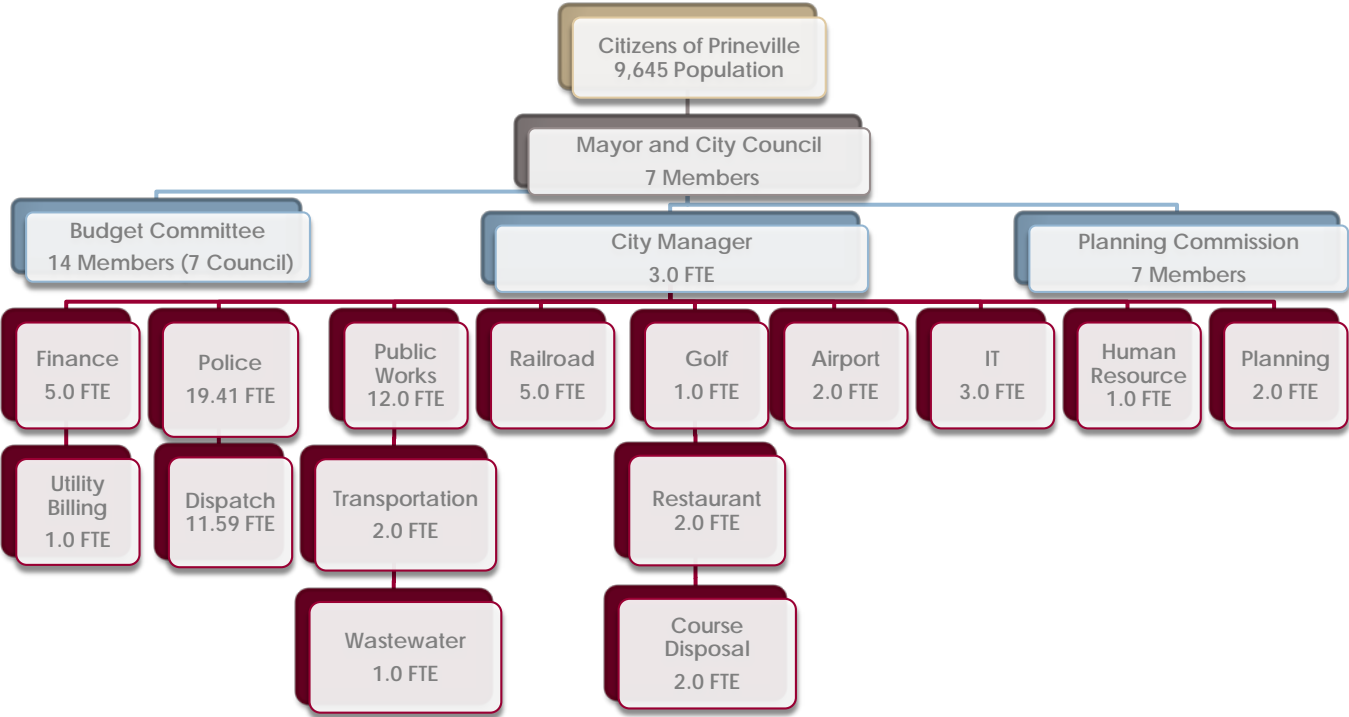
Personnel



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Organizational Chart



Several employees waiting to head to the greens during an employee golf tournament, generally held in August.



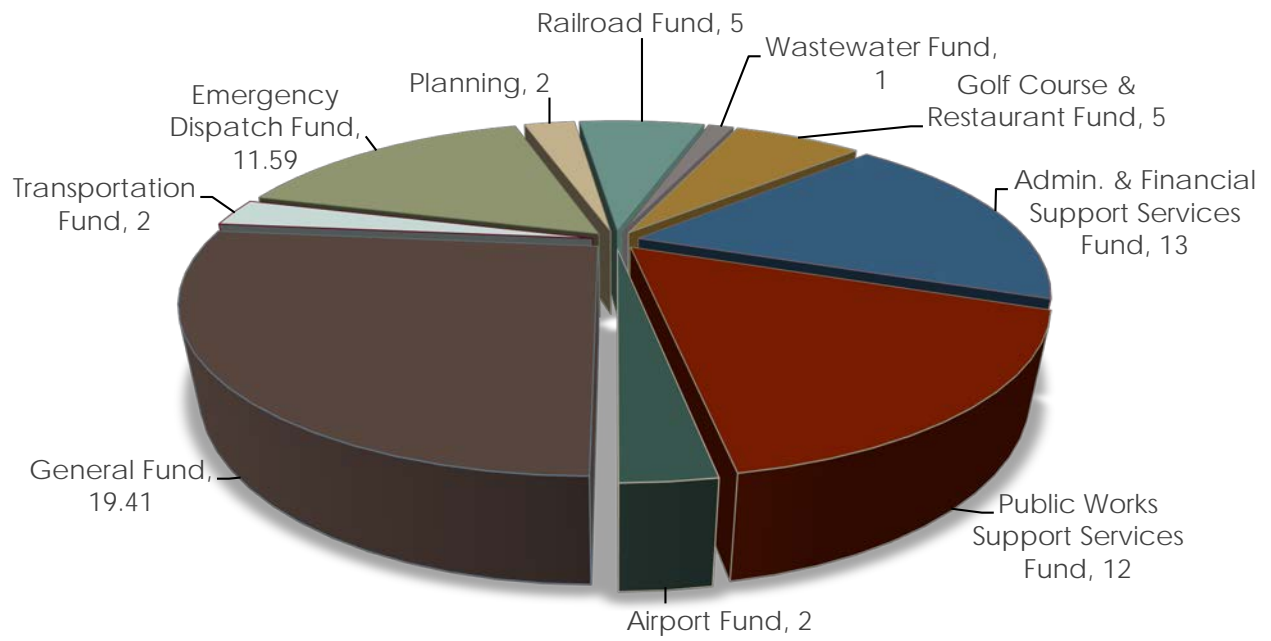
FTEs Budgeted Positions and Salary Ranges by Fund

Positions - Prior Years and Budget Year by Functional Area Excludes Part-time and Seasonal Help									
Department & Position	FY 14	FY 15	FY 16	FY 17	FY 18	Monthly FY 18 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	6,732	9,427	80,784	113,124
Captain	1.00	1.00	1.00	1.00	1.00	6,980	8,075	83,760	96,900
Administrative Assistant	0.66	0.66	0.66	0.66	0.66	4,106	5,134	49,272	61,608
Sergeant	3.00	3.00	3.00	4.00	4.00	5,313	6,907	63,756	82,884
Police Officer	10.66	10.66	11.00	11.00	11.00	4,537	5,315	54,444	63,780
Community Services Officer	1.00	1.00	0.66	0.00	0.00	3,964	4,645	47,568	55,740
Evidence Officer	0.50	0.50	0.50	0.50	0.50	3,371	3,948	40,452	47,376
Office Technician	0.66	0.66	1.00	1.00	1.00	3,371	3,948	40,452	40,452
Janitorial	0.25	0.25	0.25	0.25	0.25	Hourly			
Police Department Total	18.73	18.73	19.07	19.41	19.41				
<i>FY 14 - Changed Patrol Officer to Police Officer (title only).</i>									
<i>FY 16 - Office Technician no longer split between Emergency Dispatch and the Police Department.</i>									
<i>FY17 - Patrol officer was promoted to Sergeant in November and Community Services Officer position distributed between the Patrol Officers.</i>									
General Fund Total	18.73	18.73	19.07	19.41	19.41				
Planning Fund									
Planning Director	1.00	1.00	1.00	1.00	1.00	5,313	6,907	63,756	82,884
Senior Planner	1.00	1.00	1.00	1.00	1.00	4,619	6,007	55,428	72,084
Planning Department Total	2.00	2.00	2.00	2.00	2.00				
Transportation Fund									
Senior Lead Utility Worker	1.00	1.00	1.00	1.00	1.00	4,545	4,976	54,545	59,711
Utility Worker	1.00	1.00	1.00	1.00	1.00	4,181	4,610	50,169	55,323
Transportation Fund Total	2.00	2.00	2.00	2.00	2.00				
<i>FY 18 - Salary Range is an estimate for FY 18 due to labor negotiations currently taking place</i>									
Emergency Dispatch Fund									
Communications Director	1.00	1.00	1.00	1.00	1.00	5,313	6,907	63,756	82,884
Administrative Assistant	0.34	0.34	0.34	0.34	0.34	4,106	5,134	49,272	61,608
Communications Supervisor	1.00	1.00	1.00	2.00	1.00	4,106	5,134	49,272	61,608
Communications Officer	6.00	6.00	7.32	6.98	8.50	3,964	4,645	47,568	55,740
Office Technician	0.50	0.50				Hourly		35,760	41,880
Evidence Officer			0.50	0.50	0.50	3,371	3,948	40,452	47,376
Janitor	0.25	0.25	0.25	0.25	0.25	Hourly			
Emergency Dispatch Fund Total	9.09	9.09	10.41	11.07	11.59				
<i>FY 16 - Evidence Officer partially funded by Emergency Dispatch. Communications Officers increasing by two part-time officers. Office Technician moved to PD.</i>									
<i>FY 17 - Communications Officer moved to supervisor and one part time position increased to full time.</i>									
<i>FY 18 - Removed one supervisor position and increased Communication Officers.</i>									
Railroad Fund									
Operations Manager	1.00	1.00	1.00	1.00	1.00	4,619	6,007	55,428	72,084
Superintendent/Engineer	1.00	1.00	1.00	1.00	1.00	4,619	6,007	55,428	72,084
Freight Depot/Track Maintenance	1.00	1.00	1.00	1.00		3,278	4,156	39,342	49,872
Railroad Worker 1					2.00	3,278	4,156	39,342	49,872
Railroad Worker 2					1.00	3,374	4,156	40,488	49,872
Railroad Fund Total	3.00	3.00	3.00	3.00	5.00				
<i>FY 18 - Railroad positions restructured - Salary Range is an estimate for FY 18 due to labor negotiations currently taking place.</i>									
Airport Fund									
General Manager	1.00	1.00	1.00	1.00	1.00	4,619	6,007	55,428	72,084
Assistant		1.00	1.00	1.00	1.00	2,847	3,558	34,164	42,696
Airport Fund Total	1.00	2.00	2.00	2.00	2.00				
<i>FY 14 - Assistant to the General Manager position added.</i>									
Wastewater Fund									
Wastewater Treatment Plant Supervisor	1.00	1.00	1.00	1.00	1.00	4,619	6,007	55,428	72,084
Utility Worker	1.00	1.00				4,059	4,476	48,708	53,712
Wastewater Fund Total	2.00	2.00	1.00	1.00	1.00				
<i>FY 14 - Changed WWTP Manager to WWTP Supervisor (title only).</i>									
<i>FY 16 - Moved Utility Worker to Public Works Support Services Fund.</i>									
<i>FY 18 - Salary Range is an estimate for FY 18 due to labor negotiations currently taking place.</i>									



Department & Position	FY 14	FY 15	FY 16	FY 17	FY 18	Salary Range		Yearly Salary		
						Low	High	Low	High	
Golf Course & Restaurant Fund										
Golf Manager/Head Professional	1.00	1.00	1.00	1.00	1.00	5,313	6,907	63,756	82,884	
Golf Course Disposal Site										
Superintendent	1.00	1.00	1.00	1.00	1.00	4,619	6,007	55,428	72,084	
Greenskeeper/Irrigation Technician	1.00	1.00	1.00	1.00	1.00	2,541	3,176	30,492	38,112	
Mechanic	1.00	1.00	1.00			2,847	3,558	34,164	42,696	
Golf Course Disposal Site Total	3.00	3.00	3.00	2.00	2.00					
Golf Operations										
Golf Shop Manager	1.00	1.00	1.00			3,497	4,371	41,964	52,452	
Assistant Golf Operations Manager						3,570	4,463	42,840	53,556	
Golf Operations Total	1.00	1.00	1.00	0.00	0.00					
Restaurant Operations										
Restaurant Supervisor	1.00	1.00	1.00	1.00	1.00	4,106	5,134	49,272	61,608	
Kitchen Manager		1.00	1.00	1.00	1.00	2,475	2,575	29,705	30,900	
Restaurant Operations Total	1.00	2.00	2.00	2.00	2.00					
Golf Course & Restaurant Fund Total	6.00	7.00	7.00	5.00	5.00					
<i>FY14 - Kitchen Manager position added.</i>										
<i>FY17 - Golf Shop Manager position was eliminated and Mechanic position changed to seasonal part time.</i>										
Administration & Financial Support Services Fund										
City Manager	1.00	1.00	1.00	1.00	1.00	7,595	11,394	91,140	136,728	
Administrative Assistant/City Recorder	1.00	1.00	1.00	1.00	1.00	4,106	5,134	49,272	61,608	
Finance Director	1.00	1.00	1.00	1.00	1.00	6,732	9,427	80,784	113,124	
Finance Assistant I				1.00		2,063	2,579	24,756	30,948	
Finance Assistant II	4.00	3.00	3.00	2.00	3.00	3,189	3,986	38,268	47,832	
Finance Assistant III		1.00		1.00	1.00	3,570	4,463	42,840	53,556	
Accounting Supervisor			1.00	1.00	1.00	4,106	5,134	49,272	61,608	
IT Manager	1.00	1.00		1.00	1.00	5,313	6,907	63,756	82,884	
IT Specialist I	0.50	0.50	0.50	0.00	0.00		Hourly	18,720	26,800	
IT Specialist II	1.00	1.00	1.00	2.00	2.00	3,189	3,986	38,268	47,832	
Human Resources Manager/Risk Manager	1.00	1.00	1.00	1.00	1.00	4,619	6,007	55,428	72,084	
Procurement/Contract Administration	1.00	1.00	1.00	1.00	1.00	3,570	4,463	42,840	53,556	
Administration & Financial Support Services Fund Total	11.50	11.50	10.50	13.00	13.00					
<i>FY16 - Hiring an IT consulting firm to take the place of the IT Manager.</i>										
<i>FY17 - Reinstated the IT manager position during FY16, moved part time IT specialist to full time IT specialist II and the Finance Department restructured.</i>										
<i>FY18 - Promoted Finance I to Finance II</i>										
Public Works Support Services Fund										
City Engineer/Public Works Director	1.00	1.00	1.00	1.00	1.00	6,732	9,427	80,784	113,124	
Public Works Superintendent/Inspector	1.00	1.00	1.00	1.00	1.00	5,313	6,907	63,756	82,884	
Assistant City Engineer	0.25	0.25	1.00	1.00	1.00	4,619	6,007	55,428	72,084	
Administrative Technician	1.00	1.00	1.00			3,570	4,463	42,840	53,556	
Mechanic	1.00	1.00	1.00	1.00	1.00	3,677	4,597	44,125	55,163	
Utility Worker	6.00	6.00	7.00	8.00	8.00	4,181	4,610	50,169	55,323	
Public Works Support Services Fund Total	10.25	10.25	12.00	12.00	12.00					
<i>FY16 - Utility Worker from Wastewater moved to Public Works. Assistant Engineer position made full-time.</i>										
<i>FY17 - During the year, the Administrative Technician position was eliminated and the Utility Worker position increased</i>										
<i>FY18 - Salary Range is an estimate for FY18 due to labor negotiations currently taking place.</i>										
City of Prineville FTE Total	65.57	67.57	68.98	70.48	73.00					





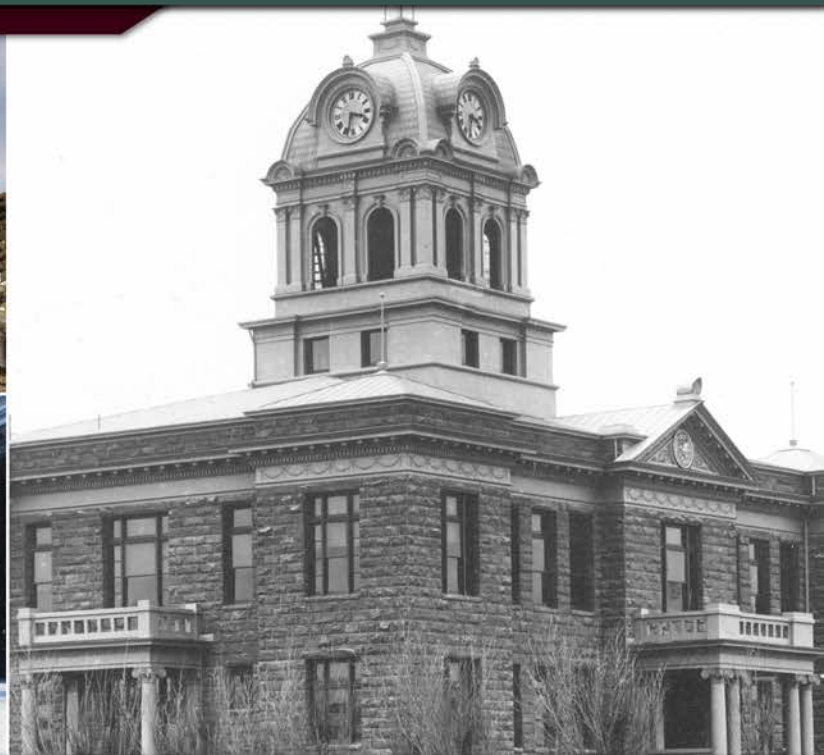
Vendors and staff attended the City of Prineville and Crook County Employee Health Fair held in June.





General Fund

Governmental Funds



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General Fund Responsibility 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.



Organization of Fund General Fund



Executive Summary

The General Fund is supported through primarily property tax, transient lodging taxes, franchise fees, and Oregon State liquor tax revenues. Approximately 59 percent of general revenues are used to support public safety. Other revenues help support Planning, Administration, Transportation and Airport Funds, as well as other City Council directed requests. 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, 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.



A Prineville police captain visits a local elementary school.



Strategic Planning Updates

- Short-term – In the short-term, management will review both current and potential revenue sources, and ways to be more resourceful, in order to maintain current service levels and retain emergency reserve levels in the General Fund.
- Long-term – Management will develop a plan to replace the current, aging police facility and continue to develop resources through cost controls in order to achieve staffing goals consistent with City Council objectives.

General Fund Budget

Resources	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Beginning fund balance	\$ 820,598	\$ 797,059	\$ 871,859	\$ 963,851	\$ 1,429,051	\$ 1,429,051	\$ 1,429,051
Current year resources							
Property taxes	1,793,737	1,843,406	1,920,000	1,975,000	2,050,000	2,050,000	2,050,000
Transient lodging tax	253,174	315,677	300,000	350,000	350,000	350,000	350,000
Franchise fees	1,619,413	1,826,847	1,919,000	2,251,000	2,413,000	2,413,000	2,413,000
Licenses and permits	7,188	11,082	10,700	8,900	11,200	11,200	11,200
Intergovernmental revenues	255,480	220,243	233,000	214,600	231,100	231,100	231,100
Charges for services	129,508	145,497	231,500	150,000	225,000	225,000	225,000
Interest	4,158	4,894	4,000	4,000	4,500	4,500	4,500
Miscellaneous	58,273	57,758	60,300	55,000	55,600	55,600	55,600
Transfers			100,000	75,000	72,185	72,185	72,185
Debt proceeds	-	-	700,000	720,000			
Total current year resources	\$ 4,120,931	\$ 4,425,404	\$ 5,478,500	\$ 5,803,500	\$ 5,412,585	\$ 5,412,585	\$ 5,412,585
Total resources	\$ 4,941,529	\$ 5,222,463	\$ 6,350,359	\$ 6,767,351	\$ 6,841,636	\$ 6,841,636	\$ 6,841,636
Expenditures	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Police	3,299,693	3,398,299	3,710,900	3,742,300	4,062,100	4,062,100	4,062,100
Police facility	59,698	63,577	-	-			
Non-departmental	785,080	796,737	1,661,000	1,596,000	1,289,800	1,289,800	1,289,800
Contingency			978,459		1,489,736	1,489,736	1,489,736
Total expenditures	\$ 4,144,471	\$ 4,258,613	\$ 6,350,359	\$ 5,338,300	\$ 6,841,636	\$ 6,841,636	\$ 6,841,636
Ending fund balance	\$ 797,059	\$ 963,851	\$ -	\$ 1,429,051	\$ -	\$ -	\$ -

The police facility was moved to the Building Facility Fund in FY 17.

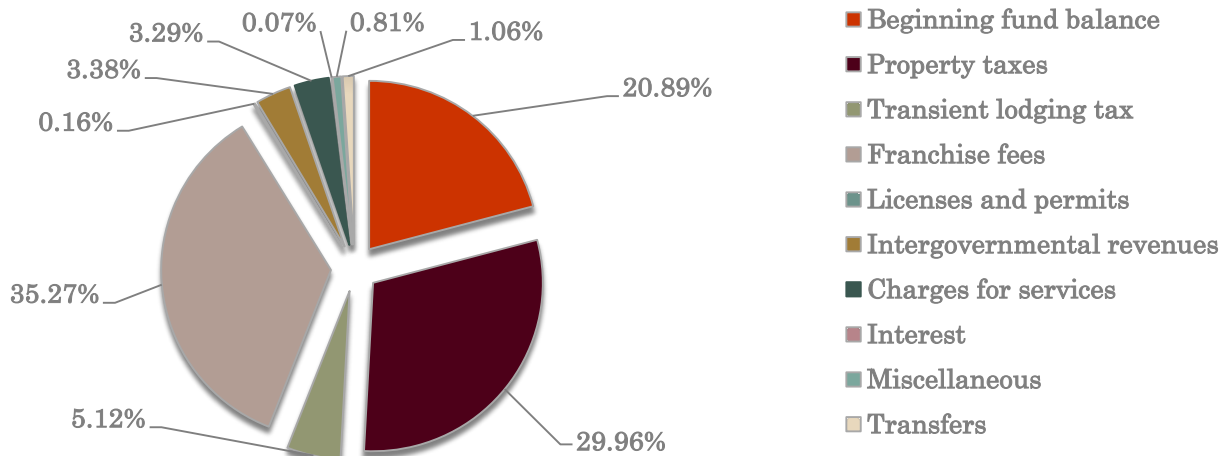


Beginning Fund Balance Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 16-17	Proposed FY 17-18 Beginning Fund Balance	% Change FY 17 to FY 18	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
General	\$963,851	\$1,429,051	48%	\$1,489,736	\$1,364,071	9%

The beginning fund balance increased approximately 48 percent from the previous year largely due to the increase in electrical franchise fees from data centers. The proposed ending fund balance will increase approximately 5 percent from the beginning FY 17 proposed fund balance. This fund exceeds reserve requirements of \$1,364,071 by 9 percent.

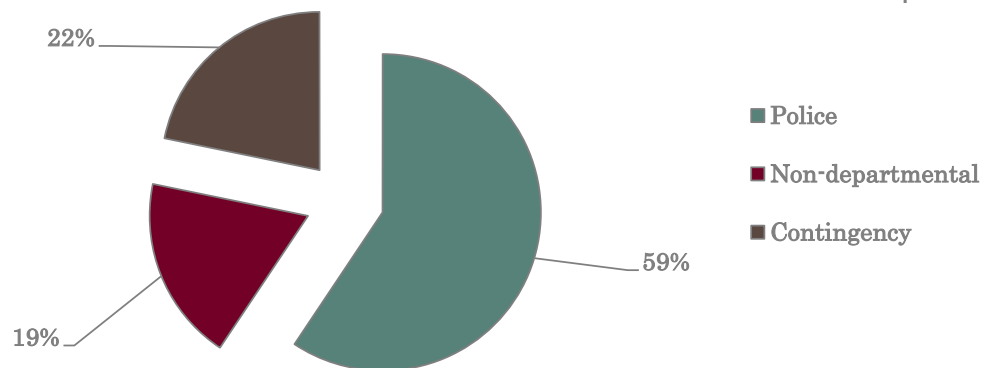
Resources



Assumptions

Projections received from the Crook County Assessor's office indicate the collection of taxes to be up approximately 7 percent over prior year. The City took a conservative approach to collection, estimating current tax revenue at \$2 million, a 4 percent increase, for the coming year. Franchise fees are estimated to increase approximately \$162,000 over prior year largely due to the electrical fees collected from the data centers.

Requirements



Assumptions

In FY 18, the total requirements for the General Fund will increase approximately 8 percent overall. Public safety operations are increasing approximately 9 percent over prior year, and non-departmental requirements decreased approximately 24 percent. Non-departmental expenditures include the Prineville-Crook County Chamber of Commerce, street lighting, and transfers to the Airport, Planning, Transportation Operations, and Pension Obligation Funds. In FY 17, non-departmental included the acquisition of the Ironhorse property. In FY 18, it includes a debt service for that acquisition.





Police Department Responsibility to the Community

The Prineville Police Department has trained in and embraced 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; the community has trust and confidence in the police as honest, unbiased, benevolent and lawful; the community feels obligated to follow the law and the dictates of legal authorities; and 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 enhance economic development and growth.



Goals and Objectives for FY 18

Department Goals	City Council Goals
Maintain accreditation	Community safety
Identify and manage the facility needs	Strive to position the city to meet future demands of businesses and citizens
Fill and maintain the department's full-time employee count	Community safety
Continue to provide adequate training	Community safety
Maintain body cameras	Strive to improve on transparency and effective communication
Continue holistic approach to issues by collaborating with community partners.	Provide quality municipal services and programs which contribute to community desirability

Executive Summary

The Prineville Police Department completed a transitional process during FY 16 that included finding a permanent chief of police, hiring a consultant to assist with the implementation of the Lexipol manual, and completing nationally recognized accreditation. The department also hired a new captain, as well as three new sergeants. During FY 17, all the new personnel were trained. Additionally, management looked for new and innovative ways to engage our community. This year an internet presence was launched through Facebook and a mobile Prineville Police application. This allowed the department to reach over 2,500 additional citizens on a regular basis.

In late FY 17 or early FY 18, the position of community service officer (CSO) will be converted to a regular officer position. This will allow the department to continue to handle the large volume of "quality of life" calls and allow an expansion of how the officer is used to meet the ever changing needs of the community. The officer's new mission will be to continue developing relationships with key community partners in an effort to provide additional solutions to problems such as homelessness, mental health, and alcohol and drug issues.

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 is working towards a vision which is a city free of crime, and the fear of criminal activity, through collaboration, persistence and innovation.





Officers train with new vehicles at a winter driving course.

Accomplishments for FY 17

- Maintained Lexipol manual
- Maintained accreditation through the Oregon Accreditation Alliance
- Trained all new sergeants to supervisor status
- Provided executive training to police captain through the FBI National Academy
- Provided procedural justice training to law enforcement officers

Strategic Planning Updates

- Short-term – Ensure staffing levels remain optimized, and train recently promoted – and newly hired – personnel to meet their new position standards
- Long-term – Continue to build a cohesive team of employees ready to meet the ever changing needs of the community through culture, training and innovation



Swearing-in of Chief of Police Dale Cummins.



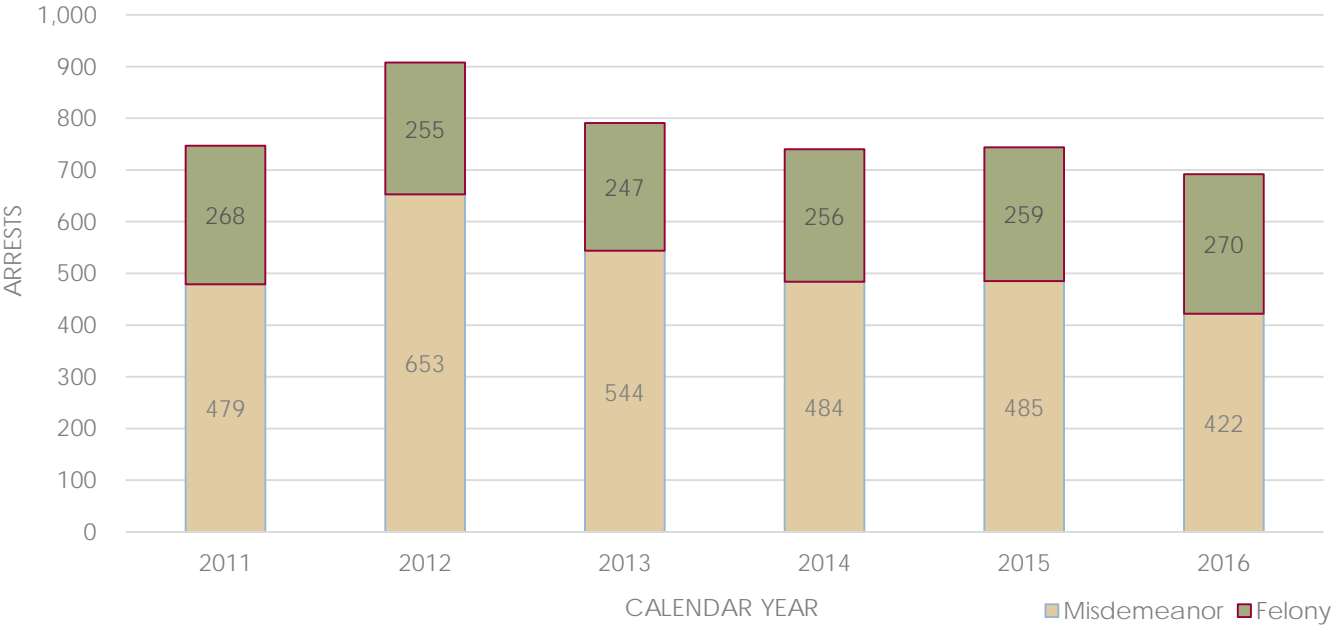
Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Facility		
Update radios for police		\$ 50,000
Used police vehicle (for chief of police)		\$ 20,000
Capital Outlay Total		\$ 70,000

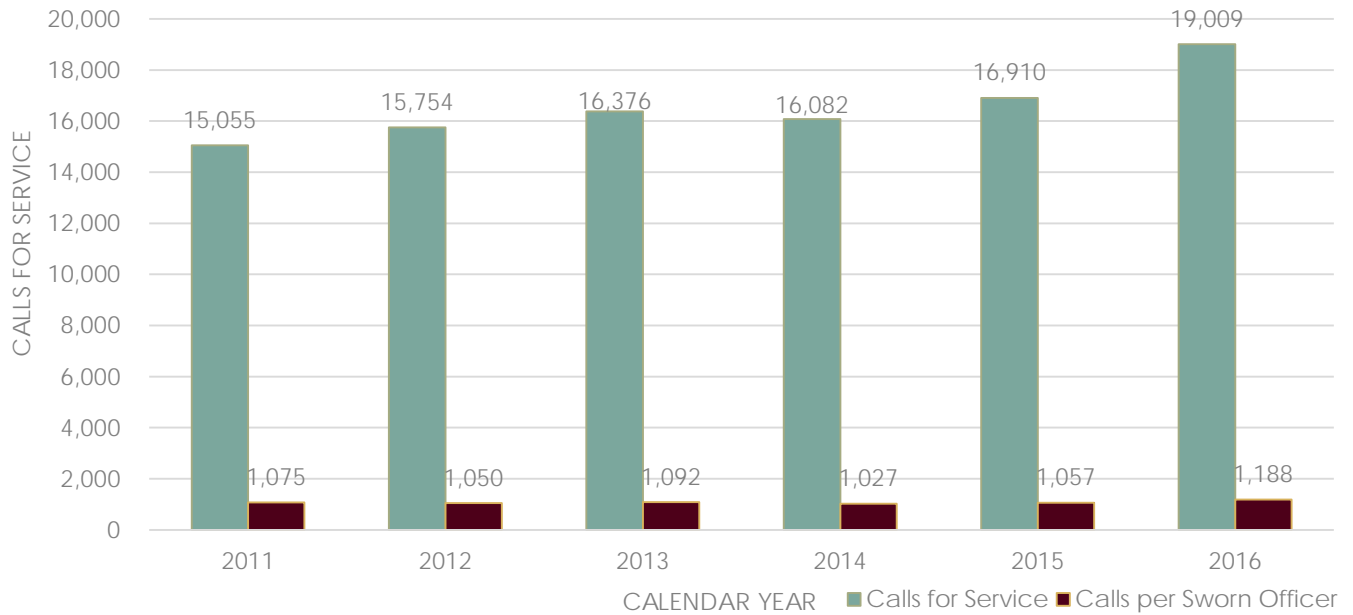
A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 81.

Performance Measures Total Arrests

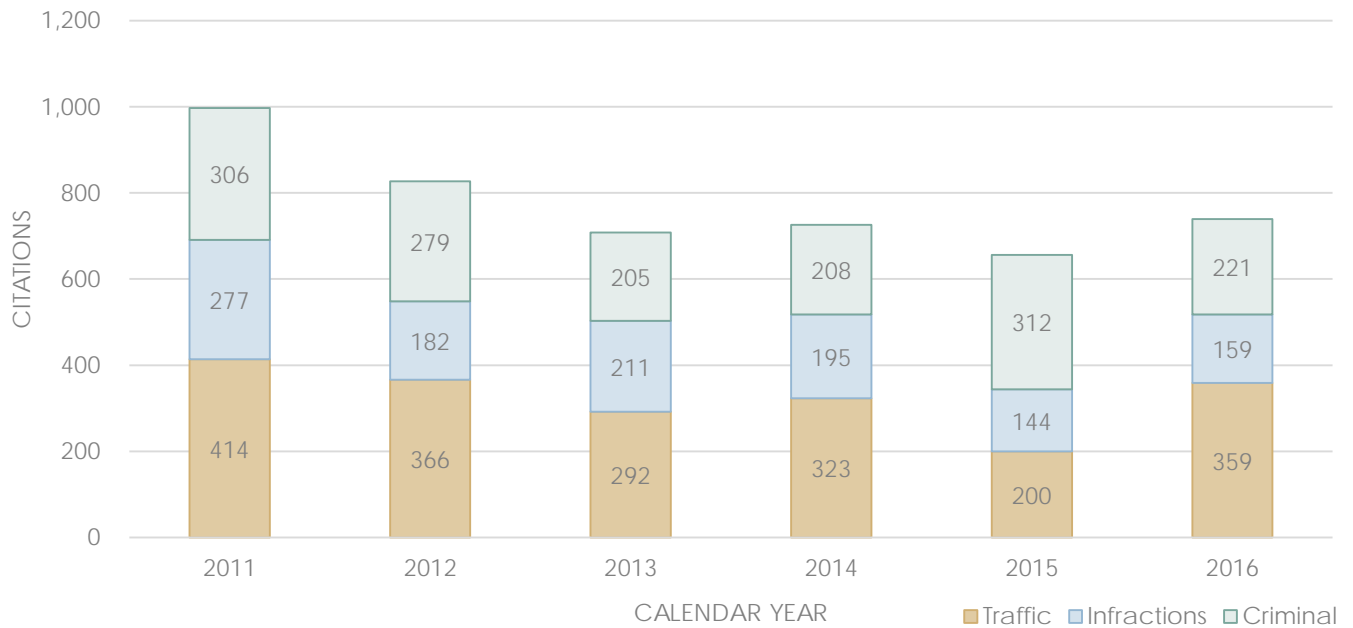
Misdemeanor or Greater Arrests by Calendar Year



Calls for Service Calls for Police Assistance per Calendar Year



Citations Issued Citations Issued by Type per Calendar Year





A police officer responding to a call heads down NE 3rd Street.

Police Department Budget

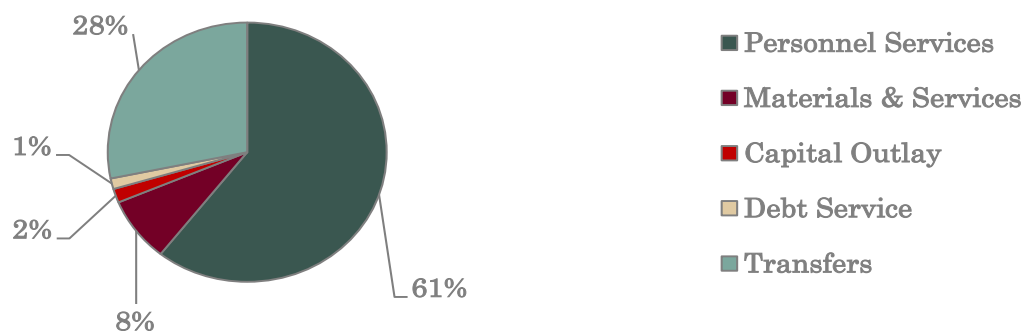
Expenditures	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Personnel Services	\$ 2,174,518	\$ 2,160,118	\$ 2,299,400	\$ 2,331,300	\$ 2,463,600	\$ 2,463,600	\$ 2,463,600
Materials & Services	292,961	308,885	318,800	273,300	326,500	326,500	326,500
Capital Outlay	0	12,682	-	45,000	70,000	70,000	70,000
Debt Service	54,413	54,413	54,500	54,500	54,500	54,500	54,500
Transfers	777,800	862,200	1,038,200	1,038,200	1,147,500	1,147,500	1,147,500
Total expenditures	\$ 3,299,693	\$ 3,398,299	\$ 3,710,900	\$ 3,742,300	\$ 4,062,100	\$ 4,062,100	\$ 4,062,100



General Fund – Police Department FTEs by Position FY 15 – 18				
	FY 15 Actual	FY 16 Actual	FY 17 Actual	FY 18 Forecast
Chief of Police	1.00	1.00	1.00	1.00
Captain	1.00	1.00	1.00	1.00
Administrative Assistant	0.66	0.66	0.66	0.66
Sergeant	3.00	3.00	4.00	4.00
Police Officer	10.66	11.00	11.00	11.00
Community Services Officer	1.00	0.66	0.00	0.00
Evidence Officer	0.50	0.50	0.50	0.50
Office Technician	0.66	1.00	1.00	1.00
Janitorial	0.25	0.25	0.25	0.25
Police Department Total	18.73	19.07	19.41	19.41

FY 17 staffing changes include moving a Community Service Officer to Police Officer and the promotion of one Police Officer to Sargent.

Requirements



The expense of personnel services increased 6 percent over prior year, materials and services increasing 19 percent, capital outlay increasing 56 percent, and transfers increasing 11 percent.

Police Department Facility Budget

Expenditures	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 14-15	FY 15-16	Budget FY 16-17	FY 16-17	Budget FY 17-18	Budget FY 17-18	Budget FY 17-18
Materials & Services	\$ 59,698	\$ 63,577	\$ -	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	-	-	-	-	-	-
Total expenditures	\$ 59,698	\$ 63,577	\$ -	\$ -	\$ -	\$ -	\$ -

The police facility was moved to the Building Facilities Fund in FY 17.





Non-departmental Executive Summary

Activities not associated directly with public safety operations are accounted for within the non-departmental budget. In FY 18, a transfer to the Planning Fund is budgeted for \$320,000, an increase over prior year of approximately 2 percent. Also budgeted for FY 18 is a transfer of \$50,000 to the Prineville-Crook County Airport for operational support, a transfer of \$400,000 to the Transportation Operations Fund for capital projects, and a transfer to the PERS/POB Fund of \$100,000 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. Debt service is also budgeted for the acquisition of the Ironhorse property and an additional \$100,000 principal payment to reduce the balloon payment in 2027.



Non-departmental Budget

Expenditures	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Non-departmental							
Materials & Services	203,180	260,837	265,500	269,300	269,800	269,800	269,800
Capital Outlay			700,000	719,000	-	-	-
Transfers	581,900	535,900	645,500	595,500	870,000	870,000	870,000
Debt service							
Ironhorse Property			50,000	12,200	150,000	150,000	150,000
Total expenditures	\$ 785,080	\$ 796,737	\$ 1,661,000	\$ 1,596,000	\$ 1,289,800	\$ 1,289,800	\$ 1,289,800



The Mt. Emily Shay giving passengers a ride over a bridge on Madras Highway.





Fiscal Year 2017-2018 Budget

City of Prineville





Transportation Operations Fund
Emergency Dispatch Fund
Planning Fund

Special Revenue Funds



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Transportation Operations Fund 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.



Goals and Objectives for FY 18

Department Goals	City Council Goals
Continue the crack sealing/seal coating program to extend the life of area roads without having to repave them	To be fiscally responsible in all we do
Continue to research various pavement preservation techniques to lengthen the useful life of Prineville's streets	To be fiscally responsible in all we do
Continue traffic counting studies to gather data for future planning	Provide quality municipal services and programs, which contribute to community desirability
Maintain and protect pavement quality on city streets	Strive to position city to meet future demands of businesses and citizens.
Upgrade seven American with Disabilities Act (ADA) wheel chair ramps	Provide quality municipal services and programs, which contribute to community desirability
Improve the transportation network to serve new customers	Strive to position city to meet future demands of businesses and citizens
Continue to participate in the Central Oregon Area Commission on Transportation	To be fiscally responsible in all we do
Continue to support other department's capital construction needs	To be fiscally responsible in all we do

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 56.71 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.





Snow removal on NE 4th Street by the transportation crew after a storm in 2017.

Accomplishments for FY 17

- Constructed 4,145 feet of new sidewalk on East Highway 26 via grant funding
- Completed 26 blocks of paving
- Upgraded 15 ADA wheel chair ramps while utilizing public involvement, which currently boasts a great relationship with the community
- Swept up 393 tons of material from city streets
- Secured funding for the replacement of the Elm Street Bridge
- Oversaw the replacement of the Combs Flat Bridge

These accomplishments address the following Prineville City Council goals:

- *“Be fiscally responsible in all we do”* – Continue to research and implement pavement preservation techniques to lengthen the useful life of the City’s streets at the least cost possible
- *“Strive to position city to meet future demands of businesses and citizens”* – Continue to improve the transportation network to serve new customers
- *“Provide quality municipal services and programs which contribute to community desirability”* – Administration of sidewalk and trail grants; collaborative work to plan for the Tom McCall intersection improvements
- *“Community safety”* – Administration of sidewalk and trail grants; design and development review procedures taking safety and livability into account

Grants Received for FY 18

The Transportation Department received \$103,884 in Federal Surface Transportation Program (STP) allocation funding via the ODOT fund exchange program. The Transportation Department also received a transit grant from ODOT totaling \$92,600. These funds are used to support Cascades East Transit, the local public transportation service.



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 widening dikes at the Wastewater Treatment Plant.

Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Capital Rehabilitation		
Rimrock	\$ 78,000	\$ 78,000
Crestview	\$ 108,000	\$ 108,000
Cliffside	\$ 34,000	\$ 34,000
Park (Crestview to Rimrock)	\$ 25,000	\$ 25,000
Park (New paving)	\$ 18,000	\$ 18,000
Shoulder gravel for above, valve and manhole adjustment	\$ 10,000	\$ 10,000
N Main from Mariposa to Peters, grind and inlay travel lanes	\$ 52,000	\$ 52,000
NW 6th Street from Locust to Madras Hwy – 2" Overlay	\$ 32,000	\$ 35,000
NE Juniper from 3rd to NE Laughlin – 2" Overlay	\$ 60,000	\$ 60,000
Capital Rehabilitation		
Crack Seal SE Quadrant	\$ 200,000	\$ 130,000
Other		
ODOT Transit Grant		\$ 104,600
Capital Outlay Total	\$ 617,000	\$ 654,400

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 81.





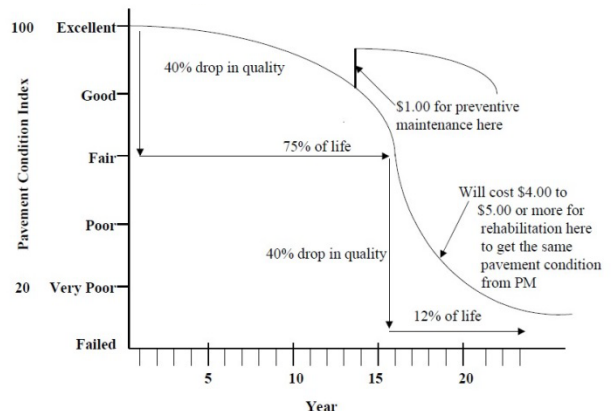
Members of the transportation department clearing residential streets in January 2017.

Performance Measures Overall Pavement Condition Index

The pavement condition index is a numerical index between 0 and 100 used to indicate the condition of a roadway. This rating is given to streets through a process of visual observations and calculations performed through the use of the *Metropolitan Transportation Commission Pavement Management* software. The numerical value between 0 and 100 defines the condition of the wearing surface, with 100 representing a new street in excellent condition. These scores translate into four general condition categories, ranging from “poor” to “good.”

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

Each score range is assumed to warrant a specific type of treatment. Treatments can be thought of in three general categories: seal, overlay, and reconstruct, with reconstruct being a complete rebuild of the pavement roadway. The pavement management software determines the most efficient and effective use of anticipated funds over multiple years. This program shows the importance of pavement preservation techniques such as crack sealing and seal coating as a way of stretching precious maintenance dollars.



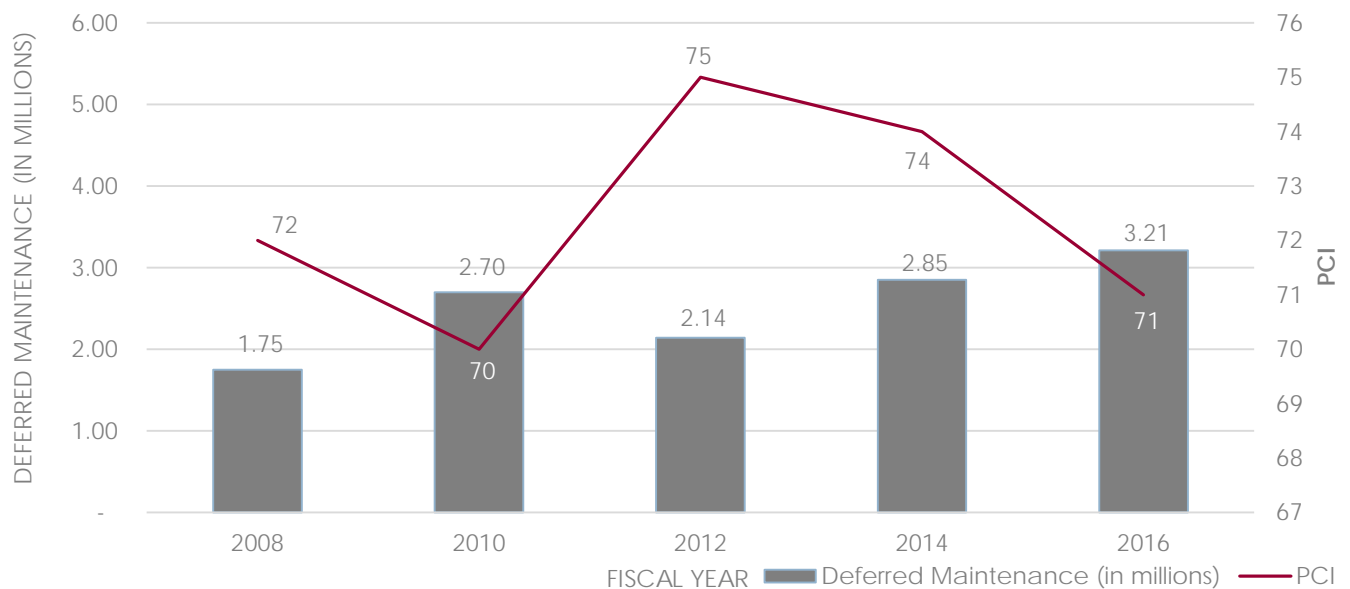


Seal coat in progress on NE 2nd Street.

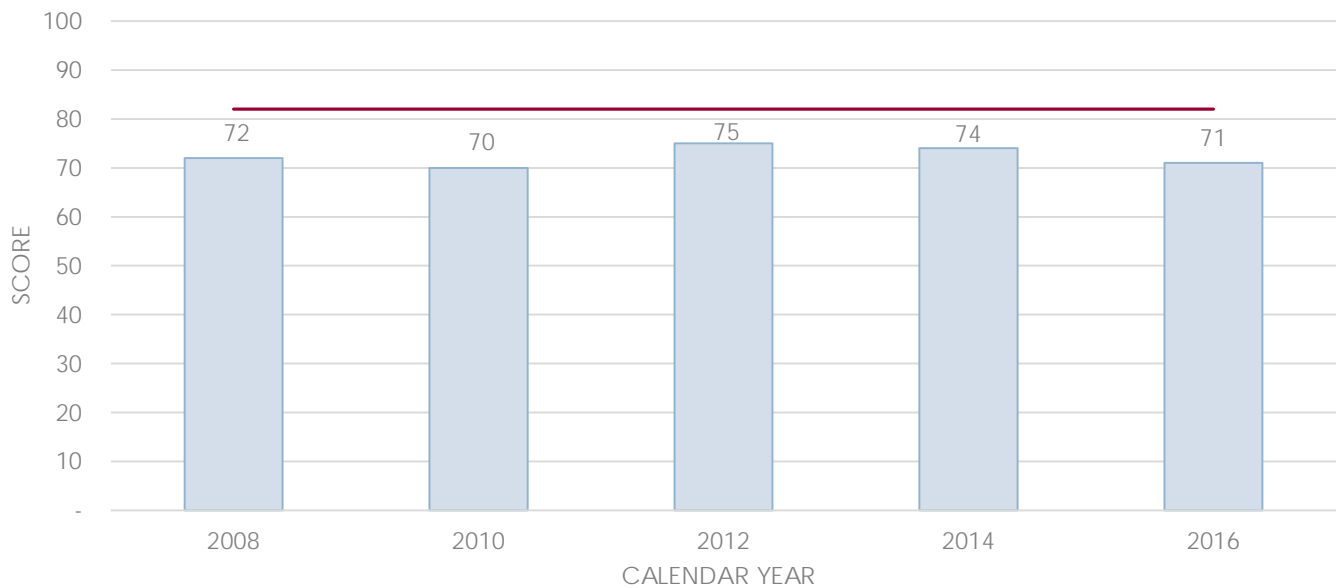
The City of Prineville first inspected and ranked all city streets in the summer of 2008. Further inspections occurred in the summer of 2010, the summer of 2012, the summer of 2014 and the summer of 2016. The goal of the Transportation Department is to maintain the overall PCI at a calculated average of 82 to 85. This level provides the optimum longevity of the wearing surfaces with the minimum investment level. The program is consistent with council goals for sustaining infrastructure.

By focusing the limited budget on preservation activities, the Transportation Department is able to raise the PCI. It is important to remember the most economical PCI is in the low to mid 80s.

Scenario Comparison Deferred Maintenance and PCI



Pavement Condition Index Score by Calendar Year



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 71, the City needs to invest a minimum of \$500,000 per year in maintenance activities. The current funding level of \$300,000 per year will result in a PCI of 69 after five years and a deferred maintenance cost of \$4,800,000.



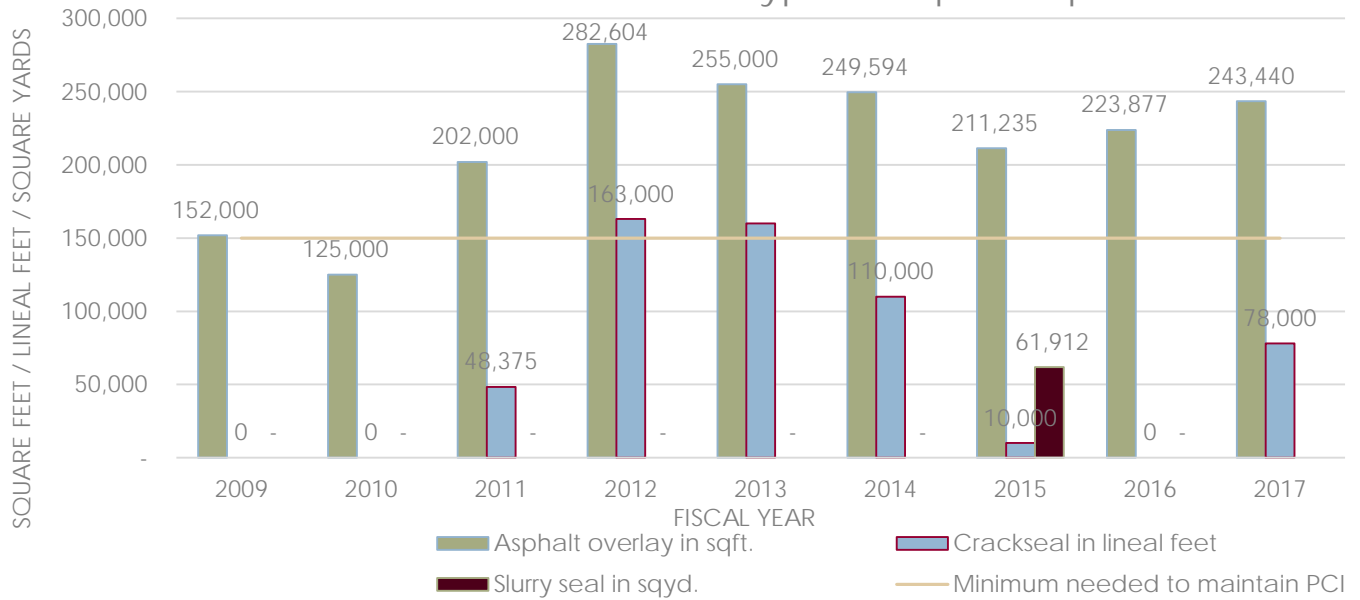
Contractors paving a cul-de-sac for a new development



Preventative Maintenance Measures

For the City to maintain its current level of pavement condition index, a minimum of 150,000 square feet of overlay and 150,000 lineal feet of crack seals must be completed each year. Crack seal amounts prior to 2010 are not available. This program is consistent with council goals for striving to position city to meet future demands of businesses and citizens.

Street Preventative Maintenance Maintenance Amount/Type Completed per Fiscal Year



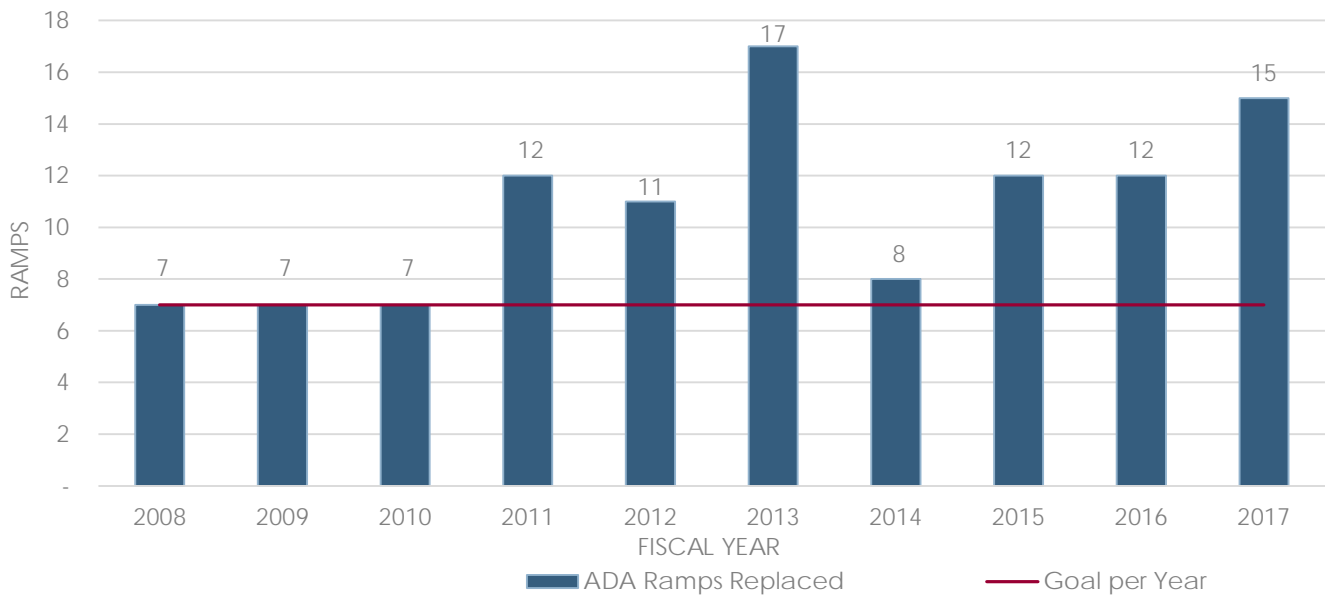
Contractors work on a bike lane infill project on NE Combs Flat.



American with Disabilities Act Ramps

There are 65 ADA ramps located in downtown Prineville identified as infrastructure needing replacement. As such, the department implemented a plan to replace at least seven ADA ramps per year. In FY 16, the Transportation Department surpassed its yearly goal by replacing 12 ADA ramps and a full ADA assessment of all city facilities was also completed. The ramps to be replaced are identified during an annual meeting between the Transportation Department and disabled citizens. By working closely with this community, the Transportation Department can ensure precious resources are put to the best use. The goal of ADA ramp replacement continues to be met on a yearly basis and coincides with the Prineville City Council goal of improving community safety.

ADA Ramps Replaced Ramps Replaced per Fiscal Year



A street corner after the Transportation Department removed an old ADA ramp near a local school.



Transportation Budget

Resources	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Beginning fund balance	\$ 263,599	\$ 233,580	\$ 205,281	\$ 267,186	\$ 195,486	\$ 195,486	\$ 195,486
Current year resources							
Intergovernmental	\$ 868,629	\$ 868,412	\$ 820,000	\$ 911,700	\$ 848,300	\$ 848,300	\$ 848,300
Franchise fee	245,000	259,000	277,000	277,000	300,000	300,000	300,000
Interest	1,256	1,807	1,200	1,200	1,800	1,800	1,800
Miscellaneous	37,038	11,769	8,500	15,000	8,500	8,500	8,500
Transfers from other funds	146,000	100,000	100,000	100,000	400,000	400,000	400,000
Total current year resources	\$ 1,297,923	\$ 1,240,988	\$ 1,206,700	\$ 1,304,900	\$ 1,558,600	\$ 1,558,600	\$ 1,558,600
Total resources	\$ 1,561,522	\$ 1,474,568	\$ 1,411,981	\$ 1,572,086	\$ 1,754,086	\$ 1,754,086	\$ 1,754,086
Expenditures							
Personnel Services	\$ 200,282	\$ 198,121	\$ 217,400	\$ 233,300	\$ 227,700	\$ 227,700	\$ 227,700
Material & services	187,016	178,322	206,400	237,400	236,300	236,300	236,300
Capital outlay							
Improvements	571,144	452,839	410,400	504,400	654,600	654,600	654,600
Transfers	369,500	378,100	401,500	401,500	423,300	423,300	423,300
Contingency			176,281		\$ 212,186	212,186	212,186
Total expenditures	\$ 1,327,942	\$ 1,207,382	\$ 1,411,981	\$ 1,376,600	\$ 1,754,086	\$ 1,754,086	\$ 1,754,086
Ending fund balance	\$ 233,580	\$ 267,186	\$ -	\$ 195,486	\$ -	\$ -	\$ -

Personnel

Transportation Fund FTEs by Position FY 15 – 18				
	FY 15 Actual	FY 16 Actual	FY 17 Actual	FY 18 Forecast
Utility	2.00	2.00	2.00	2.00
Transportation Fund Total	2.00	2.00	2.00	2.00

No changes to staffing levels in FY 18.

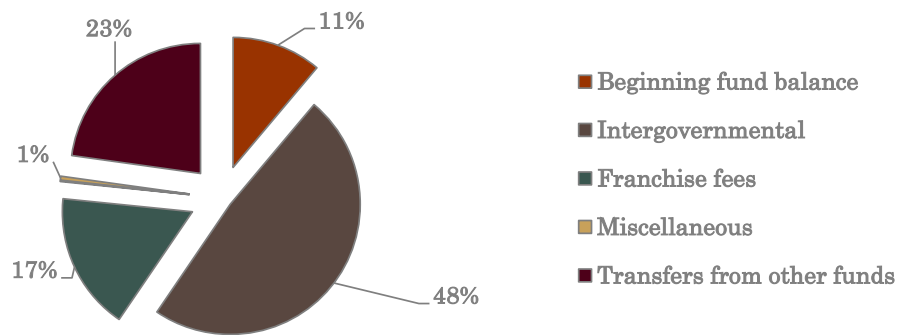


Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 16-17	Proposed FY 17-18 Beginning Fund Balance	% Change FY 17 to FY 18	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Transportation	\$267,186	\$195,486	-27%	\$212,186	\$188,008	13%

The 27 percent decrease to fund balance is mostly due to budgeted capital projects completed in the prior year, and some is a result of the harsh winter with overtime and maintenance. Projects budgeted for FY 18 total \$654,600. Fund balance is projected to increase approximately 9 percent by year-end. Ending fund balance/contingency meets the City's financial policy objectives by 13 percent. Management continues to look for new revenue opportunities and efficiencies within the department.

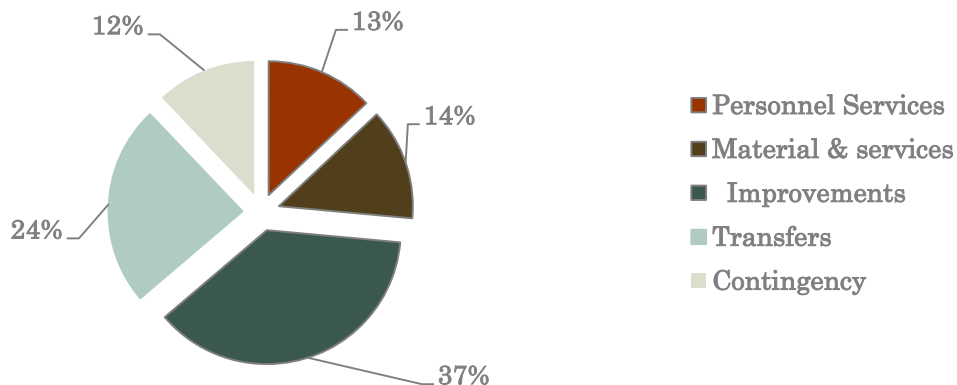
Resources



Assumptions

Overall expected revenues for FY 18 show a 19 percent increase over the prior year. Revenues include a grant of approximately \$92,600 for the transit project and system transportation planning dollars from ODOT totaling approximately \$110,000. Franchise fees from the Wastewater and Water Funds totaling \$300,000, along with the transfer from the General Fund of \$400,000, are budgeted for capital improvements. Projections for the State of Oregon gas tax are approximately \$555,700 and State Revenue Sharing of \$90,000.

Requirements



Assumptions

Requirements budgeted overall in FY 18 increased over prior year budget by approximately 24 percent. Personnel services are increasing approximately 5 percent, materials and services are increasing approximately 14 percent, transfers are increasing by approximately 5 percent, and capital outlay is increasing approximately 30 percent. The increase in capital outlay is related to the transfer of \$400,000 from the General Fund for improvements made possible through electrical franchise fees from the local data centers.





Emergency Dispatch Fund 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.

The Emergency Dispatch Fund is managed by the Prineville's chief of police. The funds are provided by 911 telephone taxes, in addition to, payments made by the Crook County Sheriff's Office, the Crook County Rural Fire District, the Bureau of Land Management (BLM), the United States Forest Service (USFS), and the Prineville Police Department. In turn, those entities are provided this vital communication service.



Goals and Objectives for FY 18

Department Goals	City Council Goals
Explore dispatch center location options	Community safety
Complete hiring objectives	Provide quality municipal services and programs, which contribute to community desirability
Provide training opportunities to improve effectiveness	Community safety
Complete installation and training on the Emergency Medical Dispatch program	Provide quality municipal services and programs, which contribute to community desirability

Executive Summary

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.

The Emergency Dispatch Center experienced a large turnover in personnel during FY 17. As the department enters FY 18, it does so extremely under staffed, with several new dispatchers. The focus of FY 18 will be the hiring and training of new personnel.



The 911 Dispatch Center after improvements were completed in 2014.



Accomplishments for FY 17

- Developed a new hiring process with human resources guidance
- Developed a new training program for new dispatchers
- Replaced the 24-hour telephone/radio audio logger

Strategic Planning Updates

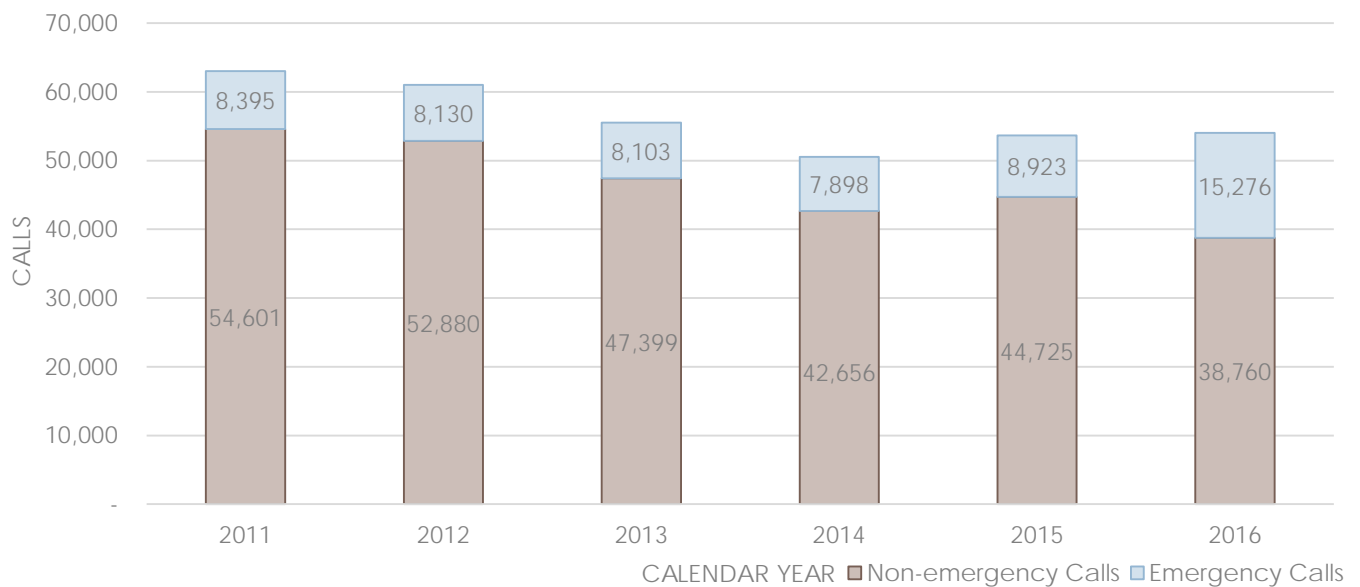
- Short-term – In the short-term, the Emergency Dispatch Department looks to maintain adequate service levels with the existing funding for personnel, equipment and capital.
- Long-term – The department will develop and implement a strategy for a more effective and efficient 911 dispatch system, leveraging partnerships with neighboring jurisdictions where possible.

Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Facility		
911 digital phone system	\$ 187,400	\$ 125,000
Capital Outlay Total	\$ 187,400	\$ 125,000

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 81.

Performance Measures Telephone Calls to Dispatch Center Calls per Calendar Year



The reduction in the total number of calls – though the number of dispatch events increased – over the last five years relates to the number of phone calls answered at the reception desk instead of in the dispatch center.



Calls Creating Computer Aided Dispatch Reports CAD Reports per Calendar Year



Another look at 911 Dispatch Center after its improvements in 2014.



Emergency Dispatch Budget

Resources	Actual FY 14-15	Actual FY 14-15	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Beginning fund balance	\$ 294,835	\$ 327,197	\$ 316,697	\$ 339,206	\$ 312,273	\$ 312,273	\$ 312,273
Current year resources							
Intergovernmental	\$ 660,895	\$ 705,313	\$ 693,300	\$ 880,500	\$ 897,600	\$ 897,600	\$ 897,600
Interest	1,632	1,636	2,000	2,000	3,000	3,000	3,000
Miscellaneous	3,547	3,421	3,500	3,500	4,000	4,000	4,000
Transfers from other funds	476,800	533,700	521,400	521,400	583,000	583,000	583,000
Total current year resources	\$ 1,142,874	\$ 1,244,070	\$ 1,220,200	\$ 1,407,400	\$ 1,487,600	\$ 1,487,600	\$ 1,487,600
Total resources	\$ 1,437,709	\$ 1,571,267	\$ 1,536,897	\$ 1,746,606	\$ 1,799,873	\$ 1,799,873	\$ 1,799,873
Expenditures							
Personnel Services	\$ 846,783	\$ 838,986	\$ 926,000	\$ 867,800	\$ 1,017,500	\$ 1,017,500	\$ 1,017,500
Material & services	87,492	121,363	182,500	188,233	245,500	245,500	245,500
Capital outlay							
Buildings							
Equipment	4,137	88,712	30,000	209,400	125,000	125,000	125,000
Transfers	172,100	183,000	168,900	168,900	156,900	156,900	156,900
Contingency			229,497		254,973	254,973	254,973
Total expenditures	\$ 1,110,512	\$ 1,232,061	\$ 1,536,897	\$ 1,434,333	\$ 1,799,873	\$ 1,799,873	\$ 1,799,873
Ending fund balance	\$ 327,197	\$ 339,206	\$ -	\$ 312,273	\$ -	\$ -	\$ -

Personnel

Emergency Dispatch Fund FTEs by Position FY 15 – 18				
	FY 15 Actual	FY 16 Actual	FY 17 Actual	FY 18 Forecast
Communications Director	1.00	1.00	1.00	1.00
Administrative Assistant	0.34	0.34	0.34	0.34
Communications Supervisor	1.00	1.00	2.00	1.00
Communications Officer	6.00	7.32	6.98	8.50
Office Technician	0.50			
Evidence Officer		0.50	0.50	0.50
Janitor	0.25	0.25	0.25	0.25
Emergency Dispatch Fund Total	9.09	10.41	11.07	11.59

A change in FTEs of 0.52 for FY 18 reflects an increase in Communication Officers and a decrease in Communication Supervisors.

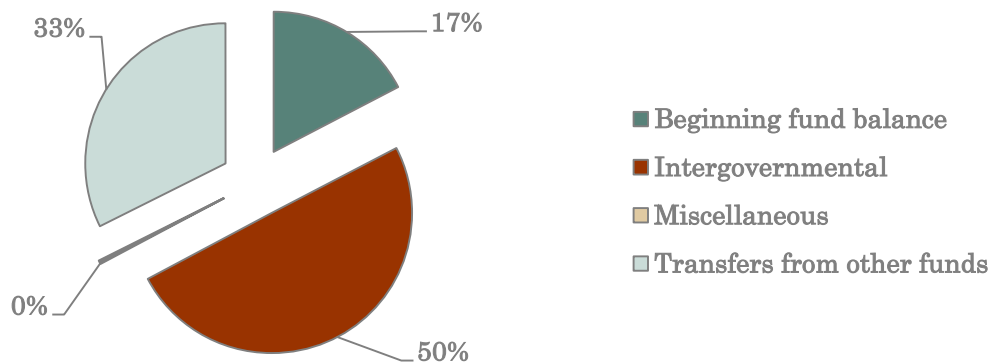


Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 16-17	Proposed FY 17-18 Beginning Fund Balance	% Change FY 17 to FY 18	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Emergency Dispatch	\$339,206	\$312,273	-8%	\$254,973	\$254,733	0%

Fund balance from FY 17 to FY 18 has decreased approximately 8 percent. Estimates for the FY 18 budget show a 22 percent decrease in the ending fund balance. This fund meets the reserve policy criteria for the City.

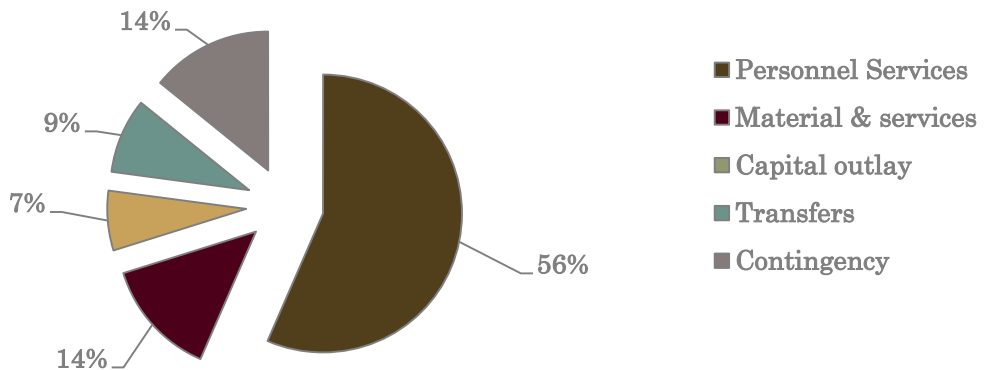
Resources



Assumptions

Receipts of 911 dollars are expected to remain approximately the same as the prior year at \$270,000. Fees for users are increasing slightly in FY 18. The General Fund transfer totals \$583,000, a 12 percent increase. Crook County Fire and Rescue increased their user fees by \$62,000 to cover two additional part-time dispatchers.

Requirements



Assumptions

Overall requirements are up over prior year budget by approximately 17 percent, with personnel services increasing 10 percent, materials and services increasing 30 percent, capital outlay decreasing 68 percent, and transfers decreasing 8 percent.





Planning Fund Responsibilities to the Community

The primary objective of the Prineville Planning Department is to contribute to economic development and 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, personal, and mutually understood land use and development process. The department also continues to pursue long-range planning efforts, such as expansion of the city's urban growth boundary (UGB) for needed industrial lands and updates to the City's Comprehensive Plan, Zoning Code and Transportation System Plan in a manner that supports job growth and maintains Prineville's small-town character. The department also 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. 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, 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.



Goals and Objectives for FY 18

Department Goals	City Council Goals
Seek funding from ODOT and the Oregon Department of Land Conservation and Development (DLCD) for updating the Prineville Transportation System Plan in the area of, and including, the Y-intersection at the west end of 3rd Street	To be fiscally responsible in all we do
Continue to implement advanced Air Quality Action (AQA) Plan activities aimed at reducing PM _{2.5} particulate as found in the AQA Plan	Provide quality municipal services and programs, which contribute to community desirability
Coordinate with Crook County on the long-term transportation vision for Combs Flat Road from 3rd Street south into the UGB and outside the city limits into Juniper Canyon	Strive to position City to meet future demands of businesses and citizens
Continue to increase public involvement in the planning process utilizing the Prineville Planning Commission, public input committees, various project specific committees, and other opportunities to interact with the public such as participation in Economic Development for Central Oregon (EDCO) and Prineville-Crook Chamber of Commerce events	Strive to improve on transparency and effective communication
Continue to provide exceptional, personal customer service by ensuring staff is available daily from 8:00 a.m. to 5:00 p.m. or is able to respond to messages left within four business hours	Provide quality municipal services and programs, which contribute to community desirability
Continue to seek grant funding for economic and community development projects	To be fiscally responsible in all we do
Continue to build intergovernmental relationships locally, regionally and statewide through collaboration and participation on committees and other joint efforts	Strive to improve on transparency and effective communication
Continue to work with community partners to identify and address gaps and needed amenities in the bike and pedestrian system	Provide quality municipal services and programs, which contribute to community desirability
Participate in the update of the Airport Master Plan	Strive to position City to meet future demands of businesses and citizens
Work with Crook County to identify a site to add to the urban growth boundary	Provide quality municipal services and programs, which contribute to community desirability
Evaluate land-use code enforcement procedures, and explore ways to improve code enforcement activities, including the possibility of hiring or contracting for a code enforcement officer	Provide quality municipal services and programs, which contribute to community desirability
Continue to increase the level and quality of training provided to the Planning Commission	Provide quality municipal services and programs, which contribute to community desirability



Continue to seek grant funding for projects such as the Rails-to-Trails Project, Downtown Strategic Planning Committee projects	To be fiscally responsible in all we do
Continued provision of planning expertise and information for existing and prospective businesses; identification of industrial site for large lot industrial program	Provide quality municipal services and programs, which contribute to community desirability
Consistently update infrastructure plans for water, wastewater and transportation	Strive to position City to meet future demands of businesses and citizens
Rails-to-Trails, and other bike and pedestrian projects; Downtown Strategic Plan Committee projects; Urban Renewal Project	Provide quality municipal services and programs, which contribute to community desirability

Executive Summary

The City of Prineville’s Planning Department assists residents and customers with current and future planning needs. The Planning 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 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 also manages and develops current and long-range planning documents for the city at-large, such as the City’s Comprehensive Plan, Land Use Code, Transportation System Plan, Downtown Enhancement Plan, Sign Ordinance and Flood Code. The Planning Department is required to comply with all federal, state and local government ordinance requirements in regard to community growth and land-use approval regulations.

Accomplishments for FY 17

- Continued to work with Crook County, the Prineville/Crook County Airport and ODOT on the Tom McCall intersection improvement project
- Continued to provide exceptional training opportunities to the Prineville Planning Commission, such as the Planning Commissioner Workshop sponsored by the Oregon City Planning Directors Association (OCPDA)
- Following direction from the Prineville City Council – in concert with the Planning Commission – developed temporary worker housing land-use regulations tailored specifically to the City of Prineville
- Completed land use approvals for
 - The third building at Project Pillar for approximately 330,000 square feet;
 - The 29 unit housing project at the old Ochoco Elementary School site;
 - The 14 lot skate park subdivision;
 - The old Prineville Memorial Hospital site to be used by Lutheran Community Services Northwest for medical services;
 - The plan amendment and zone change for the Grocery Bandit site on Gardner Road;
 - The new Pizza Hut location;
 - The expansion of Ochoco Creek Park next to the existing skate park;
 - The 100 space temporary worker site;
 - The 30 space Kryptos RV Park;
 - Annexation of a 1.3 acre site into the city;



- Annexation of an 8.65 acre site into the city;
- Crooked River Brewing;
- 12 room worker boarding dorm;
- The Crooked River Inn; and
- The Prineville Chapter of the Central Oregon Trails Alliance (COTA) multi-use trail in the city extending the Route 66 trail above the rimrock.
- Began the \$390,000 ODOT Enhancement Funds Grant process for building the “Rails to Trails” project
- Actively worked to build relationships with partner agencies such as Crook County Parks and Recreation District, Crook County Fire and Rescue, DLCD, ODOT, Crook County, Oregon Association of City Planning Directors, 1000 Friends of Oregon, the Prineville-Crook County Chamber of Commerce, EDCO, and local service groups such as the Elks, Kiwanis Club and Rotary
- Facilitated a comprehensive plan amendment and zone change adding 37 acres of residential land to Prineville’s residential lands inventory
- Provided planning expertise and specific land use information to businesses considering expansion of operations or looking at Prineville as a future location, including staging of significant development activity at the Ochoco Lumber site
- Coordinated with Crook County, Crook County Fire and Rescue, the Air Quality Committee, the United States Environmental Protection Agency (EPA) and the Oregon Department of Environmental Quality (DEQ) on improving Prineville’s Air Quality.

These accomplishments address the following Prineville City Council goals:

- *“To be fiscally responsible in all we do”*– Identify, seek, and implement grant funding in the planning and construction of multi-modal, sidewalk and trail projects such as the Rails-to-Trails project; and identify and seek funding for transportation projects such as the 9th and 10th Street project and the Tom McCall intersection.
- *“Strive to improve on transparency and effective communication”*– Participation in local, regional and state committees; collaboration and communication with partner agencies including DEQ, BLM, Crook County, and the USFS.
- *“Provide quality municipal services and programs, which contribute to community desirability”*– Provision of planning expertise and information for existing and prospective businesses; provision of planning guidance on development of the Ochoco Lumber site; research, mapping and other technical assistance provided to the Downtown Strategic Plan Committee, Air Quality Committee, System Development Charge (SDC) Policy Committee; expansion of the city limits to include additional industrially zoned land.
- *“Strive to position City to meet future demands of businesses and citizens”*– Administration of trail grants; collaborative work in planning for the Tom McCall intersection improvements; Rails-to-Trails project and development of the Downtown Strategic Plan Committee projects.
- *“Community safety”*– Consider safety in all land use designs and development review processes and procedures.
- *“Provide quality municipal services and programs, which contribute to community desirability”*– Administer trail grants and implement land use design and development that take livability into account.



Strategic Planning Updates Short-term Goals

- Maintain a high level of customer service
- Support economic development efforts by participating on committees
- Provide staff time and technical support for both public and private economic development initiatives
- Continue implementing the Advanced Air Quality Action Plan, which addresses air quality concerns raised by DEQ
- Create a 3rd Street Enhancement Plan, which includes the Y-intersection on 3rd Street
- Continue to seek funding for the Rails-to-Trails project
- Continue to work with the Crook County Parks District, COTA, and other local bike and pedestrian advocates to expand, add amenities to, and identify and address gaps in the bike and pedestrian network
- Continue to work with ODOT, Crook County, and private businesses on funding to make capacity improvements to the Tom McCall intersection
- Amend the Urban Growth Management Agreement (UGMA) with Crook County
- Create a street map for use with the updated UGMA for areas within the UGB outside of city limits
- Participate in updating the Airport Master Plan and actively coordinate planning efforts in industrial areas around the airport to ensure consistency with the plan
- Work with Crook County to identify a site to add to the UGB through the Central Oregon Large Lot Industrial program
- Continue to increase the level and quality of training provided to the Prineville Planning Commission

Long-term Goals

- Work toward the development of an associate or assistant planner position as funding and development activity increases
- Evaluate and plan for a UGB expansion
- Staff the Downtown Strategic Plan Committee and assist in implementing the goals of the committee
- Staff/lead the Air Quality Committee and assist in implementing the goals of the committee



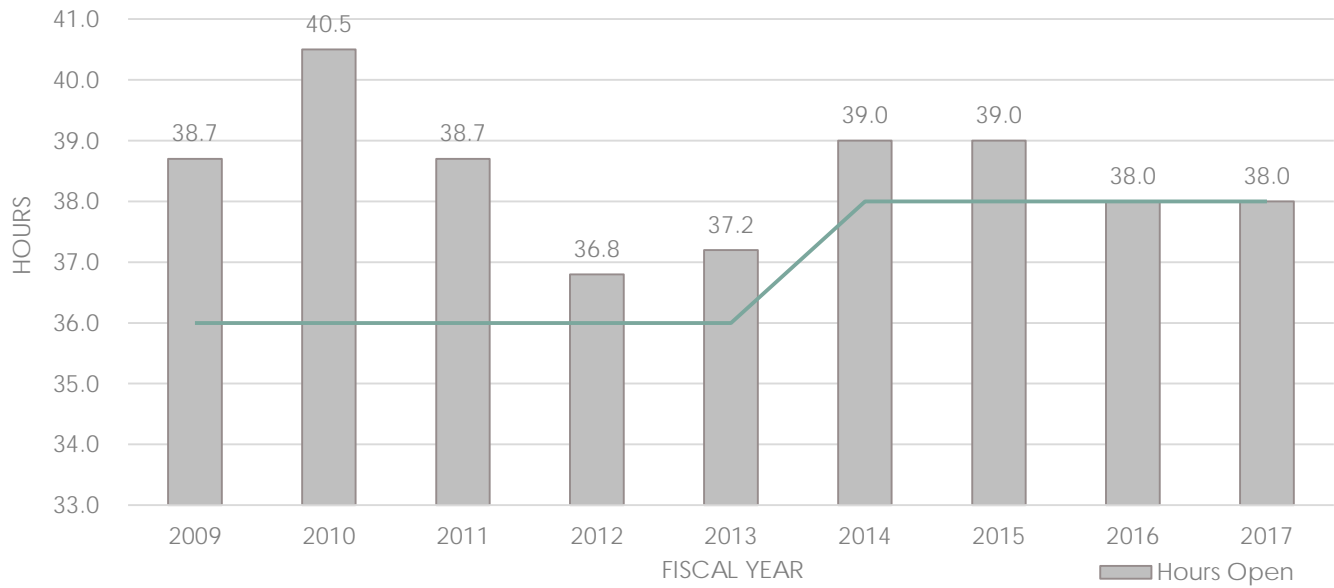
New pharmacy completed in FY 17.



Performance Measures

The Planning Department strives to provide professional, knowledgeable and friendly customer service while being readily available to the public and efficiently processing development requests. The following performance measures are intended to help evaluate the Planning Department in relation to these objectives.

Average Hours Planning Counter Open Hours Open per Week

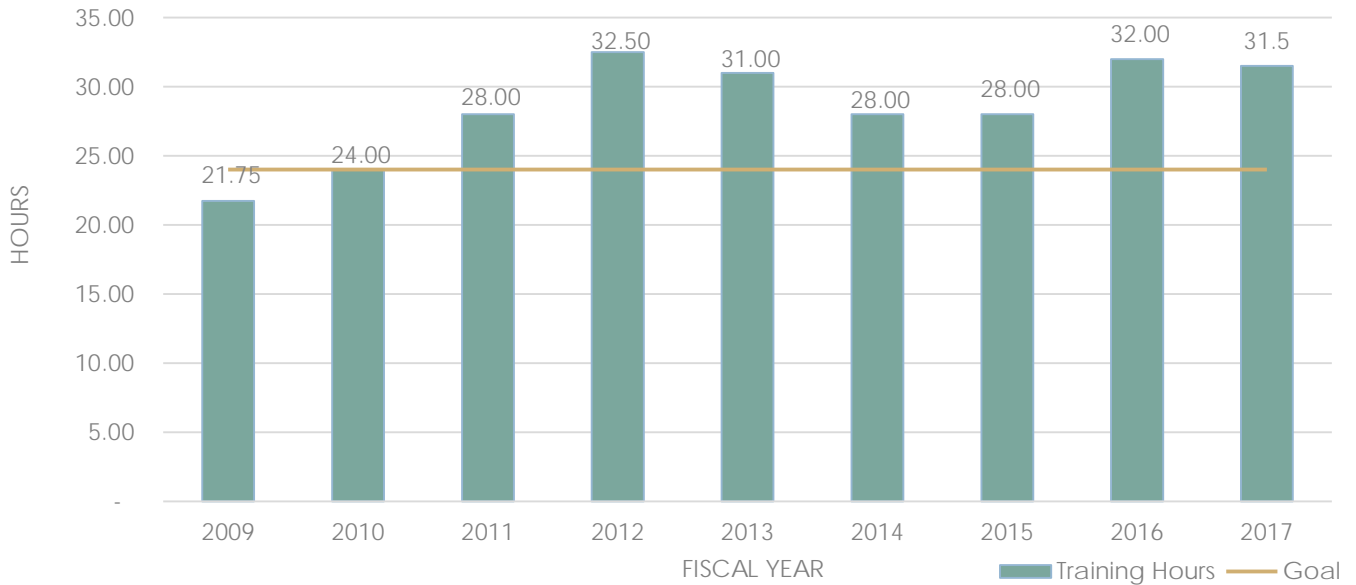


Currently, there are only two members of the staff available to provide service at the planning counter. As a result, it's not possible to keep the counter open during all business hours while balancing meetings, training, lunch breaks, vacations and sick leave. However, the department makes its best effort to keep the counter open as often as possible by staggering lunch breaks and attempting to be available to answer questions. The Planning Department considers front counter service to the public, Monday through Friday 8:00 a.m. to 5:00 p.m., a top priority.

In January 2014, a staff change added a new opportunity to successfully fulfill this high priority. In FY 15, the Planning Department increased the goal of keeping the counter open at least 36 hours per week on average to 38 hours per week. Planning achieved the goal of 38 hours per week, with a planner available to the public at the front counter an average of 39 hours per week. Achieving the 38-hour goal translates into adding 104 hours of counter staff time for citizens each year without adding staff. The total added counter staff time from years 2015 to 2017 has been approximately 312 hours. The 38-hour goal continues to be the goal for FY 18, even with the uptick in the economy as reflected in Planning Department land use applications. Continued increases in land use applications may require the department to adjust the front counter service goal or increase staffing.

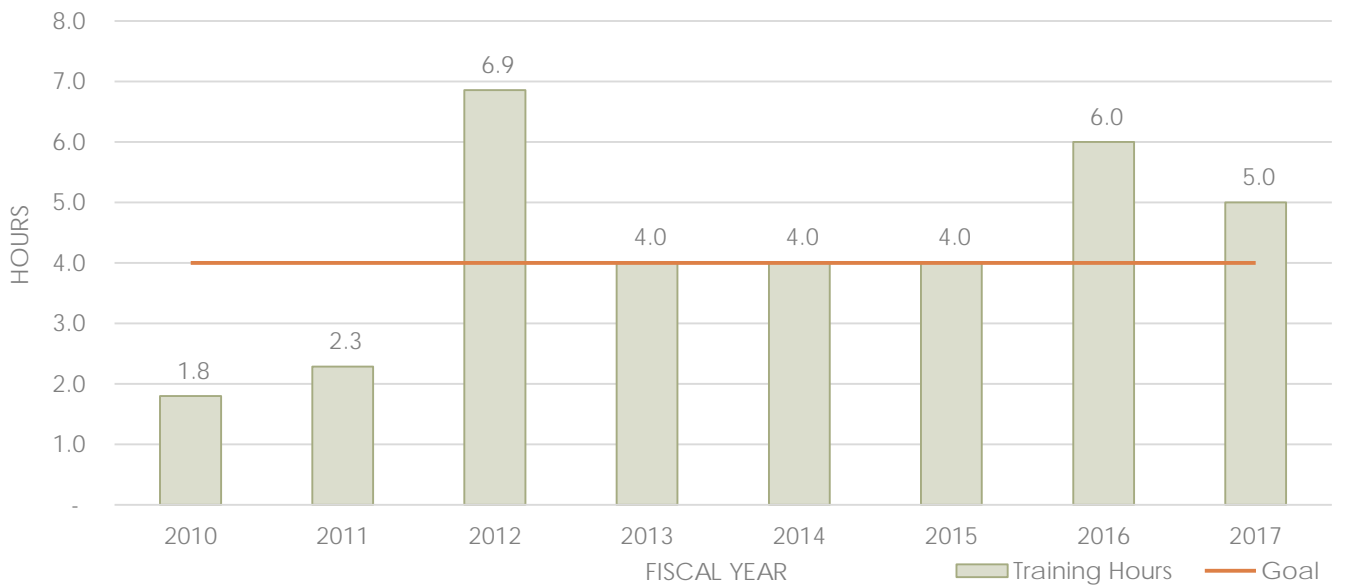


Average Training Hours per Staff Member Hours per Fiscal Year



In order to provide accurate, informed, and professional guidance and information to the public, it is critical the Planning Department is up-to-date on current planning issues, laws and tools. The goal is to achieve an average of at least 24 hours of training per planning staff member. Each staff member is attending a three-day training through the American Planning Association to meet this staff training goal. In addition, staff is granted opportunities to participate in additional trainings related to job-specific issues offered by the City of Prineville and Crook County.

Average Training Hours per Commissioner Hours per Fiscal Year



As the Prineville Planning Commission makes important decisions for the long-term character and health of the community, it is critical Planning Commissioners are adequately trained to evaluate the proposals and issues before them. The goal is at least four hours of training per commissioner on average. The Planning Commission met this goal by participating in Planning Commissioner training at the League of Oregon Cities (LOC) conference in Bend, Oregon, which was sponsored by the Oregon Association of City Planning Directors (OACPD).

Planning Budget

Resources	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Beginning fund balance	\$ 87,672	\$ 78,380	\$ 58,380	\$ 78,021	\$ 95,121	\$ 95,121	\$ 95,121
Current year resources							
Licenses and permits	\$ 28,332	\$ 47,414	\$ 40,000	\$ 48,000	\$ 50,000	\$ 50,000	\$ 50,000
Interest	414	467	400	500	600	600	600
Intergovernmental	-	9,859	5,300	15,300	5,300	5,300	5,300
Charges for services	14,552	-	38,900	21,300	25,900	25,900	25,900
Transfers from other funds	285,000	303,970	315,000	315,000	320,000	320,000	320,000
Total current year resources	\$ 328,298	\$ 361,710	\$ 399,600	\$ 400,100	\$ 401,800	\$ 401,800	\$ 401,800
Total resources	\$ 415,970	\$ 440,090	\$ 457,980	\$ 478,121	\$ 496,921	\$ 496,921	\$ 496,921
Expenditures							
Personnel Services	\$ 215,350	\$ 226,982	\$ 242,000	\$ 240,000	\$ 250,600	\$ 250,600	\$ 250,600
Materials & Services	13,740	22,087	27,800	24,500	27,800	27,800	27,800
Transfers	108,500	113,000	118,500	118,500	120,800	120,800	120,800
Contingency			69,680		97,721	97,721	97,721
Total expenditures	\$ 337,590	\$ 362,069	\$ 457,980	\$ 383,000	\$ 496,921	\$ 496,921	\$ 496,921
Ending fund balance	\$ 78,380	\$ 78,021	\$ -	\$ 95,121	\$ -	\$ -	\$ -

Personnel

Planning Fund FTEs by Position FY 15 – 18				
	FY 15 Actual	FY 16 Actual	FY 17 Actual	FY 18 Forecast
Planning Director	1.00	1.00	1.00	1.00
Senior Planner	1.00	1.00	1.00	1.00
Planning Fund Total	2.00	2.00	2.00	2.00

No changes to staffing levels in FY 18.

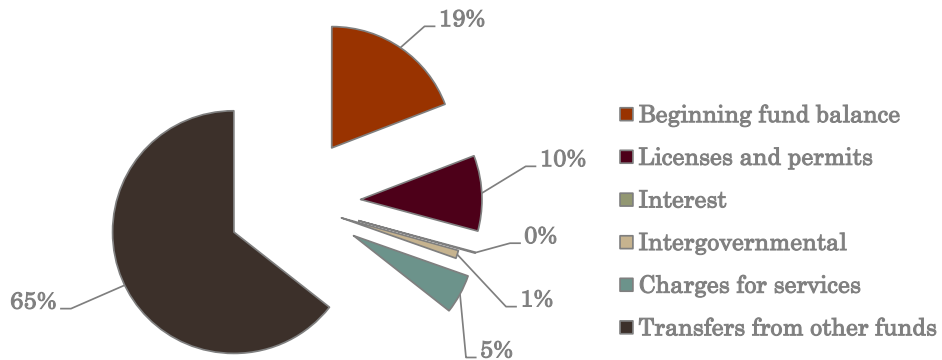


Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 16-17	Proposed FY 17-18 Beginning Fund Balance	% Change FY 17 to FY 18	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Planning	\$78,021	\$95,121	22%	\$97,721	\$69,860	40%

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.

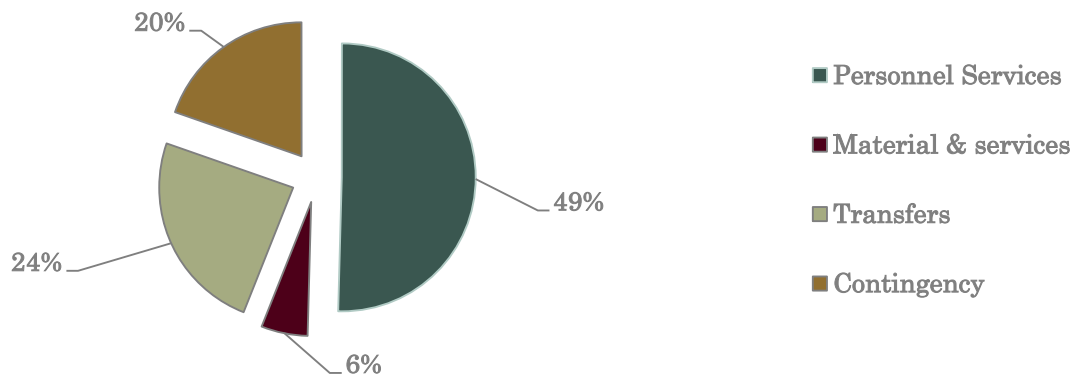
Resources



Assumptions

Revenue from charges for service shows an estimated 4 percent increase over prior year as residential and commercial projects continue to show a promising recovery. SDC administrative fee estimates are based off of 25 new equivalent dwelling units along with revenue for some commercial fees. A transfer from the General Fund is budgeted this year of \$320,000, which is approximately 2 percent over prior year and a \$5,300 DEQ grant for air quality is expected.

Requirements



Assumptions

The Planning Department personnel services increased approximately 4 percent over prior year, materials and services increased approximately 13 percent, and transfers increased 2 percent.





LID Debt Service Fund

PERS/POB Fund

Debt Service Funds



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LID Debt Service Fund Responsibilities to the Community

The Local Improvement District (LID) Debt Service 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. Local improvement projects increase property values benefiting property owners.



Executive Summary

The LID Debt Service Fund will be closed out with a budgeted transfer to the General Fund. Ironhorse was the last assessment in the fund. The city purchased the Ironhorse property in FY 17 for water rights, transportation opportunities, public recreation and green space. The balance of the fund will be used to pay debt service for the acquisition of the property.

LID Debt Service Budget

Resources	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Beginning fund balance	\$ 103,229	\$ 88,675	\$ 101,475	\$ 101,665	\$ 72,185	\$ 72,185	\$ 72,185
Current year resources							
Interest	326	467	-	2,000			
Assessment repayments	135,034	162,437	1,200,000	1,269,851			
Total current year resources	\$ 135,360	\$ 162,904	\$ 1,200,000	\$ 1,271,851	\$ -	\$ -	\$ -
Total resources	\$ 238,589	\$ 251,579	\$ 1,301,475	\$ 1,373,516	\$ 72,185	\$ 72,185	\$ 72,185
Expenditures							
Debt service							
Principal							
10th St/Madras Hwy LID - 2003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ironhorse LID - 2006	73,721	79,187	1,200,000	1,164,016			
Interest							
Spruce Lane LID - 2001							
10th Street/Madras Hwy LID - 2006	-	-	-	-			
Ironhorse LID - 2006	76,193	70,727	-	62,315			
Transfers			101,475	75,000	72,185	72,185	72,185
Contingency					-	-	-
Total expenditures	\$ 149,914	\$ 149,914	\$ 1,301,475	\$ 1,301,331	\$ 72,185	\$ 72,185	\$ 72,185
Ending fund balance	\$ 88,675	\$ 101,665	\$ -	\$ 72,185	\$ -	\$ -	\$ -





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. 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 and for debt service requirements.



Executive Summary

In 2008, the valuation of the City’s pension assets invested in PERS declined approximately 27 percent, resulting in the funded 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, 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 UAL. The City fully funded it’s 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 has increased fund balance significantly.

Estimates place the full PERS UAL rate at nearly 7 percent. However, 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’s is approximately 7 percent.

In FY 18 the City’s PERS rate decreased approximately 6 percent. The proposed city budget will continue to pay the FY 17 rate with the additional 6 percent going into the POB fund along with the 7 percent surcharge for debt service for the next bi-ennial period, also an additional transfer from the general fund of \$100,000 will help increase fund balance and give the city options with the next rate change to make a lump sum contribution or adjust rates down. Management instigates evaluation bi-annually, adjusting the rate on subject payroll accordingly. Our next rate adjustment will be 7-1-21 thru 6-30-23.

The City is subject to a reserve or ending fund balance requirement within the General Fund and the internal service funds for the fiscal year of not less than 15 percent of the sum of the General Fund expenditures and internal service funds operating expenditures (including debt service paid out of such funds) for that fiscal year. The table below is a budget analysis of the reserve covenants put in place with the funding of the UAL. The City’s budgeted reserves exceed this requirement of 15 percent with total funds over 15 percent by \$1,219,720.

Policy Analysis Pension Obligation Requirements by Fund FY 17 Policy Analysis Pension Obligation Requirements by Fund (FY 2018)

Fund	Budgeted Reserve Amount	Operating Expenditures Including Debt By Fund	Fifteen % Appropriation Reserve Amount	Budgeted Reserves Over(Under)
General	1,489,736	3,334,400	500,160	989,576
Admin/Financial Support Services	316,880	2,094,400	314,160	2,720
Public Works Support Services	226,765	1,511,100	226,665	100
Building Facilities Fund	250,447	360,600	54,090	196,357
Plaza Maintenance	33,352	15,900	2,385	30,967
Total	2,317,180	7,316,400	1,097,460	1,219,720



PERS/POB Budget

Resources	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Beginning fund balance	\$ 15,118	\$ 64,142	\$ 185,342	\$ 252,680	\$ 556,480	\$ 556,480	\$ 556,480
Current year resources							
Interest	531	1,281	1,000	2,000	2,500	2,500	2,500
Transfer from other funds	292,000	289,900	313,000	313,000	568,900	568,900	568,900
Miscellaneous revenue		145,924		247,000			
Debt Proceeds	-	-	-	-	-	-	-
Total current year resources	\$ 292,531	\$ 437,105	\$ 314,000	\$ 562,000	\$ 571,400	\$ 571,400	\$ 571,400
Total resources	\$ 307,649	\$ 501,247	\$ 499,342	\$ 814,680	\$ 1,127,880	\$ 1,127,880	\$ 1,127,880
Expenditures	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Materials & Services	-	-	-	-	-	-	-
Debt service							
Principal - POB 2013	100,000	110,000	125,000	125,000	145,000	145,000	145,000
Interest - POB 2013	143,507	138,567	133,200	133,200	127,000	127,000	127,000
Contingency	-	-	241,142	-	855,880	855,880	855,880
Total expenditures	\$ 243,507	\$ 248,567	\$ 499,342	\$ 258,200	\$ 1,127,880	\$ 1,127,880	\$ 1,127,880
Ending fund balance	\$ 64,142	\$ 252,680		\$ 556,480	-	-	-

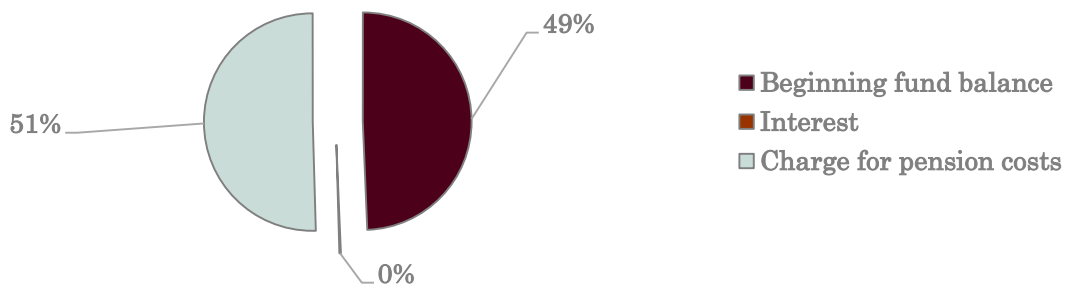


Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 16-17	Proposed FY 17-18 Beginning Fund Balance	% Change FY 17 to FY 18	Proposed Ending Fund Balance / Contingency
PERS/POB	\$252,680	\$556,480	120%	\$855,880

The increase in fund balance is due to the 7 percent surcharge to funds with personnel to cover debt service and future liabilities, an additional 6 percent from reduced contribution rates for FY 18 and 19, and a budgeted transfer of \$100,000 from general fund made possible from electrical franchise fees from the data centers. Also, the City received a 6 percent rate credit from PERS in FY 16 and 17 for the creation of its side account in 2014.

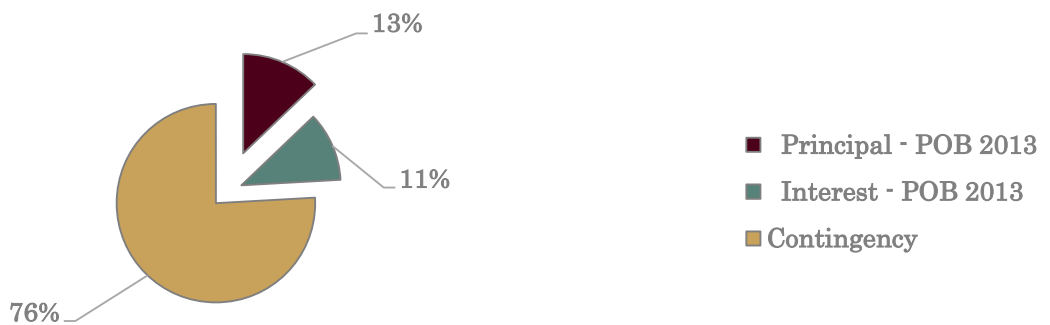
Resources



Assumptions

As mentioned above the City budgets an additional 7 percent to its personnel services throughout the budget based on the PERS percentages for FY 18. Those dollars transferred to this fund 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. FY 18 PERS contributions decreased approximately 6 percent for the next bi-ennial period. The proposed budget has FY 17 rates with the 6 percent decrease going to the POB fund for future contributions and a budgeted transfer of \$100,000 from general fund.

Requirements



Assumptions

The City fully funded its estimated UAL in FY 14. Resulting debt service for the City consists of one annual payment of principal and interest, funded by transfers from all funds with personnel services.



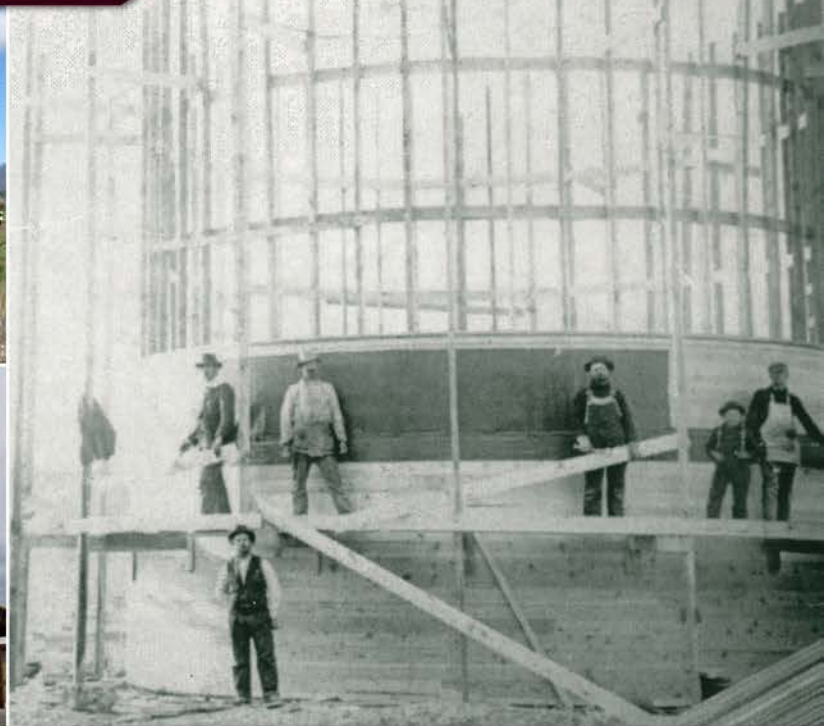


Transportation SDC Fund

Water SDC Fund

Wastewater SDC Fund

Capital Projects Funds



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Transportation SDC Fund 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.



Goals and Objectives for FY 18

Department Goals	City Council Goals
Participate in the design process of the proposed intersection improvements at Highway 126 and Tom McCall Road, as potential improvements to the intersection will support new economic growth in the airport industrial area	Strive to position city to meet future demands of businesses and citizens
Secure grant funding for the future construction of the Elm Street Bridge	Provide quality municipal services and programs which contribute to community desirability
Investigate potential funding opportunities which would support planning efforts for improvements to the intersection of Highway 26 and Highway 126	Strive to position city to meet future demands of businesses and citizens

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 0.13 percent decrease for FY 18, 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 the Planning Fund and 3 percent to the Administrative Internal Service Fund.



Road work starts to support the new school, Barnes Butte Elementary.



Accomplishments for FY 17

- Participated in the construction of the Combs Flat Bridge over Ochoco Creek to provide improved service to the new hospital
- Constructed safety improvements at the intersection of Lynn Blvd and Knowledge Street to improve pedestrian safety

These accomplishments address the following Prineville City Council goals:

- *“Provide quality municipal services and programs which contribute to community desirability”* and *“Strive to position the City to meet future demands of businesses and citizens”* – By increasing capacity of City streets and improving pedestrian safety, these goals are met.

Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Facility		
No capital expenditures planned for FY 18		
Capital Outlay Total	\$	\$



The intersection of NE 3rd Street and NE Combs Flat Road.



Transportation SDC Budget

Resources	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Beginning fund balance	\$ 307,533	\$ 236,294	\$ 459,094	\$ 496,754	\$ 556,954	\$ 556,954	\$ 556,954
Current year resources							
Intergovernmental	\$ -	\$ -	\$ -	\$ -			
Interest	2,950	1,772	2,000	3,700	4,000	4,000	4,000
System development charges	328,922	486,025	350,000	324,000	355,000	355,000	355,000
Total current year resources	\$ 331,872	\$ 487,797	\$ 352,000	\$ 327,700	\$ 359,000	\$ 359,000	\$ 359,000
Total resources	\$ 639,405	\$ 724,091	\$ 811,094	\$ 824,454	\$ 915,954	\$ 915,954	\$ 915,954
Expenditures							
Material & services	\$ 5,215	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000
Capital outlay							
Improvements	391,852	208,038	250,000	250,000			
Transfers	6,044	19,299	17,500	17,500	17,800	17,800	17,800
Contingency			543,594		888,154	888,154	888,154
Total expenditures	\$ 403,111	\$ 227,337	\$ 811,094	\$ 267,500	\$ 915,954	\$ 915,954	\$ 915,954
Ending fund balance	\$ 236,294	\$ 496,754	\$ -	\$ 556,954	\$ -	\$ -	\$ -



The start of bike lane restoration on NE Combs Flat Road.

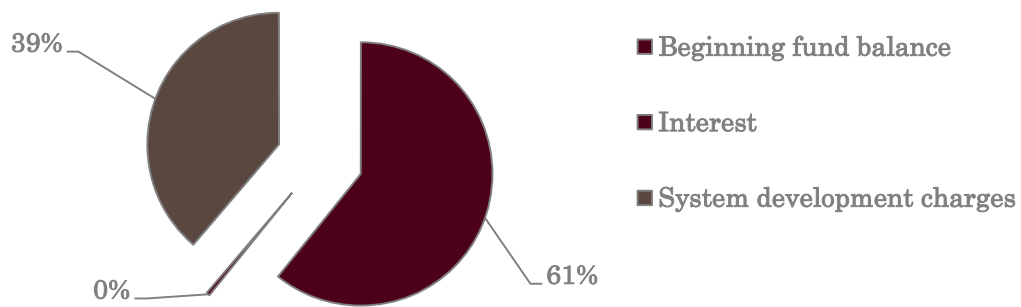


Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 16-17	Proposed FY 17-18 Beginning Fund Balance	% Change FY 17 to FY 18	Proposed Ending Fund Balance / Contingency
Transportation SDC	\$496,754	\$556,954	12%	\$888,154

Beginning fund balance increased 12 percent from FY 17 to FY 18 largely due to the system development fees paid in FY 17 totaling approximately \$324,000. The proposed ending fund balance of \$888,154 is an estimate based on revenue of 25 residential equivalent dwelling units (EDU) and anticipated commercial fees in FY 18.

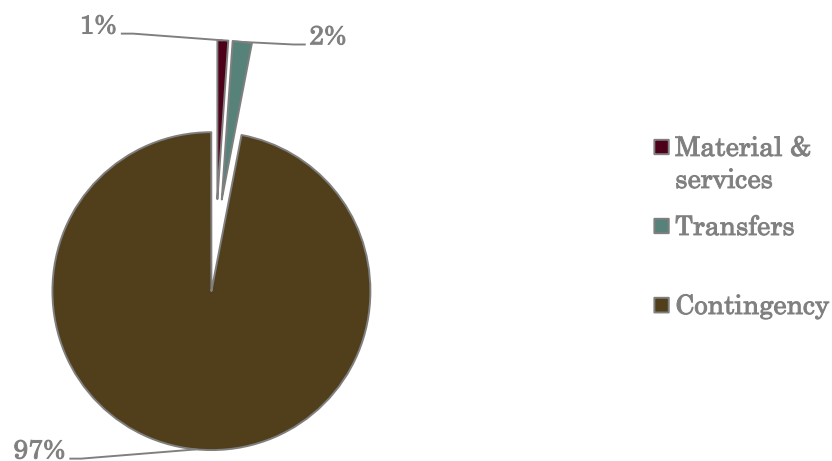
Resources



Assumptions

Revenue assumptions are based on receiving the estimated 25 residential EDU's along with estimated commercial fees.

Requirements



Assumptions

The 5 percent administrative fee for the collection of estimated SDC fees totals 2 percent of the budget. There are no projects budgeted in FY 18.





Water SDC Fund 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 to provide a source of income to pay for the expansion of the City of Prineville's water system.



Goals and Objectives for FY 18

Department Goals	City Council Goals
Investigate the potential for an aquifer storage and recovery project near the Prineville-Crook County Airport	Strive to position the City to meet future demands of businesses and citizens

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 0.13 percent decrease for FY 18, based upon changes in the *Engineering News Record’s* Seattle CCI.

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 the Planning Fund and 3 percent to the Administrative Internal Service Fund.

Accomplishments for FY 17

- Completed a detailed, three-year hydrogeological characterization of the Airport Area Aquifer, the purpose of which will better allow the City to understand the future capacity of the aquifer
- Completed an update of the Water Master Plan

This accomplishment addresses the following City Council goal:

- *“Strive to position the City to meet future demands of businesses and citizens”* – By completing the previously mentioned projects, future economic development within the City becomes possible.



Construction progress of the Airport Water Tank #2.



Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Facility		
NE 2nd water line upgrade for jail	\$ 100,000	\$ 110,000
Capital Outlay Total	\$ 100,000	\$ 110,000

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 81.

Water SDC Budget

Resources	Actual FY 13-14	Actual FY 14-15	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Beginning fund balance	\$ 46,953	\$ 117,092	\$ 10,592	\$ 70,107	\$ 86,207	\$ 86,207	\$ 86,207
Current year resources							
Intergovernmental Charges for Services	\$ -	\$ -	\$ -	\$ -			
Interest	590	622	600	600	700	700	700
System development charges	145,349	198,555	200,000	150,000	190,000	190,000	190,000
Other	-	-					
Transfers							
Total current year resources	\$ 145,939	\$ 199,177	\$ 200,600	\$ 150,600	\$ 190,700	\$ 190,700	\$ 190,700
Total resources	\$ 192,892	\$ 316,269	\$ 211,192	\$ 220,707	\$ 276,907	\$ 276,907	\$ 276,907
Expenditures	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Material & services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital outlay							
Improvements	-	-	-	-	110,000	110,000	110,000
Debt service							
Principal - short-term borrowing							
Interest - short-term borrowing							
Transfers	75,800	246,162	124,000	134,500	136,500	136,500	136,500
Contingency			87,192		30,407	30,407	30,407
Total expenditures	\$ 75,800	\$ 246,162	\$ 211,192	\$ 134,500	\$ 276,907	\$ 276,907	\$ 276,907
Ending fund balance	\$ 117,092	\$ 70,107	\$ -	\$ 86,207	\$ -	\$ -	\$ -

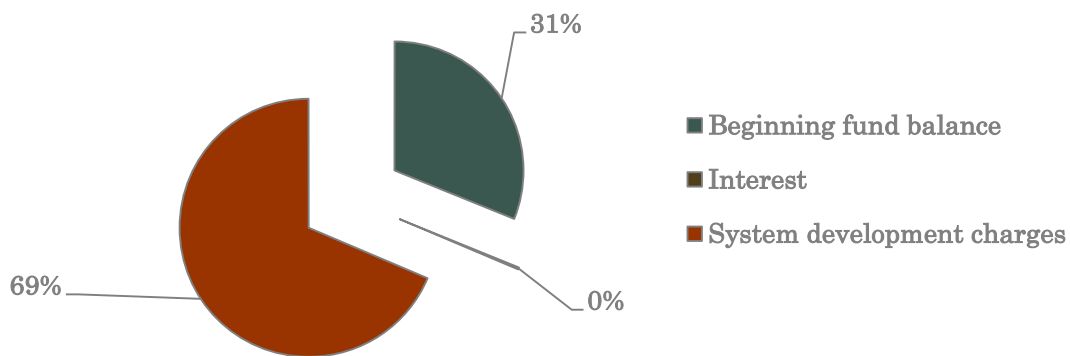


Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 16-17	Proposed FY 17-18 Beginning Fund Balance	% Change FY 17 to FY 18	Proposed Ending Fund Balance / Contingency
Water SDC	\$70,107	\$86,207	23%	\$30,407

The beginning fund balance FY 17 to beginning fund balance FY 18 increased approximately 23 percent. In FY 18, the proposed ending fund balance of approximately \$30,407 is based on a revenue estimate of 25 EDUs, and the transfer for debt service to the Water Fund. Reimbursement to developers is subject to debt service payments first. Budgeted water improvements are \$110,000 for the new county jail in FY 18.

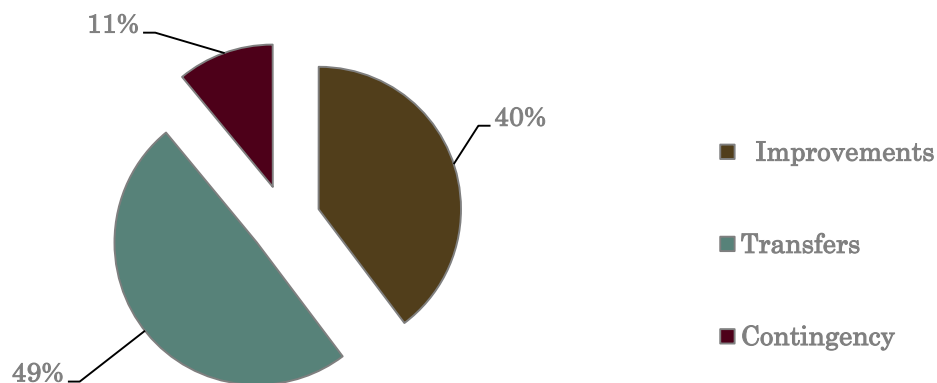
Resources



Assumptions

Resources are estimated based on the collection of 25 residential EDUs and estimated commercial fees.

Requirements



Assumptions

Expenditures are a transfer of funds for debt service to the Water Fund, a transfer to administration for 5 percent of SDC fee collection, and water improvements for the new county jail project.





Wastewater SDC Fund Responsibilities to the Community

The purpose of the Wastewater SDC Fund is to manage the expansion of the wastewater 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 builders to provide a source of income to pay for the expansion of the City of Prineville's wastewater system.



Goals and Objectives for FY 18

Department Goals	City Council Goals
Begin construction of Industrial Wastewater Reuse Project	Provide quality municipal services and programs which contribute to community desirability



Design of Crooked River Wetland project.

Executive Summary

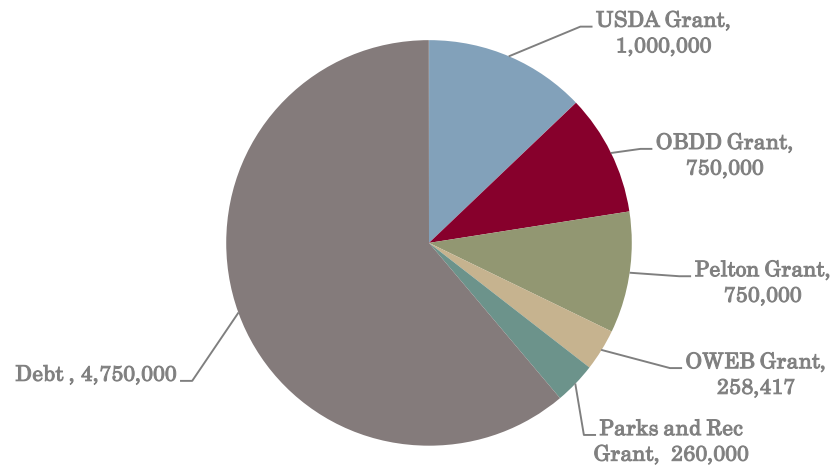
This fund accounts for the receipt and expenditures of wastewater system development charge improvement fees. Reasoning behind the creation of the fund is to improve accountability, planning and investment of SDCs in wastewater capital improvements. The current SDC is 100 percent of the maximum allowed amount as determined in an analysis of the City’s wastewater capital requirements. The amount of the SDCs included in the budget reflects a 0.13 percent decrease for FY 18, based upon changes in the *Engineering News Record’s* Seattle 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 in Wastewater SDC Fund are 5 percent, with 2 percent going the Planning Fund and 3 percent to the Administrative Internal Service Fund.



Accomplishments for FY 17

- The City completed construction of an expansion to its wastewater treatment plant. This project, titled the Crooked River Wetland, includes the construction of a wetland to be used for effluent disposal, the key component that allowed the City to reduce the wastewater SDCs by approximately 50 percent in FY 12. By utilizing the existing treatment infrastructure, future treatment costs witnessed a reduction from \$62,000,000 to \$6,600,000. The Oregon Department of Environmental Quality (DEQ) approved the design of the wetland facility.
- The majority of the funding was obtained for the Crooked River Wetland Project, including more than \$3,000,000 in grants.



These accomplishments address the following City Council goals:

- *“Strive to position the City to meeting future demands of businesses and citizens”* – By making improvements to the wastewater treatment plant, the City will be able to serve new economic growth in the community.



The Crooked River Wetlands Complex after its grand opening in April 2017.



Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Facility		
Crooked River Wetland construction	\$ 7,768,418	\$ 717,800
Capital Outlay Total	\$ 7,768,418	\$ 717,800

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 81.

Wastewater SDC Budget

Resources	Actual FY 15-16	Actual FY 16-17	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Beginning fund balance	\$ 142,203	\$ 109,607	\$ 115,207	\$ 365,822	\$ 226,322	\$ 226,322	\$ 226,322
Current year resources							
Intergovernmental	\$ -	\$ 569,403	\$ 2,410,000	\$ 2,081,400	\$ 467,800	\$ 467,800	\$ 467,800
Interest	823	1,394	1,000	3,000	2,500	2,500	2,500
Misc. revenue	-	-	-	2,000			
System development charges	118,195	159,077	350,000	126,200	280,000	280,000	280,000
Debt proceeds		2,490,800	2,250,000	2,159,300	100,000	100,000	100,000
Transfer from other funds							
Total current year resources	\$ 119,018	\$ 3,220,674	\$ 5,011,000	\$ 4,371,900	\$ 850,300	\$ 850,300	\$ 850,300
Total resources	\$ 261,221	\$ 3,330,281	\$ 5,126,207	\$ 4,737,722	\$ 1,076,622	\$ 1,076,622	\$ 1,076,622
Expenditures	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Material & services	\$ -	\$ 106,987	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Capital outlay							
Improvements	124,961	2,818,272	4,810,000	4,442,300	717,800	717,800	717,800
Debt service							
Principal - short-term borrowing							
Interest - short-term borrowing							
Transfers	26,653	39,200	114,500	59,100	91,600	91,600	91,600
Contingency			191,707		257,222	257,222	257,222
Total expenditures	\$ 151,614	\$ 2,964,459	\$ 5,126,207	\$ 4,511,400	\$ 1,076,622	\$ 1,076,622	\$ 1,076,622
Ending fund balance	\$ 109,607	\$ 365,822	\$ -	\$ 226,322	\$ -	\$ -	\$ -

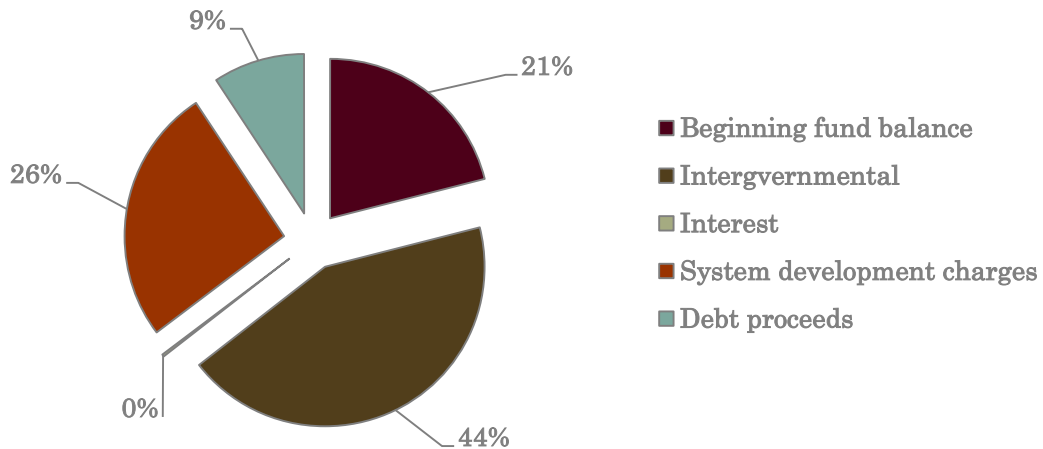


Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 16-17	Proposed FY 17-18 Beginning Fund Balance	% Change FY 17 to FY 18	Proposed Ending Fund Balance / Contingency
Wastewater SDC	\$365,822	\$226,322	-38%	\$257,222

The 38 percent decrease from beginning fund balance FY 17 to the beginning fund balance FY 18 is a result of budgeted projects in FY 17. In FY 18, ending fund balance is based on an estimate of 25 EDUs and other commercial fees.

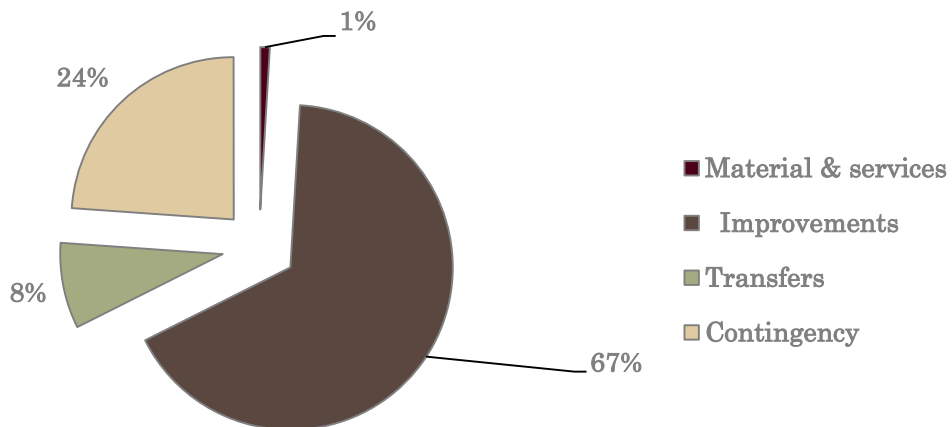
Resources



Assumptions

Forty-four percent of budgeted revenue for FY 18 is intergovernmental grant revenue for the final phase of construction for the Crooked River Wetland and 9 percent is debt proceeds. System development fees are based on the projection of 25 EDUs and estimated commercial fees.

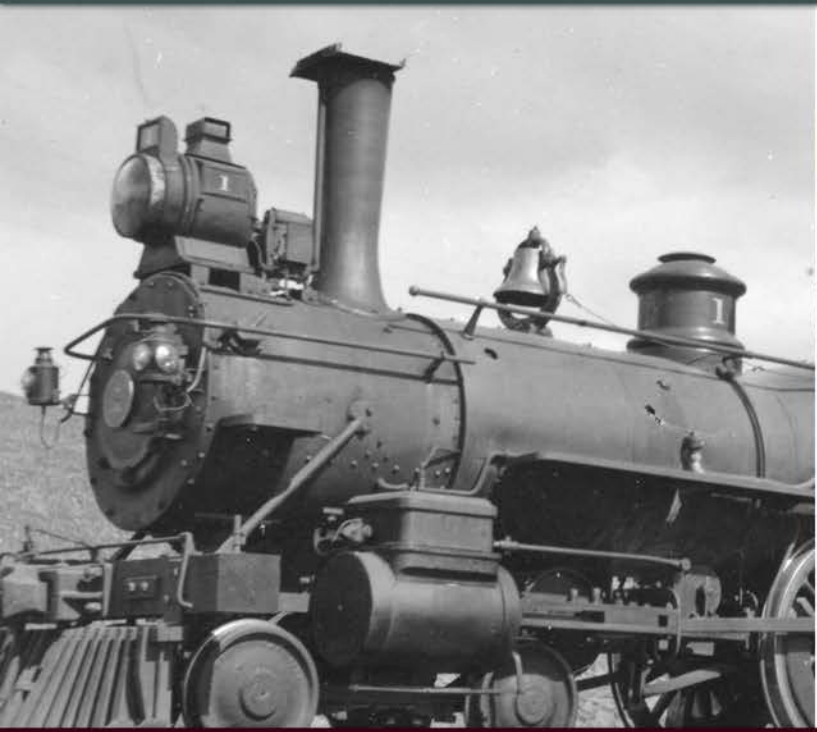
Requirements



Assumptions

The final phase of construction for the Crooked River Wetland Project totals 67 percent of the budget and materials and services are 1 percent of budget. Construction is anticipated to be complete in the first quarter of FY 18. The 5 percent administrative fee for the collection of estimated SDC fees shows as a transfer and totals 8 percent of the budget.





Railroad/Freight Depot Fund

Airport Fund

Water Fund

Wastewater Fund

Golf Course Fund

Enterprise Funds



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Railroad / Freight Depot Fund 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. This joint venture 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. 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, 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.



Goals and Objectives for FY 18

Department Goals	City Council Goals
Continue education for rail employees that includes track inspection, the General Code of Operating Rules (GCOR), and Hazmat handling	Strive to improve on transparency and effective communication
Identify sustainable funding strategies for long-term maintenance of railroad infrastructure with a goal of 25 percent of revenues used for infrastructure preservation	Strive to position city to meet future demands of businesses and citizens
No injuries or no human factor accidents	Community safety
Continue to work with the local and regional industries to make rail an integral part of their transportation plans	Strive to position city to meet future demands of businesses and citizens
Continue service that allows the current customer base to grow and create jobs	Strive to position city to meet future demands of businesses and citizens
Continue to look for cost cutting measures	To be fiscally responsible in all we do
Transition employees into jobs previously done by contractors	To be fiscally responsible in all we do
Increase carloads and car storage to maintain railway profitability for the budget year	To be fiscally responsible in all we do

Executive Summary

The purpose of the Railroad/Freight Depot Fund is to account for the operation of the City's railroad, transload facility and bulk transload facility. The Prineville Freight Depot and Bulk Facility allows the City of Prineville Railway to offer a complete package of freight services that help attract new industries to Prineville and create jobs. To date, the City of Prineville Railway has over 45 customers utilizing the city assets and created over 100 direct jobs in the process. Three of the 45 customers chose Prineville over other states because of the modern facilities and customer service the City of Prineville Railway offers.

The City's goal is to increase carloads for the City of Prineville Railway, and at the same time, cut operational expenses by becoming more streamlined and operationally sustainable. The Railway continues to use the Freight Depot as an incubator for new startup business, giving small businesses a "turnkey" opportunity to grow ideas, industry, rail traffic and personnel. The City of Prineville Railway will continue an aggressive track maintenance plan to preserve the city-owned asset at a Class II level in order ensure infrastructure longevity insuring the City owns an economic tool to utilize for new business development and transportation and logistical support for existing customers.





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

Accomplishments for FY 17

- No human factor accidents
- Continued to increase business with city-owned assets that helped diversified the railway business portfolio
- Increased spending on smaller deferred maintenance projects during the second part of the fiscal year and increase spending on capital projects in the new budget, all due to unexpected increases in rail traffic
- Renegotiated car storage agreement that gave the Railway a 25 percent increase in rent per car stored on the rail line
- Continued to increase customer base over the prior year
- Increased overall revenue roughly 25 percent over the prior year
- Increased fund balance by roughly 15 percent over the prior year, which allowed the Railroad Fund to meet both working capital reserve policy requirements and appropriation reserve policy requirements for FY 18
- Freight car count increased over the prior calendar year by approximately 29 percent

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.
- 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 Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Rolling Stock		
Locomotive rebuild\upgrade Electro-Motive Diesel GP units	\$ 40,000	\$ 40,000
Signals / Crossings		
O'Neil signal	\$ 21,000	\$ 21,000
Bridges		
Mile post 11.7 (Crooked River Bridge)	\$ 10,000	\$ 10,000
Mile post 12.1(Lytle CR Bridge)	\$ 10,000	\$ 10,000
Track		
Mile post 0.01 - 33rd	\$ 40,000	\$ 40,000
Capital Outlay Total	\$ 121,000	\$ 121,000

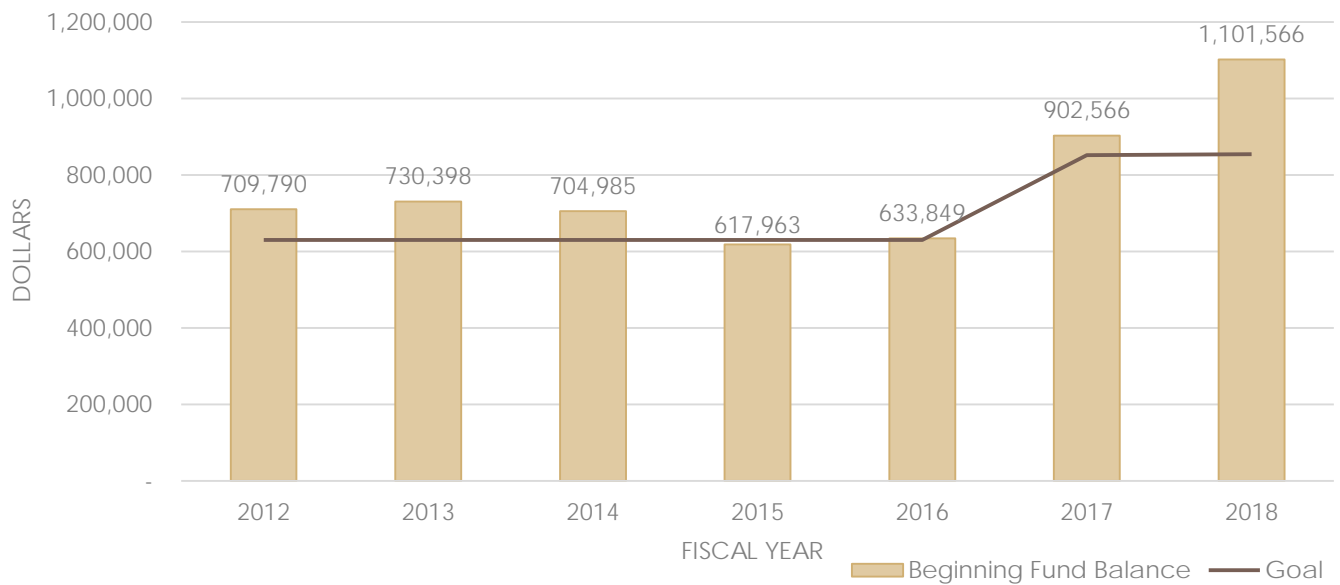
A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 81.



The newest locomotive purchased by the City of Prineville Railway in 2014.

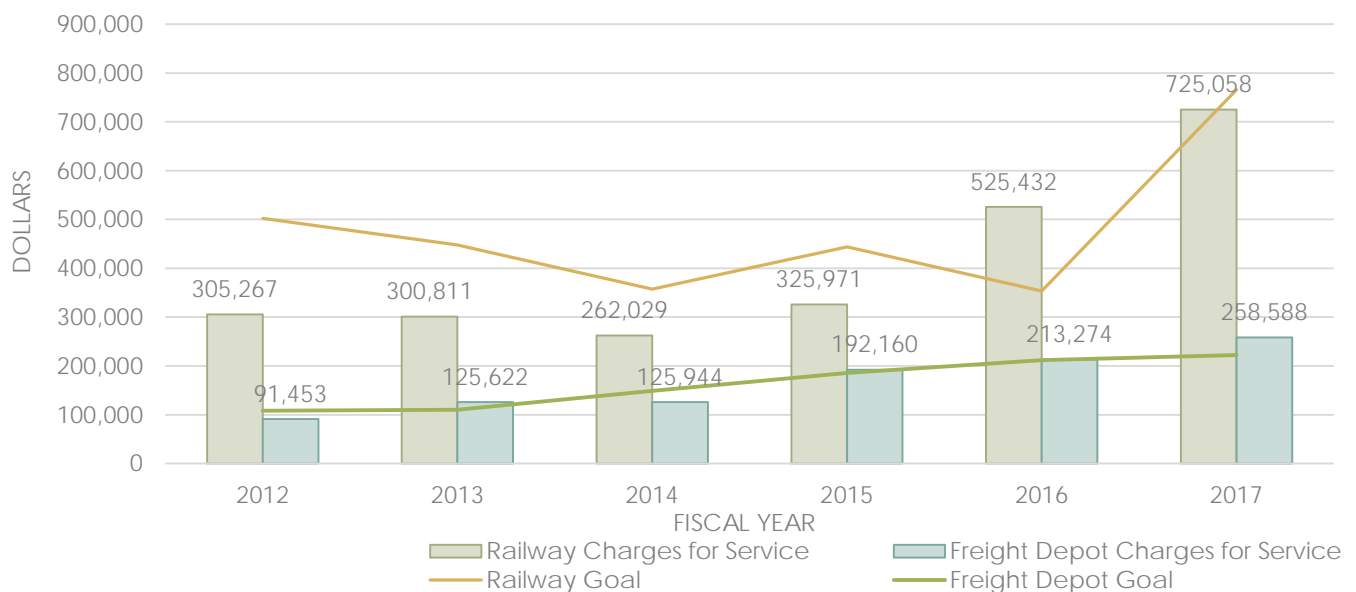


Performance Measures Beginning Fund Balance Balance by Fiscal Year

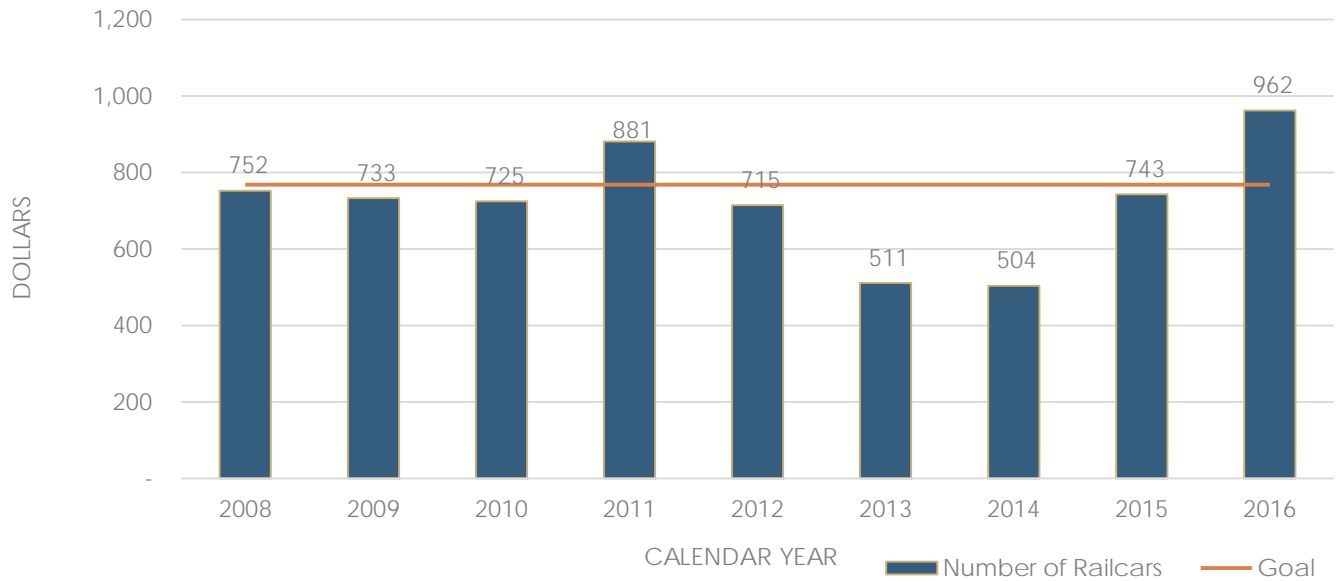


In 2007 through 2009, the Railroad Fund witnessed a decrease in fund balance of approximately \$400,000 per year. Management's goal was to maintain the fund balance through the recovery of the economy. As business continues to increase throughout the rail facilities, management will focus on sustainable profit and a steady increase in fund balance, while balancing the need for increased spending on deferred track and facility maintenance.

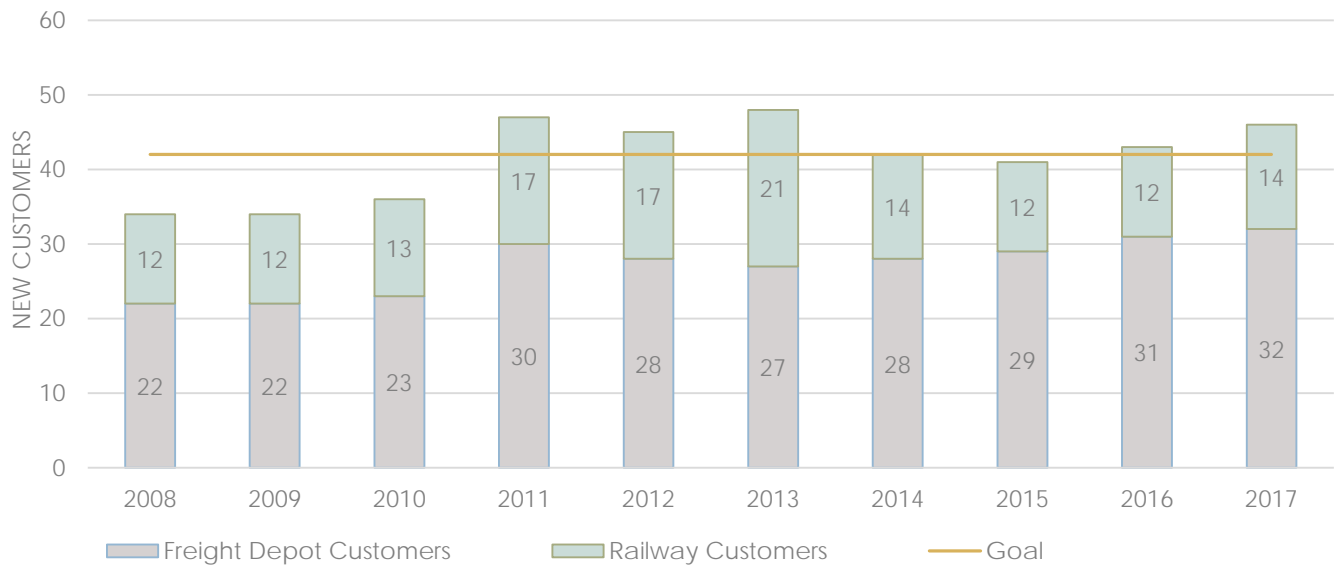
Charges for Service Railway/Freight Depot Revenues by Fiscal Year



Number of Freight Cars Interchanged Railcars per Calendar Year



Customers Utilizing Rail Services Customers Utilizing Services per Fiscal Year



Railroad / Freight Depot Budget

Resources	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Beginning fund balance	\$ 617,963	\$ 633,849	\$ 784,649	\$ 902,566	\$ 1,101,566	\$ 1,101,566	\$ 1,101,566
Current year resources							
Charges for services	\$ 518,132	\$ 738,707	\$ 723,500	\$ 987,700	\$ 942,000	\$ 942,000	\$ 942,000
Intergovernmental	11,845	1,821			15,000	15,000	15,000
Use of money & property	56,125	93,400	81,100	107,000	174,200	174,200	174,200
Transfers fr other funds	100,900	100,900	50,500	50,500			
Miscellaneous	14,218	114,377	116,000	68,400	70,000	70,000	70,000
Total current year resources	\$ 701,220	\$ 1,049,205	\$ 971,100	\$ 1,213,600	\$ 1,201,200	\$ 1,201,200	\$ 1,201,200
Total resources	\$ 1,319,183	\$ 1,683,054	\$ 1,755,749	\$ 2,116,166	\$ 2,302,766	\$ 2,302,766	\$ 2,302,766
Expenditures							
Personnel Services	\$ 262,082	\$ 296,181	\$ 373,900	\$ 286,900	\$ 421,000	\$ 421,000	\$ 421,000
Material and services	253,135	330,478	386,100	422,600	336,100	336,100	336,100
Capital outlay							
Improvements	-	-	-	163,600	121,000	121,000	121,000
Debt Service							
Principal - Freight Depot	91,991	95,811	49,400	49,300			
Interest - Freight Depot	5,026	2,818	1,100	1,000			
Transfers	73,100	55,200	91,200	91,200	96,500	96,500	96,500
Contingency			854,049		1,328,166	1,328,166	1,328,166
Total expenditures	\$ 685,334	\$ 780,488	\$ 1,755,749	\$ 1,014,600	\$ 2,302,766	\$ 2,302,766	\$ 2,302,766
Ending fund balance	\$ 633,849	\$ 902,566	\$ -	\$ 1,101,566	\$ -	\$ -	\$ -

Personnel

Railroad / Freight Depot Fund				
FTEs by Position				
FY 15 – 18				
	FY 15 Actual	FY 16 Actual	FY 17 Forecast	FY 18 Forecast
Operations Manager	1.00	1.00	1.00	1.00
Superintendent/Engineer	1.00	1.00	1.00	1.00
Conductor				
Freight Depot/Track Maintenance	1.00	1.00	1.00	
Railroad worker I				2.00
Railroad worker II				1.00
Railroad / Freight Depot Department Total	3.00	3.00	3.00	5.00

In FY 17, personnel increases were budgeted but position restructuring took place in FY 18.

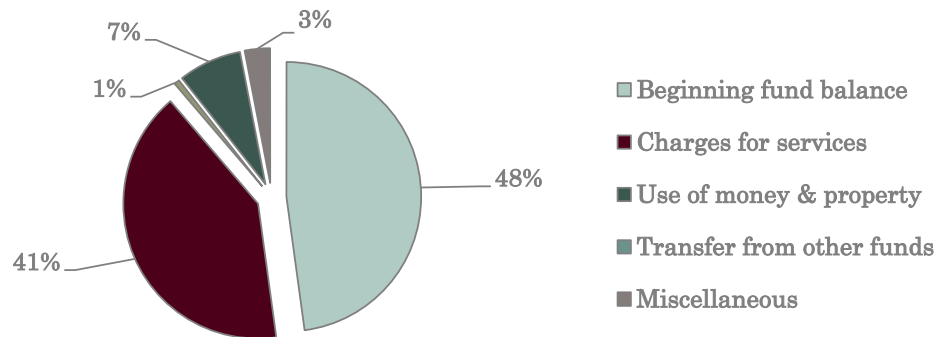


Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 16-17	Proposed FY 17-18 Beginning Fund Balance	% Change FY 17 to FY 18	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Railroad	\$902,566	\$1,101,566	22%	\$1,328,166	\$853,600	56%

The beginning fund balance from FY 17 to FY 18 shows a 22 percent increase in the Railroad/Freight Depot Fund. The proposed budget for FY 18 shows a 21 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 meets policy requirements.

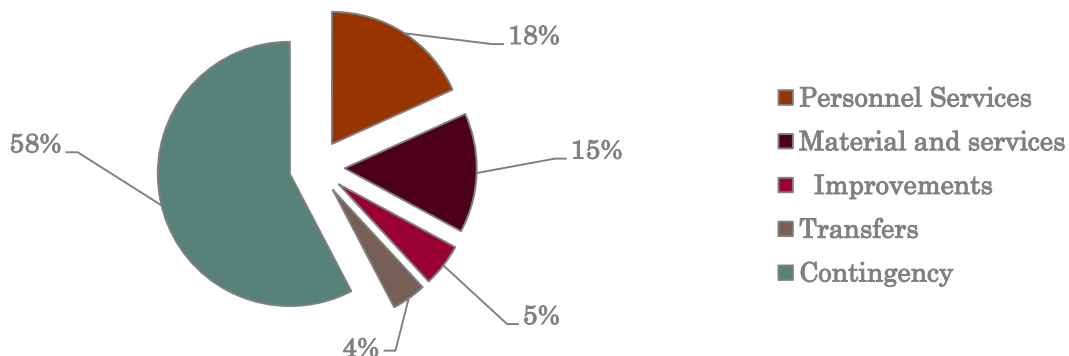
Resources



Assumptions

In FY 18, charges for service is 41 percent of total revenue and the beginning fund is 48 percent of total revenue. Overall the current year resources are up 24 percent over the prior year adopted budget. Total department revenue increases are driven by an increase of existing customer base activity and new customer development.

Requirements



Assumptions

Requirements for FY 18 increased approximately 31 percent over the prior year's budget. This is largely due to an increase in contingency/reserves in an effort to meet the city policy put in place the prior year. Personnel service up 13 percent, material and services and capital improvements are down slightly, and debt service is zero as the issued paid off in the prior year. Transfers also increased slightly and are calculated on a percentage of the operating budget.





Airport Fund Responsibilities to the Community

The Prineville-Crook County Airport 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 assure 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.

The Prineville-Crook County Airport has developed an environment that secured a number of new businesses to the area and now works with local stakeholders to help facilitate the United States Forest Service (USFS) to move forward with investing in a new multi-use airbase facility that includes infrastructure for future opportunities.



Goals and Objectives for FY 18

Department Goals	City Council Goals
Attract the personal market and business development with better communication and advertising	Provide quality municipal services and programs which contribute to community desirability
Develop a secure, reliable revenue stream to support future development opportunities	To be fiscally responsible in all we do
Aggressively pursue new grant opportunities	To be fiscally responsible in all we do
Increase fuel market share with competitive pricing and promotion.	To be fiscally responsible in all we do
Continue minimal operating costs by utilizing in-house resources for most maintenance and operational needs	To be fiscally responsible in all we do
Continue to upgrade equipment and facilities as revenue allows	Strive to position the city to meet future demands of businesses and citizens
Continue to build and support a safe operating environment	Community safety

Executive Summary

The Prineville-Crook County Airport Fund provides the accounting of the jointly owned airport, managed by the City of Prineville. Funding sources include aircraft fuel sales (jet A and 100LL), hanger rents, user fees and land leasing agreements for private hangers and business. Contributions from the City and Crook County supplement portions of operational costs. Large maintenance, engineering and improvement projects are largely funded through the Federal Aviation Administration (FAA) and other grant opportunities.

The interest in Prineville as a viable place of business is increasingly recognized in the aviation community. The Airport currently hosts seven private businesses, when only five years ago, there was one. The USFS and United States Bureau of Land Management (BLM) also operate at the facility. Both entities have plans for expanding their role in wildland fire suppression for the region.

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, ample ground space as an integral part of their operation, and continued consideration of Prineville as a worthwhile opportunity for expansion.

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.



Accomplishments for FY 17

- Completed the Airport Master Plan update
- Secured funding for an apron expansion project
- Completed construction of an apron, new beacon and an aircraft run-up area
- Secured stakeholder support for USFS airbase project
- Successfully awarded \$2 million grant from the Connect Oregon program
- Successfully awarded two State grants totaling \$155,000 from the Critical Oregon Airport Relief (COAR) Program
- Created new lines of communication with airport users and members of the community by holding meetings and special events
- Improved overall user/tenant experience by expanding the communication with all parties involved

Strategic Planning Updates

- Short-term – 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 – Management will maximize and continue development of airport assets to grow aviation and non-aviation businesses, with a goal to support the community. Additionally, the department will aim to efficiently manage the airport's property, facilities, finances, staff, and reputation for maximum effectiveness and growth.



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



Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Project		
Update Airport Master Plan	\$ 2,500	\$ 2,500
Remove and replace fuel system	\$ 650,000	\$ 650,000
USFS Airbase Project	\$ 4,850,000	\$ 4,850,000
Airbase - Parking apron	\$ 1,009,500	\$ 1,009,500
Airport equipment - Plow and airport pickup truck		\$ 75,000
Capital Outlay Total	\$ 6,512,000	\$ 6,587,000

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 81.



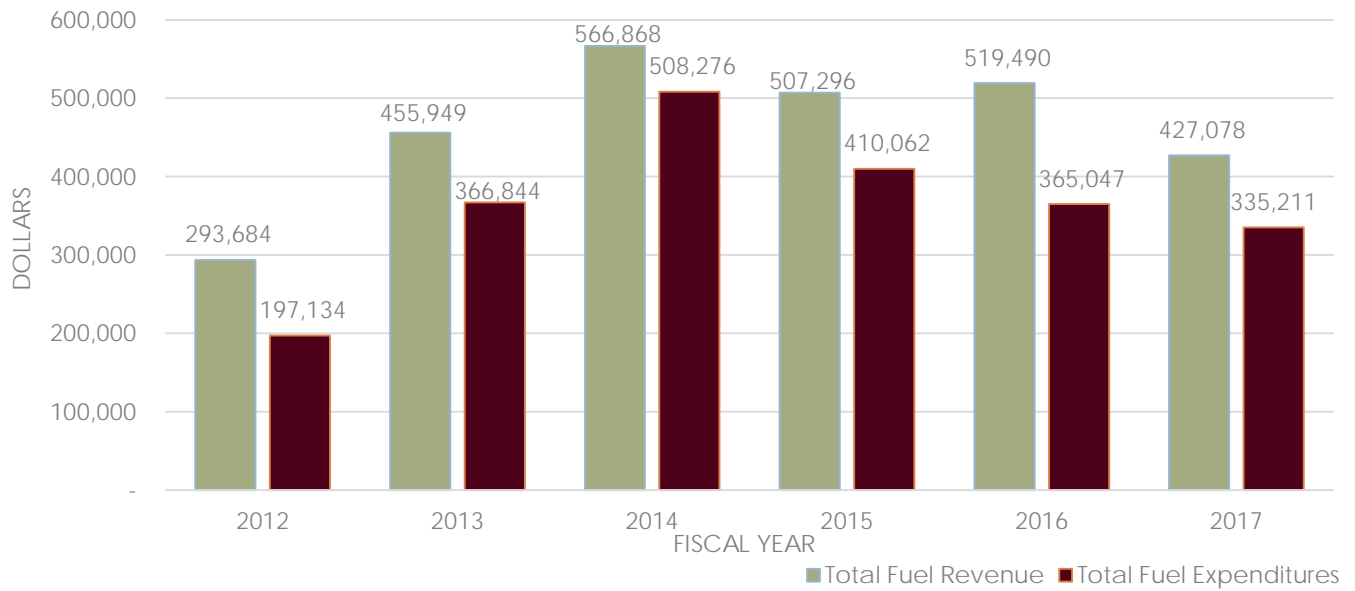
Local Reserve Officers' Training Corps performs during an event at the airport.



Performance Measures

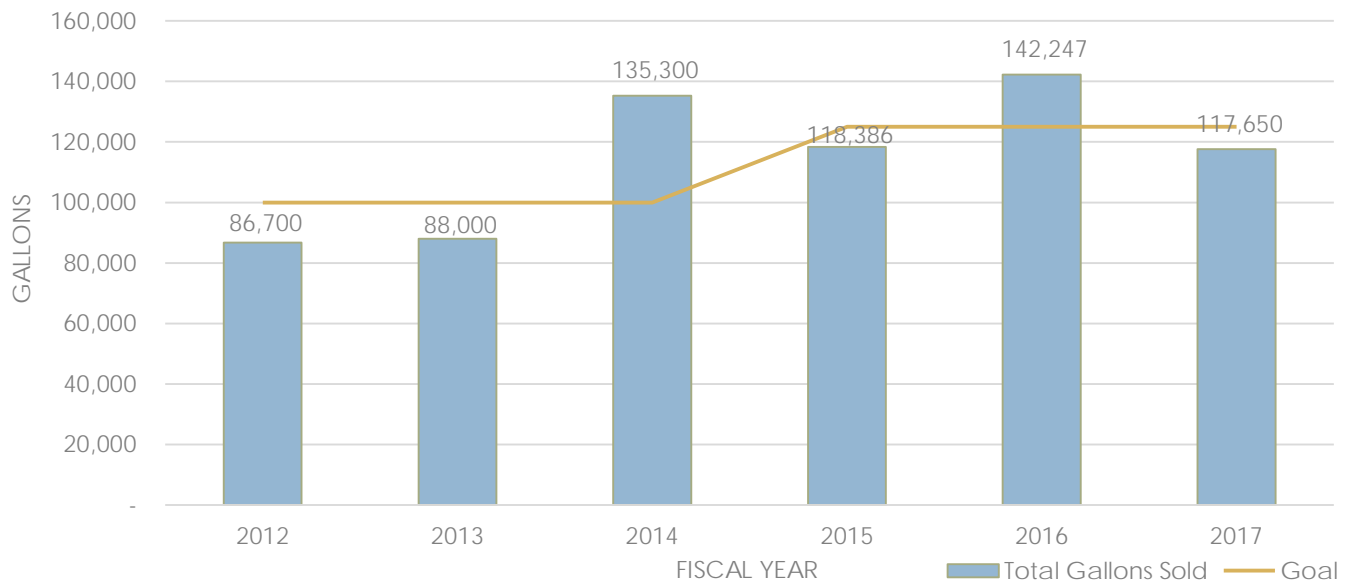
Fuel Sales Revenue/Expenditures

Revenues Generated by Fuel Sales per Fiscal Year

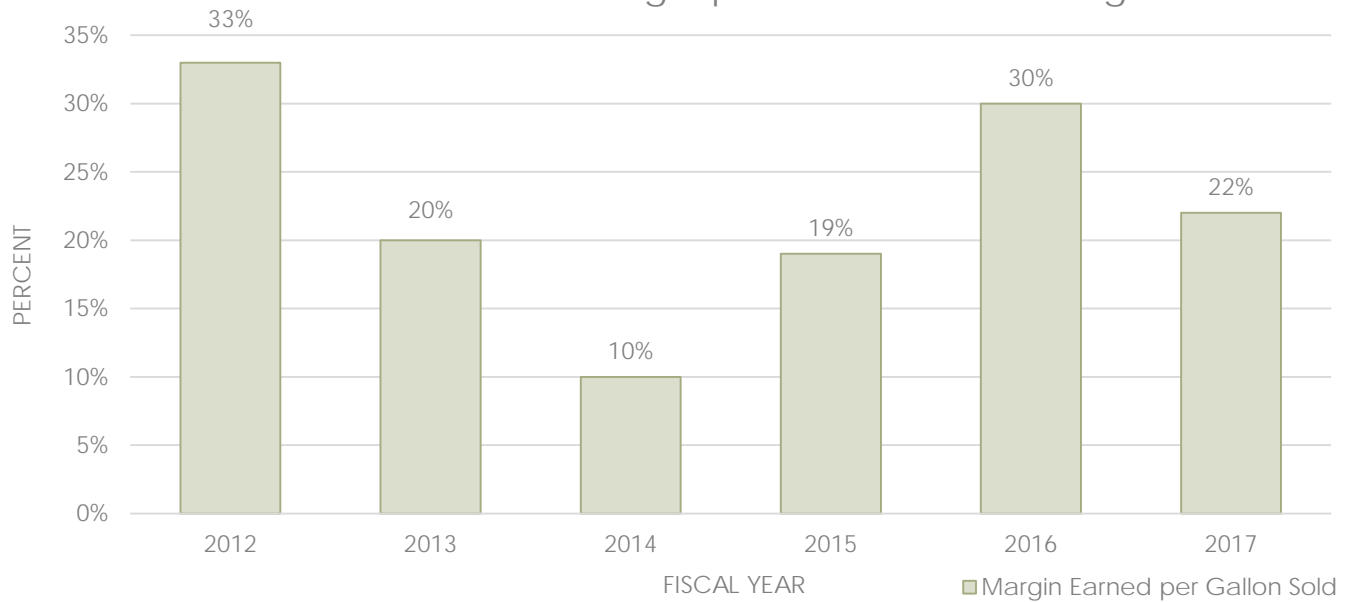


Volume of Fuel Sales

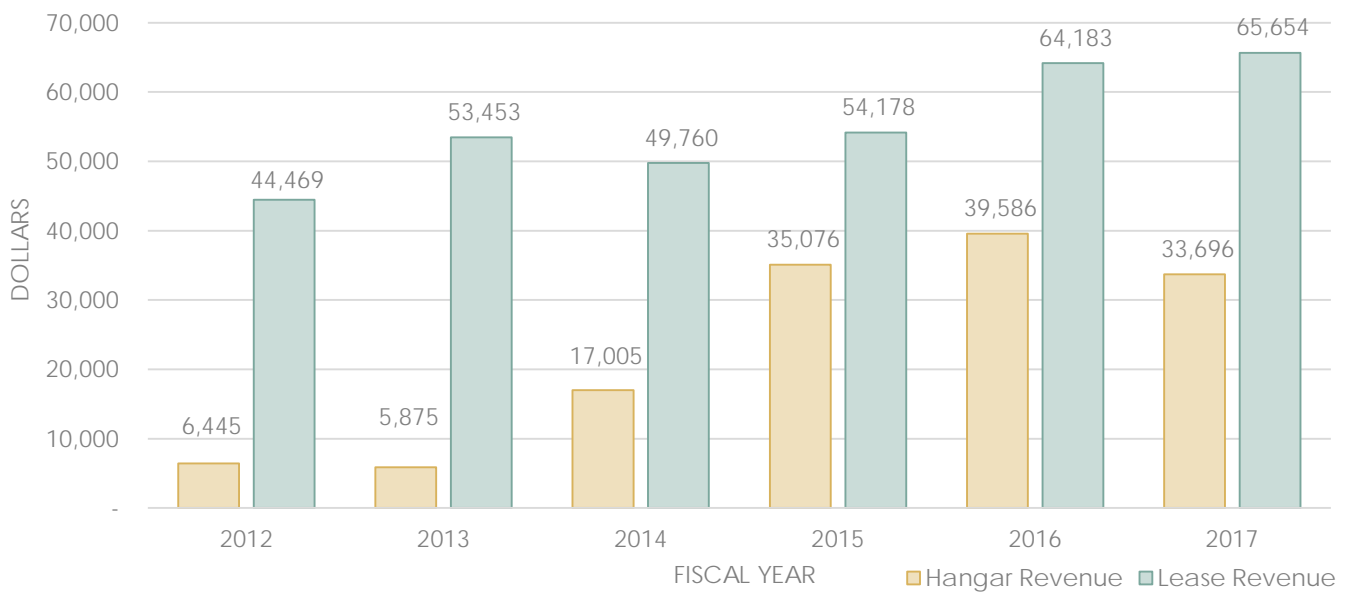
Total Fuel Volume Sold by Fiscal Year



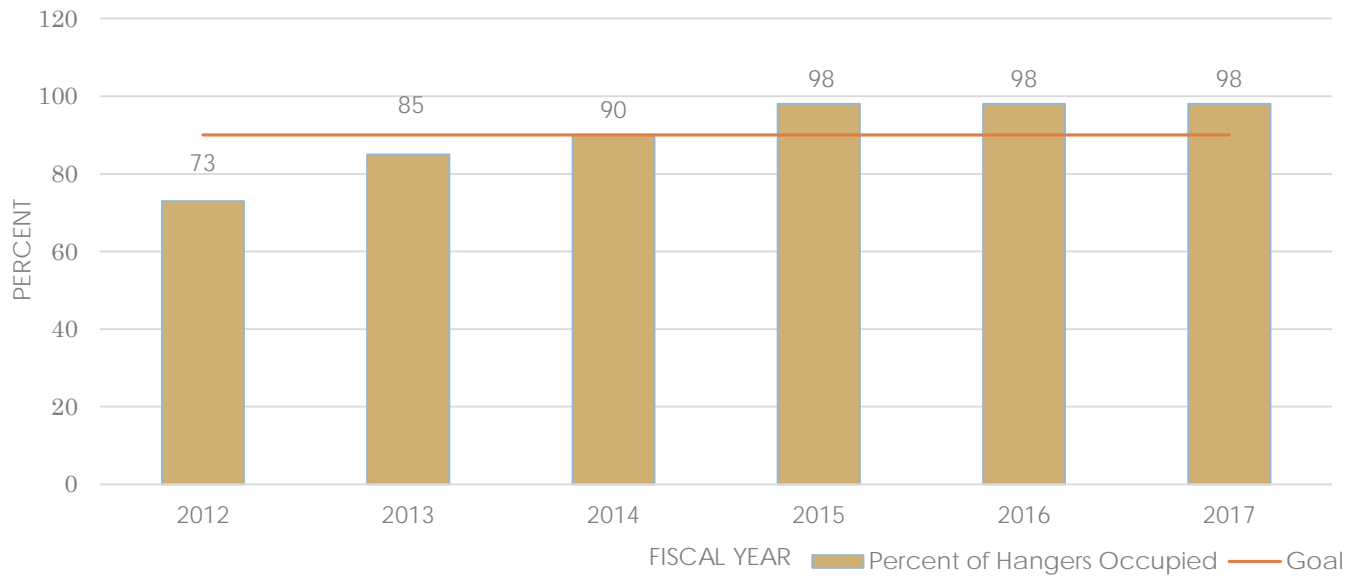
Average Gross Fuel Sale Margin Margin per Gallon Sold During Fiscal Year



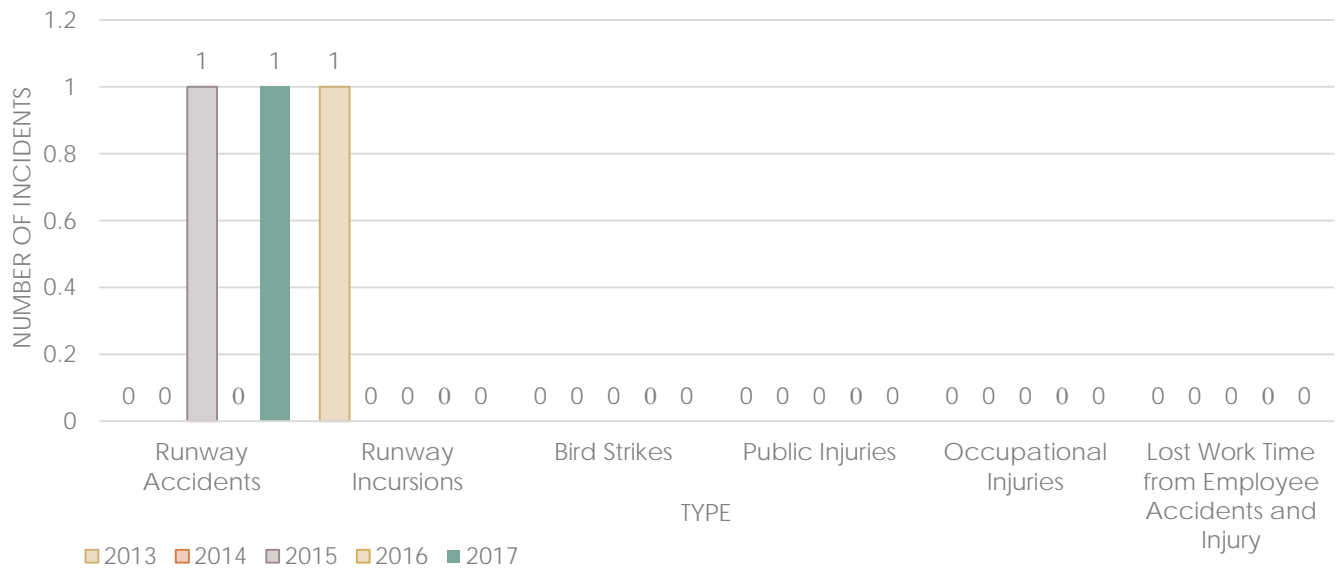
Hangar/Lease Revenue Revenue by Fiscal Year



Hangar Occupancy Rate Percent of Hangars Occupied per Fiscal Year



Safety Incidents Incidents by Type During Fiscal Year



Airport Budget

Resources	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Beginning fund balance	\$ 134,391	\$ 72,949	\$ 37,449	\$ 61,663	\$ 156,563	\$ 156,563	\$ 156,563
Current year resources							
Intergovernmental	\$ 186,718	\$ 50,000	\$ 3,730,000	\$ 1,628,200	\$ 6,697,500	\$ 6,697,500	\$ 6,697,500
Charges for services	617,260	654,347	881,000	725,500	883,000	883,000	883,000
Interest	123	4	100	100	100	100	100
Transfer from other funds	50,000	50,000	180,000	130,000	50,000	50,000	50,000
Total current year resources	\$ 854,101	\$ 754,351	\$ 4,791,100	\$ 2,483,800	\$ 7,630,600	\$ 7,630,600	\$ 7,630,600
Total resources	\$ 988,492	\$ 827,300	\$ 4,828,549	\$ 2,545,463	\$ 7,787,163	\$ 7,787,163	\$ 7,787,163
Expenditures							
Personnel Services	\$ 138,253	\$ 150,789	\$ 159,100	\$ 145,800	\$ 181,100	\$ 181,100	\$ 181,100
Materials and services	526,779	517,520	764,000	653,300	782,300	782,300	782,300
County Lease Payment			25,000	25,000	25,000	25,000	25,000
Capital outlay							
Improvements	161,611	12,428	3,760,000	1,475,000	6,587,000	6,587,000	6,587,000
Transfers	88,900	84,900	89,800	89,800	96,300	96,300	96,300
Contingency			30,649		115,463	115,463	115,463
Total expenditures	\$ 915,543	\$ 765,637	\$ 4,828,549	\$ 2,388,900	\$ 7,787,163	\$ 7,787,163	\$ 7,787,163
Ending working capital	\$ 72,949	\$ 61,663	\$ -	\$ 156,563	\$ -	\$ -	\$ -

Personnel

Airport Fund FTEs by Position FY 15 – 18				
	FY 15 Actual	FY 16 Actual	FY 17 Actual	FY 18 Forecast
Airport Manager	1.00	1.00	1.00	1.00
Assistant	1.00	1.00	1.00	1.00
Airport Department Total	2.00	2.00	2.00	2.00

No changes to FTEs in FY 18.

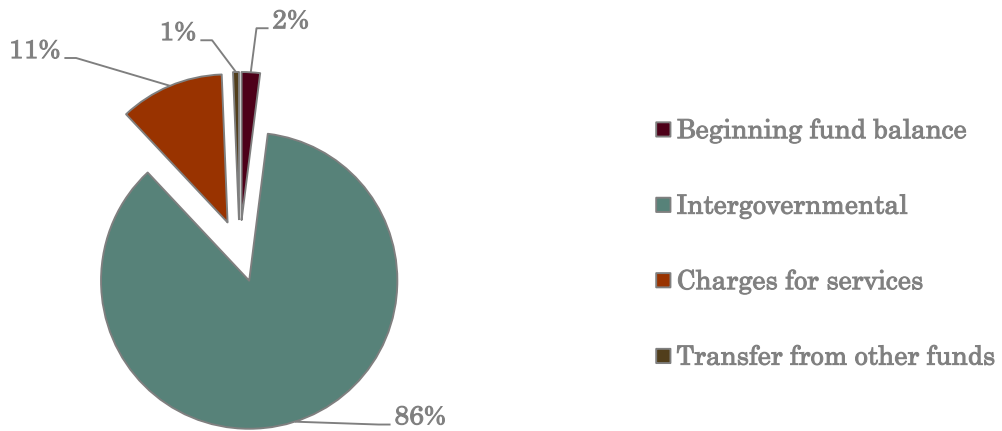


Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 16-17	Proposed FY 17-18 Beginning Fund Balance	% Change FY 17 to FY 18	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Airport	\$61,663	\$156,563	154%	\$115,463	\$564,368	-80%

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 154 percent carryover is largely related to the grant for the project in progress.

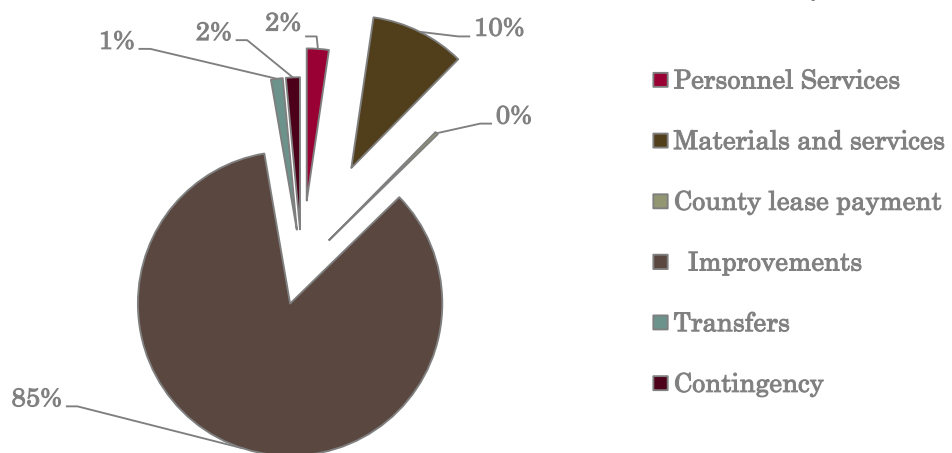
Resources



Assumptions

Intergovernmental revenues for FY 18 include approximately \$50,000 for operations and \$3.7 million for capital improvements from Crook County, FAA grant funds totaling approximately \$947,500, Connect Oregon grant funds totaling \$2,000,000, and a transfer of \$50,000 from the City of Prineville.

Requirements



Assumptions

In FY 18, the total requirements increased significantly due to the budgeted capital projects totaling approximately \$6.6 million. Total operating budget will increase by approximately 5 percent largely due to increased business activity.





Water Fund 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.



Goals and Objectives for FY 18

Department Goals	City Council Goals
Start a feasibility study on the potential for aquifer storage and recovery	Strive to position city to meet future demands of businesses and citizens
Replace an additional 500 water meters with remote read water meters	Provide quality municipal services and programs, which contribute to community desirability
Continue replacement of aging, undersized water mains	Strive to position city to meet future demands of businesses and citizens
Upgrade telemetry throughout the water system	Strive to position city to meet future demands of businesses and citizens
Increase water resource availability to support urban growth boundary build out	Strive to position city to meet future demands of businesses and citizens
Implement the federal legislation to provide for groundwater mitigation from Bowman Dam	Strive to position city to meet future demands of businesses and citizens

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.



Members of the Water Department installing a new service to Crook County Middle School.



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 FY 18, the Water Department's first priority is to retain the resources for needed maintenance programs to ensure high-quality service to customers.

Accomplishments for FY 17

- Implementation of the Crooked River Concept Federal Legislation, securing 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.
- Staff completed the hydro-geological assessment of the airport aquifer.
 - This assessment provides the City a better understanding of the airport aquifer.
 - The City now understands how the aquifer recharges and what the expected sustainable production level is.
 - Work was completed under the guidance of Oregon Water Resource Department (OWRD), as this agency also holds an interest in future capacities of local aquifers.
- The Water Department replaced and/or upgraded approximately 500 water meters.
- Installed approximately 1,000 feet of new water line to support growth.

These accomplishments address the following Prineville City Council goals:

- *“Strive to position the City to meet future demands of businesses and citizens”* – Continue to research and implement water conservation activities that will allow the Water Department to serve more customers with existing infrastructure
- *“Provide quality municipal services and programs which contribute to community desirability”* – Begin researching the potential for an Aquifer Storage and Recovery Project
- *“Community safety”* and *“Strive to position the city to meet future demands of businesses and citizens”* – A strong water distribution system increases the available fire hydrants flows and greatly decreases maintenance related outages

Strategic Planning Updates

- Short-term – The department will manage Water Fund resources to keep costs as low as possible during challenging economic conditions for city customers. It will also continue implementation of capital projects associated with the recent debt restructuring to increase water capacity.
- 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.



Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Source		
Water rights (Including administration and mitigation credits)	\$ 25,000	\$ 25,000
Habitat Conservation Plan	\$ 60,000	\$ 40,000
Crooked River Concept	\$ 40,000	\$ 40,000
Bowman Reservoir mitigation credits (5,100 acre-ft. at \$25/acre-ft.)	\$ 127,500	\$ 127,500
Aquifer Storage and Recover Feasibility Study	\$ 363,500	\$ 300,000
Transmission		
SE Fairview - SE 5th to SE 2nd	\$ 315,000	\$ 315,000
SE 2nd - Fairview to Holly	\$ 90,000	\$ 90,000
Capital Outlay Total	\$ 1,021,000	\$ 937,500

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 81.

The above capital improvement projects (CIP) are primarily related to maintenance of an aging water system. The expenditure of these funds will reduce and/or contain future costs associated with system maintenance.



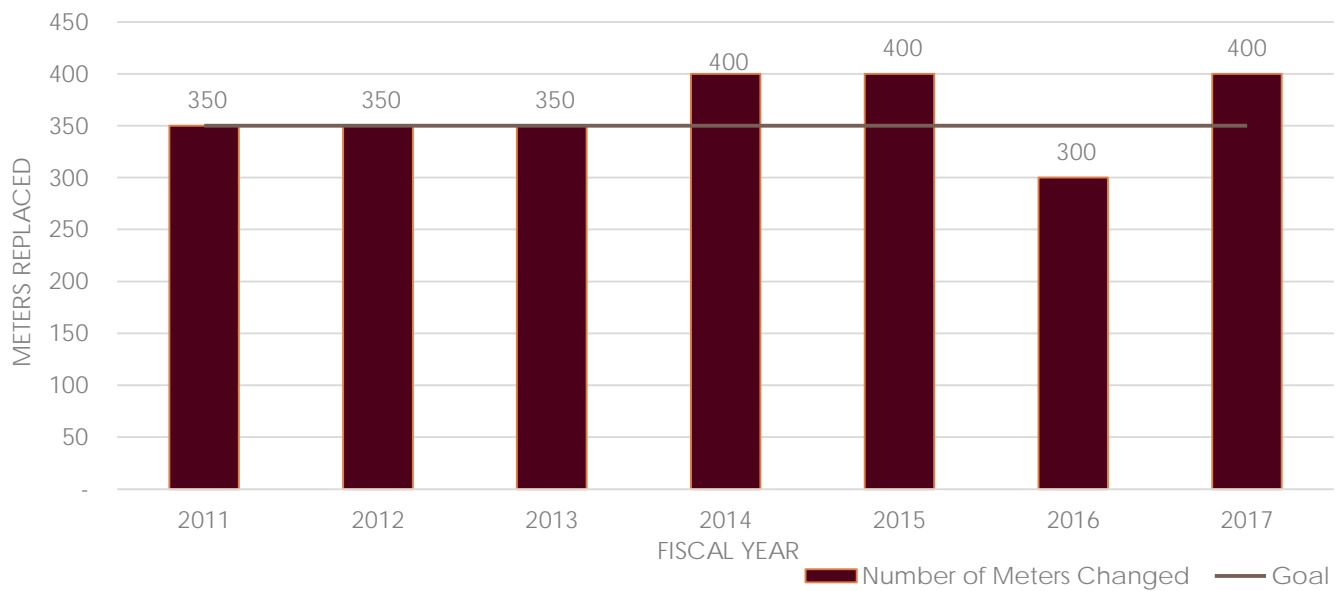
Public works staff installs a new water service.



Performance Measures

Meters Replaced Annually

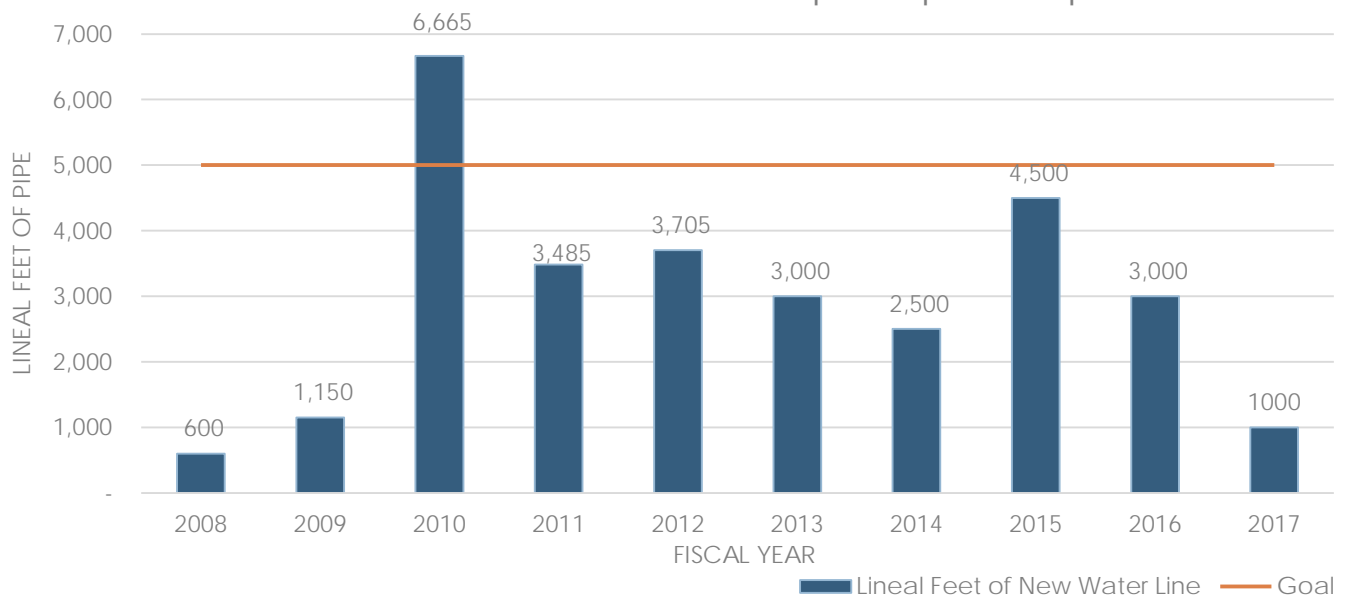
Meters Updated to Radio or Touch Reads per Fiscal Year



The existing water distribution system includes approximately 3,800 water meters. The City of Prineville Public Works Department is striving to update all of these meters with new, more efficient remote read meters. The department's goal is to replace 350 meters per year. This is one of several action items to achieve water rate stability and fiscal responsibility by reducing labor costs associated with meter reading.

Pipe Replaced Annually

Lineal Feet of Pipe Replaced per Fiscal Year



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 department's goal is to replace 5,000 lineal feet per year. This is yet another action item in remaining consistent with the City Council's goal of a striving for a position to meet future demands for businesses and citizens.





Members of the Public Works Department replace an old, wooden water main with larger plastic lines.

Water Conservation Activities

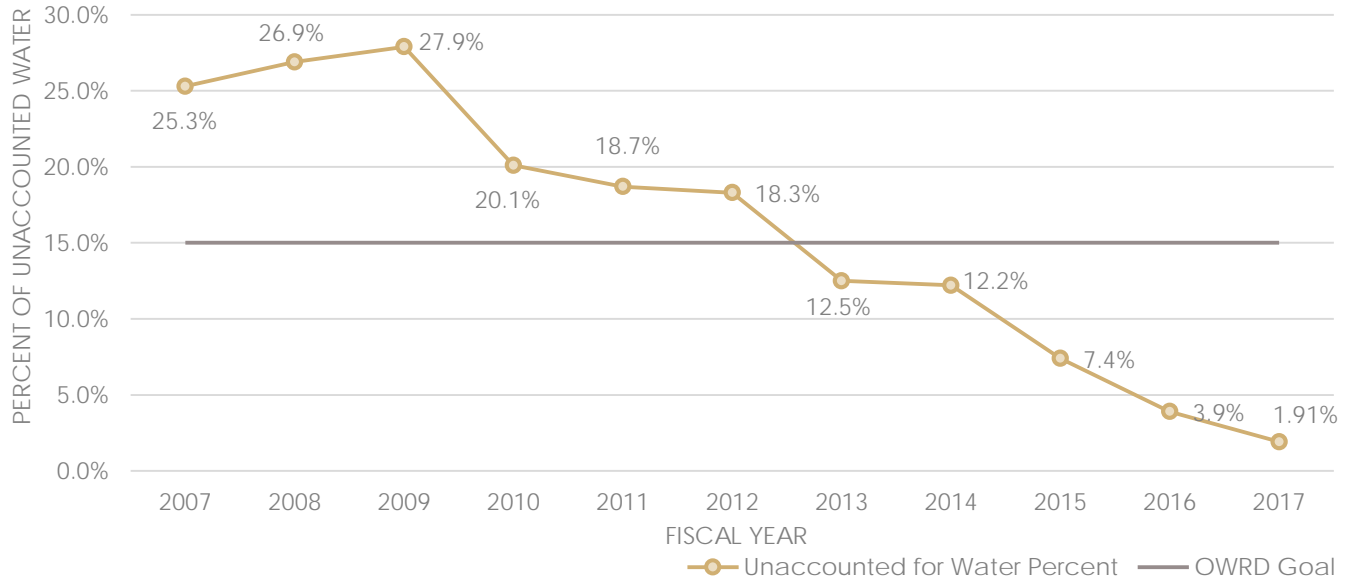
Unaccounted for water is the water produced by the City's wells, but is not sold to customers. This number can be attributed to unmetered customers, leaking lines or inaccurate meters. The OWRD goal for municipalities is to limit unaccounted for water to no greater than 15 percent of the produced water, and no more than 10 percent if feasible. The City of Prineville made a concerted effort to lower this amount over the last few years as is shown in the following activities:

- The Meadow Lakes Golf Course Water Conservation Project – removed the irrigation of 7.5 acres of land from the domestic water system. This project saved approximately 51,000 gallons of water per day or enough water to provide for 63 new homes – usage not previously metered or billed.
- The Prineville Police Department Heating, Ventilating, and Air Conditioning (HVAC) Reconstruction Project – removed the HVAC system from the domestic water system. This project saved approximately 36,000 gallons of water per day or enough water to provide for 45 new homes – usage previously metered, but not billed.
- Aggressive leak detection.
- Strategic water main replacements.
- Upgrades to the telemetry control system.

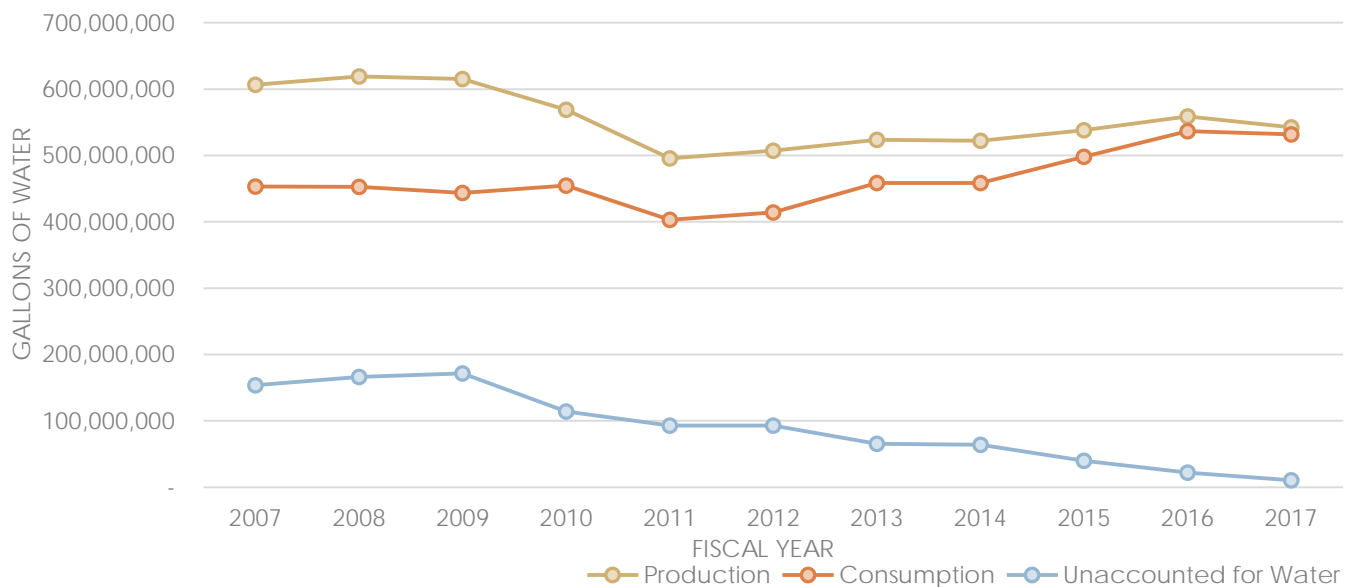


As shown in the below graph, in FY 09 unaccounted for water totaled approximately 27.9 percent of all water produced by the City. In FY 17, the City reduced the rate of unaccounted for water to approximately 1.9 percent.

Unaccounted for Water in Systems Percent Unaccounted for Water After Production by Fiscal Year

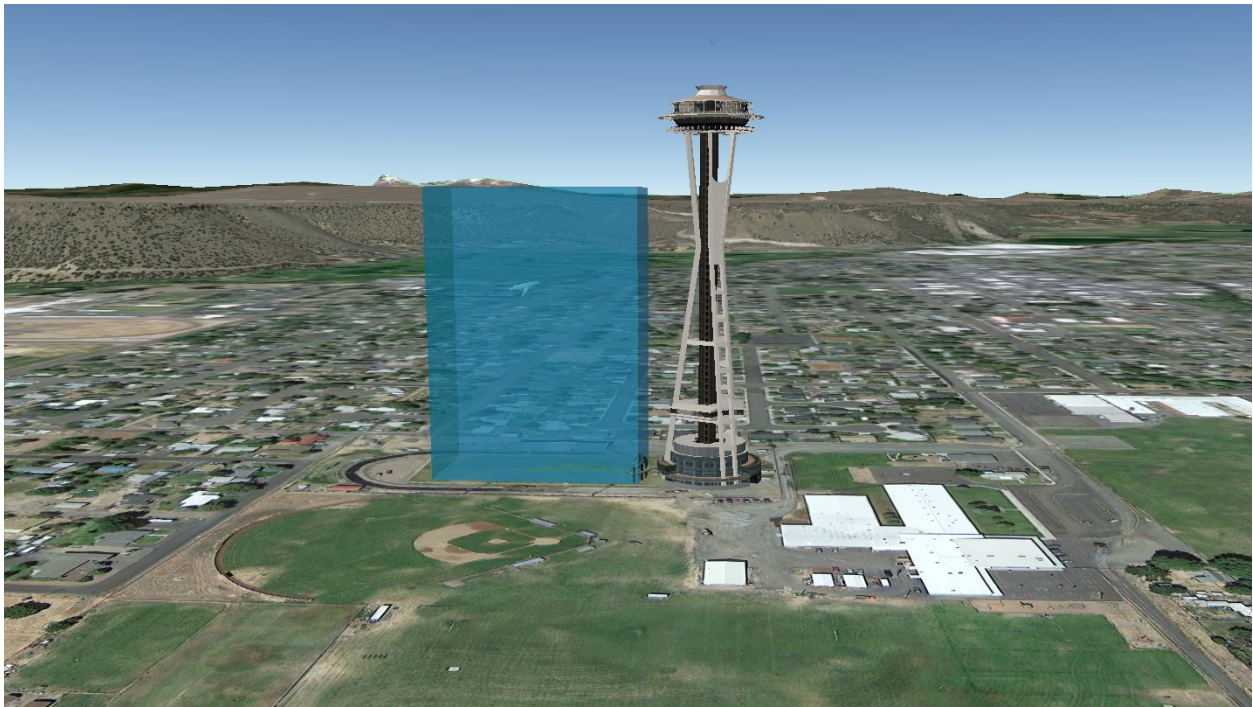


Water Production and Use Yearly Trend - Production/Use/Unaccounted Water



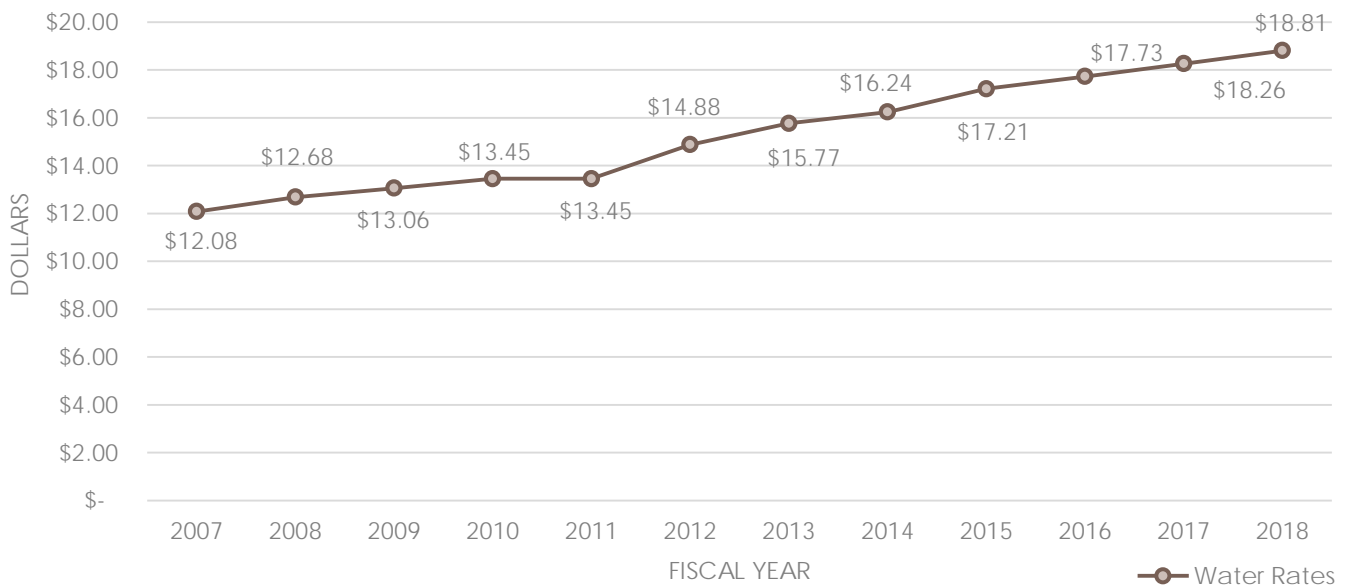
The reduction of unaccounted for water from 27.9 percent to approximately 1.9 percent represents approximately 150 million gallons of water per year no longer categorized as produced and lost. It is quite expensive to pump 150 million gallons of water out of the ground, pressurize and chlorinate it. By conserving this water and only pumping what is necessary, or slightly more, the City greatly reduces costs and lost revenue associated with the unaccounted for water.



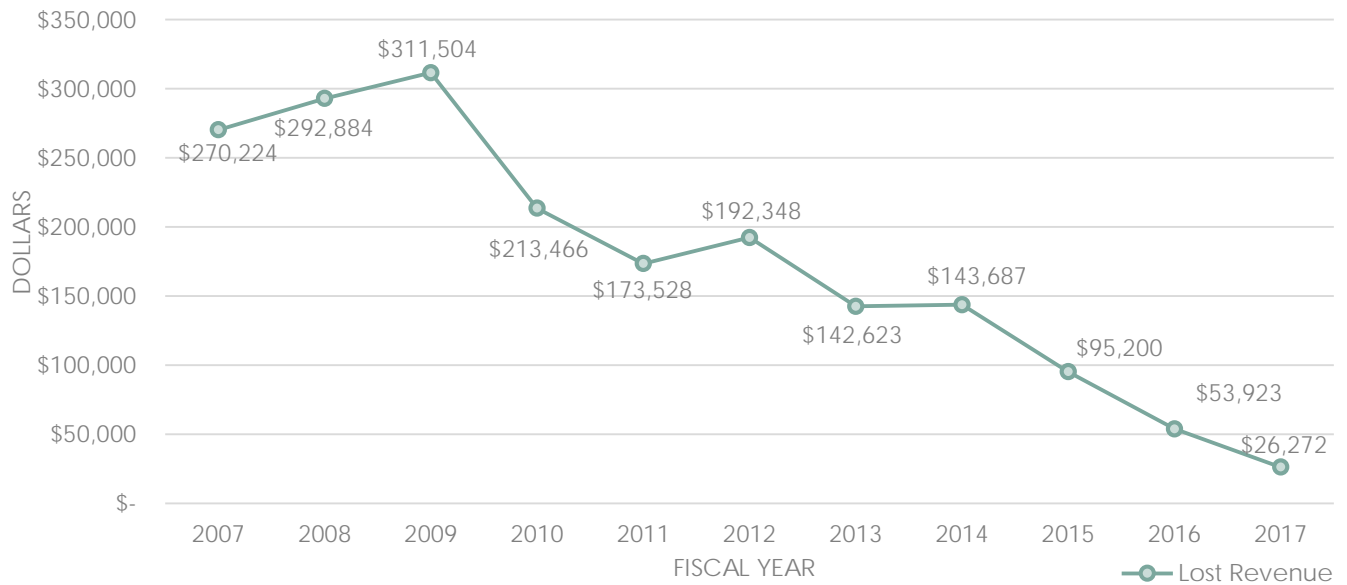


When looking at the total conservation of 150 million gallons of water, it is a huge amount of water the City is now conserving on an annual basis. If this volume of water is placed on a 300-by-160-foot high school football field, it would create a tower over 367 feet tall. If you look closely, you can see a humpback whale in the water column. In the above illustration, Seattle’s Space Needle is placed next to the water tower to give a scale of reference. The City is now saving this volume of water each and every year.

Water Rates Trending Rates by Fiscal Year



Lost Revenue Fiscal Year Revenue Lost Due to Unaccounted for Water



Two water tanks near the old Pioneer Memorial Hospital.



Water Budget

Resources	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 14-15	FY 15-16	Budget FY 16-17	FY 16-17	Budget FY 17-18	Budget FY 17-18	Budget FY 17-18
Beginning fund balance	\$ 1,521,622	\$ 1,508,741	\$ 1,524,941	\$ 1,884,514	\$ 1,479,814	\$ 1,479,814	\$ 1,479,814
Current year resources							
Charges for services	\$ 2,033,214	\$ 2,350,888	\$ 2,256,000	\$ 2,431,300	\$ 2,757,000	\$ 2,757,000	\$ 2,757,000
Intergovernmental	-	-	35,000	25,000			
Interest	4,349	6,154	5,000	5,000	7,000	7,000	7,000
SDC Reimbursement Fee	72,000	236,235	124,000	124,000	127,000	127,000	127,000
Miscellaneous	4,598	4,770	5,500	77,000	5,500	5,500	5,500
Total current year resources	\$ 2,114,161	\$ 2,598,047	\$ 2,425,500	\$ 2,662,300	\$ 2,896,500	\$ 2,896,500	\$ 2,896,500
Total resources	\$ 3,635,783	\$ 4,106,788	\$ 3,950,441	\$ 4,546,814	\$ 4,376,314	\$ 4,376,314	\$ 4,376,314
Expenditures							
Materials and services	\$ 374,708	\$ 432,764	\$ 500,100	\$ 509,000	\$ 506,500	\$ 506,500	\$ 506,500
Franchise fee expense	100,000	100,000	113,000	113,000	123,000	123,000	123,000
Capital outlay							
Improvements	340,232	337,767	735,000	993,100	937,500	937,500	937,500
Debt service							
Principal - refunding bond 2011	100,000	105,000	115,000	115,000	125,000	125,000	125,000
Principal - revenue bond 2003	40,000	45,000	45,000	45,000	50,000	50,000	50,000
Interest - refunding bond 2011	105,687	103,786	100,700	100,700	96,100	96,100	96,100
Interest - revenue bond 2003	23,715	20,457	19,400	19,400	17,100	17,100	17,100
Transfers	1,042,700	1,077,500	1,171,800	1,171,800	1,194,600	1,194,600	1,194,600
Contingency			1,150,441		\$ 1,326,514	1,326,514	1,326,514
Total expenditures	\$ 2,127,042	\$ 2,222,274	\$ 3,950,441	\$ 3,067,000	\$ 4,376,314	\$ 4,376,314	\$ 4,376,314
Ending fund balance	\$ 1,508,741	\$ 1,884,514	\$ -	\$ 1,479,814	\$ -	\$ -	\$ -

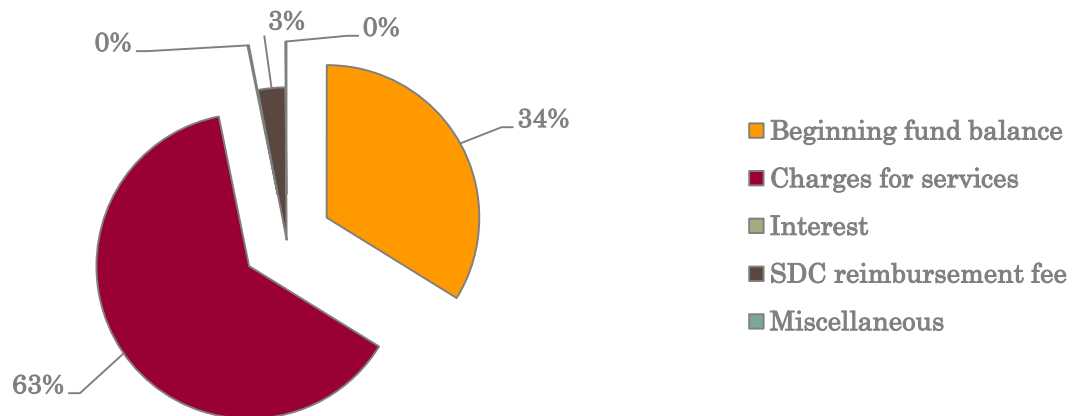


Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 16-17	Proposed FY 17-18 Beginning Fund Balance	% Change FY 17 to FY 18	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Water	\$1,884,514	\$1,479,814	-21%	\$1,326,514	\$1,284,801	3%

The 21 percent decrease in the beginning fund balance compared to prior year is a result of budgeted capital improvement projects in FY 17. Revenue came in higher than anticipated, but the projects also required a budget adjustment. Capital projects budgeted of \$937,500 in FY 18 will decrease the fund balance approximately 12 percent. The fund remains above reserve requirements at 3 percent.

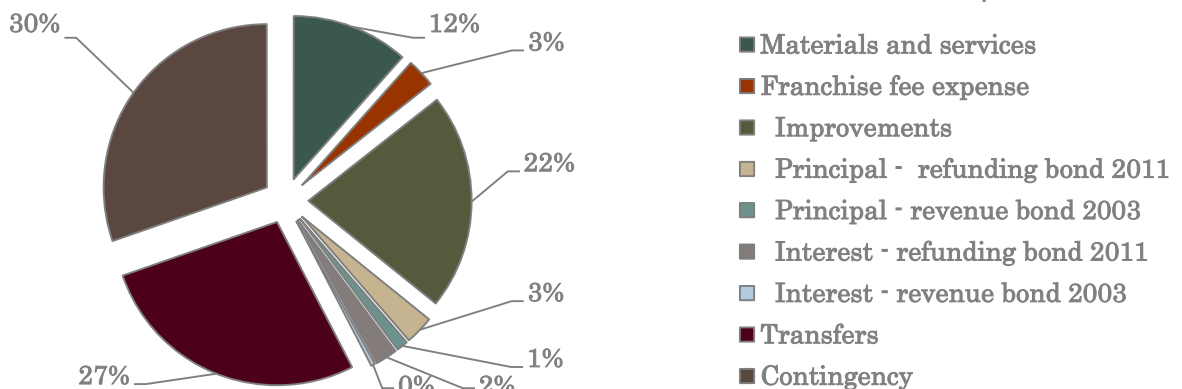
Resources



Assumptions

Charges for services in the FY 18 budget are proposed to increase approximately 13 percent over the prior year estimated revenue. This increase includes a rate increase of 3 percent, an increase in users and connection fees. SDC reimbursement fees are budgeted at \$127,000, which is current with the water debt transfer schedule. This is due to the estimated SDC revenue based on 25 equivalent dwelling units (EDU) and commercial activity for FY 18.

Requirements



Assumptions

Materials and services are increasing approximately 1 percent over prior year budget and are 12 percent of the total budget in FY 18. Improvements are 22 percent of budget. Transfers increased approximately 2 percent over the prior year.





Wastewater Fund 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.



Goals and Objectives for FY 18

Department Goals	City Council Goals
Complete construction of the Crooked River Wetland Project	Provide quality municipal services and programs which contribute to community desirability
Begin construction of Industrial Water Reuse Project	Strive to position the city to meet future demands of businesses and citizens

Executive Summary

The Wastewater Fund supports the City’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 1.67 million gallons of influent per day. 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 and approximately 350 acres of city-owned pasture lands.



Looking out over the wastewater treatment ponds from the Ochoco Viewpoint.



Accomplishments for FY 17

- Began construction of the effluent disposal wetland at the wastewater treatment plant
- Continued to monitor influent flows and identified areas of infiltration and inflow

These accomplishments address the following Prineville City Council goals:

- *“To be fiscally responsible in all we do”* – With design of the new effluent disposal wetland complete, the Wastewater Fund moves one step closer to implementing the alternative wastewater treatment process. This wetland already allowed the City to reduce the wastewater system development charges by 50 percent and with implementation, will stabilize rates into the future.
- *“Provide quality municipal services and programs which contribute to community desirability”* – The Wastewater Department worked closely with DEQ on the design of the new effluent disposal wetland.

Grants Received for FY 17

- Oregon State Parks Land and Water Conservation Grant - \$260,000. This grant is related to the proposed recreational improvements at the yet-to-be constructed wastewater treatment plant.
- Business Oregon Grant - \$750,000. This grant will fund improvements to the wastewater treatment plant
- Rural Development - \$1,000,000. This grant will fund improvements to the wastewater treatment plant.

Strategic Planning Updates

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

Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Treatment Plant		
Aerator updates	\$ 200,000	\$ 200,000
Horseshoe equipment shed	\$ 40,000	\$ 40,000
Sanitary Sewer (Materials and Services)		
Manhole rehabilitation (10 per year)	\$ 35,000	\$ 35,000
Infiltration and inflow maintenance	\$ 50,000	\$ 50,000
Capital Outlay Total	\$ 325,000	\$ 325,000

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 81.

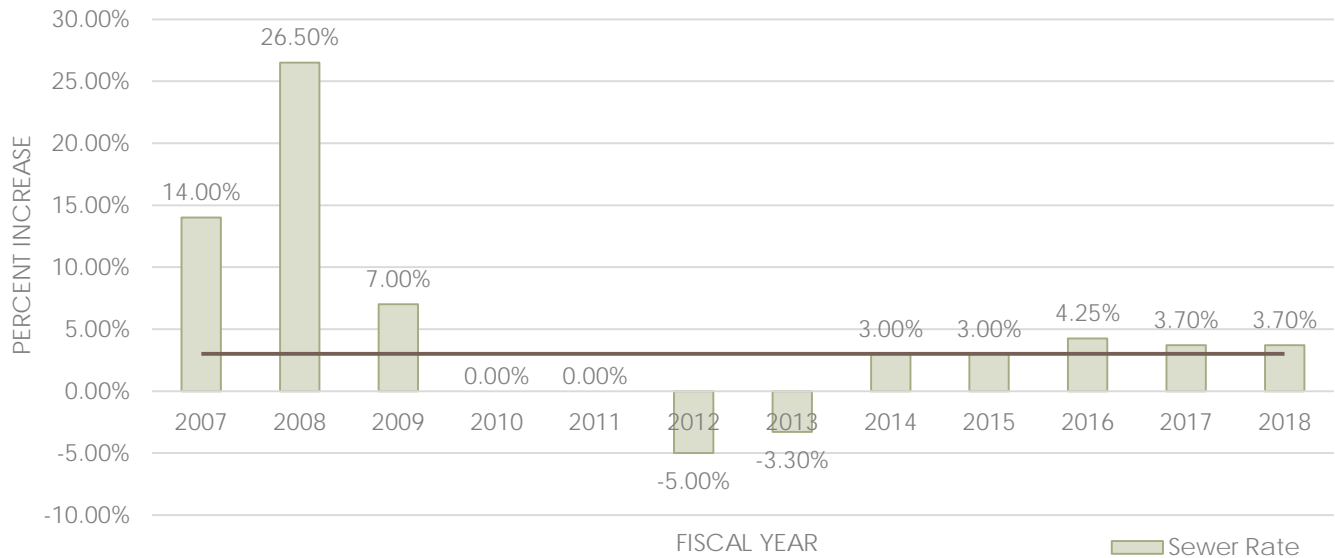
The capital improvement project (CIP) expenditures discussed in the preceding section are primarily related to scheduled preventative maintenance activities. As the City’s infrastructure reaches its expected useful life span, maintenance activities sharply increase, significantly impacting budgets. By performing preventative maintenance activities when scheduled, impacts to maintenance budgets are controlled and expenditures are reduced. This is another example of the City of Prineville controlling future unanticipated costs by professionally managing the public’s infrastructure.





Heavy machines circle up for the Crooked River Wetlands groundbreaking ceremony in April 2016.

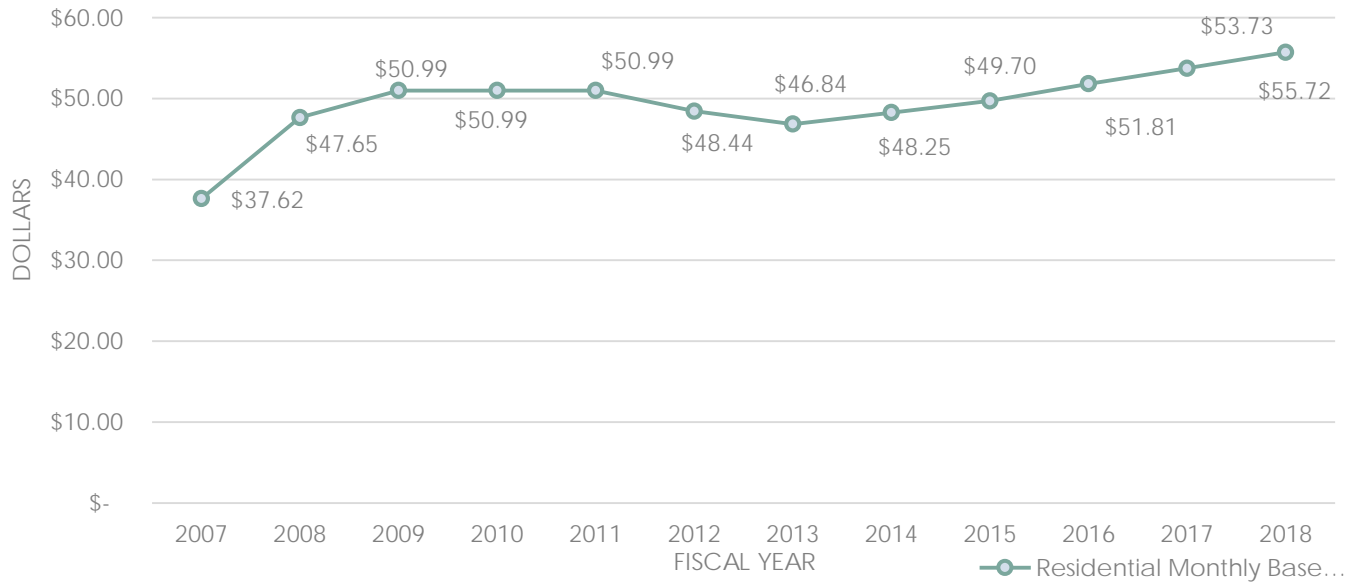
Performance Measures Residential Sewer Rate Increases Rate Increase/Decrease Percent by Fiscal Year



In previous years, the City of Prineville experienced double-digit rate increases to meet debt to income ratio requirements. Within the last seven years, with the economic climate and up to 21 percent unemployment, the City maintained a 0 percent increase for two consecutive years. Rates then decreased for two consecutive years by 8.3 percent to help offset increasing water rates and stabilized total monthly utility costs. The City’s goal is to achieve a modest consumer price index (CPI) increase of 3 percent annually. With the additional debt service budgeted for the wetlands project, it is necessary to increase rates above CPI to maintain the debt coverage ratio needed to support the additional debt. The performance goal is to introduce a modest CPI yearly increase. In FY 17, the City is slightly above CPI at 3.7 percent.



Residential Sewer Rate Trending Rates by Fiscal Year



The sky reflects on one of the holding pond at the wastewater treatment plant in November 2016.



Wastewater Budget

Resources	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 14-15	FY 15-16	Budget FY 16-17	FY 16-17	Budget FY 17-18	Budget FY 17-18	Budget FY 17-18
Beginning fund balance	\$ 1,136,024	\$ 1,766,550	\$ 1,554,950	\$ 1,657,741	\$ 1,962,841	\$ 1,962,841	\$ 1,962,841
Current year resources							
Charges for services	3,017,850	3,194,346	3,297,500	3,312,000	3,481,000	3,481,000	3,481,000
Intergovernmental							
Interest	4,126	5,244	4,000	4,000	5,000	5,000	5,000
Miscellaneous	650,009	29,373	25,100	218,400	88,800	88,800	88,800
SDC Reimbursement Fee	21,815	31,300	50,000	52,000	77,600	77,600	77,600
Debt Proceeds			4,500,000		4,500,000	4,500,000	4,500,000
Total current year resources	\$ 3,693,800	\$ 3,260,263	\$ 7,876,600	\$ 3,586,400	\$ 8,152,400	\$ 8,152,400	\$ 8,152,400
Total resources	\$ 4,829,824	\$ 5,026,813	\$ 9,431,550	\$ 5,244,141	\$ 10,115,241	#####	\$ 10,010,241
Expenditures	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 14-15	FY 15-16	Budget FY 16-17	FY 16-17	Budget FY 17-18	Budget FY 17-18	Budget FY 17-18
Personnel Services	\$ 117,043	\$ 99,059	\$ 113,200	\$ 119,800	\$ 116,400	\$ 116,400	\$ 116,400
Materials and services	536,265	467,327	608,500	608,300	598,800	598,800	598,800
Franchise fee expense	151,000	159,000	164,000	164,000	173,000	173,000	173,000
Capital outlay							
Improvements	118,288	484,467	240,000	135,000	325,000	325,000	325,000
Debt service							
Principal							
DEQ CWSRF R74682/2	410,714	422,878	435,400	435,400	448,300	448,300	448,300
Refunding 2011 /Principal	80,000	85,000	125,000	125,000	170,000	170,000	170,000
DEQ Bridge Loan			4,500,000		4,500,000	4,500,000	4,500,000
State of Oregon IFA					26,600	26,600	26,600
USDA 2015					66,400	66,400	66,400
Interest							
DEQ CWSRF R74682/2	176,506	155,973	151,900	151,900	139,000	139,000	139,000
Refunding 2011 / interest	205,194	202,794	200,300	200,300	195,300	195,300	195,300
DEQ Bridge Loan	-	-	45,000				
State of Oregon IFA			10,000		10,000	10,000	10,000
USDA 2015					103,200	103,200	103,200
Fees							
DEQ CWSRF R74682/2	15,264	28,474	26,400	26,400	24,200	24,200	24,200
Transfers	1,253,000	1,264,100	1,315,200	1,315,200	1,341,500	1,341,500	1,341,500
Contingency			1,192,650		1,421,241	1,316,241	1,316,241
Total expenditures	\$ 3,063,274	\$ 3,369,072	\$ 9,127,550	\$ 3,281,300	\$ 9,658,941	\$ 9,553,941	\$ 9,553,941
Other requirements							
Debt service reserves	\$ -	\$ -	\$ 304,000	\$ -	\$ 456,300	\$ 456,300	\$ 456,300
Ending fund balance	\$ 1,766,550	\$ 1,657,741	\$ -	\$ 1,962,841	\$ -	\$ -	\$ -

Personnel

Wastewater Fund FTEs by Position FY 15- 18				
	FY 15 Actual	FY 16 Actual	FY 17 Actual	FY 18 Forecast
Wastewater Treatment Plant Supervisor	1.00	1.00	1.00	1.00
Utility Worker	1.00			
Wastewater Department Total	2.00	1.00	1.00	1.00

No staffing changes for FY 18.

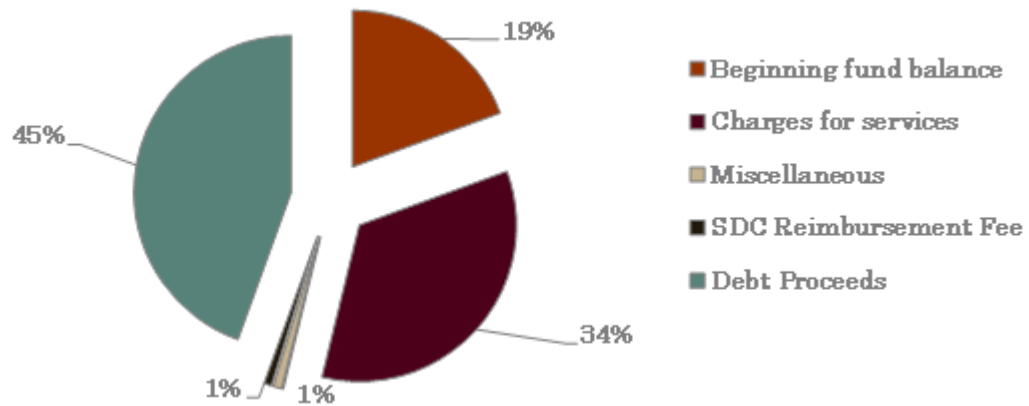


Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 16-17	Proposed FY 17-18 Beginning Fund Balance	% Change FY 17 to FY 18	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Wastewater	\$1,657,741	\$1,962,841	18%	\$1,421,241	\$1,416,025	0%

The beginning fund balance increased approximately 18 percent from the prior, but is budgeted to decrease in fund balance by 38 percent at year end. This is due to new debt service payments and an increase in debt reserve requirements. The fund exceeds the City's policy requirements by less than 1 percent.

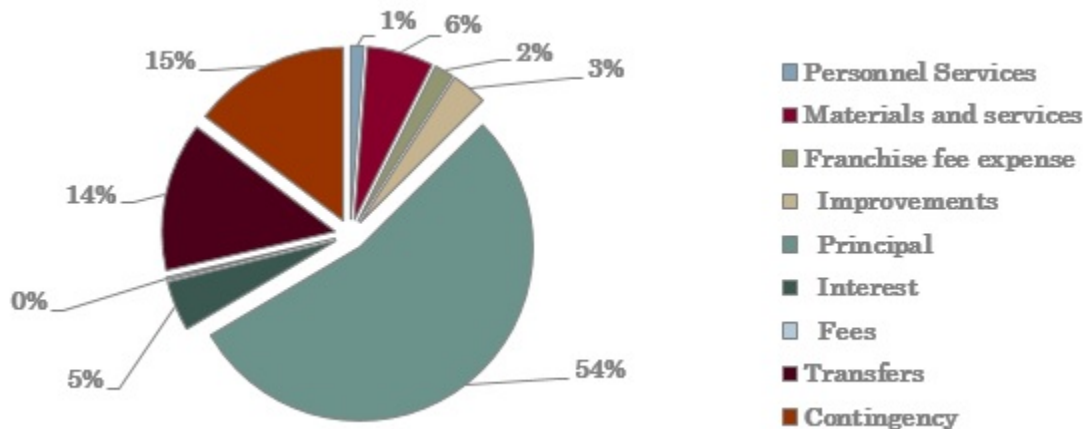
Resources



Assumptions

Charges for services are budgeted to increase over the year-end estimates by approximately 5 percent. In FY 18, a rate adjustment set by resolution of 3.7 percent is budgeted for wastewater services. Debt proceeds of \$4.5 million are budgeted to pay off interim borrowing for the Crooked River Wetland Project.

Requirements



Assumptions

For 18, personnel services increased 3 percent over the prior year budget, materials and services increased 5 percent, capital improvements total \$325,000, and debt service is 59 percent of budgeted expenditures due to budgeted debt repayment of interim borrowing of \$4.5 million.





Golf Course Fund Responsibilities to the Community

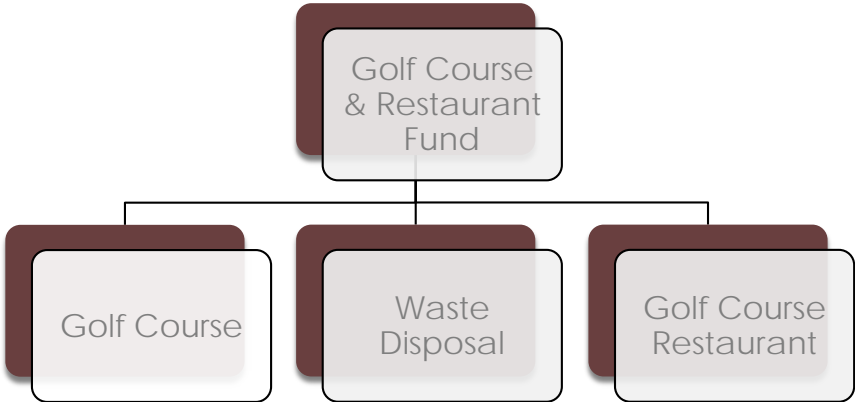
Meadow Lakes Golf Course is charged with the unique task of efficiently disposing wastewater in an environmentally responsible way, while also efficiently running and operating an enterprise fund. While the restaurant and golf course operations are charged with the primary goal of providing outstanding 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 departments follow their primary objectives while maintaining fiscal responsibility by staying within budget guidelines set by the revenues received and expenditures planned for the year.

This fund accounts for the operation of the City's municipal golf course and restaurant (Meadow Lakes) 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 to the course including the effluent disposal site, and operation/administration of the restaurant. 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.



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.



Example of the scenery at the Meadow Lakes Golf Course.



Goals and Objectives for FY 18

Department Goals	City Council Goals
Continue to advertise and promote the restaurant and golf course together, and individually, with carefully selected media and added value offers	Provide quality municipal services and programs which contribute to community desirability
Continue the process of replacing dying coniferous trees – due to their incompatibilities with the soil and water levels – with deciduous trees compatible to the area	Strive to position the city to meet future demands of businesses and citizens
Review and adjust the lunch menu, and make necessary improvements in the restaurant to increase profitability and maintain high food standards	To be fiscally responsible in all we do
Increase daily play golf revenue by 5 percent over FY 17	To be fiscally responsible in all we do
Continue the proactive approach to maintain the health and clarity of the nine effluent ponds on the course	Strive to position the city to meet future demands of businesses and citizens
Increase annual golf pass revenue by 10 percent over FY 17	To be fiscally responsible in all we do
Increase merchandise sales in the golf shop by 10 percent over FY 17	To be fiscally responsible in all we do
Continue to utilize the newly updated website, one that highlights the golf course and the banquet facility and helps promote the wide variety of events that can be accommodated at Meadow Lakes, as a marketing tool for customers of both the restaurant and golf course	Strive to improve on transparency and effective communication
Replace one of the current aging fairway mowers with a new, cost-efficient and environmentally friendly mower	Strive to position the city to meet future demands of businesses and citizens
Replace bar refrigeration and beer taps and with newer model “Turbo-Taps,” which reduce the amount of wasted tap beer, therefore are more cost-effective	Strive to position the city to meet future demands of businesses and citizens
Continue to support local non-profits through the donation of golf rounds and hosting fundraising events at the facility	Provide quality municipal services and programs which contribute to community desirability

Executive Summary

Meadow Lakes serves as both a municipal golf course and a wastewater disposal site to Prineville. After 24 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*, as well as “one of Central Oregon’s best golf values” by the *Bend Bulletin*. Meadow Lakes houses a full-service restaurant and lounge with facilities for hosting weddings, auctions, fundraisers and other large events. The restaurant staff strives to keep both its 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.





Fleet of 54 electric Yamaha golf carts purchased in July 2015

Accomplishments for FY 17

- Repaved the cart path from the maintenance shed to the south gate. This area was particularly low-quality asphalt due to the large/heavy delivery and service trucks that access the maintenance shed via the south entrance.
- Continued to increase and improve maintenance practices on the nine effluent ponds to drastically reduce the amount of algae/weed growth on the ponds during the growing season, while also coming in 2 percent under budget in the pond maintenance line item.
- Used the updated website as a tool to drive additional revenue to the golf course and restaurant. Management's ability to update and edit the site allowed for a more specific and aggressive utilization of the website. Customers have been referred to the website for information, whereas in the past the website referred customers to staff for additional information.
- Updated the course motto to "More Golf...Less Green" to highlight the golf course's perceived value to the customer through marketing channels.
- Meadow Lakes Head Superintendent Steve Reynolds was named Superintendent of the Year by the Oregon Golf Association – a true testament to the quality course conditions during the season.
- Cut down seven pine trees that had died/were dying and replaced with hybrid-willows that thrive in the conditions of the golf course (including soil and water levels).
- Adjusted the breakfast menu resulting in 6 percent more revenue on breakfast entrees compared to FY 16.



- Increased the ending fund balance over the prior year despite being shut down for a record 72 consecutive days during the winter months, and having additional closure time during the spring due to flooding caused by the high flows of the Crooked River.
- Continued to play a large role in the community for fundraising efforts for local non-profits. Meadow Lakes donated 360 rounds of golf, valued at nearly \$16,500. Meadow Lakes also hosted a number of fundraising events, including the Crook County High School Golf Team, Kiwanis Club, Tri County Rodeo Club, Soroptimist and Humane Society fundraising tournaments. Funds raised from these events totaled over \$60,000.
- Replaced aging ovens, flat top and hot dog machine in the restaurant with more energy efficient models resulting in an energy rebate of \$1,200 from Energy Trust. The new flat top is also more efficient during lunch time due to 50 percent more grill space, which has resulted in meal delivery time being decreased by 15 percent.
- Increased social media presence by adding an Instagram page and increasing the number of posts on Facebook. Facebook posts generated over 2,100 likes as compared to just 450 in FY 16.

Strategic Planning Updates



View from one of the ponds out on the course.

- Short-term – Meadow Lakes is to maintain the highest possible golf and restaurant 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 and programming for golf and the restaurant. The main goal is to establish Meadow Lakes as a key facility in the community for both food and 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

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Project		
Replace coolers/beer taps in bar	\$ 10,000	\$ 10,000
Bunker sand	\$ 14,000	\$ 14,000
Fairway mower	\$ 25,000	\$ 25,000
Capital Outlay Total	\$ 49,000	\$ 49,000

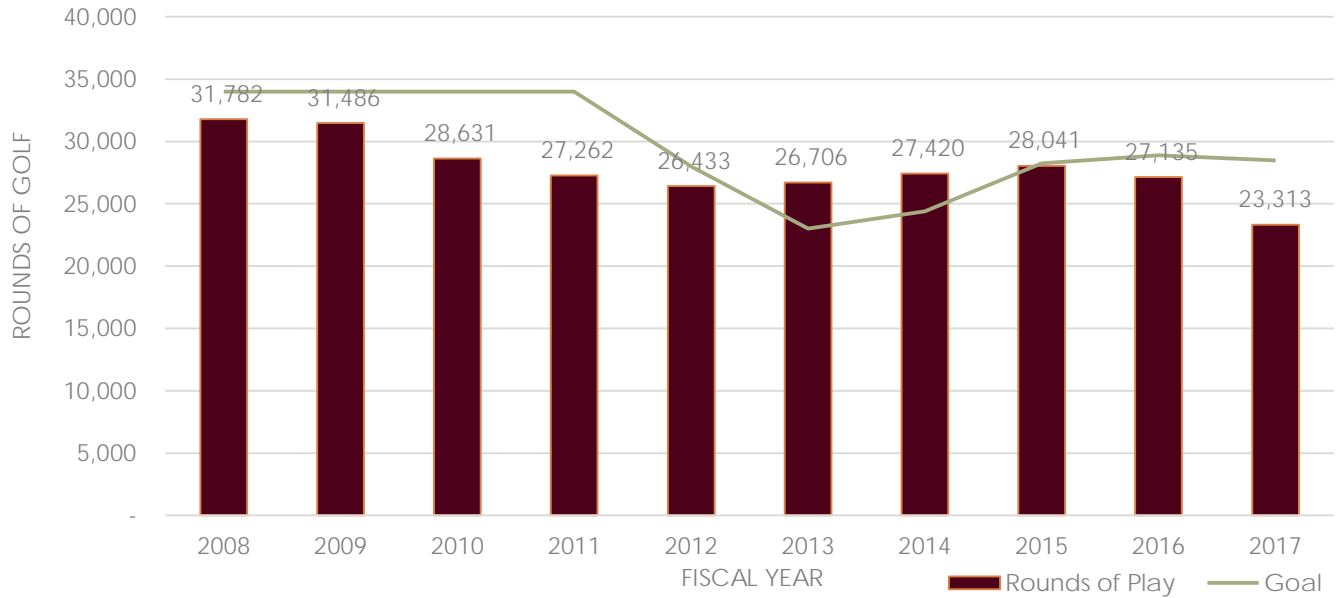
A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 81.

Performance Measures Golf Daily Play Revenue

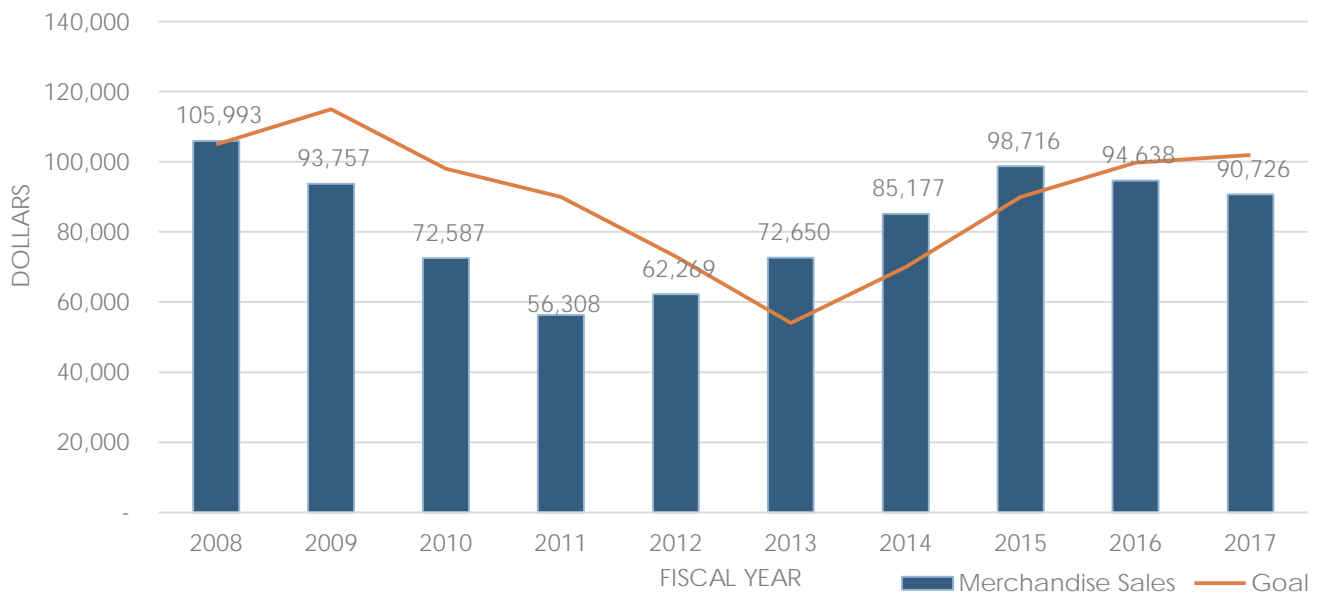
Revenue Generated by Golf Rounds per Fiscal Year



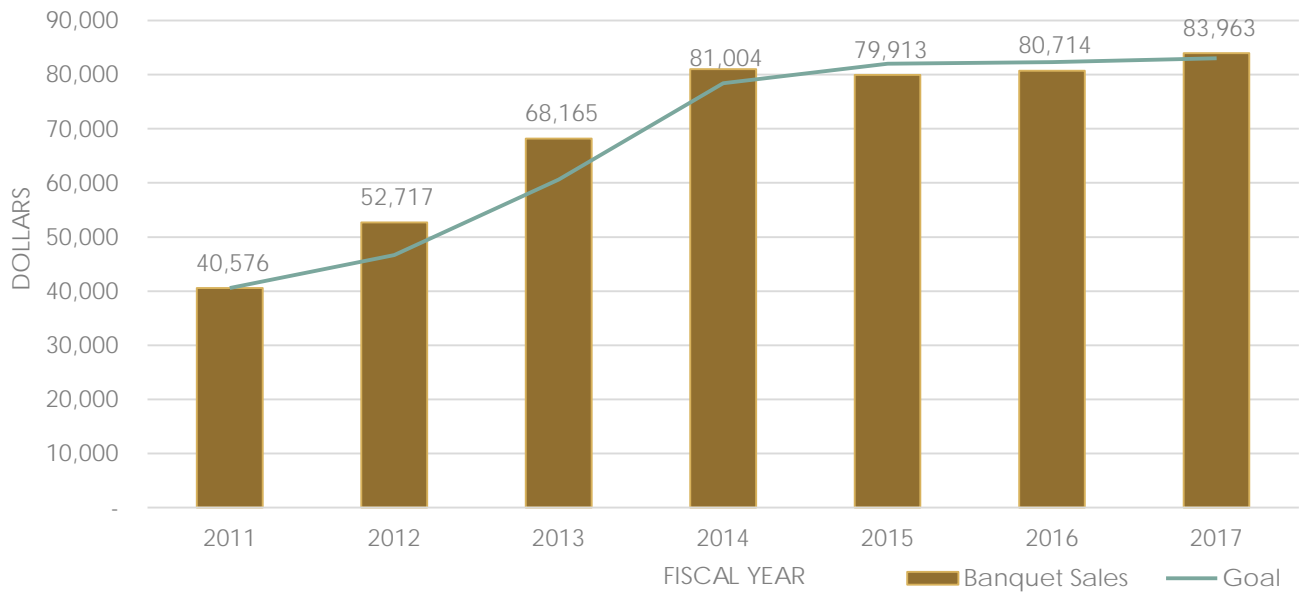
Rounds of Play Rounds of Golf Sold During Fiscal Year



Proshop Merchandise Sales Merchandise Revenue by Fiscal Year



Banquet Sales Customer Banquet Sales by Fiscal Year



Merchandise Expenditures Merchandise Purchases for Proshop Sales by Fiscal Year



Golf Course Budget

Resources	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Beginning fund balance	\$ 403,694	\$ 542,662	\$ 330,462	\$ 373,308	\$ 423,008	\$ 423,008	\$ 423,008
Current year resources							
Charges for services							
Golf Course	\$ 736,677	\$ 726,213	\$ 758,000	\$ 713,700	\$ 762,000	\$ 762,000	\$ 762,000
Waste disposal	350,000	370,000	370,000	370,000	370,000	370,000	370,000
Restaurant	376,330	410,783	437,000	404,600	442,000	442,000	442,000
Interest	2,262	2,275	2,500	2,500	2,500	2,500	2,500
Miscellaneous	14,217	6,171	7,000	11,500	7,000	7,000	7,000
Debt proceeds	176,188		-	-			
Total current year resources	\$ 1,655,674	\$ 1,515,442	\$ 1,574,500	\$ 1,502,300	\$ 1,583,500	\$ 1,583,500	\$ 1,583,500
Total resources	\$ 2,059,368	\$ 2,058,104	\$ 1,904,962	\$ 1,875,608	\$ 2,006,508	\$ 2,006,508	\$ 2,006,508
Expenditures							
Golf Course	\$ 492,792	\$ 616,246	\$ 460,800	\$ 414,300	\$ 464,500	\$ 464,500	\$ 464,500
Waste disposal	459,807	458,281	442,300	423,900	441,900	441,900	441,900
Restaurant	487,341	509,411	527,800	514,500	566,400	566,400	566,400
Debt service							
Principal - BOTC FFC	-	21,079	23,900	23,900	23,900	23,900	23,900
Interest - BOTC FFC	-	4,435	4,100	4,100	4,100	4,100	4,100
Principal - Credit facility	43,729	45,546	22,800	23,400			
Interest - Credit facility	4,187	2,371	2,100	500			
Principal - 2011 bonds	10,000	10,000	30,000	30,000	40,000	40,000	40,000
Interest - 2011 bonds	18,850	17,426	18,000	18,000	17,000	17,000	17,000
Contingency			373,162		448,708	448,708	448,708
Total expenditures	\$ 1,516,706	\$ 1,684,796	\$ 1,904,962	\$ 1,452,600	\$ 2,006,508	\$ 2,006,508	\$ 2,006,508
Ending fund balance	\$ 542,662	\$ 373,308	\$ -	\$ 423,008	\$ -	\$ -	\$ -



Stormy November afternoon out on the golf course.





FY 17 was the first year snow shoeing was allowed on the golf course.

Personnel

Golf Course Fund FTEs by Position FY 15 – 18				
	FY 15 Actual	FY 16 Actual	FY 17 Actual	FY 18 Forecast
Golf Course & Restaurant				
Golf Manager/Head Professional	1.00	1.00	1.00	1.00
Golf Course Disposal Site				
Superintendent	1.00	1.00	1.00	1.00
Greenskeeper/Irrigation Tech	1.00	1.00	1.00	1.00
Mechanic	1.00	1.00		
Golf Course Operations				
Assistant Golf Operations Manager	1.00	1.00		
Restaurant Operations				
Restaurant Supervisor	1.00	1.00	1.00	1.00
Kitchen Manager	1.00	1.00	1.00	1.00
Golf Course Department Total	7.00	7.00	5.00	5.00

No staffing changes in FY 18.

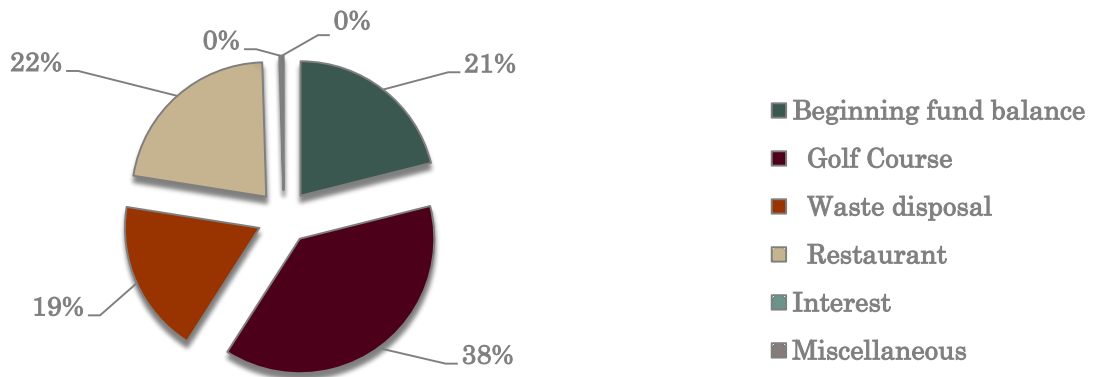


Beginning Fund Balance and Ending Fund Balance Contingency Comparison

Fund	Actual Beginning Fund Balance FY 16-17	Proposed FY 17-18 Beginning Fund Balance	% Change FY 17 to FY 18	Proposed Ending Fund Balance / Contingency	Reserve Requirements by Policy	Over (Under) Requirements
Golf Course and Restaurant	\$373,308	\$423,008	13%	\$448,708	\$314,023	43%

In FY 18, the beginning fund balance increased approximately 13 percent over the prior year. This is largely due to the restructure of personnel during FY 17. Fund balance is budgeted to increase 6 percent in FY 18. This fund exceeds the City's policy requirements by 43 percent.

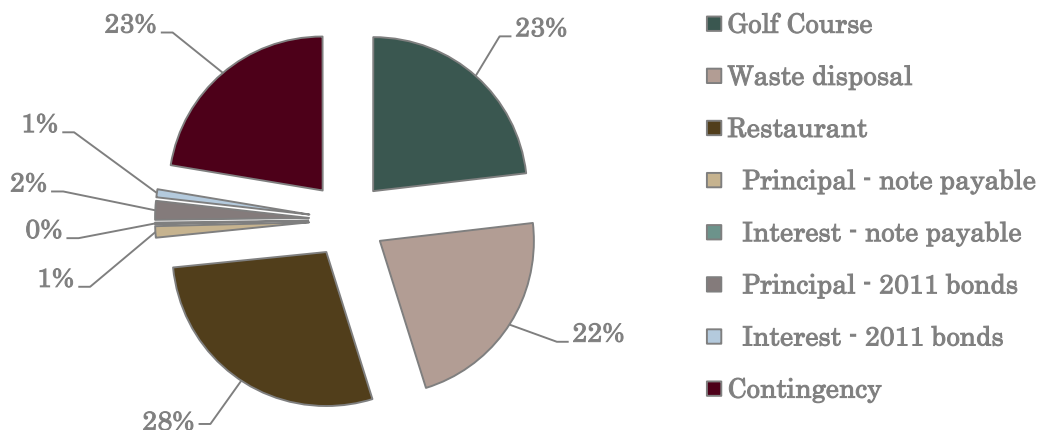
Resources



Assumptions

Golf revenue projections for operations in FY 18 propose a 7 percent increase in golf over year-end estimates and a 9 percent increase in the restaurant. The transfer from the Wastewater Fund remains the same as the prior year.

Requirements



Assumptions

Personnel services will increase approximately 3 percent in FY 18, materials and services will increase 13 percent, and the budget for capital expenditures is \$49,000 for FY 18.





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. Recently, the *Bend Bulletin* called Meadow Lakes "one of Central Oregon's best golf values," and the course was rated by *Golf Advisors* as a "Top-3" municipal course in the state of Oregon.

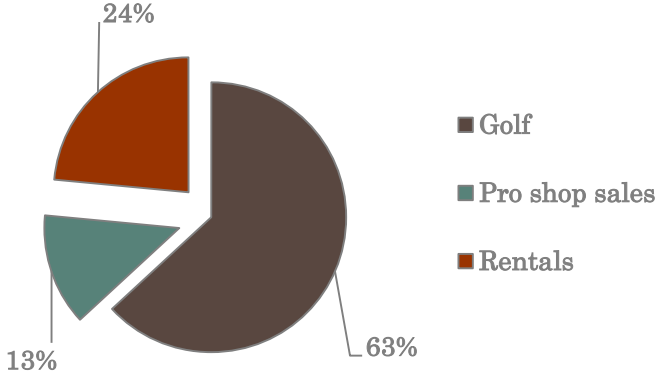
In the upcoming budget year, Meadow Lakes will continue to strategically improve the condition of the golf course and upgrade aging equipment throughout the facility using the allocated resources. Projects that extend the life of the course and reduce maintenance/operating costs are the primary focus. These improvement projects are to run in tandem with increasing restaurant and golf course patrons through specials, advertising, high food quality, superior course conditions and top-notch customer service in an effort to build the fund balance for the facility.



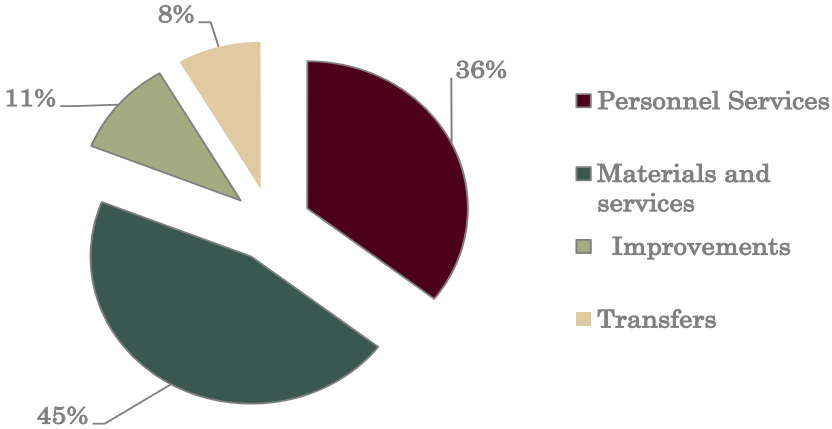
Golf Course Operations Budget

	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Revenue							
Golf	\$ 465,778	\$ 455,404	\$ 477,000	\$ 444,500	\$ 481,000	\$ 481,000	\$ 481,000
Pro shop sales	98,717	94,638	102,000	93,500	102,000	102,000	102,000
Rentals	172,182	176,171	179,000	175,700	179,000	179,000	179,000
Total revenue	\$ 736,677	\$ 726,213	\$ 758,000	\$ 713,700	\$ 762,000	\$ 762,000	\$ 762,000
Expenditures							
Personnel Services	\$ 172,047	\$ 197,659	\$ 158,000	\$ 157,800	\$ 165,000	\$ 165,000	\$ 165,000
Materials and services	199,979	190,199	206,500	195,400	211,400	211,400	211,400
Capital outlay							
Improvements	26,710	179,088	58,000	22,800	49,000	49,000	49,000
Transfers	42,200	49,300	38,300	38,300	39,100	39,100	39,100
Total expenditures	\$ 440,936	\$ 616,246	\$ 460,800	\$ 414,300	\$ 464,500	\$ 464,500	\$ 464,500

Resources



Requirements





Wastewater Disposal Executive Summary

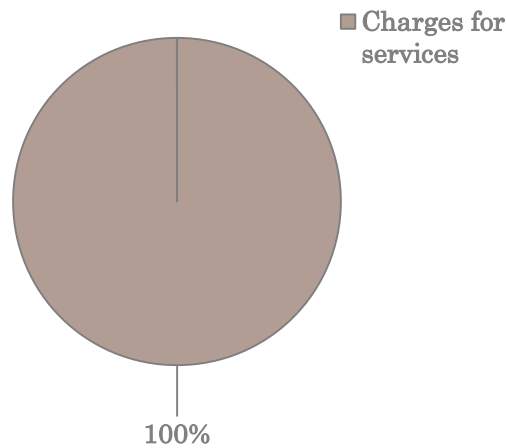
In 1988, the City of Prineville faced fines of up to \$25,000 per day if it did not find a way to dispose of the wastewater that was being discarded into the Crooked River. Since the City did not possess the capital to construct an expensive mechanical treatment facility, the US Environmental Protection 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.



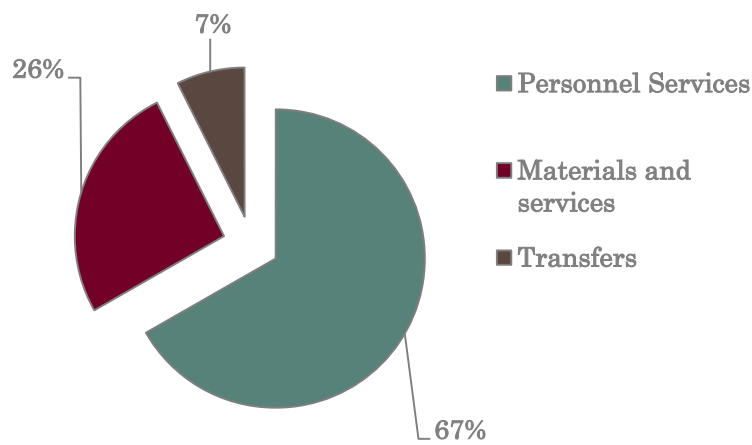
Wastewater Disposal Budget

	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Revenue							
Charges for services	\$ 350,000	\$ 370,000	\$ 370,000	\$ 370,000	\$ 370,000	\$ 370,000	\$ 370,000
Total revenue	\$ 350,000	\$ 370,000	\$ 370,000	\$ 370,000	\$ 370,000	\$ 370,000	\$ 370,000
Expenditures							
Personnel Services	\$ 304,039	\$ 318,761	\$ 291,700	\$ 295,000	\$ 294,900	\$ 294,900	\$ 294,900
Materials and services	108,345	103,620	117,900	96,200	114,300	114,300	114,300
Transfers	33,600	35,900	32,700	32,700	32,700	32,700	32,700
Total expenditures	\$ 445,984	\$ 458,281	\$ 442,300	\$ 423,900	\$ 441,900	\$ 441,900	\$ 441,900

Resources



Requirements





Golf Course Restaurant Executive Summary

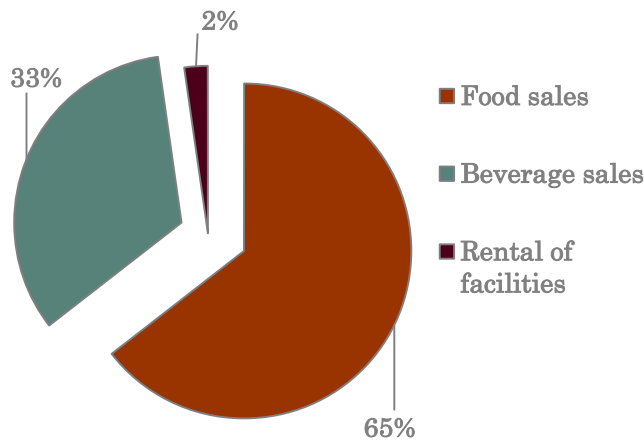
Meadow Lakes Restaurant is proud of its claim as being Central Oregon's best golf restaurant. The delicious food, coupled with a great atmosphere and spectacular views of the golf course and Crooked River, makes Meadow Lakes Restaurant one of Prineville's premiere dining destinations. The facility features 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.



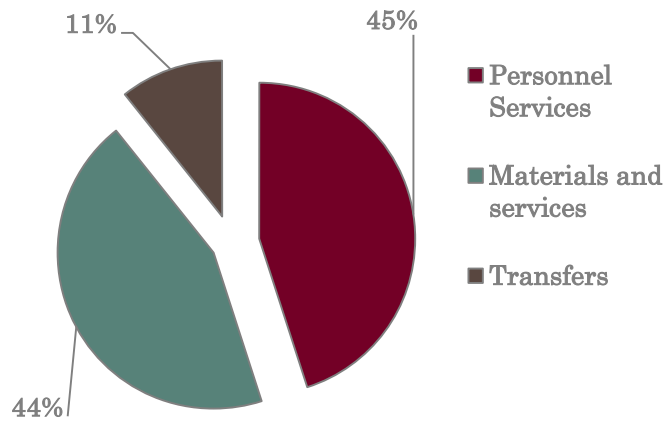
Restaurant Operations Budget

	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Revenue							
Food sales	\$ 251,464	\$ 264,507	\$ 282,000	\$ 260,000	\$ 285,000	\$ 285,000	\$ 285,000
Beverage sales	123,819	138,114	146,000	136,600	147,000	147,000	147,000
Rental of facilities	7,890	8,162	9,000	8,000	10,000	10,000	10,000
Total revenue	\$ 383,173	\$ 410,783	\$ 437,000	\$ 404,600	\$ 442,000	\$ 442,000	\$ 442,000
Expenditures							
Personal services	\$ 194,730	\$ 228,586	\$ 238,600	\$ 238,500	\$ 255,000	\$ 255,000	\$ 255,000
Materials and services	203,686	227,225	232,800	219,600	250,700	250,700	250,700
Capital outlay Improvements							
Transfers	42,600	53,600	56,400	56,400	60,700	60,700	60,700
Total expenditures	\$ 441,016	\$ 509,411	\$ 527,800	\$ 514,500	\$ 566,400	\$ 566,400	\$ 566,400

Resources



Requirements





Administration/Support Services Fund
Public Works Support Services Fund
Building Facilities Fund
Plaza Maintenance Fund

Internal Service Funds



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Administration/Financial Support Services Fund Responsibilities to the Community

The purpose of the Administration/Financial Support Services Fund is to account for the 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

Resources	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Beginning fund balance	\$ 162,567	\$ 328,700	\$ 324,600	\$ 415,880	\$ 434,380	\$ 434,380	\$ 434,380
Current year resources							
Charges for services	\$ 1,946,490	\$ 1,972,486	\$ 2,122,500	\$ 2,121,500	\$ 2,176,100	\$ 2,176,100	\$ 2,176,100
Interest	1,842	2,420	1,500	2,000	2,000	2,000	2,000
Total current year resources	\$ 1,948,332	\$ 1,974,906	\$ 2,124,000	\$ 2,123,500	\$ 2,178,100	\$ 2,178,100	\$ 2,178,100
Total resources	\$ 2,110,899	\$ 2,303,606	\$ 2,448,600	\$ 2,539,380	\$ 2,612,480	\$ 2,612,480	\$ 2,612,480

Expenditures	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
City Council	\$ 71,756	\$ 74,837	\$ 85,500	\$ 80,400	\$ 86,200	\$ 86,200	\$ 86,200
Administration/team services	697,869	634,641	770,900	725,800	747,000	747,000	747,000
Financial services	642,612	678,625	735,400	733,100	839,100	839,100	839,100
Information technology	369,962	499,623	556,000	565,700	623,300	623,300	623,300
Contingency			300,800	-	316,880	316,880	316,880
Total expenditures	\$ 1,782,199	\$ 1,887,726	\$ 2,448,600	\$ 2,105,000	\$ 2,612,480	\$ 2,612,480	\$ 2,612,480
Ending fund balance	\$ 328,700	\$ 415,880	\$ -	\$ 434,380	\$ -	\$ -	\$ -

Personnel

Administration/Financial Support Services Fund				
FTEs by Position				
FY 15- 17				
	FY 15 Actual	FY 16 Actual	FY 17 Actual	FY 18 Forecast
City Manager	1.00	1.00	1.00	1.00
Administrative Assistant/City Recorder	1.00	1.00	1.00	1.00
Finance Director	1.00	1.00	1.00	1.00
Finance Assistant I			1.00	
Finance Assistant II	4.00	3.00	2.00	3.00
Finance Assistant III		1.00	1.00	1.00
Accounting Supervisor			1.00	1.00
IT Manager	1.00		1.00	1.00
IT Specialist I	0.50	0.50	1.00	1.00
IT Specialist II	1.00	1.00	1.00	1.00
Human Resource Manager/Risk Manager	1.00	1.00	1.00	1.00
Procurement/Contract Administration	1.00	1.00	1.00	1.00
Administration/Financial Support Services Fund Total	11.50	10.50	13.00	13.00

Personnel restructuring took place in the Finance Department during FY 17. Part-time help was hired and later consolidated to a full-time position. Finance Assistant I promoted to Finance II in FY 18.





City Council 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)
- Crook County Higher Education Advisory Committee
- Chamber of Commerce Board
- Downtown Strategic Planning Committee (City)
- Ironhorse / Barnes Butte Development Committee (City)
- Energy Facility Siting Commission (State – Governor appointed)

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 kids' 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.



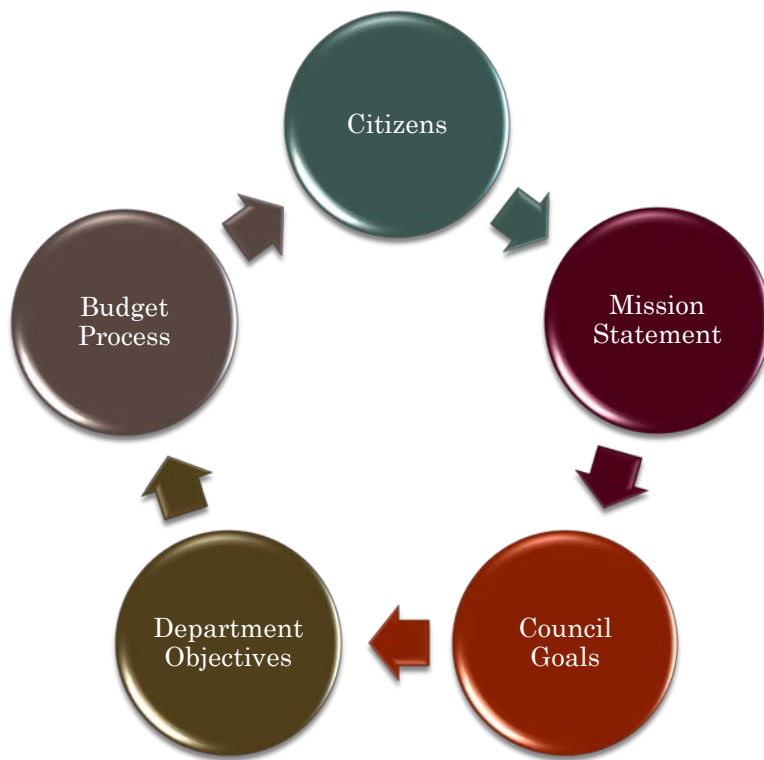
Mayor Betty Roppe with community members during Poppy Day's Proclamation. – Photo: Jason Chaney/Central Oregonian



Our City Council's Goals

In FY 17, the council and staff members took another in depth look at the City of Prineville's goals. After approximately nine years, 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. This year the City will initiate a method of measuring the success of each objectives.

- To be fiscally responsible in all we do
- Provide quality municipal services and programs which contribute to community desirability
- Strive to improve on transparency and effective communication
- Strive to position the City to meet future demands of businesses and citizens
- Community safety



One of the "If I were Mayor..." winners



City Council Budget

	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Expenditures							
Materials and services	\$ 34,256	\$ 36,237	\$ 45,000	\$ 39,900	\$ 44,500	\$ 44,500	\$ 44,500
Transfers	37,500	38,600	40,500	40,500	41,700	41,700	41,700
Total expenditures	\$ 71,756	\$ 74,837	\$ 85,500	\$ 80,400	\$ 86,200	\$ 86,200	\$ 86,200

Our Council



Mayor Betty Roppe

Mayor Betty Roppe worked for the United States Forest Service (USFS) in the 1960s. She later transitioned to the medical industry where she was the Clinic Administrator for the Monmouth/Independence Clinic and later the Prineville Medical Clinic.

This is Mayor Betty Roppe's sixth year as Prineville's mayor. For the six years prior to her election to mayor, she served as a city councilor. In addition to the Oregon Mayors Association Board (OMA) her service includes the governor's Regional Solutions Team, the Crook County Kids Club Board, the past Chair of the Central Oregon Cities Organization, the Crook County Picnic in the Park Music and Arts Program committee, and she a co-convenor of the USFS Collaboration. Mayor Roppe is also a member of the Deschutes Water Alliance and serves on the Energy Facilities Siting Commission for the State of Oregon.

Mayor Roppe and husband Jim, are proud parents and grandparents to seven children, thirteen grandchildren and nine great-grandchildren.



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 ranging from 21-month-old twins to 18 years of age.





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



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.



Councilor Teresa Rodriguez

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 come 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.





Councilor Jack Seley

Jack Seley grew up in Oregon's Willamette Valley and attended high school in Dayton, Oregon. He earned a Bachelor of Science Degree in Agriculture from Oregon State College. His 35 year career in federal land management began as a temporary summer job in the Fort Rock Valley.

Jack and his wife, who he met and married during college, moved frequently within five different states. One of those locations was Madison, Wisconsin, where he received a Master of Science Degree in Urban and Regional Planning. Jack retired from U.S. Bureau of Land Management as Chief of the Nevada State Office Land Use Planning and Environmental Staff in Reno, Nevada.

After retirement, Jack worked for several years at a law firm in an administrative capacity. Jack and his wife moved to Prineville in 2006, where they both enjoy an active retirement.



Councilor 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.





Finance Responsibilities to the Community

The purpose of the Finance Department is to provide the taxpayers of the City of Prineville, its council, and all employees, with accurate and timely data, while maximizing returns on investments, and minimizing loss and risk. The department strives to achieve its mission in a professional and friendly manner reflecting the integrity and overall mission of the City.



Goals and Objectives for FY 18

Department Goals	City Council Goals
Continue developing and updating long-range financial plans (all funds)	To be fiscally responsible in all we do
Receive clean audit from auditors	Strive to improve on transparency and effective communication
Create an internal controls manual	To be fiscally responsible in all we do
Continue to improve the budget process and document	Strive to improve on transparency and effective communication
Continue to improve financial reporting	Strive to improve on transparency and effective communication
Obtain GFOA budget and CAFR awards	Strive to improve on transparency and effective communication
Meet reserve policy requirements	Provide quality municipal services and programs which contribute to community desirability
Employee development and cross training	Provide quality municipal services and programs which contribute to community desirability
Implement capital asset tracking software	Strive to position the City to meet future demands of businesses and citizens
Implement Incode Version 10 utility software	To be fiscally responsible in all we do

Executive Summary

The Finance Department 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, and grant coordination.

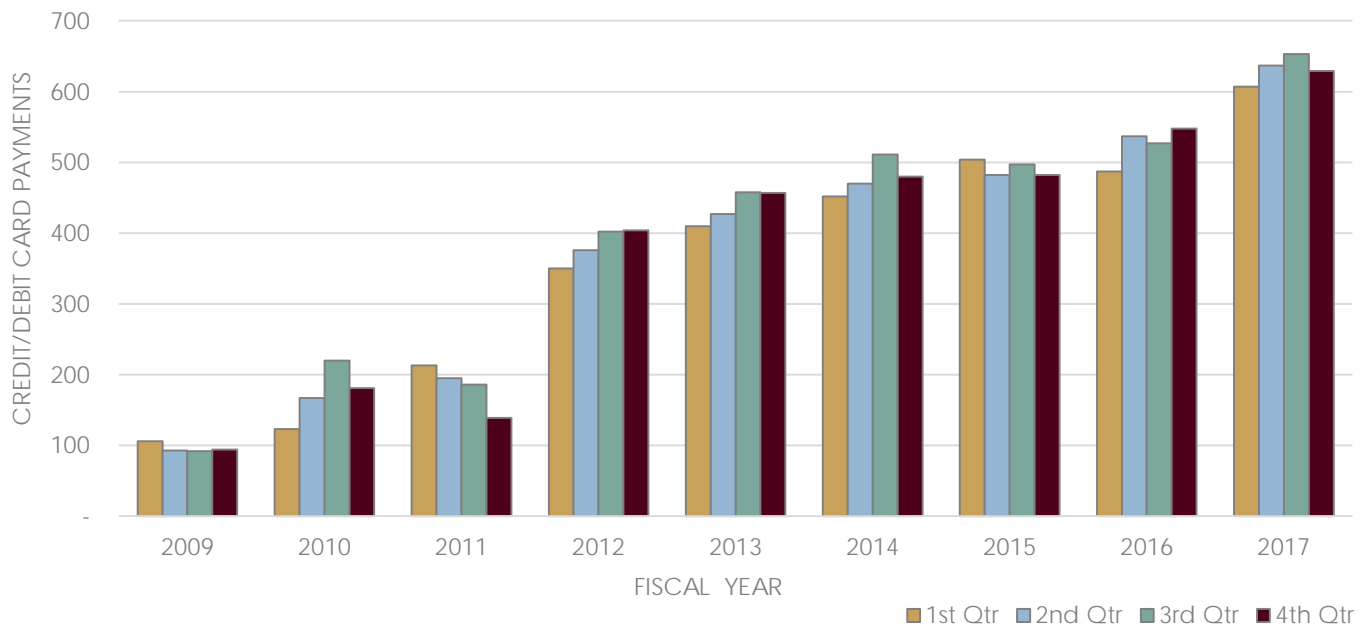
Accomplishments for FY 17

- Provided timely and accurate quarterly financial reports to City Council
- Continued cross training in all areas of finance
- Maintained quality service at the front counter and phones
- Delivered consistent, accurate billing
- Updated and maintained strategic long-range planning for water and wastewater
- Made improvements to department communication, department processes and internal controls
- Prepared financial statements and related supporting documentation in-house
- Received the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA)
- Submitted the comprehensive annual financial report (CAFR) for the Certificate of Achievement for Excellence in Financial Reporting Award from the GFOA
- Maintained the City credit rating of A+ through Standard and Poor's
- Created personalized financial workspaces for each of the department heads giving them easier access to their budget numbers and year-to-date numbers
- Completed the first city academy presentation in an effort to engage citizens and educate the community on the City of Prineville's finances



Performance Measures

Credit/Debit Card Phone Payments Card Payments per Fiscal Year by Quarter



Online Payments

Trend in Payments Made Monthly Through Web Portal



Finance Budget

	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Expenditures							
Personnel Services	\$ 406,024	\$ 441,060	\$ 430,300	\$ 440,300	\$ 542,300	\$ 542,300	\$ 542,300
Materials and services	204,388	204,365	270,200	257,900	260,800	260,800	260,800
Transfers	32,200	33,200	34,900	34,900	36,000	36,000	36,000
Total expenditures	\$ 642,612	\$ 678,625	\$ 735,400	\$ 733,100	\$ 839,100	\$ 839,100	\$ 839,100





Information Technology Responsibilities to the Community

The purpose 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.



Goals and Objectives for FY 18

Department Goals	City Council Goals
Deploy new 911 call taking system and deliver text-to-911 services to the residents of Crook County	Community Safety
Install document management software to facilitate paperless recordkeeping at Prineville City Hall and integrate into daily operations	Strive to improve on transparency and effective communication
Deploy 700/800 MHz radio inlay to improve first responder radio coverage within the urban growth boundary	Community Safety

Executive Summary

The IT Department provides cost effective technology services to the City of Prineville. 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 website, 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 IT Department develops internal programs to assist each department in gathering valuable information, 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.

Accomplishments for FY 17

- Deployed new mobile-friendly websites for the Meadow Lakes Golf Course and the Prineville-Crook County Airport
- Replaced 911 center 24-hour voice recording equipment with new technology
- Added the Crook County Sheriff’s Office to the City’s telephone system, streamlining operations between the Sheriff’s Office and the 911 center
- Installed new radio dispatch console equipment at the 911 center, replacing an end-of-life system
- Converted the City’s financial software suite to Incode Version 10, keeping the City’s software up-to-date
- Deployed new search and rescue repeater on Round Mountain and relocated other public safety radio equipment to a new facility at this site
- Extended public safety microwave network to the Crook County Fairgrounds to facilitate a dispatcher training classroom and provide an alternate location for emergency operations functions
- Conducted selection and procurement of a new 911 telephone system to be installed in FY 18



Time lapse camera installed for Wetlands Project

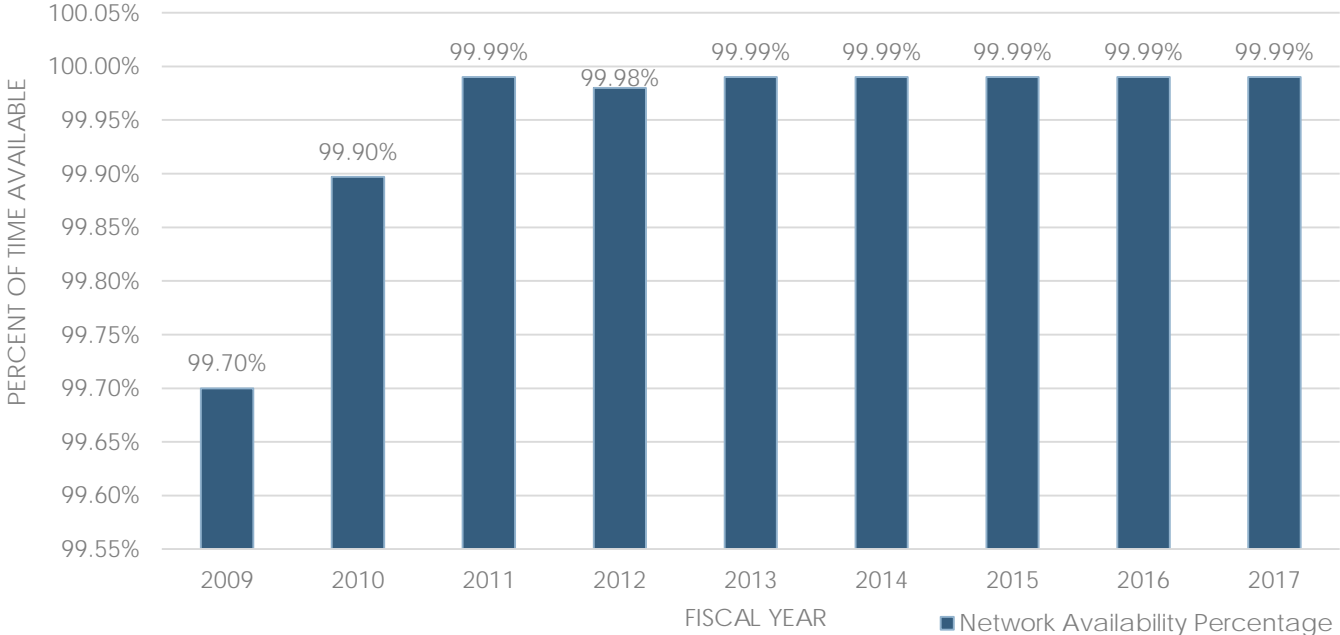


Capital Outlay

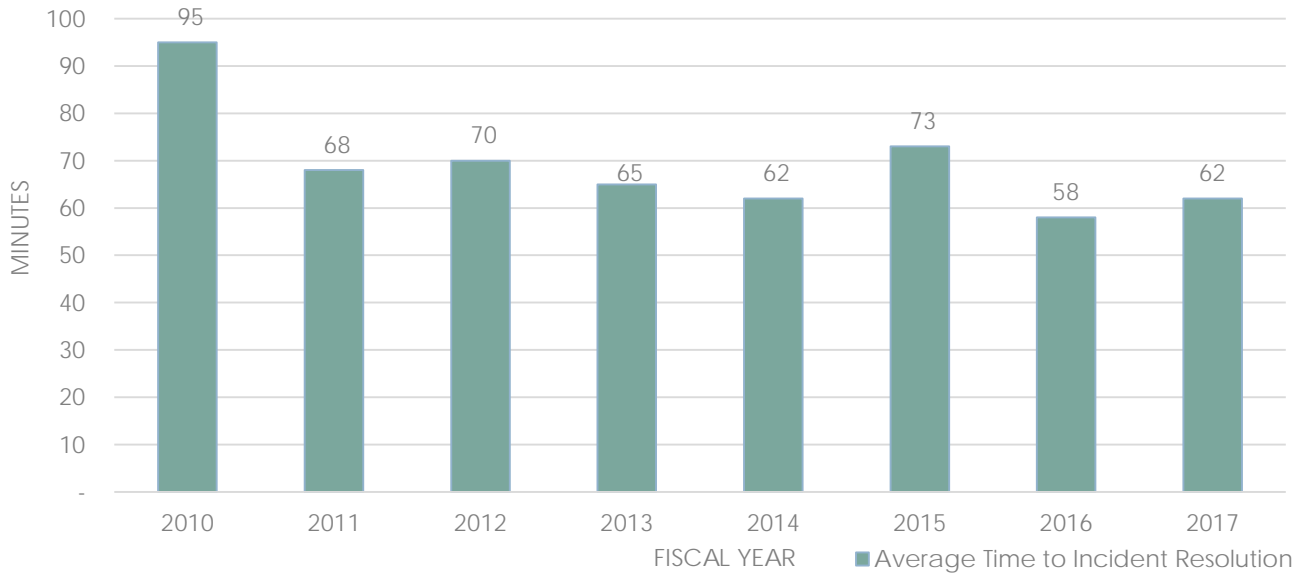
Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Project		
Incode Version 10 Financial Software Upgrade Phase II	\$	\$ 75,000
Capital Outlay Total	\$	\$ 75,000

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 81.

Performance Measurements Network Availability Percentage Average Network Up Time During Fiscal Year



Average Time to Incident Resolution Completion Time of Support Tickets per Fiscal Year



Information Technology Budget

Expenditures	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Personnel Services	\$ 159,908	\$ 209,740	\$ 270,700	\$ 255,000	\$ 278,600	\$ 278,600	\$ 278,600
Materials and services	182,415	258,287	231,500	256,900	255,500	255,500	255,500
Capital outlay							
Equipment	14,939	18,496	40,000	40,000	75,000	75,000	75,000
Transfers	12,700	13,100	13,800	13,800	14,200	14,200	14,200
Total expenditures	\$ 369,962	\$ 499,623	\$ 556,000	\$ 565,700	\$ 623,300	\$ 623,300	\$ 623,300



Mountain top radio tower maintenance requires snowmobile trips in the winter for the department.





Administration / Team Services Responsibilities to the Community

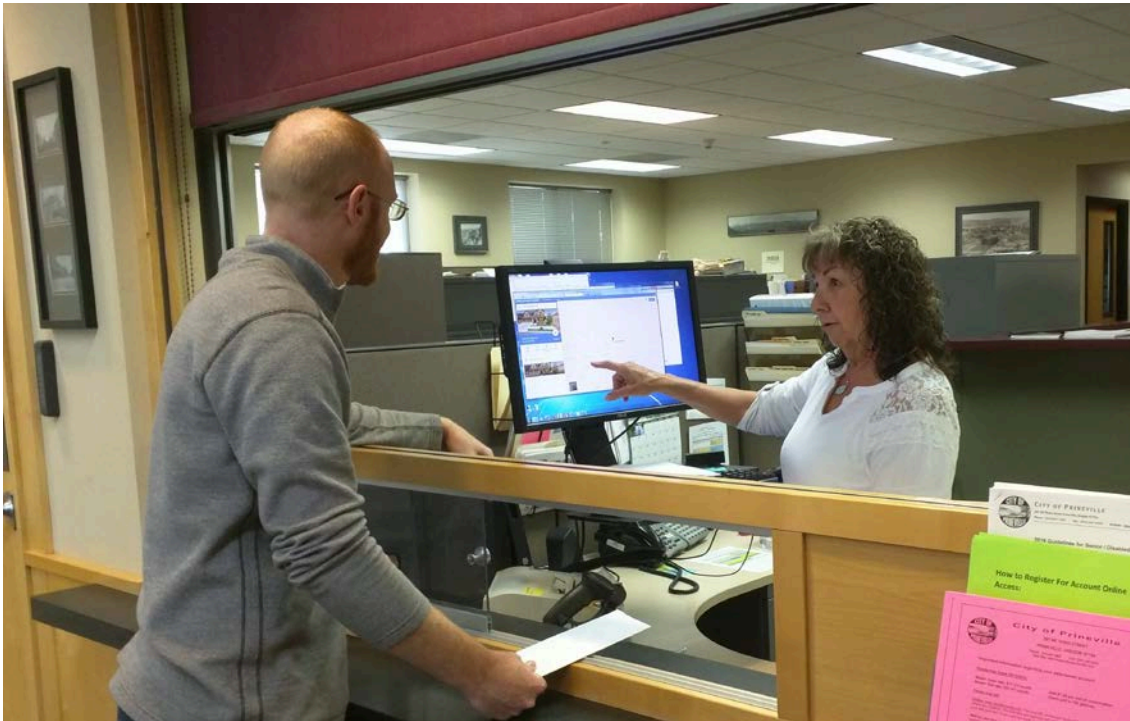
The city manager is responsible for the city administration including implementation of City Council policies and goals, enforcement of ordinances and resolutions, supervision over department managers and employees, preparation of the budget, and general management of the City's operations.

Duties of the Human Resources Department include ensuring compliance with employment-related laws and regulations, administering benefit plans, overseeing the employee performance evaluation process, managing recruitment activities, developing and interpreting personnel policies and procedures, and advising management regarding employment related issues. Initial handling of workers' compensation claims and/or insurance claims is routed through human resources. Human resources coordinates labor negotiations with the City's labor attorney, management team, and the collective bargaining units.



Goals and Objectives for FY 18

Department Goals	City Council Goals
Continue to hire highly qualified employees with appropriate knowledge, skills and abilities	Strive to position the City to meet future demands of businesses and citizens
Encourage continued professional development of valued team members	Provide quality municipal services and programs which contribute to community desirability
Provide employees with an annual compensation statement clearly showing all of the benefits associated with working for the citizens of Prineville	To be fiscally responsible in all we do
Establish and maintain a culture committed to workplace safety and health	To be fiscally responsible in all we do
Continue to carefully watch state unemployment insurance claims and workers' compensation claims, striving to reduce claims and costs associated with them in the process	To be fiscally responsible in all we do
Be vigilant about retention and succession planning as the economy rallies and employees may seek other employment opportunities or retirement	Strive to position the City to meet future demands of businesses and citizens
Follow the ever changing world of employment laws and how the City man need to adapt policies and procedures to comply with them	Strive to position the City to meet future demands of businesses and citizens



City employees Josh Smith and Shirley Manca at the utility counter.



Executive Summary

The city manager and human resources manager guide city departments with personnel issues, oversight of risk management, and the implementation of long-range plans, goals, and objectives of the City Council. 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.

The workers' compensation premium will be decreasing for 2017-2018. The modification (MOD) rate is expected to decrease to 0.91 from 0.96 last year. The City continues working with team members to be safety conscious. "Safety first!" is still the City's motto. 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 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. Employment claims are creeping upward for CIS, even as the Hire to Retire (H2R) program assists pool members with additional training. Additionally, police and jail (excessive force) claims are keeping liability claims up for CIS, though the City has not had claims of this nature.

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.

Accomplishments for FY 17

- Continued to hire highly qualified employees with appropriate knowledge, skills, and abilities
- Encouraged continued professional development of valued team members
- Continued to work on safety in the workplace
- Continue to carefully watch state unemployment insurance claims and workers' compensation claims, striving to reduce claims and costs associated with them in the process
- Updated and implemented City's Employee Policies and Procedures Manual
- Implemented an online employment application process
- Started the Safety Policy review process
- Offered several safety training programs to employees and the Safety Committee with impressive participation
- Implemented a process for cross-verifying property, equipment and vehicles to ensure adequate coverage



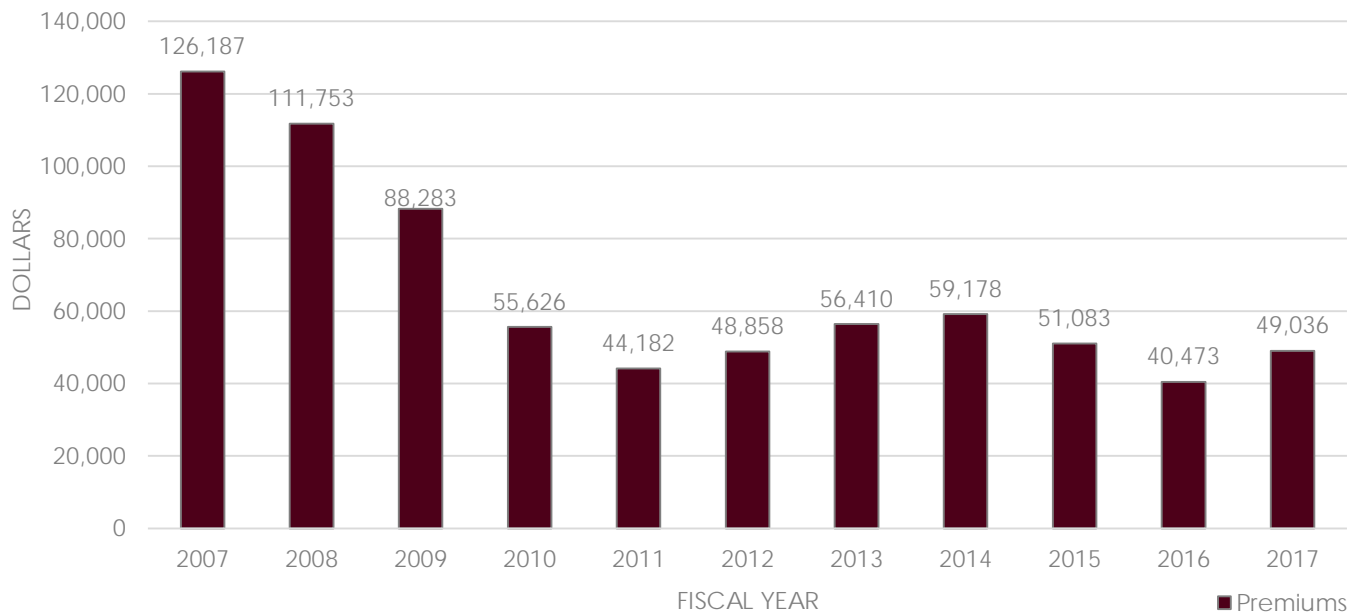
Chief Dale Cummins at his swearing-in ceremony with Mayor Betty Roppe and City Manager Steve Forrester.



Strategic Planning Updates

- Short-term – Change the City’s way of thinking about wellness and wellbeing. Simply having challenges aren’t enough to bring true wellness into our culture. The City needs to focus on ways to rethink behaviors and introduce necessary changes that will make a difference.
- Long-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.

Performance Measures Workers' Compensation Premiums Premiums per Calendar Year



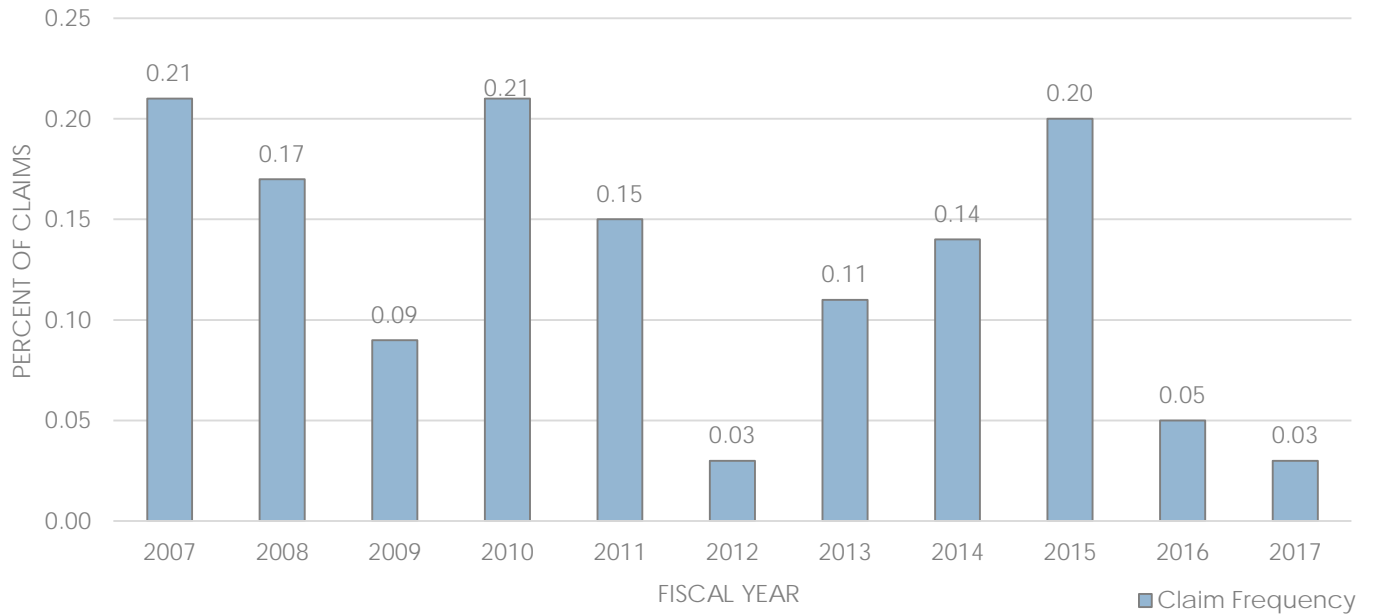
Our goal is to have all city employees able to return home safely at the end of the day to their loved ones and friends. The City continues working diligently to promote and maintain a culture of safety. The City began working with SAIF in 2004, and continues to strive for the improvement of claims frequency and premium decreases for workers’ compensation. Safety is still a top concern for our team!



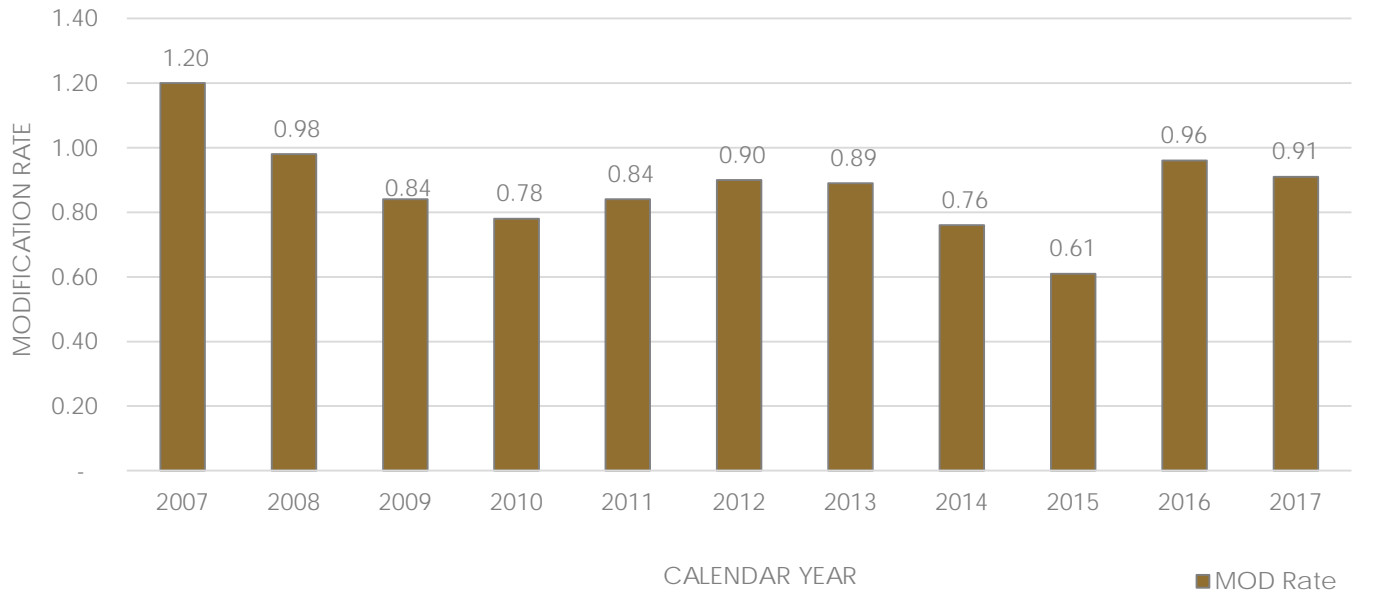
Employees from several organizations participate in the 2015 Annual Health Fair.



Workers' Compensation Claim Frequency Yearly Claim Percentage by Number of Employees



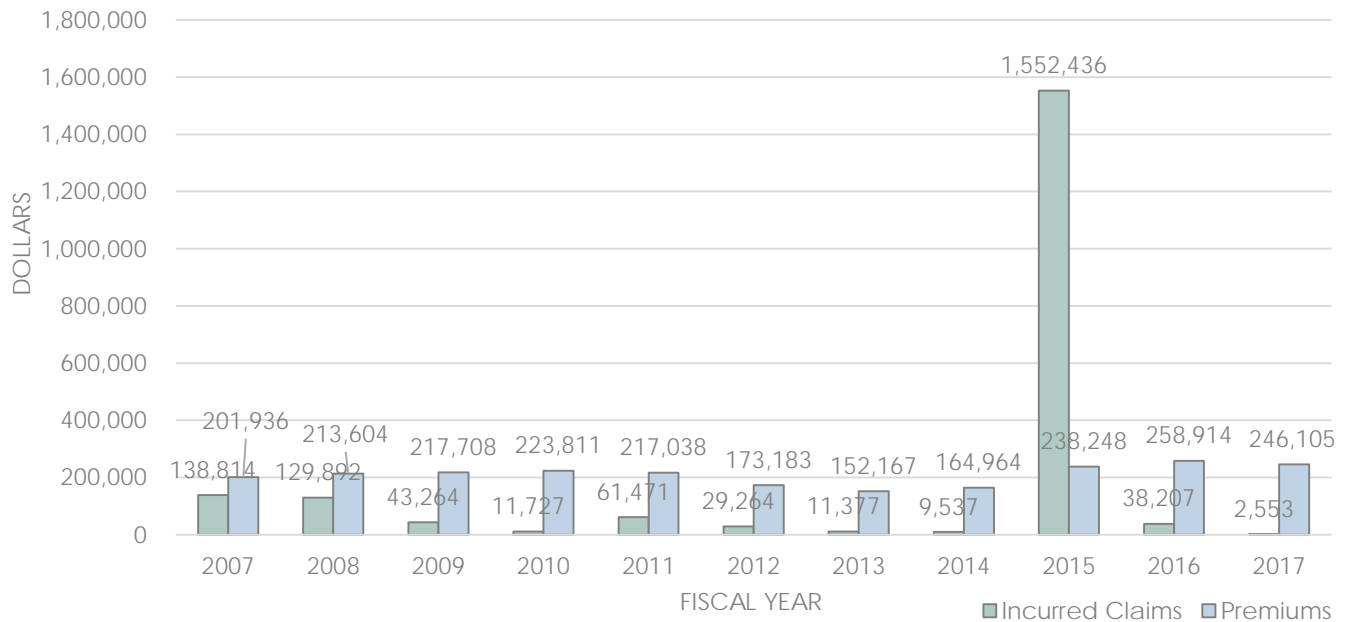
Experience Modification Rate Modification Rate per Calendar Year



The MOD rate for workers' compensation saw a slight dip this year, decreasing to 0.91.



Property, Casualty & General Liability Yearly Cost Incurred by Claims/Insurance Premiums



Citycounty Insurance Services (CIS) experienced a \$6.5 million addition in the trust. At this year’s annual conference, CIS revealed that the cost savings was driven by lower than projected claims expense and investment income performing higher than expected. CIS began benefit reserves two years ago and it will take about five years for the trust to have sufficient coverage for all pool members.

General liability claims costs are up slightly. The City expects medical benefits to be at or under the “not to exceed” increases given by CIS at the annual conference, which was a 5 percent percent increase. Last year’s “not to exceed” rate was 9 percent and the year before was 7.6 percent. It’s evident there has been some improvement over the last few years. CIS uses a five-year lookback when determining premiums.

The property/casualty trust consists of property, liability, auto and workers’ comp coverage. Currently, 70 percent of CIS liability claims come from four sources: personnel and employment practices (27.54 percent); law enforcement (21.59 percent); auto liability (11.12 percent); and corrections/jail (10.47 percent). Employment and auto liability are trending down, while law enforcement and corrections claims are increasing.

CIS actuary continues to recommend funding at a level that will handle continued growth in claims.

Administration / Team Services Budget

Expenditures	Actual	Actual	Current	Estimates	Proposed	Approved	Adopted
	FY 14-15	FY 15-16	Budget FY 16-17	FY 16-17	Budget FY 17-18	Budget FY 17-18	Budget FY 17-18
Personnel Services	\$ 474,083	\$ 408,826	\$ 500,300	\$ 471,700	\$ 482,700	\$ 482,700	\$ 482,700
Materials and services	193,086	194,115	237,300	220,800	230,000	230,000	230,000
Transfers	30,700	31,700	33,300	33,300	34,300	34,300	34,300
Total expenditures	\$ 697,869	\$ 634,641	\$ 770,900	\$ 725,800	\$ 747,000	\$ 747,000	\$ 747,000





Public Works Support Services Fund 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.



Goals and Objectives for FY 18

Department Goals	City Council Goals
Complete the update to the City's water and wastewater rates.	Strive to position the city to meet future demands of businesses and citizens.
Continue to provide technical support to the Water Fund by developing a long-term water right management plan.	Provide quality municipal services and programs which contribute to community desirability.
Continue to provide technical support to the Transportation Operations Fund via the development of future pavement maintenance activities as well as traffic management plans.	To be fiscally responsible in all we do.
Support the expansion of the wastewater treatment plant.	To be fiscally responsible in all we do.

Executive Summary

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.



Heavy machines become snow clearing tools when a large storm calls for all hands on deck.



Accomplishments for FY 17

- 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 Master Plans

These accomplishments address the following City Council goals:

- *“To be fiscally responsible in all we do”* – By updating the infrastructure models, infrastructure improvements are constructed correctly the first time.
- *“Provide quality municipal services and programs which contribute to community desirability”* – The department continued to investigate the airport aquifer with Oregon Water Resource Department.
- *“Strive to position the city to meet future demands of businesses and citizens”* – Continuously aimed to improve the water and wastewater systems to allow the department to serve future customers.

Strategic Planning Updates

- Short-term – In the short-term, the goal is to manage the Public Works Support Services Fund resources to keep costs as low as possible during challenging economic conditions for city customers.
- 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.



The Public Works Department lending a hand to Meadow Lakes Golf Course to refurbish a section of cart path.



Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Facility		
Backhoe	\$ 100,000	\$ 110,000
Sanding Shed	\$ 40,000	\$ 40,000
Capital Outlay Total	\$ 140,000	\$ 150,000

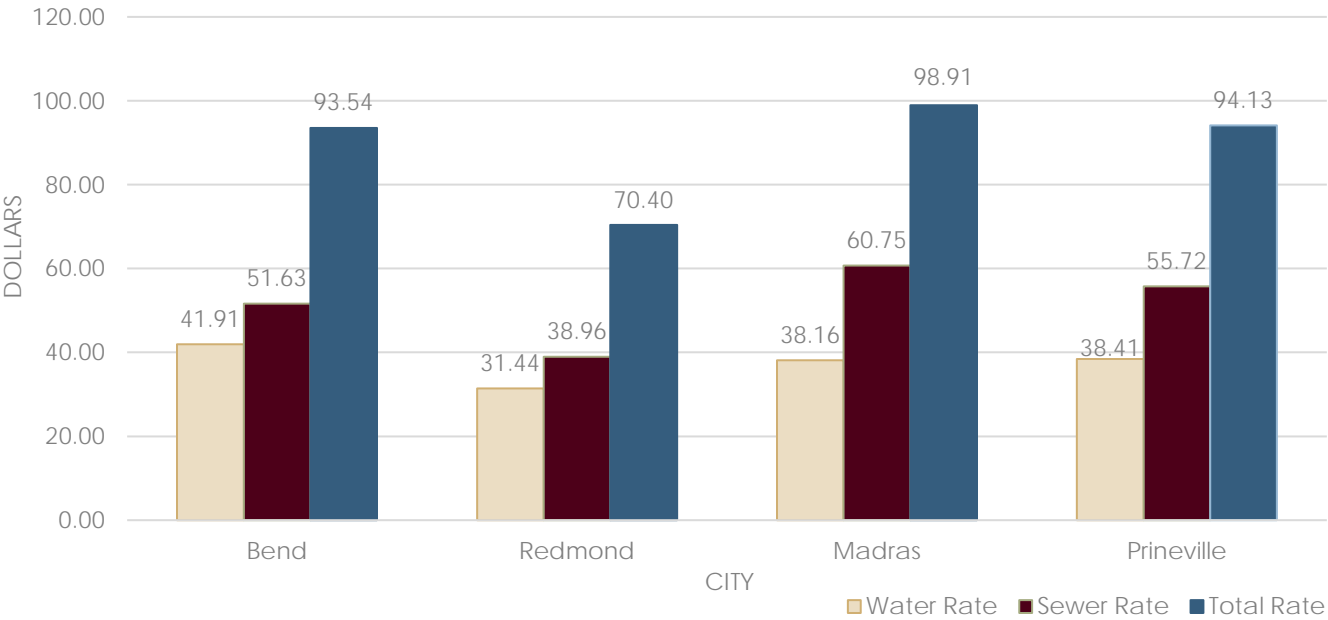
A more detailed summary of capital outlay can be found in the Short- and Long-term Strategic Forecasting & Capital Improvement Plans section of this budget beginning on page 81.

Performance Measures Utility Rates

In previous years, the City of Prineville experienced rapid utility rate increases to meet debt-to-income ratio requirements. Unfortunately, the City boasts one of the highest monthly combined wastewater and water rates in the region. These rates can be attributed to debt associated with a large expansion of the wastewater treatment plant in 2004, and the debt service in the Water Department associated with three dry wells drilled by the City in 2005. The Public Works Department is cognizant of the current economic climate and strives to keep the combined sewer and water rate as low as possible while meeting the very large debt service requirements.

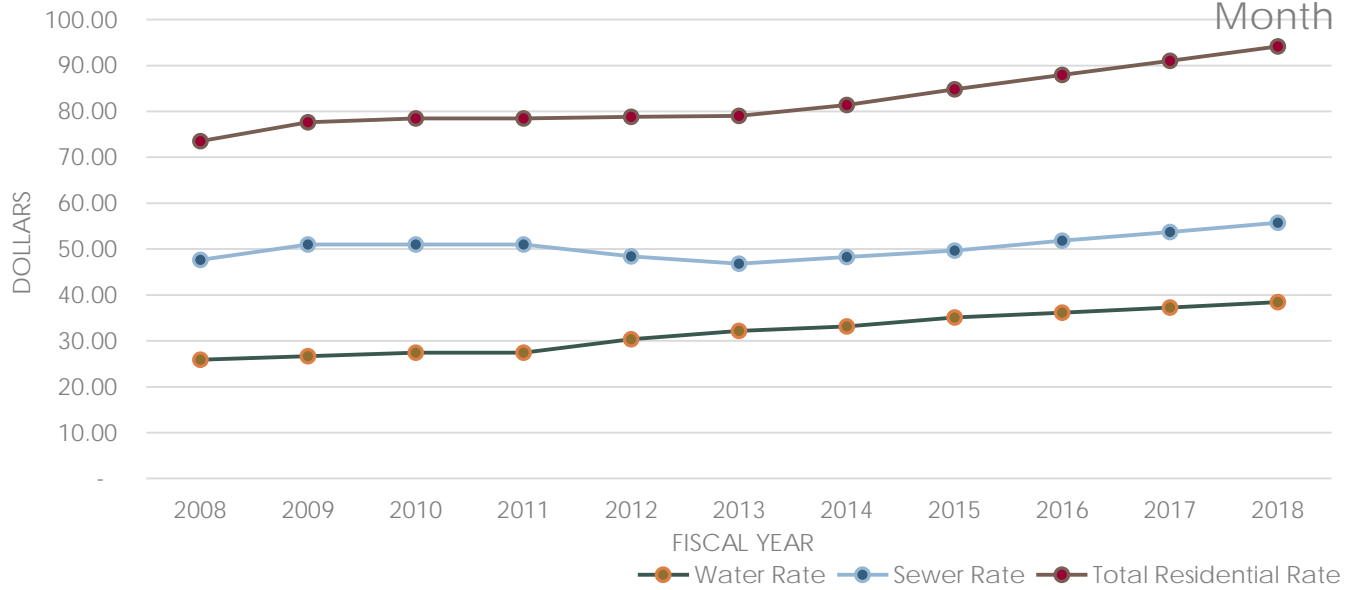
The graph below compares the City’s residential rate (using a metric of 7,500 gallons per month) with other communities in the Central Oregon region.

Regional Utility Rate Comparison
Rates For FY 18 - Average 7,500 Gallons Water Use



Utility Rate Trends

Fiscal Year Trend - Average 7,500 Gallons Water Use Per Month



Public Works Director Eric Klann educating staff on a wetlands project tour during construction.



Public Work Support Services Budget

Resources	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Beginning fund balance	\$ 292,384	\$ 345,609	\$ 348,934	\$ 323,665	\$ 298,765	\$ 298,765	\$ 298,765
Current year resources							
Charges for services	1,333,146	1,424,684	1,584,100	1,584,100	1,614,500	1,614,500	1,614,500
Interest	1,653	2,009	1,600	2,000	2,000	2,000	2,000
Miscellaneous	27,947	70,875	22,000	46,500	21,500	21,500	21,500
Debt Proceeds		164,325	-	-			
Total current year resources	\$ 1,362,746	\$ 1,661,893	\$ 1,607,700	\$ 1,632,600	\$ 1,638,000	\$ 1,638,000	\$ 1,638,000
Total resources	\$ 1,655,130	\$ 2,007,502	\$ 1,956,634	\$ 1,956,265	\$ 1,936,765	\$ 1,936,765	\$ 1,936,765
Expenditures							
Public Works Support Services	\$ 1,013,880	\$ 1,183,018	\$ 1,372,700	\$ 1,352,000	\$ 1,399,500	\$ 1,399,500	\$ 1,399,500
Public Works Fleet & Vehicles	269,176	470,370	286,500	305,500	310,500	310,500	310,500
Public Works Facilities	26,465	30,449	-				
Contingency			297,434		226,765	226,765	226,765
Total expenditures	\$ 1,309,521	\$ 1,683,837	\$ 1,956,634	\$ 1,657,500	\$ 1,936,765	\$ 1,936,765	\$ 1,936,765
Ending fund balance	\$ 345,609	\$ 323,665	\$ -	\$ 298,765	\$ -	\$ -	\$ -

Personnel

Public Works Support Services Fund FTEs by Position FY 15 – 18				
	FY 15 Actual	FY 16 Actual	FY 17 Forecast	FY 18 Forecast
City Engineer/Public Works Director	1.00	1.00	1.00	1.00
Public Works Superintendent/Inspector	1.00	1.00	1.00	1.00
Assistant City Engineer	0.25	1.00	1.00	1.00
Administrative Technician	1.00	1.00		
Mechanic	1.00	1.00	1.00	1.00
Utility Worker	6.00	7.00	8.00	8.00
Public Works Support Services Fund Total	10.25	12.00	12.00	12.00

No changes in FTEs for FY 18.



Public Work Support Services

	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Expenditures							
Personnel Services	\$ 973,525	\$ 1,141,378	\$ 1,281,800	\$ 1,261,100	\$ 1,307,300	\$ 1,307,300	\$ 1,307,300
Materials and services	35,755	36,640	43,300	43,300	43,300	43,300	43,300
Transfers	4,600	5,000	47,600	47,600	48,900	48,900	48,900
Total expenditures	\$ 1,013,880	\$ 1,183,018	\$ 1,372,700	\$ 1,352,000	\$ 1,399,500	\$ 1,399,500	\$ 1,399,500

Fleet Maintenance and Operations

	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Expenditures							
Material and services	\$ 129,855	\$ 81,969	\$ 118,000	\$ 126,000	\$ 126,000	\$ 126,000	\$ 126,000
Capital outlay	139,321	353,900	134,000	145,000	150,000	150,000	150,000
Debt service							
Capital lease - Sweeper 2016		34,501	34,500	34,500	34,500	34,500	34,500
Total expenditures	\$ 269,176	\$ 470,370	\$ 286,500	\$ 305,500	\$ 310,500	\$ 310,500	\$ 310,500

Public Works Building

	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Expenditures							
Material and services	\$ 26,465	\$ 30,449	\$ -	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	-	-	-	-	-	-
Total expenditures	\$ 26,465	\$ 30,449	\$ -	\$ -	\$ -	\$ -	\$ -

Moved to the building Facilities Fund FY 2017



Snow piles at public works maintenance yard from the November 2014 storm.





Building Facilities 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 in the City of Prineville.

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 17 budget includes debt proceeds for upgrades to the building.

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 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. The debt service reserve requirement for the city hall facility is equal to one year's debt service (\$104,940).

Capital Outlay

Capital Outlay Overview		
Project	Current Construction Year Estimate	Budgeted Amount
Project		
Police Facility Structural Remodel	\$	\$ 1,750,000
Capital Outlay Total	\$	\$ 1,750,000

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 81.

Building Facilities Fund Budget

Resources	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Beginning fund balance	\$ 163,944	\$ 169,198	\$ 169,999	\$ 177,067	\$ 232,747	\$ 232,747	\$ 232,747
Current year resources							
Rent and royalties	\$ 181,900	\$ 187,300	\$ 192,900	\$ 192,900	\$ 198,700	\$ 198,700	\$ 198,700
Intergovernmental					\$ 1,250,000	\$ 1,250,000	\$ 1,250,000
Interest	829	981	800	1,000	1,000	1,000	1,000
Miscellaneous	4,311	5,197	11,000	12,780	11,000	11,000	11,000
Transfers		-	166,300	166,300	177,600	177,600	177,600
Debt Proceeds			500,000	-	500,000	500,000	500,000
Total current year resources	\$ 187,040	\$ 193,478	\$ 871,000	\$ 372,980	\$ 2,138,300	\$ 2,138,300	\$ 2,138,300
Total resources	\$ 350,984	\$ 362,676	\$ 1,040,999	\$ 550,047	\$ 2,371,047	\$ 2,371,047	\$ 2,371,047
Expenditures	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
City Hall Facilities	\$ 181,785	\$ 185,609	\$ 216,300	\$ 210,300	\$ 208,300	\$ 208,300	\$ 208,300
Police Facilities	-	-	619,300	70,000	1,873,300	1,873,300	1,873,300
Public Works Facilities	-	-	37,000	37,000	39,000	39,000	39,000
Contingency			63,399		145,447	145,447	145,447
Total expenditures	\$ 181,785	\$ 185,609	\$ 935,999	\$ 317,300	\$ 2,266,047	\$ 2,266,047	\$ 2,266,047
Other requirements							
Reserve City Hall Facilities	\$ -	\$ -	\$ 105,000		\$ 105,000	\$ 105,000	\$ 105,000
Ending fund balance	\$ 169,198	\$ 177,067	\$ -	\$ 232,747	\$ -	\$ -	\$ -



City Hall Facilities

	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Expenditures							
Materials and services	\$ 67,815	\$ 71,679	\$ 100,300	\$ 95,300	\$ 92,300	\$ 92,300	\$ 92,300
Debt service							
Principal							
USDA - 2005	42,004	43,790	44,000	45,700	44,000	44,000	44,000
Interest							
USDA - 2005	61,966	60,140	62,000	59,300	62,000	62,000	62,000
Transfers	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total expenditures	\$ 181,785	\$ 185,609	\$ 216,300	\$ 210,300	\$ 208,300	\$ 208,300	\$ 208,300

Police Facilities

	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Expenditures							
Material and services	\$ -	\$ -	\$ 69,300	\$ 70,000	\$ 73,300	\$ 73,300	\$ 73,300
Capital outlay	-	-	500,000	-	1,750,000	1,750,000	1,750,000
Debt service							
Principal							
BOTC - 2017			50,000	-	50,000	50,000	50,000
Interest							
BOTC - 2017							
Total expenditures	\$ -	\$ -	\$ 619,300	\$ 70,000	\$ 1,873,300	\$ 1,873,300	\$ 1,873,300

Public Works Facilities

	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Expenditures							
Material and services	\$ -	\$ -	\$ 37,000	\$ 37,000	\$ 39,000	\$ 39,000	\$ 39,000
Capital outlay	-	-	-	-	-	-	-
Total expenditures	\$ -	\$ -	\$ 37,000	\$ 37,000	\$ 39,000	\$ 39,000	\$ 39,000





Plaza Maintenance 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 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

Resources	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
	\$ 35,444	\$ 43,215	\$ 15,916	\$ 29,052	\$ 32,852	\$ 32,852	\$ 32,852
Current year resources							
Intergovernmental	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Miscellaneous		\$ 10,255					
Interest	186	155	100	100	100	100	100
Transfers	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total current year resources	\$ 20,186	\$ 30,410	\$ 20,100	\$ 20,100	\$ 20,100	\$ 20,100	\$ 20,100
Total resources	\$ 55,630	\$ 73,625	\$ 36,016	\$ 49,152	\$ 52,952	\$ 52,952	\$ 52,952
Expenditures	Actual FY 14-15	Actual FY 15-16	Current Budget FY 16-17	Estimates FY 16-17	Proposed Budget FY 17-18	Approved Budget FY 17-18	Adopted Budget FY 17-18
Materials and services	\$ 8,714	\$ 40,873	\$ 15,900	\$ 12,600	\$ 15,900	\$ 15,900	\$ 15,900
Transfers	3,700	3,700	3,700	3,700	3,700	3,700	3,700
Contingency			16,416	-	33,352	33,352	33,352
Total expenditures	\$ 12,414	\$ 44,573	\$ 36,016	\$ 16,300	\$ 52,952	\$ 52,952	\$ 52,952
Ending fund balance	\$ 43,215	\$ 29,052		\$ 32,852			



A view from the plaza, looking towards the Crook County Court House.





Fiscal Year 2017-2018 Budget

City of Prineville





Glossary



Glossary of Terms

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.

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.

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 since 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 as 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).

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.

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.

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.

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.

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.

Acronyms

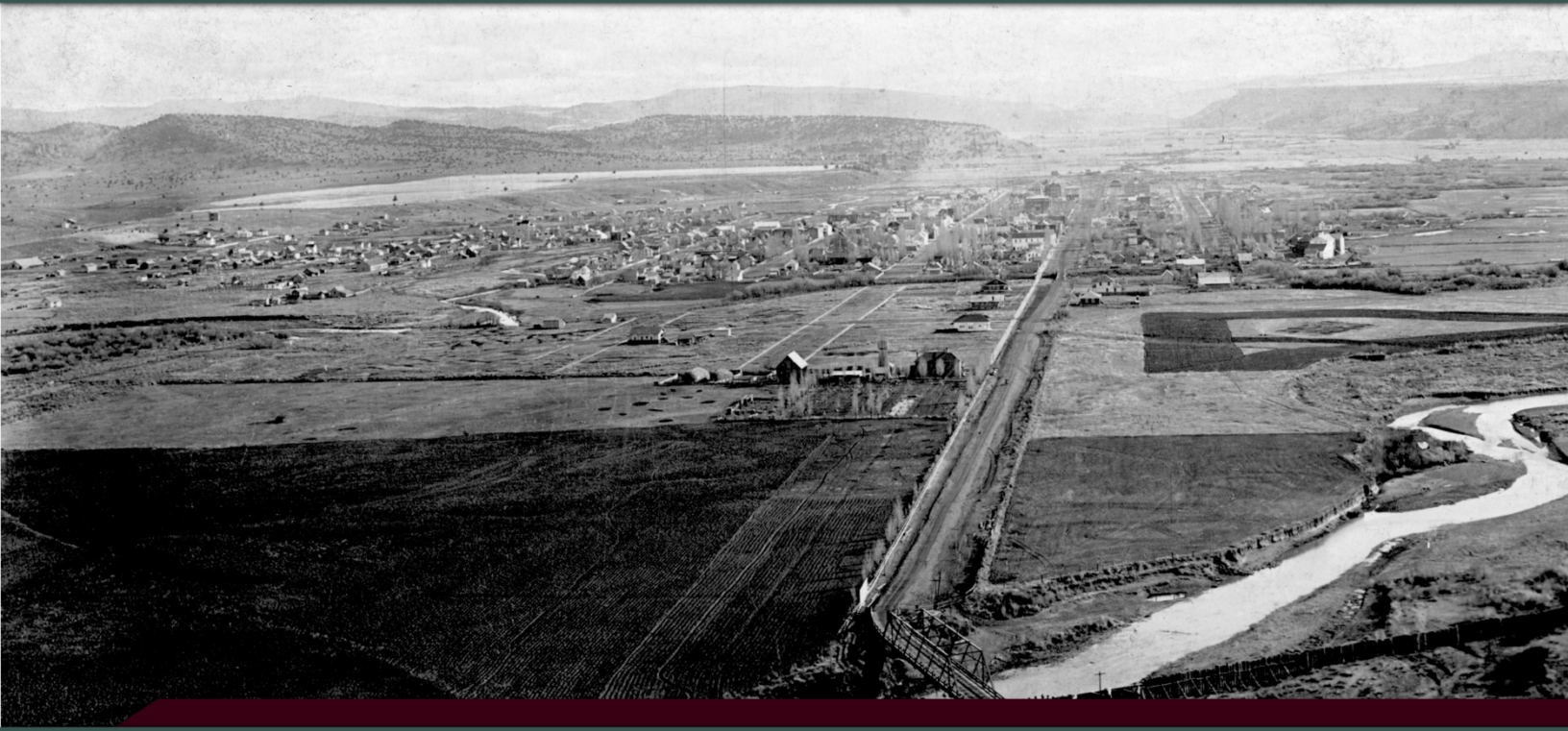
ACMP Advisory Community for Master Planning
ADA Americans with Disabilities Act
ARRA American Recovery and Reinvestment Act
ATV All-Terrain Vehicle
AV Assessed Value
AWOS Automated Weather Observation System
BLM Bureau of Land Management
BMP Bridge Management Plan
BPA Bonneville Power Administration
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
CSO Community Service Officer
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
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
EPA Environmental Protection Agency
FAA Federal Aviation Administration
FASB Financial Accounting Standards Board
FDP Final Development Plan
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
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



LCDC 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
 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
 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
 PIO Public Information Officer
 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
 PTP Peer-To-Peer
 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
 SRO School Resource Officer
 STP Surface Transportation Program
 TAG Technical Assistance Grant
 TDM Transportation Demand Management
 TMP Transit Master Plan
 TOC Total Organic Carbon
 TSP Transportation System Plan
 UAL Unfunded Accrued Liability
 UGB Urban Growth Boundary
 UIC's Underground Injection Control Devices
 UMGA Urban Growth Management Agreement
 USDA United States Department of Agriculture
 VoIP Voice-over Internet Protocol
 VPN Virtual Private Network
 WAN Wide Area Network
 WWTP Waste Water Treatment Plant





Fiscal Year 2017-2018 Budget

City of Prineville

